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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, 2020**

**Prepared by:**

**Kathleen  
Hetherington**

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Hetherington  
Date: 2020.09.30 14:23:57 -04'00'

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Dr. Kathleen B. Hetherington  
President

**Lynn Coleman**

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Lynn C. Coleman  
Vice President of Administration and Finance



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Chris Heston  
Associate Vice President of Finance

**Verna Bernoi**

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Verna Bernoi  
Director of Budget and Finance



**S B & COMPANY, LLC**  
KNOWLEDGE • QUALITY • CLIENT SERVICE

**June 30, 2020**

**CONTENTS**

<b>REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Summary Statement of Revenue	3
Summary Statement of Current General Funds	4
Educational and General Expenditures of the Unrestricted Current Fund by Function and Object	5
Summary Statement of Education and General Expenditures by Fund and Object Classification, Unrestricted Current and Restricted Current Funds	6
<b>SUPPLEMENTAL SCHEDULES</b>	
Computation of Adjusted Cost Per Full-Time Equivalent and Percent of Local Contribution	7
Summary of Full-Time Equivalent Students and Student Tuition and Fees	8
Summary of Restricted Federal Grant Programs	9
Summary of Restricted State Grant Programs	10
Summary of Restricted Local Grant Programs	11
Summary of Other Sources of Unrestricted Current General Revenue	12
Reconciliation of State Aid	13
Reconciliation of Maryland Full-Time Equivalent Students	14
Student – Faculty Ratio (Credit Courses Only)	15
Funding of Manpower Shortage Program	16
Funding of ESOL Grant Program	17
Retirement System Payments To/From MHEC	18
CC-4 Reconciliation to Financial Statement	19
Note to the Annual Report	20



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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, 2020, 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, 2020, 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, 2020

Revenue Source	Unrestricted Current Fund	Restricted Current Fund	Total Revenue
Student Tuition and Fees:			
1. Credit	\$ 35,319,980		\$ 35,319,980
2. Noncredit	4,900,922	77,465	4,978,387
3. Total Student Tuition and Fees	40,220,902	77,465	40,298,366
Governmental:			
4. Federal	-	14,704,126	14,704,126
5. State	19,809,410	2,081,047	21,890,457
a. Regional Higher Education Center (Laurel College)	158,540	-	158,540
b. Maryland Excel's Program (Children's Learning Center)	41,502	-	41,502
6. Local			
a. Operating Appropriations	35,843,000		35,843,000
b. County paid OPEB contribution	1,120,725		1,120,725
c. Other County Funding (describe below)			
i. Cable Grant	-	32,474	32,474
ii. Cable Grant - Equipment	-	67,500	67,500
iii. DLLR CNA/PCT	-	-	-
iv. Tighrope Media Cablecast	-	64,000	64,000
v. Howard County Getting Ahead	-	-	-
d. County in-kind rent	1,158,000	-	1,158,000
7. Total Governmental	58,131,177	16,949,147	75,080,324
8. Total Sales and Services of Educational Activities (Auxiliary Enterprises)	1,252,258	-	1,252,258
Other:			
9. Gifts/Grants (Explained on Exhibit X)	270,774	157,541	428,315
10. Other - Miscellaneous (Explain on Exhibit X)	1,972,617	-	1,972,617
11. Total Other	2,243,391	157,541	2,400,932
12. Total Revenue	\$ 101,847,728	\$ 17,184,153	\$ 119,031,880

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, 2020

	<u>Unrestricted Current General Fund</u>	<u>Restricted Current Fund</u>
<b>Revenue:</b>		
1. Total Revenue (Per Line 12, Exhibit I)	\$ 101,847,728	\$ 17,184,153
<b>Expenditures:</b>		
Instruction	44,611,914	1,929,729
Research	-	-
Public Service	839,296	70,664
Academic Support	11,902,424	191,926
Student Services	8,530,104	593,078
Institutional Support	14,582,909	-
Operation and Maintenance of Plant	13,234,274	-
Scholarships and Fellowships	3,181,793	13,565,203
2. Total Education and General Expenditures	96,882,714	16,350,600
3. Total Mandatory Transfers	98,208	(98,208)
4. Total Educational and General Expenditures and Mandatory Transfers	96,980,922	16,252,392
5. Total Auxiliary Enterprises	2,945,819	-
6. Total Other Transfers	910,507	(835,507)
7. Total Expenditures, Transfers and Auxiliary	<u>\$ 100,837,248</u>	<u>\$ 15,416,885</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, 2020**

Acct. No.	Object Classification	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of	Scholarships	Total
5XXX	Compensation (including Fringe Benefits)	\$ 39,816,039	\$ -	\$ 787,860	\$ 9,710,509	\$ 7,863,311	\$ 9,433,498	\$ 7,835,969	\$ -	\$ 75,447,186
60XX	Contracted Services	2,928,698	-	15,091	1,123,368	333,335	3,424,970	2,701,099	-	10,526,561
61XX	Supplies and Materials	854,380	-	3,458	155,553	160,200	229,651	557,209	-	1,960,451
62XX	Communications	105,294	-	52	17,191	27,841	290,428	45,967	-	486,773
63XX	Conferences/Meetings	273,919	-	16,683	144,100	78,173	361,267	81,389	-	955,531
64XX	Grants/Subsidies	-	-	-	-	-	-	-	3,181,793	3,181,793
65XX	Utilities	-	-	-	-	-	-	1,566,755	-	1,566,755
66XX	Fixed Charged - Insurance	-	-	-	-	-	330,478	329,550	-	660,028
68XX	Bad Debt Expense	-	-	-	-	-	287,977	-	-	287,977
69XX	Open (specify below)	-	-	-	-	-	-	-	-	-
7XXX	Furniture and Equipment	633,584	-	16,152	751,703	67,244	224,640	116,336	-	1,809,659
		<b>\$ 44,611,914</b>	<b>\$ -</b>	<b>\$ 839,296</b>	<b>\$ 11,902,424</b>	<b>\$ 8,530,104</b>	<b>\$ 14,582,909</b>	<b>\$ 13,234,274</b>	<b>\$ 3,181,793</b>	<b>\$ 96,882,714</b>

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, 2020**

<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)	\$ 75,447,186	\$ 2,222,660	\$ 77,669,846
60XX	Contracted Services	10,526,561	117,700	10,644,261
61XX	Supplies and Materials	1,960,451	144,402	2,104,853
62XX	Communications	486,773	150	486,923
63XX	Conferences/Meetings	955,531	127,873	1,083,404
64XX	Grants/Subsidies	3,181,793	13,565,204	16,746,997
65XX	Utilities	1,566,755	-	1,566,755
66XX	Fixed Charged - Insurance	660,028	-	660,028
68XX	Bad Debt Expense	287,977	-	287,977
69XX	Other	-	-	-
7XXX	Furniture and Equipment (including Library Book	1,809,659	172,611	1,982,270
	Total Expenditures	96,882,714	16,350,600	113,233,314
	Total Mandatory Transfers	98,208	(98,208)	-
	Total Expenditures and Mandatory Transfers	<u>\$ 96,980,922</u>	<u>\$ 16,252,392</u>	<u>\$ 113,233,314</u>

The accompanying note is an integral part of this note.

# HOWARD COMMUNITY COLLEGE

## Computation of Adjusted Cost Per Full-Time Equivalent and Percent of Local Contribution For Fiscal Year Ended June 30, 2020

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)	<u>\$ 96,980,922</u>		
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			
<u>Item</u>	<u>Object</u>	<u>Function</u>	<u>Amount</u>
a) Compensated absence	59XXX	Various	350,963
b) Pension expense	59XXX	Plant	192,934
c) OPEB expense	59XXX	Various	2,656,014
d) Cultural, community & othe	Various	Various	1,151,232
e) Scholarships	64XX	Scholarships	<u>3,181,793</u>
<b>Total Deductions</b>			<u>\$ 7,532,936</u>
3 Adjusted Unrestricted Current Operating Expenditures (Line 1 less sum of 2a thru 2c)			<u>\$ 89,447,986</u>
4 Total FTE students for fiscal year (From Exhibit VI)		<u>7,565.46</u>	
5 Total Adjusted Unrestricted Current Operating Expenditures divided by Total FTE students (yields adjusted cost per FTE)			<u>\$ 11,823</u>
6 Total Maryland eligible FTE students (From Exhibit VI)		<u>6,993.92</u>	
7 State aid paid fiscal year ending June 30, 2018 (Exclude State paid benefits) (Complete Exhibit XI) (Based on two prior years audited FTEs)			<u>\$ 19,967,950</u>
8 Total Local Contribution			<u>\$ 35,843,000</u>
9 Percentage of adjusted Unrestricted Current Expenditures contributed by the local political subdivision (Line 8 divided by Line 3) *			<u>40.1%</u>

\* 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, 2020**

	<u>FTE Students</u>	<u>Student Tuition and Fees</u>
Eligible Students		
In-County	4,433.80	\$ 22,578,089
Out of County	1,357.73	10,722,143
Noncredit	1,202.39	3,804,052
Total Eligible Students	<u>6,993.92</u>	<u>\$ 37,104,284</u>
Ineligible Students		
Credit		
Out of State	216.67	\$ 2,012,577
Other	8.17	7,171
Noncredit		
Out of State	211.47	669,037
Other	135.23	427,833
Total Ineligible Students	<u>571.54</u>	<u>3,116,618</u>
Total Students	<u>7,565.46</u>	<u>\$ 40,220,902</u>

# HOWARD COMMUNITY COLLEGE

## Summary of Restricted Federal Grant Programs For Fiscal Year Ended June 30, 2020

Program Title	June 30, 2019 Balance	Revenue	Expenditures	June 30, 2020 Balance
Emergency Financial Aid to Students Under the CARES Act	-	\$ 990,900	\$ 989,400	1,500
HCC - Institutional Portion of Emergency Relief Funds Formula Grant	-	794,390	794,390	-
Federal Supplemental Educational Opportunity Grants FY20	-	265,996	265,996	-
Federal Supplemental Educational Opportunity Grants FY19	-	(287)	(287)	-
Federal Work-Study Program FY19	-	(4,072)	(4,072)	-
Federal Work-Study Program FY20	-	205,864	205,864	-
Federal Pell Grant Program - FY17	-	(2,908)	(2,908)	-
Federal Pell Grant Program - FY18	-	(5,920)	(5,920)	-
Federal Pell Grant Program - FY19	-	285,117	285,117	-
Federal Pell Grant Program - FY20	-	10,310,692	10,310,692	-
Federal TRIO - Student Support Services - FY18	-	873	873	-
Federal TRIO - Student Support Services - FY19	-	52,923	52,923	-
Federal TRIO - Student Support Services - FY20	-	335,069	335,069	-
NSF STEM Scholarships	-	63,434	63,434	-
NSF Audio Visual	-	71,910	71,910	-
NSF IUSE	-	30,495	30,495	-
NFS LSAMP - Washington Baltimore Hampton Roads Alliance	-	731	731	-
NSF StatPREP	-	9,705	9,705	-
National Security Agency-Startalk - FY19-20	-	80,650	80,650	-
MD Department of Labor WIOA Adult, Youth, Dislocated Worker	-	30,466	30,466	-
MD Department of Labor Adult Education - State Grant Program	-	469,201	469,201	-
MSDE Vocational Education - Basic Grants to State	-	479,153	479,153	-
MSDE Child Care Career and Professional Development - Teacher Train	-	181,492	181,492	-
MSDE Vocational Education - Hospitality/Culinary	-	4,419	4,419	-
MSDE Vocational Education - CPA	-	7,853	7,853	-
MSDE Vocational Education - Web Curriculum	-	12,472	12,472	-
AACC Expanding Community College Apprenticeships Initiative	-	23,721	23,721	-
US Dept of Education - First in the World	-	8,859	8,859	-
Maryland Suicide Prevention & Early Intervention Network (SPIN) - FY19-20	-	928	928	-
<b>Total Federal</b>	<b>\$ -</b>	<b>\$ 14,704,126</b>	<b>\$ 14,702,626</b>	<b>\$ 1,500</b>

**HOWARD COMMUNITY COLLEGE**

**Summary of Restricted State Grant Programs  
For Fiscal Year Ended June 30, 2020**

<u>Program Title</u>	<u>June 30, 2019 Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>June 30, 2020 Balance</u>
ESL Credit	-	\$ 59,398	\$ 59,398	-
CMAP	-	37,317	37,317	-
DLLR Literacy	-	162,529	162,529	-
ESL Non-Credit	-	438,074	438,074	-
AEHG Ext. Dipl.	-	20,910	20,910	-
Academic Nurse Cert	-	20,000	2,134	17,866
DLLR - EARN SIP	-	38,315	38,315	-
CET BET.MT Apprenticeship	-	26,816	26,816	-
MD Disabilities	2,979	-	2,979	-
MD State Scholarship	-	594,545	585,217	9,328
MD PT Grant Prog.	2,146	292,862	292,862	2,146
MD State Scholarship (Promise)	-	234,832	230,800	4,032
MD Campus Based	-	56,200	54,200	2,000
State Workforce Sequence	9,535	99,250	99,094	9,691
<b>Total State</b>	<b>\$ 14,660</b>	<b>\$ 2,081,048</b>	<b>\$ 2,050,645</b>	<b>\$ 45,063</b>

**HOWARD COMMUNITY COLLEGE**

**Summary of Restricted Local Grant Programs  
For Fiscal Year Ended June 30, 2020**

<u>Program Title</u>	<u>June 30, 2019 Balance</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>June 30, 2020 Balance</u>
GTV Programming Grant	\$ -	\$ 32,474	\$ 32,474	\$ -
DLLR CNA/PCT	-	-	-	\$ -
Tightrope Media Cablecast	-	64,000	(1,031)	65,031
Cable Television Equipment Grant	-	67,500	67,500	-
Cable - Howard County	3,164	-	3,164	-
<b>Total Local</b>	<b>\$ 3,164</b>	<b>\$ 163,974</b>	<b>\$ 102,107</b>	<b>\$ 65,031</b>

## HOWARD COMMUNITY COLLEGE

### Summary of Other Sources of Unrestricted Current General Revenue For Fiscal Year Ended June 30, 2020

	<b>Unrestricted Amounts</b>	<b>Restricted Amounts</b>
Other Revenue Sources		
Grants and grants:		
Private gifts and grants	\$ 270,774	\$ 157,541
Total Grants	270,774	157,541
Other - Miscellaneous:		
Investment Income	614,602	-
Cultural, community & other programs	650,978	-
Miscellaneous	707,037	-
Total Other - Miscellaneous	1,972,617	-
Total Other Revenue Sources	\$ 2,243,391	\$ 157,541

**HOWARD COMMUNITY COLLEGE**

**Reconciliation of State Aid  
For Fiscal Year Ended June 30, 2020**

	<u>Amount</u>
7,347.22 State Aid FTEs @ \$1,693.05	\$ 12,439,211
Flat Grant (Fixed Cost Adjustment)	7,370,199
Hold Harmless Provision	-
Part-Time Grant	-
Low Income Student Grant	-
Other (specify below):	
Supplemental (tuition less than 2%)	-
Regional Higher Education Center, Howard's share only	158,540
Total State Aid	<u>\$ 19,967,950</u>



**HOWARD COMMUNITY COLLEGE**

**Reconciliation of Maryland Full-Time Equivalent Students  
For Fiscal Year Ended June 30, 2020**

	<u>FTEs Accepted by MHEC</u>	<u>Eligible FTEs Now Claimed per Audit</u>
Summer Credit Enrollment (CC-2)	634.67	634.67
Summer Noncredit Enrollment (CC-3)	169.59	169.59
Fall Credit Enrollment (CC-2)	2,598.00	2,598.00
Fall Noncredit Enrollment (CC-3)	475.50	475.50
Spring Credit Enrollment (CC-2)	2,370.73	2,370.73
Spring Noncredit Enrollment (CC-3)	557.30	557.30
Other Credit Enrollment (CC-2)	188.13	188.13
Other Noncredit Enrollment (CC-3)	-	-
Total Enrollment	<u>6,993.92</u>	<u>6,993.92</u>
Total Eligible Maryland FTEs accepted by MHEC during fiscal year	6,993.92	XXXXXX
Additional Eligible Maryland FTEs claimed per audit* (deletions)	<u>-</u>	<u>XXXXXX</u>
Total Eligible Maryland FTES**	<u>6,993.92</u>	<u>6,993.92</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, 2020**

Total Credit Hours Generated	<u>177,799</u>
Total Course Credit Hours Taught FY 2020	<u>9,250</u>
Student-Faculty Ratio (Total credit hours generated divided by total course credit hours taught)	<u>19.22</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
- \* Included all sessions (Summer and Winter)

**HOWARD COMMUNITY COLLEGE**

**Funding of Manpower Shortage Program  
For Fiscal Year Ended June 30, 2020**

	<b>Summer/Fall CC-2D</b>	<b>Winter/Spring CC-2D</b>	<b>Total</b>
Total out-of-county/city students enrolled in manpower shortage programs	947	668	1,615
Total credit hours*	6,331	4,425	10,756
Total tuition differential*	<u>\$ 586,894</u>	<u>\$ 415,950</u>	<u>\$ 1,002,844</u>
<b>Total State Aid Received for Manpower Shortage Program</b>	<b>\$ 578,273.57</b>	<b>\$ 409,840.43</b>	<b>\$ 988,114</b>
Minus:			
Current year write off	\$ 8,620	\$ 6,110	\$ 14,730
Audit Adjustments (Enclose Check)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Audited State Aid Balance Due for Manpower Shortage Program</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

\*Per Audit

**HOWARD COMMUNITY COLLEGE**

**Funding of ESOL Grant Program  
For Fiscal Year Ended June 30, 2020**

	<u><b>Total</b></u>
1. Total Number of Students Enrolled in Noncredit ESOL Programs	<u>4,239</u>
2. Total Noncredit Equated FTEs	<u>514.34</u>
Total Noncredit ESOL Funding Noncredit Equated FTE x \$800	<u>\$ 411,472</u>
Total Noncredit ESOL Funding	<u><u>\$ 411,472</u></u>
	<u><b>Total</b></u>
1. ESOL Credit FTEs	<u>1,682</u>
2. Total Credit FTEs	<u>56.07</u>
Total ESOL Credit FTEs x \$800	<u>\$ 44,856</u>
Total Credit ESOL Funding	<u><u>\$ 44,856</u></u>
Total Noncredit and Credit ESOL Funding	<u><u>\$ 456,328</u></u>

**HOWARD COMMUNITY COLLEGE**

**Retirement System Payments To/From MHEC  
For Fiscal Year Ended June 30, 2020**

Optional Retirement System Reimbursements from MHEC	
Reimbursement Requested from MHEC	\$ 1,493,735
Prior Year Reimbursement not paid (from FY19 CC4)	230,919
Audit Adjustment	-
Less Amount Received from MHEC	<u>(1,357,568)</u>
Balance Due From/(To) MHEC	367,086
Teachers Retirement and Pension System Reimbursements	
Required Reimbursement Reported to MHEC	218,609
Audit Adjustment	
Less Amount Paid to MHEC	<u>(218,609)</u>
Balance Due From/(To) MHEC	-
Amount due from MHEC for Cost of Audit Verification	<u>3,000</u>
<b>Total Amount Due From/(To) MHEC</b>	<b><u>\$ 370,086</u></b>

**HOWARD COMMUNITY COLLEGE**

**CC-4 Reconciliation to Financial Statement  
For Fiscal Year Ended June 30, 2020**

**Total Revenue - CC-4 Ex I**

Total Revenue - Statement of Revenue and Expense	\$	118,318,220
Scholarship reclassification		13,202,987
Restricted revenue		(17,184,153)
Capital appropriations		(6,298,841)
Bond interest		487,548
Plant fund revenue		(1,942,532)
State paid benefits		(4,735,501)
<b>Total Revenue - CC-4 Ex I</b>	<b>\$</b>	<b><u>101,847,728</u></b>

**Total Expenditures - CC-4 Ex II**

Total Expenditures - Statement of Revenue and Expenses	\$	118,802,127
Scholarship and other reclassification		13,510,600
Restricted expenditures		(16,350,600)
Auxiliary Expenditures		(2,945,819)
Depreciation		(11,398,093)
State paid benefits		(4,735,501)
<b>Total Education and General Expenditures - CC-4 Ex II</b>	<b>\$</b>	<b><u>96,882,714</u></b>

## **HOWARD COMMUNITY COLLEGE**

### **Note to the Annual Report For Fiscal Year Ended June 30, 2020**

#### **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.