

building  
community  
through  
student  
success



# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

WILLIAM RAINEY HARPER COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 512

Palatine, Illinois

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2020

(With Independent Auditor's Report Thereon)

Prepared by:

Accounting Services

WILLIAM RAINEY HARPER COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 512

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February 26, 2021

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

The Comprehensive Annual Financial Report (CAFR) for William Rainey Harper College – Community College District Number 512 (the College), Counties of Cook, Kane, Lake, and McHenry, State of Illinois, for the fiscal year ended June 30, 2020, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included. This letter of transmittal should be read in conjunction with the Management's Discussion and Analysis, which focuses on current activities, accounting changes, and currently known facts.

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

### College Background

Late in 1964, while legislators in Springfield were adding the final revisions to the Illinois Community College Act enabling citizens to form their own college districts, concerned citizens in Chicago's northwest suburban communities petitioned for a referendum to vote on the establishment of a college. Voters in the four-township area of Elk Grove, Palatine, Schaumburg and Wheeling approved a referendum establishing the Harper district on March 27, 1965.

Two years later, Barrington School District 224 (now Unit School District 220) annexed to the Harper district, and the boundaries of Harper's 200 square mile district were established to become Illinois Community College District No. 512.

Voters in the district approved a \$7,375,000 building referendum by a margin of 4-1 to begin Harper's second year. By September 1967, the College was staffed and operating with more than 1,700 students attending evening classes at Elk Grove High School and ground had been broken for a new campus. Harper College was a reality.

Although in recent years Harper has seen declines in enrollment, it has had a history of strong growth. The 1967 enrollment of 1,725 students jumped to 3,700 in one year, double the projections. In fall 1969, when the doors opened on Harper's new campus, 5,350 students were enrolled. In the 2020 school year, the College enrolled approximately 23,600 credit students.

A successful referendum was held in September 1975 providing funds for the College to move forward with completion of the present campus, purchase land for a second site, and construct the first phase of buildings on that site when required by enrollment increases.

Changes in population trends over the succeeding 10 years indicated that a second campus would not be needed to accommodate projected enrollment, and the decision was made to sell the property, which had been purchased in Arlington Heights. The sale was finalized in 1986.

In August 1993 the College opened Building S, which housed Publications and Communication Services, now called the Marketing Services. In the spring of 1994, Building L was opened. This building includes the Liberal Arts division office, classrooms, faculty offices, and the College Bookstore. The two buildings were part of a building phase that also included renovation plans in existing buildings. Building F was completely renovated in 1995 to provide space on the third floor for the departments and programs of the Academic Enrichment and Language Studies Division and to give appropriate space to Resources for Learning/Library Services on the first and second floors. Renovations completed in 1996 included the addition of a large computer lab in Building I and updating of Building V.

The Board of Trustees approved the first and the second phase of the Technology Plan in 1995 and 1996. The campus computer network was completed in 1996, providing links between offices and classrooms and the Internet with a variety of network resources to position Harper for higher education in the next century.

In 1998, the College embarked upon implementing a new shared governance structure and the publication of the College's first comprehensive strategic long-range plan.

Groundbreaking for the new Performing Arts Center and Instructional Conference Center was held on May 18, 2000. The new buildings were partially funded by the State of Illinois.

During the summer of 2000, Harper College held "Discovery Sessions" with various community members, business leaders, and students and talked about some of the key challenges facing the College to "discover" what the community really wanted from Harper. The Community Response Team (CRT), which was subsequently formed, presented several recommendations to the Board of Trustees, which identified science, technology, and healthcare as top priorities for the College to address.

On November 7, 2000, the Harper College district residents resoundingly voted to pass an \$88.8 million referendum to build a new facility to house Harper's growing science, technology, and healthcare programs. Construction of the science, emerging technology, and health career center began in the fall of 2001.

On August 29, 2001, Harper College opened a new facility in Schaumburg for the TECH (Technical Education and Consulting at Harper) program. Today, the facility now called the Harper Professional Center, is the site for the Fast Track program. It is centrally located to provide easy access for students who work or live in the Schaumburg area.

In the fall of 2002, the conference center opened and was named the Wojcik Conference Center in recognition of a \$1.1 million member initiative grant given to Harper by Illinois State Representative Kay Wojcik. The Wojcik Conference Center houses one of the largest business amphitheaters in the northwest suburbs and offers an array of resources for companies and organizations to provide professional development and interactive education activities to their employees.

The Performing Arts Center opened in the spring of 2003. In addition to providing new expanded educational opportunities for students, the Performing Arts Center will continue to attract well-known entertainers and celebrities to campus.

In the fall of 2004, Harper College opened Avanté, Center for Science, Health Careers, and Emerging Technologies. The state-of-art learning facility encompasses 288,500 square feet of space, an area equal to six and one-half acres.

In 2006, Harper College was granted authority by the Higher Learning Commission to grant online degrees and grant degrees from two off-campus locations, Northeast Center (NEC) and Harper Professional Center (HPC). The College also received the only National Science Foundation Undergraduate Research grant awarded to a community college.

In 2008, Harper College district voters approved a \$153.6 million capital bond referendum allowing the College to repair and renovate existing campus buildings, as well as build new facilities over the next ten years.

In 2012, the U.S. Department of Labor awarded Harper \$12.9 million to expand the Advanced Manufacturing program to community colleges across Illinois. The program offers industry-endorsed skills certificates and paid internships with local manufacturers. It's also designed to encourage younger students to consider a manufacturing career by offering college credit to high school students.

In 2014, the College re-launched the Northeast Center (NEC) in Prospect Heights as the Harper College Learning and Career Center (LCC) with a target market focus on local community needs, credential programs, wrap-around services and workforce emphasis.

In January 2015 the College completed a \$38 million renovation of Building H, now known as the Career & Technical Education Center. The renovation included classrooms and labs for some of Harper's fastest-growing training programs in fields like manufacturing, welding and architectural technology. About \$20 million of the two-year project was funded by a state grant.

In August 2016 the College completed a \$45 million addition and renovation to Building D, bringing one of the original six buildings on campus into the 21<sup>st</sup> century with modernized classrooms, state-of-the-art labs, and more collaborative study space. The centerpiece of the building is the glass two-story Beaubien Family Rotunda that creates an inviting place for students to meet, study and learn.

In April 2018 the \$26 million renovation of Building F was completed and named the David K. Hill Family Library. One of the first buildings completed on campus in 1970 and then remodeled in 1995, it now houses the Library, Academic Support Services, and the Academy for Teaching Excellence. The renewed Library offers students diverse seating options with many places to congregate and interact with the faculty librarians.

In August 2018 Harper College, along with its partners Palatine Park District and Northwest Community Healthcare, completed the \$38 million renovation project on Harper's campus that expanded access to recreation, healthcare and wellness services in the northwest suburbs.

In the fall of 2018, the District 512 voters endorsed the important role Harper plays in the community by voting overwhelmingly in favor of a referendum question to support the College's campus master plan. The referendum will provide \$180 million toward capital improvements to help position Harper students and the community for a strong future

## Profile of the College

William Rainey Harper College is one of forty-eight (48) community colleges in the State of Illinois that make up the Illinois Community College System. Harper College's credit full-time equivalent (FTE) enrollment for fiscal year 2020 is approximately 9,100. The College has 777 full-time employees, which includes 222 full-time Faculty.

Harper is a comprehensive community college that offers transfer curriculum, occupational training, adult enrichment classes, and a variety of other community services. The Harper Business Solutions department provides



customized training throughout the district. The College offers certificates and associate degrees in a wide range of program areas.

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

The Illinois Community College Board (ICCB) is the coordinating board of Illinois community colleges. ICCB's mission is "To administer the Public Community College Act in a manner that maximizes the ability of the community colleges to serve their communities. To promote cooperation within the system and accommodate those State of Illinois initiatives that are appropriate for community colleges, to be accountable to the students, employers, lawmakers, and taxpayers of Illinois, and to provide high-quality, accessible, cost-effective educational opportunities for the individuals and communities they serve." It is the policy of Harper College not to discriminate on the basis of race, color, religion, sex, age, marital status, national origin, ancestry, or physical or mental handicap or unfavorable discharge from the military in its educational programs, activities, or employment.

## Accreditation

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

## College Philosophy and Mission

### *Mission Statement*

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

### *Vision Statement*

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

### *Philosophy Statement*

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

## Major Initiatives

Fiscal year 2021 is a year of moving forward together as we launch the FY2021 - 2024 Strategic Plan. The *Forward Together* theme continues the collaborative work in which the College engaged during the plan development process. The strategic plan is centered around four themes that emerged through a variety of input and feedback opportunities — College Culture, Equity, Excellence in Teaching and Learning, and Partnerships and Outreach. In response to these themes, six strategic goals were developed. These goals serve as the foundation for planning and will guide the College towards achieving excellent outcomes, for students, employees, the workforce, and the larger community we serve.

Annually, the College conducts at least one major research project. In FY 2021, the Community College Survey of Student Engagement (CCSSE) will be conducted. The purpose of CCSSE is to elicit information from students about their perceptions of Harper's programs and services, identify areas where improvements can be made, and use this information to develop and implement action plans. The CCSSE provides the College with information that will be used to improve the student experience.

The President establishes priorities that support the strategic and operational plans of the College.

Six goals were established for FY2021 that will be focused on over the next several years:

1. Execute the 2020-2024 Strategic Plan
  - a. Identify Goal Team leads
  - b. Set Goal targets
  - c. Develop a strategic plan dashboard
2. Improve recruitment and retention of diverse faculty and staff
3. Enhance distance learning programs
  - a. Identify opportunities for improvements and develop plan to address those issues, especially as it relates to transfer, completion and competitiveness
4. Develop new partnerships and strengthen current relationships
  - a. Identify new academic programs and training opportunities with local business partners employing program gap analysis
  - b. Enhance the number of programs available through the University Center partnerships and implement dashboard
5. Increase standards of risk management for the College
  - a. Implement recommendations of Emergency Operations consultant
  - b. Manage response to COVID-19 pandemic
  - c. Establish process for compliance
6. Review/update the Board Policy Manual to ensure continued compliance with state and federal statutes

### *Capital Project Priorities*

In the fall of 2008, Harper College's district passed a \$153.6 million capital bond referendum. The 2010 Campus Master Plan provided the vision to utilize these funds to update the College's physical plant through 2020. Every five years the Master Plan is updated, the latest being finalized in February 2017. The next update to the Master Plan will be in the spring of 2021. Current Master Plan projects that have been provided for in the FY 2021 capital budget are renovations and additions for the Canning Center, a bridge connecting Building M and the Canning Center, and funds to begin design work for the University/Innovation Center. These projects, along with planned infrastructure projects, are projected to exhaust these referendum funds over the next year.

In the fall of 2018, a new \$180 million capital bond referendum was passed which, starting in FY 2021, will fund the next Master Plan priorities of continued renovations of aging buildings, and maintaining and improving campus infrastructure. Other sources of funding for capital projects include non-referendum limited obligation bonds issued every two years yielding around \$5 million, operating surpluses, and an annual small project operating budget of \$250,000 used for projects under \$25,000.

The capital projects budget is provided for in the Operations and Maintenance (Restricted) Fund. The budget for FY 2021 includes planned infrastructure projects of \$21 million.

	Project Estimated Cost	Fiscal Year 2021 Budget Request
Building Integrity	\$ 1,239,478	\$ 1,225,378
Sustainability	242,000	226,993
Renewal	1,311,000	911,000
Program Support	81,578,893	30,549,055
Safety and Statutory	10,834,824	9,416,463
System Reliability	19,283,711	11,071,807
Contingency	-	1,000,000
Total Capital Projects	<u>\$ 114,489,906</u>	<u>\$ 54,400,696</u>

As the table above shows, \$30.5 million is estimated for projects that support academic programs. Two of those projects, which are described below, are part of the State’s Resource Allocation Management Program (RAMP). The Canning Center project is included in the Rebuild Illinois Capital Plan recently announced by the Governor.

- Construction of the new Canning Center – Prior to the State hold, the construction documents were completed, and the project had been ready for bidding. The FY 2021 budgeted project cost is \$18.6 million. The original estimated project cost is \$61.7 million, which includes a state contribution of \$42 million.
- Funds to address the Hospitality program facilities – The FY 2021 budgeted project cost is \$1.8 million. The total estimated project cost is \$5.3 million, which includes a state contribution of \$3.9 million.

The College has set aside the required matching funds for these projects. These projects will position the College to better serve our students with excellent facilities and accommodate new programs.

## Financial Information

### *Internal Control*

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

Each year, including the fiscal year ended June 30, 2020, the College receives various reports from an independent certified public accountant reporting, among other things, whether instances of material weakness in the internal controls or material violation of applicable laws or regulations were noted during the audit. These reports are included in the Federal Financial Compliance section of this comprehensive annual financial report.

### *Budgeting Controls*

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

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

### Prospects for the Future

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

### Long-Term Financial Planning

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

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

- Section One – Executive Summary and Summary of Recommendations
- Sections Two – Historical Information
- Sections Three – Five-Year Projections by Fund and Fund Groupings
- Section Four – Financial Plan Alternatives

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

### Debt Administration

The statutory debt limit based on the property tax assessed valuation totals \$617.3 million. The current indebtedness totals \$103.6 million leaving a substantial margin for additional debt, as determined by the assessed valuation and the current property taxes. Current indebtedness is due to three outstanding series of bonds with varying maturity dates, with the last payment due in 2028.

## Financial Guidelines

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

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

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

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


## Other Information

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harper College for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the tenth consecutive year Harper College has achieved this prestigious award. In order to be awarded a certificate of Achievement, a government organization must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

State Statute requires an annual audit by independent certified public accountants. The accounting firm of Crowe LLP was selected by the College's Board of Trustees to conduct the fiscal year 2020 audit. The auditor's report on the financial statements and supplemental financial information is included in the financial section of this report. The auditor's opinion is unmodified for this year.

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

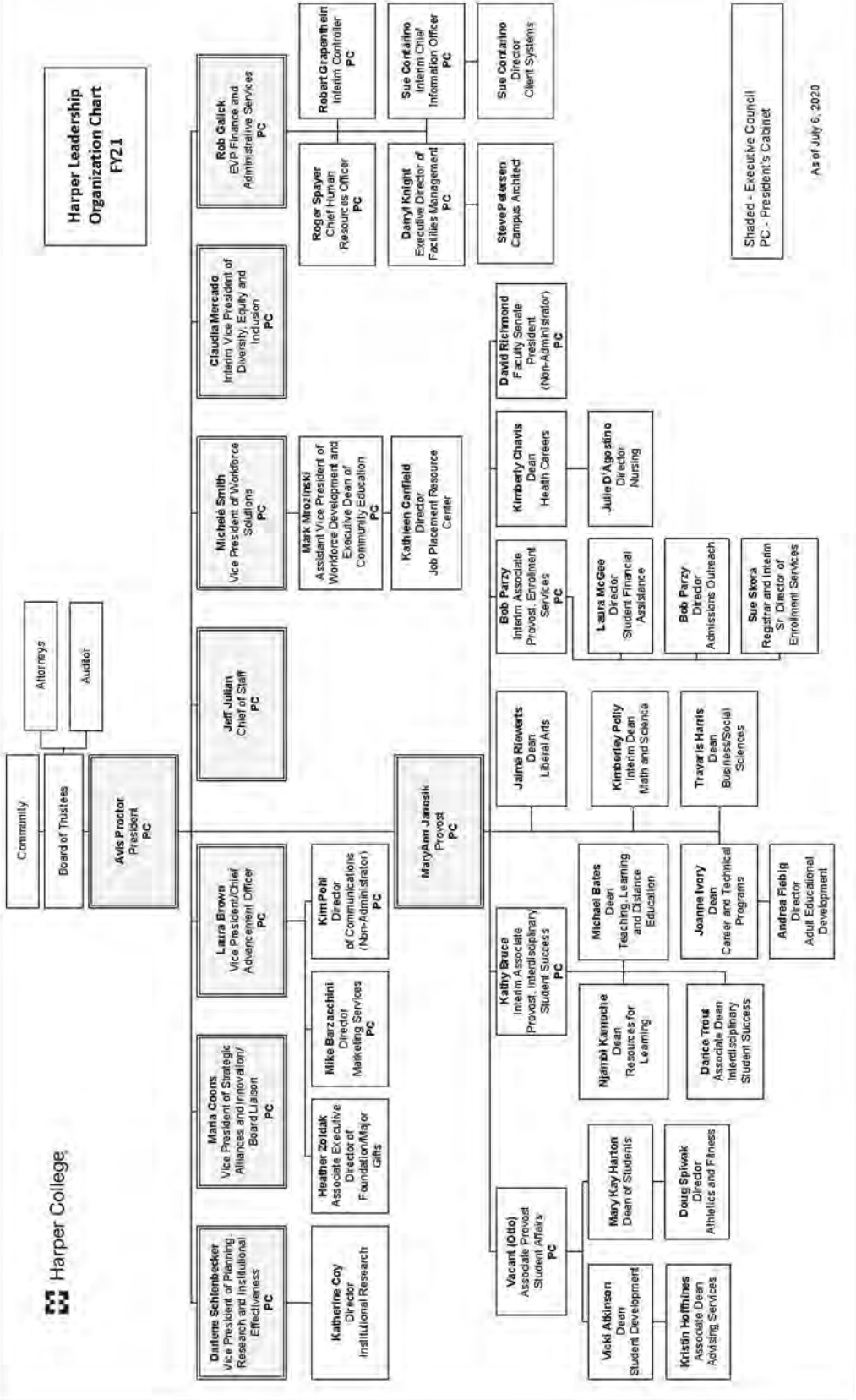
Respectfully,

  
Avis Proctor, Ed.D  
President



Rob Galick  
Executive Vice President  
Finance and Administrative Services

Harper Leadership  
Organization Chart  
FY21



As of July 6, 2020



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

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

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE NUMBER 512

PRINCIPAL OFFICIALS

BOARD OF TRUSTEES

	<u>Position</u>	<u>Term Expiration</u>
Pat Stack	Chair	2023
William Kelley	Vice Chair	2021
Dr. Nancy Robb	Secretary	2021
Gregory Dowell	Trustee	2025
Diane Hill	Trustee	2021
Herb Johnson	Trustee	2025
Walt Mundt	Trustee	2023
Dylan Hildebrand	Student Trustee	2021

OFFICERS OF THE COLLEGE

Avis Proctor, Ed.D	President
Laura Brown	Vice President and Chief Advancement Officer
Maria Coons, Ed.D	Vice President of Strategic Alliances and Innovation
Rob Galick	Executive Vice President of Finance and Administrative Services
MaryAnn Janosik, Ph.D	Provost
Jeff Julian	Chief of Staff
Claudia Mercado, Ed.D	Interim Vice President of Diversity, Equity and Inclusion
Darlene Schlenbecker	Vice President of Planning, Research and Institutional Effectiveness
Michelé Smith, Ph.D	Vice President of Workforce Solutions

OFFICIALS ISSUING THE REPORT

Rob Galick	Executive Vice President of Finance and Administrative Services
Robert Grapenthien, CPA	Controller

DEPARTMENT ISSUING THE REPORT

Robert Grapenthien, CPA	Controller
Laurie Dietz	Budget/Accounting and Operational Analysis Manager



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of William Rainey Harper College, Community College District No. 512 (the "College"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the William Rainey Harper College Education Foundation (the "Foundation"), which represents the College's entire discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2020, 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.

### ***Other Matters***

#### *Prior Year Comparative Information*

We have previously audited the College's 2019 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the business-type activities and the aggregate discretely presented component unit in our report dated October 9, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Introductory Section, Statistical Section, and Uniform Financial Statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Introductory Section, Statistical Section, and Uniform Financial Statements have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

*Crowe LLP*  
Crowe LLP

Oak Brook, Illinois  
February 26, 2021

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

### Purpose

The discussion and analysis of William Rainey Harper College – Community College District No. 512's (the College) financial performance provides an overall review of the College's financial activities for the fiscal year ended June 30, 2020. The William Rainey Harper College Educational Foundation (the Foundation) is considered to be a component unit of the College. Separate financial statements for the Foundation may be obtained by writing to the Vice President and Chief Advancement Officer of the Foundation, William Rainey Harper College, 1200 West Algonquin Road, Palatine, Illinois 60067. This discussion has been prepared by management and the intent is to present an overview of the College's financial performance as a whole. Readers should also read the basic financial statements and notes in conjunction with this analysis to obtain a more detailed picture of the College's financial performance.

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

### Highlights

#### *Institutional Description*

The College is a two-year public community college founded in 1965 and officially opened for classes during fall 1967. An integral part of the Illinois system of higher education, Harper College is Illinois Community College District No. 512. The Harper district encompasses 23 communities in the northwest suburbs of Chicago and has an area of about 200 square miles and an estimated population of 535,000 citizens. Harper's district contains approximately 30,000 businesses. The College is a comprehensive community college dedicated to providing excellent education at an affordable cost, promoting personal growth, enriching the local community, and meeting the challenges of a global society. The College has an annual enrollment of approximately 23,600 credit students and 10,300 students in continuing education (noncredit) classes.

The College consists of 25 facilities with a combined 1.7 million gross square feet. With the passing of the 2018 referendum, the College will continue to invest in needed infrastructure maintenance projects and capital projects to support the growth and future needs of the College.

#### *Accreditations*

In June 2018, the Higher Learning Commission (HLC) reaffirmed Harper College's accreditation for the maximum of ten years. Regional accreditation, such as HLC, is the method that colleges and universities use to assure that the institution provides a quality educational experience. Accreditation also provides the College with access to federal financial aid and transfer of credits to other institutions. Regional accreditation allows Harper to provide another ten years of quality education and service to the students of our community.

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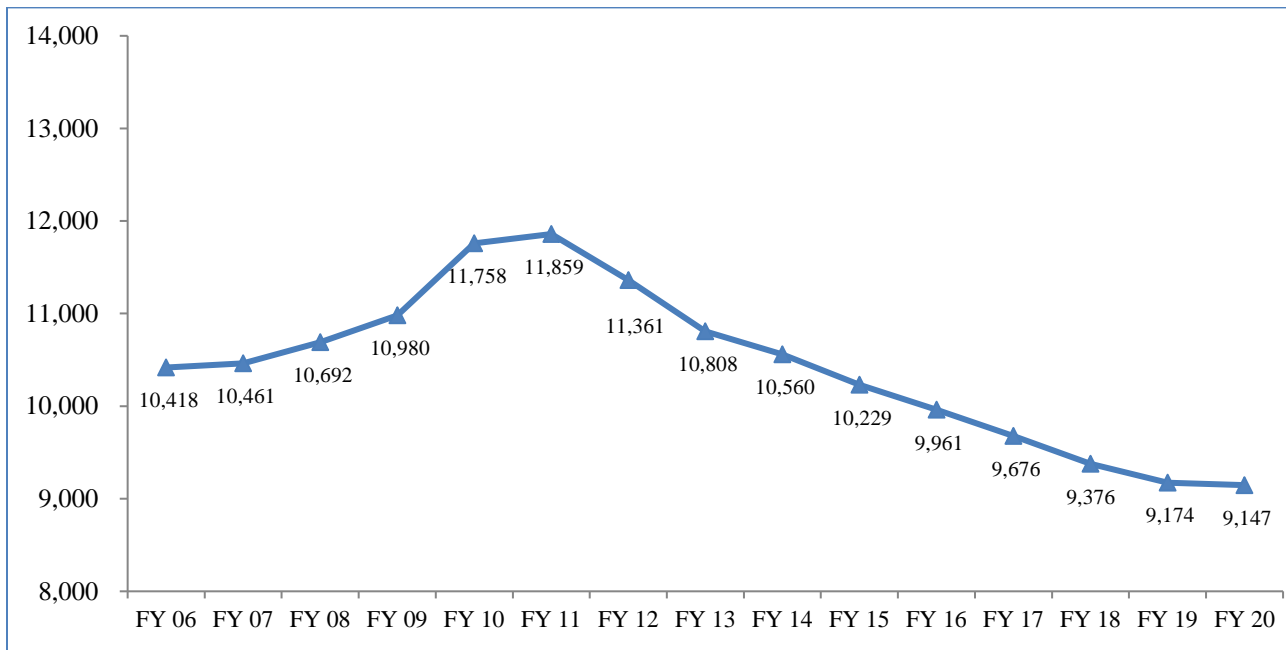
WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
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*Enrollment*

In 1967, Harper College opened with an enrollment of about 1,700 students. Today the College's enrollment stands at approximately 33,900 students of all ages participating in credit, continuing education, customized, and extension courses at the Harper campus or at other district locations. The majority of Harper's activities take place on the 200-acre campus in Palatine, Illinois. The College also utilizes the Learning and Career Center located in Prospect Heights, Illinois, and the Harper Professional Center in Schaumburg, Illinois.

Certified student credit hours, on which the State claim is filed, increased for fiscal year 2020 from the levels of fiscal year 2019, from 245,659 to 247,345. The total credit hours decreased by 0.1% from 275,206 in fiscal year 2019 to 274,439 in fiscal year 2020. The full-time equivalents (FTEs) decreased to 9,147 for fiscal year 2020 from 9,174 in fiscal year 2019, however headcount (the actual number of students attending the College at any point in time) increased 0.8% during the same period of time. Total credit hours are budgeted to remain flat in fiscal year 2021.



The chart above reflects credit full-time equivalents from fiscal years 2006 through 2020.

In fiscal year 2020, Harper College brought 210 curriculum changes to the Curriculum Committee. The College has 6 transfer degrees, 34 associate degree programs and 98 certificate programs. The College continues to review its curriculum, develop new programs and expand the educational options for its students and the community.

The number of formal transfer partnerships has increased to 221, involving 55 institutions.

In 2006, the College received accreditation from the Higher Learning Commission to offer complete degrees online and at two extension sites. Accreditation for the extension site at Northwest Community

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

Hospital was awarded to the College in 2010. The College was re-accredited by the Higher Learning Commission for a 10-year period in June 2018.

*Funding Challenges*

The College has become increasingly dependent on local property taxes and student tuition and fees as its main revenue sources. At the same time that the College seeks to expand and serve the greatest percentage of its student population, funding from the State of Illinois continues to fall substantially short of the target set by the State itself.

As the table shows, for the first time in 19 years, the state funding is now up to fiscal year 2002 levels.

<u>Fiscal years</u>	<u>Funding</u>	<u>percentage of 2002</u>
2002	\$ 8,115,240	100%
2003	7,552,401	93%
2004	6,997,311	86%
2005	6,535,708	81%
2006	6,506,656	80%
2007	6,651,640	82%
2008	6,867,068	85%
2009	6,956,282	86%
2010	7,019,798	87%
2011	6,469,554	80%
2012	6,469,554	80%
2013	6,478,413	80%
2014	6,545,938	81%
2015	6,864,994	85%
2016	1,992,338	25%
2017	7,342,892	90%
2018	7,019,860	87%
2019	7,478,490	92%
2020	8,344,915	103%

Funding levels for the State base operating grant have remained stagnant since fiscal year 2002, with fiscal year 2016 only receiving reduced stop-gap funding due to the State budget impasse. The State budget for fiscal year 2021 contains appropriations for the College to receive \$8.5 million. Due to funding uncertainties that continue with the State, the College is continuing to reduce its reliance on State funding by budgeting only one-quarter of the appropriation for the base operating grant in fiscal year 2021.

In addition, the College absorbed approximately \$208,000 in fiscal year 2020 for unfunded state veterans' grant programs. Since fiscal year 2003 the cost to the College for this unfunded mandate totals \$3.9 million.

The percentage of the College's funding provided by the State of Illinois, as measured by the per capita costs, is currently 5%. This, along with overall increases in the cost to provide services, has increased the

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

percentage that students and taxpayers contribute to the cost of education at the College. The College continues to consider the reduction in State support as it considers program delivery, available revenues, necessary expenditures, and the resulting operating budget.

*Additional Employer SURS Contribution*

In 2006, the State University Retirement System, to which the College is a mandatory member, sought and received legislation to modify the employer's funding in certain cases. In the event that an employee's salary increases more than 6% in any given fiscal year, the employer must fund the excess pension based on actuarial calculations. The College has adjusted employee compensation and procedures to mitigate the impact. Effective July 1, 2018, the 6% threshold has been lowered to 3%. As part of the FY 2020 State budget package, legislation was passed to repeal the 3% threshold and reinstate the 6% threshold.

Statement of Net Position

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

Assets and liabilities are measured using current values, with the exception of capital assets. Capital assets are stated at historical cost, lowered by depreciation. A summary of net position at June 30, 2020 and 2019 is on the next page.

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

Summary of Net Position  
June 30, 2020 and 2019

	2020	2019
Current assets	\$ 195,612,566	\$ 204,660,345
Noncurrent assets:		
Restricted cash and investments	4,777,956	7,912,899
Unrestricted cash and investments	24,930,577	8,089,761
Capital assets, net of depreciation	266,600,136	278,833,288
Total assets	491,921,235	499,496,293
Deferred outflow of resources	5,704,694	5,679,030
Total assets and deferred outflow of resources	497,625,929	505,175,323
Current liabilities	41,890,507	41,858,575
Noncurrent liabilities	176,036,848	194,535,556
Total liabilities	217,927,355	236,394,131
Deferred inflow of resources	61,154,770	57,807,180
Total liabilities and deferred inflow of resources	279,082,125	294,201,311
Net position:		
Net investment in capital assets	158,319,802	159,703,637
Restricted, expendable	26,444,816	23,981,407
Unrestricted	33,779,186	27,288,968
Total net position	\$ 218,543,804	\$ 210,974,012

Net Position – Fiscal Year 2020 compared to 2019

Current assets decreased by \$9 million, primarily driven by a decrease in unrestricted investments of \$42.7 million offset by increases in unrestricted cash of \$28.3 million and accounts receivable of \$4.9 million.

Capital assets, net of depreciation, decreased \$12.2 million as a result of net additions being less than annual depreciation.

Other noncurrent assets increased by \$13.7 million due to cash and investments being invested in longer term maturities.

Current liabilities stayed consistent with fiscal year 2019.

Noncurrent liabilities decreased by \$18.5 million primarily due to bond principal reductions of \$16.2 million.

(Continued)



WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

Statement of Revenues, Expenses, and Changes in Net Position

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

A summary of changes in net position for the years ended June 30, 2020 and 2019 is as follows:

Changes in Net Position		
Years ended June 30, 2020 and 2019		
	2020	2019
Operating revenues:		
Tuition and fees, net	\$ 41,494,837	\$ 39,635,009
Government grants and contracts	4,046,757	3,881,906
Auxiliary	697,063	938,099
Other	2,037,695	1,979,309
Total operating revenues	48,276,352	46,434,323
Operating expenses	202,797,091	192,958,613
Operating loss	(154,520,739)	(146,524,290)
Nonoperating revenues and expenses:		
Property and other taxes	82,928,590	80,000,872
Government appropriations, grants, and contracts	79,173,890	71,246,559
Investment income	3,097,885	3,637,575
Interest expense	(3,781,518)	(4,289,903)
Other	544,859	626,030
Total nonoperating revenues and expenses, net	161,963,706	151,221,133
Change in net position before capital contributions	7,442,967	4,696,843
State capital contributions	126,825	-
Change in net position	7,569,792	4,696,843
Net position, beginning of year	210,974,012	206,277,169
Net position, end of year	\$ 218,543,804	\$ 210,974,012

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

*Revenues*

Total revenues were \$214,148,401 and \$201,945,359 in fiscal years 2020 and 2019, respectively. The single largest revenue source of the College is property taxes. Revenues from property taxes were \$82,928,590 and \$80,000,872 in fiscal years 2020 and 2019, respectively. The second largest revenue source is tuition and fees. Tuition and fees were \$41,494,837 and \$39,635,009, respectively.

Revenues – Fiscal Year 2020 compared to 2019

Operating revenues increased by \$1.8 million primarily due to an increase in student tuition and fees revenue of \$1.9 million.

	2020	2019
Operating Revenues:		
Student tuition and fees, net	\$ 41,494,837	\$ 39,635,009
State and local government grants	3,064,151	2,404,862
Federal government grants	982,606	1,477,044
Auxiliary enterprises	697,063	938,099
Sales and services of educational departments	1,539,510	1,348,191
Other	498,185	631,118
Total Operating Revenues	\$ 48,276,352	\$ 46,434,323

Nonoperating revenues increased by \$10.2 million in total. Increases of \$2.9 million in property taxes, \$5.4 million of State on-behalf contributions, and \$3.4 million of Federal government grants and contracts were offset by a decrease in State OPEB on-behalf contributions of \$1.4 million.

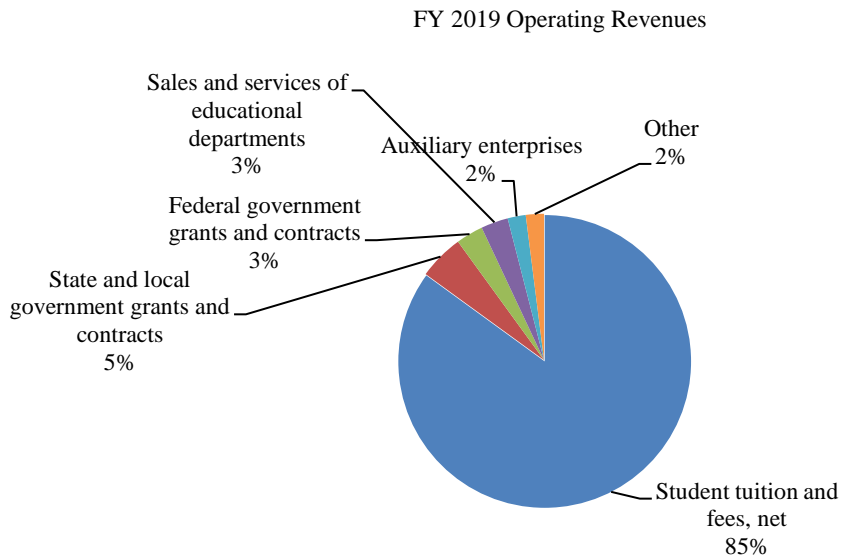
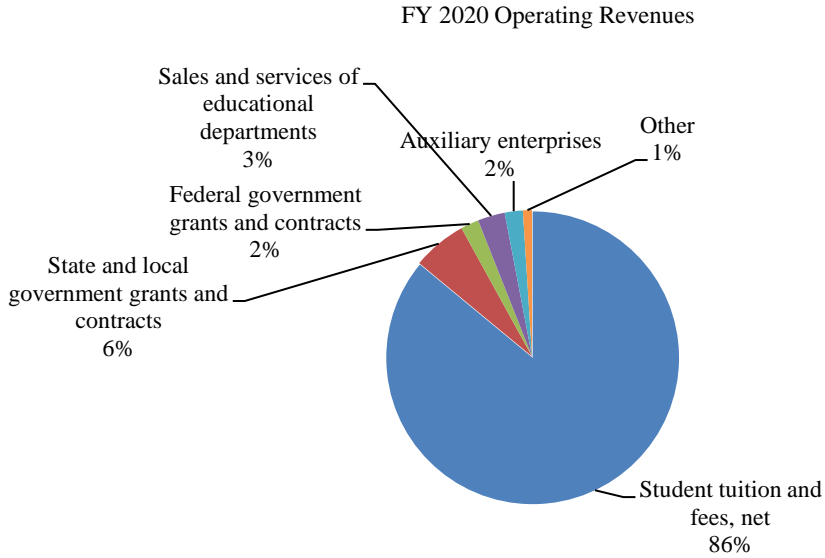
	2020	2019
Nonoperating revenues:		
Property taxes	\$ 82,928,590	\$ 80,000,872
State appropriations	8,344,915	7,478,490
State retirement on-behalf plan contribution (note 7)	45,117,139	39,726,664
State OPEB on-behalf contribution (note 11)	2,753,154	4,143,945
Personal property replacement tax	1,026,836	949,644
State and local government grants and contracts	3,804,702	4,246,734
Federal government grants and contracts	18,127,144	14,701,082
Gifts	275,842	247,489
Investment income, net of investment expense	3,097,885	3,637,575
Other	269,017	378,541
Total Nonoperating Revenues	\$ 165,745,224	\$ 155,511,036

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

The following are graphic illustrations of operating revenues by type:



(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

*Expenses*

Total expenses were \$206,578,609 and \$197,248,516 in fiscal years 2020 and 2019, respectively.

Expenses – Fiscal Year 2020 compared to 2019

Operating expenses increased by \$9.8 million in FY20, primarily driven by a \$5.4 million increase in State on behalf expenses related to State retirement plan contributions.

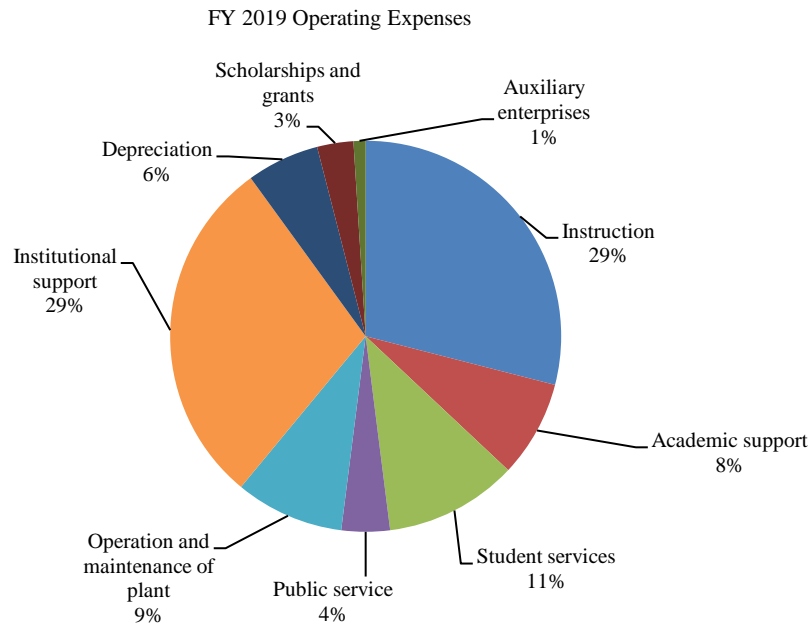
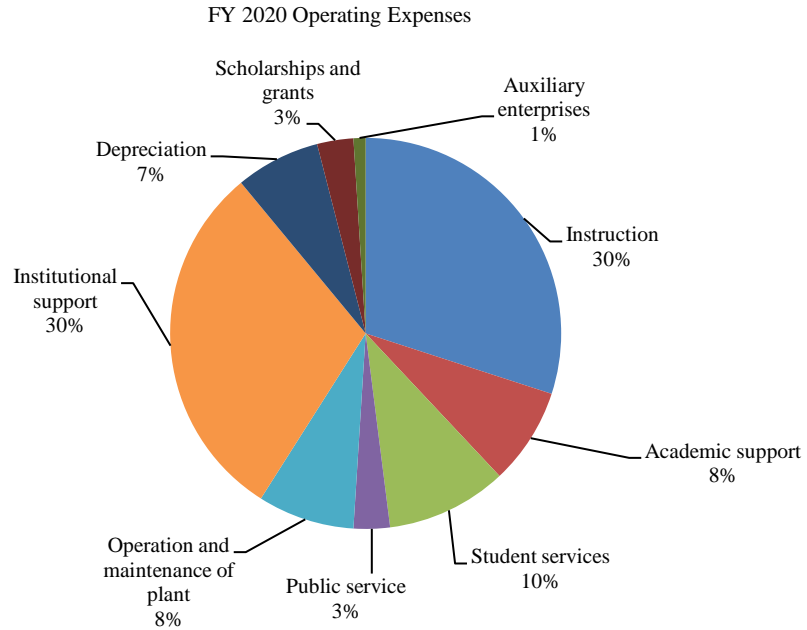
	2020	2019
Operating Expenses:		
Instruction	\$ 60,046,710	\$ 57,554,978
Academic support	15,420,840	14,293,842
Student services	20,085,457	20,057,389
Public services	5,848,302	6,898,650
Operation and maintenance	17,349,815	17,491,443
Institutional	60,967,561	56,450,846
Scholarships and grants	7,070,852	5,520,155
Auxiliary enterprises	1,951,311	2,164,282
Depreciation	14,056,243	12,527,028
Total Operating Expenses	\$ 202,797,091	\$ 192,958,613

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

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



(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

The College continues to manage its resources and planned expenses within a framework of long-range planning and budgeting. Salaries and benefits represent roughly two thirds of total expenses for fiscal years 2020 and 2019. Salary costs are determinable for at least the year for all unionized employee groups at the College, because of negotiated contracts. As in most organizations, the College faces the challenge of funding escalating health care costs. The College has programs in place to mitigate the rising costs.

Retirement contributions made by the State on behalf of the College increased by about \$4 million, determined entirely by the State and its actuaries. On behalf payments have no net impact on the College's financial statements as they are presented as revenue and expense in equal amounts. The offsetting expense is allocated amongst the functional expenses.

Capital Assets

	Year ended June 30,	
	2020	2019
Land and land improvements	\$ 4,326,007	\$ 4,326,007
Buildings and improvements	409,668,819	363,077,086
Equipment	24,195,511	23,557,972
Construction in progress	4,144,655	49,566,991
Less: accumulated depreciation	(175,734,856)	(161,694,768)
Net capital assets	\$ 266,600,136	\$ 278,833,288

Net Capital Assets – Fiscal Year 2020 Compared to 2019

As of June 30, 2020, the College had net capital assets of \$266.6 million, a decrease of \$12.2 million from 2019. The decrease in 2020 was due to depreciation expense of \$14.1 million exceeding capital asset additions of \$1.8 million. More detailed information on capital assets is provided in Note 4 to the basic financial statements.

Debt Administration

During fiscal year 2020 long term debt obligations decreased \$16.2 million due to existing debt payments of \$16.2 million. More detailed information on debt obligations are provided in Note 6 to the basic financial statements.

Statement of Cash Flows

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

The primary cash receipts from operating activities consist of tuition and fee revenues. The largest source of cash is local taxes. Local taxes, along with the State appropriation, are classified as nonoperating sources by accounting standards even though the College's budget depends on this to continue the current level of operations. Cash outlays include payment of wages, benefits, services, supplies, and scholarships. Overall,

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

net cash and cash equivalents increased by \$26.9 million, primarily due to the timing of investment maturities resulting in cash on hand.

#### Current Issues

The College's management believes it will continue its strong financial position into the future. The major external validation of this strength is Moody's Investors Service. Moody's reaffirmed its highest credit rating (Aaa) for the College in February 2019, with a stable outlook. This rating looks at the overall financial health of which net position is a major component. The higher the rating the lower the cost to issue bonds. The lower the cost to issue bonds, the lower the cost to taxpayers in future periods. This aids in obtaining capital funding at the most competitive rates. The Board approved the placement of a bond question on the referendum for November 2018, and the community supported it. When the anticipated \$180 million in bonds are sold this fall, the strong fiscal position and bond rating will be critical in minimizing costs to the taxpayers. The referendum funds will be used for projects identified through the updated campus master plan and maintaining and improving campus infrastructures.

Budgeted capital projects include the \$61.7 million Canning Center project, a one stop/student center, and a \$5.3 million renovation of the hospitality program facility. These projects are 75% funded by the State, with the College committing the necessary 25% to match the State funds. Other budgeted capital projects include the construction of a pedestrian bridge between Buildings A and M to be completed with the Canning Center project, a dental hygiene simulation lab, and building envelope maintenance on the Learning and Career Center.

On the revenue side of the statements, the College plans to consider small incremental increases in tuition, as deemed necessary by the Board of Trustees, to keep pace with increasing costs. This also allows our students to plan for their educational costs. Although the College would like to see a change in the share of the percentage of per capita costs funded by the State, it seems unlikely to change anytime soon.

In May 2020, the College was awarded \$2,763,258 from the Education Stabilization Fund which may be used in fiscal year 2021 to cover any costs associated with significant changes to the delivery of instruction due to the coronavirus, with certain limitations. The award was authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and is administered by the Department of Education.

The College does not anticipate a substantial change in property tax revenues in the next year, though there is talk amongst legislative leaders about property tax relief in the form of freezes. The College's property tax revenues are derived mostly from the County of Cook which, under the Property Tax Extension Limitation Law, limits the amount taxes can increase from year to year based on the Consumer Price Index-Urban (CPI-U). The CPI-U for the last two years has been 1.9% in 2018 and 2.3% in 2019, and with the Congressional Budget Office's July 2020 estimate of 0.9% for 2020, revenue growth will remain modest. Further erosion of current tax revenues will come from the continued successful appeals of property assessment.

On the expense side, compensation and benefits comprise the largest portion of the College's expenses. All but one, currently under negotiations, of the College's unionized groups have settled contracts through at least fiscal year 2021.

(Continued)

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Management's Discussion and Analysis  
Year Ended June 30, 2020  
(Unaudited)

Rising healthcare costs nationwide continue to impact the College's budgeted spending. Included in the College's employment contracts is a cap on premium increases, and changes to the plan would be necessary should that cap be exceeded.

Significant estimates, such as the allowance for doubtful accounts, may be materially adversely impacted by national, state and local events designed to contain the coronavirus. In August 2020, the College offered a combination of off campus flexible learning and on campus labs for the 2020-2021 academic year. Throughout the pandemic the College has put into practice a number of safety measures to protect students and employees and revises them as needed.

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



WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

	Business-Type Activities Statement of Net Position	Statement 1
June 30, 2020 with comparative totals from June 30, 2019		
Assets	2020	2019
<b>Current assets:</b>		
Cash and cash equivalents (note 2)	\$ 69,691,026	\$ 41,371,672
Accounts receivable, net (note 3)	56,278,219	51,345,075
Investments (note 2)	68,541,018	111,212,427
Prepaid expenses and other assets	1,102,303	731,171
Total current assets	195,612,566	204,660,345
<b>Noncurrent assets:</b>		
Restricted cash and cash equivalents (note 2)	2,367,994	3,768,077
Restricted investments (note 2)	2,409,962	4,144,822
Other long-term investments (note 2)	24,930,577	8,089,761
Capital assets, not being depreciated (note 4)	8,470,662	53,892,997
Capital assets, net of accumulated depreciation (note 4)	258,129,474	224,940,291
Total noncurrent assets	296,308,669	294,835,948
Total assets	491,921,235	499,496,293
<b>Deferred Outflow of Resources</b>		
Deferred outflow of resources related to OPEB plans (note 11)	3,655,904	3,354,688
Deferred loss on debt refunding (note 6)	2,048,790	2,324,342
Total deferred outflows of resources	5,704,694	5,679,030
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Accounts payable and other liabilities	3,743,196	4,928,547
Reserve for property tax refunds	2,299,140	2,556,003
Accrued payroll and compensated absences (note 5)	7,032,995	5,962,265
Deposits held for others	645,578	823,024
Unearned tuition and other revenue	11,545,546	12,835,233
Worker's compensation claims liability (note 10)	199,052	548,503
Current portion of long-term debt (note 6)	16,425,000	14,205,000
Total current liabilities	41,890,507	41,858,575
<b>Noncurrent liabilities:</b>		
Long-term debt (note 6)	102,201,697	120,644,515
Unearned revenue	800,211	913,184
Other Post Employment Benefits (note 11)	73,034,940	72,977,857
Total noncurrent liabilities	176,036,848	194,535,556
Total liabilities	217,927,355	236,394,131
<b>Deferred Inflow of Resources</b>		
Deferred inflow of resources related to OPEB plans (note 11)	10,482,175	8,152,090
Deferred inflows - service concession arrangement (note 12)	7,536,476	8,344,255
Deferred inflows - property taxes	43,136,119	41,310,835
Total deferred inflows of resources	61,154,770	57,807,180
<b>Net Position</b>		
Net investment in capital assets	158,319,802	159,703,637
<b>Restricted:</b>		
Working cash	9,680,000	9,680,000
Debt service	10,248,920	8,443,761
Capital projects	6,515,896	5,857,646
Unrestricted	33,779,186	27,288,968
Total net position	\$ 218,543,804	\$ 210,974,012

See accompanying notes to financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Business-Type Activities  
Statement of Revenues, Expenses, and Changes in Net Position  
June 30, 2020 with comparative totals from June 30, 2019

Statement 2

	2020	2019
Operating revenues:		
Student tuition and fees, net of scholarships and allowances of \$10,535,956 and \$11,309,892	\$ 41,494,837	\$ 39,635,009
State and local government grants and contracts	3,064,151	2,404,862
Federal government grants and contracts	982,606	1,477,044
Sales and services of educational departments	1,539,510	1,348,191
Auxiliary enterprises	697,063	938,099
Other	498,185	631,118
	48,276,352	46,434,323
Total operating revenues		
Operating expenses:		
Educational and general:		
Instruction	60,046,710	57,554,978
Academic support	15,420,840	14,293,842
Student services	20,085,457	20,057,389
Public service	5,848,302	6,898,650
Operation and maintenance of plant	17,349,815	17,491,443
Institutional support	60,967,561	56,450,846
Scholarships and grants	7,070,852	5,520,155
Auxiliary enterprises	1,951,311	2,164,282
Depreciation	14,056,243	12,527,028
	202,797,091	192,958,613
Total operating expenses		
Operating loss	(154,520,739)	(146,524,290)
Nonoperating revenues (expenses):		
Property taxes	82,928,590	80,000,872
State appropriations	8,344,915	7,478,490
State retirement plan contribution (note 7)	45,117,139	39,726,664
State OPEB on-behalf contribution (note 11)	2,753,154	4,143,945
Personal property replacement tax	1,026,836	949,644
State and local government grants and contracts	3,804,702	4,246,734
Federal government grants and contracts	18,127,144	14,701,082
Gifts	275,842	247,489
Investment income, net of investment expense	3,097,885	3,637,575
Interest expense	(3,781,518)	(4,289,903)
Other	269,017	378,541
	161,963,706	151,221,133
Total nonoperating income		
Change in net position before capital contributions	7,442,967	4,696,843
State capital contributions	126,825	—
Change in net position after capital contributions	7,569,792	4,696,843
Net position at beginning of year	210,974,012	206,277,169
Net position at end of year	\$ 218,543,804	\$ 210,974,012

See accompanying notes to financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Business-Type Activities  
Statement of Cash Flows

Statement 3  
Page 1 of 2

June 30, 2020 with comparative totals from June 30, 2019

	2020	2019
Cash flows from operating activities:		
Student tuition and fees	\$ 39,482,055	\$ 39,453,719
Student aid	2,501,530	3,434,971
Sales and services of educational departments	1,539,510	1,348,191
Payments to suppliers	(50,474,561)	(47,112,035)
Payments to employees	(89,374,686)	(87,948,314)
Auxiliary enterprises	545,617	2,135,403
Other	(330,996)	2,345,378
	(96,111,531)	(86,342,687)
Cash flows from noncapital financing activities:		
Property taxes	81,227,748	79,673,586
State appropriations	8,344,915	7,478,490
Personal property replacement taxes	1,026,836	949,644
Receipts of student loan funds	10,535,956	11,309,892
Disbursements of loan funds to students	(10,535,956)	(11,309,892)
Contributions and Gifts	275,842	247,489
Government grants and contracts	21,931,846	18,947,816
	112,807,187	107,297,025
Cash flows from capital and related financing activities:		
Purchases of capital assets	(1,466,826)	(16,681,674)
Proceeds from sale of bonds	—	4,815,299
Bond issuance costs	—	(75,783)
Principal paid on bonds	(14,205,000)	(13,680,000)
Interest paid on bonds	(5,523,784)	(5,819,584)
	(21,195,610)	(31,441,742)
Cash flows from investing activities:		
Proceeds from sales and maturities of investments	718,599,761	662,004,761
Purchase of investments	(691,034,308)	(677,120,496)
Interest on investments	3,853,772	2,875,004
	31,419,225	(12,240,731)
Net cash provided by (used in) investing activities		
	26,919,271	(22,728,135)
Cash and cash equivalents at the beginning of year	45,139,749	67,867,884
Cash and cash equivalents at the end of year	\$ 72,059,020	\$ 45,139,749

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Business-Type Activities  
Statement of Cash Flows

Statement 3  
Page 2 of 2

June 30, 2020 with comparative totals from June 30, 2019

	2020	2019
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (154,520,739)	\$ (146,524,290)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	14,056,243	12,527,028
On-behalf contributions to state retirement system	45,117,139	39,726,664
On-behalf contributions to state OPEB	2,753,154	4,143,945
Changes in Net Position:		
Receivables, net:		
Student	(723,095)	(1,263,438)
Federal, State, and other	(1,545,227)	(446,935)
Other	(151,446)	1,197,304
Prepaid expenses	(371,132)	20,296
Accounts payable and other liabilities	(1,414,791)	(1,777,982)
Accrued payroll and compensated absences	1,070,730	147,337
Deposits held for others	(1,098,198)	1,335,719
Unearned tuition and other revenue	(1,289,687)	1,082,148
Other Post Employment Benefits	2,085,952	3,130,077
Other liabilities	(80,434)	359,440
Net cash used in operating activities	\$ (96,111,531)	\$ (86,342,687)

See accompanying notes to financial statements.

Noncash activities:

During the year ended June 30, 2020, the College received \$126,825 in capital contributions from the Illinois Community Development Board

At June 30, 2020 and 2019, capital assets totaling \$1,221,286 and \$1,742,156, respectively, were included in accounts payable and other liabilities.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Component Unit – William Rainey Harper College Educational Foundation  
Statements of Financial Position  
June 30, 2020 with comparative totals from June 30, 2019

Statement 4

Assets	<u>2020</u>	<u>2019</u>
Cash	\$ 4,364,022	\$ 3,631,829
Interest receivable	—	16,895
Prepaid expenses	250	250
Pledges receivable, net	700,176	1,362,190
Investments	24,958,807	23,597,801
Art collection	<u>1,831,010</u>	<u>1,827,210</u>
Total assets	<u>\$ 31,854,265</u>	<u>\$ 30,436,175</u>
Liabilities		
Accounts payable	\$ 54,289	\$ 142,174
Deferred revenue	<u>56,760</u>	<u>4,010</u>
Total liabilities	<u>111,049</u>	<u>146,184</u>
Net Assets		
Without donor restrictions	1,400,406	1,447,582
Without donor restrictions - board designated operating reserve	1,500,000	1,500,000
Without donor restrictions - board designated	<u>15,977,194</u>	<u>13,582,074</u>
Total without donor restrictions	<u>18,877,600</u>	<u>16,529,656</u>
With donor restrictions	<u>12,865,616</u>	<u>13,760,335</u>
Total Net Assets	<u>31,743,216</u>	<u>30,289,991</u>
Total liabilities and Net Assets	<u>\$ 31,854,265</u>	<u>\$ 30,436,175</u>

See accompanying notes to financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Component Unit – William Rainey Harper College Educational Foundation  
Statements of Activities  
June 30, 2020 with comparative totals from June 30, 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions	\$ 2,115,097	\$ 1,038,197	\$ 3,153,294	\$ 6,064,980	\$ 1,538,922	\$ 7,603,902
In-kind contributions	5,000	—	5,000	78,420	—	78,420
Fundraising events	31,728	3,740	35,468	344,168	12,500	356,668
Interest income	55,639	21,909	77,548	34,866	16,356	51,222
Investment Gain (Loss)	440,281	196,503	636,784	888,367	451,895	1,340,262
Net assets released from restrictions	2,155,068	(2,155,068)	—	1,029,858	(1,029,858)	—
	<u>4,802,813</u>	<u>(894,719)</u>	<u>3,908,094</u>	<u>8,440,659</u>	<u>989,815</u>	<u>9,430,474</u>
Expenses:						
Program	2,495,882	—	2,495,882	1,462,773	—	1,462,773
Management and general	227,444	—	227,444	236,192	—	236,192
Costs of direct benefits to donors	—	—	—	102,917	—	102,917
Fundraising	316,402	—	316,402	317,274	—	317,274
	<u>3,039,728</u>	<u>—</u>	<u>3,039,728</u>	<u>2,119,156</u>	<u>—</u>	<u>2,119,156</u>
Transfer from affiliate - William Rainey						
Harper College	584,859	—	584,859	547,086	—	547,086
Change in net assets	2,347,944	(894,719)	1,453,225	6,868,589	989,815	7,858,404
Net Assets at beginning of year	<u>16,529,656</u>	<u>13,760,335</u>	<u>30,289,991</u>	<u>9,661,067</u>	<u>12,770,520</u>	<u>22,431,587</u>
Net Assets at end of year	<u>\$ 18,877,600</u>	<u>\$ 12,865,616</u>	<u>\$ 31,743,216</u>	<u>\$ 16,529,656</u>	<u>\$ 13,760,335</u>	<u>\$ 30,289,991</u>

See accompanying notes to financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies

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

*(a) Reporting Entity*

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

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

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

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

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

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

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

(a) *Financial Statement Presentation and Basis of Accounting*

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

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

(b) *Cash Equivalents*

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

(c) *Investments*

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

(d) *Noncurrent Cash and Investments*

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

(e) *Capital Assets*

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

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



WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

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

Bond premiums and discounts are recorded and amortized over the life of the bonds using the effective interest method. Long-term obligations (general obligation bonds) are reported net of the applicable bond premium or discount. The deferred gain or loss amount on a refunding is shown as a deferred inflow or outflow. Bond issuance costs are expensed at the time of issuance.

(g) *Unearned Revenue*

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

(h) *Property Taxes*

The College's property taxes are levied each calendar year on all taxable real property located in the District. The College's District includes property located in Cook, Kane, Lake and McHenry counties, with over 92% of the property taxes coming from Cook County. The County Assessor is responsible for assessment of all taxable real property within Cook County except for certain railroad property, which is assessed directly by the State. Reassessment is on a three-year schedule established by the County Assessor. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County.

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

In accordance with the College's Board resolution, 50% of property taxes extended for calendar year 2018 and 50% of property taxes extended for calendar year 2019 are intended to finance the College's fiscal year 2020 budget, and accordingly, have been recorded as revenue for the year ended June 30, 2020. The remaining revenue related to the 2019 tax year extension has been classified as a deferred inflow and will be recorded as revenue in fiscal year 2021. The College records real property taxes at 99.75% of the 2019 extended levy, based upon collection histories. A reserve of \$2,299,140 has been recorded for the net amount of property tax refunds at June 30, 2020.

(i) *Compensated Absences*

Employee vacation pay is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued vacation payable in the statements of net position, and as a component of compensation and benefit expense in the statements of revenues, expenses, and changes in net position.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

The College has not recorded a liability for accumulated sick pay because employees are not entitled to cash compensation for unused sick leave upon termination. Employees who retire are given credit for unused sick leave towards years of service in the State Universities Retirement System pension plan.

(j) *Noncurrent Liabilities*

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

(k) *Net Position*

The College's net position is classified as follows:

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

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

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

(l) *Classification of Revenues*

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

*Operating revenues* – Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) federal and state awards for student financial aid, and (4) interest on institutional student loans.

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

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

*(m) Classification of Expenses*

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

*(n) Scholarship Discounts and Allowances*

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

*(o) Pensions*

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

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

*(p) Other Post Employment Benefits*

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

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

*(q) Component Unit*

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

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

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

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

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

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

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

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

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

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

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

The Foundation's art collection consists of approximately 400 art pieces displayed throughout the campus. Additions are recorded at cost when purchased or at fair value when contributed. In-kind contributions of art collection are reflected on the statement of activities. The most recent art appraisal was performed in April 2014 and estimated the replacement value of the art collection at about \$2,500,000, which is unaudited. A partial appraisal was performed in April 2019 to appraise collection pieces received since 2014. The estimated replacement value of these additional items is approximately \$300,000, which is unaudited.

*(r) New Accounting Pronouncements*

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Upon the College's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the College until the fiscal year ended June 30, 2021. Management has not determined what impact, if any, this Statement will have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Upon the College's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the College until the fiscal year ended June 30, 2022. Management has not determined what impact, if any, this Statement will have on its financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests (An Amendment of GASB Statements No. 14 and No. 61)*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. Upon the College's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the College until the fiscal year ended June 30, 2021. This Statement will have no effect on the College.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Upon the College's adoption of GASB Statement No. 95, the effective date of the Statement was delayed for the College until the fiscal year ended June 30, 2023. Management has not determined what impact, if any, this Statement will have on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit OPEB plan, the applicability of Statements 73 and 74 to reporting assets accumulated for postemployment benefits, the applicability of Statement 84 to postemployment benefit arrangements, measurement of liabilities and assets related to asset retirement obligations in a government acquisition, and reference to nonrecurring fair value measurements of assets and liabilities in authoritative literature. The topics within this Statement that were not effective for the College's fiscal year ended June 30, 2020 were, upon the College's adoption of GASB Statement No. 95, delayed for the College until the fiscal year ended June 30, 2022. Management has not determined what impact, if any, this Statement will have on its financial statements.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address the accounting and financial reporting implications that result from the replacement of an interbank offered rate. The primary provisions of this Statement are effective for the College's fiscal year ended June 30, 2021. This Statement will have no effect on the College.

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Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

In March 2020, the GASB issued 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). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement is effective for the College's fiscal year ended June 30, 2023. Management has not determined what impact, if any, this statement will have on its financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement is effective for the College's fiscal year ended June 30, 2023. Management has not determined what impact, if any, this statement will have on its financial statements.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements 14 and 84, and a Supersession of GASB Statement 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The topics within this Statement that were not effective for the College's fiscal year ended June 30, 2020 are effective for the College's fiscal year ended June 30, 2022. Management has not determined what impact, if any, this Statement will have on its financial statements.

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Notes to Financial Statements  
Year Ended June 30, 2020

(1) Summary of Significant Accounting Policies (Continued)

(s) *Prior Year Comparative Information*

The financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the College’s financial statements for the year ended June 30, 2019, from which the summarized information was derived.

(2) Deposits and Investments

Cash and investments consisted of the following as of June 30, 2020:

Demand deposits	\$	8,716,253
Certificates of deposit		89,966,783
Government securities commons and collective trust funds		5,872,805
Illinois School District Liquid Asset Fund Plus (government investment pool)		51,364,014
The Illinois Funds (government investment pool)		<u>12,020,722</u>
Total	\$	<u><u>167,940,577</u></u>

*Custodial Credit Risk – Deposits* – Custodial credit risk for deposits is the risk that in the event of a financial institution failure, the College’s deposits may not be returned. The College’s investment policy requires that time deposits in excess of Federal Depository Insurance Corporation (FDIC) insurable limits at a single financial institution be secured by collateral or private insurance. As of June 30, 2020 there was no custodial credit risk for the time deposits as they were either insured or collateralized with investments held by the College or its agent in the College’s name. The College also has bank demand deposits where collateral is updated daily based on the prior days ending balance. As of June 30, 2020 the demand deposits were fully insured or collateralized.

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



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Notes to Financial Statements  
Year Ended June 30, 2020

(2) Deposits and Investments (Continued)

As of June 30, 2020, the maturities for the College's fixed-income investments are as follows:

	Reported value	Investment maturities (in years)		
		Less than 1	1 to 5	6 to 10
Certificate of deposit	\$ 89,966,783	\$ 65,036,206	\$ 24,930,577	\$ -
Government securities commons and collective trust funds	5,872,805	5,872,805	-	-
Illinois School District Liquid Asset Fund Plus (government investment pool)	51,364,014	51,364,014	-	-
The Illinois Funds (government investment pool)	12,020,722	12,020,722	-	-
Total	<u>\$ 159,224,324</u>	<u>\$ 134,293,747</u>	<u>\$ 24,930,577</u>	<u>\$ -</u>

*Credit Risk – Investments* – Credit risk is the risk that the College will not recover its investments due to the ability of the counterparty to fulfill its obligation. Illinois statutes authorize the College to invest in obligations of the U.S. Treasury and U.S. Agencies, interest-bearing savings accounts, interest-bearing time deposits, money market mutual funds registered under the Investment Company Act of 1940 (limited to U.S. Government obligations), shares issued by savings and loan associations (provided the investments are insured by the Federal Savings and Loan Insurance Corporation (FSLIC)), short-term discount obligations issued by the Federal National Mortgage Association, share accounts of certain credit unions, securities issued by The Illinois Funds, investments in the Illinois School District Liquid Asset Fund, and certain repurchase agreements.

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

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

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

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Notes to Financial Statements  
Year Ended June 30, 2020

(2) Deposits and Investments (Continued)

As of June 30, 2020, the College had the following fixed income investments, which are rated by Standard & Poor's (S&P):

	2020	
	Reported value	S&P Rating
Government securities commons and collective trust funds	\$ 5,872,805	AAA
Illinois School District Liquid Asset Fund Plus (government investment pool)	51,364,014	AAA
The Illinois Funds (government investment pool)	12,020,722	AAA
Total	\$ 69,257,541	

*Concentration of Credit Risk – Investments* – Concentration of credit risk is the risk of loss attributed to the magnitude of investment in any one single issuer. The College's investment policy does not limit the amount the College may invest in any one issuer. The College is considered to have a concentration of credit risk if its investment in any one single issue is greater than 5% of the total fixed income investments. At June 30, 2020, the College did not have a concentration of credit risk.

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

The College has the following recurring fair value measurements as of June 30, 2020:

- Various US Treasury N/Bs of \$3,504,811 are valued using a matrix pricing model (Level 2 inputs).
- A Depository Trust Company Certificate of Deposit of \$21,958,283 is valued using a matrix pricing model (Level 2 inputs)

(3) Accounts Receivable

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

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Notes to Financial Statements  
Year Ended June 30, 2020

(3) Accounts Receivable (Continued)

Accounts receivable consisted of the following at June 30, 2020:

Property taxes	\$ 42,917,745
Student tuition and fees	14,593,340
Auxiliary enterprises and other operating activities	649,428
Accrued interest	684,044
Federal, state, and private grants and contracts	<u>3,642,610</u>
	62,487,167
Less allowance for doubtful accounts	<u>6,208,948</u>
Net accounts receivable	<u><u>\$ 56,278,219</u></u>

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Notes to Financial Statements  
Year Ended June 30, 2020

(4) Capital Assets

Following are the changes in capital assets for the year ended June 30, 2020:

	July 1, 2019	Additions	Deletions	June 30, 2020
Capital assets not being depreciated:				
Land and land improvements	\$ 4,326,007	\$ -	\$ -	\$ 4,326,007
Construction in progress	49,566,990	1,169,398	(46,591,733)	4,144,655
Total capital assets not being depreciated	<u>53,892,997</u>	<u>1,169,398</u>	<u>(46,591,733)</u>	<u>8,470,662</u>
Capital assets being depreciated:				
Buildings and building improvements	363,077,086	46,591,733	-	409,668,819
Equipment	23,557,973	653,693	(16,155)	24,195,511
Total capital assets being depreciated	<u>386,635,059</u>	<u>47,245,426</u>	<u>(16,155)</u>	<u>433,864,330</u>
Less accumulated depreciation:				
Buildings and building improvements	141,612,515	12,837,243	-	154,449,758
Equipment	20,082,253	1,219,000	(16,155)	21,285,098
Total accumulated depreciation	<u>161,694,768</u>	<u>14,056,243</u>	<u>(16,155)</u>	<u>175,734,856</u>
Total capital assets being depreciated, net	<u>224,940,291</u>	<u>33,189,183</u>	<u>-</u>	<u>258,129,474</u>
Total capital assets, net	<u>\$ 278,833,288</u>	<u>\$ 34,358,581</u>	<u>\$ (46,591,733)</u>	<u>\$ 266,600,136</u>

The College has committed an additional \$1,954,984 for the completion of the capital projects included in construction in progress above.

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Notes to Financial Statements  
Year Ended June 30, 2020

(5) Accrued Vacation

The College records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. As of June 30, 2020, employees had earned but not taken annual leave which at salary rates in effect, aggregated \$2,994,304. It is anticipated the entire vacation accrual liability will be liquidated during the upcoming fiscal year; therefore, it is considered a current liability.

July 1, 2019	Issuances	Retirements	June 30, 2020
\$ 2,187,799	\$ 2,748,242	\$ 1,941,737	\$ 2,994,304

(6) General Long-Term Obligations

The following is a summary of the College's bond transactions for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Current Portion
\$20,110,000 G.O. Refunding Bonds, 2015B Series, due in annual installments through December 1, 2020 bearing interest at 5.0%	\$ 7,940,000	\$ -	\$ 3,690,000	\$ 4,250,000	\$ 4,250,000
\$4,740,000 G.O. Limited Bonds, 2017A Series, due in annual installments through December 1, 2019 bearing interest at 5.0%	2,315,000	-	2,315,000	-	-
\$103,450,000 G.O Refunding Bonds, 2017B series, due in annual installments through December 1, 2028 bearing interest at 1.3% - 2.4%	102,960,000	-	8,200,000	94,760,000	9,870,000
\$4,570,000 G.O. Limited Bonds, 2019A Series, due in annual installments through December 1, 2021 bearing interest at 1.75% - 1.79%	4,570,000	-	-	4,570,000	2,305,000
Unamortized premium/discount	17,064,515		2,017,818	15,046,697	-
Total	\$ 134,849,515	\$ -	\$ 16,222,818	\$ 118,626,697	\$ 16,425,000

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Notes to Financial Statements  
Year Ended June 30, 2020

(6) General Long-Term Obligations (Continued)

At June 30, 2020, the annual cash flow requirements of bond principal and interest were as follows:

	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
Year ending June 30:			
2021	\$ 16,425,000	\$ 4,768,375	\$ 21,193,375
2022	10,650,000	4,091,500	14,741,500
2023	9,000,000	3,600,250	12,600,250
2024	9,635,000	3,134,375	12,769,375
2025	10,145,000	2,639,875	12,784,875
2026-2028	47,725,000	4,970,125	52,695,125
Total	\$ 103,580,000	\$ 23,204,500	\$ 126,784,500

General Obligation Refunding Bonds – Series 2015B

On October 22, 2015 the College issued the Series 2015B bonds in the amount of \$20,110,000 to advance refund a portion of the College’s outstanding General Obligation Bond Series 2005A dated December 28, 2005 and General Obligation Refunding Bond Series 2006 dated January 6, 2006 and pay costs associated with the issuance of the Bonds. The economic gain on the transaction was \$1,837,963. The total principal outstanding on the defeased Series 2001A is \$5,235,000 and Series 2005A bonds is \$4,630,000 as of June 30, 2020. There is no principal outstanding on the Series 2006 bonds.

Bond issue date	October 22, 2015
Current portion	\$4,250,000
Long-term portion	\$ -
Interest rates	5.00%
Final payment date	December 1, 2020
Payment dates	June 1 and December 1

General Obligation Limited Bonds – Series 2017A

On March 1, 2017 the College issued the Series 2017A bonds in the amount of \$4,740,000. It is the intent of the College to use the proceeds derived from the issuance of these bonds to finance capital projects and pay the cost of issuing the bonds.

Bond issue date	March 1, 2017
Current portion	\$ -
Long-term portion	\$ -
Interest rates	5.00%
Final payment date	December 1, 2019
Payment dates	June 1 and December 1

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Notes to Financial Statements  
Year Ended June 30, 2020

(6) General Long-Term Obligations (Continued)

General Obligation Refunding Bonds – Series 2017B

On December 6, 2017, the College issued \$103,450,000 in Series 2017B bonds with an average interest rate of 1.9% to advance refund \$117,835,000 of outstanding 2009A Series bonds with an average interest rate of 3.5%. The net proceeds of \$121,665,354 (after payment of \$558,451 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2009A Series bonds. As a result, the 2009A Series bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,571,012. This difference, reported in the accompanying financial statements as a deferred outflow, is being amortized through the year 2028 using the effective-interest method. The College completed the advance refunding to reduce its total debt service payments over ten years by \$19,622,196 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$16,226,651. The total principal outstanding on the defeased Series 2009A bonds is \$110,075,000 as of June 30, 2020.

Bond issue date	December 6, 2017
Current portion	\$9,870,000
Long-term portion	\$84,890,000
Interest rates	1.3% - 2.4%
Final payment date	December 1, 2028
Payment dates	June 1 and December 1

General Obligation Limited Bonds – Series 2019A

On February 20, 2019 the College issued the Series 2019A bonds in the amount of \$4,570,000. It is the intent of the College to use the proceeds derived from the issuance of these bonds to finance capital projects and pay the cost of issuing the bonds.

Bond issue date	February 20, 2019
Current portion	\$2,305,000
Long-term portion	\$2,265,000
Interest rates	1.75% - 1.79%
Final payment date	December 1, 2021
Payment dates	June 1 and December 1

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Notes to Financial Statements  
Year Ended June 30, 2020

(7) Retirement Plans

(a) *State Universities Retirement System of Illinois (SURS)*

*Plan Description.* The College participates in the State Universities Retirement System of Illinois, a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports 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](http://www.SURS.org).

*Benefits Provided.* A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 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 can be found in SURS comprehensive annual financial report (CAFR) Notes to the Financial Statements.

*Contributions.* The State of Illinois is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2019 and 2020, respectively, was 12.29% and 13.02% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor). There were no such liabilities for the College at year end.



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Notes to Financial Statements  
Year Ended June 30, 2020

(7) Retirement Plans (Continued)

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

*Net Pension Liability.* The net pension liability (NPL) was measured as of June 30, 2019. At June 30, 2019, SURS reported a net pension liability of \$28,720,071,173.

*Employer Proportionate Share of Net Pension Liability.* The amount of the proportionate share of the net pension liability to be recognized for the College is \$0. The proportionate share of the State’s net pension liability associated with the College increased from \$406,754,472 to \$418,709,918 or 1.4579%. This amount is not recognized in the College’s financial statements. The net pension liability and total pension liability as of June 30, 2019 was determined based on the June 30, 2018 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2019.

*Pension Expense.* At June 30, 2019, SURS reported a collective net pension expense of \$3,094,666,252.

*Employer Proportionate Share of Pension Expense.* The College’s proportionate share of collective pension expense is recognized as nonoperating revenue with a matching operating expense (compensation and benefits) in the College’s financial statements. The basis of allocation used in the proportionate share of collective pension expense as of June 30, 2019 is the actual reported pensionable contributions made to SURS during fiscal year 2019. As a result, the College recognized revenue and pension expense of \$45,117,139 for the fiscal year ended June 30, 2020.

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

*SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources for fiscal year 2019 are as follows:*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 160,132,483	\$ 80,170,745
Changes in assumption	773,321,300	-
Net difference between projected and actual earnings on pension plan investments	-	55,456,660
Total	\$ 933,453,783	\$ 135,627,405

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Notes to Financial Statements  
Year Ended June 30, 2020

(7) Retirement Plans (Continued)

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

Fiscal Year Ending	Net Deferred Outflows of Resources
2020	\$ 786,021,133
2021	(11,534,848)
2022	(6,661,326)
2023	30,001,419
Total	<u>\$ 797,826,378</u>

Employer Deferral of Fiscal Year 2020 Pension Contributions.

The College paid \$91,571 in federal, trust or grant contributions for the fiscal year ended June 30, 2020. These contributions were made subsequent to the pension liability measurement date of June 30, 2019. However, the amount is immaterial to the financial statements and has not been recognized as a deferred outflow of resources.

Assumptions and Other Inputs

*Actuarial assumptions.* The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 – 2017. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan’s trustees after considering input from the plan’s investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan’s target asset allocation as of June 30, 2019, these best estimates are summarized in the table on the following page.

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Notes to Financial Statements  
Year Ended June 30, 2020

(7) Retirement Plans (Continued)

Asset Class	Target Allocation	Weighted Average Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.25%
Private Equity	6%	8.65%
Non-U.S. Equity	19%	6.75%
Global Equity	8%	6.25%
Fixed Income	19%	1.85%
Treasury-Inflation Protected Securities	4%	1.20%
Emerging Market Debt	3%	4.00%
Real Estate REITS	4%	5.70%
Direct Real Estate	6%	4.85%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
Total	100%	4.80%
Inflation		2.75%
Expected Arithmetic Return		7.55%

*Discount Rate.* A single discount rate of 6.59%, which is a decrease of 0.06% from the prior year rate of 6.65%, 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 6.75% and a municipal bond rate of 3.13% at June 30, 2019 (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075 as of June 30, 2019. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

*Sensitivity of SURS Net Pension Liability to Changes in the Discount Rate.* Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's net pension liability at June 30, 2019, calculated using a single discount rate of 6.59%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.59%	6.59%	7.59%
\$34,786,851,779	\$28,720,071,173	\$23,712,555,197

WILLIAM RAINEY HARPER COLLEGE  
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Notes to Financial Statements  
Year Ended June 30, 2020

(7) Retirement Plans (Continued)

Additional information regarding the SURS basic financial statements, including the Plan Net Position, can be found in the SURS comprehensive annual financial report by accessing the website at [www.SURS.org](http://www.SURS.org).

*(b) Deferred Compensation Programs*

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

(8) Contingencies

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

(9) Risk Management

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

(10) Worker's Compensation Claims Liability

The College utilizes the services of Cannon Cochran Management Services Inc. (CCMSI) for administering their self-insured Worker's Compensation program. This program provides coverage for employer required worker's compensation coverage in the State of Illinois. For claims in excess of \$750,000 the College has a stop loss policy.

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

Liability for worker's compensation claims at June 30, 2018	\$	567,604
Claims incurred		221,395
Claims paid		(240,496)
		548,503
Liability for worker's compensation claims at June 30, 2019		548,503
Claims incurred		6,593
Claims paid		(356,044)
		\$ 199,052

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Notes to Financial Statements  
Year Ended June 30, 2020

(11) Other Post Employment Benefits

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

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

All members receiving benefits from the State Universities Retirement System (“SURS”) who have been full-time employees of a community college district or an association of a community college who have paid the required active member CCHISF contributions prior to retirement are eligible to participate in CCHISF. Survivors of an annuitant or benefit recipient eligible for CCHISF coverage are also eligible for coverage under CCHISF. CCHISF issues a publicly available report that can be obtained at <https://www.auditor.illinois.gov/Audit-Reports/Compliance-Agency-List/CMS/CCHISP/FY19-CMS-CCHISF-Fin-Full.pdf>.

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

*Contributions.* The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriation Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF. The College and the State each contributed to the OPEB plan \$299,556 and \$290,963 for the years ended June 30, 2020 and 2019, respectively.

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Notes to Financial Statements  
Year Ended June 30, 2020

(11) Other Post Employment Benefits (Continued)

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

At June 30, 2020, the College reported a liability of \$61,214,886 for its proportionate share of the collective net OPEB liability. This liability reflects a reduction for State OPEB support.

College's proportionate share of the collective net OPEB liability	\$	61,214,886
State's proportionate share that is associated with the College		<u>61,188,712</u>
Total	\$	<u>122,403,598</u>

The collective net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to June 30, 2019. The College's proportion of the collective net OPEB liability was based on the College's fiscal year 2019 contributions to the OPEB plan relative to the fiscal year 2019 contributions of all participating entities. At June 30, 2019, the College's proportion was 3.241386%, which was an decrease of 0.015664% from its proportion measured as of June 30, 2018 (3.257050%). The College's proportion of the net OPEB liability that includes the state's proportionate share associated with the College was 6.48%, which is a 0.03% decrease from 6.51% in the prior year.

For the year ended June 30, 2020, the College recognized OPEB expense of \$3,175,307. The College's proportionate share of collective OPEB expense is recognized as an on-behalf payment as both revenue and expense in the College's financial statements. The basis of allocation used is the actual OPEB expense for contributing entities. As a result, the College recognized on-behalf revenue and OPEB expense of \$2,753,154.

At June 30, 2020, the College reported deferred outflows and inflows of resources related to the CCHISF OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 717,430	\$ 1,294,557
Changes in assumptions	-	8,528,660
Net difference between projected and actual earnings on plan investments	-	2,703
Changes in proportionate and differences between College contributions and proportionate share for contributions	1,580,232	410,977
College contributions subsequent to the measurement date	<u>299,556</u>	<u>-</u>
Total	<u>\$ 2,597,218</u>	<u>\$ 10,236,897</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$299,556 resulting from College contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021.

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Notes to Financial Statements  
Year Ended June 30, 2020

(11) Other Post Employment Benefits (Continued)

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

Year ended June 30,	
2021	\$ (1,963,341)
2022	(1,963,341)
2023	(1,963,186)
2024	(1,405,688)
2025	(643,679)
Total	<u>\$ (7,939,235)</u>

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Actual trend used for fiscal year 2019 based on premium increases. For fiscal years on and after 2020, trend starts at 8.00% and 9.00% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.50%. Additional trend rate of 0.40% is added to non-Medicare cost on and after 2022 to account for the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants, mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Sale MP-2017.

The actuarial assumptions used in the actuarial valuation as of June 30, 2018 were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2017.

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

WILLIAM RAINEY HARPER COLLEGE  
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Notes to Financial Statements  
Year Ended June 30, 2020

(11) Other Post Employment Benefits (Continued)

*Discount rate.* Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan’s fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an municipal bond 20 year high grade rate index as reported in Fidelity Index’s “20-year municipal GO AA index” as of the measurement date. The discount rates are 3.62% as of June 30, 2018, and 3.13% as of June 30, 2019, a decrease of 0.49%.

During the plan years ending June 30, 2019 and 2018, the trust earned \$48,000 and \$59,000 in interest, respectively, and due to a significant benefit payable, the market value of assets at June 30, 2019 and 2018, is a negative \$74.9 million and a negative \$64.5 million, respectively. Given the significant benefit payable, negative asset value and pay-as-you-go funding policy, the long-term expected rate of return assumption was set to zero.

*Sensitivity of the College’s proportionate share of the collective net OPEB liability to changes in the discount rate.* The following presents the College’s proportionate share of the collective net OPEB liability, as well as what the College’s proportionate share of the collective net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	Discount Rate		
	1% Decrease	3.13%	1% Increase
College's proportionate share of the collective net OPEB liability	\$ 70,258,524	\$ 61,214,886	\$ 53,539,064

*Sensitivity of the College’s proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates.* The following presents the College’s proportionate share of the collective net OPEB liability, as well as what the College’s proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates. The key trend rates are 8.00% in 2020 decreasing to an ultimate trend rate of 4.90% in 2027, for non-Medicare coverage, and 9.00% in 2020 decreasing to an ultimate trend rate of 4.50% in 2029 for Medicare coverage.

	Healthcare Cost		
	1% Decrease (a)	Trends Rates Assumption	1% Increase (b)
College's proportionate share of the collective net OPEB liability	\$ 50,804,627	\$ 61,214,886	\$ 74,971,439

(a) One percentage point decrease in healthcare trend rates are 7.00% in 2020 decreasing to an ultimate trend rate of 3.90% in 2027, for non-Medicare coverage, and 8.00% in 2020 decreasing to an ultimate trend rate of 3.50% in 2029 for Medicare coverage.

(b) One percentage point increase in healthcare trend rates are 9.00% in 2020 decreasing to an ultimate trend rate of 5.90% in 2027, for non-Medicare coverage, and 10.00% in 2020 decreasing to an ultimate trend rate of 5.50% in 2029 for Medicare coverage.



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Notes to Financial Statements  
Year Ended June 30, 2020

(11) Other Post Employment Benefits (Continued)

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

(b) *Harper OPEB Plan*

*Plan description and benefits provided:* The Harper OPEB Plan (“Plan”) is a single-employer defined benefit OPEB plan administered by the College. The plan provides the continuation of health care benefits and life insurance to employees who retire from the College. Employees who terminate after reaching retirement eligibility in the plan are eligible to receive reimbursement for medical and dental insurance. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the College and is the basis for the OPEB obligation accounted for under GASB 75. Benefit provisions and contributions are established and can be amended by the Board. A separate report on the OPEB plan is not issued.

*Active Membership:* As of July 1, 2019, membership consisted of:

Active	476
Inactives currently receiving benefit payments	<u>111</u>
Total	<u><u>587</u></u>

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

*Total OPEB Liability:* The College’s total OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as July 1, 2018. The total OPEB liability, after considering the sharing of benefit-related costs with inactive members, was determined by an actuarial valuation performed as of July 1, 2018.

Actuarial Valuation Date	July 1, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	N/A - No Assets
Assumptions	
Inflation	2.50%
Salary Scale	3.00%
Rate of Return	N/A - No Assets
Healthcare Cost Trend Rates	7.50% in fiscal 2020 trending to 4.50% in fiscal 2040 and onward
Mortality Tables	Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2019

The discount rate changed from 3.87% to 3.50% for determining the 2020 total OPEB liability.

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Notes to Financial Statements  
Year Ended June 30, 2020

(11) Other Post Employment Benefits (Continued)

*Discount Rate:* The discount rate used to measure the total OPEB liability was 3.50% for determining the 2020 OPEB liability and 3.87% for determining the 2019 OPEB liability. Under GASB 75, the discount rate for unfunded plans must be based on a yield or index rate for a 20-year, tax exempt general obligation municipal bonds with an average S&P municipal bond 20 year high grade rate index as of the measurement date. Rates were taken from the Bond Buyer 20-Bond GO index as of the measurement date.

*Changes in Total OPEB Liability:*

	Fiscal Year 2020
Valuation date	July 1, 2018
Measurement date	June 30, 2019
Change in total OPEB liability (TOL)	
TOL, beginning of year	\$ 11,574,269
Service cost	437,821
Interest cost	446,054
Change in Benefits	-
Difference Between Expected and Actual Experience	-
Benefits paid	(972,309)
Changes in assumptions	334,219
TOL, end of year	\$ 11,820,054
Change in plan fiduciary net position (FNP)	
FNP, beginning of year	\$ -
Employer contributions	972,309
Benefits paid	(972,309)
TOL, end of year	\$ -

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

The table below presents the total OPEB liability of the College calculated using the discount rate of 3.50% as well as what the College's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	Discount Rate		
	1% Decrease	3.50%	1% Increase
Total OPEB liability	\$ 12,649,637	\$ 11,820,054	\$ 11,065,326

The table on the following page presents the total OPEB liability of the College calculated using the healthcare rate of 7.50% to 4.50% as well as what the College's total OPEB liability would be if it were calculated using a healthcare rate that is one percentage point lower or one percentage point higher than the current rate.

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Notes to Financial Statements  
Year Ended June 30, 2020

(11) Other Post Employment Benefits (Continued)

	1% Decrease (a)	Healthcare Cost Trends Rates Assumption	1% Increase (b)
Total OPEB liability	\$ 10,948,470	\$ 11,820,054	\$ 12,823,110

*OPEB Expense/Income and Deferred Outflows/Inflows of Resources Related to OPEB:* For the year ended June 30, 2020, the College recognized OPEB expense of \$894,280. At year end, the College is reporting the following deferred inflows/outflows of resources related to the plan.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 72,262	\$ -
Changes in assumptions	274,653	245,278
College contributions subsequent to the measurement date	711,771	-
Total	\$ 1,058,686	\$ 245,278

Of the total amount reported as deferred outflows of resources related to OPEB, \$711,771 resulting from College contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2021.

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

Year ended June 30,	
2021	\$ 10,405
2022	10,405
2023	10,405
2024	68,076
2025	1,233
Thereafter	1,113
Total	\$ 101,637

(12) Service Concession Agreement with the Palatine Park District

During fiscal year 2017 the College entered into a Service Concession Agreement (“SCA”), as defined by GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* with the Palatine Park District. The SCA is an arrangement between a transferor (the College) and an operator (the Park District) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The Park District agreed to provide a capital contribution of up to \$9,000,000 to help renovate and construct the Health and Recreation Center. The Park District began operating the aquatic center facility when it was completed in August of 2018. As of June 30, 2020, the Park District has been billed and paid the capital contribution amount in full, which has been recorded as a deferred inflow of resources. The SCA deferred inflow of resources will be recognized as revenue over the life of the arrangement as shown on the next page.

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Notes to Financial Statements  
Year Ended June 30, 2020

(12) Service Concession Agreement with the Palatine Park District (Continued)

Year ended June 30,	Revenue Recognized
2021	\$ 831,187
2022	855,274
2023	880,057
2024	905,560
2025	931,801
2026	958,802
2027	986,586
2027	1,015,176
2028	<u>172,033</u>
Total	<u>\$ 7,536,476</u>

(13) Tax Abatements

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

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

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

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

For the fiscal year ending June 30, 2020, the College’s share of the abatement granted to the Class 6b properties was approximately \$2,726,000.

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Notes to Financial Statements  
Year Ended June 30, 2020

(14) COVID-19 District Impact

In December 2019, a novel strain of coronavirus surfaced (COVID-19) and spread around the world resulting business and social disruption. In response to the pandemic and in compliance with various state and local ordinances, the College moved to off campus flexible learning from Mid-March 2020 through the end of the 2019-2020 academic year. In addition, the majority of summer programs were off campus flexible learning classes, with a limited number of in-person labs on campus. Employees and faculty were asked to work remotely starting March 17, 2020 unless they were deemed essential employees, and the College continued to provide salaries and benefits to all employees and faculty.

The operations and business results of the College could be materially adversely affected in the future. In addition, significant estimates, such as the allowance for doubtful accounts, may be materially adversely impacted by national, state and local events designed to contain the coronavirus. In August 2020, the College offered a combination of off campus flexible learning and on campus labs for the 2020-2021 academic year. Throughout the pandemic the College has put into practice a number of safety measures to protect students and employees and revises them as needed. Regarding the financial impact of COVID-19 on the College's fiscal year 2020 financial statements, the College was awarded federal funds through the CARES Act. In April 2020, the College applied for and was eligible to receive \$5.5 million in CARES Act federal funding, which is \$2.8 million of institutional funds and \$2.8 million of student support funds. The College did not spend any institutional CARES Act funding during the year ended June 30, 2020. The College spent \$2,756,801 of student support funds in the form of direct payments to students in fiscal year 2020. The College plans to spend the remaining CARES Act funding in the fiscal year 2021.

(15) Bond and Debt Certificate Issuances Subsequent to Fiscal Year End

General Obligation Bonds – Series 2020

On October 29, 2020 the College issued the Series 2020 bonds in the amount of \$163,280,000. It is the intent of the College to use the proceeds derived from the issuance of these bonds to finance capital projects and pay the cost of issuing the bonds.

Bond issue date	October 29, 2020
Interest rates	2.38% - 4.00%
Final payment date	December 15, 2038
Payment dates	June 15 and December 15

Debt Certificates – Series 2020

On December 15, 2020 the College issued the Series 2020 debt certificates in the amount of \$4,700,000. It is the intent of the College to use the proceeds derived from the issuance of these certificates to finance capital projects and pay the cost of issuing the certificates.

Certificate issue date	December 15, 2020
Interest rates	0.49%
Final payment date	March 4, 2021

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Exhibit 1

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

	2020	2019	2018	2017	2016	2015
College's proportion percentage of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
College's proportion amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonemployer contributing entities' proportion share Of the net pension liability associate with the College	<u>\$ 418,709,918</u>	<u>\$ 406,754,472</u>	<u>\$ 382,165,628</u>	<u>\$ 392,587,711</u>	<u>\$ 355,304,533</u>	<u>\$ 325,155,610</u>
Total (b) + (c)	<u>\$ 418,709,918</u>	<u>\$ 406,754,472</u>	<u>\$ 382,165,628</u>	<u>\$ 392,587,711</u>	<u>\$ 355,304,533</u>	<u>\$ 325,155,610</u>
College's covered payroll	\$ 52,763,602	\$ 52,930,488	\$ 53,021,094	\$ 54,689,129	\$ 54,387,841	\$ 53,959,502
College's proportion of collective net pension liability as a percentage of its covered payroll	793.56%	768.47%	720.78%	717.85%	653.28%	602.59%
SURS plan net position as a percentage of total pension liability	40.71%	41.27%	42.04%	39.57%	42.37%	44.39%

\* The System implemented GASB 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. The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

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Exhibit 2

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

	2020	2019	2018	2017	2016	2015	2014
Federal, trust, grant, and other contribution	\$ 91,571	\$ 110,953	\$ 120,590	\$ 105,265	\$ 86,601	\$ 70,673	\$ 36,112
Contribution in relation to required contribution	91,571	110,953	120,590	105,265	86,601	70,673	36,112
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College covered payroll	\$ 1,034,080	\$ 1,001,572	\$ 1,112,377	\$ 987,952	\$ 782,840	\$ 593,390	\$ 316,216
Contributions as a percentage of covered payroll	8.86%	11.08%	10.84%	10.65%	11.06%	11.91%	11.42%

\* The System implemented GASB 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.

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Required Supplementary Information  
Schedule of College's Proportionate Share of the Collective Net OPEB Liability

State of Illinois Department of Central Management Services  
Community College's Health Insurance Security Fund  
Last 10 Fiscal Years \*

	2020	2019	2018	2017
College's proportion of the collective net OPEB liability	3.24%	3.26%	3.21%	3.10%
College's proportionate share of the collective net OPEB liability	\$ 61,214,886	\$ 61,403,588	\$ 58,618,119	\$ 56,471,534
State's proportionate share of the net OPEB liability associated with the College	<u>61,188,712</u>	<u>61,364,945</u>	<u>57,878,963</u>	<u>58,876,824</u>
Total	<u>\$ 122,403,598</u>	<u>\$ 122,768,533</u>	<u>\$ 116,497,082</u>	<u>\$ 115,348,358</u>
College's covered payroll	\$ 59,911,200	\$ 58,192,600	\$ 56,885,800	\$ 56,244,600
College's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	102.18%	105.52%	103.05%	100.40%
Plan fiduciary net position as a percentage of the total OPEB liability	-4.13%	-3.54%	-2.87%	Not Available

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

Notes to Schedule:

The discount rate was updated from 2.85% as of June 30, 2016 to 3.56% as of June 30, 2017.

The discount rate was updated from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.

The discount rate was updated from 3.62% as of June 30, 2018 to 3.13% as of June 30, 2019.



WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

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

	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 299,556	\$ 290,963	\$ 284,429	\$ 278,869	\$ 281,223
Contributions in relation to the statutorily required contribution	(299,556)	(290,963)	(284,429)	(278,869)	(281,223)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 59,911,200	\$ 58,192,600	\$ 56,885,800	\$ 55,773,800	\$ 56,244,600
Contributions as a percentage of covered payroll	0.5%	0.5%	0.5%	0.5%	0.5%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, information is presented for as many years as available.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

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

Total OPEB Liability	2020	2019	2018
Service cost	\$ 437,821	\$ 608,313	\$ 667,128
Interest	446,054	410,377	330,599
Difference between expected and actual experience	-	120,438	-
Changes in plan provisions	-	(1,199,550)	-
Assumption changes	334,219	(408,798)	9,744
Benefit payments	(972,309)	(918,558)	(489,330)
Net change in total OPEB liability	245,785	(1,387,778)	518,141
Total OPEB liability beginning of year	11,574,269	12,962,047	12,443,906
Total OPEB liability end of year	<u>\$ 11,820,054</u>	<u>\$ 11,574,269</u>	<u>\$ 12,962,047</u>
Covered-employee payroll	\$ 52,037,213	\$ 53,559,828	\$ 47,293,376
Total OPEB Liability as a percentage of covered-employee payroll	22.71%	21.61%	27.41%

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

Notes to Schedule:

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

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

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

The mortality table was updated from RP-2014 Combined Healthy mortality table backed off to 2006 and projected generationally with Scale MP-2017 to RP-2014 Combined Healthy mortality table backed off to 2006 and projected generationally with Scale MP-2018. In fiscal 2020, that table was updated to Pub-2010 Public Retirement Plans General mortality table projected generationally with Scale MP-2019.

The medical trend rate table was reset in fiscal 2019 and 2020.

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

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

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

There are no fiduciary assets in the Harper OPEB Plan.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO.512

Notes to Required Supplementary Information  
Defined Benefit Pension Plan  
Year Ended June 30, 2020

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

*Defined Benefit Pension Plan*

*Changes of benefits terms.* There were no benefit changes recognized in the Total Pension Liability in any of the years presented.

*Changes in assumptions.* In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years ended June 30, 2014 to June 30, 2017 was performed on February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase. Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent through June 30, 2018. In the fiscal year ended June 30, 2019, a decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019).
- Normal retirement rates. Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences through June 30, 2018. In the fiscal year ended June 30, 2019, a slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Change to a slight increase to the rates at ages 55 and 56 through June 30, 2018. In the fiscal year ended June 30, 2019, a decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants as of June 30, 2018. In the fiscal year ended June 30, 2019 the RP-2014 mortality tables with projected generational mortality improvements were maintained however, the projections scale was updated from the MP-2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.
- Discount rate: In fiscal year 2018, the discount rate increased from 7.01 percent to 7.09 percent. In fiscal year 2019, the discount rate decreased from 7.09 percent to 6.65 percent. In fiscal year 2020, the discount rate decreased from 6.65 percent to 6.59 percent.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

JUNE 30, 2020

STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

TABLE 1  
WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

FINANCIAL TRENDS

NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net Position										
Net investment in capital assets	\$ 158,319,802	\$ 159,703,637	\$ 154,625,077	\$ 145,170,610	\$ 150,568,393	\$ 153,043,103	\$ 123,232,283	\$ 97,471,575	\$ 93,140,259	\$ 91,082,061
Restricted										
Working cash	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000	9,680,000
Capital projects	6,515,896	5,857,646	-	-	-	-	22,869,459	27,295,749	35,044,672	33,521,457
Debt service	10,248,920	8,443,761	14,363,949	13,138,897	11,643,898	10,761,476	7,397,172	5,576,957	3,746,177	1,985,734
Other	-	-	-	5,252,295	7,879,491	7,704,715	2,633,724	247,096	361,896	386,457
Unrestricted	33,779,186	27,288,968	27,608,143	83,840,386	73,295,310	72,536,360	80,243,337	86,545,156	80,509,749	72,997,417
Total Net Position	<u>\$218,543,804</u>	<u>\$ 210,974,012</u>	<u>\$ 206,277,169</u>	<u>\$ 257,082,188</u>	<u>\$ 253,067,092</u>	<u>\$ 253,725,654</u>	<u>\$ 246,055,975</u>	<u>\$ 226,816,533</u>	<u>\$ 222,482,753</u>	<u>\$ 209,653,126</u>

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

Source: College Records

TABLE 2

## WILLIAM RAINEY HARPER COLLEGE, COMMUNITY COLLEGE DISTRICT NUMBER 512

## FINANCIAL TRENDS

## CHANGES IN NET POSITION - LAST TEN FISCAL YEARS

JUNE 30	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Operating Revenues</b>										
Student tuition and fees, net	\$ 41,494,837	\$ 39,635,009	\$ 38,866,081	\$ 40,574,390	\$ 39,848,544	\$ 39,483,125	\$ 39,867,037	\$ 40,545,395	\$ 39,452,044	\$ 39,840,758
State and local government grants and contracts	3,064,151	2,404,862	4,216,208	21,783	1,263,454	1,560,808	2,155,450	2,336,287	3,075,360	2,738,068
Federal government grants and contracts	982,606	1,477,044	1,393,940	1,679,208	1,801,080	1,582,891	1,215,567	1,359,453	1,427,066	430,210
Sales and services of educational departments	1,539,510	1,348,191	1,206,308	1,196,903	1,283,580	1,221,019	1,309,873	1,334,634	1,368,508	1,272,089
Auxiliary enterprises	697,063	938,099	861,406	904,074	1,001,238	1,171,863	2,027,524	7,138,149	6,816,377	7,064,163
Other	498,185	631,118	405,755	597,262	760,933	852,399	801,410	830,480	901,206	805,717
<b>Total operating revenues</b>	<b>48,276,352</b>	<b>46,434,323</b>	<b>46,949,698</b>	<b>44,973,620</b>	<b>45,958,829</b>	<b>45,872,105</b>	<b>47,376,861</b>	<b>53,544,398</b>	<b>53,040,561</b>	<b>52,151,005</b>
<b>Operating Expenses</b>										
Instruction	60,046,710	57,554,978	58,889,756	56,219,056	53,132,902	50,585,018	49,973,085	47,329,867	44,519,884	42,032,720
Academic support	15,420,840	14,293,842	13,672,996	12,724,491	12,152,224	11,921,798	10,511,574	10,369,066	9,552,868	9,552,868
Student services	20,085,457	20,057,389	20,691,908	18,474,710	16,989,833	16,548,661	15,559,087	15,135,366	14,060,045	13,177,814
Public service	5,848,302	6,898,650	7,297,440	6,909,302	6,269,631	6,162,658	5,469,648	5,069,346	5,054,440	4,993,473
Operation and maintenance of plant	17,349,815	17,491,443	17,419,499	16,095,691	15,636,782	15,777,760	15,676,728	14,037,070	14,030,277	13,840,138
Institutional support	60,967,561	56,450,846	49,283,682	44,060,356	46,769,604	47,590,075	44,434,746	41,967,543	36,231,046	34,736,018
Scholarships and grants	7,070,852	5,520,155	5,469,218	4,686,807	4,796,657	5,217,557	5,261,488	5,111,238	6,135,905	6,683,824
Auxiliary enterprises	1,951,311	2,164,282	1,173,540	1,092,702	1,050,543	1,076,849	2,578,381	9,130,579	7,925,209	8,499,626
Depreciation	14,056,243	12,527,028	9,989,926	9,848,555	8,315,736	8,059,483	6,902,086	6,571,789	6,344,443	6,308,632
<b>Total operating expenses</b>	<b>202,797,091</b>	<b>192,958,613</b>	<b>183,887,965</b>	<b>170,111,670</b>	<b>165,113,912</b>	<b>162,939,859</b>	<b>156,366,823</b>	<b>155,124,634</b>	<b>144,670,315</b>	<b>139,825,113</b>
<b>Operating income (Loss)</b>	<b>(154,520,739)</b>	<b>(146,524,290)</b>	<b>(136,938,267)</b>	<b>(125,138,050)</b>	<b>(119,155,083)</b>	<b>(117,067,754)</b>	<b>(108,989,962)</b>	<b>(101,580,236)</b>	<b>(91,629,754)</b>	<b>(87,674,108)</b>
<b>Nonoperating revenues (expenses)</b>										
Property taxes	82,928,590	80,000,872	77,085,753	75,696,330	75,288,071	72,815,204	71,516,695	68,875,412	68,040,263	65,869,034
State appropriations	8,344,915	7,478,490	11,309,392	3,053,360	1,992,338	6,864,994	6,551,627	6,484,562	6,469,554	6,469,554
State retirement plan contribution	45,117,139	39,726,664	36,188,946	38,799,701	30,112,638	24,868,000	23,379,200	22,946,299	15,483,931	12,203,522
State OPEB on-behalf contribution	2,753,154	4,143,945	5,178,785	-	-	-	-	-	-	-
Personal property replacement tax	1,026,836	949,644	853,383	1,036,684	938,634	1,025,291	953,731	942,792	922,723	1,003,035
State and local government grants and contracts	3,804,702	4,246,734	4,622,817	1,212,671	1,176,539	2,262,606	1,370,073	1,743,042	1,964,537	1,429,541
Federal government grants and contracts	18,127,144	14,701,082	14,906,500	13,798,743	14,052,172	14,691,986	14,579,647	13,102,539	14,666,112	17,635,533
Gifts	275,842	247,489	386,653	418,283	452,237	423,585	275,544	295,416	216,398	335,138
Investment income, net of investment expense	3,097,885	3,637,575	2,166,254	1,098,489	708,274	305,441	1,246,544	295,065	2,975,801	3,703,744
Interest expense	(3,781,518)	(4,289,903)	(2,273,955)	(6,315,371)	(7,166,209)	(7,795,756)	(8,185,222)	(8,391,967)	(8,059,879)	(8,360,973)
Other	269,017	378,541	334,271	354,256	334,306	294,213	189,334	496,223	904,574	348,034
<b>Total non-operating revenues (expenses)</b>	<b>161,963,706</b>	<b>151,221,133</b>	<b>150,758,799</b>	<b>129,153,146</b>	<b>117,889,000</b>	<b>115,755,564</b>	<b>111,877,173</b>	<b>106,789,383</b>	<b>103,584,014</b>	<b>100,636,162</b>
<b>Change in net position before capital contributions</b>	<b>7,442,967</b>	<b>4,696,843</b>	<b>13,820,532</b>	<b>4,015,096</b>	<b>(1,266,083)</b>	<b>(1,312,190)</b>	<b>2,887,211</b>	<b>5,209,147</b>	<b>11,954,260</b>	<b>12,962,054</b>
State capital contributions	126,825	-	-	-	607,521	8,981,869	16,352,231	-	-	-
<b>Change in net position after capital contributions</b>	<b>\$ 7,569,792</b>	<b>\$ 4,696,843</b>	<b>\$ 13,820,532</b>	<b>\$ 4,015,096</b>	<b>\$ (658,562)</b>	<b>\$ 7,669,679</b>	<b>\$ 19,239,442</b>	<b>\$ 5,209,147</b>	<b>\$ 11,954,260</b>	<b>\$ 12,962,054</b>

Source: College Records

TABLE 3  
WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

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

Levy Year	County	Residential Property	Commercial Property	Industrial Property	Farm Property	Mineral Property	Railroad Property	Detail Not Available	Total Taxable Assessed Value	Blended Direct Tax Rate
2019	Kane	\$ 61,501,461	\$ 945,893	\$ -	\$ 706,248	\$ -	\$ -	n/a	\$ 63,153,602	0.4017
	McHenry	166,424,272	4,614,739	13,413	4,120,613	-	534,791	n/a	175,707,828	0.4017
	Cook	-	-	-	-	-	-	19,956,247,914	19,956,247,914	0.4017
	Lake	1,125,981,701	114,369,740	25,633,877	8,558,548	-	2,072,099	n/a	1,276,615,965	0.4017
2018	Kane	56,468,828	885,871	-	680,342	-	-	n/a	58,035,041	0.4379
	McHenry	157,425,643	4,649,627	12,391	3,840,898	-	489,986	n/a	166,418,545	0.4379
	Cook	11,291,299,797	4,102,933,171	1,981,154,907	1,188,729	-	12,219,983	n/a	17,388,796,587	0.4379
	Lake	1,120,769,586	111,639,327	25,318,012	9,271,442	-	1,925,972	n/a	1,268,924,339	0.4379
2017	Kane	52,750,710	832,150	-	592,107	-	-	n/a	54,174,967	0.4221
	McHenry	149,707,013	4,254,372	11,673	3,657,298	-	456,108	n/a	158,086,464	0.4221
	Cook	11,518,949,605	4,195,587,384	1,964,277,082	1,201,795	-	11,489,565	n/a	17,691,505,431	0.4221
	Lake	1,107,666,967	111,901,377	24,828,503	8,866,077	-	1,799,286	n/a	1,255,062,210	0.4221
2016	Kane	46,425,766	1,014,090	-	626,719	-	-	n/a	48,066,575	0.4148
	McHenry	141,578,519	4,236,733	10,948	3,459,370	-	447,084	n/a	149,732,654	0.4148
	Cook	11,509,184,990	4,043,467,959	1,935,092,047	1,249,511	-	11,916,679	n/a	17,500,911,186	0.4148
	Lake	1,070,492,521	113,017,962	24,117,645	8,362,147	-	1,843,495	n/a	1,217,833,770	0.4148
2015	Kane	39,438,698	1,047,624	-	598,812	-	-	n/a	41,085,134	0.4600
	McHenry	133,190,446	3,948,075	10,268	3,074,833	-	439,421	n/a	140,663,043	0.4600
	Cook	9,540,899,139	3,771,214,456	1,805,395,207	990,659	-	11,429,786	n/a	15,129,929,247	0.4600
	Lake	1,013,957,073	111,129,310	23,090,082	8,319,897	-	1,779,197	n/a	1,158,275,559	0.4600
2014	Kane	36,211,373	1,075,030	-	566,912	-	-	n/a	37,853,315	0.4516
	McHenry	127,317,257	3,731,928	9,782	2,959,027	-	366,212	n/a	134,384,206	0.4516
	Cook	9,801,539,396	3,860,990,326	1,851,603,484	1,116,968	-	9,490,979	n/a	15,524,741,153	0.4516
	Lake	983,213,115	110,023,308	23,605,307	9,123,579	-	1,480,149	n/a	1,127,445,458	0.4516
2013	Kane	37,501,869	1,224,058	-	550,259	-	-	n/a	39,276,186	0.4421
	McHenry	133,471,425	3,885,431	10,214	3,049,120	-	351,261	n/a	140,767,451	0.4421
	Cook	9,333,612,412	3,641,881,414	2,328,670,678	795,369	-	8,924,792	n/a	15,313,884,665	0.4421
	Lake	998,183,198	114,269,659	24,803,867	9,477,641	-	1,386,316	n/a	1,148,120,681	0.4421
2012	Kane	40,130,625	1,219,085	-	621,549	-	-	n/a	41,971,259	0.3769
	McHenry	147,289,247	6,682,165	11,152	3,256,438	-	284,618	n/a	157,523,620	0.3769
	Cook	11,118,795,350	3,848,755,901	2,624,814,307	822,114	-	7,071,408	n/a	17,600,259,080	0.3769
	Lake	1,058,745,069	118,136,180	26,373,731	9,318,468	-	1,031,798	n/a	1,213,605,246	0.3769
2011	Kane	45,811,350	1,414,588	-	641,925	-	-	n/a	47,867,863	0.3335
	McHenry	164,268,613	6,942,977	12,184	3,548,175	-	251,766	n/a	175,023,715	0.3335
	Cook	12,105,430,519	4,144,556,071	2,850,276,418	823,789	-	7,269,576	n/a	19,108,356,373	0.3335
	Lake	1,145,039,931	117,267,770	27,002,755	8,084,612	-	957,880	n/a	1,298,352,948	0.3335
2010	Kane	63,666,750	1,170,563	-	624,768	-	-	n/a	65,462,081	0.2954
	McHenry	188,915,185	7,944,858	13,239	4,172,118	-	-	n/a	201,045,400	0.2954
	Cook	13,095,971,062	4,809,553,603	3,252,380,518	820,835	-	7,153,959	n/a	21,165,879,977	0.2954
	Lake	1,231,151,331	114,114,859	26,144,991	8,155,562	-	925,851	n/a	1,380,492,594	0.2954

Source: College Records

TABLE 4

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY

PROPERTY TAX RATES  
LAST TEN LEVY YEARS

Fund	Levy Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Education	\$ 0.2393	\$ 0.2636	\$ 0.2494	\$ 0.2428	\$ 0.2548	\$ 0.2445	\$ 0.2362	\$ 0.2021	\$ 0.1778	\$ 0.1500
Operations and Maintenance	0.0568	0.0636	0.0639	0.0660	0.0932	0.0940	0.0975	0.0859	0.0751	0.0657
Liability, Protection and Settlement	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0002	0.0002	0.0002	0.0090
Audit	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0002	0.0002	0.0002	0.0004
Bond and Interest	0.1054	0.1105	0.1086	0.1058	0.1118	0.1129	0.1080	0.0885	0.0802	0.0703
Total	\$ 0.4017	\$ 0.4379	\$ 0.4221	\$ 0.4148	\$ 0.4600	\$ 0.4516	\$ 0.4421	\$ 0.3769	\$ 0.3335	\$ 0.2954

Source: College Records



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

Levy Year	Taxes Extended						Total
	Education Purposes	Operations and Maintenance Purposes (Unrestricted)	Operations and Maintenance (Restricted) Fund	Bond & Interest Fund	Audit Fund	Liability, Protection and Settlement Fund	
2019	\$ 51,378,877	\$ 12,195,060	\$ -	\$ 22,623,573	\$ 18,838	\$ 18,838	\$ 86,235,186
2018	49,779,576	12,005,199	-	20,865,493	17,789	17,789	82,685,846
2017	47,790,496	12,244,875	-	20,809,248	18,013	18,013	80,880,645
2016	45,920,503	12,481,501	-	20,006,430	17,735	17,735	78,443,904
2015	41,960,211	15,357,235	-	18,416,477	15,454	15,454	75,764,831
2014	41,130,997	15,813,682	-	18,990,940	15,771	15,772	75,967,162
2013	39,306,458	16,232,564	-	17,966,056	38,489	38,489	73,582,056
2012	38,421,452	16,325,549	-	16,825,387	42,040	42,040	71,656,468
2011	36,686,099	15,502,072	-	16,540,058	45,179	32,196	68,805,604
2010	34,196,000	14,986,756	-	16,029,560	92,700	2,054,850	67,359,866

Levy Year	Assessed Valuation					Total Assessed Valuation
	Cook County	Kane County	Lake County	McHenry County		
2019	\$ 19,956,247,914	\$ 63,153,602	\$1,276,615,965	\$ 175,707,828		\$ 21,471,725,309
2018	17,388,796,587	58,035,041	1,268,924,339	166,418,545		18,882,174,512
2017	17,691,505,431	54,174,967	1,255,062,210	158,086,464		19,158,829,072
2016	17,500,911,186	48,066,575	1,217,833,770	149,732,654		18,916,544,185
2015	15,129,929,247	41,085,134	1,158,275,559	140,663,043		16,469,952,983
2014	15,524,741,153	37,853,315	1,127,445,458	134,384,206		16,824,424,132
2013	15,313,884,665	39,276,186	1,148,120,681	140,767,451		16,642,048,983
2012	17,600,259,080	41,971,259	1,213,605,246	155,914,924		19,011,750,509
2011	19,108,356,373	47,867,863	1,298,352,948	173,747,656		20,628,324,840
2010	21,165,879,977	65,462,081	1,380,492,594	191,657,397		22,803,492,049

Source: College Records

TABLE 6

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

2017 (1)				2009			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Assessed Valuation
Simon Property Group	\$ 237,478,417	1	1.20%	Woodfield Retax Adm	\$ 236,538,048	1	0.95%
Terrance Evans	105,855,247	2	0.54%	AT & T	133,669,304	2	0.54%
Wal-Mart	62,937,443	3	0.32%	Motorola, Inc	130,867,922	3	0.52%
BRE Streets of Woodfield	57,424,061	5	0.29%	Manulife Financial	95,590,932	4	0.38%
CO Prologis RE Tax	56,030,997	4	0.28%	Wal-Mart Prop Tax Dept	82,197,251	5	0.38%
Schaumburg CC Owner	53,936,831	4	0.27%	KBS Woodfield Preserve	71,428,879	6	0.29%
BRE DDR Woodfield Village	45,742,585	7	0.23%	ZNA Real Estate Dept	64,452,084	7	0.26%
Woodfield Preserve Pro	44,386,338	8	0.22%	Prime Group Realty	60,910,466	8	0.24%
Arthur J Gallagher	44,344,375	9	0.22%	Marc Realty	56,174,765	9	0.22%
Martingale Road LLC	36,754,711	10	0.19%	KF Schaumburg LLC	55,956,365	10	0.22%
Total	<u>\$ 744,891,005</u>		<u>3.76%</u>		<u>\$ 987,786,016</u>		<u>4.00%</u>

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

Note: (1) 2017 is the most recent information available.

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

TABLE 7

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN LEVY YEARS

Levy Year	Taxes Extended	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 86,235,186	\$ 43,009,798	49.87%	\$ -	\$ 43,009,798	49.87%
2018	82,685,846	41,239,566	49.88%	40,828,906	82,068,472	99.25%
2017	80,880,645	40,339,221	49.87%	40,255,701	80,594,922	99.65%
2016	78,443,904	39,123,897	49.87%	39,156,711	78,280,608	99.79%
2015	75,764,831	37,587,308	49.61%	38,020,850	75,608,158	99.79%
2014	75,967,162	37,538,088	49.41%	38,223,973	75,762,061	99.73%
2013	73,582,056	36,617,798	49.76%	36,516,927	73,134,725	99.39%
2012	71,656,468	35,324,303	49.30%	36,151,460	71,475,763	99.75%
2011	68,805,604	34,273,429	49.81%	34,038,622	68,312,051	99.28%
2010	67,359,866	33,780,909	50.15%	33,288,184	67,069,093	99.57%

Source: College Records

TABLE 8

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

REVENUE CAPACITY

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

Fiscal Year	Fall Term Enrollment		Tuition and Fee Rates			Total Credit Hours Claimed	Tuition and Fee Revenue Net of Allowances
	FTE Credit Courses	Headcount Credit Courses	In District Tuition and Fees per Semester Hour	Out of District Tuition and Fees per Semester Hour	Out of State Tuition and Fees per Semester Hour		
2020	8,002	14,332	\$ 152.50	\$ 409.50	\$ 485.00	247,345.0	\$ 41,494,837
2019	8,023	14,212	148.75	405.75	481.25	245,659.0	39,635,009
2018	8,245	14,446	142.50	399.50	475.00	252,091.5	38,866,081
2017	8,475	14,924	135.25	392.25	467.75	260,227.0	40,574,390
2016	8,754	15,319	129.75	386.75	462.25	265,447.5	39,848,544
2015	9,089	15,830	126.25	383.25	458.75	271,027.0	39,483,125
2014	9,444	16,260	124.50	381.50	457.00	278,565.5	39,867,037
2013	9,545	14,706	122.50	379.50	455.00	286,412.5	40,545,395
2012	10,171	16,007	118.50	375.50	451.00	299,666.0	39,452,044
2011	10,547	16,060	112.50	369.50	445.00	310,515.5	39,840,758

Source: College Records

TABLE 9

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEBT CAPACITY

RATIO OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds	General Obligation Alternate Revenue Bonds	General Obligation Refunding Bonds	General Obligation Limited Tax Bonds	Unamortized Premium	Total Outstanding Debt	Estimated Actual Taxable Property Value	Percentage of Actual Value	Population Estimate	Total Outstanding Debt Per Capita
2020	\$ -	\$ -	\$ 99,010,000	\$ 4,570,000	\$ 15,046,697	\$118,626,697	\$ 64,415,175,927	0.18%	534,497	\$ 221.94
2019	-	-	110,900,000	6,885,000	17,064,515	134,849,515	56,646,523,536	0.24%	534,497	252.29
2018	7,530,000	-	114,840,000	4,525,000	18,693,367	145,588,367	57,476,487,216	0.25%	534,984	272.14
2017	132,095,000	-	14,485,000	6,675,000	2,432,252	155,687,252	56,749,632,555	0.27%	534,984	291.01
2016	137,520,000	-	17,110,000	4,180,000	3,116,272	161,926,272	49,409,858,949	0.33%	534,984	302.67
2015	142,785,000	-	21,750,000	6,400,000	2,126,859	173,061,859	50,473,272,396	0.34%	534,984	323.49
2014	145,525,000	-	26,100,000	3,685,000	2,451,037	177,761,037	49,926,146,949	0.36%	534,586	332.52
2013	147,280,000	-	29,910,000	5,800,000	2,919,110	185,909,110	57,035,251,527	0.33%	532,566	349.08
2012	148,995,000	-	33,540,000	3,240,000	2,636,800	188,411,800	61,884,974,520	0.30%	534,984	352.18
2011	150,310,000	500,000	36,770,000	5,340,000	3,118,413	196,038,413	68,410,476,147	0.29%	534,984	366.44

Source: College Records

TABLE 10

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEBT CAPACITY

RATIO OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ended	General Obligation Bonds	General Obligation Alternate Revenue Bonds	General Obligation Refunding Bonds	General Obligation Limited Tax Bonds	Unamortized Premium	Total Outstanding Debt	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Total Net Outstanding Debt Per Capita
2020	\$ -	\$ -	\$ 99,010,000	\$ 4,570,000	\$ 15,046,697	\$ 118,626,697	\$ 10,248,920	\$ 108,377,777	0.17%	\$ 202.77
2019	-	-	110,900,000	6,885,000	17,064,515	134,849,515	8,443,761	126,405,754	0.22%	236.49
2018	7,530,000	-	114,840,000	4,525,000	18,693,367	145,588,367	14,363,949	131,224,418	0.23%	245.29
2017	132,095,000	-	14,485,000	6,675,000	2,432,252	155,687,252	13,138,897	142,548,355	0.25%	266.45
2016	137,520,000	-	17,110,000	4,180,000	3,116,272	161,926,272	11,643,899	150,282,373	0.30%	280.91
2015	142,785,000	-	21,750,000	6,400,000	2,126,859	173,061,859	10,761,477	162,300,382	0.32%	303.37
2014	145,525,000	-	26,100,000	3,685,000	2,451,037	177,761,037	9,775,939	167,985,098	0.34%	314.23
2013	147,280,000	-	29,910,000	5,800,000	2,919,110	185,909,110	8,474,008	177,435,102	0.31%	333.17
2012	148,995,000	-	33,540,000	3,240,000	2,636,800	188,411,800	7,888,676	180,523,124	0.29%	337.44
2011	150,310,000	500,000	36,770,000	5,340,000	3,118,413	196,038,413	7,325,735	188,712,678	0.28%	352.74

Source: College records

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

TABLE 11  
WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512  
DEBT CAPACITY  
DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2020

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable	College Share of Direct and Overlapping Debt
Direct bonded debt:			
William Rainey Harper College	\$ 118,626,697	100.00%	\$ 118,626,697
Overlapping bonded debt:			
		As of December 16, 2018	
Cook County	2,958,601,750	11.75%	347,635,712
Cook County Forest Preserve District	92,605,000	11.75%	10,881,088
Metropolitan Water Reclamation District	2,712,987,164	11.26%	305,482,355
Kane County Forest Preserve District	139,615,000	0.40%	558,460
Lake County Forest Preserve District	240,365,000	4.83%	11,609,630
McHenry County Conservation District	91,070,000	1.98%	1,803,186
Village of Arlington Heights	63,065,000	100.00%	63,065,000
Village of Barrington Hills	490,000	94.44%	462,756
Village of Buffalo Grove	14,365,000	20.04%	2,878,746
Village of Carpentersville	40,500,000	7.98%	3,231,900
City of Des Plaines	21,899,698	16.35%	3,580,601
Village of Elk Grove Village	122,450,000	73.58%	90,098,710
Village of Hanover Park	15,605,000	22.40%	3,495,520
Village of Hoffman Estates	97,555,000	82.52%	80,502,386
Village of Inverness	4,400,000	100.00%	4,400,000
Village of Lake Barrington	5,315,000	96.27%	5,116,751
Village of Mount Prospect	92,395,000	99.79%	92,200,971
Village of Northbrook	121,945,000	1.02%	1,243,839
Village of Palatine	65,515,000	100.00%	65,515,000
City of Prospect Heights	9,415,000	95.71%	9,011,097
City of Rolling Meadows	14,305,000	100.00%	14,305,000
Village of Schaumburg	296,715,000	97.03%	287,902,565
Village of Wheeling	48,075,000	99.42%	47,796,165
Arlington Heights Park District	14,320,000	100.00%	14,320,000
Barrington Park District	13,410,000	100.00%	13,410,000
Buffalo Grove Park District	10,950,000	23.02%	2,520,690
Des Plaines Park District	747,000	1.70%	12,699
Elk Grove Park District	950,000	100.00%	950,000
Hanover Park Park District	1,270,320	15.31%	194,486
Hoffman Estates Park District	5,340,000	81.49%	4,351,566
Inverness Park District	148,500	100.00%	148,500
Mount Prospect Park District	13,734,788	100.00%	13,734,788
Palatine Park District	6,655,000	100.00%	6,655,000
Roselle Park District	1,030,000	9.26%	95,378
Schaumburg Park District	730,000	96.85%	707,005
Wheeling Park District	1,350,000	93.06%	1,256,310
Fox River Grove Public Library District	40,000	35.66%	14,264
Gail Borden Public Library District	9,910,000	1.19%	117,929
Poplar Creek Public Library District	15,700,000	5.48%	860,360
East Dundee & Countryside Fire District	4,415,000	36.71%	1,620,747
Lake Barrington Special Service Area Number 3	855,000	91.96%	786,258

TABLE 11  
WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512  
DEBT CAPACITY  
DIRECT AND OVERLAPPING BONDED DEBT  
JUNE 30, 2020

Governmental Unit	Debt Outstanding	Percentage of Debt Applicable	College Share of Direct and Overlapping Debt
North Barrington Special Service Area 17	\$ 3,980,000	49.14%	\$ 1,955,772
South Barrington Special Service Area 1	85,000	100.00%	85,000
South Barrington Special Service Area 3	5,735,000	42.45%	2,434,508
School District Number 3	800,000	40.44%	323,520
School District Number 23	6,655,000	100.00%	6,655,000
School District Number 25	45,075,000	100.00%	45,075,000
School District Number 26	7,930,000	87.72%	6,956,196
School District Number 57	7,405,000	100.00%	7,405,000
High School District Number 155	7,300,000	1.54%	112,420
Community Consolidated School District 15	34,771,203	100.00%	34,771,203
Community Consolidated School District 21	26,440,000	100.00%	26,440,000
Community Consolidate School District 59	12,385,000	94.88%	11,750,888
Community Unit School District Number 220	20,255,000	99.71%	20,196,261
Township High School District Number 211	3,020,000	98.94%	2,987,988
Township High School District Number 214	38,575,000	98.08%	<u>37,834,360</u>
Total overlapping bonded debt			<u>1,719,516,534</u>
Total direct and overlapping bonded debt			<u>\$ 1,838,143,231</u>

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

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

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



TABLE 12

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEBT CAPACITY

LEGAL DEBT MARGIN INFORMATION  
LAST TEN LEVY YEARS

	2019	2018	2017	2016	2015
Assessed valuation	\$ 21,471,725,309	\$ 18,882,174,512	\$ 19,158,829,072	\$ 18,916,544,185	\$ 16,469,952,983
Legal debt limit - 2.875% of assessed valuation	617,312,103	542,862,517	550,816,336	543,850,645	473,511,148
Total debt applicable to limit	103,580,000	117,785,000	126,895,000	153,255,000	158,810,000
Legal debt margin	\$ 513,732,103	\$ 425,077,517	\$ 423,921,336	\$ 390,595,645	\$ 314,701,148
Total net debt applicable to the limit as a percentage of debt limit	16.78%	21.70%	23.04%	28.18%	33.54%
	2014	2013	2012	2011	2010
Assessed valuation	\$ 16,824,424,132	\$ 16,642,048,983	\$ 19,011,750,509	\$ 20,628,324,840	\$ 22,803,492,049
Legal debt limit - 2.875% of assessed valuation	483,702,194	478,458,908	546,587,827	593,064,339	655,600,396
Total debt applicable to limit	170,935,000	175,310,000	182,990,000	185,775,000	192,920,000
Legal debt margin	\$ 312,767,194	\$ 303,148,908	\$ 363,597,827	\$ 407,289,339	\$ 462,680,396
Total net debt applicable to the limit as a percentage of debt limit	35.34%	36.64%	33.48%	31.32%	29.43%

Source: College Records

TABLE 13

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEMOGRAPHIC AND ECONOMIC INFORMATION

POPULATION AND UNEMPLOYMENT RATES  
LAST TEN YEARS

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Population Estimates	534,497	534,497	534,984	534,984	534,984	534,984	534,984	534,984	534,984	534,984
Unemployment Rates:										
Arlington Heights	12.3%	3.1%	3.4%	4.0%	4.4%	4.6%	5.3%	6.6%	6.8%	7.7%
Elk Grove Village	15.2%	3.4%	3.6%	4.0%	4.7%	5.3%	5.5%	7.3%	7.2%	8.8%
Hoffman Estates	14.4%	3.6%	3.7%	4.0%	4.4%	4.8%	5.4%	6.7%	6.6%	8.4%
Mount Prospect	13.6%	3.1%	3.2%	3.7%	4.2%	4.6%	5.3%	6.6%	6.4%	8.0%
Palatine	13.1%	3.1%	3.4%	3.9%	4.4%	4.9%	5.2%	6.9%	6.7%	8.7%
Schaumburg	14.1%	3.4%	3.6%	4.0%	4.4%	5.0%	5.5%	6.7%	6.8%	8.3%
Wheeling	13.7%	2.9%	3.2%	3.6%	4.2%	4.7%	5.4%	7.2%	8.3%	8.7%
Chicago PMSA	16.4%	4.1%	4.3%	5.1%	5.5%	6.3%	7.1%	10.3%	9.3%	10.7%
Illinois	14.6%	4.0%	4.5%	5.0%	5.6%	5.9%	7.1%	9.8%	9.3%	10.6%
United States	11.2%	3.8%	4.2%	4.5%	4.5%	5.5%	6.3%	7.8%	8.4%	9.7%

Source: College records and Illinois Department of Employment Securities

Note: 2020 Unemployment Data as of June 2020

TABLE 14

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

DEMOGRAPHIC AND ECONOMIC INFORMATION

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

2018 (1)			2010		
Employer	Number of Employees	Rank	Employer	Number of Employees	Rank
Northwest Community Hospital	4,000	1	Alexian Brothers Medical System	4,813	1
Sears Holdings Corp.	3,800	2	Sears Roebuck & Co.	4,800	2
Alexian Bros Medical Center	3,100	3	Arlington Park Racecourse	4,500	3
Allied Building Products Corp.	3,000	4	Northwest Community Hospital	4,000	4
Zurich North America	2,500	5	Woodfield Mall Shopping Center	3,800	5
St. Alexius Medical Center	2,045	6	AT&T Services Inc	3,000	6
Motorola Solutions	1,600	7	Zurich American Insurance	2,687	7
Automatic Data Processing	1,500	8	School District 54	2,274	8
HSBC Finance Corp.	1,500	9	Motorola Solutions, Inc	2,225	9
Clearbrook	1,000	10	Northrup Grumman	2,000	10
Total	<u>24,045</u>			<u>34,099</u>	

Sources:

- College records
- 2018 Illinois Manufacturers Directory
- 2018 Illinois Services Directory

Note: (1) Most recent information available

TABLE 15

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

OPERATING INFORMATION

EMPLOYEE HEADCOUNT  
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Faculty										
Full-time	222	223	228	233	238	238	236	233	232	217
Part-time	-	-	-	-	-	-	-	-	-	-
Administrative										
Full-time	40	38	39	43	51	51	51	47	48	45
Part-time	-	-	-	-	-	-	-	-	-	-
Professional/Technical										
Full-time	175	167	152	142	138	131	125	124	121	111
Part-time	30	28	32	39	45	47	43	41	37	21
Supervisory/Confidential										
Full-time	113	111	103	99	94	97	94	91	85	73
Part-time	2	2	2	2	2	2	3	5	4	2
Classified Staff										
Full-time	124	122	128	127	136	131	136	139	141	135
Part-time	60	72	83	89	111	126	138	165	278	61
Security										
Full-time	17	17	17	18	18	18	16	16	16	15
Part-time	15	15	15	15	17	17	17	17	16	-
Custodial/Maintenance										
Full-time	86	84	84	84	93	93	93	97	97	89
Part-time	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>3</u>
Total										
Full-time	777	762	751	746	768	759	751	747	740	685
Part-time	<u>111</u>	<u>121</u>	<u>136</u>	<u>149</u>	<u>180</u>	<u>197</u>	<u>206</u>	<u>233</u>	<u>340</u>	<u>87</u>
Grand Total	<u>888</u>	<u>883</u>	<u>887</u>	<u>895</u>	<u>948</u>	<u>956</u>	<u>957</u>	<u>980</u>	<u>1,080</u>	<u>772</u>

Source: College Records

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

In 2012 the College reviewed the workers categorized as Temporary and Short-term, and reclassified about 260 to Part-time employees based on average hours being worked.

TABLE 16

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

OPERATING INFORMATION

OPERATING INDICATORS  
LAST TEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Degrees and Certificates Awarded										
Degrees	1,881	1,944	1,758	1,791	1,611	1,629	1,773	1,326	1,361	1,457
Certificates	2,488	2,173	1,764	1,818	1,845	1,990	1,971	1,544	1,730	2,376
Total Degrees and Certificates Awarded	<u>4,369</u>	<u>4,117</u>	<u>3,522</u>	<u>3,609</u>	<u>3,456</u>	<u>3,619</u>	<u>3,744</u>	<u>2,870</u>	<u>3,091</u>	<u>3,833</u>
Student enrollment by funding category (unrestricted reimbursable credit hours)										
Baccalaureate	176,124	173,770	179,247	183,592	184,847	187,055	191,897	193,163	197,827	208,699
Business Occupational	17,604	16,547	16,766	17,269	18,153	19,484	20,542	22,190	23,495	22,389
Technical Occupational	16,703	17,123	16,598	17,715	16,660	17,347	15,284	16,536	17,368	17,321
Health Occupational	15,771	15,232	17,180	17,607	16,546	16,007	17,646	18,916	19,844	18,046
Remedial Developmental	9,736	10,560	11,083	11,816	15,143	17,335	19,852	21,456	27,632	29,972
Adult Basic/Secondary Education	<u>2,054</u>	<u>2,776</u>	<u>3,138</u>	<u>5,729</u>	<u>6,780</u>	<u>5,046</u>	<u>4,986</u>	<u>4,942</u>	<u>5,800</u>	<u>7,966</u>
Total Credit Hours	<u>237,992</u>	<u>236,008</u>	<u>244,012</u>	<u>253,728</u>	<u>258,129</u>	<u>262,274</u>	<u>270,206</u>	<u>277,203</u>	<u>291,966</u>	<u>304,391</u>

Source: College Records

TABLE 17

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 512

OPERATING INFORMATION

CAPITAL ASSET STATISTICS  
LAST TEN FISCAL YEARS

	2019*	2018	2017	2016	2015	2014	2013	2012	2011	2010
Facilities Data										
Total Acreage - Main Campus	188	188	188	188	188	188	188	188	188	188
Total Acreage - Extension Sites	9	9	9	9	9	9	9	9	9	9
Gross Square Footage - Main Campus	1,607,189	1,559,278	1,559,278	1,559,278	1,558,990	1,227,523	1,228,143	1,228,631	1,228,631	1,228,631
Gross Square Footage - Extension Sites	96,052	96,052	96,052	93,142	93,142	84,359	79,846	81,077	81,077	81,077
Number of Buildings - Main Campus	23	23	23	23	23	23	23	23	23	23
Number of Buildings - Extension Sites	2	2	2	2	2	2	2	2	2	2
Number of Parking Spaces	5,463	5,463	5,463	5,463	5,463	4,586	4,586	4,586	4,586	4,586

Source: College Records

\* Most recent data available

Changes due to building additions, renovations, and space reallocations

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Uniform Financial Statement No. 1  
All Funds Summary

Year ended June 30, 2020

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund	Restricted Purposes Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance at June 30, 2019	\$ 35,834,481	\$ 19,692,561	\$ 42,747,171	\$ 8,443,761	\$ 9,021,297	\$ 17,891,925	\$ 16,391,296	\$ -	\$ -	\$ 150,022,492
Revenues:										
Local tax revenue	49,691,570	11,861,835	-	21,341,675	-	-	-	16,755	16,755	82,928,590
All other local revenue	1,026,836	-	45,000	-	-	-	-	-	-	1,071,836
ICCB grants	8,981,135	-	-	-	-	625,993	-	-	-	9,607,128
All other state revenue	-	-	-	-	-	4,753,860	-	-	-	4,753,860
Federal revenue	19,470	-	-	-	-	19,090,280	-	-	-	19,109,750
Student tuition and fees	47,113,449	2,029,378	522,015	-	2,361,456	4,494	-	-	-	52,030,792
On-behalf State plan contributions	-	-	-	-	-	47,870,293	-	-	-	47,870,293
All other revenue	1,946,748	426,783	335,573	194,643	3,007,430	180,919	297,974	-	-	6,390,070
Total revenues	108,779,208	14,317,996	902,588	21,536,318	5,368,886	72,525,839	297,974	16,755	16,755	223,762,319
Expenditures:										
Instruction	38,236,458	-	-	-	298,742	20,666,747	-	-	-	59,201,947
Academic support	9,599,670	-	-	-	-	5,621,555	-	-	-	15,221,225
Student services	12,220,012	-	-	-	627,970	6,937,483	-	-	-	19,785,465
Public service/continuing education	106,473	-	-	-	2,474,082	3,210,530	-	-	-	5,791,085
Independent operations	-	-	-	-	1,693,097	249,324	-	-	-	1,942,421
Operations and maintenance of plant	-	12,492,784	-	-	6,600	4,648,205	-	-	-	17,147,589
Institutional support	26,709,306	2,224,814	4,705,960	19,731,159	494,513	18,335,199	-	16,755	16,755	72,234,461
Scholarships/grants/waivers	6,559,453	-	-	-	-	20,744,824	-	-	-	27,304,277
Total expenditures	93,431,372	14,717,598	4,705,960	19,731,159	5,595,004	80,413,867	-	16,755	16,755	218,628,470
Excess (deficiency) of revenues over expenditures	15,347,836	(399,602)	(3,803,372)	1,805,159	(226,118)	(7,888,028)	297,974	-	-	5,133,849
Other financing sources (uses):										
Proceeds from issuance of debt	-	-	-	-	-	-	-	-	-	-
Premium on Bond Issue	-	-	-	-	-	-	-	-	-	-
Payment to Escrow Agent	-	-	-	-	-	-	-	-	-	-
Transfers (to) from other funds	(13,345,595)	-	4,000,120	-	439,642	8,905,833	-	-	-	-
Fund balance at June 30, 2020	\$ 37,836,722	\$ 19,292,959	\$ 42,943,919	\$ 10,248,920	\$ 9,234,821	\$ 18,909,730	\$ 16,689,270	\$ -	\$ -	\$ 155,156,341

See accompanying independent auditor's report.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

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

Year ended June 30, 2020

	Capital Asset/Debt Account Groups <u>June 30, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Capital Asset/Debt Account Groups <u>June 30, 2020</u>
Capital assets:				
Land	\$ 4,326,007	\$ -	-	\$ 4,326,007
Buildings and improvements	363,077,086	46,591,733	-	409,668,819
Equipment	23,557,973	653,693	(16,155)	24,195,511
Construction in progress	<u>49,566,990</u>	<u>1,169,398</u>	<u>(46,591,733)</u>	<u>4,144,655</u>
Total capital assets	440,528,056	48,414,824	(46,607,888)	442,334,992
Accumulated depreciation	<u>(161,694,768)</u>	<u>(14,056,243)</u>	<u>16,155</u>	<u>(175,734,856)</u>
Net capital assets	<u>\$ 278,833,288</u>	<u>\$ 34,358,581</u>	<u>\$ (46,591,733)</u>	<u>\$ 266,600,136</u>
Total debt – bonds payable	<u>\$ 134,849,515</u>	<u>\$ -</u>	<u>\$ (16,222,818)</u>	<u>\$ 118,626,697</u>

See accompanying independent auditor's report.



WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 3  
Page 1 of 2

Uniform Financial Statement No. 3  
Operating Funds Revenues and Expenditures

Year ended June 30, 2020

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
Operating revenues by source:			
Local government revenue:			
Local taxes	\$ 49,691,570	\$ 11,861,835	\$ 61,553,405
Chargeback revenue	—	—	—
CPPTRR	1,026,836	—	1,026,836
Total local government revenue	<u>50,718,406</u>	<u>11,861,835</u>	<u>62,580,241</u>
State government revenue:			
ICCB Credit Hour grants	8,344,915	—	8,344,915
Other	636,220	—	636,220
Total state government revenue	<u>8,981,135</u>	<u>—</u>	<u>8,981,135</u>
Federal government revenue:			
Department of Education	19,470	—	19,470
Total federal government revenue	<u>19,470</u>	<u>—</u>	<u>19,470</u>
Student tuition and fees:			
Tuition	42,103,059	—	42,103,059
Fees	5,010,390	2,029,378	7,039,768
Total student tuition and fees	<u>47,113,449</u>	<u>2,029,378</u>	<u>49,142,827</u>
Other sources:			
Sales and service fees	204,897	—	204,897
Investment revenue	1,675,415	395,288	2,070,703
Other	66,436	31,495	97,931
Total other revenue	<u>1,946,748</u>	<u>426,783</u>	<u>2,373,531</u>
Total revenues	<u>108,779,208</u>	<u>14,317,996</u>	<u>123,097,204</u>
Less – nonoperating items:*			
Tuition chargeback revenue	—	—	—
Transfers from nonoperating funds	—	—	—
Adjusted revenue	<u>\$ 108,779,208</u>	<u>\$ 14,317,996</u>	<u>\$ 123,097,204</u>

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

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 3  
Page 2 of 2

Uniform Financial Statement No. 3  
Operating Funds Revenues and Expenditures

Year ended June 30, 2020

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
Operating expenditures:			
By program:			
Instruction	\$ 38,236,458	\$ —	\$ 38,236,458
Academic support	9,599,670	—	9,599,670
Student services	12,220,012	—	12,220,012
Public service/continuing education	106,473	—	106,473
Operations and maintenance	—	12,492,784	12,492,784
Institutional support	26,709,306	2,224,814	28,934,120
Scholarships/grants/waivers	6,559,453	—	6,559,453
Transfers	13,345,595	—	13,345,595
	<u>106,776,967</u>	<u>14,717,598</u>	<u>121,494,565</u>
Total operating expenditures			
Less – nonoperating items:*			
Tuition chargebacks	—	—	—
Transfers to nonoperating funds	13,345,595	—	13,345,595
	<u>13,345,595</u>	<u>—</u>	<u>13,345,595</u>
Adjusted operating expenditures	\$ <u>93,431,372</u>	\$ <u>14,717,598</u>	\$ <u>108,148,970</u>
By object:			
Salaries	\$ 63,807,538	6,204,963	\$ 70,012,501
Employee benefits	12,565,792	1,779,923	14,345,715
Contractual services	4,266,927	2,203,285	6,470,212
General materials and supplies	3,876,401	790,087	4,666,488
Conference and meeting expense	916,779	12,262	929,041
Fixed charges	322,422	256,157	578,579
Utilities	720	2,832,313	2,833,033
Capital outlay	503,331	638,608	1,141,939
Other	7,171,462	—	7,171,462
Transfers	13,345,595	—	13,345,595
	<u>106,776,967</u>	<u>14,717,598</u>	<u>121,494,565</u>
Total operating expenditures			
Less – nonoperating items:*			
Tuition chargebacks	—	—	—
Transfers to nonoperating funds	13,345,595	—	13,345,595
	<u>13,345,595</u>	<u>—</u>	<u>13,345,595</u>
Adjusted operating expenditures	\$ <u>93,431,372</u>	\$ <u>14,717,598</u>	\$ <u>108,148,970</u>

\*Intercollege expenses are subtracted to allow for statewide comparisons.

See accompanying independent auditor's report.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 4  
Page 1 of 2

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

Year ended June 30, 2020

Revenues by source:

State government:

ICCB – Adult Education	\$ 503,463
Illinois Student Assistance Commission	2,892,575
Illinois Department of Commerce and Economic Opportunity	200,837
On-behalf State retirement plan contribution	47,870,293
Other	<u>1,782,978</u>
Total state government	<u>53,250,146</u>

Federal government:

Department of Education	17,427,589
Department of Labor	705,500
Department of Health and Human Services	352,368
Department of Veterans Affairs	440,710
Other	<u>164,113</u>
Total federal government	<u>19,090,280</u>

Student tuition and fees

Other	<u>4,494</u>
Total student tuition and fees	<u>4,494</u>

Other sources

Transfers	180,919
	<u>8,905,833</u>
Total restricted purposes fund revenues	<u><u>\$ 81,431,672</u></u>

Expenditures by program:

Instruction	\$ 20,666,747
Academic support	5,621,555
Student services	6,937,483
Public service/continuing education	3,210,530
Auxiliary	249,324
Operations and maintenance	4,648,205
Institutional support	18,335,199
Scholarships, student grants, and waivers	20,744,824
Transfers	<u>—</u>
Total restricted purposes fund expenditures	<u><u>\$ 80,413,867</u></u>

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 4  
Page 2 of 2

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

Year ended June 30, 2020

Expenditures by object:	
Salaries	\$ 2,637,083
Employee benefits	48,124,043
Contractual services	4,335,716
General materials and supplies	537,549
Travel and meetings	72,993
Fixed charges	305,214
Utilities	37,942
Capital outlay	1,616,252
Other	22,747,075
Transfers	—
Total restricted purposes fund expenditures	<u>\$ 80,413,867</u>

See accompanying independent auditor's report.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 5  
Page 1 of 2

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

Year ended June 30, 2020

Instruction:	
Instructional programs	\$ 38,458,512
Instructional support	1,427,771
On-behalf State retirement plan contributions	<u>19,315,664</u>
Total instruction	<u>59,201,947</u>
Academic support:	
Library center	2,177,988
Educational media services	—
Academic administration and planning	6,898,271
On-behalf State retirement plan contributions	4,581,187
Other	<u>1,563,779</u>
Total academic support	<u>15,221,225</u>
Student services:	
Admissions and records	2,037,744
Counseling and career guidance	4,666,517
Student financial aid and administration	895,632
On-behalf State retirement plan contributions	6,864,600
Other	<u>5,320,972</u>
Total student services	<u>19,785,465</u>
Public service/continuing education:	
Community education	2,720,985
Customized training (instructional)	87,366
Community services	102,933
On-behalf State retirement plan contributions	1,354,729
Other	<u>1,525,072</u>
Total public service/continuing education	<u>5,791,085</u>
Auxiliary services	
Auxiliary services	1,693,496
On-behalf State retirement plan contribution	<u>248,925</u>
Total auxiliary services	<u>1,942,421</u>

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Schedule 5  
Page 2 of 2

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

Year ended June 30, 2020

Operations and maintenance of plant:	
Maintenance	\$ 1,395,967
Custodial services	2,971,354
Grounds	969,310
Campus security	1,575,058
Utilities	3,846,454
On-behalf State retirement plan contributions	4,648,205
Administration	<u>1,741,241</u>
Total operations and maintenance of plant	<u>17,147,589</u>
Institutional support:	
Executive management	3,121,339
Fiscal operations	1,749,600
Community relations	2,939,316
Administrative support services	3,076,762
Board of Trustees	33,212
General institutional support	9,467,456
Institutional research	539,998
Administrative data processing	16,012,677
On-behalf State retirement plan contributions	10,856,982
Other	<u>—</u>
Total institutional support	<u>47,797,342</u>
Scholarships, student grants, and waivers	<u>27,304,277</u>
Total current funds expenditures	<u><u>\$ 194,191,351</u></u>

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

See accompanying independent auditor's report.

**CERTIFICATE OF CHARGEBACK REIMBURSEMENT**

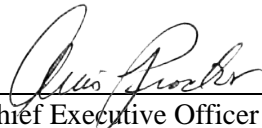

**Fiscal Year 2021**

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512  
Certificate of Chargeback Reimbursement  
Fiscal Year 2021

Schedule 6

All fiscal year 2020 noncapital audited operating expenditures from the following funds:

<u>1</u>	Education Fund	\$	93,269,936
<u>2</u>	Operations and Maintenance Fund		14,552,935
<u>3</u>	Public Building Commission Operation and Maintenance Fund		-
<u>4</u>	Bond and Interest Fund		19,731,159
<u>5</u>	Public Building Commission Rental Fund		-
<u>6</u>	Restricted Purposes Fund		32,316,696
<u>7</u>	Audit Fund		16,755
<u>8</u>	Liability, Protection, and Settlement Fund		16,755
<u>9</u>	Auxiliary Enterprises Fund (subsidy only)		439,642
<u>10</u>	Total noncapital expenditures (sum of lines 1 – 9)		<u>160,343,878</u>
<u>11</u>	Depreciation on capital outlay expenditures (equipment, building, and fixed equipment paid) from sources other than state and federal funds		<u>7,802,192</u>
<u>12</u>	Total cost included (line 10 plus 11)	\$	<u><u>168,146,070</u></u>
<u>13</u>	Total certified semester credit hours for fiscal year 2020		<u>247,345</u>
<u>14</u>	Per capita cost (line 12 divided by line 13)	\$	<u>679.80</u>
<u>15</u>	All fiscal year 2020 state and federal operating grants for noncapital expenditures DO NOT INCLUDE ICCB GRANTS		<u>24,029,557</u>
<u>16</u>	Fiscal year 2020 state and federal grants per semester credit hour (line 15 divided by line 13)		<u>97.15</u>
<u>17</u>	District's average ICCB grant rate (excluding equalization grants) for fiscal year 2021		<u>35.00</u>
<u>18</u>	District's student tuition and fee rate per semester credit hour for fiscal year 2021		<u>154.05</u>
<u>19</u>	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17 and 18)	\$	<u><u>393.60</u></u>

Approved:	 _____ Chief Executive Officer	_____ February 26, 2021 Date
Approved:	 _____ Chief Fiscal Officer	_____ February 26, 2021 Date



## INDEPENDENT AUDITOR'S REPORT ON STATE GRANT PROGRAMS FINANCIAL STATEMENTS

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

### **Report on the Financial Statements**

We have audited the accompanying balance sheets of the William Rainey Harper College, Community College District No. 512 (the "College"), State Adult Education (State Basic and State Performance), Innovative Bridge and Transition I, Innovative Bridge and Transition II, and Transitional Instruction Math and English Grant Programs ("Grant Programs") as of June 30, 2020 and the related statements of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Grant Programs' financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the College's State Adult Education (State Basic and State Performance), Innovative Bridge and Transition I, Innovative Bridge and Transition II, and Transitional Instruction Math and English Grant Programs as of June 30, 2020, and the respective revenues, expenses, and changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As stated in Note 1, the financial statements present only the College's Grant Programs and do not purport to, and do not, present fairly the financial position of the College, as of June 30, 2020, 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.

### ***Other Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Grant Programs' financial statements. The ICCB Compliance Statement on page 108 is presented for purposes of additional analysis and is not a required part of the financial statements.

The ICCB Compliance Statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the ICCB Compliance Statement is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021 on our consideration of Grant Programs' 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Grant Programs' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grant Program's internal control over financial reporting and compliance.

  
Crowe LLP

Oak Brook, Illinois  
February 26, 2021

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the guidelines of the Illinois Community College Board *Fiscal Management Manual*, the financial statements of William Rainey Harper College (“College”), State Adult Education (State Basic and State Performance), Innovative Bridge and Transition I, Innovative Bridge and Transition II, and Transitional Instruction Math and English Grant Programs (“Grant Programs”) which comprise the balance sheets as of June 30, 2020, the related statements of revenues, expenses, and changes in net position for the year then ended, and the related notes to the financial statements, which collectively comprise the Grant Programs’ financial statements and have issued our report thereon dated February 26, 2021. The financial statements present only the College’s Grant Programs and do not purport to, and do not, present fairly the financial position of the College, as of June 30, 2020, the changes in its financial position, or where applicable, its cash flows for the year then ended.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

  
Crowe LLP

Oak Brook, Illinois  
February 26, 2021

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

State Adult Education Grant Program

Balance Sheet

June 30, 2020

	State Basic	State Performance	Total
Current Assets – Due from other funds	\$ 29,713	\$ 13,733	\$ 43,446
Current Liabilities –Due to other funds	\$ 29,713	\$ 13,733	\$ 43,446
Net Position	-	-	-
Total liabilities and net position	\$ 29,713	\$ 13,733	\$ 43,446

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

State Adult Education Grant Program

Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2020

	<u>State Basic</u>	<u>State Performance</u>	<u>Total</u>
Operating revenue – state source	\$ 297,125	\$ 206,338	\$ 503,463
Operating expenses by program:			
Instructional and student services:			
Instruction	282,976	48,266	331,242
Guidance services	—	36,798	36,798
Assessment and testing	—	40,223	40,223
Child care services	—	29,964	29,964
Subtotal instructional and student services	<u>282,976</u>	<u>155,251</u>	<u>438,227</u>
Program support:			
Improvement of instructional services	—	23,515	23,515
General administration	14,149	8,831	22,980
Data & information services	—	11,004	11,004
Workforce coordination	—	7,737	7,737
Subtotal program support	<u>14,149</u>	<u>51,087</u>	<u>65,236</u>
Total operating expenses	<u>297,125</u>	<u>206,338</u>	<u>503,463</u>
Change in net position	—	—	—
Net position, beginning of year	<u>—</u>	<u>—</u>	<u>—</u>
Net position, end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

ICCB Compliance Statement for State Adult Education Grant Program

Expense Amount and Percentages for ICCB Grant Funds Only

Year ended June 30, 2020

	<u>Audited expense amount</u>	<u>Actual expense percentage</u>
State Basic:		
Instruction (45% minimum required)	\$ 282,976	95.24%
General administration (15% maximum allowed)	14,149	4.76%

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

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Innovative Bridge and Transition Program Grant I

Balance Sheet

June 30, 2020

	Innovative Bridge and Transition Grant
Current Assets – Due from other funds	<u>\$ 8,130</u>
Current Liabilities –Due to other funds	<u>\$ 8,130</u>
Net Position	<u>-</u>
Total liabilities and net position	<u>\$ 8,130</u>

See accompanying notes to state grant programs financial statements.



WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512  
Innovative Bridge and Transition Program Grant I  
Statement of Revenues, Expenses and Changes in Net Position  
Year ended June 30, 2020

		Innovative Bridge and Transition Grant
Operating revenue – state source	\$	99,058
Expenses		
Personnel (Salaries and Wages)		43,898
Fringe Benefits		1,342
Travel		4,324
Supplies		5,063
Consultant		5,000
Training and Education		7,500
Miscellaneous Costs		3,541
Equipment		26,326
Indirect Costs		2,064
Total operating expenses		99,058
Change in net position		-
Net position, beginning of year		-
Net position, end of year	\$	-

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Innovative Bridge and Transition Program Grant II

Balance Sheet

June 30, 2020

	Innovative Bridge and Transition Grant
Current Assets – Due from other funds	<u>\$ 62,293</u>
Current Liabilities –Due to other funds	<u>\$ 62,293</u>
Net Position	<u>-</u>
Total liabilities and net position	<u>\$ 62,293</u>

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512  
Innovative Bridge and Transition Program Grant II  
Statement of Revenues, Expenses and Changes in Net Position  
Year ended June 30, 2020

		Innovative Bridge and Transition Grant
Operating revenue – state source	\$	23,472
Expenses		
Personnel (Salaries and Wages)		6,568
Fringe Benefits		61
Travel		-
Supplies		2,744
Contractual Services		12,500
Miscellaneous Costs		1,599
Total operating expenses		23,472
Change in net position		-
Net position, beginning of year		-
Net position, end of year	\$	-

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Transitional Instruction Math and English Grant

Balance Sheet

June 30, 2020

	Math Grant	English Grant	Total
Current Assets – Due from other funds	\$ 15,000	\$ 13,544	\$ 28,544
Current Liabilities – Unearned revenue	\$ 15,000	\$ 13,544	\$ 28,544
Net Position	-	-	-
Total liabilities and net position	\$ 15,000	\$ 13,544	\$ 28,544

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

Transitional Instruction Math and English Grant

Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2020

	Math Grant	English Grant	Total
Operating revenue – state source	\$ —	\$ —	\$ —
Expenses			
Personnel (Salary and Wages)	—	—	—
Supplies	—	—	—
Consultant	—	—	—
Training and Education Services	—	—	—
Miscellaneous Costs	—	—	—
Total operating expenses	—	—	—
Change in net position	—	—	—
Net position, beginning of year	—	—	—
Net position, end of year	\$ —	\$ —	\$ —

See accompanying notes to state grant programs financial statements.

WILLIAM RAINEY HARPER COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 512

Notes to State Grant Programs Financial Statements

June 30, 2020

(1) Summary of Significant Accounting Policies

(a) *General*

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

(b) *Basis of Accounting*

The statements have been prepared on the accrual basis. Expenses include all accounts payable representing liabilities for goods and services actually received as of June 30, 2020. Unexpended funds are reflected as a reduction to net position and a liability due to the ICCB by October 15.

(c) *Capital Assets*

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

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

No capital assets were identified in the current year.

(d) *Interfund Receivables and Payables*

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

The balance of \$29,713 in the State Basic grant, \$13,733 in the State Performance grant, \$8,130 in the Innovative Bridge and Transition I grant, \$62,293 in the Innovative Bridge and Transition II grant, \$15,000 in the Transitional Instruction Math grant, and \$13,544 in the Transitional Instruction English grant represents the borrowing from the College to pay grant program expenses prior to receiving grant distributions.

WILLIAM RAINEY HARPER COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 512

Notes to State Grant Programs Financial Statements

June 30, 2020

(2) Background Information on State Grant Activity

(a) *Unrestricted Grants*

Base Operating Grants

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

(b) *Restricted Adult Education Grants/State*

State Basic

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

State Performance

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

(c) *Restricted Grants/State*

Innovative Bridge & Transition Program I

Grant awarded to create or support existing bridge programs which prepare adults with limited academic or limited English skills to enter and succeed in credit-bearing postsecondary education and training leading to career-path employment in high-demand, middle- and high-skilled occupations and to create and support transition programs which improve student transitions to or through post-secondary education and into employment.

Innovative Bridge & Transition Program II

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

WILLIAM RAINEY HARPER COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 512

Notes to State Grant Programs Financial Statements

June 30, 2020

(2) Background Information on State Grant Activity (Continued)

Transition Instruction Math and English Grant

Grant awarded to create, support or expand transitional math and English Language Arts (ELA) instruction and curriculum development in line with statewide priorities around transitional instruction. Specifically, the grant seeks to support partnerships with high school, including Local Advisory Panels (LAPs), support access to regional training opportunities, identify scalable and sustainable models for Transitional English courses, and to submit courses to a statewide portability panel.



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

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

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, of William Rainey Harper College, Community College District No. 512 (the "College") for the year ended June 30, 2020. The College's management is responsible for the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Our responsibility is to express an opinion on the schedule based upon our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Schedule of Enrollment Data and Other Bases Upon Which Claims Were Filed referred to above is presented in accordance with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* in all material respects.

The supplementary information on pages 121 – 122 has not been subjected to the examination procedures applied in the examination of the Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed, and accordingly, we express no opinion on them.

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

  
Crowe LLP

Oak Brook, Illinois  
February 26, 2021

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

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

Year ended June 30, 2020

Total semester credit hours by term (in-district and out of district reimbursable)

	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Categories:								
Baccalaureate	21,524.0	—	78,221.0	—	76,379.0	—	176,124.0	—
Business occupational	1,622.0	—	6,797.5	—	9,184.0	—	17,603.5	—
Technical occupational	828.0	—	6,865.0	—	9,010.0	—	16,703.0	—
Health occupational	2,096.0	84.0	6,013.0	849.0	7,662.0	733.0	15,771.0	1,666.0
Remedial developmental	1,029.0	—	4,735.0	—	3,972.0	—	9,736.0	—
Adult basic/secondary education	215.0	966.0	918.0	3,370.0	921.0	3,351.5	2,054.0	7,687.5
Total	<u>27,314.0</u>	<u>1,050.0</u>	<u>103,549.5</u>	<u>4,219.0</u>	<u>107,128.0</u>	<u>4,084.5</u>	<u>237,991.5</u>	<u>9,353.5</u>
			Attending out-of-district on chargeback or cooperative/ contractual agreement					
		Attending in-district		Total				
Reimbursable semester credit hours (all terms)		213,670.5	2,104.5	215,775.0				
District prior year equalized assessed valuation				\$ 21,471,725,309				
Signatures	<u>/s/ Dr. Avis Proctor</u> Chief Executive Officer (CEO)		<u>/s/ Rob Galick</u> Chief Financial Officer (CFO)					

WILLIAM RAINEY HARPER COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 512

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

Year ended June 30, 2020

	Reconciliation of semester credit hours			Reconciliation of semester credit hours		
	Total unrestricted credit hours verified	Total unrestricted credit hours certified by ICCB	Difference	Total restricted credit hours verified	Total restricted credit hours certified by ICCB	Difference
Categories:						
Baccalaureate	176,124.0	176,124.0	—	—	—	—
Business occupational	17,603.5	17,603.5	—	—	—	—
Technical occupational	16,703.0	16,703.0	—	—	—	—
Health occupational	15,771.0	15,771.0	—	1,666.0	1,666.0	—
Remedial developmental	9,736.0	9,736.0	—	—	—	—
Adult basic education/adult secondary education	2,054.0	2,054.0	—	7,687.5	7,687.5	—
Total	<u>237,991.5</u>	<u>237,991.5</u>	<u>—</u>	<u>9,353.5</u>	<u>9,353.5</u>	<u>—</u>
	Reconciliation of in-district/chargeback and cooperative/contractual agreement credit hours					
		Total attending as certified to the ICCB				
	Total attending		Difference			
Reimbursable in-district residents	213,670.5	213,670.5	—			
Reimbursable out-of-district on chargeback or contractual agreement	2,104.5	2,104.5	—			
Total	<u>215,775.0</u>	<u>215,775.0</u>	<u>—</u>			
		Total reimbursable certified to the ICCB				
	Total reimbursable		Difference			
Dual credit	20,718.0	20,718.0	—			
Dual enrollment	808.0	808.0	—			
Total	<u>21,526.0</u>	<u>21,526.0</u>	<u>—</u>			

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

WILLIAM RAINEY HARPER COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 512

Residency Verification for Enrollment

June 30, 2020

RESIDENCY VERIFICATION PROCESS

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

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

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

Resident

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

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

Residency requirements may differ for limited enrollment programs admission.

Permanent Resident

A permanent resident is defined as an individual who:

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

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

Non-Resident

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

WILLIAM RAINEY HARPER COLLEGE –  
COMMUNITY COLLEGE DISTRICT NO. 512

Residency Verification for Enrollment

June 30, 2020

Out-of-State

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

Chargebacks and Joint Agreements

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

Business Edvantage

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

Student Record Updates – Address Changes

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