

CITY COLLEGES[®]
OF CHICAGO

Board of Trustees

FY2025 Audit Update

December 4, 2025



FY2025 Financial Audit Results

Fiscal Year Ended June 30, 2025

Annual Comprehensive Financial Report (ACFR)

- The CCC FY2025 external audit was completed on November 19, 2025
 - The audit is required to be completed by December 15, 2025 per Illinois Community College Board (ICCB)
 - CCC has received an unmodified (clean) opinion on City Colleges' June 30, 2025 financial statements
 - There have been no disagreements between RSM and management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements
 - Federal Single audit report to be completed by January 2026 due to OMB delays with the 2025 audit compliance supplement.
 - ICCB special reports and credit hour certification completed.
 - There were no financial audit findings.

FY2025 Final Operating Results

Districtwide (\$ in millions)	FY25 Adopted Budget	FY25 Actual	Variance
Revenues			
Local Government	\$165.7	\$169.7	\$4.0
PPRT	31.0	18.5	(12.5)
State Government	54.6	54.1	(0.5)
Federal Government	2.7	1.3	(1.4)
Tuition	88.3	96.2	7.9
Auxiliary/Enterprise	12.1	7.4	(4.7)
Facilities Rental	1.3	1.9	0.6
Investment Income	6.0	6.6	0.6
Fundraising	1.5	0.6	(0.9)
Other Revenues	3.5	0.0	(3.5)
Revenues Subtotal	366.7	356.3	(10.3)
Net Appropriated Assets	0.7	0.0	(0.7)
Total Revenues/Resources	\$367.3	\$356.3	(\$11.0)
Expenses			
Salaries	\$246.0	\$258.4	\$12.4
Benefits	43.5	49.4	5.9
Benefits - OPEB	(7.5)	(0.8)	6.7
Contractual Services	20.0	15.0	(5.1)
Materials and Supplies	21.2	19.0	(2.2)
Travel and Conference	1.3	1.2	(0.1)
Fixed Charges (includes Debt Service)	16.1	17.3	1.2
Gas and Electricity	9.0	8.9	(0.1)
Other Utilities	1.3	1.5	0.2
Scholarships and Waivers	12.7	14.0	1.3
Bad Debt	2.6	4.9	2.3
Other Expenses	1.1	1.9	0.8
Total Expenses	\$367.3	\$390.6	\$23.3
Surplus/(Deficit)	\$0.0	(\$34.3)	(\$34.3)

FY2025 Deficit of \$34.3M

Revenues Unfavorable by \$10.3M

- Property taxes are \$4M favorable based on improved collections and City TIF estimates.
- PPRT revenues are unfavorable by \$12.5M due to State tax law changes which resulted in severe reductions to local government allocations.
- State and Federal projections are \$1.9M unfavorable primarily due to reductions in Adult Education grant funding.
- Tuition Revenue was \$7.9M favorable to budget based on increased enrollment.
- Other revenues are \$3.5M unfavorable due to a delay in a building sale.

Expenses Unfavorable by \$23.3M

- Salaries are \$12.4M above budget primarily due to overestimates in salary salvage savings, PT instruction enrollment driven increases, & State mental health/Wellness staff appropriation reductions.
- Benefits exceed budget by \$5.9M due to both recent health care claim trends (\$4.1M) and \$1.8M in accruals for part-time employee vacation benefits due to the recent City ordinance.
- OPEB benefit yielded savings of \$800k vs.\$7.5M budget due to current actuarial valuation.
- Contractual & Materials/Supplies were \$7.3M favorable to budget.
- Scholarships & Waivers' \$1.3M overage driven by \$2.4M Dual Enrollment/Athletics overages & \$1M STAR Scholarship savings offsetting the deficit.
- Bad Debt was unfavorable to budget by \$2.3M which correlates to increases in enrollment and tuition revenue.

Change in Net Assets

Unrestricted Net Assets decreased by \$62M to -\$11M on 6/30/2025.

Summary of Net Assets Change FY2017 to FY2025

Net Assets (\$ in millions)	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020*	6/30/2019	6/30/2018	6/30/2017**
Unrestricted	(\$11)	\$51	\$36	\$21	(\$20)	(\$53)	(\$82)	(\$79)	(\$114)
Restricted (Audit, Liability, Protection, Settlement and Agency Fund*)	(1)	1	3	4	4	2	0.4	2	1
Net Investments in Capital Assets	454	462	474	489	510	535	622	654	705
Total Net Assets	\$442	\$514	\$513	\$514	\$494	\$484	\$540	\$577	\$592

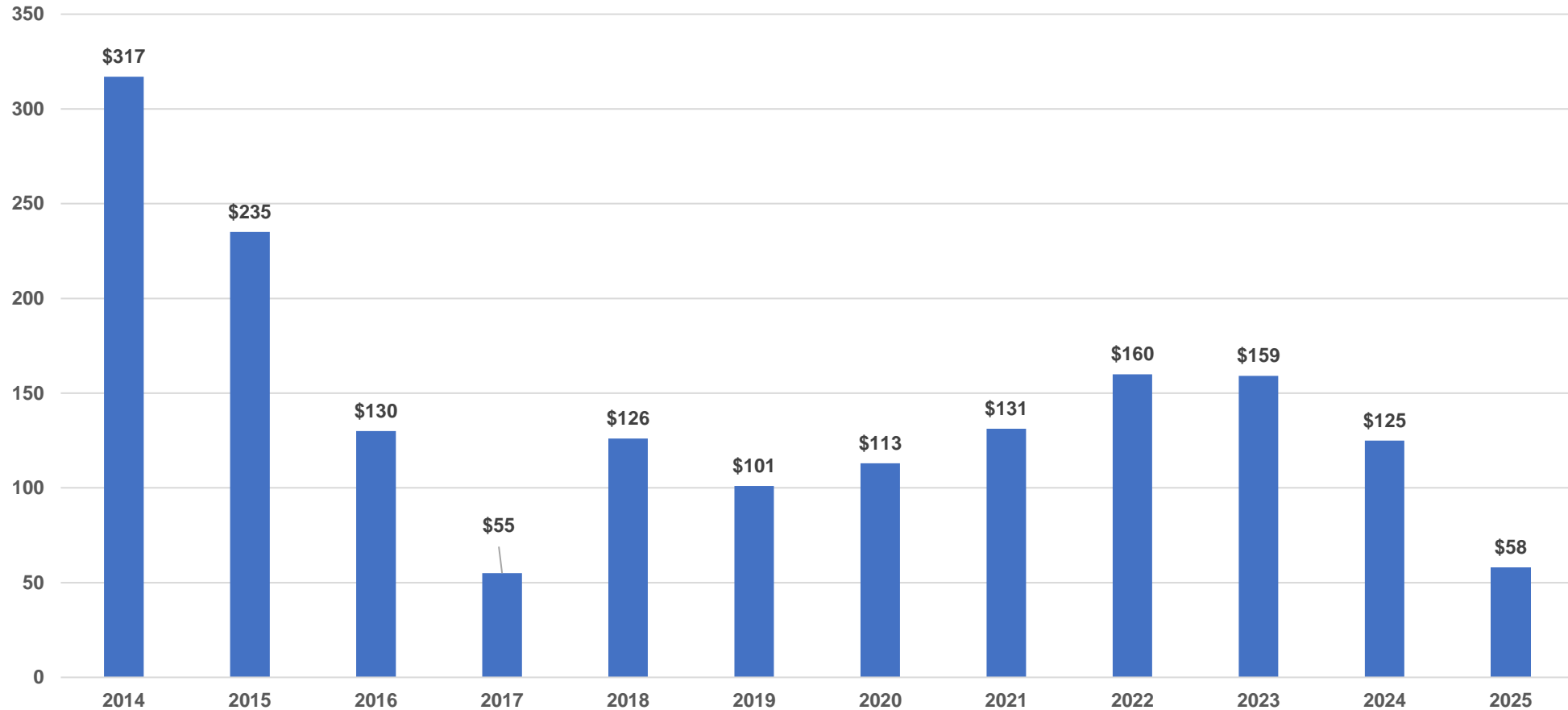
*Net position has been restated for Agency funds due to the implementation of GASB No. 84 as of June 30, 2020.

** Includes Other Post-employment Benefits (OPEB) restatement of \$76M.

- Net Assets Balance decrease of **(\$72M)** in FY25 is largely due to the following:
 - Change in **Unrestricted Net Assets** of **(\$62M)**
 - Operating loss of **(\$34M)**
 - Non-Operating Funds for capital expenditures **(\$28M)**
 - Change in **Restricted Specific Purpose** of **(\$3M)**
 - Change in **Capital Assets** **(\$8M)** due to the following:
 - Depreciation & capital related activity **(\$12M)**
 - Debt Principal payments of \$4M

City Colleges Is Focused on Stabilizing its Cash Position

CCC's Operating Cash Balances
(\$ in millions)



- Upon his arrival in May 2017, Chancellor Salgado has worked to improve CCC's cash position, including reductions in force of non-student facing, non-bargained for employees, and the sale of CCC's downtown headquarters that closed on September 30, 2019.
- During fiscal years 2021 through 2023, the stimulus funds helped CCC to preserve its cash reserves.
- Cash balances declined by \$67M in FY25 due to the operating financial deficit and cash usage for capital expenditures.

FY2025 Capital Expenditures

(\$ in thousands)

Category	FY2025 Actual Expenditures	Notable Projects
Information Technology	\$10,190	Infrastructure and Windows 11 device upgrades, Website redesign, and CRM
Information Security	\$1,381	Access Control and Network Upgrades
Elevators & Escalators	\$497*	WR Elevator modernization and TR elevator upgrades
Campus Security	\$764	Safety equipment, security upgrades, & repairs
Building Structure & Site Improvements	\$1,867	WR Concourse Pavers, MX Storm-water system replacement, TR Flooring & carpet replacement, Window Replacements, Childcare playground upgrades
Mechanical Systems	\$2,962	HVAC & plumbing equipment upgrades & repairs
Electrical Systems	\$368	Electrical repairs and upgrades, LED lighting
Equipment	\$356	Facility maintenance equipment & vehicles
Academic & Programmatic Enhancements	\$9,229	TR Biology Lab, MX West Campus, and HW Advising & TRIO construction. School of Nursing @ KKC and WR STEM Lab & Innovation Center design
Environmental & Compliance	\$56	Water quality testing and abatement monitoring
New Facilities	\$1,310	MXC South Campus (Washington Park) Programming
Total	\$28,980	

* While work on the MX Elevators made progress, there were no CCC expenditures in FY2025. Funding remains in restricted trust funds to be expended in FY26 & FY27



FY2026-Q1 Financial Update

FY2026 – Prelim Forecast as of September 30, 2025

Districtwide (\$ in millions)	FY26 Adopted Budget	FY26 Forecast	FY26 Budget to Forecast Variance
Revenues			
Local Government	\$180.4	\$185.5	\$5.1
PPRT	22.3	20.4	(1.9)
State Government	61.4	61.1	(0.3)
Federal Government	2.0	2.0	0.0
Tuition	102.5	102.5	0.0
Auxiliary/Enterprise	12.4	11.4	(1.0)
Facilities Rental	1.3	1.3	0.0
Investment Income	6.8	6.1	(0.7)
Fundraising	1.5	1.5	0.0
Other Revenues	0.0	3.5	3.5
Revenues Subtotal	\$390.5	\$395.3	\$4.8
Net Appropriated Assets	\$0.0	\$0.0	\$0.0
Total Revenues/Resources	\$390.5	\$395.3	\$4.8
Expenses			
Salaries	\$260.2	\$268.4	\$8.2
Benefits	46.4	46.4	0.0
Benefits - OPEB	(4.5)	(4.5)	0.0
Contractual Services	19.0	15.0	(4.0)
Materials and Supplies	21.4	19.5	(1.9)
Travel and Conference	1.5	1.5	0.0
Fixed Charges (includes Debt Service)	17.9	20.4	2.5
Gas and Electricity	9.3	9.3	0.0
Other Utilities	1.3	1.3	0.0
Scholarships and Waivers	13.9	14.9	1.0
Bad Debt	3.3	3.6	0.3
Other Expenses	0.9	0.9	0.0
Total Expenses	\$390.5	\$396.5	\$6.0
Surplus/(Deficit)	\$0.0	(\$1.2)	(\$1.2)

FY2026 Preliminary Deficit of \$1.2M

Revenues Favorable by \$4.8M

- Property taxes are \$5.1M favorable based on improved collections and City TIF estimates.
- PPRT revenues are unfavorable by \$1.9M due to State tax law changes which resulted in reductions to local government allocations and current IDOR collections trends.
- State grant allocations are \$0.3M unfavorable to budget.
- Based on preliminary early trends, Tuition, Auxiliary/Enterprise, Facilities Rental & Fundraising Revenues are expected to meet budget estimates.
- Other revenues are \$3.5M favorable due to building sale proceeds.

Expenses Unfavorable by \$6M

- Salaries are trending \$8.2M above budget primarily due to PT instruction enrollment driven increases, State mental health/Wellness staff appropriation reductions and current Security cost projections.
- Fixed Charges are projected to exceed budget by \$2.5M due to increased interest costs from tax anticipation notes resulting from Cook County tax revenue remittance delays.
- Scholarships & Waivers' \$1.0M projected overage driven by \$1.2M Dual Enrollment & \$660k Athletics overages & \$750K STAR Scholarship savings offsetting the deficit.



FY2025 Financial Audit Findings

FY2025 Audit Findings

FY2025 Audit

Financial Statements

No (0) material weakness, no (0) significant deficiencies and no (0) control deficiencies reported in Financial Audit in FY2025

Federal Awards

Single Audit to be completed by January 2026.