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**ANNUAL FINANCIAL REPORT TO THE
MARYLAND HIGHER EDUCATION COMMISSION
FROM HOWARD COMMUNITY COLLEGE**

**Annual Financial Report Together with
Report of Independent Public Accountants**

For the Fiscal Year Ended June 30, 2019

Prepared by:

Dr. Kathleen B. Hetherington
President

Lynn C. Coleman
Vice President of Administration and Finance

Chris Heston
Associate Vice President of Finance

Verna Bernoi
Director of Budget and Finance



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JUNE 30, 2019

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Trustees
Howard Community College

Report on the Financial Statements

We have audited the accompanying financial statements included in the Annual Financial Report to the Maryland Higher Education Commission (MHEC-CC-4) of Howard Community College (the College) for the year ended June 30, 2019, 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, enrollment data, and the supplemental schedules in accordance with financial reporting provisions of Maryland Higher Education Commission and the laws and regulations contained in Title 16 of the Education Article of the Annotated Code of Maryland and Title 13B.07.03 of the Code of Maryland Regulations. Our responsibility is to express an opinion on these financial statements and supplemental schedules based on our audit. Management is also responsible for the design, implementation, and maintenance of internal controls 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 an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 controls 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 controls. 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 opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the revenue and expenditures of the unrestricted current fund and the restricted current fund, and the enrollment data of Howard Community College for the year ended June 30, 2019, in accordance with the financial reporting provision of Maryland Higher Education Commission and the laws and regulations contained in Title 16 of the Education Article of the Annotated Code of Maryland and Title 13B.07.03 of the Code of Maryland Regulations. In our opinion, the principles governing the interrelationship between the unrestricted current general fund and expenditures result in the fair presentation of the unrestricted current general fund revenues and expenditures.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by the College on the basis of the financial reporting provisions prescribed and permitted by the Maryland Higher Education Commission and the laws and regulations contained in Title 16 of the Education Article of the Annotated Code of Maryland and Title 13B.07.03 of the Code of Maryland Regulations, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of Maryland. Our opinion is not modified with respect to this matter.

Restricted Use

This report is intended solely for filing with Maryland Higher Education Commission, and is not intended to be and should not be, used for any other purpose.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements included in the MHEC-CC-4 Annual Financial Report. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing principles 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying supplemental information of the full-time equivalent (FTE) enrollment data shown on pages 7, 8, 14, 15 and 17, is the responsibility of management and derived from and relates directly to the College's enrollment data. This supplemental information is presented in accordance with instructions set forth in Title 13B.07.03.02C, inclusive, of the Code of Maryland Regulations and in our opinion, are fairly stated in all material respects when considered in relation to the financial statements taken as a whole.

HOWARD COMMUNITY COLLEGE

Summary Statement of Revenue For Fiscal Year Ended June 30, 2019

| Revenue Source | Unrestricted Current Fund | Restricted Current Fund | Total Revenue |
|---|------------------------------|----------------------------|----------------|
| Student Tuition and Fees: | | | |
| 1. Credit | \$ 35,215,518 | \$ - | \$ 35,215,518 |
| 2. Noncredit | 5,877,414 | 79,583 | 5,956,997 |
| 3. Total Student Tuition and Fees | 41,092,932 | 79,583 | 41,172,515 |
| Governmental: | | | |
| 4. Federal | - | 12,928,762 | 12,928,762 |
| 5. State | 18,870,889 | 1,789,814 | 20,660,703 |
| a. Regional Higher Education Center (Laurel College) | 153,283 | - | 153,283 |
| b. Maryland Excel's Program (Children's Learning Center) | 24,770 | - | 24,770 |
| 6. Local | | | |
| a. Operating Appropriations | 34,985,816 | - | 34,985,816 |
| b. County paid OPEB contribution | 1,127,901 | - | 1,127,901 |
| c. Other County Funding (describe below) | | | |
| i. Cable Grant | - | 120,000 | 120,000 |
| ii. DLLR CNA/PCT | - | 51,232 | 51,232 |
| iii. Howard County Getting Ahead | - | 50,000 | 50,000 |
| d. County in-kind rent | 1,158,000 | - | 1,158,000 |
| 7. Total Governmental | 56,320,659 | 14,939,808 | 71,260,467 |
| 8. Total Sales and Services of Educational Activities (Auxiliary Enterprises) | 1,445,440 | - | 1,445,440 |
| Other: | | | |
| 9. Gifts/Grants (Explained on Exhibit X) | 326,635 | 189,961 | 516,596 |
| 10. Other - Miscellaneous (Explain on Exhibit X) | 2,854,740 | - | 2,854,740 |
| 11. Total Other | 3,181,375 | 189,961 | 3,371,336 |
| 12. Total Revenue | \$ 102,040,406 | \$ 15,209,352 | \$ 117,249,758 |

The accompanying note is an integral part of this statement.

HOWARD COMMUNITY COLLEGE

Summary Statement of Current General Funds For Fiscal Year Ended June 30, 2019

| | <u>Unrestricted Current General Fund</u> | <u>Restricted Current Fund</u> |
|--|--|------------------------------------|
| Revenue: | | |
| 1. Total Revenue (Per Line 12, Exhibit I) | \$ 102,040,406 | \$ 15,209,352 |
| Expenditures: | | |
| Instruction | 45,042,282 | 2,074,793 |
| Research | - | - |
| Public Service | 647,079 | 329,675 |
| Academic Support | 11,111,714 | 233,231 |
| Student Services | 8,483,155 | 636,727 |
| Institutional Support | 13,800,144 | 316 |
| Operation and Maintenance of Plant | 14,648,208 | - |
| Scholarships and Fellowships | 2,897,060 | 12,376,680 |
| 2. Total Education and General Expenditures | 96,629,642 | 15,651,422 |
| 3. Total Mandatory Transfers | 310,997 | (310,997) |
| 4. Total Educational and General Expenditures and Mandatory Transfer | 96,940,639 | 15,340,425 |
| 5. Total Auxiliary Enterprises | 2,868,693 | - |
| 6. Total Other Transfers | (16,421) | 16,421 |
| 7. Total Expenditures, Transfers and Auxiliary | <u>\$ 99,792,911</u> | <u>\$ 15,356,846</u> |

The accompanying note is an integral part of this statement.

HOWARD COMMUNITY COLLEGE

**Educational and General Expenditures of the Unrestricted Current Fund by Function and Object
For Fiscal Year Ended June 30, 2019**

| Acct. No. | Object Classification | Instruction | Research | Public Service | Academic Support | Student Services | Institutional Support | Operation and Maintenance of Facilities | Scholarships | Total |
|-----------|--|----------------------|-------------|-------------------|----------------------|---------------------|-----------------------|---|---------------------|----------------------|
| 5XXX | Compensation (including Fringe Benefits) | \$ 39,288,637 | \$ - | \$ 588,227 | \$ 8,830,483 | \$ 7,483,396 | \$ 9,195,639 | \$ 6,364,617 | \$ - | \$ 71,750,999 |
| 60XX | Contracted Services | 3,107,286 | - | 23,343 | 1,230,376 | 573,869 | 3,163,150 | 4,293,061 | - | 12,391,085 |
| 61XX | Supplies and Materials | 1,198,237 | - | 6,941 | 240,430 | 166,512 | 242,271 | 617,258 | - | 2,471,649 |
| 62XX | Communications | 111,129 | - | 94 | 17,642 | 41,002 | 264,727 | 36,107 | - | 470,701 |
| 63XX | Conferences/Meetings | 455,068 | - | 15,560 | 181,252 | 157,185 | 370,625 | 94,591 | - | 1,274,281 |
| 64XX | Grants/Subsidies | - | - | - | - | - | - | - | 2,897,060 | 2,897,060 |
| 65XX | Utilities | - | - | - | - | - | - | 1,817,189 | - | 1,817,189 |
| 66XX | Fixed Charged - Insurance | - | - | - | - | - | 308,927 | 336,080 | - | 645,007 |
| 68XX | Bad Debt Expense | - | - | - | - | - | 529,813 | - | - | 529,813 |
| 7XXX | Furniture and Equipment | 881,926 | - | 12,914 | 611,531 | 61,191 | 573,056 | 241,240 | - | 2,381,858 |
| | | \$ 45,042,283 | \$ - | \$ 647,079 | \$ 11,111,714 | \$ 8,483,155 | \$ 14,648,208 | \$ 13,800,143 | \$ 2,897,060 | \$ 96,629,642 |

The accompanying note is an integral part of this statement.

HOWARD COMMUNITY COLLEGE

**Summary Statement of Education and General Expenditures by Fund and
Object Classification, Unrestricted Current and Restricted Current Funds
For Fiscal Year Ended June 30, 2019**

| <u>Acct. No.</u> | <u>Object Classification</u> | <u>Adjusted Unrestricted Current Fund</u> | <u>Adjusted Restricted Fund</u> | <u>Total Expenditures</u> |
|------------------|---|---|---|-------------------------------|
| 5XXX | Compensation (including Fringe Benefits) | \$ 71,750,999 | \$ 2,596,998 | \$ 74,347,997 |
| 60XX | Contracted Services | 12,391,085 | 155,337 | 12,546,422 |
| 61XX | Supplies and Materials | 2,471,649 | 211,022 | 2,682,671 |
| 62XX | Communications | 470,701 | 945 | 471,646 |
| 63XX | Conferences/Meetings | 1,274,281 | 132,718 | 1,406,999 |
| 64XX | Grants/Subsidies | 2,897,060 | 12,376,680 | 15,273,740 |
| 65XX | Utilities | 1,817,189 | - | 1,817,189 |
| 66XX | Fixed Charged - Insurance | 645,007 | - | 645,007 |
| 68XX | Bad Debt Expense | 529,813 | - | 529,813 |
| 7XXX | Furniture and Equipment (including Library Books) | 2,381,858 | 177,722 | 2,559,580 |
| | Total Expenditures | 96,629,642 | 15,651,422 | 112,281,064 |
| | Total Mandatory Transfers | 310,997 | (310,997) | - |
| | Total Expenditures and Mandatory Transfers | <u>\$ 96,940,639</u> | <u>\$ 15,340,425</u> | <u>\$ 112,281,064</u> |

The accompanying note is an integral part of this note.

HOWARD COMMUNITY COLLEGE

Summary of Full-Time Equivalent Students and Students Tuition and Fees For Fiscal Year Ended June 30, 2019

The finalized State aid adjustment or payment for the fiscal year will be made with the November State aid payment. Certification will be made to the respective political subdivisions based on the following information

1 Total Unrestricted Current General Fund Operating Expenditures (From Exhibit II, Line 4) \$ 96,940,639

2 Subtract any expenditures included in number 1 above which do not fall within the definition of Unrestricted Current General Operating Expenditures. List and specify items below. Indicate objects and functions in which these expenditures are shown on Exhibit III and IV.

| <u>Item</u> | <u>Object</u> | <u>Function</u> | <u>Amount</u> |
|--------------------------------|---------------|-----------------|------------------|
| a) Compensated absence | 59XXX | Various | (65,352) |
| b) Pension expense | 59XXX | Plant | 84,873 |
| c) OPEB expense | 59XXX | Various | 2,128,788 |
| d) Cultural, community & other | Various | Various | 1,447,809 |
| e) Scholarships | 64XX | Scholarships | <u>2,897,060</u> |

Total Deductions \$ 6,493,178

3 Adjusted Unrestricted Current Operating Expenditures
(Line 1 less sum of 2a thru 2c) \$ 90,447,461

4 Total FTE students for fiscal year (From Exhibit VI) 7,885.29

5 Total Adjusted Unrestricted Current Operating Expenditures divided by Total
FTE students (yields adjusted cost per FTE) \$ 11,470

6 Total Maryland eligible FTE students (From Exhibit VI) 7,257.54

7 State aid paid fiscal year ending June 30, 2019
(Exclude State paid benefits) (Complete Exhibit XI)
(Based on two prior years audited FTEs) \$ 19,024,173

8 Total Local Contribution \$ 34,985,816

9 Percentage of adjusted Unrestricted Current Expenditures contributed by the local political
subdivision (Line 8 divided by Line 3) * 38.7%

* Regional community colleges must supply this information for each county supporting the college.

HOWARD COMMUNITY COLLEGE

**Summary of Full-Time Equivalent Students and Students Tuition and Fees
For Fiscal Year Ended June 30, 2019**

| | <u>FTE Students</u> | <u>Student Tuition and Fees</u> |
|-------------------------------|---------------------|-------------------------------------|
| Eligible Students | | |
| In-County | 4,433.61 | \$ 22,184,350 |
| Out of County | 1,428.60 | 10,873,388 |
| Noncredit | 1,395.33 | 4,627,935 |
| Total Eligible Students | <u>7,257.54</u> | <u>\$ 37,685,673</u> |
| Ineligible Students | | |
| Credit | | |
| Out of State | 238.90 | \$ 2,147,707 |
| Other | 12.13 | 10,073 |
| Noncredit | | |
| Out of State | 204.56 | 678,471 |
| Other | 172.16 | 571,008 |
| Total Ineligible Students | <u>627.75</u> | <u>3,407,259</u> |
| Total Students | <u>7,885.29</u> | <u>\$ 41,092,932</u> |

HOWARD COMMUNITY COLLEGE

Summary of Restricted Federal Grant Programs For Fiscal Year Ended June 30, 2019

| Program Title | June 30, 2018 | | June 30, 2019 | |
|--|---------------|----------------------|----------------------|-------------|
| | Balance | Revenue | Expenditures | Balance |
| Federal Supplemental Educational Opportunity Grants | \$ - | \$ 293,330 | \$ 293,330 | \$ - |
| Federal Work-Study Program | - | 184,953 | 184,953 | - |
| Federal Pell Grant Program | - | 10,344,815 | 10,344,815 | - |
| Federal Pell Grant Program - Prior year FY18 | - | 300,182 | 300,182 | - |
| Federal Student Support Services Program - FY18 | 399 | 49,827 | 50,226 | - |
| Federal Student Support Services Program - FY19 | - | 310,711 | 310,711 | - |
| NSF STEM Scholarships for Community College Students | - | 125,539 | 125,539 | - |
| NSA STARTALK - Intensive Language Learning Experience - 2018 | - | 79,123 | 79,123 | - |
| NSA STARTALK - Intensive Language Learning Experience - 2019 | - | 9,140 | 9,140 | - |
| Consolidated Adult Ed & Family Literacy Services Grant | - | 413,889 | 413,889 | - |
| Perkins Career & Technical Education Grant FY19 & FY18 | - | 453,982 | 453,982 | - |
| Childcare Career and Professional Development Fund FY18 | - | 64,236 | 64,236 | - |
| Childcare Career and Professional Development Fund FY19 | - | 120,225 | 120,225 | - |
| Career and Technical Education - Culinary | - | 17,555 | 17,555 | - |
| Career and Technical Education - CPA | - | 8,057 | 8,057 | - |
| Career and Technical Education - Web Development | - | 9,001 | 9,001 | - |
| Career and Technical Education - Cyber | - | 6,915 | 6,915 | - |
| Career and Technical Education - Project Management | - | 11,404 | 11,404 | - |
| DOL TAACCT Cyber-Technology Pathways Across Maryland | - | 17,040 | 17,040 | - |
| First in the World - Maryland Mathematics Reform Initiative | - | 12,875 | 12,875 | - |
| Maryland Suicide Prevention & Early Intervention Network (SPIN) FY18 | - | 1,369 | 1,369 | - |
| Maryland Suicide Prevention & Early Intervention Network (SPIN) FY19 | - | 5,071 | 5,071 | - |
| NSF - Audio Visual Technology | - | 46,379 | 46,379 | - |
| NSF - LSAMP | - | 269 | 269 | - |
| NSF - IUSE | - | 35,146 | 35,146 | - |
| StatPREP | - | 7,729 | 7,729 | - |
| Total Federal | \$ 399 | \$ 12,928,762 | \$ 12,929,161 | \$ - |

HOWARD COMMUNITY COLLEGE

Summary of Restricted State Grant Programs For Fiscal Year Ended June 30, 2019

| Program Title | June 30, 2018 Balance | Revenue | Expenditures | June 30, 2019 Balance |
|---|--------------------------|---------------------|---------------------|--------------------------|
| ESOL For-Credit Enrollment-based Grant | \$ 3,249 | \$ 48,696 | \$ 51,945 | \$ - |
| Nurse Support Program II - Military to Associate Degree Pathway | 830 | (830) | - | - |
| CMAP Construction | - | 83,139 | 83,139 | - |
| Adult Ed & Family Literacy - Literacy Works Grant | - | 165,610 | 165,610 | - |
| ESOL Non-Credit Enrollment-based Grant | - | 447,320 | 447,320 | - |
| Adult Ed & Family Literacy External Diploma Grant | - | 23,233 | 23,233 | - |
| DLLR Employment Advancement Right Now (EARN) - Continuation Grant | - | 108,428 | 108,428 | - |
| MD Disabilities - Project Access Career Exploration | 2,979 | - | - | 2,979 |
| MD State Scholarship Program | 22,378 | 513,897 | 536,275 | - |
| MD Part-time Student Grant Program | 1,646 | 271,971 | 271,471 | 2,146 |
| State Workforce | - | 69,250 | 59,715 | 9,535 |
| Campus Based Educational Assistance | - | 59,100 | 59,100 | - |
| Total State | \$ 31,082 | \$ 1,789,814 | \$ 1,806,236 | \$ 14,660 |

HOWARD COMMUNITY COLLEGE

Summary of Restricted Local Grant Programs For Fiscal Year Ended June 30, 2019

| <u>Program Title</u> | <u>June 30, 2018</u> <u>Balance</u> | <u>Revenue</u> | <u>Expenditures</u> | <u>June 30, 2019</u> <u>Balance</u> |
|----------------------------------|--|-------------------|---------------------|--|
| GTV Programming Grant | \$ - | \$ 120,000 | \$ 120,000 | \$ - |
| DLLR CNA/PCT | - | 51,232 | 51,232 | - |
| Cable Television Equipment Grant | 6,819 | - | 6,819 | - |
| GTV - Howard County | 100,000 | - | 100,000 | - |
| Cable - Howard County | - | 50,000 | 46,836 | 3,164 |
| Total Local | <u>\$ 106,819</u> | <u>\$ 221,232</u> | <u>\$ 324,887</u> | <u>\$ 3,164</u> |

HOWARD COMMUNITY COLLEGE

**Summary of Other Sources of Unrestricted Current General Revenue
For Fiscal Year Ended June 30, 2019**

| | Unrestricted Amounts | Restricted Amounts |
|--------------------------------------|---------------------------------|-------------------------------|
| <u>Other Revenue Sources</u> | | |
| Grants and grants: | | |
| Private gifts and grants | \$ 326,635 | \$ 189,961 |
| Total Grants | <u>326,635</u> | <u>189,961</u> |
| | | |
| Other - Miscellaneous: | | |
| Investment Income | 887,758 | - |
| Cultural, community & other programs | 1,063,088 | - |
| Miscellaneous | 903,894 | - |
| Total Other - Miscellaneous | <u>2,854,740</u> | <u>-</u> |
| | | |
| Total Other Revenue Sources | <u><u>\$ 3,181,375</u></u> | <u><u>\$ 189,961</u></u> |

HOWARD COMMUNITY COLLEGE

Reconciliation of State Aid For Fiscal Year Ended June 30, 2019

| | <u>Amount</u> |
|---|----------------------|
| 7,424.54 State Aid FTEs @ \$1,577.34 | \$ 11,711,024 |
| Flat Grant (Fixed Cost Adjustment) | 6,947,022 |
| Hold Harmless Provision | - |
| Part-Time Grant | - |
| Low Income Student Grant | - |
| Other (specify below): | |
| Supplemental (tuition less than 2%) | 212,844 |
| Regional Higher Education Center, Howard's share only | 153,283 |
| Total State Aid | <u>\$ 19,024,173</u> |

HOWARD COMMUNITY COLLEGE

**Reconciliation of Maryland Full-Time Equivalent Students
For Fiscal Year Ended June 30, 2019**

| | <u>FTEs Accepted by MHEC</u> | <u>Eligible FTEs Now Claimed per Audit</u> |
|---|----------------------------------|--|
| Summer Credit Enrollment (CC-2) | 603.37 | 603.37 |
| Summer Noncredit Enrollment (CC-3) | 217.82 | 217.82 |
| Fall Credit Enrollment (CC-2) | 2,626.87 | 2,626.87 |
| Fall Noncredit Enrollment (CC-3) | 477.56 | 477.56 |
| Spring Credit Enrollment (CC-2) | 2,437.40 | 2,437.40 |
| Spring Noncredit Enrollment (CC-3) | 699.95 | 699.95 |
| Other Credit Enrollment (CC-2) | 194.57 | 194.57 |
| Other Noncredit Enrollment (CC-3) | - | - |
| Total Enrollment | <u>7,257.54</u> | <u>7,257.54</u> |
| | | |
| Total Eligible Maryland FTEs accepted by MHEC during fiscal year | 7,257.54 | XXXXXX |
| | | |
| Additional Eligible Maryland FTEs claimed per audit* (deletions) | <u>-</u> | <u>XXXXXX</u> |
| | | |
| Total Eligible Maryland FTEs** | <u><u>7,257.54</u></u> | <u><u>7,257.54</u></u> |
| | | |
| Total Unduplicated Part-Time Students | <u>N/A</u> | <u>N/A</u> |

*When additional FTEs not previously reported to the MHEC are claimed as a result of the audit, a properly executed CC-2 or CC-3 must be filed with the CC-4 to substantiate the claim.

**This number of FTEs will be the basis for the payment of State aid two years hence. FTEs shall be reported to the second decimal place.

HOWARD COMMUNITY COLLEGE

**Student-Faculty Ratio (Credit Courses Only)
For Fiscal Year Ended June 30, 2019**

| | |
|---|----------------|
| Total Credit Hours Generated | <u>180,471</u> |
| Total Course Credit Hours Taught FY 2019 | <u>9,697</u> |
| Student-Faculty Ratio | |
| (Total credit hours generated divided by total course credit hours taught) | <u>18.61</u> |

NOTE:

Information for the computation of the student-faculty ratio is to be supplied by the Chief Academic Officer in conformity with the guidelines decided upon by the Maryland Council of Community College Academic Deans as follows:

- * Student credit hours generated and course credit hours taught are to be measured at the end of the third week of classes.
- * Laboratory courses and independent study courses are to be excluded from the denominator if they did not appear independently on the printed class schedule.
- * Continuing education (noncredit) courses are to be excluded.
- * Includes all sessions (Summer and Winter).

HOWARD COMMUNITY COLLEGE

**Funding of Manpower Shortage Program
For Fiscal Year Ended June 30, 2019**

| | Summer/Fall CC-2D | Winter/Spring CC-2D | Total |
|--|------------------------------|--------------------------------|---------------------|
| Total out-of-county/city students enrolled in manpower shortage programs | 1,029 | 730 | 1,759 |
| Total credit hours* | 6,820 | 4,927 | 11,747 |
| Total tuition differential* | <u>\$ 592,705</u> | <u>\$ 433,576</u> | <u>\$ 1,026,281</u> |
| Total State Aid Received for Manpower Shortage Program | 592,705 | 433,576 | 1,026,281 |
| Minus: | | | |
| Current year write off | - | - | - |
| Audit Adjustments (Enclose Check) | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Audited State Aid Balance Due for Manpower Shortage Program | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

*Per Audit

HOWARD COMMUNITY COLLEGE

**Funding of ESOL Grant Program
For Fiscal Year Ended June 30, 2019**

| | <u>Total</u> |
|--|--------------------------|
| 1. Total Number of Students Enrolled in Noncredit ESOL Programs | <u>4,404</u> |
| 2. Total Noncredit Equated FTEs | <u>516.42</u> |
| Total Noncredit ESOL Funding Noncredit Equated FTE x \$800 | <u>\$ 413,136</u> |
| Total Noncredit ESOL Funding | <u><u>\$ 413,136</u></u> |
| | <u>Total</u> |
| 1. ESOL Credit FTEs | <u>2,024</u> |
| 2. Total Credit FTEs | <u>67.47</u> |
| Total ESOL Credit FTEs x \$800 | <u>\$ 53,976</u> |
| Total Credit ESOL Funding | <u><u>\$ 53,976</u></u> |
| Total Noncredit and Credit ESOL Funding | <u><u>\$ 467,112</u></u> |

HOWARD COMMUNITY COLLEGE

**Retirement System Payments To/From MHEC
For Fiscal Year Ended June 30, 2019**

| | |
|---|--------------------------|
| Optional Retirement System Reimbursements from MHEC | |
| Reimbursement Requested from MHEC | \$ 1,477,533 |
| Prior Year Reimbursement not paid (from FY18 CC4) | 247,834 |
| Audit Adjustment | - |
| Less Amount Received from MHEC | <u>(1,494,448)</u> |
| Balance Due From/(To) MHEC | 230,919 |
| Teachers Retirement and Pension System Reimbursements | |
| Required Reimbursement Reported to MHEC | 214,045 |
| Audit Adjustment | - |
| Less Amount Paid to MHEC | <u>(214,045)</u> |
| Balance Due From/(To) MHEC | - |
| Amount due from MHEC for Cost of Audit Verification | <u>3,000</u> |
| Total Amount Due From/(To) MHEC | <u><u>\$ 233,919</u></u> |

HOWARD COMMUNITY COLLEGE

**CC-4 Reconciliation to Financial Statement
For Fiscal Year Ended June 30, 2019**

Total Revenue - CC-4 Ex I

| | | |
|--|-----------|---------------------------|
| Total Revenue - Statement of Revenue and Expense | \$ | 133,256,486 |
| Scholarship reclassification | | 12,411,346 |
| Restricted revenue | | (15,209,352) |
| Capital appropriations | | (21,990,363) |
| Bond interest | | 487,078 |
| Plant fund revenue | | (2,275,532) |
| State paid benefits | | (4,639,257) |
| Total Revenue - CC-4 Ex I | \$ | <u>102,040,406</u> |

Total Expenditures - CC-4 Ex II

| | | |
|--|-----------|--------------------------|
| Total Expenditures - Statement of Revenue and Expenses | \$ | 118,068,879 |
| Scholarship and other reclassification | | 13,215,005 |
| Restricted expenditures | | (15,651,422) |
| Auxiliary Expenditures | | (2,862,641) |
| Depreciation | | (11,500,922) |
| State paid benefits | | (4,639,257) |
| Total Education and General Expenditures - CC-4 Ex II | \$ | <u>96,629,642</u> |

HOWARD COMMUNITY COLLEGE

Notes to Annual Report For Fiscal Year Ended June 30, 2019

Note 1: BASIS OF PRESENTATION

The Howard Community College (the College) annual financial report has been prepared in accordance with the basis of accounting prescribed and permitted by the Maryland Higher Education Commission and the laws and regulations contained in Title 16 of the Education Article of the Annotated Code of Maryland and Title 13B.07.03 of the Code of Maryland Regulations. These requirements do not present the College's revenue and expenditures in accordance with accounting principles generally accepted in the United States of America. The report includes the restricted and unrestricted funds only of the College. A reconciliation of the differences is provided on page 19 of this report.