

HIGHLAND COMMUNITY COLLEGE

District #519

AGENDA

Board of Trustees Meeting

August 16, 2016 – 4:00 p.m.

Robert J. Rimington Board Room (H-228)

Highland Community College Student/Conference Center

Freeport, Illinois

- I. Call to Order/Roll Call
- II. Approval of Agenda
- III. Approval of Minutes: July 19, 2016 Audit Committee Meeting
 July 19, 2016 Budget Work Session
 July 19, 2016 Regular Meeting
- IV. Public Comments
- V. Introductions
- VI. Foundation Report
- VII. Consent Items
 - A. Academic (None)
 - B. Administration
 - 1. Appoint Assistant Local Election Official (Page 1)
 - C. Personnel
 - 1. Part-time Instructors, Overload, and Other Assignments (Page 2)
 - D. Financial (None)
- VIII. Main Motions
 - A. Academic (None)
 - B. Administration
 - 1. New Differential Position: Coordinator of Transitional Communication (Page 4)
 - 2. First Reading – Revised Policy 4.08: Contracts and Notices of Employment (Full-time Faculty, Administrative, and Exempt Professional Employees) (Page 7)
 - 3. First Reading – Revised Policy 4.21: Payroll (Page 9)
 - 4. Rescheduled Date for the September 2016 Regular Board Meeting (Page 11)
 - C. Personnel (None)
 - D. Financial
 - 1. Resolution Authorizing Transfer of Interest from Working Cash Fund to Educational Fund for General Purposes (Page 12)

2. Resolution Identifying Work Contracts to an Installment Purchase Agreement Heretofore Entered into by Community College District No. 519, Counties of Stephenson, Ogle, Jo Daviess and Carroll and State of Illinois (Page 15)
3. Plante & Moran, PLLC Payment Card Audit/Payment Card Industry (PCI) Compliance Contracts (Page 20)
4. Revised Health Insurance Rates (Page 36)
5. Payment of Bills and Agency Fund Report (Page 37)

IX. Reports

- A. Treasurer's Report: Statements of Revenue, Expenditures, and Changes in Fund Balance (Page 39)
- B. Student Trustee
- C. Audit Committee Chair
- D. ICCTA Representative
- E. Board Chair
- F. Administration

X. Old Business

XI. CLOSED SESSION

- A. Appointment, Employment, Compensation, Discipline, Performance, or Dismissal of Specific Employees of the Public Body or Legal Counsel for the Public Body, Including Hearing Testimony on a Complaint Lodged Against an Employee of the Public Body or Against Legal Counsel for the Public Body to Determine its Validity
- B. Collective Negotiating Matters Between the Public Body and its Employees or Their Representatives, or Deliberations Concerning Salary Schedules for One or More Classes of Employees

XII. ACTION, IF NECESSARY

- A. Appointment, Employment, Compensation, Discipline, Performance, or Dismissal of Specific Employees of the Public Body or Legal Counsel for the Public Body, Including Hearing Testimony on a Complaint Lodged Against an Employee of the Public Body or Against Legal Counsel for the Public Body to Determine its Validity
 1. Appointment of Tenure
 2. Memorandum of Understanding for Coordinator, Nursing Program and Lab
- B. Collective Negotiating Matters Between the Public Body and its Employees or Their Representatives, or Deliberations Concerning Salary Schedules for One or More Classes of Employees
 1. Letter of Understanding Between the Faculty Senate and Highland Community College
 2. Letter of Understanding Between the Custodial and Maintenance Council and Highland Community College

XIII. New Business

XIV. Dates of Importance

- A. Shindig VI – August 20, 2016, at Kathy and Scott King’s home on Woodside Drive in Freeport
- B. Next Quarterly Board Retreat – September 7, 2016, at 8:30 a.m. in the Student/Conference Center room H-206 (breakfast available at 8:00 a.m.)
- C. Next Regular Board Meeting – September 20, 2016, at 4:00 p.m. in the Robert J. Rimington Board Room (H-228) in the Student/Conference Center

XV. Adjournment

**AGENDA ITEM #VII-B-1
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

APPOINTMENT OF ASSISTANT LOCAL ELECTION OFFICIAL

RECOMMENDATION OF THE PRESIDENT: It is recommended that the Highland Community College Board approves the following Resolution:

Be it resolved that the Board of Trustees of Highland Community College District #519 appoints Ms. Sandy Johnson as Assistant Local Election Official. The Assistant will act as the Local Election Official for Highland Community College for the nonpartisan election if Terri Grimes, the Local Election Official, is not available during the filing period. The filing period will be December 12 – 19, 2016, from 8:00 a.m. to 5:00 p.m.

BACKGROUND: The above Resolution is proposed under the recommendation of the State Board of Elections.

BOARD ACTION: _____

**AGENDA ITEM #VII-C-1
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

PART-TIME INSTRUCTORS, OVERLOAD, AND OTHER ASSIGNMENTS

RECOMMENDATION OF THE PRESIDENT: That the part-time instructors, overload, and other assignments be approved for the Summer semester of 2016.

BACKGROUND: The individuals listed have been certified by the hiring supervisor as having the required training and experience to perform duties or teach courses offered by Highland Community College. Each course is contingent upon appropriate enrollment.

BOARD ACTION: _____

Summer 2016			COURSE		CLOCK	CREDIT	TOTAL	
FIRST	LAST	CRN	SUBJECT	TITLE	HRS	HRS	RATE	SALARY
Other Assignments								
Annette	Hartman			Graduation Program Design				\$ 156.25
Richard	Andrews			Orchestra for Joseph				\$ 300.00
Kristin	Brandt			Orchestra for Joseph				\$ 300.00
Ella	Caswell			Orchestra for Joseph				\$ 300.00
Laura	Caswell			Orchestra for Joseph				\$ 300.00
Dana	Cipra			Sign language interpreter				\$ 113.60
Brittany	Myers			Orchestra for Joseph				\$ 93.75
Michaela	Myers			Orchestra for Joseph				\$ 300.00
Christina	Parkinson			Orchestra for Joseph				\$ 400.00
Renee	Schultz			Orchestra for Joseph				\$ 300.00
Kenji	Grahame			Sound engineer for Joseph				\$ 600.00
Andrea	Hartman			Orchestra for Joseph				\$ 300.00
Brittany	Myers			Orchestra for Joseph				\$ 202.25
Diane	Navickis			Business Institute - Forreston State Bank training				\$ 2,299.75
Business Institute								
Cassie	Mekeel	1284	WFD051ACC	Life Support for Healthcare Providers				\$120.00
Shelly	Morgan	1284	WFD051ACC	Life Support for Healthcare Providers				\$120.00
Suzanne	Miller	1386	WFD052A	Diversity Training				\$450.00
Anki	Bauer			Private Lessons and Clinics	TBD		\$50.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$50.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$50.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$30.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$30.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$30.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$40.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$40.00	TBD
Anki	Bauer			Private Lessons and Clinics	TBD		\$40.00	TBD

**AGENDA ITEM #VIII-B-1
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

**NEW DIFFERENTIAL POSITION
COORDINATOR OF TRANSITIONAL COMMUNICATION**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves the attached differential for a Coordinator of Transitional Communication.

BACKGROUND: As part of the AQIP Action Project, The Redesign of Pivotal Transitional English Course (COMM 090), the need for a faculty coordinator of transitional communication has become apparent. This differential provides for the compensation of an English faculty member selected to coordinate transitional writing courses and the alignment of the transitional writing courses with the transfer communication courses. The success of the redesign and coordinator role will be assessed through student and faculty feedback, student completion, success, and persistence data, and National Community College Benchmark Project data. The coordinator will also work closely with the Executive Vice President, the Director of Learning and Transitional Education Services, and the Manager of the Math Achievement Center to ensure transitional students' needs are being met

BOARD ACTION: _____

Coordinator of Transitional Communication Differential Faculty Proposal

July 18, 2016

Position Description and Duties

The position of Coordinator is critical to the success of students placing into transitional writing and reading classes. The work necessary to create and promote strategies in transitional communication will take time.

In addition to the duties required of an HCC faculty member, the Coordinator of Transitional Communication will be responsible for:

- Working closely with the Executive Vice President, the Director of Learning and Transitional Education Services, and the Manager of the Math Achievement Center to ensure transitional students' needs are being met
- The coordination, planning, preparation and presentation of classroom instruction for transitional writing classes
- Assisting in revisions of reading course curriculum
- Incorporating reading courses into the coordinator's instructional load
- Developing and implementing curriculum and effective teaching strategies in an effort to meet the college's and state's standards for basic skills courses.
- The coordination and expansion of the summer bridge writing program
- On a regular basis, assisting in evaluating the success of the transitional program in preparing students for transfer level coursework, including playing a major role in the completion of the current, and any subsequent AQIP action project.
- Working closely with faculty who teach credit-bearing composition courses to ensure course alignment
- Participating in local, state, regional, and national professional activities and organizations related to transitional reading and writing
- Remaining current on research and best practices in transitional education via regular professional development

Selection

The Executive Vice President will appoint a faculty member to be the Coordinator of Transitional Communication. This appointment will be a one-year appointment, eligible for renewal each year.

Rationale

These duties are deemed to be essential to the development and continued success of students placed in transitional reading and writing courses. The Coordinator is a tenured, full-time faculty member in the English department, possessing a specialty in transitional communication.

For the administrative duties of the position, the Coordinator will report to the Executive Vice President.

For the teaching duties of the position, the Coordinator will report to the Dean of Humanities, Social Sciences, and Fine Arts.

Compensation Recommendation

Based on the afore-mentioned administrative duties, which are performed along with teaching responsibilities of a full-time faculty member, the compensation proposed shall be three credit hours released time each semester or three hours of overload each semester. The Coordinator will be allowed to decide if compensation takes the form of released time or overload in any given semester. The Coordinator will have the option of performing the administrative duties during the summer schedule. In this case, the Coordinator will receive three hours of summer pay for the summer term in addition to regular summer pay compensation for classes taught in the summer.

**AGENDA ITEM #VIII-B-2
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

**FIRST READING – REVISED POLICY 4.08
CONTRACTS AND NOTICES OF EMPLOYMENT (FULL-TIME FACULTY,
ADMINISTRATIVE AND EXEMPT PROFESSIONAL EMPLOYEES)**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves for a first reading the attached revised policy, 4.08 Contracts and Notices of Employment (Full-Time Faculty, Administrative and Exempt Professional Employees), which is included in Chapter IV, Personnel, of the Policy Manual.

BACKGROUND: The proposed revisions to the attached policy clarify requirements of the College for the Executive Vice President’s contract and for employees who receive a Notice of Employment. Recently enacted Public Act 099-0482 includes requirements for contract limitations and public notice requirements for negotiated employment contracts. Review and amendment considerations are included in the President’s contract. Future Presidential contracts will be required to comply with the requirements of Public Act 099-0482, as well.

BOARD ACTION: _____

4.08 Contracts and Notices of Employment—Contractual Employees (Full-Time Faculty, Administrative and Exempt Professional Employees) (Revised 12/20/11)

A. Faculty (Full-Time)

Contracts shall be issued each year for full-time faculty. This contract will state at minimum the individual's salary, educational attainment, and years of experience.

B. Administrative/Professional

1. Prior to the last 90 days of their current contract or notice of employment, any administrative or exempt professional employee that is under a formal performance plan or that the College does not intend to employ during the next fiscal year will receive a letter from the College President stating that their contract or notice of employment may not, or will not, be renewed.
2. On or before July 1 of each fiscal year, ~~or at the beginning of a federal grant year, all administrative and exempt professional employees will receive a contract for that fiscal year~~ the Executive Vice President's contract will be reviewed. Any amendment, renewal or extension of a contract would be issued before July 1, not to exceed two years, if renewed. This contract will state remuneration applicable and eligibility for fringe benefits. The Executive Vice President's ~~contracts~~ contracts will not be valid until signed by the employee and ~~the~~ authorized representatives of the Highland Community College Board of Trustees. This contract must be signed and returned to the Human Resources Office within two weeks after receiving the contract. If the contract is not signed and returned, the College may deem the employee's assignment to be vacant.
3. On or before July 1 of each fiscal year, or at the beginning of a federal grant year, all other administrative and exempt professional employees will receive a Notice of Employment for the next fiscal year. This Notice of Employment will state remuneration applicable and eligibility for fringe benefits. Continued employment for grant-funded employees is dependent on continuation of grant funding.
4. Administrative or exempt professional employees who work before and/or after their stipulated ~~contract~~ Notice of Employment dates, may be paid on a per diem basis subject to such arrangement made between the administration and the employee.

**AGENDA ITEM #VIII-B-3
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

**FIRST READING – REVISED POLICY 4.21
PAYROLL**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves for a first reading the attached revised policy, 4.21 Payroll, which is included in Chapter IV, Personnel, of the Policy Manual.

BACKGROUND: The proposed revisions to the attached policy were recommended by an internal work group after a review of other college’s practices and savings that could be realized from increasing the use of the paperless system currently available through ADP. Many Highland employees have already elected direct deposit and paperless vouchers. The policy revision will result in all employees defaulting to direct deposit and paperless vouchers unless he/she opts out.

BOARD ACTION: _____

4.21 Payroll (Revised 12/20/11)

- A. ~~All full-time and regular part-time personnel~~ employees shall normally be paid at the end of alternate work weeks.
- B. All employees shall default to direct deposit. If the employee does not wish to participate in direct deposit, they will complete and submit an opt out form to the Payroll Office. Part-time faculty may be paid at mid-term and after final grades have been submitted.
- C. Employees under direct deposit will automatically be signed up for paperless vouchers and can view and print them on the College's payroll system. HR/Payroll staff can assist with accessing on-line vouchers. Live payroll checks will be mailed prior to pay day. Employees may pick up their checks from the Communications Operator at the designated time. Checks not picked up by 2:30 PM on the last day of the pay week will be mailed to the employee.
- D. Payroll Deductions: The Payroll Office shall provide all personnel the opportunity for payroll deductions according to administrative procedures.
- E. ~~Employees not covered under "A" above may request in writing an alternate remuneration schedule according to the length of their employment.~~

**AGENDA ITEM #VIII-B-4
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE**

RESCHEDULED DATE FOR THE SEPTEMBER 2016 REGULAR BOARD MEETING

RECOMMENDATION OF THE PRESIDENT: It is recommended that the Board of Trustees reschedule the September regular meeting of the Board from Tuesday, September 20, 2016, to Tuesday, September 27, 2016. The meeting will be held at 4:00 p.m. in the Robert J. Rimington Board Room (Room H-228) located on the second floor of the Student/Conference Center on the Highland Community College campus in Freeport, Illinois. A budget work session will begin at 3:00 p.m. in the Board Room.

BACKGROUND: A schedule conflict arose for the September 20, 2016, regular meeting, during which the permanent FY17 budget will be presented for approval. Moving the meeting one week later will allow more trustees to attend the meeting.

BOARD ACTION: _____

**AGENDA ITEM #VIII-D-1
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

**RESOLUTION AUTHORIZING TRANSFER OF INTEREST
FROM WORKING CASH FUND TO EDUCATIONAL FUND
FOR GENERAL PURPOSES**

RECOMMENDATION OF THE PRESIDENT: That the Highland Community College Board approves this Resolution providing for the transfer of interest from the Working Cash Fund to the Educational Fund for general purposes, in the amount of \$22,242.12 for FY16, under 110 ILCS 805/3-33.6 of the Public Community College Act of the State of Illinois.

BACKGROUND: The law states that monies earned as interest from the investment of the working cash fund, or any portion thereof, may be transferred from the Working Cash Fund to the Educational Fund or Operations and Maintenance Fund of the district without any requirement of repayment to the Working Cash Fund, upon the authority of the Board by separate Resolution directing the treasurer to make such transfer and stating the purpose therefor.

BOARD ACTION: _____

**BOARD OF TRUSTEES OF
HIGHLAND COMMUNITY COLLEGE DISTRICT 519**

**RESOLUTION AUTHORIZING TRANSFER OF INTEREST
FROM WORKING CASH FUND TO EDUCATIONAL FUND
FOR GENERAL PURPOSES**

WHEREAS, Community College District 519, Stephenson, Ogle, Jo Daviess and Carroll Counties, Illinois (the “District”) is presently authorized pursuant to Section 3-33.6 of the Public Community College Act, 110 ILCS 805/3-33.6, to transfer monies earned as interest from the investment of the Working Cash Fund, or any portion thereof, to the Educational Fund of the District; and

WHEREAS, the Working Cash Fund of the District presently contains interest earnings in an amount not less than \$22,242.12, which the District desires and intends to transfer to the Educational Fund for general purposes.

NOW, THEREFORE, be it and it is hereby resolved by this Board of Trustees of Community College District 519, Stephenson, Ogle, Jo Daviess and Carroll Counties, Illinois as follows:

Section 1: The recitals to this resolution are found and determined to be true and correct and are incorporated by reference herein.

Section 2: The Treasurer of the District is hereby authorized and directed to transfer interest earnings in the amount of \$22,242.12 from the Working Cash Fund to the Educational Fund of the District, which transfer of funds shall not be subject to repayment and shall be used for general purposes, including but not limited to supporting instructional programs.

Section 3: This Resolution shall be in full force and effect upon its adoption.

ADOPTED this ____ day of August, 2016, by the following roll call vote upon the motion of _____, seconded by _____.

YES: _____

NO: _____

ABSENT: _____

Chairman, Board of Trustees

Attest:

Secretary, Board of Trustees

**AGENDA ITEM #IX-D-2
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

**RESOLUTION IDENTIFYING WORK CONTRACTS TO AN INSTALLMENT
PURCHASE AGREEMENT HERETOFORE ENTERED INTO BY COMMUNITY
COLLEGE DISTRICT NO. 519, COUNTIES OF STEPHENSON, OGLE, JO DAVIESS
AND CARROLL AND STATE OF ILLINOIS**

RECOMMENDATION OF THE PRESIDENT: That the Highland Community College Board approves the following Resolution:

RESOLUTION identifying work contracts to an Installment Purchase Agreement heretofore entered into by Community College District No. 519, Counties of Stephenson, Ogle, Jo Daviess and Carroll and State of Illinois.

BACKGROUND: As part of the 2014 bond issuance in the amount of \$3,300,000, the College adopted a Resolution on July 15, 2014 to provide for the issuance of debt certificates. The debt certificate Resolution included a requirement for the Board to consider the attached Resolution which “identifies all or a designated portion of each Work Contract to the Installment Purchase Agreement between the District and the Seller-Nominee of the Project”. In other words, the Board must periodically approve a listing that specifies the purchases made with funds received as part of the bond issuance process to renovate, equip, or improve the College.

The attached Resolution includes a listing of expenditures made (by project), the contractor or vendor to whom the payment was made, and the amount of such payments for the period October 1, 2015 through June 30, 2016. (The Board approved a Resolution in November of 2015 for expenses through September 30, 2015.) Multiple payments to one vendor for a particular project are combined. All payments have already been approved by the Board through the monthly approval of the payment of bills. The College has followed any other necessary state regulations or Board policies related to purchasing and selection of vendors. The attached resolution simply identifies the expenses as those made with funds received as part of the bond issuance process, as required.

BOARD ACTION: _____

RESOLUTION identifying work contracts to an Installment Purchase Agreement heretofore entered into by Community College District No. 519, Counties of Stephenson, Ogle, Jo Daviess and Carroll and State of Illinois.

* * *

WHEREAS, Community College District No. 519, Counties of Stephenson, Ogle, Jo Daviess and Carroll and State of Illinois (the "*District*"), is a Community College District of the State of Illinois operating under and pursuant to the Public Community College Act of the State of Illinois (the "*Public Community College Act*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and in particular, the provisions of Section 17(b) of the Debt Reform Act (the "*Installment Purchase Provisions*"), and all other Omnibus Bond Acts of the State of Illinois, in each case, as supplemented and amended (collectively "*Applicable Law*"); and

WHEREAS, on the 15th day of July, 2014, the Board of Trustees of the District (the "*Board*") adopted a resolution (the "*Certificate Resolution*") entitled:

RESOLUTION authorizing and providing for an Installment Purchase Agreement for the purpose of paying the cost of purchasing real or personal property, or both, in and for Community College District No. 519, Counties of Stephenson, Ogle, Jo Daviess and Carroll and State of Illinois, and for the issue of not to exceed \$3,250,000 Debt Certificates, Series 2014, of said Community College District, evidencing the rights to payment under said Agreement, and providing for the security for and means of payment under said Agreement of said Certificates.

; and

WHEREAS, this Resolution does hereby incorporate by reference the definitions, terms, and provisions of the Certificate Resolution; and

WHEREAS, the Certificate Resolution provides that Work Contracts shall be identified to the Agreement so as to permit the disbursement of Certificate proceeds for the purpose of making payments on the Agreement; and

WHEREAS, it is the purpose of this Resolution to identify Work Contracts to the Agreement:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Trustees of Community College District No. 519, Counties of Stephenson, Ogle, Jo Daviess and Carroll and State of Illinois, as follows:

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

Section 2. Procedure for Identification. Contracts (“*Work Contracts*”) have been or shall be awarded, from time to time, by the Board for work on the Project; and the Board represents and covenants that each Work Contract has been or will be let in strict accordance with the applicable laws of the State of Illinois, and the rules and procedures of the District for same. In Section 3 of this Resolution or pursuant to resolution or resolutions previously or to be duly adopted, the Board has previously or shall identify all or a designated portion of each Work Contract to the Agreement. This Resolution and any such other resolution has been or shall be filed of record with the Secretary and Treasurer of the Board. The adoption and filing of any such resolution and the Work Contracts with such officers shall constitute authority for the Treasurer to make disbursements from the Project Fund to pay amounts due under such Work Contracts from time to time, upon such further resolutions, order, vouchers, warrants, or other proceedings as are required under the applicable laws of the State of Illinois, and the rules and procedures of the District for same. No action need be taken by or with respect to the contractors

and vendors under the Work Contracts as, pursuant to the Installment Purchase Provisions, the Treasurer acts as Nominee-Seller of the Project for all purposes, enabling the issuance of the Certificates.

Section 3. Identification of Work Contracts. The following Work Contracts are hereby identified to the Agreement:

<u>Brief Description of Work Contract/Expenditure</u>	<u>Name of Contractor/Vendor</u>	<u>Identified Amount</u>
Mass Communication Program instructional equipment	B&H	213
Chemistry Lab and Stockroom Renovation	Environmental Health & Safety	30,336
Chemistry Lab and Stockroom Renovation	Richard L. Johnson Assoc., Inc.	41,246
Chemistry Lab and Stockroom Renovation	Public Health & Safety	1,590
Chemistry Lab and Stockroom Renovation	CDWG	1,091
Chemistry Lab and Stockroom Renovation	Heartland Business Systems	15,000
Chemistry Lab and Stockroom Renovation	Full Compass Systems Ltd.	1,549
Chemistry Lab and Stockroom Renovation	Conference Technologies, Inc.	11,328
Biology Lab Preparation improvements	Freeport Sheet Metal, Inc.	2,280
Restroom Improvements	Gitz-Meier Remodeling Contractor	23,571
Restroom Improvements	Environmental Health & Safety	4,880
Restroom Improvements	Richard L. Johnson Assoc., Inc.	20,773
Restroom Improvements	Rockford Structures	79,938
Math lab redesign	Heartland Business Systems	3,105
Classroom digital upgrades	Conference Technologies Inc.	1,230
Classroom digital upgrades	Full Compass Systems LTD	337
Fine Arts instruments and equipment	West Music	3,349
Fine Arts instruments and equipment	Phantom Regiment	5,500
Automotive Instructional Equipment	Consulab Educatech, Inc.	7,000
Technology, Wireless Network	Paragon Development, Inc.	143,849
Technology, Campus Network	AT&T	16,788
Technology, Campus Network	Paragon Development, Inc.	909,826
Technology, Campus Computer Replacement	Apple	11,987
Nursing Instructional Equipment	Laerdal Medical Corp.	7,639

Section 4. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 5. Repeal. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted _____, 20__.

Chairman, Board of Trustees

Secretary, Board of Trustees

**AGENDA ITEM #VIII-D-3
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

**PLANTE & MORAN, PLLC PAYMENT CARD AUDIT/
PAYMENT CARD INDUSTRY (PCI) COMPLIANCE CONTRACTS**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees authorizes the President to approve the contracts with Plante & Moran, PLLC for professional and technical services used for auditing the college's current credit card processing environment and to guide the College in obtaining Payment Card Industry (PCI) compliance, for a one-time cost not to exceed \$24,750. This cost is within the annual budget and is included in the College's risk management plan.

BACKGROUND: PCI security standards are technical and operational requirements set by the Payment Card Industry Security Standards Council to protect credit card information and data. These standards globally govern all organizations that store, process, and transmit credit card data for payment transactions. Compliance with the PCI set of standards is mandatory for those processing credit card transactions and is enforced by all major payment card brands, including MasterCard and Visa.

In order to maintain a secure credit card environment, the College needs to review its technical and procedural tasks and controls on an annual basis and submit attestation to the College's credit card processor affirming all controls are in place.

This fee also includes an internal and external network security assessment (penetration testing), which provides certified security experts utilizing automated tools, such as vulnerability scanners, to perform the tests. This level of testing is a new requirement from the PCI Security Standards Council.

This review will cover online systems the College uses for payments, including tuition, bookstore sales, and box office ticket sales, as well as in-person swipe terminals in the bookstore, box office, and the cashier's office.

Risks related to not having a properly secured credit card environment include credit card data breach and identity theft, which would include financial and reputation loss for the College.

BOARD ACTION: _____



Plante & Moran, PLLC
 Suite 200
 2155 Point Blvd.
 Elgin, IL 60123
 Tel: 847.697.6161
 Fax: 847.697.6176
 plantemoran.com

June 28, 2016

Mr. Nathan Hensal
 Director, Information Technology Services
 Highland Community College
 2998 West Pearl City Road
 Freeport, IL 61032

Dear Mr. Hensal,

We continue to be complimented by your selection of our firm to assist you. This letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, confirms our understanding of the nature, limitations, and terms of the services Plante & Moran, PLLC (PM) will provide to Highland Community College ("Highland").

Scope of Services

Our consulting services will consist of the following:

Network Security Assessment – Internal and External: We will perform network security assessment services for Highland and the CDE environment. Specifically, we will test the segregated network used to collect, process, and store customer credit card data for the Highland card holder environment. The specific environment and associated devices will be determined by Highland management and provided to our team for testing.

The penetration testing methodology is based on PCI-DSS 3.2 and at a minimum, will include the following:

- o Industry-accepted penetration testing approaches (for example, NIST SP800-115)
- o Coverage for the entire CDE perimeter and critical systems
- o Testing from both inside and outside the network
- o Testing to validate any segmentation and scope-reduction controls
- o Application-layer penetration tests to incorporate, at a minimum, the vulnerabilities listed in PCI-DSS (Version 3.2) Requirement 6.5
- o Network-layer penetration tests to include components that support network functions, as well as, operating systems.
- o Test and confirm all segmentation methods are operational and effective, and isolate all out-of-scope systems from in-scope systems

Mr. Nathan Hensal
Highland Community College

2

June 28, 2016

Any outsourced services or devices (outside the direct control of Highland) will not be included in the scope of the penetration testing.

This is a "Point-in-Time" assessment of Highland's vulnerabilities over its network infrastructure. New vulnerabilities arise on a daily basis which could alter the state of the Highland's vulnerability exposure. Network security is an on-going process which Highland should continue to proactively assess and monitor.

In addition to manual techniques, we use various automated tools, such as vulnerability scanners to perform the penetration test. These tools are configured not to cause system disruptions or degradation of service. However, we cannot control how your information systems are affected by the scans. We will discuss with your technology department the specific tools we will use and the timing for running the tests to minimize any potential impact. Prior to conducting the penetration testing, we will require management to sign and return on Company letterhead an authorization letter permitting us to access your network. A sample letter can be found in the Attachments Section at the end of this document.

Fees and Payment Terms

Our fee for this engagement, subject to the terms and conditions of the accompanying Professional Services Agreement, will be based on the value of the services we provide. We estimate that our fee for this engagement will be approximately \$11,500, plus related costs we incur.

SERVICES	Est. FEES
Network Security	
Internal Penetration & Vulnerability Assessment	\$ 6,000
External Penetration Assessment	5,500
Total:	\$ 11,500

As you probably realize, our primary cost is salaries that are paid currently. Accordingly, our invoices, which will be rendered as services are provided are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

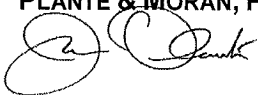
Mr. Nathan Hensal
Highland Community College

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June 28, 2016

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,
PLANTE & MORAN, PLLC

Joe Oleksak

Agreed and Accepted

We accept this engagement letter and the accompanying Professional Services Agreement, which set forth the entire agreement between Highland Community College and Plante & Moran, PLLC with respect to the services specified in the "Scope of Services" section of this engagement letter. This agreement may be amended by written agreement between Plante & Moran, PLLC and Highland Community College.

Highland Community College

Mr. Nathan Hensal
Director, Information Technology Services

Date

Professional Services Agreement – Consulting Services Addendum to Plante & Moran, PLLC Engagement Letter

This Professional Services Agreement is part of the engagement letter for our consulting services dated June 28, 2016 between Plante & Moran, PLLC (referred to herein as "PM") and Highland Community College (referred to herein as "Highland").

1. **Management Responsibilities** – The consulting services PM will provide are inherently advisory in nature. PM has no responsibility for any management decisions or management functions in connection with its engagement to provide these services. Further, Highland acknowledges that Highland is responsible for all such management decisions and management functions; for evaluating the adequacy and results of the services PM will provide and accepting responsibility for the results of those services; and for establishing and maintaining internal controls, including monitoring ongoing activities, in connection with PM's engagement. Highland has designated Nathan Hensal, Director, Information Technology Services, to oversee the services PM will provide.
2. **Nature of Services** – PM's procedures will be <applied to> <based on> information and records provided to PM by Highland. PM will rely on such underlying information and records and the procedures will not include audit or verification of the information and records provided to PM in connection with the procedures.

The procedures PM will perform will not constitute an examination or audit of any Highland financial statements or any other items, including Highland's internal controls. This engagement also will not include preparation or review of any tax returns or consulting regarding tax matters. If Highland requires financial statements or other financial information for third-party use, or if Highland requires tax preparation or consulting services, a separate engagement letter will be required. Accordingly, Highland agrees not to associate or make reference to PM in connection with any financial statements or other financial information of Highland. In addition, this engagement is not designed and cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, PM will inform you of any such matters that come to PM's attention.

3. **Project Deliverables** – At the conclusion of PM's procedures and periodically as PM progresses, PM will review the results of its work with Highland and provide Highland with any observations related to PM's services that PM believes warrant Highland's attention. PM also will provide Highland with copies of analyses or other materials that PM may develop in the course of this engagement upon Highland's request. PM will not issue a written report as a result of this engagement and Highland agrees that the nature and extent of the work product that PM will provide, as outlined in this agreement, are sufficient for Highland's purposes.
4. **Confidentiality, Ownership and Retention of Workpapers** – During the course of this engagement, PM and PM staff may have access to proprietary information of Highland, including, but not limited to, information regarding trade secrets, business methods, plans, or projects. PM acknowledges that such information, regardless of its form, is confidential and proprietary to Highland, and PM will not use such information for any purpose other than its consulting engagement or disclose such information to any other person or entity without the prior written consent of Highland.

In the interest of facilitating PM's services to Highland, PM may communicate or exchange data by internet, e-mail, facsimile transmission or other electronic methods. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, Highland recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

Professional standards require that PM create and retain certain workpapers for engagements of this nature. All workpapers created in the course of this engagement are and shall remain the property of PM. PM will maintain the confidentiality of all such workpapers as long as they remain in PM's possession.

Both Highland and PM acknowledge, however, that PM may be required to make its workpapers available to regulatory authorities or by court order or subpoena in a legal, administrative, arbitration, or similar proceeding in which PM is not a party. Disclosure of confidential information in accordance with requirements of regulatory authorities or pursuant to court order or subpoena shall not constitute a breach of the provisions of this agreement. In the event that a request for any confidential information or workpapers covered by this agreement is made by regulatory authorities or pursuant to a court order or subpoena, PM agrees to inform Highland in a timely manner of such request and to cooperate with Highland should Highland attempt, at Highland's cost, to limit such access. This provision will survive the termination of this agreement. PM's efforts in complying with such requests will be

Professional Services Agreement – Consulting Services

deemed billable to Highland as a separate engagement. PM shall be entitled to compensation for its time and reasonable reimbursement of its expenses (including legal fees) in complying with the request.

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon Highland's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. Highland acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

5. **Consent to Disclosures to Service Providers**– In some circumstances, PM may use third-party service providers to assist with an engagement. In those circumstances, PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use any information for any purpose unrelated to assisting with PM's services for Highland. In order to enable these service providers to assist PM in this capacity, Highland, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of Highland's information to such service providers to the extent such information is relevant to the services the third-party service provider may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this agreement. Highland's consent shall be continuing until the services provided for this engagement agreement are completed.
6. **Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on Highland personnel providing PM staff the assistance necessary to satisfy Highland responsibilities under the scope of services. This assistance includes availability and cooperation of those Highland personnel relevant to PM's procedures and providing needed information to PM in a timely and orderly manner. In the event that undisclosed or unforeseeable facts regarding these matters causes the actual work required for this engagement to vary from PM's Fee Quotes, those Fee Quotes will be adjusted for the additional time PM incurs as a result.

In any circumstance where PM's work is rescheduled, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadline related to the completion of PM's work. Because rescheduling its work imposes additional costs on PM, in any circumstance where PM has provided Fee Quotes, those Fee Quotes may be adjusted for additional time PM incurs as a result of rescheduling its work.

PM will advise Highland in the event these circumstances occur, however it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

7. **Payment Terms** – PM's invoices for professional services are due upon receipt unless otherwise specified in this engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's consulting work. Highland agrees that in the event that work is suspended, for non-payment or other reasons, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.
8. **Fee Adjustments** – Any fee adjustments for reasons described in this agreement will be determined based on the actual time expended by PM staff at PM's current hourly rates, plus all reasonable and necessary travel and related costs PM incurs, and included as an adjustment to PM's invoices related to this engagement. Highland acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this agreement.
9. **Force Majeure** – Neither party shall be deemed to be in breach of this engagement agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war or other violence, or epidemic (each individually a "Force Majeure Event"). Highland acknowledges and agrees that a Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.

Professional Services Agreement – Consulting Services

10. **Exclusion of Certain Damages** – Except to the extent finally determined to have resulted from PM's gross negligence or willful misconduct, Highland agrees to limit the liability of PM and any of PM's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved allied third party service providers (collectively, "PM Persons") for any and all claims, losses, costs, and damages of any nature whatsoever so that the total aggregate liability of the PM and the PM Persons to Highland shall not exceed the total fees paid by Highland to PM for the services provided in connection with this engagement agreement. Highland and PM agree that these limitations on PM's and the PM Persons' maximum liability are reasonable in view of, among other things, the scope of the services PM is to provide, Highland's responsibility for the management functions associated with PM's consulting services, and the fees PM is to receive under this engagement. In no event shall the PM or the PM Persons be liable to Highland, whether a claim be in tort, contract, or otherwise, for any consequential, indirect, lost profit, punitive, exemplary, or other special damages. PM and Highland agree that these limitations apply to any and all liabilities or causes of action against PM, however alleged or arising, unless to the extent otherwise prohibited by law. This provision shall survive the termination of this engagement.

In the event this engagement agreement expressly identifies multiple phases of services, the total aggregate liability of PM to Highland shall be limited to no more than the total amount of fees paid by Highland for the particular phase of services alleged to have given rise to any such liability.

11. **Defense, Indemnification, and Hold Harmless** – As a condition of PM's willingness to perform the services provided for in the engagement letter, Highland agrees to defend, indemnify and hold PM and the PM Persons harmless against any claims by third parties for losses, claims, damages, or liabilities, to which PM or the PM Persons may become subject in connection with or related to the services performed in the engagement, unless a court having jurisdiction shall have determined in a final judgment that such loss, claim, damage, or liability resulted primarily from the willful misconduct or gross negligence of PM, or one of the PM Persons. This defense, indemnity and hold harmless obligation includes the obligation to reimburse PM and/or the PM Persons for any legal or other expenses incurred by PM or the PM Persons, as incurred, in connection with investigating or defending any such losses, claims, damages, or liabilities.
12. **Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Highland but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, Highland agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
13. **Termination of Engagement** – This agreement may be terminated by either party upon written notice. Upon notification of termination, PM's services will cease and PM's engagement will be deemed to have been completed. Highland will be obligated to compensate PM for all time expended and to reimburse PM for related costs PM incurs through the date of termination of this engagement.
14. **Time Limits** – Except for actions to enforce payment of PM's invoices and without limiting any claims for indemnification hereunder, any claim or cause of action arising under or otherwise relating to this engagement must be filed within two years from the completion of the engagement without regard to any statutory provision to the contrary.
15. **Entire Agreement** – This engagement agreement is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this agreement, signed by all of the parties.
16. **Severability** – If any provision of this engagement agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
17. **Conflicts of Interest** - PM's engagement acceptance procedures include a check as to whether any conflicts of interest exists that would prevent acceptance of this engagement. No such conflicts have been identified. Highland understands and acknowledges that PM may be engaged to provide professional services, now or in the future, unrelated to this engagement to parties whose interests may not be consistent with interests of Highland.
18. **Agreement Not to Influence** – Highland and PM each agree that each respective organization and its employees will not endeavor to influence the other's employees to seek any employment or other contractual arrangement with it, during this engagement or for a period of one year after termination of the engagement. Highland agrees that PM employees are not "contract for hire." PM may release Highland from these restrictions if Highland agrees to reimburse PM for its recruiting, training, and administrative investment in the applicable employee. In such event,

Professional Services Agreement – Consulting Services

the reimbursement amount shall be equal to two hundred hours of billings at the current hourly rate for the PM employee.

19. **Signatures** – Any electronic signature transmitted through DocuSign or manual signature on this engagement letter transmitted by facsimile or by electronic mail in portable document format may be considered an original signature.
20. **Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and jurisdiction over any action to enforce this agreement, or any dispute arising from or relating to this agreement shall reside exclusively within the State of Illinois.

End of Professional Services Agreement – Consulting Services

Sample Authorization Letter

<<Company Letterhead>>

<<Insert Current Date>>

Mr. Joe Oleksak
Plante & Moran, PLLC
Technology Consulting & Solutions
2155 Point Boulevard
Suite 200
Elgin, IL 60123

Dear Mr. Oleksak:

This letter is intended to serve as both permission and authorization for the Information Technology Consulting practice of Plante & Moran, PLLC to perform a Network Security Assessment at <<Insert Company Name>>. This authorization to perform tests of controls includes, but is not limited to, attempts to gain access to the <<Insert Company Name>> computer networks and systems from internal locations, the Internet, and wireless access points.

As the <<Please Insert Your Title>> of <<Insert Company Name>>, I authorize employees of Plante & Moran, PLLC to perform the above tests for the period of 30 days starting <<Please Insert Date>>.

This letter of authorization is intended to enable the above mentioned Plante & Moran, PLLC employees to perform these tests without concern for being subject to action by <<Insert Company Name>> for either trespass on or unauthorized access to <<Insert Company Name>> property, computers, or networks.

Should it become necessary for the authorities to authenticate this authorization, they can contact me at <<Insert Company Name>>, <<Insert Location>>. My direct office phone number is <<Please Insert Your Number>>.

Very truly yours,

Name

Title



Plante & Moran, PLLC
 Suite 200
 2155 Point Blvd.
 Elgin, IL 60123
 Tel: 847.697.6161
 Fax: 847.697.6176
 plantemoran.com

June 28, 2016

Nathan Hensal
 Director, Information Technology Services
 Highland Community College
 2998 Wes Pearl City Road
 Freeport, IL 61032

Dear Nathan Hensal:

Thank you for your selection of Plante & Moran, PLLC to assist you. This letter and the accompanying Professional Services Agreement, which is hereby incorporated as part of this engagement letter, confirms our understanding of the nature, limitations, and terms of the services Plante & Moran, PLLC (PM) will provide to Highland Community College ("Highland").

Background

Highland has requested assistance from Plante Moran to provide "as needed" assistance during their Payment Card Industry (PCI) Data Security Standards (DSS) compliance efforts. These compliance efforts are related to Highland's payment card processes.

Any organization that interacts with payment cards issued by one of the five major payment card companies (VISA, MasterCard, American Express, JCB, and Discover) is required to meet the PCI DSS requirements. Understanding and appropriately applying the unique requirements of the PCI DSS requires a unique expertise that most organizations do not possess in-house. Plante Moran is a Qualified Security Assessor (QSA) company certified by the PCI Security Standards Council (SSC). Our team of security professionals are knowledgeable in the PCI DSS with many holding the QSA designation individually.

These services are advisory in nature and do not include certifying Highland's compliance with PCI DSS. We can provide additional attestation services as a separate engagement. Please note, these engagements require a clearly defined scope, including the nature, timing, and required resources.

Scope of Services

Our consulting services will consist of the following:

On-Demand Services:

Our on-demand services will consist of providing resources on an "as-needed" basis to assist with PCI DSS compliance understanding and / or validation needs. The timing, nature, and scope of consulting services will be defined as each need arises through individual scope memos. Specifically, Plante Moran will assist Highland by providing security consultants familiar with the PCI DSS to provide the following consulting services:

Nathan Hensal
Highland Community College

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June 28, 2016

- **Knowledge Sharing:** our Cybersecurity professionals will provide guidance to Highland or their associated members for PCI concerns as they relate to their environment.
- **Requirements Validation:** our Cybersecurity professionals will assist in validating PCI DSS requirements. Please note, these services are advisory in nature and not certifying Highland's compliance with PCI DSS. As part of assisting in the validation of PCI DSS requirement PM can provide services including, but not limited to, the following:
 - Technical reviews of system configurations
 - Review of policies and procedures
 - Compliance documentation review
 - Validation of compliance conclusions (on a sample basis)

We will make our team and resources available within two weeks from initial request.

Fees and Payment Terms

Our fee for this engagement, subject to the terms and conditions of the accompanying Professional Services Agreement, will be based on the value of the services we provide. This agreement includes up to 50 hours for our on-demand services. Security professionals available will consist of QSA and non-QSA employees which can be utilized based on the technical nature of the services requests. Our team will be billed at a discounted rate as outlined in the table below, plus related costs we incur.

Security Professional	Hourly Rate
QSA	\$265
Non-QSA	\$170

As you probably realize, our primary cost is salaries that are paid currently. Accordingly, our invoices, which will be rendered as services are provided are due when received. In the event an invoice is not paid timely, a late charge in the amount of 1.25 percent per month will be added, beginning 30 days after the date of the invoice.

Nathan Hensal
Highland Community College

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June 28, 2016

If you are in agreement with our understanding of this engagement, as set forth in this engagement letter and the accompanying Professional Services Agreement, please sign the enclosed copy of this letter and return it to us with the accompanying Professional Services Agreement.

Thank you for the opportunity to serve you.

Very truly yours,

Plante & Moran, PLLC



Joe Oleksak
Partner

Agreed and Accepted

We accept this engagement letter and the accompanying Professional Services Agreement, which set forth the entire agreement between Highland Community College and Plante & Moran, PLLC with respect to the services specified in the "Scope of Services" section of this engagement letter. This agreement may be amended by written agreement between Plante & Moran, PLLC and Highland Community College.

Highland Community College

Nathan Hensal
Director, Information Technology Services

Date

Professional Services Agreement – Consulting Services Addendum to Plante & Moran, PLLC Engagement Letter

This Professional Services Agreement is part of the engagement letter for our consulting services dated June 28, 2016 between Plante & Moran, PLLC (referred to herein as "PM") and Highland Community College (referred to herein as "Highland").

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2. **Nature of Services** – PM's procedures will be <applied> <based on> information and records provided to PM by Highland. PM will rely on such underlying information and records and the procedures will not include audit or verification of the information and records provided to PM in connection with the procedures.

The procedures PM will perform will not constitute an examination or audit of any Highland financial statements or any other items, including Highland's internal controls. This engagement also will not include preparation or review of any tax returns or consulting regarding tax matters. If Highland requires financial statements or other financial information for third-party use, or if Highland requires tax preparation or consulting services, a separate engagement letter will be required. Accordingly, Highland agrees not to associate or make reference to PM in connection with any financial statements or other financial information of Highland. In addition, this engagement is not designed and cannot be relied upon to disclose errors, fraud or illegal acts that may exist. However, PM will inform you of any such matters that come to PM's attention.

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In the interest of facilitating PM's services to Highland, PM may communicate or exchange data by internet, e-mail, facsimile transmission or other electronic methods. While PM will use its best efforts to keep such communications and transmissions secure in accordance with PM's obligations under applicable laws and professional standards, Highland recognizes and accepts that PM has no control over the unauthorized interception of these communications or transmissions once they have been sent, and consents to PM's use of these electronic devices during this engagement.

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Professional Services Agreement – Consulting Services

PM reserves the right to destroy, and it is understood that PM will destroy, workpapers created in the course of this engagement in accordance with PM's record retention and destruction policies, which are designed to meet all relevant regulatory requirements for retention of workpapers. PM has no obligation to maintain workpapers other than for its own purposes or to meet those regulatory requirements.

Upon Highland's written request, PM may, at its sole discretion, allow others to view any workpapers remaining in its possession if there is a specific business purpose for such a review. PM will evaluate each written request independently. Highland acknowledges and agrees that PM will have no obligation to provide such access or to provide copies of PM's workpapers, without regard to whether access had been granted with respect to any prior requests.

5. **Consent to Disclosures to Service Providers**– In some circumstances, PM may use third-party service providers to assist with an engagement. In those circumstances, PM will require any such third-party service provider to: (i) maintain the confidentiality of any information furnished; and (ii) not use any information for any purpose unrelated to assisting with PM's services for Highland. In order to enable these service providers to assist PM in this capacity, Highland, by its duly authorized signature on the accompanying engagement letter, consents to PM's disclosure of all or any portion of Highland's information to such service providers to the extent such information is relevant to the services the third-party service provider may provide and agrees that PM's disclosure of such information for such purposes shall not constitute a breach of the provisions of this agreement. Highland's consent shall be continuing until the services provided for this engagement agreement are completed.
6. **Fee Quotes** – In any circumstance where PM has provided estimated fees, fixed fees or not-to-exceed fees ("Fee Quotes"), these Fee Quotes are based on Highland personnel providing PM staff the assistance necessary to satisfy Highland responsibilities under the scope of services. This assistance includes availability and cooperation of those Highland personnel relevant to PM's procedures and providing needed information to PM in a timely and orderly manner. In the event that undisclosed or unforeseeable facts regarding these matters causes the actual work required for this engagement to vary from PM's Fee Quotes, those Fee Quotes will be adjusted for the additional time PM incurs as a result.

In any circumstance where PM's work is rescheduled, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadline related to the completion of PM's work. Because rescheduling its work imposes additional costs on PM, in any circumstance where PM has provided Fee Quotes, those Fee Quotes may be adjusted for additional time PM incurs as a result of rescheduling its work.

PM will advise Highland in the event these circumstances occur, however it is acknowledged that the exact impact on the Fee Quote may not be determinable until the conclusion of the engagement. Such fee adjustments will be determined in accordance with the Fee Adjustments provision of this agreement.

7. **Payment Terms** – PM's invoices for professional services are due upon receipt unless otherwise specified in this engagement letter. In the event any of PM's invoices are not paid in accordance with the terms of this agreement, PM may elect, at PM's sole discretion, to suspend work until PM receives payment in full for all amounts due or terminate this engagement. In the event that work is suspended, for nonpayment or other reasons, and subsequently resumed, PM offers no guarantee, express or implied, that PM will be able to meet any previously established deadlines related to the completion of PM's consulting work. Highland agrees that in the event that work is suspended, for non-payment or other reasons, PM shall not be liable for any damages that occur as a result of PM ceasing to render services.
8. **Fee Adjustments** – Any fee adjustments for reasons described in this agreement will be determined based on the actual time expended by PM staff at the hourly rates stated in this agreement, plus all reasonable and necessary travel and related costs PM incurs, and included as an adjustment to PM's invoices related to this engagement. Highland acknowledges and agrees that payment for all such fee adjustments will be made in accordance with the payment terms provided in this agreement.
9. **Force Majeure** – Neither party shall be deemed to be in breach of this engagement agreement as a result of any delays or non-performance directly or indirectly resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, acts of God, war or other violence, or epidemic (each individually a "Force Majeure Event"). Highland acknowledges and agrees that a Force Majeure Event shall not excuse any payment obligation relating to fees or costs incurred prior to any such Force Majeure Event.
10. **Exclusion of Certain Damages** – Except to the extent finally determined to have resulted from PM's gross negligence or willful misconduct, Highland agrees to limit the liability of PM and any of PM's officers, directors, partners, members, managers, employees, affiliated, parent or subsidiary entities, and approved allied third party service providers (collectively, "PM Persons") for any and all claims, losses, costs, and damages of any nature

Professional Services Agreement – Consulting Services

whatsoever so that the total aggregate liability of the PM and the PM Persons to Highland shall not exceed the total fees paid by Highland to PM for the services provided in connection with this engagement agreement. Highland and PM agree that these limitations on PM's and the PM Persons' maximum liability are reasonable in view of, among other things, the scope of the services PM is to provide, Highland's responsibility for the management functions associated with PM's consulting services, and the fees PM is to receive under this engagement. In no event shall the PM or the PM Persons be liable to Highland, whether a claim be in tort, contract, or otherwise, for any consequential, indirect, lost profit, punitive, exemplary, or other special damages. PM and Highland agree that these limitations apply to any and all liabilities or causes of action against PM, however alleged or arising, unless to the extent otherwise prohibited by law. This provision shall survive the termination of this engagement.

In the event this engagement agreement expressly identifies multiple phases of services, the total aggregate liability of PM to Highland shall be limited to no more than the total amount of fees paid by Highland for the particular phase of services alleged to have given rise to any such liability.

11. **Defense, Indemnification, and Hold Harmless** – As a condition of PM's willingness to perform the services provided for in the engagement letter, Highland agrees to defend, indemnify and hold PM and the PM Persons harmless against any claims by third parties for losses, claims, damages, or liabilities, to which PM or the PM Persons may become subject in connection with or related to the services performed in the engagement, unless a court having jurisdiction shall have determined in a final judgment that such loss, claim, damage, or liability resulted primarily from the willful misconduct or gross negligence of PM, or one of the PM Persons. This defense, indemnity and hold harmless obligation includes the obligation to reimburse PM and/or the PM Persons for any legal or other expenses incurred by PM or the PM Persons, as incurred, in connection with investigating or defending any such losses, claims, damages, or liabilities.
12. **Receipt of Legal Process** – In the event PM is required to respond to a subpoena, court order, or other legal process (in a matter involving Highland but not PM) for the production of documents and/or testimony relative to information PM obtained and/or prepared during the course of this engagement, Highland agrees to compensate PM for the affected PM staff's time at such staff's current hourly rates, and to reimburse PM for all of PM's out-of-pocket costs incurred associated with PM's response unless otherwise reimbursed by a third party.
13. **Termination of Engagement** – This agreement may be terminated by either party upon written notice. Upon notification of termination, PM's services will cease and PM's engagement will be deemed to have been completed. Highland will be obligated to compensate PM for all time expended and to reimburse PM for related costs PM incurs through the date of termination of this engagement.
14. **Time Limits** – Except for actions to enforce payment of PM's invoices and without limiting any claims for indemnification hereunder, any claim or cause of action arising under or otherwise relating to this engagement must be filed within two years from the completion of the engagement without regard to any statutory provision to the contrary.
15. **Entire Agreement** – This engagement agreement is contractual in nature, and includes all of the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this agreement, signed by all of the parties.
16. **Severability** – If any provision of this engagement agreement (in whole or part) is held to be invalid or otherwise unenforceable, the other provisions shall remain in full force and effect.
17. **Conflicts of Interest** - PM's engagement acceptance procedures include a check as to whether any conflicts of interest exists that would prevent acceptance of this engagement. No such conflicts have been identified. Highland understands and acknowledges that PM may be engaged to provide professional services, now or in the future, unrelated to this engagement to parties whose interests may not be consistent with interests of Highland.
18. **Agreement Not to Influence** – Highland and PM each agree that each respective organization and its employees will not endeavor to influence the other's employees to seek any employment or other contractual arrangement with it, during this engagement or for a period of one year after termination of the engagement. Highland agrees that PM employees are not "contract for hire." PM may release Highland from these restrictions if Highland agrees to reimburse PM for its recruiting, training, and administrative investment in the applicable employee. In such event, the reimbursement amount shall be equal to two hundred hours of billings at the hourly rates stated in this agreement for the PM employee.

Professional Services Agreement – Consulting Services

19. **Signatures** – Any electronic signature transmitted through DocuSign or manual signature on this engagement letter transmitted by facsimile or by electronic mail in portable document format may be considered an original signature.
20. **Governing Law** – This agreement shall be governed by and construed in accordance with the laws of the State of Illinois, and jurisdiction over any action to enforce this agreement, or any dispute arising from or relating to this agreement shall reside exclusively within the State of Illinois.

End of Professional Services Agreement – Consulting Services

**AGENDA ITEM #VIII-D-4
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

REVISED HEALTH INSURANCE RATES

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees establishes the following revised monthly rates for medical PPO insurance during FY17 (effective August 1, 2016) under a fully-insured health plan as listed below. The rates have changed due to a change in prescription drug coverage. Rates for the high deductible health plan (HDHP), dental, and vision insurance remain unchanged from the rates approved at the June 1, 2016 Board meeting.

Medical (Blue Cross Blue Shield PPO Plan):

Employee Only	\$ 834.21
Family Plan	\$2,085.49

BACKGROUND: During the open enrollment period, it was communicated to the Health Insurance Task Force and to Highland employees that the prescription drug out-of-pocket maximum was required to increase from \$500 single/\$1,000 family to \$1,000 single/\$3,000 family effective July 1, 2016. After further review, this change is not a required plan design modification. Therefore, the prescription drug out-of-pocket will revert back to the previous plan design effective August 1, 2016.

The increased cost for this plan design enhancement will not be passed on to Highland employees. To offset a portion of the cost to Highland, Cottingham & Butler has agreed to reduce broker fees by an additional \$5,000 for FY17. A monthly waiver of \$3.99 single/\$9.96 family will be contributed by the College on behalf of participants. This is in addition to the College's contribution of 82% toward the cost of medical premiums for current employees.

BOARD ACTION: _____

**AGENDA ITEM #VIII-D-5
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD**

PAYMENT OF BILLS AND AGENCY FUND REPORT

RECOMMENDATION OF THE PRESIDENT: It is recommended that the Highland Community College Board approves the following Resolution for the payment of the July 2016 bills.

RESOLUTION: Resolved that Jill Janssen, Treasurer, be and she is hereby authorized and directed to make payments or transfers of funds as reflected by warrants 320421 through 320729 amounting to \$669,534.66, Automated Clearing House (ACH) debits W0000377 through W0000381 amounting to \$10,272.00, Other Debits D0000058 through D0000059 amounting to \$6,020.00, and Electronic Refunds of \$31,343.47, with 0 adjustments of \$0.00, such warrants amounting to \$717,170.13. Transfers of funds for payroll amounted to \$527,005.22.

Automated Clearing House (ACH) debits are SISCO payments. Other Debits for July consist of bookstore buyback funds. Electronic Refunds are issued to students. Financial Aid disbursed Pell in July.

BOARD ACTION: _____

HIGHLAND COMMUNITY COLLEGE
AGENCY FUND
Balance Sheet, July 31, 2016

	PREVIOUS BALANCE	RECEIPTS	DISBURSEMENTS	BALANCE
US BANK	\$239,189.67	\$0.00	\$0.00	\$239,189.67
FIFTH THIRD	3,399.71	0.00	0.00	3,399.71
UNION LOAN AND SAVINGS	171,710.62	0.00	0.00	171,710.62
TOTAL ASSETS	\$414,300.00	\$0.00	\$0.00	\$414,300.00
1010 HCC ORCHESTRA	\$57.00			\$57.00
1011 TRANSFER FUNDS				
1012 FORENSICS SCHOLAR	924.31			924.31
1013 INTEREST ON INVEST.				
1014 TRUSTS AND AGENCIES				
1015 CARD FUND				
1016 DIST #145 ROAD AND LOT	51,620.09			51,620.09
1017 HCC ROAD AND LOT	74,197.03			74,197.03
1018 YMCA ROAD AND LOT	73,779.54			73,779.54
1019 YMCA BLDG/MAINT	48,644.29			48,644.29
1020 HCC BLDG/MAINT	65,734.63			65,734.63
1021 YMCA/HCC INTEREST	95,943.40			95,943.40
1022 HCC SECTION 125 PLAN	3,399.71			3,399.71
TOTAL	\$414,300.00	\$0.00	\$0.00	\$414,300.00

**AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY16 AND FY17**

**TREASURER'S REPORT
STATEMENTS OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

FY16 Operating Funds as of June 30, 2016

- The FY16 reports include unaudited year-to-date figures as of June 30, 2016. It is possible that adjustments may occur as part of the annual audit, which is currently underway.
- The District's EAV increased from tax year 2014 to 2015 by .5%, which was the increase included in the budget. Local tax revenue for FY16 is about \$6,000 more than budgeted (.1%).
- State funding, allocated in April of 2016 via special legislation, amounted to \$378,839, which is \$1,092,081 less than budgeted. The amount budgeted was based on the expectation at the start of the fiscal year that community colleges would receive slight reductions from prior year allocations. The duration of the budget impasse and the resulting budget reductions were unprecedented.
- Corporate Personal Property Replacement Tax (CPPRT) revenue for FY16 was \$343,903, which is \$81,097 less than budgeted. Mid-year, the State discovered an error in the calculation used to allocate CPPRT funds to local governments and will require repayment. Highland's repayment is about \$50,000 and was recorded as a payable in FY16. FY15 CPPRT funding was \$430,395. This State level tax on corporations has fluctuated the past several fiscal years.
- Year-end Tuition & Fees revenue is about .6% more than budgeted. The budgeted revenue was based on a tuition rate of \$123 and a 3% decrease from FY15 in unrestricted certified credit hours. Actual unrestricted certified credit hours appear to have decreased by about 1% from FY15.
- Non-governmental Gifts and Grants includes the payment received from the Foundation fund-raising efforts to make the scheduled payments on the debt certificates used to finance the nursing wing and wind turbine technician facility. In addition, the Foundation provided the College with \$372,013 in gifts to the operating funds and a \$476,000 draw down from the Matching Fund.
- Overall, total Operating funds revenue was about 7.7% (\$1,088,418) less than the amount budgeted.

- The actual revenue amount included in this report is about \$33,000 more than projected in the July financial report. Most of the variance is due to tuition revenue ending at levels higher than projected.
- In the Salaries expenditure line item, the actual amount spent was about 2.9% lower than budgeted. This is due to reductions in force, open positions, and positions that were filled later in the year than anticipated. In conjunction with this, employee benefits are lower than budgeted.
- The Materials & Supplies line item, Contractual Services line item, and the Conference & Meeting line item are lower than budgeted. This is based on departmental needs for items such as contractual instruction, instructional supplies, consultants, publications & dues, advertising, travel costs, and training. Budget managers have done a great job throughout the year managing resources and cutting costs.
- The Fixed Charges line item is about 37% under budget due to the mid-year change in property/liability insurance carrier and associated savings.
- The Utilities line item is about 14.4% under budget. This is due to scheduling of the heating/cooling systems according to building occupancy, renegotiation of electricity rates, and mild weather. The College's utility costs have been managed very efficiently and have decreased from year to year.
- The Other Expenditures line item includes the write off of about \$32,000 of student accounts that were deemed uncollectible, \$87,000 of unfunded Veteran's and other state student scholarships, as well as the cost of processing credit cards, and other financial charges. Some budget centers utilized budgeted funds in other lines to purchase needed items categorized as capital outlay.
- The Transfer In (Out) line item includes a transfer of net investment income from the Working Cash fund, transfer of donated funds for the Hospitality program, and a transfer from the Operations and Maintenance, Restricted Fund to support the debt certificate payment.
- Total expenditures were about 5.5% lower than budgeted. The actual expenditure amount included in this report is about \$195,000 less than projected in the July report. Most of the variance is due to journal entries made at fiscal year-end to spend down grants/gifts and to accrue utilities and salaries. Adult Education funding was not known until June 30th, therefore the July report (completed prior to June 30th) included the assumption that the Operating funds would supplant State funding for Adult Education for FY16. Based on the funding allocated on June 30th, the Operating Funds will only partially support Adult Education. Additionally, as mentioned above, budget managers made efficient use of resources causing many expenses to come in under the amount budgeted.

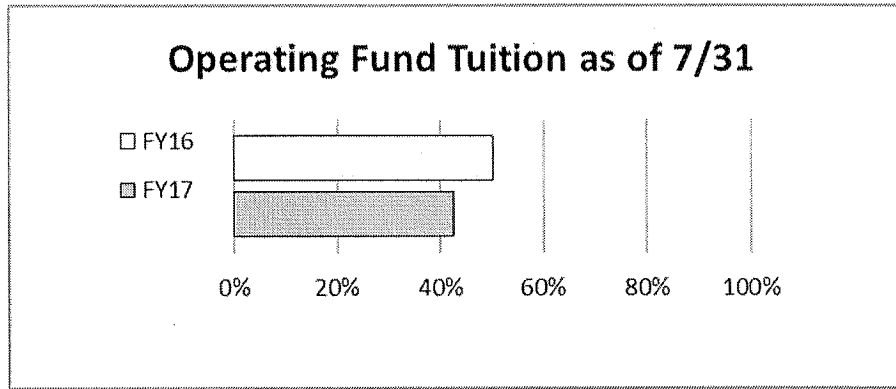
- The net result for the fiscal year is an Operating funds excess of expenses over revenues \$624,848.
- A prior period adjustment to the Operating funds and Restricted Purposes funds fund balance was made at year end. This entry was made to consolidate negative fund balances in budget centers that are no longer in use.

FY16 Other Funds as of June 30, 2016

- The Operations and Maintenance Fund (Restricted) reflects the costs incurred for this year's Protection, Health, and Safety Project: upgrade of campus building and environmental controls. This fund also includes expenditures for bond projects from the 2016 bond issuance.
- The Bond and Interest Fund reflects payments made on the 2010 and 2014 funding bonds and the 2012 working cash bond.
- The Auxiliary Enterprise Fund includes bookstore and cafeteria sales, as well as the costs of operating such. In addition, this fund includes the costs of athletics, theater, and all student activities. This fund has a fund balance that is equivalent to about 7.5% of annual expenses.
- The Restricted Purpose Fund includes all restricted grants received by the College during the fiscal year. In addition, the health insurance fund is included here.
- The expenses in the Liability, Protection, and Settlement Fund include liability insurance, workman's compensation insurance, and safety related services, such as the contract for Sheriff's deputies housed on campus. These costs are in accordance with our Risk Management Program

FY17 All Funds as of July 31, 2016

- The budget column reflects amounts included in the tentative budget and may change prior to the adoption of the permanent budget in September.
- In the expenditure line items, all of the funds include encumbered purchase orders for expenses to be incurred throughout the year.
- **Current Results as of Month End:** The following chart shows the comparison of the FY16 Operating Funds tuition revenue results to FY17 results as of July 31st. The FY15 bar is the year-to-date results as of July 31, 2015 divided by the actual year end results for FY16. The FY17 bar is the year to date results for July 31, 2016 divided by the annual budgeted amount for FY17.



The amount of tuition and fee revenue budgeted in the Operating Funds for FY17 will likely need to be decreased.

June 2016
Financials
(FY16)

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE
FY16

OPERATING FUNDS (EDUCATIONAL AND OPER. & MAINT. FUNDS COMBINED)
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended June 30, 2016

<u>REVENUE:</u>	<u>Budget</u>	<u>Year- to-Date</u>	<u>Percent</u>
Local Taxes	\$5,879,178	\$5,885,262	100.1%
Credit Hour Grants	1,296,785	328,839	25.4%
Equalization	56,710	50,000	88.2%
ICCB Career/Tech Education	117,425	-	0.0%
ICCB Performance	7,000	-	0.0%
CPP Replacement Tax	425,000	343,903	80.9%
Dept. of Educ.	8,300	9,482	114.2%
Other Federal Sources	27,241	27,117	99.5%
Tuition & Fees	5,085,000	5,117,825	100.6%
Sales & Services	39,450	54,252	137.5%
Facilities Revenue	91,132	97,650	107.2%
Interest on Investments	5,000	4,380	87.6%
Non-Govt. Gifts, Grants	1,122,831	1,117,353	99.5%
Miscellaneous	9,013	45,584	505.8%
	-----	-----	-----
Total Revenue	\$14,170,065	\$13,081,647	92.3%
<u>EXPENDITURES:</u>			
Salaries	\$9,100,621	\$8,836,277	97.1%
Employee Benefits	2,156,760	2,061,741	95.6%
Contractual Services	791,395	658,452	83.2%
Materials & Supplies	825,323	723,086	87.6%
Conference & Meeting	255,647	161,897	63.3%
Fixed Charges	153,802	96,625	62.8%
Debt Certificate Payment	446,622	442,831	99.2%
Utilities	675,173	577,975	85.6%
Capital Outlay	32,953	51,894	157.5%
Other Expenditures	355,850	387,059	108.8%
Transfers (In) Out	(293,532)	(291,342)	99.3%
	-----	-----	-----
Total Expenditures	\$14,500,614	\$13,706,495	94.5%
Excess of Revenues Over Expenditures	(\$330,549)	(\$624,848)	
Fund Balance 7/1/15	3,511,503	3,511,503	
Prior period adjustment		(6,949)	
	-----	-----	
Fund Balance 6/30/16	\$3,180,954	\$2,879,706	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY16

OPERATIONS AND MAINTENANCE FUND (RESTRICTED)
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended June 30, 2016

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$450,000	\$450,206	100.0%
Interest on Investments	-	14,312	100.0%
Other	-	2,795	
	-----	-----	-----
Total Revenue	\$450,000	\$467,313	103.8%
EXPENDITURES:			

Contractual Services	100,000	130,339	100.0%
Materials & Supplies	9,835	840	8.5%
Capital Outlay	3,588,742	1,662,881	46.3%
Other	100,000	-	0.0%
Transfers Out	180,000	180,000	0.0%
	-----	-----	-----
Total Expenditures	\$3,978,577	\$1,974,060	49.6%
Excess of Revenues Over Expenditures	(\$3,528,577)	(\$1,506,747)	
Fund Balance 7/1/15	\$3,988,898	\$3,988,898	
	-----	-----	
Fund Balance 6/30/16	\$460,321	\$2,482,151	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY16

AUXILIARY ENTERPRISE FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended June 30, 2016

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Tuition and Fees	\$215,000	\$211,391	98.3%
Bookstore Sales	1,018,000	953,599	93.7%
Athletics	43,790	31,580	72.1%
Other	154,435	273,883	177.3%
	-----	-----	-----
Total Revenue	\$1,431,225	\$1,470,453	102.7%
EXPENDITURES:			

Salaries	\$324,633	\$284,502	87.6%
Employee Benefits	43,393	48,247	111.2%
Contractual Services	67,989	52,134	76.7%
Materials & Supplies	893,166	839,106	93.9%
Conference & Meeting	160,905	206,337	128.2%
Capital Outlay	1,492	2,867	192.2%
Fixed Charges	19,770	731	3.7%
Utilities	600	603	100.5%
Other Expenditures	9,490	23,647	249.2%
	-----	-----	-----
Total Expenditures	\$1,521,438	\$1,458,174	95.8%
Excess of Revenues Over Expenditures	(\$90,213)	\$12,279	
Fund Balance 7/1/15	\$93,755	\$93,755	
Prior period adjustment		\$4,366	
	-----	-----	
Fund Balance 6/30/16	\$3,542	\$110,400	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY16

RESTRICTED PURPOSE FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended June 30, 2016

<u>REVENUE:</u>	<u>Budget</u>	<u>Year-to-Date</u>	<u>Percent</u>
Vocational Education	\$133,329	\$125,829	94.4%
Adult Education	262,342	133,752	51.0%
Other Illinois Sources	101,268	62,742	62.0%
Department of Education	5,420,686	4,532,842	83.6%
Other Federal Sources	73,212	45,523	62.2%
Tuition & Fees	465,000	458,526	98.6%
Sales & Service Fees	23,400	34,113	145.8%
Interest	20,532	21,494	104.7%
Non-govt. Gifts, Grants	87,000	199,964	229.8%
Other	302,110	312,740	103.5%
	-----	-----	-----
Total Revenue	\$6,888,879	5,927,525	86.0%
 <u>EXPENDITURES:</u>			
Salaries	\$937,742	\$790,511	84.3%
Employee Benefits	190,647	151,965	79.7%
Contractual Services	491,496	430,112	87.5%
Materials & Supplies	73,947	72,489	98.0%
Conference & Meeting	44,519	40,741	91.5%
Fixed Charges	24,848	23,748	95.6%
Utilities	4,152	4,152	100.0%
Capital Outlay	65,717	94,703	144.1%
Other Expenditures	773,427	236,660	30.6%
Financial Aid	5,038,869	4,169,507	82.7%
Transfers out	106,532	89,100	0.0%
	-----	-----	-----
Total Expenditures	\$7,751,896	\$6,103,688	78.7%
Excess of Expenditures Over Revenue	(\$863,017)	(\$176,163)	
Fund Balance 7/1/15	1,039,636	1,039,636	
	-----	-----	
Fund Balance 6/30/16	\$176,619	\$863,473	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY16
AUDIT FUND

Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended June 30, 2016

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$44,000	\$44,098	100.2%
	-----	-----	-----
Total Revenue	\$44,000	\$44,098	100.2%
EXPENDITURES:			

Contractual Services	\$45,000	\$45,000	100.0%
	-----	-----	-----
Total Expenditures	\$45,000	\$45,000	100.0%
Excess of Revenues Over Expenditures	(\$1,000)	(\$902)	
Fund Balance 7/1/15	\$14,917	\$14,917	
	-----	-----	
Fund Balance 6/30/16	\$13,917	\$14,015	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY16

BOND AND INTEREST FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended June 30, 2016

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$1,039,055	\$1,372,977	132.1%
Interest	-	711	100.0%
	-----	-----	-----
Total Revenue	\$1,039,055	\$1,373,688	132.2%
EXPENDITURES:			

Fixed Charges	\$945,913	\$1,035,223	109.4%
Other Expenditures	-	21,058	100.0%
	-----	-----	-----
Total Expenditures	\$945,913	\$1,056,281	111.7%
Excess of Revenues Over Expenditures	\$93,142	\$317,407	
Fund Balance 7/1/15	\$680,763	\$680,763	
	-----	-----	
Fund Balance 6/30/16	\$773,905	\$998,170	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY16

LIABILITY, PROTECTION, AND SETTLEMENT FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended June 30, 2016

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$950,500	\$951,584	100.0%
Other	-	-	0.0%
-----	-----	-----	-----
Total Revenue	\$950,500	\$951,584	100.0%
EXPENDITURES:			

Salaries	\$322,391	\$305,521	94.8%
Employee Benefits	363,356	299,760	82.5%
Contractual Services	385,418	319,276	82.8%
Materials & Supplies	9,390	10,781	114.8%
Conference & Meetings	14,200	1,161	8.2%
Fixed Charges	216,000	234,889	108.7%
-----	-----	-----	-----
Total Expenditures	\$1,310,755	\$1,171,388	89.4%
Excess of Revenues Over Expenditures	(\$360,255)	(\$219,804)	
Fund Balance 7/1/15	\$715,144	\$715,144	
-----	-----	-----	
Fund Balance 6/30/16	\$354,889	\$495,340	

July 2016
Financials
(FY17)

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE
FY17

OPERATING FUNDS (EDUCATIONAL AND OPER. & MAINT. FUNDS COMBINED)
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended July 31, 2016

<u>REVENUE:</u>	<u>Tentative Budget</u>	<u>Year- to-Date</u>	<u>Percent</u>
Local Taxes	\$5,923,301	-	0.0%
Credit Hour Grants	648,393	-	0.0%
Equalization	28,355	-	0.0%
ICCB Career/Tech Education	58,713	-	0.0%
ICCB Performance	3,500	-	0.0%
CPP Replacement Tax	425,000	50,118	11.8%
Dept. of Educ.	5,944	-	0.0%
Other Federal Sources	29,597	-	0.0%
Tuition & Fees	5,655,000	2,411,158	42.6%
Sales & Services	40,950	-	0.0%
Facilities Revenue	92,784	-	0.0%
Interest on Investments	5,000	-	0.0%
Non-Govt. Gifts, Grants	830,131	-	0.0%
Miscellaneous	15,563	1,197	7.7%
	-----	-----	-----
Total Revenue	\$13,762,231	\$2,462,473	17.9%
<u>EXPENDITURES:</u>			
Salaries	\$8,857,634	\$275,758	3.1%
Employee Benefits	2,325,393	258,005	11.1%
Contractual Services	790,654	101,022	12.8%
Materials & Supplies	847,412	174,376	20.6%
Conference & Meeting	227,321	5,402	2.4%
Fixed Charges	45,036	21,157	47.0%
Debt Certificate Payment	439,132	-	0.0%
Utilities	627,251	615,540	98.1%
Capital Outlay	0	2,677	0.0%
Other Expenditures	393,386	95,779	24.3%
Transfers (In) Out	(185,847)	-	0.0%
	-----	-----	-----
Total Expenditures	\$14,367,372	\$1,549,716	10.8%
Excess of Revenues Over Expenditures	(\$605,141)	\$912,757	
Fund Balance 7/1/16	2,879,706	2,879,706	
	-----	-----	
Fund Balance 7/31/16	\$2,274,565	\$3,792,463	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY17

OPERATIONS AND MAINTENANCE FUND (RESTRICTED)
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended July 31, 2016

REVENUE:	Tentative Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$800,000	\$0	0.0%
-----	-----	-----	-----
Total Revenue	\$800,000	\$0	0.0%
EXPENDITURES:			

Contractual Services	73,418	-	100.0%
Materials & Supplies	9,835	-	0.0%
Capital Outlay	2,719,942	1,403,175	51.6%
Transfers Out	118,650	-	0.0%
-----	-----	-----	-----
Total Expenditures	\$2,921,845	\$1,403,175	48.0%
Excess of Revenues Over Expenditures	(\$2,121,845)	(\$1,403,175)	
Fund Balance 7/1/16	\$2,482,151	\$2,482,151	
-----	-----	-----	
Fund Balance 7/31/16	\$360,306	\$1,078,976	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY17

AUXILIARY ENTERPRISE FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended July 31, 2016

REVENUE:	Tentative Budget	Year to-Date	Percent
-----	-----	-----	-----
Tuition and Fees	\$245,000	\$117,330	47.9%
Bookstore Sales	968,000	28,276	2.9%
Athletics	43,430	1,140	2.6%
Other	134,850	3,265	2.4%
-----	-----	-----	-----
Total Revenue	\$1,391,280	\$150,011	10.8%
EXPENDITURES:			

Salaries	\$284,533	\$12,097	4.3%
Employee Benefits	40,729	3,233	7.9%
Contractual Services	75,260	200	0.3%
Materials & Supplies	868,792	322,372	37.1%
Conference & Meeting	181,259	2,738	1.5%
Capital Outlay	700	1,845	263.6%
Fixed Charges	1,766	-	0.0%
Utilities	600	600	100.0%
Other Expenditures	15,356	499	3.2%
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Total Expenditures	\$1,468,995	\$343,584	23.4%
Excess of Revenues Over Expenditures	(\$77,715)	(\$193,573)	
Fund Balance 7/1/16	\$110,400	\$110,400	
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Fund Balance 7/31/16	\$32,685	(\$83,173)	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY17

RESTRICTED PURPOSE FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended July 31, 2016

<u>REVENUE:</u>	Tentative Budget	Year-to-Date	Percent
Vocational Education	\$133,329		0.0%
Adult Education	262,342		0.0%
Other Illinois Sources	101,268		0.0%
Department of Education	4,773,630		0.0%
Other Federal Sources	73,212		0.0%
Tuition & Fees	575,000	266,280	46.3%
Sales & Service Fees	23,100	28,852	124.9%
Interest	20,000		0.0%
Non-govt. Gifts, Grants	71,000	668	0.9%
Other	302,960		0.0%
	-----	-----	-----
Total Revenue	\$6,335,841	295,800	4.7%
 <u>EXPENDITURES:</u>			
Salaries	\$948,465	\$59,916	6.3%
Employee Benefits	191,532	21,776	11.4%
Contractual Services	476,495	18,166	3.8%
Materials & Supplies	76,101	55,490	72.9%
Conference & Meeting	56,054	1,077	1.9%
Fixed Charges	24,848	375	1.5%
Utilities	4,152	-	0.0%
Capital Outlay	44,055	-	0.0%
Other Expenditures	54,783	13,500	24.6%
Financial Aid	4,384,831	-	0.0%
Transfers out	-	-	0.0%
	-----	-----	-----
Total Expenditures	\$6,261,316	\$170,300	2.7%
Excess of Expenditures Over Revenue	\$74,525	\$125,500	
Fund Balance 7/1/16	863,473	863,473	
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Fund Balance 7/31/16	\$937,998	\$988,973	

AGENDA ITEM #IX-A
 AUGUST 16, 2016
 HIGHLAND COMMUNITY COLLEGE BOARD
 FY17
 AUDIT FUND

Statement of Revenue, Expenditures, & Changes in Fund Balance
 For the Period Ended July 31, 2016

REVENUE:	Tentative Budget	Year to-Date	Percent
Local Taxes	\$44,000	\$0	0.0%
Total Revenue	\$44,000	\$0	0.0%
EXPENDITURES:			
Contractual Services	\$45,000	\$0	0.0%
Total Expenditures	\$45,000	\$0	0.0%
Excess of Revenues Over Expenditures	(\$1,000)	\$0	
Fund Balance 7/1/16	\$14,015	\$14,015	
Fund Balance 7/31/16	\$13,015	\$14,015	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY17

BOND AND INTEREST FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended July 31, 2016

REVENUE:	Tentative Budget	Year to-Date	Percent
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Local Taxes	\$1,696,556	\$0	0.0%
Interest	-	-	100.0%
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Total Revenue	\$1,696,556	\$0	0.0%
EXPENDITURES:			

Fixed Charges	\$1,705,013	\$0	0.0%
Other Expenditures	-	-	100.0%
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Total Expenditures	\$1,705,013	\$0	0.0%
Excess of Revenues Over Expenditures	(\$8,457)	\$0	
Fund Balance 7/1/16	\$998,170	\$998,170	
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Fund Balance 7/31/16	\$989,713	\$998,170	

AGENDA ITEM #IX-A
AUGUST 16, 2016
HIGHLAND COMMUNITY COLLEGE BOARD
FY17

LIABILITY, PROTECTION, AND SETTLEMENT FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended July 31, 2016

REVENUE:	Tentative Budget	Year to-Date	Percent
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Local Taxes	\$951,000	\$0	0.0%
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Total Revenue	\$951,000	\$0	0.0%
EXPENDITURES:			

Salaries	\$273,215	\$15,528	5.7%
Employee Benefits	353,019	29,467	8.3%
Contractual Services	300,512	32,796	10.9%
Materials & Supplies	19,658	0	0.0%
Conference & Meetings	15,700	5,541	35.3%
Fixed Charges	222,331	79,992	36.0%
Utilities	6,822	856	12.5%
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Total Expenditures	\$1,191,257	\$164,180	13.8%
Excess of Revenues Over Expenditures	(\$240,257)	(\$164,180)	
Fund Balance 7/1/16	\$495,340	\$495,340	
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Fund Balance 7/31/16	\$255,083	\$331,160	