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

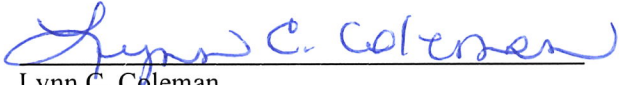
**Annual Financial Report Together with
Report of Independent Public Accountants**

For the Fiscal Year Ended June 30, 2021


Prepared by:



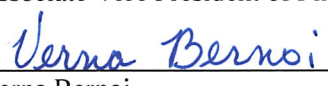
Dr. Kathleen B. Hetherington
President



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, 2021

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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, 2021, 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, 2021, 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.

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.

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.

Owings Mills, Maryland
September 1, 2021

HOWARD COMMUNITY COLLEGE

Summary Statement of Revenue For Fiscal Year Ended June 30, 2021

Revenue Source	Unrestricted Current Fund	Restricted Current Fund	Total Revenue
Student Tuition and Fees:			
1. Credit	\$ 34,905,152	\$ -	\$ 34,905,152
2. Noncredit	3,152,192	33,130	3,185,322
3. Total Student Tuition and Fees	38,057,344	33,130	38,090,474
Governmental:			
4. Federal	-	24,964,294	24,964,294
5. State	19,809,410	2,420,121	22,229,531
a. Regional Higher Education Center (Laurel College)	180,931	-	180,931
b. Maryland Excel's Program (Children's Learning Center)	1,670	-	1,670
6. Local			
a. Operating Appropriations	36,559,860	-	36,559,860
b. County paid OPEB contribution	1,006,738	-	1,006,738
c. Other County Funding (describe below)			
i. Cable Grant	-	-	-
ii. Cable Grant - Equipment	-	39,500	39,500
iii. DLLR CNA/PCT	-	-	-
iv. Tightrope Media Cablecast	-	-	-
v. Howard County Getting Ahead	-	-	-
d. County in-kind rent	1,158,000	-	1,158,000
7. Total Governmental	58,716,609	27,423,915	86,140,524
8. Total Sales and Services of Educational Activities (Auxiliary Enterprises)	337,152	-	337,152
Other:			
9. Gifts/Grants (Explained on Exhibit X)	242,065	139,973	382,038
10. Other - Miscellaneous (Explain on Exhibit X)	983,786	-	983,786
11. Total Other	1,225,851	139,973	1,365,824
12. Total Revenue	\$ 98,336,956	\$ 27,597,018	\$ 125,933,974

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, 2021**

	<u>Unrestricted Current General Fund</u>	<u>Restricted Current Fund</u>
Revenue:		
1. Total Revenue (Per Line 12, Exhibit I)	\$ 98,336,956	\$ 27,597,018
Expenditures:		
Instruction	40,697,660	2,274,449
Research	-	-
Public Service	842,500	105,037
Academic Support	11,092,597	1,397,821
Student Services	8,190,945	1,752,549
Institutional Support	13,527,292	337,022
Operation and Maintenance of Plant	12,444,786	431,710
Scholarships and Fellowships	3,192,952	13,621,679
2. Total Education and General Expenditures	89,988,732	19,920,267
3. Total Mandatory Transfers	-	-
4. Total Educational and General Expenditures and Mandatory Transfers	89,988,732	19,920,267
5. Total Auxiliary Enterprises	1,465,578	-
6. Total Other Transfers	4,083,221	(7,811,527)
7. Total Expenditures, Transfers and Auxiliary	<u>\$ 95,537,531</u>	<u>\$ 12,108,740</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, 2021**

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)	\$ 37,133,500	\$ -	\$ 814,285	\$ 9,549,223	\$ 7,776,130	\$ 9,737,650	\$ 7,743,181	\$ -	\$ 72,753,969
60XX	Contracted Services	2,158,856	-	18,256	1,034,428	199,408	3,531,757	2,524,670	-	9,467,375
61XX	Supplies and Materials	777,846	-	101	112,285	91,137	94,331	360,747	-	1,436,447
62XX	Communications	104,093	-	-	14,369	10,181	253,514	4,622	-	386,779
63XX	Conferences/Meetings	66,520	-	7,379	54,687	41,846	218,348	13,526	-	402,306
64XX	Grants/Subsidies	-	-	-	-	-	-	-	3,192,952	3,192,952
65XX	Utilities	-	-	-	-	-	-	1,429,048	-	1,429,048
66XX	Fixed Charged - Insurance	-	-	-	-	-	617,941	338,251	-	956,192
68XX	Bad Debt Expense	-	-	-	-	-	(979,822)	-	-	(979,822)
69XX	Open (specify below)	-	-	-	-	-	-	-	-	-
7XXX	Furniture and Equipment	456,845	-	2,479	327,605	72,243	53,573	30,741	-	943,486
		<u>\$ 40,697,660</u>	<u>\$ -</u>	<u>\$ 842,500</u>	<u>\$ 11,092,597</u>	<u>\$ 8,190,945</u>	<u>\$ 13,527,292</u>	<u>\$ 12,444,786</u>	<u>\$ 3,192,952</u>	<u>\$ 89,988,732</u>

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, 2021**

<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)	\$ 72,753,969	\$ 2,021,295	\$ 74,775,264
60XX	Contracted Services	9,467,375	849,223	10,316,598
61XX	Supplies and Materials	1,436,447	957,666	2,394,113
62XX	Communications	386,779	2,168	388,947
63XX	Conferences/Meetings	402,306	1,596,866	1,999,172
64XX	Grants/Subsidies	3,192,952	13,621,680	16,814,632
65XX	Utilities	1,429,048	-	1,429,048
66XX	Fixed Charged - Insurance	956,192	-	956,192
68XX	Bad Debt Expense	(979,822)	-	(979,822)
69XX	Other	-	-	-
7XXX	Furniture and Equipment (including Library Books)	943,486	871,369	1,814,855
	Total Expenditures	89,988,732	19,920,267	109,908,999
	Total Mandatory Transfers	-	-	-
	Total Expenditures and Mandatory Transfers	<u>\$ 89,988,732</u>	<u>\$ 19,920,267</u>	<u>\$ 109,908,999</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, 2021

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) \$ 89,988,732

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

<u>Item</u>	<u>Object</u>	<u>Function</u>	<u>Amount</u>
a) Compensated absence	59XXX	Various	170,512
b) Pension expense	59XXX	Plant	95,855
c) OPEB expense	59XXX	Various	2,797,346
d) Cultural, community & other	Various	Various	678,099
e) Scholarships	64XX	Scholarships	<u>3,192,952</u>

Total Deductions \$ 6,934,764

3 Adjusted Unrestricted Current Operating Expenditures (Line 1 less sum of 2a thru 2c) \$ 83,053,968

4 Total FTE students for fiscal year (From Exhibit VI) 6,729.66

5 Total Adjusted Unrestricted Current Operating Expenditures divided by Total FTE students (yields adjusted cost per FTE) \$ 12,341

6 Total Maryland eligible FTE students (From Exhibit VI) 6,393.48

7 State aid paid fiscal year ending June 30, 2018 (Exclude State paid benefits) (Complete Exhibit XI) (Based on two prior years audited FTEs) \$ 19,990,341

8 Total Local Contribution \$ 36,559,860

9 Percentage of adjusted Unrestricted Current Expenditures contributed by the local political subdivision (Line 8 divided by Line 3) * 44.0%

* 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, 2021**

	<u>FTE Students</u>	<u>Student Tuition and Fees</u>
Eligible Students		
In-County	4,257.80	\$ 22,510,549
Out of County	1,280.30	10,474,389
Noncredit	855.38	2,746,528
Total Eligible Students	<u>6,393.48</u>	<u>\$ 35,731,466</u>
Ineligible Students		
Credit		
Out of State	197.27	\$ 1,908,098
Other	12.57	12,116
Noncredit		
Out of State	102.11	327,864
Other	24.23	77,800
Total Ineligible Students	<u>336.18</u>	<u>2,325,878</u>
Total Students	<u>6,729.66</u>	<u>\$ 38,057,344</u>

HOWARD COMMUNITY COLLEGE

Summary of Restricted Federal Grant Programs For Fiscal Year Ended June 30, 2021

Program Title	2020 Balance	Revenue	Expenditures	June 30, 2021 Balance
Emergency Financial Aid to Students Under the CARES Act	\$ 1,500	\$ 2,586,771	\$ 2,588,271	\$ -
HCC - Institutional Portion of Emergency Relief Funds Formula Grant	-	11,240,024	11,240,024	-
Federal Supplemental Educational Opportunity Grants FY21	-	447,820	447,820	-
Federal Work-Study Program FY21	-	56,841	56,841	-
Federal Pell Grant Program - FY20	-	284,440	284,440	-
Federal Pell Grant Program - FY21	-	8,525,437	8,525,437	-
Federal TRIO - Student Support Services - FY20	-	52,350	52,350	-
NSF STEM Scholarships	-	1,042	1,042	-
EDA- Stem Talent Grant	-	12,732	12,732	-
NSF IUSE	-	28,076	28,076	-
National Endowment for the Arts - Humanities Initiatives	-	27,043	27,043	-
NSF StatPREP	-	4,971	4,971	-
National Security Agency-Startalk - FY20-21	-	13,489	13,489	-
MD Department of Labor WIOA Adult, Youth, Dislocated Worker	-	72,473	72,473	-
MD Department of Labor Adult Education - State Grant Program	-	321,510	321,510	-
MSDE Vocational Education - Basic Grants to State	-	461,279	461,279	-
MSDE Vocational Education - Basic Grants to State	-	56,487	56,487	-
MSDE CM- Scholarships	-	15,000	15,000	-
MSDE Apprenticeship 2.0	-	82,239	82,239	-
MSDE Apprenticeship Innovation Fund A+	-	28,462	28,462	-
Perkins Career and Technical Education - Reserve Fund	-	51,469	51,469	-
US Dept of Education - First in the World	-	18,374	18,374	-
AACCECCA	-	11,186	11,186	-
STEM Core Expansion	-	20,459	20,459	-
Education Stabilization Fund Program - Governor's Emergency Education Relief Fund	-	357,353	357,353	-
Education Stabilization Fund Program - Governor's Emergency Education Relief Fund II	-	-	-	-
Total Federal	\$ 1,500	\$ 24,777,327	\$ 24,778,827	\$ -

NOTE: Total should agree with Exhibit I, Restricted Fund (line 4)

HOWARD COMMUNITY COLLEGE

**Summary of Restricted State Grant Programs
For Fiscal Year Ended June 30, 2021**

Program Title	June 30, 2020 Balance	Revenue	Expenditures	June 30, 2021 Balance
MSDE - CCCPDF	\$ -	\$ 24,069.00	\$ 24,069.00	\$ -
ESL Credit	-	53,976	53,976	-
NSPII - Nurse Educator Doctoral	-	-	-	-
DLLR Literacy	-	234,677	234,677	-
ESL Non-Credit	-	413,136	413,136	-
AEHG Ext. Dipl.	-	16,033	16,033	-
MSDE-CCCPDF	-	47,233	47,233	-
Academic Nurse Cert	17,866	(3,429)	14,437	-
CET BET.MT Apprenticeship	-	70,571	70,571	-
CTEI. IEC Apprenticeship	-	63,420	63,420	-
Relief Act 2021 - MHEC	-	123,235	123,235	-
MSDE-CCCPDF	-	113,389	113,389	-
MD State Scholarship	4,933	412,497	417,430	-
MD PT Grant Prog.	2,146	290,609	292,755	-
MD State Scholarship (Promise)	4,032	423,441	427,473	-
MD- Conroy	4,395	(4,395)	-	-
MD Campus Based	2,000	54,100	56,100	-
State Workforce Sequence	9,691	87,559	97,250	-
Total State	\$ 45,063	\$ 2,420,121	\$ 2,465,184	\$ -

HOWARD COMMUNITY COLLEGE

**Summary of Restricted Local Grant Programs
For Fiscal Year Ended June 30, 2021**

Program Title	June 30, 2020 Balance	Revenue	Expenditures	June 30, 2021 Balance
Tightrope Media Cablecast	\$ 65,031	\$ -	\$ 65,031	\$ -
Cable Equip Grant	-	39,500	39,500	-
Total Local	\$ 65,031	\$ 39,500	\$ 104,531	\$ -

HOWARD COMMUNITY COLLEGE

Summary of Other Sources of Unrestricted Current General Revenue For Fiscal Year Ended June 30, 2021

	Unrestricted Amounts	Restricted Amounts
Other Revenue Sources		
Grants and grants:		
Private gifts and grants	\$ 242,065	\$ 139,973
Total Grants	242,065	139,973
Other - Miscellaneous:		
Investment Income	49,304	-
Cultural, community & other programs	333,842	-
Miscellaneous	600,640	-
Total Other - Miscellaneous	983,786	-
Total Other Revenue Sources	\$ 1,225,851	\$ 139,973

HOWARD COMMUNITY COLLEGE

**Reconciliation of State Aid
For Fiscal Year Ended June 30, 2021**

	<u>Amount</u>
7,257.54 State Aid FTEs @ \$1,713.97	\$ 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	180,931
Total State Aid	<u><u>\$ 19,990,341</u></u>

HOWARD COMMUNITY COLLEGE

**Reconciliation of Maryland Full-Time Equivalent Students
For Fiscal Year Ended June 30, 2021**

	Eligible Maryland FTEs Accepted by MHEC	Eligible FTEs Now Claimed per Audit
Summer Credit Enrollment (CC-2)	676.97	676.97
Summer Noncredit Enrollment (CC-3)	120.39	120.39
Fall Credit Enrollment (CC-2)	2,544.03	2,544.03
Fall Noncredit Enrollment (CC-3)	286.99	286.99
Spring Credit Enrollment (CC-2)	2,109.50	2,109.50
Spring Noncredit Enrollment (CC-3)	448.00	448.00
Other Credit Enrollment (CC-2)	207.60	207.60
Other Noncredit Enrollment (CC-3)	-	-
Total Enrollment	6,393.48	6,393.48
Total Eligible Maryland FTEs accepted by MHEC during fiscal year	6,393.48	XXXXXX
Additional Eligible Maryland FTEs claimed per audit* (deletions)	-	XXXXXX
Total Eligible Maryland FTES**	6,393.48	6,393.48
Total Unduplicated Part-Time Students	N/A	N/A

*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, 2021**

Total Credit Hours Generated	<u>169,883</u>
Total Course Credit Hours Taught FY 2021	<u>9,201</u>
Student-Faculty Ratio (Total credit hours generated divided by total course credit hours taught)	<u>18.46</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, 2021**

	Summer/Fall CC-2D	Winter/Spring CC-2D	Total
Total out-of-county/city students enrolled in manpower shortage programs	1,012	717	1,729
Total credit hours*	6,559	4,716	11,275
Total tuition differential*	<u>\$ 631,054</u>	<u>\$ 457,452</u>	<u>\$ 1,088,506</u>
Total State Aid Received for Manpower Shortage Program	\$ 559,522	\$ 405,599	\$ 965,122
Minus:			
Current year write off	\$ 71,531	\$ 51,853	\$ 123,384
Audit Adjustments (Enclose Check)	<u>-</u>	<u>-</u>	<u>-</u>
Total Audited State Aid Balance Due for Manpower Shortage Program	<u><u>0.96</u></u>	<u><u>(0.00)</u></u>	<u><u>-</u></u>

*Per Audit

HOWARD COMMUNITY COLLEGE

**Funding of ESOL Grant Program
For Fiscal Year Ended June 30, 2021**

	<u>Total</u>
1. Total Number of Students Enrolled in Noncredit ESOL Programs	<u>2,081</u>
2. Total Noncredit Equated FTEs	<u>222.57</u>
Total Noncredit ESOL Funding Noncredit Equated FTE x \$800	<u>\$ 178,056</u>
Total Noncredit ESOL Funding	<u><u>\$ 178,056</u></u>
	<u>Total</u>
1. ESOL Credit FTEs	<u>1,182</u>
2. Total Credit FTEs	<u>39.40</u>
Total ESOL Credit FTEs x \$800	<u>\$ 31,520</u>
Total Credit ESOL Funding	<u><u>\$ 31,520</u></u>
Total Noncredit and Credit ESOL Funding	<u><u>\$ 209,576</u></u>

HOWARD COMMUNITY COLLEGE

**Retirement System Payments To/From MHEC
For Fiscal Year Ended June 30, 2021**

Optional Retirement System Reimbursements from MHEC	
Reimbursement Requested from MHEC	\$ 1,438,252
Prior Year Reimbursement not paid (from FY20 CC4)	370,086
Audit Adjustment	-
Less Amount Received from MHEC	<u>(1,700,894)</u>
Balance Due From/(To) MHEC	107,444
Teachers Retirement and Pension System Reimbursements	
Required Reimbursement Reported to MHEC	105,052
Audit Adjustment	
Less Amount Paid to MHEC	<u>(105,052)</u>
Balance Due From/(To) MHEC	-
Amount Due From MHEC for Cost of Audit Verification	3,000
Total Amount Due From/(To) MHEC	<u><u>\$ 110,444</u></u>

HOWARD COMMUNITY COLLEGE

**CC-4 Reconciliation to Financial Statement
For Fiscal Year Ended June 30, 2021**

Total Revenue - CC-4 Ex I

Total Revenue - Statement of Revenue and Expense	\$	120,061,525
Scholarship reclassification		12,211,455
Restricted revenue		(27,597,018)
Grant unearned revenue		5,861,160
Capital appropriations		(6,145,393)
Bond interest		445,976
Plant fund revenue		(1,848,227)
State paid benefits		(4,652,522)
Total Revenue - CC-4 Ex I	\$	<u>98,336,956</u>

Total Expenditures - CC-4 Ex II

Total Expenditures - Statement of Revenue and Expenses	\$	116,472,457
Scholarship and other reclassification		12,637,095
Restricted expenditures		(19,920,267)
Auxiliary expenditures		(1,465,578)
Depreciation and loss		(13,082,453)
State paid benefits		(4,652,522)
Total Education and General Expenditures - CC-4 Ex II	\$	<u>89,988,732</u>

HOWARD COMMUNITY COLLEGE

Note to the Annual Report For Fiscal Year Ended June 30, 2021

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.