

# **HIGHLAND COMMUNITY COLLEGE**

**District #519**

## **AGENDA**

**Board of Trustees Meeting**

**March 22, 2022 – 4:00 p.m.**

**Robert J. Rimington Board Room (H-228)**

**Highland Community College Student/Conference Center**

**Freeport, Illinois**

Public access to the meeting is provided online via

<https://highland.zoom.us/j/88320472535?pwd=SmdzVjE3cDRVenFiaFBYRm5sV2VlOT09>

or by phone at 312-626-6799 using meeting ID 883 2047 2535 and Passcode 643643

- I. Call to Order/Roll Call
- II. Approval of Agenda
- III. Approval of Minutes: February 23, 2022 Regular Meeting
- IV. Public Comments
- V. Introductions
- VI. Budget Report
- VII. Foundation Report
- VIII. Consent Items
  - A. Academic (None)
  - B. Administration (None)
  - C. Personnel
    - 1. Part-time Instructors, Overload, and Other Assignments (Page 1)
  - D. Financial (None)
- IX. Main Motions
  - A. Academic (None)
  - B. Administration
    - 1. Second Reading – Revised Policy 4.034: Sexual Harassment (Page 3)
    - 2. Second Reading – New Policy 4.035: Discrimination-Related Harassment (Page 11)
    - 3. First Reading – Policy Manual Chapter V: Board of Trustees (Page 15)
  - C. Personnel
    - 1. Revised Job Description: Bookstore Assistant (Page 94)

### **Mission**

Highland Community College is committed to shaping the future of our communities by providing quality education and learning opportunities through programs and services that encourage the personal and professional growth of the people of northwestern Illinois.

**D. Financial**

1. Acceptance of Bid: Maintenance Barn Roof Replacement Project (Page 97)
2. Acceptance of FY21 Annual Audit (Page 100)
3. Acceptance of Proposal: Athletics, Learning, and Event Center Feasibility Study (Handout)
4. Payment of Bills and Agency Fund Report – February 2022 (Page 236)

**X. Reports**

- A. Treasurer's Report: Statements of Revenue, Expenditures, and Changes in Fund Balance (Page 238)
- B. Student Trustee
- C. Shared Governance (*included in President's administrative report*)
- D. ONE Highland (*included in President's administrative report*)
- E. Audit and Finance Committee
- F. Illinois Community College Trustees Association (ICCTA) Representative
- G. Association of Community College Trustees (ACCT)
- H. Board Chair
- I. Administration (*included in administrative reports*)
- J. Strategic Plan (*included in Strategic Planning report*)

**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
- B. Collective Negotiating Matters
- C. Probable, Pending, or Imminent Litigation

**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
- B. Collective Negotiating Matters
- C. Probable, Pending, or Imminent Litigation

**XIII. Old Business**

**XIV. New Business**

**XV. Dates of Importance**

- A. Next Quarterly Board Retreat – June 8, 2022, at 8:00 a.m. in the Robert J. Rimington Board Room (H-228) in the Student/Conference Center
- B. Next Regular Board Meeting – April 26, 2022, at 4:00 p.m. in the Robert J. Rimington Board Room (H-228)

**XVI. Adjournment**

**AGENDA ITEM #VIII-C-1  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD**

**PART-TIME INSTRUCTORS, OVERLOAD, AND OTHER ASSIGNMENTS**

**RECOMMENDATION OF THE PRESIDENT:** That the list of part-time instructors, overload, and other assignments be approved.

**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:** \_\_\_\_\_

Spring 2022				COURSE	CLOCK	CREDIT		TOTAL
FIRST	LAST	CRN	SUBJECT	TITLE	HRS	HRS	RATE	SALARY
Dagny	Brandt		MUS210A	Applied Music Major - Voice				\$800.00
Jody	Brubaker		MUS114A	Applied Winds - Flute				\$200.00
Jody	Brubaker		MUS210A	Applied Music Major - Voice				\$400.00
John	Hartman		MUS212A	Applied Music Major - Guitar				\$400.00
Brandon	Lamm		MUS113A	Applied Strings				\$200.00
Bill	Petersen		MUS214A	Applied Music Major - Winds				\$800.00
Scott	Stich		MUS215A	Applied Music Major - Percussion				\$400.00
Nadia	Wirchnianski		MUS111A	Applied Piano				\$1,200.00
Quentoria	Hudson			Upward Bound Tutor	TBD		\$20.00	TBD
Fahren	Zackery			Upward Bound Tutor	TBD		\$20.00	TBD
Eldridge	Gilbert			Upward Bound Tutor				\$4,200.00
Kristin	Piper			Curriculum Development Medical Coding				\$490.00
Kathy	Held	6661	PERS036ECC	Walk and Stretch	30		\$18.00	\$540.00
Roger	Hicks	6656	PERS036BCC	Intro to Shield Arc Welding				\$85.00
Drew	Groeziinger	6659	PERS032CCC	Succulent Dish Gardens				\$315.00
Drew	Groeziinger	6664	PERS032FCC	Succulent Dish Gardens				\$245.00
Drew	Groeziinger	6667	PERS032HCC	Spring Bulb Gardens				\$405.00
Drew	Groeziinger	6673	PERS032ICC	Dried Flower Wreaths				\$270.00
Mark	Peterson	6652	PERS037BCC	WWII in the Pacific				\$123.75
Mark	Peterson	6669	PERS037ECC	Cahokia and the Mississippi Culture				\$41.25
Jana	Schlukebir	6675	PERS036HCC	Instant Pot Dinners				\$120.00
Amy	Chamberlin			Part-time Instruction Supervision				\$528.20
Amy	Chamberlin			Part-time Instruction Supervision				\$528.20
Melissa	Johnson			Part-time instruction Supervision				\$132.05
Monica	Pierce			Part-time Instruction Supervision				\$264.09
Aaron	Sargent	6871	OCED290H	Work Pl Exp. MTEC				\$158.45*
*Pro rated based on enrollment								
Todd	Vacek			CareerTEC Recruitment Event Presenter				\$200.00
Jennifer	Roxer			CareerTEC Recruitment Event Presenter				\$200.00
Melissa	Johnson			CareerTEC Recruitment Event Presenter				\$200.00
Christine	McDermet			CareerTEC Recruitment Event Presenter				\$200.00
Jessica	Schneiderman	6544	NURS192AXA	Portion of Health/Illness I Lab		1.2825	\$1,320.43	\$1,693.45
<b>Other Assignments</b>								
James	Blair			Worked table for 6 basketball games in January				\$ 240.00
Robert Dean	Buckwalter			Worked table for 6 basketball games in January				\$ 240.00
Robert Travis	Buckwalter			Worked table for 1 basketball game in January				\$ 30.00
Eric	Katzenberger			Worked table for 6 basketball games in January				\$ 180.00
Bill	Pospischil			Worked table for 7 basketball games in January				\$ 280.00
Mark	Rhode			Worked table for 1 basketball game in January				\$ 40.00
Hunter	Rogers			Worked table for 3 basketball games in January				\$ 120.00
Jeff	Slattengren			Worked table for 5 basketball games in January				\$ 250.00
Elizabeth	Priller			Speaker for HCC Leadership Conference				\$ 595.00
Daryl	Watson			Speaker for Leadership Forum retreat 2/6/22-2/8/22				\$ 400.00

**AGENDA ITEM #IX-B-1  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE**

**SECOND READING – REVISED POLICY 4.034  
SEXUAL HARASSMENT**

**RECOMMENDATION OF THE PRESIDENT:** That the Board of Trustees approves for second reading revised policy 4.034, Sexual Harassment, which is included in Chapter IV, Personnel, of the policy manual.

**BACKGROUND:** The revisions to Policy 4.034 were developed by a workgroup of individuals from across the organization who began meeting in May 2021. Its purpose was to ensure policies support a culture of trust, accountability, respect, and demonstrate HCC's cultural beliefs, Core Values, Mission.

The workgroup researched best practices and policies in other organizations, particularly higher education. For clarification and ease of understanding, the workgroup recommends Policy 4.034 Sexual Harassment be reformatted into three separate policies (Sexual Harassment, Discrimination-Related Harassment, and Sexual Harassment and Discrimination-Related Harassment Reporting).

The workgroup members consisted of Beth Groshans, Advisor; Christie Lewis, HR Generalist/HRIS Administrator; Steve Mihina, Faculty; David Naze, VP/CAO; Rhonda Perry, Executive Assistant; Jim Phillips, Dean; and Karen Brown, Director HR.

It should also be noted that the Policy Review Committee recognized inconsistencies in formatting throughout the Policy Manual and has developed standards that will be updated as policies are revised and reaffirmed. The formatting updates will be shown with track changes.

No additions or revisions have been made since Trustees approved the first reading at their February 23, 2022, regular meeting.

**BOARD ACTION:** \_\_\_\_\_

#### 4.034 Sexual Harassment: (Revised )

The College shall provide students, employees and third parties an environment free from unwelcome sexual- or gender-based advances, requests for sexual favors and other verbal, written, electronic (including, but not limited to social media), visual, virtual, and/or physical conduct constituting sexual harassment as herein defined and as otherwise prohibited by state or federal law. College employees, students, and third persons are prohibited from sexually harassing other employees, students, or third persons. For purposes of this policy, third persons include any person other than College employees and students, on College property, or at any College-sponsored event or at any activity which bears a reasonable relationship to the College.

Sexual harassment is prohibited by Titles VI and VII of the Civil Rights Act of 1964 as amended in 1991, Title IX of the Educational Amendment of 1972, and the Illinois Human Rights Act. Retaliation for making a good faith complaint of sexual harassment or for participating in an investigation is also prohibited by law.

Sexual harassment can occur in a variety of circumstances, including but not limited to the following:

- The employee as well as the harasser may be a woman or a man. The employee does not have to be of the opposite sex.
- The harasser can be the employee's supervisor, an agent of the employer, a supervisor in another area, a co-worker, a student, or a third-party on campus.
- The employee, student or third-party does not have to be the person harassed but could be anyone directly affected by the offensive conduct.
- Unlawful sexual harassment may occur without economic injury to or discharge of the offender.
- The harasser's conduct must be unwelcome.

This policy applies to all members of the College community including students, employees, volunteers, and other representatives of the College. In certain circumstances, this harassment policy also applies to third parties, such as subcontractors, sales representatives, repairpersons, or vendors doing business with the College.

#### Definitions of Sexual Harassment:

~~In the case of sexual harassment of an employee by another employee or third person, S~~sexual harassment means:

- A. Any unwelcome sexual advances by an employee, student or third person toward an employee, student or third-party person; or

B. Any request by an employee, student or third person to an employee, student or third-party person -for sexual favors; or

C. Any conduct of a sexual nature or any verbal, written, electronic (including, but not limited to social media), visual, virtual, or physical conduct based on sex when:

1. submission to or participation in such conduct is made, whether explicitly or implicitly, a term or condition of an individual's employment at the College, or

2. submission to or rejection of such conduct is used as the basis for employment decisions affecting such individual's employment at the College, or

3. the student's submission to or rejection of such conduct is, whether explicitly or implicitly, a term or condition of the student's grade, extent or nature of work necessary to successfully complete course work, or student's participation in any College-sponsored event or activity; or

4. submission to or rejection of such conduct is used as the basis for decisions concerning the student's grade or the student's selection or participation in any College-sponsored event or activity; or

2.5. such conduct has the purpose or effect of substantially interfering with a student's performance or creating an intimidating, hostile or offensive collegiate environment; or such conduct has the purpose or effect of substantially interfering with an individual's work or student performance or creating an intimidating, hostile or offensive environment.

~~1. In the case of sexual harassment of a student by an employee or third person, sexual harassment means:~~

~~a. Any sexual advance by an employee or third person toward a student; or~~

~~b. Any request by an employee or third person to a student for sexual favors; or~~

~~c. Any acceptance by an employee or third person of a sexual advance or request for sexual favors from a student; or~~

~~d. Any conduct of a sexual nature or any verbal, written, electronic (including, but not limited to social media), visual, virtual, or physical conduct based on sex by an employee or third person directed toward a student when:~~

~~(1) the student's submission to or rejection of such conduct is, whether explicitly or implicitly, a term or condition of the student's grade, extent or nature of work necessary to successfully complete course work, or student's participation in any College-sponsored event or activity; or~~

~~(2) submission to or rejection of such conduct is used as the basis for decisions concerning the student's grade or the student's selection or participation in any College-sponsored event or activity; or~~

- (3) ~~such conduct has the purpose or effect of substantially interfering with a student's performance or creating an intimidating, hostile or offensive collegiate environment.~~

~~Academic discussion of sensitive content matter included in a course or academic presentation is not meant to be in violation of this policy.~~

~~3. In the case of sexual harassment of a student or employee by a student, sexual harassment means:~~

- ~~a. Any sexual advance by a student toward an employee; or~~
- ~~b. Any request by a student to an employee for sexual favors from the employee; or~~
- ~~c. Any conduct of a sexual nature or any verbal, written, electronic, visual, virtual, or physical conduct based on sex by a student directed toward an employee when such conduct has the purpose or effect:~~
  - ~~(1) of substantially interfering with an employee's work performance or creating an intimidating, hostile or offensive environment; or~~
  - ~~(2) of influencing either the student's grade or participation in any College-sponsored event or activity; or~~
- ~~d. Any conduct of a sexual nature or any verbal, written, electronic (including, but not limited to social media), visual, virtual, or physical conduct based on sex by a student directed toward another student when:~~
  - ~~(1) such conduct has the purpose or effect of creating a collegiate environment that is intimidating, hostile or offensive; or~~
  - ~~(2) such conduct is continued by the student after the request of the other student to stop such conduct because it is intimidating, hostile or offensive to the other student. The determination of whether the conduct of a student is intimidating, hostile or offensive is made by the College administration.~~

~~4. In the case of sexual harassment of a third person by an employee or student, sexual harassment means:~~

- ~~a. Any unwelcome sexual advances by an employee or student toward a third person; or~~
- ~~b. Any request by an employee or student for sexual favors from the third person; or~~
- ~~c. Any conduct of a sexual nature or any verbal, written, electronic (including, but limited to social media), visual, virtual, or physical conduct based on sex when:~~
  - ~~(1) submission to, or rejection of, such conduct is made either explicitly or implicitly a term or condition of, or is used as the basis for decisions concerning, an individual's participation in a College-related event or activity; or~~



- (2) ~~such conduct has the purpose or effect of substantially interfering with an individual's performance in a College-sponsored event or activity or creating an environment that is intimidating, hostile or offensive. For purposes of this section, a College-related event or activity includes an event or activity on College grounds involving College facilities, staff or students, any College-sponsored event or activity, and any event or activity which bears a reasonable relationship to the College.~~

3. Sexual harassment prohibited by this policy includes intentional and/or unwelcome verbal, written, electronic (including, but not limited to social media), visual, virtual, or physical conduct that tends to be severe or repetitive in nature. Some conduct obviously constitutes sexual harassment – such as a threat that a grade or promotion will depend on submission to a sexual advance. But whether particular conduct constitutes sexual harassment will often depend upon the specific context of the situation, including the participants' reasonable understanding of the situation, their past dealings with each other, the nature of their professional relationship (e.g., supervisor- subordinate, faculty-student, student-student, colleague, etc.) and the specific setting. The inquiry can be particularly complex in an academic community, where the free and open exchange of ideas and viewpoints preserved by the concept of academic freedom may sometimes prove distasteful, disturbing or offensive to some. Some examples of sexual harassment are:

- sexual advances
- touching of a sexual nature
- graffiti of a sexual nature
- displaying or distributing sexually explicit drawings, pictures and written materials (including displaying or distribution through electronic communications and social media)
- sexual gestures
- sexual or “dirty” jokes
- pressure for sexual favors
- touching oneself sexually or talking about one's sexual activity in front of others
- spreading rumors about or rating other individuals as to sexual activity or performance
- offering employment benefits in exchange for sexual favors
- retaliating or threatening retaliation after a negative response to a sexual advance or after an employee or student has made or threatened to make a harassment complaint.

The terms intimidating, hostile or offensive as used above include, but are not limited to, conduct which has the effect of humiliation, embarrassment or discomfort. Sexual harassment will be evaluated in the light of all of the circumstances.

This policy against harassment shall be applied in a manner that protects the academic freedom and freedom of expression of all parties to a complaint. Academic freedom and freedom of expression include but are not limited to the expression of ideas in the classroom. Instructional freedom will include appropriate latitude for pedagogical decisions concerning the topics discussed and methods used to draw students into discussion and full participation. Classroom

discussion of alternative ideas or controversial points of view on related topics shall not be considered harassment.

**Responsibilities:**

- A. The College encourages prompt reporting of harassment. It is the express policy of the College to encourage targets of harassment to come forward with such claims.
- B. Management and supervisory personnel, at all levels, are responsible for taking reasonable and necessary action to prevent discrimination or harassment. Supervisors shall be responsible for ensuring compliance with this policy by:
  - 1. Monitoring the workplace environment for signs of sexual or other harassment;
  - 2. Promptly notifying law enforcement where there is reasonable belief that the observed or complained of conduct violates the criminal laws of the State of Illinois. In addition, all such incidents should immediately be reported to the Title IX Coordinator at (815) 599-3531, the EE/AAO at (815) 599-3402, the HRIS Administrator/HR Generalist at (815) 599-3602, or the Coordinator Career Services at (815) 599-3597.
  - 3. Promptly stopping any observed acts of discrimination or harassment and taking appropriate steps to intervene.
  - 4. Promptly reporting any complaint of harassment or discrimination to one of the College investigators.
- C. Each employee is responsible for assisting in the prevention of discrimination and harassment by:
  - 1. Refraining from participation in, or encouragement of, actions that could be perceived as discrimination or harassment.
  - 2. Intervening if they find themselves as a bystander to any inappropriate behaviors on campus and feel it is safe to do so.
  - 3. Promptly reporting harassment or discrimination or suspected harassment or discrimination to management and supervisors before it becomes severe, persistent or pervasive.
- D. In most cases, there is a clear line between a mutual attraction and a consensual exchange and unwelcome behavior or pressure for an intimate relationship. A friendly interaction between two persons who are receptive to one another is not considered unwelcome or harassment. Individuals covered by this policy are free to form social relationships of their own choosing. However, when one person is pursuing or forcing a relationship upon another person who does not like or want it, regardless of friendly intentions, the

behavior is unwelcome sexual behavior. A person confronted with these actions is encouraged to inform the harasser that such behavior is offensive and must stop. You should assume that sexual comments are unwelcome unless you have clear indications to the contrary. In other words, another person does not have to tell you to stop for your conduct to be harassment and unwelcome. Sexual communications and sexual contact with a minor are ALWAYS prohibited.

- E. If you are advised by another person that your behavior is offensive, you must immediately stop the behavior, regardless of whether you agree with the person's perceptions of your intentions.
- F. The College does not consider conduct in violation of the sexual harassment policy to be within the course and scope of employment or education and does not sanction such conduct on the part of any employee, including supervisory and management employees or any employee with authority over another person covered under the sexual harassment policy.

#### Dissemination of Policy/Procedures:

- A. Information on this policy will be distributed in the College's Policy Manual, College Catalog, the College website, College's General drive under HR-Payroll Resources, and via posters and brochures placed around campus. Periodic notices sent to students and employees about the College's sexual harassment policy will include information about the complaint procedure and will refer individuals to designated offices/officials for additional information.
- B. Students registered at Highland Community College will receive information annually related to this policy. Informational brochures are distributed throughout campus and posters related to sexual harassment and reporting harassment are posted throughout campus.
- C. New employees will be required to read the policy, sign an acknowledgment form that they have read the policy, and complete on-line harassment training. Employees are to complete annual on-line training and are encouraged to report any evidence of sexual or other harassment in the workplace whether they are victims or if they witness such harassment. Supervisors and managers are required to report any known or reported harassment and will be trained to recognize and take action against harassment of any kind.
- D. The sexual misconduct and violence policy 3.27, prohibition of sexual misconduct policy 3.28, non-discrimination policy 4.031, and/or the non-violence policy 4.39 may also apply in some incidents that are reportable under policy 4.034. Refer to those policies for additional guidance related to reporting responsibilities and protocol.

#### Reporting Sexual Harassment:

A. The process to file a complaint of actual or suspected discrimination-related harassment can be found in the Policy 4.036xxx Sexual Harassment and Discrimination-Related Harassment Reporting Policy.

**GENDA ITEM #IX-B-2  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE**

**SECOND READING – NEW POLICY 4.035  
DISCRIMINATION-RELATED HARASSMENT**

**RECOMMENDATION OF THE PRESIDENT:** That the Board of Trustees approves for second reading new policy 4.035, Discrimination-Related Harassment, which is recommended for inclusion in Chapter IV, Personnel, of the policy manual.

**BACKGROUND:** New Policy 4.035 was developed by a workgroup of individuals from across the organization who began meeting in May 2021. Its purpose was to ensure policies support a culture of trust, accountability, respect, and demonstrate HCC's cultural beliefs, Core Values, Mission.

The workgroup researched best practices and policies in other organizations, particularly higher education. For clarification and ease of understanding, the workgroup recommends Policy 4.034 Sexual Harassment be reformatted into three separate policies (Sexual Harassment, Discrimination-Related Harassment, and Sexual Harassment and Discrimination-Related Harassment Reporting).

The workgroup members consisted of Beth Groshans, Advisor; Christie Lewis, HR Generalist/HRIS Administrator; Steve Mihina, Faculty; David Naze, VP/CAO; Rhonda Perry, Executive Assistant; Jim Phillips, Dean; and Karen Brown, Director HR.

It should also be noted that the Policy Review Committee recognized inconsistencies in formatting throughout the Policy Manual and has developed standards that will be updated as policies are revised and reaffirmed. The formatting updates will be shown with track changes.

No additions or revisions have been made since Trustees approved the first reading at their February 23, 2022, regular meeting.

**BOARD ACTION:** \_\_\_\_\_

#### 4.035 Discrimination-Related Harassment (Adopted )

Harassment of any kind is prohibited at Highland Community College whether it is sexual harassment or harassment based on age, color, disability, ethnic or national origin, sex, gender identity, pregnancy, race, or religion or sexual orientation, or any other legally protected classification under federal or state law. Sexual and bias-related harassment are prohibited by Titles VI and VII of the Civil Rights Act of 1964 as amended in 1991, Title IX of the Education Amendment of 1972, and the Illinois Human Rights Act. Highland Community College is committed to respecting all individuals. Highland Community College is also committed to the free and dynamic discussion of ideas and issues.

This policy applies to all members of the College community including students, employees, volunteers, and other representatives of the College. In certain circumstances, this harassment policy also applies to third parties, such as subcontractors, sales representatives, repairpersons, or vendors doing business with the College.

#### Definition of Harassment:

- A. This policy prohibits discrimination or harassment on the basis of actual or perceived membership in a protected class (as mentioned above), by any member or group of the campus community, which unreasonably interferes with an individual's work or academic environment. A hostile or intimidating environment may be created by verbal, written, electronic, visual, virtual, and/or physical conduct, that is sufficiently severe, persistent, or pervasive so as to interfere with, limit, or deny the ability of an individual to participate in or benefit from educational programs or activities or employment access, benefits, or opportunities. The College will not wait until conduct is unlawful before prohibiting or responding to reports of harassment. The College will provide prompt and equitable resolution.
- B. This policy against harassment shall be applied in a manner that protects the academic freedom and freedom of expression of all parties to a complaint. Academic freedom and freedom of expression include but are not limited to the expression of ideas in the classroom. Instructional freedom will include appropriate latitude for pedagogical decisions concerning the topics discussed and methods used to draw students into discussion and full participation. Classroom discussion of alternative ideas or controversial points of view on related topics shall not be considered harassment.

#### Responsibilities:

- A. The College encourages prompt reporting of harassment. It is the express policy of the College to encourage targets of harassment to come forward with such claims.
- B. Management and supervisory personnel, at all levels, are responsible for taking reasonable and necessary action to prevent discrimination or harassment. Supervisors shall be responsible for ensuring compliance with this policy by:

1. Monitoring the workplace environment for signs of harassment;
  2. Promptly notifying law enforcement where there is reasonable belief that the observed or complained of conduct violates the criminal laws of the State of Illinois. In addition, all such incidents should immediately be reported to the Title IX Coordinator at (815) 599-3531, the EE/AAO at (815) 599-3402, the HRIS Administrator/HR Generalist at (815) 599-3602, or the Coordinator Career Services at (815) 599-3597.
  3. Promptly stopping any observed acts of discrimination or harassment and taking appropriate steps to intervene.
  4. Promptly reporting any complaint of harassment or discrimination to one of the College investigators.
- C. Each employee is responsible for assisting in the prevention of discrimination and harassment by:
1. Refraining from participation in, or encouragement of, actions that could be perceived as discrimination or harassment.
  2. Intervening if they find themselves as a bystander to any inappropriate behaviors on campus and feel it is safe to do so.
  3. Immediately reporting harassment or discrimination or suspected harassment or discrimination to management and supervisors before it becomes severe, persistent or pervasive.
- D. If you are advised by another person that your behavior is offensive, you must immediately stop the behavior, regardless of whether you agree with the person's perceptions of your intentions.
- E. The College does not consider conduct in violation of the discrimination-related harassment policy to be within the course and scope of employment or education and does not sanction such conduct on the part of any employee, including supervisory and management employees or any employee with authority over another person covered under the discrimination-related harassment policy.

**Dissemination of Policy/Procedures:**

- A. Information on this policy will be distributed in the College's Policy Manual, College Catalog, the College website, College's General drive under HR-Payroll Resources, and via posters and brochures placed around campus. Periodic notices sent to students and employees about the College's sexual harassment policy will include information about

the complaint procedure and will refer individuals to designated offices/officials for additional information.

- B. Students registered at Highland Community College will receive information annually related to this policy. Informational brochures are distributed throughout campus and posters related to sexual harassment and reporting harassment are posted throughout campus.
- C. New employees will be required to read the policy, sign an acknowledgement form that they have read the policy, and complete on-line harassment training. Employees are to complete annual on-line training and are encouraged to report any evidence of discrimination-related harassment in the workplace whether they are victims or if they witness such harassment. Supervisors and managers are required to report any known or reported harassment and will be trained to recognize and take action against harassment of any kind.
- D. The sexual misconduct and violence policy 3.27, prohibition of sexual misconduct policy 3.28, non-discrimination policy 4.031, and/or the non-violence policy 4.39 may also apply in some incidents that are reportable under policy 4.034. Refer to those policies for additional guidance related to reporting responsibilities and protocol.

#### Reporting Discrimination-Related Harassment:

- A. The process to file a complaint of actual or suspected discrimination-related harassment can be found in the Policy 4.036, Sexual Harassment and Discrimination-Related Harassment Reporting Policy.



**AGENDA ITEM #IX-B-3  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD**

**FIRST READING – POLICY MANUAL CHAPTER V  
BOARD OF TRUSTEES**

**RECOMMENDATION OF THE PRESIDENT:** That the Board of Trustees approves for first reading the attached revised policies in Chapter V of the Policy Manual and affirms for first reading the unchanged policies in Chapter V of the Policy Manual.

**BACKGROUND:** The list of attached policies incorporates updates to position titles and language clarification. The policies are being reaffirmed or revised as part of the regular cycle of general updating and review of the Board Policy Manual. Reaffirmation of or revisions to policies in this chapter of the Policy Manual have been discussed and approved by the Policy Committee, which is made up of representatives from across the College. Revisions to the Chapter were formulated by the Policy Committee and by the individual(s) in charge of each functional area of the College. Language which is to be deleted from a policy has been lined through. Language which is to be added to a policy is underlined. Keep in mind that all policy titles in the manual are underlined. The following list includes each changed policy along with a description of the change:

<b><u>Policy #</u></b>	<b><u>Change</u></b>
5.03	Position title updated.
5.083	Position title updated.
5.11	Position title updated.
5.18	Language updated.
5.24	Position title updated and language updated.

It should also be noted that the Policy Review Committee recognized inconsistencies in formatting throughout the Policy Manual and has developed standards that will be updated as policies are revised and reaffirmed. The formatting updates will be shown with track changes.

**BOARD ACTION:** \_\_\_\_\_

CHAPTER V  
FINANCE AND FACILITIES  
TABLE OF CONTENTS

<u>Page &amp; Policy No.</u>	<u>Description</u>
5.00	Financial Reports
5.01	Investment of Current Operating Funds
5.02	Paying Bills
5.03	Bids
5.031	Use of Businesses Owned by Minorities, Females, and Persons with Disabilities
5.04	Contract and Bond—Method of Awarding Contracts
5.05	Payments to Contractors
5.06	Purchases of Supplies and Services
5.07	Salespersons and Agents
5.071	Advertising and Soliciting—Outside Groups
5.08	Gifts, Contributions, Bequests to Highland Community College
5.081	Ethics
5.082	Financial Aid Department Code of Conduct
5.083	Fraudulent Conduct
5.09	Travel, Meal, and Lodging Expenses
5.10	Variable Tuition
5.11	Waiving of Tuition
5.12	Refunding of Fees
5.13	Use of Facilities
5.131	Smoking and Tobacco
5.132	Food and Beverages
5.133	Use of Skate Equipment and Recreational Vehicles
5.14	Inventory
5.15	Trespassing
5.151	Demonstration
5.16	Keys Requisition and Turn In
5.17	Traffic Control
5.171	Special Use and Disabled Parking Permits
5.18	Prohibition of Pets and Domestic Animals in Buildings
5.19	Phones, Media, and Sound-Related Electronic Devices
5.20	Solicitation by the College
5.21	Energy
5.211	Waste Reduction Procurement
5.22	Computer Software
5.23	Technology Use
5.24	Cardholder Information Security
5.25	Web Page Accessibility

CHAPTER V  
FINANCE AND FACILITIES  
TABLE OF CONTENTS (Continued)

<u>Page &amp; Policy No.</u>	<u>Description</u>
5.30	Information Security
5.40	Risk Management
5.41	Security Cameras
5.50	Tax Abatement
5.51	Forms and Documents Requesting Social Security Numbers
5.60	Concealed Carry and Weapons
5.70	Record Keeping
5.80	Preparing and Updating Disclosures

**5.00 Financial Reports (Reaffirmed 6/25/19)**

The Board Treasurer shall present to the Board a monthly summary report of the revenues, expenditures, and encumbrances, by fund, with a comparison to budgeted amounts.

### **5.01 Investment of Current Operating Funds (Reaffirmed 6/25/19)**

#### **A. Scope**

1. This investment policy applies to all funds of the District. These funds are accounted for in the District's annual financial report and includes all current funds and any other funds that may be created from time to time. All transactions involving the funds and related activity of any funds shall be administered in accordance with the provisions of this policy and the canons of the "prudent person rule". Investment of funds under this policy shall be in accordance with the requirements of 30 ILCS 235 (Public Funds Investment Act).

#### **B. Objectives**

1. Safety of Principal - Investments shall be undertaken in a manner that seeks to ensure the preservation of principal. Insurance or collateral may be required to ensure the return of principal.
2. Liquidity - The investments of the District shall be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due.
3. Return on Investments - Non-liquid investments shall be made with the institution or institutions offering the highest rate for a specified length of time.
4. Maintaining the Public's Trust - The Treasurer shall seek to act responsibly as custodian of the public trust and shall avoid any transaction that might impair public confidence in the District, the Board or the District Treasurer.

#### **C. Investment Management**

1. The District Treasurer is authorized to purchase and redeem investments, authorize wire transfers, authorize the release of pledged collateral, and to execute any documents required under this policy including, but not limited to: wire transfer agreements, depository agreements, safekeeping agreements, and custody agreements. The District Treasurer shall further establish a system of internal controls and written operational procedures designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or impudent actions by employees of the District.

#### **D. Qualified Depository Institutions**

1. It shall be the duty and responsibility of the District Treasurer to invest funds only with the following institutions:

- a. Banks and savings and loan associations located within District #519 that are insured by the Federal Deposit Insurance Corporation (FDIC).
- b. The Illinois Funds (formerly the Illinois Public Treasurer's Investment Pool).
- c. The Illinois School District Liquid Asset Fund.

**E. Allowable Investment Instruments**

1. While the District may invest in any type of security allowed by the Public Funds Investment Act of the State of Illinois, the Board of Trustees has chosen to limit allowable investment instruments to the following:
  - a. Bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued by, or which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
  - b. Interest-bearing savings accounts, interest bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act.
  - c. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraph (1) of this subsection and to agreements to repurchase such obligations. Examples would include the Illinois Funds and the Illinois School District Liquid Asset Fund.
2. District investments with those entities identified at Section D.2 and D.3 above shall be permitted notwithstanding the limitations set forth in this Section, provided that those entities invest District funds solely as permitted under the Public Funds Investment Act.

**F. Allocation**

1. Since it is the policy of the Board to limit investments to only those listed in E.1, E.2, and E.3, up to 100% of investments may be placed in any one of the three listed investment instruments, however investments may not be made solely in one institution.

**G. Limits on Deposits**

1. The aggregate sum on deposit with any bank, whether a demand deposit or time deposit, shall not exceed 40 percent of such bank's capital and surplus.

#### **H. FDIC Insurance**

1. The District will not invest funds in any financial institution that is not a member of the FDIC system. In addition, the District will not maintain funds in any institution not willing nor capable of posting required collateral for funds or purchasing required private insurance in excess of FDIC insurable limits.

#### **I. Collateralization**

1. It is the policy of the District to require that time deposits in excess of FDIC insurable limits be secured by collateral or private insurance to protect public deposits in a single financial institution if it were to default. Collateralization must be in the College's name. Acceptable collateralization includes letters of credit issued by a Federal Home Loan bank, U.S. Treasury Securities, Federal National Mortgage Securities, or other securities issued by the United States Government. Such collateralization must be:
  - a. in writing.
  - b. approved by the board of directors of the depository institution or its loan committee with such approval reflected in the minutes of said board or committee.
  - c. an official record of the depository institution from the time of its execution.
  - d. be received by the College no later than 14 days after the investment is placed with the bank.
  - e. held for safekeeping by a third-party bank such as:
    1. a Federal Reserve Bank or its branch office.
    2. at another custodial facility in a trust or safekeeping department through book-entry at the Federal Reserve.
    3. by an escrow agent of the pledging institution.
    4. by the trust department of the issuing bank.

**J. Performance**

1. The Treasurer will strive to earn an average rate of return on certificates equal to or greater than the U.S. Treasury Bill rate for a given period of time.

**K. Ethics and Conflict of Interest**

1. Officers and employees involved in the investment process shall refrain from personal business that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Further, except as permitted under Section 3.2 of the Public Officer Prohibited Practices Act the Treasurer shall not have any interest in, or receive any compensation from, any investments in which the District is authorized to invest, or the sellers, sponsors or managers of those investments.

**L. Indemnification**

1. Investment officers and employees of the District acting in accordance with this Investment Policy and written operation procedures as have or may be established and exercising due diligence shall be relieved of personal liability for an individual investment's risk.

**M. Reporting**

1. The Treasurer shall submit to the Board of Trustees and President a quarterly investment report which shall include information regarding funds invested.

**N. Review**

1. The investment portfolio will be reviewed at least annually by the District Treasurer. The effectiveness in meeting the District's needs for safety, liquidity, rate of return, diversification, and general performance will be evaluated.



**5.02 Paying Bills (Reaffirmed 6/25/19)**

A Warrant Register shall be submitted monthly to the Board for its approval. The Register shall contain the payee, the budget account, the amount, and a brief description of each item in the Register. The approval for payment of the warrants by the Board, clearly stated in the minutes of the meeting, shall serve as full authority to the Treasurer to make the payments as thus approved.

**5.03 Bids (Reaffirmed 6/25/19)**

Where savings may be secured and competitive vendors exist, bids will be solicited in conformance with the laws of the State of Illinois governing purchases.

Requisitions in excess of \$25,000 by reason of item cost or quantity, will go through the College bidding process unless exceptions are provided by law.

All purchases made through joint purchasing with the State of Illinois will be considered equivalent to bidding as described above.

If, in the opinion of the President and the ~~Vice President of Administrative Services~~Vice President/CFO, Administrative Services, the lowest bid does not meet the specifications or quality desired, the lowest bid may not be accepted. All bid results will be presented to the Board for approval.

**5.031 Use of Businesses Owned by Minorities, Females, and Persons with Disabilities (Reaffirmed 6/25/19)**

In accordance with 30/ILCS 575/1, Highland Community College will develop, implement, and maintain a plan for contracting with businesses owned by minorities, females, and persons with disabilities. Highland Community College will establish a liaison officer, establish annual aspirational goals, and to the greatest extent feasible within the bounds of financial and fiduciary prudence, develop, implement, and maintain procedures to support the utilization of businesses owned by minorities, females, and persons with disabilities.

**5.04 Contract and Bond—Method of Awarding Contracts (Reaffirmed 6/25/19)**

Contracts shall be awarded to the lowest most responsible bidders (standard quality and responsibility of bidder considered) upon the recommendation of the President.

When the bids of the lowest responsible bidders are equal (standard of quality and responsibility of bidders considered) and one such bidder is located in District #519, the bid shall be awarded to that bidder. If both bidders are located in District #519, then the successful bidder shall be determined by the toss of a coin or by the drawing of lots between them, and each shall be invited to be present at the time of the determination of the successful bidder in such manner.

### **5.05 Payments to Contractors (Reaffirmed 6/25/19)**

All applications by contractors for payment of work performed must be approved by the appropriate signatory level according to policy prior to payment. Before final payments are made, the signatory shall obtain from the contractors all necessary statements, affidavits and waivers showing that the claims of all subcontractors have been satisfied and all supplies and materials used in the work have been paid for. Prior approval of an architect or engineering firm, when such is employed, is necessary for payment of bills. When a superintendent of construction is employed, the prior approval of the superintendent of construction is necessary for the payment of bills.

### ***5.06 Purchases of Supplies and Services (Revised 2/11/21)***

Purchases by faculty and staff for supplies and services in the amount of \$1,000 or less must have written approval from the respective originator and budget manager. Those requisitions between \$1,000 and \$3,000 also require the written approval of the appropriate Vice President or President. In addition, all requisitions in the amount of \$3,000 or more require the written approval of the President. Any other written agreements involved in the purchasing of supplies and services, such as service agreements, statements of work, and proposal acceptance documents require written approval as outlined above.

All required forms (see G:General\Accounting) are to be forwarded to the Manager of Accounting following completion. Required forms for purchases of supplies and services that do not include appropriate written approvals or supporting documents will be the responsibility of the individual and not the obligation of the College. Purchases that are not appropriate College expenses will be the responsibility of the individual and not the obligation of the College.

**5.07 Salespersons and Agents (Revised 6/25/19)**

Salespersons making unsolicited calls to the campus should be directed to the Manager, Accounting.

The Manager, Accounting will contact other interested personnel, such as deans or administrative supervisors, to determine if they wish to see or talk with a visiting salesperson. If possible, these personnel should be advised ahead of time when the salesperson is coming.

***5.071 Advertising and Soliciting—Outside Groups (Reaffirmed 6/25/19)***

Any advertising or soliciting on campus must be approved by the Director of Marketing and Community Relations or designee. Soliciting may only occur in designated locations and, once approved, coordinated through the appropriate department. The number of times any one organization may solicit on campus in a given semester may be limited by the Director of Marketing and Community Relations or designee.



**5.08 Gifts, Contributions, Bequests to Highland Community College (Reaffirmed 6/25/19)**

The Board of Trustees or the College President, acting on behalf of the College, may accept any gift, contribution, or bequest that is consistent with the goals, objectives, and strategic plan of the College. Gifts, contributions or bequests may be made through the Highland Community College Foundation depending on the wishes of the donor.

The College President will work closely with the Foundation in fund raising efforts to ensure that donor requests are adhered to and gifts, bequests, and contributions are used to the betterment of the College as designated.

Individual College departments which seek operational or special use donations must coordinate those requests through the College President.

### 5.081 Ethics (Revised 6/25/19)

#### A. Definitions and General Provisions

For purposes of this Policy, the following terms shall be given these definitions or, if different from time to time, then as defined by the State Officials and Employees Ethics Act (codified at 5 ILCS 430/1-1 and following):

1. "Board" means the Board of Trustees of the College.
2. "Campaign for elective office" means any activity in furtherance of an effort to influence the selection, nomination, election, or appointment of any individual to any Federal, State, or local public office or office in a political organization, or the selection, nomination, or election of Presidential or Vice-Presidential electors, but does not include activities
  - a. relating to the support or opposition of any executive, legislative, or administrative action,
  - b. relating to collective bargaining, or
  - c. that are otherwise in furtherance of the person's official duties.
3. "Candidate" means a person who has filed nominating papers or petitions for nomination or election to an elected office, or who has been appointed to fill a vacancy in nomination, and who remains eligible for placement on the ballot at a regular election, as defined in the Election Code (10 ILCS 5/1-3, section 1-3).
4. "Collective bargaining" has the same meaning as contemplated by the Illinois Educational Labor Relations Act (115 ILCS 5/1 and following).
5. "Compensated time" means, with respect to an employee, any time worked by or credited to the employee that counts toward any minimum work time requirement imposed as a condition of his or her employment, but for purposes of this Policy, does not include any designated holidays, vacation periods, personal time, compensatory time off or any period when the employee is on a leave of absence. With respect to officers or employees whose hours are not fixed, "compensated time" includes any period of time when the officer or employee is on premises under the control of the College and any other time when the officer or employee is executing his or her official duties, regardless of location.
6. "Compensatory time off" means authorized time off earned by or awarded to an employee to compensate in whole or in part for time worked in excess of the minimum work time required of that employee as a condition of his or her employment.

7. "Contribution" has the same meaning as that term is defined in the Election Code (10 ILCS 5/9-1.4), section 9-1.4.
8. "Employee" means a person employed by the College whether on a fulltime or part-time basis or pursuant to a contract, whose duties are subject to the direction and control of an employer with regard to the material details of how the work is to be performed, but does not include a volunteer or an independent contractor.
9. "Employer" means the College.
10. "Gift" means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including, but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of an officer or employee.
11. "Leave of absence" means any period during which an employee does not receive
  - a. compensation for employment,
  - b. service credit towards pension benefits, and
  - c. health insurance benefits paid for by the employer.
12. "Officer" means a person who holds, by election or appointment, an office created by statute or law, regardless of whether the officer is compensated for service in his or her official capacity. The term "officer" includes all members of the Board of Trustees.
13. "Political activity" means any activity in support of or in connection with any campaign for elective office or any political organization, but does not include activities
  - a. relating to the support or opposition of any executive, legislative, or administrative action,
  - b. relating to collective bargaining, or
  - c. that are otherwise in furtherance of the person's official duties.
14. "Political organization" means a party, committee, association, fund, or other organization (whether or not incorporated) that is required to file a statement of organization with the State Board of Elections or a county clerk under the Election Code (10 ILCS 5/9-3) section 9-3, as the case may be, but only with regard to those activities that require filing with the State Board of Elections or a county clerk.

15. "Prohibited political activity" means:

- a. Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
- b. Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
- c. Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
- d. Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- e. Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
- f. Assisting at the polls on election day on behalf of any political organization or candidate for elective office or for or against any referendum question.
- g. Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
- h. Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
- i. Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
- j. Preparing or reviewing responses to candidate questionnaires.
- k. Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
- l. Campaigning for any elective office or for or against any referendum question.
- m. Managing or working on a campaign for elective office or for or against any referendum question.

- n. Serving as a delegate, alternate, or proxy to a political party convention.
- o. Participating in any recount or challenge to the outcome of any election.

16. "Prohibited source" means any person or entity who:

- a. is seeking official action (a) by an officer or (b) by an employee, or by the officer or another employee directing that employee;
- b. does business or seeks to do business (a) with the officer or (b) with an employee, or with the officer or another employee directing that employee;
- c. conducts activities regulated (a) by the officer or (b) by an employee, or by the officer or another employee directing that employee; or
- d. has interests that may be substantially affected by the performance or non-performance of the official duties of the officer or employee.

17. This Policy shall be construed in a manner consistent with the provisions of the State Officials and Employees Ethics Act (codified at 5 ILCS 430/1-1 and following). This Policy is intended to impose the same but not greater restrictions than the Act.

#### B. Prohibited Political Activities

- 1. No officer or employee shall intentionally perform any prohibited political activity during any compensated time, as defined herein. No officer or employee shall intentionally use any property or resources of the College in connection with any prohibited political activity.
- 2. At no time shall any officer or employee intentionally require any other officer or employee to perform any prohibited political activity
  - a. as part of that officer or employee's duties,
  - b. as a condition of employment, or
  - c. during any compensated time off (such as holidays, vacation or personal time off).
- 3. No officer or employee shall be required at any time to participate in any prohibited political activity in consideration for that officer or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise, nor shall any officer or employee be awarded additional compensation or any benefit in consideration for his or her participation in any prohibited political activity.

4. Nothing in this Section prohibits activities that are permissible for an officer or employee to engage in as part of his or her official duties, or activities that are undertaken by an officer or employee on a voluntary basis which are not prohibited by this Policy.
5. No person either (i) in a position that is subject to recognized merit principles of public employment or (ii) in a position the salary for which is paid in whole or in part by federal funds and that is subject to the Federal Standards for a Merit System of Personnel Administration applicable to grant-in-aid programs, shall be denied or deprived of employment or tenure solely because he or she is a member or an officer of a political committee, of a political party, or of a political organization or club.

### C. Gift Ban

1. Except as permitted by this Article, no officer or employee, and no spouse or Civil Union partner or immediate family member living with any officer or employee (collectively referred to herein as "recipients"), shall intentionally solicit or accept any gift from any prohibited source, as defined herein, or which is otherwise prohibited by law. No prohibited source shall intentionally offer or make a gift that violates this Section.
2. The Gift Ban has the following exceptions:
  - a. Opportunities, benefits, and services that are available on the same conditions as for the general public.
  - b. Anything for which the officer or employee, or his or her spouse or Civil Union partner or immediate family member, pays the fair market value.
  - c. Any (i) contribution that is lawfully made under the Election Code or (ii) activities associated with a fundraising event in support of a political organization or candidate.
  - d. Educational materials and missions.
  - e. Travel expenses for a meeting to discuss business.
  - f. A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half-brother, half-sister, and including the father, mother, grandfather, or grandmother of the individual's spouse or Civil Union partner

and the individual's fiancé.

- g. Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient or his or her spouse or Civil Union partner or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as:
  - 1. the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts between those individuals;
  - 2. whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and
  - 3. whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other officers or employees, or their spouses or Civil Union partners or immediate family members.
- h. Food or refreshments provided as a "contribution" under the definition of the term offered above, not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are
  - 1. consumed on the premises from which they were purchased or prepared or
  - 2. catered. For the purposes of this Section, "catered" means food or refreshments that are purchased ready to consume which are delivered by any means.
- i. Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of an officer or employee), if the benefits have not been offered or enhanced because of the official position or employment of the officer or employee, and are customarily provided to others in similar circumstances.
- j. Intra-governmental and inter-governmental gifts. For the purpose of this Act, "intra-governmental gift" means any gift given to an officer or employee from another officer or employee, and "inter-governmental gift" means any gift given to an officer or employee by an officer or employee of another governmental entity.

- k. Bequests, inheritances, and other transfers at death.
  - l. Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100. Each of the exceptions listed in this Section is mutually exclusive and independent of every other.
  - m. Any item or items provided by the College in support of the employee's, officer's or member's discharge of official duties.
3. Disposition of gifts: An officer or employee, his or her spouse or Civil Union partner or an immediate family member living with the officer or employee, does not violate this Policy if the recipient promptly takes reasonable action to return a gift from a prohibited source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under the Internal Revenue Code of 1986, Section 501 (C)(3), as now or hereafter amended, renumbered, or succeeded.

**D. Ethics Advisor**

- 1. The President, with the advice and consent of the Board of Trustees, may designate an Ethics Advisor for the College. If no other designation is made, the regularly retained attorney of the College will serve as the Ethics Advisor.
- 2. The Ethics Advisor shall provide guidance to the officers and employees of the College concerning the interpretation of and compliance with the provisions of this Policy and State ethics laws. The Ethics Advisor shall perform such other duties as may be delegated by the Board.

**E. Ethics Commission**

- 1. An Ethics Commission may be appointed by the Board to review opinions issued by the Ethics Advisor, to consider ethics complaints, and to undertake other responsibilities deemed appropriate. If appointed, the Ethics Commission shall consist of three (3) members. No person shall be appointed as a member of the Commission who is related, either by blood or by marriage/legal union up to the degree of first cousin, to any member of the Board of Trustees. The Ethics Commission may be appointed to serve on an ongoing basis or on an ad hoc basis.
- 2. Where appointed to serve on an ongoing basis, at the first meeting of the Ethics Commission, the initial appointees shall draw lots to determine the initial terms. Two commissioners shall serve 2-year terms, and the third commissioner shall serve a one-year term. Thereafter, all commissioners shall be appointed to 2-year terms. Commissioners may be reappointed to serve subsequent terms. At the first meeting of the Commission, the commissioners shall choose a chairperson from their number. Meetings shall be held at the call of the chairperson or any 2 commissioners. A quorum shall consist of two commissioners, and official action



by the commission shall require the affirmative vote of two members.

3. The Board may remove a commissioner in case of incompetence, neglect of duty or malfeasance in office after service on the commissioner by certified mail, return receipt requested, of a copy of the written charges against the commissioner and after providing an opportunity to be heard in person or by counsel upon not less than 10 days' notice. Vacancies shall be filled in the same manner as original appointments.
4. The Commission shall have the following powers and duties:
  - a. To promulgate procedures and rules governing the performance of its duties and the exercise of its powers.
  - b. Upon receipt of a signed, notarized, written complaint, to investigate, conduct hearings and deliberations, issue recommendations for disciplinary actions or reprimand. The Commission shall, however, act only upon the receipt of a written complaint alleging a violation of this Policy and not upon its own prerogative.
  - c. To receive information from the public pertaining to its investigations and to require additional information and documents from persons who may have violated the provisions of this Policy.
  - d. To compel the attendance of witnesses and to compel the production of books and papers pertinent to an investigation. It is the obligation of all officers and employees of the College to cooperate with the Commission during the course of its investigations. Failure or refusal to cooperate with requests by the Commission shall constitute grounds for discipline or discharge.
  - e. The powers and duties of the Commission are limited to matters clearly within the purview of this Policy.
5. Complaints alleging a violation of this Policy shall be filed with the Ethics Commission.
6. The Commission shall send by certified mail, return receipt requested, a notice to the respondent that a complaint has been filed against him or her and a copy of the complaint. The Commission shall also send by certified mail, return receipt requested, a confirmation of the receipt of the complaint to the complainant. The notices to the respondent and the complainant shall also advise them of the date, time, and place of the meeting to determine the sufficiency of the complaint and to establish whether probable cause exists to proceed.
7. Upon not less than 48 hours' public notice, the Commission shall meet to review the sufficiency of the complaint and, if the complaint is deemed sufficient to allege a

violation of this Policy, to determine whether there is cause, based on the evidence presented by the complainant, to proceed. The meeting may be closed to the public to the extent required by the Open Meetings Act. The Commission shall issue notice to the complainant and the respondent of the Commission's ruling on the sufficiency of the complaint and, if necessary, on cause to proceed within ten business days after such meeting. If the complaint is deemed sufficient to allege a violation of Article 10 of this Policy and there is a determination of cause, then the Commission's notice to the parties shall include a hearing date scheduled within four weeks thereafter.

8. On the scheduled date and upon at least 48 hours' public notice of the meeting, the Commission shall conduct a hearing on the complaint and shall allow both parties the opportunity to present testimony and evidence. The hearing may be closed to the public only if authorized by the Open Meetings Act.
9. Within 30 days after the date the hearing or any recessed hearing is concluded, the Commission shall either
  - a. dismiss the complaint or
  - b. issue a recommendation for discipline or reprimand to the alleged violator and to the Board of Trustees, the particular findings in the case, any recommendation for discipline, and any fine imposed shall be a matter of public information.
10. A complaint alleging the violation of this Policy must be filed within one year after the alleged violation.

**F. Board Action on Recommendation of Commission**

1. Upon receipt of a recommendation from the Ethics Commission, the Board may issue a reprimand to a board member or officer who intentionally violates any provision of this Policy.
2. Upon receipt of a recommendation from the Ethics Commission, the Board may initiate a disciplinary or discharge action against an employee who intentionally violates any provision of Section E of this Policy in accordance with the applicable procedures.

**G. Internal Ethics**

1. In support of the best interests of the College, and in support of the mission of the College, all employees shall adhere to reasonable ethical standards, including the following principles:
  - a. **Conduct.** Employees will demonstrate personal integrity and ethical behavior in word and action; act responsibly and accept accountability rather than placing

blame; act consistently with the College's Core Values of Integrity, Compassion, and Respect; act consistently with the principles of Servant-Leadership; and the College's Employee Characteristics and Service Standards. Employees will treat co-workers, students, and visitors with civility and decency in the workplace and use appropriate methods to resolve conflicts. Cooperation will be sought despite personal differences that may exist. Diversity and differences will be respected.

- b. **Decision-making.** When placed in a decision-making role, or in a decision-making position, employees in a decision-making role will become informed to the extent necessary to be an effective decision-maker; welcome and encourage input from other employees; take responsibility and follow established internal processes.
  - c. **Conflict of Interest.** Employees will not use their position to obtain personal or financial gain for themselves, for family or friends, or for other organizations or businesses with which they are affiliated. Employees will not make use of College property or services for personal financial gain, except as they would be reasonably available to other residents of the District. Employees will not use their positions to coerce, intimidate, or influence another regarding their personal use of funds, property, and/or time.
  - d. **Confidentiality.** Employees will maintain confidentiality of privileged and private information. Employees will not use their position to influence hiring decisions or other personnel decisions.
2. Internal reports may be made to the Ethics Advisor online using the Incident Report form in the faculty/staff portal. Reports must be sufficiently supported by credible and specific facts to warrant the initiation of an informal or formal complaint resolution. Allegations filed anonymously will not be investigated. These reports are routed to the Affirmative Action Officer for assignment and are security protected so that access is limited to the investigating officers only. If the Affirmative Action Officer determines the report does not fall under policies mentioned above, the Affirmative Action Officer may re-direct the matter to the appropriate supervisor for resolution.

### **5.082 Financial Aid Department Code of Conduct (Revised 6/25/19)**

Highland Community College Financial Aid Department employees are expected to maintain the highest standards of conduct in all aspects of the administration of their duties, specifically including all duties conducted in dealing with any entity involved in any way with financial assistance. This pertains regardless of whether said entities are involved in a government sponsored, subsidized or regulated activity.

Any Highland Community College employee who is either directly involved with financial assistance or indirectly involved with financial assistance should:

- Never take any action for his or her personal gain or benefit.
- Never take any action that he or she believes is or might be contrary to law, regulation or the best interests of the students and parents we serve.
- In every circumstance ensure that the information given to students and parents is accurate and unbiased and does not reflect any preference arising from actual or potential personal or institutional gain.
- In every instance, be objective in making decisions and advising the college regarding any institution involved in any aspect of student financial assistance.
- Never solicit or accept anything from an entity involved in the making, holding, consolidating or processing of any student loans, including anything of value, including reimbursement of expenses for serving on an advisory board or as part of a training activity of or sponsored by any such entity.
- Always disclose to the university any involvement with or interest in any entity involved in any aspect of financial aid.

#### **A. Statement of Ethical Principles**

1. Highland Community College adheres to the National Association of Student Financial Aid Administrators (NASFAA) Statement of Ethical Principles which is denoted below:
2. The Statement provides that financial aid professionals shall:
  - a. Advocate for students.
    1. Remain aware of issues affecting students and continually advocate for their interests at the institutional, state and federal levels.
    2. Support federal, state and institutional efforts to encourage students, as early as the elementary grades, to aspire to and plan for education beyond high school.

- b. Manifest the highest level of integrity.
  - 1. Commit to the highest level of ethical behavior and refrain from conflict of interest or the perception thereof.
  - 2. Deal with others honestly and fairly, abiding by our commitments and always acting in a manner that merits the trust and confidence others have placed in us.
  - 3. Protect the privacy of individual student financial records.
  - 4. Promote the free expression of ideas and opinions, and foster respect for diverse viewpoints within the profession.
- c. Support student access and success.
  - 1. Commit to removing financial barriers for those who want to pursue postsecondary learning and support each student admitted to our institution.
  - 2. Without charge, assist students in applying for financial aid funds.
  - 3. Provide services and apply principles that do not discriminate on the basis of race, gender, ethnicity, sexual orientation, religion, disability, age, or economic status.
  - 4. Understand the need for financial education and commit to educate students and families on how to responsibly manage expenses and debt.
- d. Comply with federal and state laws.
  - 1. Adhere to all applicable laws and regulations governing federal, state, and institutional financial aid programs.
  - 2. Actively participate in ongoing professional development and continuing education programs to ensure ample understanding of statutes, regulations, and best practices governing the financial aid programs.
  - 3. Encourage colleagues to participate in the financial aid professional associations available to them at the state, regional, or national level and offer assistance to other aid professionals as needed.
- e. Strive for transparency and clarity.
  - 1. Provide our students and parents with the information they need to make good decisions about attending and paying for college.

2. Educate students and families through quality information that is consumer-tested when possible. This includes (but is not limited to) transparency and full disclosure on award notices.
  3. Ensure equity by applying all need-analysis formulas consistently across the institution's full population of student financial aid applicants.
  4. Inform institutions, students, and parents of any changes in financial aid programs that could affect their student aid eligibility.
  5. Strive to ensure that cost of attendance components are developed using resources that represent realistic expenses.
- f. Protect the privacy of financial aid applicants.
1. Ensure that student and parent private information provided to the financial aid offices by financial aid applicants is protected in accordance with all state and federal statutes and regulations, including FERPA and the Higher Education Act, Section 483(a)(3)(E) (20 U.S.C. 1090).
  2. Protect the information on the FAFSA from inappropriate use by ensuring that this information is only used for the application, award, and administration of aid awarded under Title IV of the Higher Education Act, state aid, or aid awarded by eligible institutions.

## **B. Student Loan Code of Conduct**

### **1. Prohibition against remuneration to Highland Community College**

- a. HCC will not solicit, accept or agree to accept anything of value from any Lending Institution, Guarantee Agency or Servicer in exchange for any advantage or consideration provided by the Lending Institution related to its student loan activity. This prohibition covers, but is not limited to:
  - Revenue Sharing Agreements
  - Any computer hardware for which HCC pays below market prices
  - Any computer software used to manage loans unless the software can manage disbursements from all lenders
  - Any printing costs, postage or services
- b. This does not prevent HCC from soliciting, accepting or agreeing to favorable terms and conditions where the benefit is made directly to student borrowers.

## 2. Prohibition against remuneration to Highland Community College employees

- a. HCC will require and enforce that no trustee or employee of the college will accept anything more than a nominal value on his or her own behalf or on behalf of another during any 12-month period from, or on behalf of any Lending Institution, Guarantee Agency or Servicer.
- b. This prohibition will include, but not be limited to a ban on any payment or reimbursement from any Lending Institution, Guarantee Agency or Servicer to college employees for lodging, meals or travel to conferences or training seminars.
- c. This does not preclude any trustee or employee of the college from receiving compensation for conducting non-university business with a Lending Institution, Guarantee Agency or Servicer or from accepting compensation that is offered to the general public.
- d. This prohibition does not prevent the college from holding membership in any non-profit professional associations.

## 3. Ban on gifts

- a. No HCC employee or agent involved in the affairs of the College's financial aid office or who otherwise has responsibility with respect to education loans for students shall solicit or accept any gift from a lender, guarantor, or servicer of education loans.
- b. "Gifts" are defined as but not limited to:
  - 1. Any type of gratuity, favor, discount, entertainment, hospitality, loan, or other item having more than a token monetary value. The term includes a gift of services, transportation, lodging, or meals, whether provided in kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.
  - 2. The following items would not be considered to be "gifts":
    - i. Standard material, activities, or programs on issues related to a loan, default aversion, default prevention, or financial literacy, such as a brochure, a workshop, or training.
    - ii. Food, refreshments, training, or informational material furnished to any officer, trustee, director or college employee, as an integral part of a training session that is designed to improve the service of a lender, guarantor, or servicer of education loans to the institution, if such training contributes to the professional development of the officer,

trustee, director or employee.

- iii. Favorable terms, conditions, and borrower benefits on an education loan provided to a student employed by the institution if such terms, conditions, or benefits are comparable to those provided to all students of the institution.
- iv. Entrance and exit counseling services provided to borrowers to meet the institution's responsibilities for entrance and exit counseling as required... "as long as":
  - the institution's staff are in control of the counseling (and)
  - such counseling does not promote the products or services of any specific lender.
- v. Philanthropic contributions that are unrelated to education loans or any contribution not made in exchange for any advantage related to education loans.
- vi. State education grants, scholarships, or financial aid funds administered by or on behalf of a State.

#### 4. Ban on gifts to family members

- a. Gifts to family members of any college officer, college employee, or any college agent involved in student loans or to any other individual based on that individual's relationship with a college officer, employee or agent will be considered a gift to the officer, employee, or agent if:
  - 1. the gift is given with the knowledge and acquiescence of the officer, employee, or agent (and)
  - 2. the officer, employee, or agent has reason to believe the gift was given because of the official position of said officer, employee, or agent.

#### 5. Limits of college employees participating on lender advisory boards

- a. Any employee who is employed in the financial aid office of the College, or who otherwise has responsibilities with respect to education loans or other student financial aid through the College, and who serves on an advisory board, commission or group established by a lender, guarantor, or group of lenders or guarantors involved with student loans at the College is prohibited from receiving anything of value from the lender, guarantor, or group of lenders or guarantors, except that the employee may be reimbursed for reasonable expenses incurred in serving on such advisory board, commission, or group.



6. Contracting arrangements prohibited

- a. Any employee is prohibited from accepting any payments of any kind from a lender in exchange for any type of consulting services related to educational loans.
  - 1. This does not prevent anyone else in the institution that has nothing to do with student loans from entering into these agreements.
  - 2. This does not prevent anybody from serving on a Board of Directors or trustee of an institution if the individual recuses him or herself from any decision regarding educational loans.

7. Revenue sharing agreements prohibited

- a. HCC will not enter any revenue sharing agreement where:
  - 1. a lender provides or issues a loan that is made, insured, or guaranteed under this title to students attending the institution or to the families of such students; and
  - 2. the institution recommends the lender and in exchange the lender pays a fee or provides other material benefits

8. Prohibition on offers of funds for private loans

- a. HCC will not request or accept any agreement or offer of funds for student education loans in exchange for concessions or promises of:
  - 1. a specified number of loans made, insured or guaranteed
  - 2. a specified loan volume
  - 3. a preferred lender arrangement

9. Ban on staffing assistance

- a. HCC will not request or accept from any student loan lender any assistance with call center staffing or financial aid office staffing.
- b. This does not include:
  - 1. Professional development training for financial aid administrators.
  - 2. Educational counseling materials, financial literacy materials, or debt management materials to borrowers, provided that such materials disclose to

borrowers the identification of any lender that assisted in preparing or providing such materials.

3. Staffing services on a short-term, nonrecurring basis to assist the institution with financial aid-related functions during emergencies, including State-declared or federally declared natural disasters.

10. Interaction with borrowers

- a. HCC participates in the William D. Ford Federal Direct Loan Program and all student and parent borrowers are packaged under that program.

C. Private loans/preferred lender lists

1. Regarding Private/Alternative loans Highland Community College:

- a. Does not require the use of particular lenders or in any way limit the choice of lenders.
- b. Does not recommend external lenders to students or their parents, and does not maintain a preferred lender list.
- c. Does not assign for any borrower, through award packaging or other methods, a loan to a particular lender, and does not refuse to certify or delay certification of any private loan based on the borrower's selection of a particular lender or guaranty agency.

### ***5.083 Fraudulent Conduct (Reaffirmed 6/25/19)***

Highland Community College is committed to maintaining the highest standards of conduct and ethics. Toward that end, the College will investigate possible fraudulent use of College resources or property by Board members, administrators, staff, faculty or volunteers. The College will take appropriate action against anyone found to have engaged in fraudulent conduct, including disciplinary action by the College, and/or civil and criminal prosecution when warranted.

For purposes of this policy, fraud may include but is not limited to:

- Crimes or violations of the law or governmental regulations,
- Financial irregularity,
- Improper use of College funds, property or assets,
- Corruption, malfeasance, bribery, theft, coercion or blackmail, and
- Other unethical conduct.

Fraud is considered the willful or deliberate act or failure to act with the intention to deceive or obtain an unauthorized benefit.

There are situations in which Board members, administrators, staff, faculty, or volunteers may use College resources or property that are not generally considered fraudulent, such as transporting and using College equipment for College purposes. Examples include but are not limited to: use of a College laptop to complete College work off campus and/or transport and/or use of instructional, audio-visual, sports, or other equipment and supplies off campus for College purposes.

All members of the College community are encouraged to report possible fraudulent conduct pursuant to the procedures set forth herein. Members of the College community should refrain from independently investigating concerns, referring all such concerns to the appropriate review team. A review team comprising the ~~Vice President of Administrative Services~~[Vice President/CFO, Administrative Services](#), Director of Human Resources, and an Academic Dean/Associate Dean will conduct and oversee investigations of alleged fraud. If the possible fraudulent conduct involves an individual(s) on the review team, the President will be notified and will designate a replacement.

The College recommends that reports of suspected improper activity be made via the Incident Reporting Form, available at [www.highland.edu](http://www.highland.edu). Such reports may also be made directly to the College ~~Vice President of Administrative Services~~[Vice President/CFO, Administrative Services](#). If concerns involve the ~~Vice President of Administrative Services~~[Vice President/CFO, Administrative Services](#), the Director of Human Resources may be notified.

#### **A. Anonymous Submissions**

1. The College encourages those submitting concerns to put their names to allegations because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified. Because investigators are unable to

interview anonymous individuals, it may be more difficult to evaluate the credibility of the allegations and, therefore, less likely to cause an investigation to be initiated.

#### B. Confidentiality

1. Complaints of possible fraudulent conduct will be handled with discretion and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that such complaints will only be shared with those who have a need to know so that the College can conduct an effective investigation, determine what action to take based on the results of any such investigation and, in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of such a complaint, such persons may also have the right to know the identity of the individual reporting concerns.)

#### C. Protection

1. Neither the Board nor individual employees of the College may retaliate against an individual reporting concerns for informing management about an activity which that person believes to be fraudulent. In addition, neither the Board nor individual employees of the College may retaliate against an individual who in good faith cooperates with an investigation. Retaliation is the intent or effect of adversely affecting the terms or conditions of the individual's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages. Individuals reporting concerns who believe that they have been retaliated against may file a written complaint with the President or the Chair of the Board of Trustees. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit managers or supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

#### D. Malicious Allegations

1. Malicious allegations, frivolous claims, individuals who fail to cooperate in good faith (which includes but is not limited to withholding information or providing false information) with an investigation by the review team, and attempts to treat a personal grievance or dispute as an allegation of wrongdoing may result in disciplinary action, up to and including termination.
2. Individuals who believe that they have been a victim of or are being wrongly accused of making malicious allegations, frivolous claims, failing to cooperate with an investigation (which includes but is not limited to withholding information or providing false information) by the review team, and/or attempts to treat a personal grievance or dispute as an allegation of wrongdoing may file a written complaint with the President or the Chair of the Board of Trustees. Any such complaint will be

promptly investigated and appropriate corrective measures taken if allegations are substantiated.

### **5.09 Travel, Meal, and Lodging Expenses (Revised 6/25/19)**

Travel, meal, and lodging expenses incurred by College employees and members of the Board of Trustees traveling on official college business will be made in accordance with state law. Official college business includes travel and meetings that are necessary, reasonable, and appropriate expenses incurred for the primary benefit of college business. Expenses for entertainment, which include but are not limited to, shows, amusements, theaters, circuses, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event, will not be allowed.

#### **A. Employee travel, meal, and lodging:**

1. Travel, meal, and lodging expenses incurred by College employees must be documented on the College's standardized form with original detailed receipts attached. Detailed receipts should show the amount, date, place, and type of expenditure and should be sufficiently detailed to show the different elements of the expenditure. Forms that do not include original detailed receipts may not be approved.
2. Expenses that do not exceed maximum allowable amounts, below, must be reviewed and approved by an employee authorized to approve such expenses, in accordance with policy 5.06. Expenses that do exceed maximum allowable amounts must be approved by roll call vote at an open meeting of the Board of Trustees.

#### **B. Elected Board member travel, meal, and lodging:**

1. Travel, meal, and lodging expenses incurred by elected College Board members, including the Student Trustee, must be documented on the College's standardized form with original detailed receipts attached. Detailed receipts should show the amount, date, place, and type of expenditure and should be sufficiently detailed to show the different elements of the expenditure. Forms that do not include original detailed receipts may not be approved. All travel, meal, and lodging expenses incurred by elected College Board members, including the Student Trustee, must be approved by roll call vote at an open meeting of the Board of Trustees.

#### **C. Expenses:**

1. Approved expenses may include transportation costs, registration fees, meals, lodging, baggage fee (one personal bag per traveler on College business), and incidental expenses, which include parking fees, tolls, taxi fares, tips and similar expenses. Specific criteria for the categories of transportation, lodging, and meals must be met, as outlined in the following paragraphs.

**D. Transportation:**

1. All travel shall be by the most economical mode of transportation available considering travel time, costs and work requirements. All travel shall be done by the most direct route. Expenses due to deviations for convenience will not be approved for payment by the College. Arrangements for transportation shall be the least costly reasonable available alternative.
2. A college vehicle may be used if available. The college's driver safety program must be completed prior to use of a college vehicle. Personal vehicles may be used for approved travel and will be reimbursed at the rate currently established by the State of Illinois. (For detailed information, see [myHCC-the](#) Staff portal.) If less than the cost of mileage reimbursement, the purchase of gasoline for a personal vehicle for the purpose of the approved travel may be approved if an original detailed receipt supporting the expenditure accompanies the request.

**E. Lodging:**

1. Approved expenses for lodging include each day for which lodging is required for business purposes at the standard room rate not to exceed \$300 per night (see exception). An exception to the maximum rates is that the standard room rate in a hotel where a meeting, convention, or conference is being held may be approved. Expenses incurred due to room upgrades, use of amenities, or nights stayed in addition to those in which business purposes exist will not be approved for payment by the College.

**F. Meals:**

1. Approved expenses for meals (which includes breakfast, lunch, and dinner) will be for the actual cost of the meal (not a per diem rate) provided that itemized approval requests accompany by the original detailed receipts are submitted. The cost of alcoholic beverages will not be approved. The total daily amount approved will not exceed the maximum total daily amount of Meals and Incidental Expenses rates published by the U.S. General Services Administration (see exception). Rates can be verified at <https://www.gsa.gov/portal/category/26429> (Meals & IE tab). Exceptions to the maximum amount include: the total amount of meals in a hotel where a meeting, convention, or conference is being held may be approved and meals included as part of the conference package may be approved. Meals under these exclusions are not included in the total maximum daily rate.

**G. Reimbursement:**

1. Itemized reimbursement requests for all travel expenses must be accompanied by original detailed receipts. Reimbursement requests relating to programs funded by Federal and State project grants must be allowable under grant rules and must be accompanied by original detailed receipts for all items.

2. All settlement of travel advances must take place within 10 working days of the completion of the trip.



**5.10 Variable Tuition (Reaffirmed 6/25/19)**

The College is authorized to charge variable tuition in accordance with the Illinois Public Community College Act.

When a student enrolls in a course approved for State funding in a manner which precludes ICCB financial support (i.e., for repeat after successful completion), a surcharge equaling the amount normally contributed by the State will be added to the regular tuition and fees.

Enrollments for which the State of Illinois does not provide financial support includes, but is not limited to, enrollment in a course(s) for which a successful grade has been earned previously. (ICCB has approved selected courses as eligible to be repeated, and financially supported, a specified number of times.)

### ***5.11 Waiving of Tuition (Revised 6/25/19)***

The College Board authorizes the President to waive the tuition and/or fees for selected courses which enable the College to better fulfill its mission in relation to promoting student success and retention; accelerated entry into college or the workforce; public service and community leadership; cultural enrichment; and general wellness. The request to waive the tuition and/or fees for specific course offerings would come from the Vice President/CAO of Academic Services/CAO and would be reviewed by the Board on an annual basis at the December Board retreat (when tuition for the upcoming fall semester is initially discussed). Some examples of courses that may qualify for this waiver are: First Year Experience, Articulated to Dual Credit Offerings, Servant Leadership, HCC Chorale, Community Band and Orchestra.

**5.12 Refunding of Fees (Reaffirmed 6/25/19)**

Tuition and fees, excluding the payment plan fee, if applicable, shall be refunded only for those courses dropped during the no record drop period.

### ***5.13 Use of Facilities (Reaffirmed 6/25/19)***

The College campus facilities are primarily for, but not limited to, the use of the College students and College sponsored organizations. The College may grant temporary use of facilities under the College's regulations for activities of an educational, cultural, civic, social, recreational, governmental, and general political nature, which are to be sponsored by responsible persons, organizations, agencies or institutions.

The Administration is responsible for the formulation of charges and procedures for use of College facilities. Any person or group using facilities of the College is subject to local, State and Federal laws, and the policies and procedures of the College.

If the College holds an event at the College on November 11, Veteran's Day, a moment of silence must be observed at the event to recognize Veteran's Day.

The buildings of the College will be available for use for emergency purposes upon the request of the Illinois Emergency Management Agency or other State-accredited emergency management agencies with jurisdiction. The College will cooperate with the Illinois Emergency Management Agency, local emergency management agencies, State-certified, local public health departments, the American Red Cross, and federal agencies concerned with emergency preparedness and response.

**5.131 Smoking and Tobacco** (Revised 6/25/19)

Smoking is prohibited in or on Highland Community College owned, operated or leased property which includes grounds, facilities and College owned vehicles in accordance with the Illinois Smoke-Free Campus Act. This includes the burning of any type of cigar, cigarette, pipe, or other smoking equipment. Research, educational, ceremonial, and/or artistic purposes that involve smoking, the use of tobacco products or e-cigarettes may be requested in writing for approval by the President or his/her designee.

In addition, use of tobacco products is prohibited in or on Highland Community College owned, operated or leased property which includes grounds, facilities and College owned vehicles. This includes smokeless/chewing tobacco.

Use of e-cigarettes or vapor cigarettes is subject to the same restrictions as smoking.

Use of FDA approved smoking cessation products is permitted in or on Highland Community College owned, operated or leased property. Smoking and tobacco use inside private vehicles is permitted.

Fines for students, visitors, and employees are included in the Code of Conduct. Disciplinary actions and an appeal process for students and visitors are included in the Code of Conduct. Disciplinary actions and appeal processes for employees will follow the appropriate union contracts and College policies.

***5.132 Food and Beverages (Reaffirmed 6/25/19)***

Food and beverages should be consumed only in designated areas.

***5.133 Use of Skate Equipment and Recreational Vehicles (Reaffirmed 6/25/19)***

Use of skate equipment such as, but not limited to, skateboards, roller blades, and/or ice skates on campus is prohibited. Use of personal recreational vehicles such as, but not limited to snowmobiles, dirt bikes, and/or all-terrain vehicles on College property is also prohibited, with the exception of motorcycle training programs, and other College approved activities.

**5.14 Inventory (Revised 6/25/19)**

A periodic inventory will be taken of Highland Community College property with a purchase price over \$2,500. A system of inventory control that is compliance with state and federal regulations shall be established and maintained by the Accounting Department.



### **5.15 Trespassing (Revised 6/25/19)**

In order to maintain the security of the College community and its property, unoccupied or unused College facilities will be locked. The campus will be closed from 11:00 p.m. to 5:00 a.m. 7 days per week. Any employee or student organization accessing campus during off hours (including weekends and holidays) must contact security at 599-3451.

College organizations must complete a facility request for utilizing campus facilities.

If an authorized College official declares that any or all facilities of Highland Community College are closed, any unauthorized person on the premises will be considered a trespasser. There may be emergency situations where certain employee positions are required to stay or come onto campus when the facilities are closed. The President, Vice Presidents, and the Director, Facilities and Safety will make this determination as well as have the authority to issue an order to an individual(s) and/or group(s) that they will be considered as trespassers.

**5.151 Demonstration (Reaffirmed 6/25/19)**

- A. Highland Community College respects the rights of an individual to self-expression and to demonstrate peacefully on either side of issues.
- B. To prevent interference with the educational activities of the College, assembly, dissent and demonstrations (the Activities) on the Highland Community College campus must:
  - 1. register with the Office of the President. By registering the College does not intend to infringe on any individual or group's right to assembly, but rather to ensure that appropriate levels of crowd management are available.
  - 2. not interfere with the right of students, faculty, staff or administration to pursue their educational roles;
  - 3. not block roads, sidewalks, doorways or in any manner interfere with the free movement of people on campus;
  - 4. not be disruptive to the educational process by reason of excessive noise, threats, intimidation of non-participants or violence;
  - 5. not detain anyone who wishes to pass in order to coerce them to join the Activity, to listen or for any other purpose;
  - 6. not damage or deface College buildings or grounds. Littering and posting of signs on campus in other than approved locations and in an approved manner shall be deemed damage (see Policy 5.071);
  - 7. not violate any federal, state, or county law or ordinance during the conduct of the Activity;
- C. Persons found to be in violation of this policy will be subject to applicable College, civil, and/or criminal sanctions. In addition, student violators shall be subject to disciplinary action in accordance with the Highland Community College Student Code of Conduct.

***5.16 Keys Requisition and Turn In (Revised 6/25/19)***

Keys will be requisitioned from the Facilities and Safety Department on approval of the appropriate supervisor. Duplication of keys by unauthorized sources is forbidden.

All keys will be turned in to the office of the Director, Facilities and Safety or the Director of Human Resources at the time of termination of employment. For other situations, retention of keys will be determined by the appropriate supervisor. Lending of keys is generally prohibited.

**5.17 Traffic Control (Reaffirmed 6/25/19)**

The responsibility for parking facilities and traffic control is assigned to the Director, Facilities and Safety. All persons operating motor vehicles on Highland Community College property are subject to Highland Community College traffic regulations and the standard traffic regulations and definitions as enacted into motor vehicle laws of the State of Illinois and Stephenson County.

***5.171 Special Use and Disabled Parking Permits (Reaffirmed 6/25/19)***

The College recognizes the need to provide parking for the disabled.

Individuals are responsible for obtaining the proper registration for their vehicle with the State of Illinois for parking in designated disabled spots.

**5.18 *Prohibition of Pets and Domestic Animals* ~~in Buildings on Campus~~ (Revised 6/25/19)**

~~Bringing or enticing animals or pets into College buildings without authorization is prohibited. Animals or pets (except for service animals) are not allowed on campus or in campus buildings without the approval of the President or designee.~~

***5.19 Phones, Media, and Sound-Related Electronic Devices (Reaffirmed 6/25/19)***

The use of phones, media, and sound-related devices is allowable in the Highland Community College facilities only when used in a manner and an acceptable volume level that does not interfere with classes, employee's office work and any other business of the College.

**5.20 Solicitation by the College (Reaffirmed 6/25/19)**

The College President or the President's designee will coordinate solicitation of funds, services, and/or materials from district and non-district individuals and organizations. College staff members and students will follow the solicitation procedures developed.



**5.21 Energy (Revised 6/25/19)**

- A. Highland Community College aggressively pursues energy efficiency in the operation of its facilities.
- B. Administration will consider energy impact when making decisions.
- C. Faculty and staff shall practice energy conservation.
- D. Building temperatures shall be sustained at a comfortable level (68-74 degrees).
- E. Future building design or remodeling will utilize energy efficient designs and materials wherever economically justified and practical.

***5.211 Waste Reduction Procurement (Reaffirmed 6/25/19)***

Highland Community College will procure recycled-content products that are reasonably cost effective, whenever applicable, per the guidelines of the College's Waste Reduction Plan.

**5.22 Computer Software (Reaffirmed 6/25/19)**

Highland Community College employees that are provided with a personal computer by the College will not install software on that computer unless the College possesses a license for that software. Under no circumstances can a user install any software to the network server without prior authorization of the Director, ITS.

### **5.23 Technology Use (Reaffirmed 6/25/19)**

The College will provide relevant access to and use of its technology resources, including computers, communication devices, software, and information technology, in form and function suitable and appropriate for the College environment. All technology resources provided by the College are to be used in accordance with the College's Acceptable Use Guidelines. All utilization of technology resources shall be in compliance with all applicable law and regulations, and shall be in compliance with College policy, College guidelines and College procedures. The College shall take reasonable measures to protect technological resources, and to assure the technology resources are used only for their intended purposes. The College retains control and supervision of all technology resources and reserves the right to monitor the use of technology resource activity by any user. No user shall have an expectation of privacy in his or her use of technology resources, including email messages and stored files.

The College shall develop and implement Acceptable Use Guidelines and procedures to ensure responsible use of the technology resources, to assure the security, reliability, integrity and availability of information, and to protect technology resources against accidental or unauthorized disclosure, and against unauthorized modification or destruction. Such guidelines and procedures shall be consistent with the academic freedom rights and responsibilities of faculty members, and shall make appropriate provisions for the protection of authorized proprietary research work product produced by faculty members. The Administration and Policy Review Committee shall review the Acceptable Use Guidelines and procedures annually and shall promptly inform the Board of Trustees and the users of the technology in the event of any significant changes to the guidelines not mandated by State or Federal law.

Student and visitor use of computer-based technology is outlined in the Student Code of Conduct. Faculty and staff use of computer-based technology is outlined by applicable Board Policy and/or contractual language.

### 5.24 Cardholder Information Security (Adopted 11/24/20)

The College handles sensitive cardholder information regularly. Sensitive Information must have adequate safeguards in place to protect cardholder data, cardholder privacy, and to ensure compliance with various regulations. The following Payment Card Industry Compliance (PCI) factors will be in place:

- A. PCI Self-Assessment Questionnaire number 3.3: The PAN (Personal Account Number) is masked when displayed and the last four digits are the maximum number of digits to be displayed.
- B. PCI Self-Assessment Questionnaire number 4.2: All PAN's (Personal Account Numbers [credit card numbers]) are not to be sent via end-user messaging technologies, such as texting, instant messengers, email, etc.
- C. PCI Self-Assessment Questionnaire number 9.9 (a): The College must maintain a list of devices that are capable of capturing payment card data via direct physical interaction with the card.
- D. PCI Self-Assessment Questionnaire number 9.9 (b): College employees authorized to operate equipment related to capturing payment card data via direct physical interaction with the card must perform realtime inspections of the equipment to look for any tampering (such as card skimmers) or substitution. Examples of signs that a device might have been tampered with or substituted include unexpected attachments or cables plugged into the device, missing or changed security labels, broken or differently colored casing, or changes to the serial number or other external markings. Report any suspicious tampering or substitution to the Vice President, Administrative Services immediately.
- E. PCI Self-Assessment Questionnaire number 9.9 (c): The College must train employees during PCI security training to look for suspicious behavior, device tampering, and substitution. No College employee may purchase any device or service relating to the processing of credit card information without approval from the Vice President, Administrative Services.
- F. PCI Self-Assessment Questionnaire number 12.3.1: Explicit approval by authorized parties to use the technologies: Staff who are responsible for handling credit card transactions as a part of their job duties need to be authorized in writing (or email) to operate a credit card swipe terminal or to have an account set up for use in an online payment system.
- G. PCI Self-Assessment Questionnaire number 12.3.2: Authentication to systems is required by staff to access critical technologies.

- H. PCI Self-Assessment Questionnaire number 12.3.3: The College maintains a list of all such devices and personnel with access, considered to need access to critical technologies.
- I. PCI Self-Assessment Questionnaire number 12.3.5: Acceptable locations for use of the technologies: Highland Community College currently approves acceptable locations for use of the credit card swipe terminals to be limited to the Cashier's Office, the Bookstore, the Cosmetology salon, the Cafeteria, and the Fine Arts Box Offices. Use of TouchNet and associated applications for online credit card processing shall be used in the cashier's office, accounting staff offices, and IT offices. Use of [SeatAdvisor-VBO Tickets](#) is limited to the Box Offices. Use of [Vanity-Worldpay Omniflex](#) and Paymetric is limited to the Bookstore.
- J. PCI Self- Assessment Questionnaire number 12.3.6: Acceptable locations for use of the technologies: Highland Community College currently approves acceptable locations for use of the credit card swipe terminals to be limited to the Cashier's Office, the Bookstore, the Cosmetology salon, the Cafeteria, and the Fine Arts Box Offices. Use of TouchNet and associated applications for online credit card processing shall be used in the cashier's office, accounting staff offices, and IT offices. Use of [SeatAdvisor-VBO Tickets](#) is limited to the Box Offices. Use of [Vanity-Worldpay Omniflex](#) and Paymetric is limited to the Bookstore. The network locations of these technologies are maintained.
- K. PCI Self-Assessment Questionnaire number 12.3.8: The College maintains an automatic disconnect timeout for remote access technologies after a period of inactivity lasting 15 minutes.
- L. PCI Self-Assessment Questionnaire number 12.3.9: Activation of remote-access technologies for vendors and business partners only when needed by vendors and business partners, with immediate deactivation after use.
- M. PCI Self-Assessment Questionnaire number 12.5.3: The [Vice President of Administrative Services](#) [Vice President/CFO, Administrative Services](#) is responsible for establishing, documenting, and distributing security incidents, response, and escalation procedures to ensure timely and effective handling of all situations.
- N. PCI Self-Assessment Questionnaire number 12.8.3: The College performs due diligence in evaluating the reputation of a vendor to ensure they have a good and clean record and reputation with PCI security.
- O. PCI Self-Assessment Questionnaire number 12.8.4: The College performs an annual inspection on all service providers to validate their PCI compliance using the PCI council's lookup tool. These checks are performed at least annually.

### **5.25 Web Page Accessibility (Reaffirmed 6/25/19)**

Official Highland Community College Web pages and the information contained within will be made accessible to the widest range of users, including those with the more common sensory, motor and cognitive disabilities. The College is committed to increased accessibility and usability of Highland Web pages including, but not restricted to, those within the highland.edu domain, those paid for with College funds, and/or those residing on College servers, to meet or exceed applicable state and federal laws including, but not limited to, the requirements of Section 508 of the Rehabilitation Act of 1973, the Americans with Disabilities Act of 1991 and the most recent Web Content Accessibility Guidelines (WCAG).

**5.30 Information Security (Reaffirmed 6/25/19)**

- A. Highland Community College will develop, implement and maintain a comprehensive information security program, which contains administrative, technical and physical safeguards to protect non-public personal information related to students, employees, and members of the Board of Trustees.
- B. This Program will:
  - 1. ensure the security and confidentiality of protected student, employee, or Board member information covered under Acts such as Gramm-Leach-Bliley, HIPAA, and FERPA,
  - 2. protect against any anticipated threats to the security or integrity of protected information, and
  - 3. guard against the unauthorized access to or use of protected information that could result in substantial harm or inconvenience to any student, employee, or Board member.
- C. In addition, Highland Community College will develop, implement and maintain an Identity Theft Prevention program to reduce the risk of data loss and identity theft to the College, to students, employees, volunteers, and applicants. This Program will follow the requirements outlined in the Federal Fair and Accurate Credit Transaction Act (FACTA) of 2003 and the Fair Credit Reporting Act (FCRA). The Board of Trustees will designate a Compliance Officer to oversee the Identity Theft Prevention program.



**5.40 Risk Management (Reaffirmed 6/25/19)**

- A. Highland Community College will develop, implement and maintain a comprehensive Risk Management Program which shall reduce or prevent the College's exposure to liability, to ensure that statutory and common law, health and safety rights are extended to all visitors, employees and students; to make certain that the College's buildings and grounds are maintained in a safe condition; and to provide careful supervision and protection of all the College's real and personal property, including vehicles.
- B. The Illinois Local Government and Governmental Employees Tort Immunity Act (745 ILCS 10/9-101 et seq.) provides for a community college district to levy a tax which when collected will pay the cost of risk management (Section 9-107). In addition, this Section provides for funds raised pursuant to this Section to be used to pay the cost of insurance, including all operating and administrative costs and expenses directly associate therewith, claim services and risk management directly attributable to loss prevention and loss reduction, educational, inspectional and supervisory services directly relating to loss prevention and loss reduction, to purchase claim services, to pay for judgments or settlements, or to otherwise pay the cost of risk management programs.
- C. This Program will ensure:
  - 1. identification of the various components of the Risk Management Program including the identification and analysis of loss exposures;
  - 2. the selection and implementation of techniques to be used to handle or address each exposure;
  - 3. clearly delineated personnel responsibilities;
  - 4. adequate insurance against liability exposure; and
  - 5. identified and allowable costs for the maintenance of the Risk Management Program.

**5.41 Security Cameras (Reaffirmed 6/25/19)**

- A. Security cameras are utilized on campus to enhance personal safety, meet national testing requirements, protect property and resources, and investigate criminal activity. Security cameras will be placed in public areas such as hallways, stairwells, campus and building entrances, parking lots and common areas and in areas containing high value inventory such as laboratories and the Bookstore. Security cameras will also be placed in the Testing Center. Information obtained from the security cameras shall be used for law, policy, and/or Code of Conduct enforcement, including, where appropriate, College judicial functions.
- B. College and security service provider personnel are prohibited from using or disseminating information acquired from College-authorized security cameras except for official purposes. All information and/or observations made in the use of College-authorized security cameras are considered confidential and can only be used for official College and law enforcement purposes.
- C. All recording or monitoring of activities of individuals or groups by College-authorized security cameras will be conducted in a manner consistent with College policies and State and Federal laws and monitoring of individuals or groups based on the subjects' personal characteristics, including gender, ethnicity, sexual orientation, disability, or other protected characteristics is prohibited. Furthermore, all recording or monitoring will be conducted in a professional, ethical, and legal manner.
- D. The College shall develop and implement Acceptable Use Guidelines and procedures to ensure responsible use of the security cameras. The Administration and Policy Review Committee shall review the Acceptable Use Guidelines and procedures annually and shall promptly inform the Board of Trustees in the event of any significant changes to the guidelines not mandated by State or Federal law.
- E. From time to time, an individual security camera and/or the entire security camera system may be out of service due to planned or unplanned system availability.
- F. Breaches of this policy and misuse of video information contained within the security camera system may result in disciplinary action, up to and including termination.

### 5.50 Tax Abatement (Reaffirmed 6/25/19)

- A. The Board views the economic health of the District as a matter of great importance to the College. The Board will look favorably toward tax abatements when by virtue of a tax abatement a significant benefit to the District in economic terms can be realized. Abatement must be appropriate whether the need arises by virtue of expansion of an existing business, or for attraction of new business. The Board will be concerned with the net benefit in comparison with any short-term detriment which the College may suffer as a result of the abatement as compared to non-abatement, and will be concerned also with other benefits which the College district may enjoy as a result of the expansion of new business.
- B. Tax abatement requests must be submitted in writing to the Board of Trustees of Highland Community College District #519. All such requests will be considered on an individual basis. Abatement may be granted at the discretion of the Board. Tax abatements will not be granted for a period of time in excess of ten years.
- C. Applications for tax abatement shall be verified (notarized statement certifying that statements made in the application are true) and shall include the following information:
  - 1. Name, address, and telephone number of the applicant.
  - 2. Name, title, address, and telephone number of representative making application (if different from applicant).
  - 3. Name and address of owner of site (if different from applicant).
  - 4. Description of applicant's business generally and at the location where abatement is requested.
  - 5. Description (legal description and/or street address) of site.
  - 6. Real estate tax code(s) for site.
  - 7. Current equalized assessed valuation for site, and current taxes paid to Highland Community College.
  - 8. Description of current business operations conducted on site (if any), including number of employees working full-time and part-time.
  - 9. Description of projected future business operations to be conducted on site as a result of the project, including number of employees working full-time and part-time, and total estimated change in payroll from current operations.

10. Detailed description of any business operations in the College district operated by or reasonably related to the petitioner which will be eliminated or reduced as a result of the proposed improvement. If there will be no such elimination or reduction, so state.
11. Total estimated cost of the project.
12. Terms of abatement requested.
13. Estimated dollar amount of abatement being requested from Highland Community College.
14. Statement of why abatement is being requested.
15. At the College's discretion, other additional information as may be required by and provided to the county, municipality and/or redevelopment agency where the property proposed for abatement is located.
16. Appropriate substantiation that the relevant requirements of the county, municipality and/or redevelopment agency where the property proposed for abatement is located have been or are being met.
17. Other information as may be requested by the College.

### **5.51 Forms and Documents Requesting Social Security Numbers (Reaffirmed 6/25/19)**

- A. All college forms and documents that collect Social Security Numbers will use a disclosure statement patterned on the one listed below. Whenever possible, such a disclosure statement should be on the form itself, and every form or document-whether electronic or paper-will indicate whether the Social Security Number submission is voluntary or mandatory.
- B. Template:
  - 1. *The (dept/unit) requires your social security number for the purpose(s) of (fill in reason). We are required by law to provide (fill in type of information) reports to (fill in organization). Failure to provide your Social Security Number may result in (fill in repercussions). The college will not disclose Social Security Numbers without the consent of the individual to anyone outside the college except as required by law.*

### **5.60 Concealed Carry and Weapons (Reaffirmed 6/25/19)**

Highland Community College is committed to providing a safe and secure environment for its faculty, staff, and students. Consequently, the use and possession of weapons is strictly prohibited on all property owned or operated by Highland Community College. Moreover, pursuant to Illinois Public Act 98-0063, all community colleges, colleges and universities in the state of Illinois are designated as prohibited areas for concealed carry. This policy applies to all Highland Community College faculty, staff, students, contracted employees, and campus visitors.

#### **A. Definitions:**

1. Firearms are defined as any gun, shotgun, rifle, pistol, or handgun designed to fire bullets, BB's, pellets, shot or any projectile regardless of the propellant used.
2. Other weapons are defined as any instrument that can be utilized to inflict or threaten bodily injury. These include, but are not limited to, knives with fixed blades, pocketknives with blades longer than four inches, swords, metal knuckles, blackjacks, hatchets, bows and arrows, crossbows, nun chucks, or any explosive or incendiary device.

#### **B. Exceptions:**

1. Possession of a valid concealed weapons permit authorized by the State of Illinois or a county within is not an exemption under this policy.
2. This policy does not apply to the following:
  - a. Law enforcement officials duly authorized to carry such weapons.
  - b. Military drills, honor guards, and color guards utilizing facsimile weapons.
  - c. Equipment, utensils and/or supplies used for legitimate educational or job-related purposes.
  - d. Personal protective devices deemed as nonlethal such as mace or pepper spray.

#### **C. Sanctions:**

1. Any employee violating this policy will be subject to discipline up to and including termination. Any student violating this policy will be subject to discipline up to and including suspension or dismissal as outlined in the Code of Conduct. Any visitor violating this policy will be subject to being barred from campus. All may be subject to criminal or civil prosecution.

## 5.70 Record Keeping (Reaffirmed 6/25/19)

### A. Compliance Officer Is Responsible for Records:

1. The Treasurer of the District (the "Compliance Officer") is hereby designated as the keeper of all records of the District with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

### B. Closing Transcripts:

1. For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation
  - a. the proceedings of the District authorizing the Tax Advantaged Obligations,
  - b. any offering document with respect to the offer and sale of the Tax Advantaged Obligations,
  - c. any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and
  - d. all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

### C. Arbitrage Rebate Liability:

1. The Compliance Officer shall review the agreements of the District with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Board stating whether or not the District has any rebate liability to the United States Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

### D. Recommended Records:

1. The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the District must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of

the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from "gross income" for federal income tax purposes, that the District is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Tax Advantaged Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

- a. complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;
- b. copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;
- c. copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;
- d. copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at fair market value;
- e. copies of any subscriptions to the United States Treasury for the purchase of State and Local Government Series (SLGS) obligations;
- f. any calculations of liability for arbitrage rebate that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the United States Treasury together with any applicable IRS Form 8038-T; and
- g. copies of all contracts and agreements of the District, including any leases (the "Contracts"), with respect to the use of any property owned by the District and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no



more than 50 days of use and contracts related to District employees need not be retained.

**E. IRS Examinations or Inquiries:**

1. In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination or inquiry.

**F. Annual Review:**

1. The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

**G. Training:**

1. The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the District has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax-Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the District's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Resolution and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the

duties under these procedures. The Compliance Officer will review this Resolution and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

H. Amendment and Waiver:

1. The procedures described in this Section are only for the benefit of the District. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The District may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of a resolution by the Board. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The District also recognizes that these procedures may need to be revised in the event the District enters into any derivative products with respect to its Tax Advantaged Obligations.

### 5.80 Preparing and Updating Disclosures (Adopted 6/23/20)

- A. Pursuant to the District's responsibilities under the securities laws, including its continuing disclosure undertakings (the "*Undertakings*") under Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, and the Securities and Exchange Commission's statements in enforcement actions, it is necessary and in the best interest of the District that the District's
  - a. Preliminary and final official statements or offering circulars and any supplements or amendments thereto (collectively, the "*Official Statements*"), disseminated by the District in connection with any bonds, notes, certificates or other obligations,
  - b. Annual Financial Information or Financial Information, as required by and defined in the Undertakings (the "*Annual Financial Information*") to be filed with the Municipal Securities Rulemaking Board's ("*MSRB*") Electronic Municipal Market Access ("*EMMA*") system, and
  - c. Notices of Material Events or Reportable Events, each as defined in the Undertakings, and any other required or voluntary disclosures to EMMA (each, an "*EMMA Notice*") comply in all material respects with the federal securities laws.
  - d. Further, it is necessary and in the best interest of the District that the District adopt policies and procedures to enable the District to create accurate disclosures with respect to its
    - a. Official Statements,
    - b. Annual Financial Information, and
    - c. EMMA Notices. Official Statements, Annual Financial Information and EMMA Notices are collectively referred to herein as the "*Disclosures*."
- B. In response to these interests, the District hereby adopts the following policies and procedures (the "*Disclosure Policy*"):
- C. Disclosure Officer:
  - 1. The ~~Vice President of Administrative Services~~ Vice President/CFO, ~~Administrative Services~~/Treasurer of the District (the "*Disclosure Officer*") is hereby designated as the officer responsible for the procedures related to Disclosures as hereinafter set forth (collectively, the "*Disclosure Procedures*").
- D. Disclosure Procedures: Official Statements

- 1. Whenever an Official Statement will be disseminated in connection with the issuance

of obligations by the District, the Disclosure Officer will oversee the process of preparing the Official Statement pursuant to the following procedures:

- a. The District shall select (a) the working group for the transaction, which group may include outside professionals such as disclosure counsel, a municipal advisor and an underwriter (the "Working Group") and (b) the member of the Working Group responsible for preparing the first draft of the Official Statement.
- b. The Disclosure Officer shall review and make comments on the first draft of the Official Statement. Such review shall be done in order to determine that the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading. Particular attention shall be paid to the accuracy of all descriptions, significant information and financial data regarding the District. Examples include confirming that information relating to the District, including but not limited to demographic changes, the addition or loss of major employers, the addition or loss of major taxpayers or any other material information within the knowledge of the Disclosure Officer, is included and properly disclosed. The Disclosure Officer shall also be responsible for ensuring that the financial data presented with regard to the District is accurate and corresponds with the financial information in the District's possession, including but not limited to information regarding bonded indebtedness, notes, certificates, outstanding leases, tax rates or any other financial information of the District presented in the Official Statement.
- c. After completion of the review set forth in 2. above, the Disclosure Officer shall (a) discuss the first draft of the Official Statement with the members of the Working Group and such staff and officials of the District as the Disclosure Officer deems necessary and appropriate and (b) provide comments, as appropriate, to the members of the Working Group. The Disclosure Officer shall also consider comments from members of the Working Group and whether any additional changes to the Official Statement are necessary or desirable to make the document compliant with the requirements set forth in 2. above.
- d. The Disclosure Officer shall continue to review subsequent drafts of the Official Statement in the manner set forth in 2. and 3. above.
- e. If, in the Disclosure Officer's reasonable judgment, the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading, the Official Statement may, in the reasonable discretion of the Disclosure Officer, be released for dissemination to the public; provided, however, that the use of the Official Statement must be ratified, approved and authorized by the Board of Trustees of the District (the "Board").

**E. Disclosure Procedures: Annual Financial Information.**

1. The Disclosure Officer will oversee the process of preparing the Annual Financial Information pursuant to these procedures:
  - a. By December 15 of each year (the same being at least 30 days prior to the last date on which the Annual Financial Information is required to be disseminated pursuant to the related Undertaking, the Disclosure Officer shall begin to prepare (or hire an agent to prepare) the Annual Financial Information. The Disclosure Officer shall also review the audited or unaudited financial statements, as applicable, to be filed as part of the Annual Financial Information (the "Financial Statements"). In addition to the required updating of the Annual Financial Information, the Disclosure Officer should consider whether additional information needs to be added to the Annual Financial Information in order to make the Annual Financial Information, including the Financial Statements, taken as a whole, correct and complete in all material respects. For example, if disclosure of events that occurred subsequent to the date of the Financial Statements would be necessary in order to clarify, enhance or correct information presented in the Financial Statements, in order to make the Annual Financial Information, taken as a whole, correct and complete in all material respects, disclosure of such subsequent events should be made.
  - b. If, in the Disclosure Officer's reasonable judgment, the Annual Financial Information, including the Financial Statements, is correct and complete in all material respects, the Disclosure Officer shall file the Annual Financial Information with EMMA (or confirm that such filing is completed by any agent hired by the District for such purpose) within the timeframe allowed for such filing.

**F. Disclosure Procedures: Reportable Events.**

1. The Disclosure Officer will prepare (or hire an agent to prepare) Reportable Event Disclosure and file the same with EMMA (or confirm that such filing is completed by an agent hired by the District for such purpose) in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event). Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation, any of which affect security holders, if material, is a Reportable Event. Upon the incurrence of any Financial Obligation, as such term is defined in the Undertaking, the Disclosure Officer shall review such Financial Obligation and assess whether such Financial Obligation is material. If, in connection with such Financial Obligation, the District has agreed to any covenant, event of default, remedy, priority right or other similar term which affects security holders, the Disclosure Officer shall further review such

term and assess whether the same is material. The Disclosure Officer shall prepare a summary of such review. If, in the Disclosure Officer's reasonable judgment, following consultation with financial or legal professionals as necessary, such Financial Obligation and/or term of such Financial Obligation is deemed material, the Disclosure Officer shall file a summary of such Financial Obligation (or the entire financing document, provided that confidential or sensitive information may be redacted to the extent such redaction does not prevent all material terms from being disclosed) with EMMA not in excess of ten business days after the incurrence of such Financial Obligation.

**G. Disclosure Procedures: EMMA Notices.**

1. Whenever the District determines to file an EMMA Notice, or whenever the District decides to make a voluntary filing to EMMA, the Disclosure Officer will oversee the process of preparing the EMMA Notice pursuant to these procedures:
  - a. The Disclosure Officer shall prepare (or hire an agent to prepare) the EMMA Notice. The EMMA Notice shall be prepared in the form required by the MSRB.
  - b. In the case of a disclosure required by an Undertaking, the Disclosure Officer shall determine whether any changes to the EMMA Notice are necessary to make the document compliant with the Undertaking.
  - c. If, in the Disclosure Officer's reasonable judgment, the EMMA Notice is correct and complete and, in the case of a disclosure required by an Undertaking, complies with the Undertaking, the Disclosure Officer shall file the EMMA Notice with EMMA (or confirm that such filing is completed by any agent hired by the District for such purpose) within the timeframe allowed for such filing.

**H. Additional Responsibilities of the Disclosure Officer.**

1. The Disclosure Officer, in addition to the specific responsibilities outlined above, shall have general oversight of the entire disclosure process, which shall include:
  - a. Maintaining appropriate records of compliance with this Disclosure Policy (including proofs of EMMA filings) and decisions made with respect to issues that have been raised;
  - b. Evaluating the effectiveness of the procedures contained in this Disclosure Policy; and
  - c. Making recommendations to the Board as to whether revisions or modifications to this Disclosure Policy are appropriate.

**I. General Principles.**

- a. All participants in the disclosure process should be encouraged to raise potential disclosure items at all times in the process.
- b. The process of revising and updating the Disclosures should not be viewed as a mechanical insertion of current numbers. While it is not anticipated that there will be major changes in the form and content of the Disclosures at the time of each update, the Disclosure Officer should consider whether such changes are necessary or desirable in order to make sure the Disclosure does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable, in order to make the statements made, in light of the circumstances in which they were made, not misleading at the time of each update.
- c. Whenever the District releases information, whether in written or spoken form, that may reasonably be expected to reach investors, it is said to be “speaking to the market.” When speaking to the market, District officials must be sure that the released information does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable, in order to make the statements made, in light of the circumstances in which they were made, not misleading.
- d. While care should be taken not to shortcut or eliminate any steps outlined in this Disclosure Policy on an ad hoc basis, the review and maintenance of the Disclosures is a fluid process and recommendations for improvement of these Disclosure Procedures should be solicited and regularly considered.
- e. The Disclosure Officer is authorized to request and pay for attendance at relevant conferences or presentations or annual training sessions conducted by outside counsel, consultants or experts in order to ensure a sufficient level of knowledge for the effective administration of this Disclosure Policy.

**AGENDA ITEM #IX-C-1  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD**

**REVISED JOB DESCRIPTION  
BOOKSTORE ASSISTANT**

**RECOMMENDATION OF THE PRESIDENT:** That the Board of Trustees approves the attached revised job description for the Bookstore Assistant with placement at range 18 on the Highland Salary Range Table. This is a part-time, non-exempt classified position.

**BACKGROUND:** The job description is being updated to more accurately reflect the principal duties of the position, such as processing special orders and assuming some of the manager's operational responsibilities in their absence. After review of the position, the Classification and Compensation Review Team is recommending a change in range placement from 17 to 18 on the salary range table.

**BOARD ACTION:** \_\_\_\_\_



## Highland Community College Position Description

**CORE VALUES AND EMPLOYEE CHARACTERISTICS:** Highland Community College has adopted a set of Core Values and Employee Characteristics that it believes each employee must model in order for the College to provide a supportive and productive working and learning environment. These Core Values are Integrity, Compassion and Respect. The Employee Characteristics are Commitment, Interpersonal Skills, Lifelong Learner and Sound Judgment.

**TITLE:** Bookstore Assistant\*

**GENERAL STATEMENT OF RESPONSIBILITIES:** To assist with the day-to-day operations of the bookstore, providing customer service to students, faculty, staff and the general public.

**PRINCIPAL DUTIES: (essential functions)**

- Assists with questions, book and merchandise purchases, vending machine refunds, transit pass sales, financial aid charges, meal card purchases and other items.
- Orders, enters, receives, prices and stocks retail products, clothing, nursing scrubs and supplies, freezer and snack foods and merchandise.
- May order, price and maintain office supplies and other materials for use in Central Stores.
- May assign work to student workers and may assist with scheduling and training.
- Assists manager when needed with book orders, book deliveries and ordering required supplies for classes.
- Receives books and prices, cleans and sets up shelves, stocks shelves, conducts inventory, returns texts to publisher and maintains supply lists required with text books.
- Works with vendor to process online book and merchandise orders. May update supplies and enter new merchandise on web site.
- Works in partnership with Highland employees and vendors to process special orders.
- May sort and review the mail, complete purchase orders, and receive purchase orders.
- Assumes operational responsibilities such as authorizing payment for invoices, and sending paperwork to appropriate departments, and conducting daily reconciliation/deposits in manager's absence.
- Participates in end of year inventory process.
- Operates a credit card swipe terminal.
- Performs other duties as assigned.

**KNOWLEDGE AND SKILLS REQUIRED:**

Knowledge of English usage and grammar.

Knowledge of retail sales techniques, processes and principles.

Knowledge of inventory control and maintenance.

Knowledge of accounting and purchasing processes and practices.

Knowledge of computer operations and software applications.

Knowledge of utilizing data to make informed decisions.

Knowledge of customer service techniques.

Skill in responding professionally, effectively and efficiently to customer service requests.

Skill in performing basic mathematical calculations.

Skill in following verbal and written directions.

Skill in maintaining product inventory.

Skill in operating a computer and software applications.

Skill in establishing and maintaining effective relationships with a diverse population of co-workers and others.

**PHYSICAL REQUIREMENTS/ACTIVITIES:** The physical requirements of this position are medium work, exerting up to 50 lbs of force occasionally, and/or up to 20 lbs of force frequently, and/or up to 10 lbs of force constantly to move objects.

**MINIMUM QUALIFICATIONS:** High school diploma, with Associate's degree preferred and one (1) year retail sale experience OR an equivalent combination of education and experience that provide the required knowledge and skills.

**REQUIRED LICENSE/CERTIFICATION:** None.

**SECURITY SENSITIVE POSITION:** Requires a criminal background check.

**REPORTS TO:** Bookstore Manager

**APPOINTED BY:** President.

**FLSA CLASSIFICATION:** Non-Exempt

**CLASS CODE:** 4405

**JOB SERIES/FAMILY:** Student Support Services Series/Bookstore Group

**LAST REVISED:** ~~02/19/19~~ 03/22/22 \*[Pending Board Approval]

**AGENDA ITEM #IX-D-1  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD**

**ACCEPTANCE OF BID  
MAINTENANCE BARN ROOF REPLACEMENT PROJECT**

**RECOMMENDATION OF THE PRESIDENT:** That the Board of Trustees authorizes acceptance of the low base bid meeting specifications from J & F Chiattello Construction of Dyer, IN of \$156,789 for the Maintenance Barn Roof Replacement project. This bid is within the projected budget for the project.

**BACKGROUND:** The existing roof on the Maintenance Barn is an asphalt interlocking shingle that has rapidly deteriorated creating a high likelihood of leaking. The new roof will consist of metal shingles with locking tabs and a granular coating. This will provide an aesthetically pleasing look while offering a much longer roof life than with asphalt-based shingles.

This project is funded by Protection, Health, and Safety funds.

The request for bids was advertised and three bids were submitted.

Bids were opened at 11:00 a.m. on March 8, 2022.

**BOARD ACTION:** \_\_\_\_\_



March 9, 2022

Ms. Jill Janssen  
Highland Community College  
2998 West Pearl City Road  
Freeport, Illinois 61032

Re: Maintenance Barn Roof Replacement Project  
Highland Community College (RLJA# 21-040)

Dear Jill:

On March 8, 2022, bids were received for the Maintenance Barn Roof Replacement Project. Bids were received from three Roofing Contractors. The low Base Bid was \$156,789.00 and was submitted by J and F Chiatello Construction from Dyer, Indiana.

See bid tab attached. The estimated cost for the project was \$175,000.00.

We have not worked with J and F Chiatello Construction in the past. We will be checking references on the contractor.

Assuming the references are positive, we recommend awarding the project to J and F Chiatello Construction upon the Board's review and approval of the funds available. We will prepare a Letter To Proceed and Owner/Contractor Agreement upon receiving the Board's approval.

If you have any questions regarding the above information, please contact me at your convenience.

Sincerely,

RICHARD L. JOHNSON ASSOCIATES, INC.

A handwritten signature in black ink, appearing to read "Scott R. Johnson", written over a horizontal line.

Scott R. Johnson, AIA, LEED AP  
Project Architect  
cc: 21-040 file

**Maintenance Barn Roof Repl.  
Highland Community College**

March 8, 2022

**RLJA #21-040**

<b>BIDDERS</b>	<b>BID GUAR.</b>	<b>ADDM RCPT.</b>	<b>SITE INSPCT</b>	<b>BASE BID</b>
<b>CPR Roofing</b> 3235 Dartmouth Dr. Rockford, IL 815-399-6989	<b>5%</b>	<b>2</b>	<b>Yes</b>	<b>\$317,000</b>
<b>J&amp;F Chlatello Construction</b> 1387 Joliet St. Dyer, IN 219-322-7660	<b>5%</b>	<b>2</b>	<b>Yes</b>	<b>\$156,789</b>
<b>Roofing Systems</b> 1825 Windsor Road Loves Park, IL 815-654-9540	<b>5%</b>	<b>2</b>	<b>Yes</b>	<b>\$242,700</b>

**AGENDA ITEM #IX-D-2  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD**

**ACCEPTANCE OF FY21 ANNUAL AUDIT**

**RECOMMENDATION OF THE PRESIDENT:** It is recommended that the Highland Community College Board accepts the annual audit for FY21.

**BACKGROUND:** The audit was prepared by Wipfli for all funds of the College including Title IV Federal Financial Aid for Students. Retention of the firm's services was approved at the May 25, 2021, Board meeting.

Due to a change in the Illinois Community College Board (ICCB) deadline to submit the annual audit, it is no longer necessary for the Audit & Finance Committee to authorize submission to ICCB. The audit was substantially complete in September 2021, but was not finalized until now for two separate reasons: the ICCB's inability to provide credit hour certifications due to their prolonged technological issues; and the delay in the issuance of the Federal auditing guidelines for the Higher Education Emergency Relief Funds. The ICCB provided a state-wide extension for the audit deadline to March 31, 2022. Both outstanding issues have been rectified and the audit is now complete.

**BOARD ACTION:** \_\_\_\_\_

# Highland Community College District #519

Freeport, Illinois

**Financial Report**

**Year Ended June 30, 2021**



# Highland Community College District #519

Year Ended June 30, 2021

---

## Table of Contents

<b>Independent Auditor's Report</b>	<b>1 - 3</b>
<b>Management Discussion and Analysis</b>	<b>4 - 9</b>
<b>Basic Financial Statements</b>	
Statement of Net Position/Net Assets	10 - 11
Statement of Revenues, Expenses, and Changes in Net Position/Net Assets	12
Statement of Cash Flows	13 - 14
Notes to Financial Statements	15 - 52
<b>Required Supplementary Information</b>	
Schedule of Share of Net Pension Liability	53
Schedule of Pension Contributions (SURS)	54
Schedule of Share of Net OPEB Liability	55
Schedule of OPEB Contributions	56
Notes to Required Supplementary Information	57 - 58
<b>Other Financial Information</b>	
Reconciliation of Change in All Fund Balances to the Changes in Net Position	59
Combined Balance Sheet - All Fund Types and Account Groups	60 - 61
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	62
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types	63 - 66
Combined Statement of Revenues, Expenses, and Changes in Net Position - Budget and Actual - All Proprietary Fund Types	67 - 68
Combined Statement of Cash Flows - Proprietary Fund Type	69
Combining Balance Sheet - Governmental Fund Types - General Funds	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund Types - General Funds	71
Combining Balance Sheet - Governmental Fund Types - Special Revenue Funds	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Fund Types - Special Revenue Funds	73



# Highland Community College District #519

## Year Ended June 30, 2021

---

### Table of Contents (Continued)

#### Other Financial Information (Continued)

Schedule of Revenues Compared to Budget - Educational Fund	74
Schedule of Expenditures Compared to Budget - Educational Fund	75 – 76
Schedule of Revenues and Expenditures Compared to Budget - General - Operations and Maintenance Fund - Unrestricted	77
Schedule of Revenues Compared to Budget - Special Revenue - Restricted Purpose Fund	78
Schedule of Expenditures Compared to Budget - Special Revenue - Restricted Purpose Fund	79 – 80
Schedule of Revenues and Expenditures Compared to Budget - Special Revenue - Audit Fund	81
Schedule of Revenues and Expenditures Compared to Budget - Special Revenue - Liability, Protection and Settlement Fund	82
Schedule of Revenues and Expenditures Compared to Budget - Special Revenue - Working Cash Fund	83
Schedule of Tort Expenditures	84
Schedule of Revenues and Expenditures Compared to Budget Capital Projects - Operations and Maintenance Fund - Restricted	85 - 86
Schedule of Assessed Valuations, Rates, and Taxes Extended	87
Schedule of Assessed Valuations and Tax Extensions by County	88 - 89
Summary Schedule of Taxes Receivable and Tax Collections	90
Schedule of Legal Debt Margin	91
<b>Supplemental Financial Information</b>	
Uniform Financial Statements	92 – 100
Certification of Chargeback Reimbursement	101

# Highland Community College District #519

## Year Ended June 30, 2021

---

### Table of Contents (Continued)

#### ICCB State Grant Financial Compliance Section

<b>Independent Auditor's Report on Compliance with State Requirements for the State Adult Education and Family Literacy Grants</b>	<b>102 - 103</b>
Balance Sheet - State Adult Education and Family Literacy Restricted Funds	104
Statement of Revenues, Expenditures and Changes in Fund Balance - State Adult Education and Family Literacy Restricted Funds	105
Statement of ICCB Compliance - State Adult Education and Family Literacy Restricted Funds	106
Notes to ICCB State Grant Financial Statements	107
Background Information on State Grant Activity	108 - 109
<b>Independent Accountant's Report on the Enrollment Data and Other Bases Upon Which Claims are Filed</b>	<b>110</b>
Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed	111 - 112
Notes to Schedule of Government Data and Other Basis Upon Which Claims are Filed	113

#### Annual Federal Financial Compliance Section

<b>Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards</b>	<b>114 - 115</b>
<b>Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance</b>	<b>116 - 117</b>
Schedule of Expenditure of Federal Awards	118 - 119
Notes to Schedule of Expenditure of Federal Awards	120
Schedule of Findings and Questioned Costs	121 - 122
Summary Schedule of Prior Audit Findings	123
Auditor's Information	124



## **Independent Auditor's Report**

Board of Trustees  
Highland Community College  
District #519  
Freeport, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Highland Community College, Illinois Community College District #519 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Highland Community College Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Highland Community College, Illinois Community College District #519 as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States.

### **Change in Accounting Principle**

As discussed in Note 1 to the financial statements, the District adopted new accounting guidance GASB Statement No. 84, *Fiduciary Activities*, which established standards for reporting fiduciary funds. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that the Management Discussion and Analysis, Schedules of Share of Net Pension Liability, Schedule of Pension Contributions, Schedules of Share of Net OPEB Liability, and Schedule of OPEB Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The other financial information and supplemental financial information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards in the annual federal financial compliance section is presented for purposes of additional analysis as required by U.S. Office of Management and Budget and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental financial information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the supplemental financial information and the annual federal financial compliance section are fairly presented in all material respects in relation to the financial statements taken as a whole.

The other financial information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Wipfli LLP*

Sterling, Illinois  
March 1, 2022

## **Management Discussion and Analysis**

# Highland Community College District #519

## Management Discussion and Analysis

---

### Introduction

This section of Highland Community College District 519's (the District) financial report presents management discussion and analysis of the financial position and results of activities of the District as of June 30, 2021. This discussion should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes, and this discussion are the responsibility of the District's management.

### Using the Financial Statements

The financial report for the fiscal year ended June 30, 2021 consists of financial statements prepared in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. Three basic financial statements comprise the financial report: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. The financial statements present financial information in a form similar to that used by corporations. The accrual basis of accounting is used, whereby revenues and assets are recognized when a service is provided and expenses and liabilities are recognized when others provide a service, regardless of when cash is exchanged.

The Statement of Net Position includes all assets and liabilities. Over time, increases or decreases in net position is one indicator of the improvement or decline of the District's financial condition when considered with non-financial facts such as enrollment levels and the condition of facilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation.

The Statement of Revenues, Expenses, and Changes in Net Position/Net Assets presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or non-operating. Annual state appropriations, while primarily budgeted for operations, are considered non-operating revenues according to generally accepted accounting principles. The utilization of capital assets is reflected in the financial statements as depreciation, which spreads the cost of an asset over its expected useful life. Depreciation expense is classified as an operating expense.

The Statement of Cash Flows presents information related to cash inflows and outflows. GASB principles include four major sources of cash flows: cash flows from operating activities, cash flows from non-capital financing activities, cash flows from capital financing activities, and cash flows from investing activities.

The financial report for the fiscal year ended June 30, 2021 reflects the District's adoption of certain GASB statement's relating to component units. Under these statements, if a private foundation provides financial support to a public college or university at a level that meets specified criteria, the foundation is considered a "component unit" of the college for purposes of financial reporting and the college is required to include the foundation's financial activities in the college's financial statements.

# Highland Community College District #519

## Management Discussion and Analysis

### Using the Financial Statements (Continued)

The Highland Community College Foundation is administered and operated exclusively for the benefit of the District. However, the Foundation is not a subsidiary or affiliate of the District and is not directly or indirectly controlled by the District. The resources of the Foundation are disbursed at the discretion of the Foundation's independent board of directors in accordance with donor directions and Foundation policy. A significant amount of assets held by the Foundation are endowments, the principal of which may not be spent.

Although the Foundation is independent of the District in all respects, management has concluded that the Foundation is a "component unit" of the District. Therefore, the Foundation's financial statements are included in the District's financial statements in a separate column. See the Notes to the Financial Statements for further discussion.

### Condensed Financial Information

Net position is summarized in the table below.

#### Condensed Statement of Net Position June 30,

	<u>2021</u>	<u>2020*</u>
<b>Assets:</b>		
Current Assets	\$33,371,914	\$32,376,691
Non-current Assets:		
Capital (Fixed) assets	<u>19,404,038</u>	<u>18,215,222</u>
Total assets	<u>\$52,775,952</u>	<u>\$50,591,913</u>
Total deferred outflows of resources	<u>\$ 1,150,460</u>	<u>\$ 696,415</u>
<b>Liabilities:</b>		
Current Liabilities,	\$ 4,557,609	\$ 5,643,085
Non-current Liabilities	<u>14,300,219</u>	<u>15,871,523</u>
Total liabilities	<u>\$18,857,828</u>	<u>\$21,514,608</u>
Total deferred inflows of resources	<u>\$ 8,724,596</u>	<u>\$ 7,570,944</u>
<b>Net Position:</b>		
Net investment in capital assets	\$13,198,835	\$14,795,425
Restricted, expendable:		
Capital projects	4,725,093	6,119,075
Debt service	816,153	794,110
Working cash	10,338,287	10,338,286
Other	1,392,748	1,157,896
Unrestricted	<u>(4,127,128)</u>	<u>(11,002,016)</u>
Total net position	<u>\$26,343,988</u>	<u>\$22,202,776</u>

\*Fiscal year 2020 balances were not restated due to implementation of GASB Statement No. 84.



# Highland Community College District #519

## Management Discussion and Analysis

### Condensed Financial Information (Continued)

Current assets consist primarily of cash, investments, and property taxes receivable. Total current assets and deferred outflows cover current liabilities and deferred inflows 2.6 times, an indicator of good liquidity.

The District's largest asset group is its capital assets. This includes land and land improvements, buildings, equipment, and technology. Capital projects completed in fiscal year 2021 include the sports center gymnasium flooring, bleachers and air conditioning, interior lighting, and greenhouse. The majority of projects begun in fiscal year 2021 were completed prior to the fiscal year end.

The District's current liabilities are primarily made up of accounts payable, accrued expenses, and unearned tuition revenue.

Non-current liabilities include bonds payable issued by the District. They also include the other postemployment benefits payable.

The District's net position consists of capital assets net of related debt, restricted net position, and unrestricted net position. Expendable restricted net position represents assets that have restrictions determined by an outside party. This includes restrictions related to State and Federal grants and debt repayment.

Unrestricted net position represents assets that have not been restricted by an outside party. This includes funds that the Board of Trustees and management have designated for specific uses as well as amounts that are contractually committed for goods and services.

Revenues, expenses, and changes in net position are summarized in the table below.

#### Condensed Statement of Revenues, Expenses, and Changes In Net Position for Fiscal Year Ending June 30,

	<u>2021</u>	<u>2020*</u>
Total operating revenues	\$ 5,898,791	\$ 6,284,805
Total operating expenses	<u>30,588,244</u>	<u>29,664,575</u>
Operating loss	(24,689,453)	(23,359,770)
Nonoperating revenues (expenses)	<u>28,372,474</u>	<u>24,263,323</u>
Change in net position	3,683,021	903,553
Net position, beginning of year, as restated	<u>22,660,967</u>	<u>21,299,223</u>
Net position, end of year	<u>\$26,343,988</u>	<u>\$22,202,776</u>

\* Fiscal year 2020 balances were not restated due to implementation of GASB Statement No. 84.

# Highland Community College District #519

## Management Discussion and Analysis

---

### Condensed Financial Information (Continued)

Sources of operating revenues for the District include: tuition and fees, \$4,355,008, auxiliary enterprises revenue, \$520,778, and other revenues, \$1,023,005. Nonoperating revenues and operating expenses include a State Universities Retirement System of Illinois (SURS) contribution provided by the State in the amount of \$8,059,670 and CIP of \$216,669.

SURS is a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of participants.

The District's sources of non-operating revenue include state appropriations, \$1,708,977, property and replacement taxes, \$11,114,131, and federal grants and contracts, \$6,384,176. The increase in net position for fiscal year 2021 is \$3,683,021.

The District reports expenditures on a functional basis. The table below summarizes operating expenses.

### Condensed Statement of Operating Expenses and Non-Operating Expenses For the Year Ended June 30,

	<u>2021</u>	<u>2020</u>
Instruction	\$ 12,584,661	\$ 12,581,642
Academic support	1,156,962	1,194,994
Student services	2,518,983	4,275,325
Public services	737,370	873,472
Auxiliary enterprises	1,359,486	1,074,317
Operations and maintenance of plant	2,655,963	2,172,721
Institutional support	6,113,267	6,166,913
Scholarships, grants, waivers	2,223,695	311,317
Depreciation	<u>1,237,857</u>	<u>993,874</u>
Total operating expenses	<u>\$30,588,244</u>	<u>\$29,644,575</u>
Interest expense and other	<u>\$57,600</u>	<u>\$190,298</u>

The main factors contributing to the change in the District's operating revenues in fiscal year 2021 is the reduction in unrestricted Foundation funding.

Changes in operating expenses from 2020 to 2021 in all categories include changes in salaries and employee benefits due to changes in rates and in personnel. In addition, many categories varied due to the impact of COVID-19, beginning around March, 2020. Student Services and Public Services changes reflect changes in grant funding. Operating expenses, excluding depreciation, varied about 2.4% from 2020 to 2021.

# Highland Community College District #519

## Management Discussion and Analysis

---

### **Management's Analysis of the District's Overall Financial Position and Results of Operations**

Using GASB Statement No. 35, the Statement of Revenues, Expenses, and Changes in Net Position reflects an overall increase in the District's net position totaling \$3,683,021. Using the prior method of reporting, which reflects the day-to-day operations of the District, the Combined Balance Sheet for All Fund Types and Account Groups reflects an overall increase in the District's fund balance/net position totaling \$853,679. The variance in results of \$2,829,342 is due primarily to the way in which debt and capital assets are accounted for under each method. The prior method used self-balancing funds to account for debt and capital assets, resulting in a zero effect on the increase in net position of the District. The GASB 35 method accounts for debt and capital assets more like a corporation. Capital assets are included as a long-term asset, with depreciation as an expense. Debt is included as a current and non-current liability, with interest as an expense.

GASB Statement No. 35 affects the District's reporting model, but not the day-to-day operations or the budgeting process of the District. In considering the District's financial position at June 30, 2021, of key importance is the fund balance in the Operating Funds, which increased by \$1,553,131 from June 30, 2020 to June 30, 2021. This increase results in a fund balance amount of \$5,734,337, which is approximately 42% of the 2021 expenditures and is within the District's recommended guidelines. Fund balances in the other fund types are limited in use according to the source of revenue. These restricted types of funds will be used for capital expenditures, debt repayment, and grant programs.

### **Capital Assets/Long Term Debt**

During the year ended June 30, 2021, the District invested \$2,426,683 in capital assets. This includes \$1,131,756 for buildings and improvements, and \$1,294,927 expended for equipment, technology, and vehicles. Capital projects were funded by a combination of restricted real estate tax revenue, operating funds, and bond proceeds.

Series 2014 General Obligation Bonds were issued in November, 2014. \$3,225,000 bonds were issued for the purpose of renovating, improving, and equipping the District's buildings. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 2.00%, commencing July 1, 2015 and maturing on January 1, 2021. These bonds were paid off during the year ending 2021.

Series 2019 General Obligation Bonds were issued in November, 2019. \$1,930,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 4% - 5%, commencing July 1, 2020 and maturing on January 1, 2025.

Series 2020 General Obligation Bonds were issued in February, 2020. \$4,950,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 5%, commencing January 1, 2021 and maturing on January 1, 2025.

Additional information on the District's capital assets (Note 2) and debt activity (Note 8) can be found in the accompanying Notes to the Financial Statements.

# Highland Community College District #519

## Management Discussion and Analysis

---

### Factors or Conditions Impacting Future Periods

Financial and budget planning is directly related to and supportive of the District's strategic plan and operational needs. The District's financial outlook is influenced by factors such as: the State and local economy, actual and projected enrollment, the level of support available from the Highland Community College Foundation, program growth and development, new initiatives, and technology needs.

The District's main sources of Operating Funds Revenue are: property tax revenue, student tuition and fees, and State Operating grants. Management is aware of conditions that may impact each of those sources of revenue in fiscal year 2022.

Property tax revenue in the Operating Funds increased by 2.9% for fiscal year 2021. The District experienced a 3.6% increase in equalized assessed valuation (EAV) from tax year 2019 to 2020. For fiscal year 2022, the District has estimated a 2% increase in EAV due to the economic conditions of the District. Each percentage point in EAV is the equivalent of about \$35,000 in property tax revenue in the Operating funds.

Management anticipates a decrease in tuition revenue in fiscal year 2023 based on estimated enrollment for the 2021-2022 academic year, combined with flat per credit hour tuition rates and the continued national enrollment decline related to the Coronavirus pandemic.

State of Illinois appropriations for the District for fiscal year 2022 are about the same as the fiscal year 2021 State funding. Overall, Operating funds revenue is expected to decrease by \$276,241, 2%, from fiscal year 2021 actual levels to fiscal year 2022.

For fiscal year 2022, the Operating funds budget is balanced. The District is budgeted to maintain an Operating funds ending fund balance that is within recommended guidelines of 5% to 20% of expenditures. The majority of the Operating funds budget for fiscal year 2022 continues to comprise instruction, academic support, and student services, reflecting the District's commitment to providing quality education and learning opportunities to the people of Northwestern Illinois.

The District's strategic plans and goals were identified through a comprehensive, inclusive process that resulted in the 2017-2022 Strategic Plan. Areas of focus identified in the plan include marketing, academic programs, curriculum and instruction, staff and faculty training, student affordability and accessibility, as well as facilities, finance, and infrastructure goals. The fiscal year 2022 budget directly supports and is linked to the Strategic Plan.

Short and long-range strategies associated with the areas of focus and goals will have budget implications for the upcoming fiscal year and for future fiscal years.

This financial report is designed to provide the reader with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the V.P. of Administrative Services, 2998 W. Pearl City Road, Freeport, IL 61032.

## **Basic Financial Statements**

# Highland Community College District #519

## Statement of Net Position/Net Assets

June 30, 2021

	Primary Government	Component Unit Highland Community College Foundation
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$4,993,771	\$517,773
Investments	15,576,290	27,485,375
Beneficial interest in perpetual trust	0	513,270
Receivables:		
Taxes	9,134,730	0
Related party	0	0
Other, net of \$1,628,526 allowance for doubtful accounts	3,355,262	1,627,776
Inventories	291,837	0
Prepaid expense	20,024	11,085
Total current assets	33,371,914	30,155,279
Non-current assets:		
Land	110,000	0
Capital assets	40,732,683	79,143
Less allowance for accumulated depreciation	(21,438,645)	(72,398)
Total non-current assets	19,404,038	6,745
Total assets	52,775,952	30,162,024
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
SURS pension contribution	71,756	0
Other postemployment benefits - CIP	1,078,704	0
Total deferred outflows of resources	1,150,460	0

See Accompanying Notes to Financial Statements.

# Highland Community College District #519

## Statement of Net Position/Net Assets (Continued)

June 30, 2021

	Primary Government	Component Unit Highland Community College Foundation
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$237,578	\$0
Accounts payable, related party	0	2,424
Accrued salaries	7,561	0
Accrued expenses	573,368	132,135
Unearned tuition revenue	1,897,587	0
Accrued compensated absences	114,098	0
Capital lease payable	45,340	0
Bonds payable, including unamortized premium	1,682,077	0
Total current liabilities	4,557,609	134,559
Non-current liabilities:		
Accrued compensated absences	38,033	0
Capital lease payable	149,863	0
Bonds payable, including unamortized premium	4,715,382	0
Other postemployment benefits - CIP	9,396,841	0
Total non-current liabilities	14,300,219	0
Total liabilities	18,857,828	134,559
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred property taxes	5,320,601	0
Deferred grant revenue	648,623	0
Other postemployment benefits - CIP	2,755,372	0
Total deferred inflows of resources	8,724,596	0
<b>NET POSITION/NET ASSETS</b>		
Net investment in capital assets	13,198,835	0
Restricted, expendable:		
Capital projects	4,725,093	0
Debt service	816,153	0
Working cash	10,338,287	0
Other	1,392,748	0
Without donor restrictions net assets	0	3,262,246
With donor restrictions net assets	0	16,233,646
Without donor restrictions - Board designated	0	10,531,573
Unrestricted	(4,127,128)	0
Total net position/net assets	\$26,343,988	\$30,027,465

See Accompanying Notes to Financial Statements.

# Highland Community College District #519

## Statement of Revenues, Expenses, and Changes in Net Position/Net Assets For the year ended June 30, 2021

	Primary Government	Component Unit Highland Community College Foundation
<b>Revenues:</b>		
Operating revenues:		
Student tuition and fees, net of scholarship allowances of \$1,374,399	\$4,355,008	\$0
Auxiliary enterprises revenue	520,778	0
Other operating revenues	1,023,005	2,225,791
<b>Total operating revenues</b>	<b>5,898,791</b>	<b>2,225,791</b>
<b>Expenses:</b>		
Operating expenses:		
Instruction	12,584,661	0
Academic support	1,156,962	0
Student services	2,518,983	0
Public services	737,370	0
Auxiliary enterprises	1,359,486	0
Operations and maintenance of plant	2,655,963	0
Institutional support	6,113,267	539,715
Scholarships, student grants, and waivers	2,223,695	1,128,262
Depreciation	1,237,857	0
<b>Total operating expenses</b>	<b>30,588,244</b>	<b>1,667,977</b>
<b>Operating income (loss)</b>	<b>(24,689,453)</b>	<b>557,814</b>
<b>Non-operating revenues (expenses):</b>		
State sources	1,708,977	0
SURS and CIP contribution provided by state	8,276,339	0
Property and replacement taxes	11,114,131	0
Federal grants and contracts	6,384,176	0
Other revenue	849,754	0
Loss on disposal of assets	0	
Investment income earned	96,697	6,071,449
Interest expense and other	(57,600)	0
<b>Total non-operating revenues</b>	<b>28,372,474</b>	<b>6,071,449</b>
<b>Change in net position/net assets</b>	<b>3,683,021</b>	<b>6,629,263</b>
<b>Net position/net assets, beginning of year, as restated</b>	<b>22,660,967</b>	<b>23,398,202</b>
<b>Net position/net assets, end of year</b>	<b>\$26,343,988</b>	<b>\$30,027,465</b>

See Accompanying Notes to Financial Statements.



# Highland Community College District #519

## Statement of Cash Flows

For the year ended June 30, 2021

	Primary Government
<b>Cash Flows from Operating Activities</b>	
Tuition and fees	\$5,911,688
Payments to/for:	
Employees	(10,949,652)
Suppliers	(8,376,716)
Students for scholarships	(3,598,094)
Auxiliary enterprises	541,942
Other operating revenue	1,023,005
<b>Net cash provided by (used in) operations</b>	<b>(15,447,827)</b>
<b>Cash Flows from Noncapital Financing Activities</b>	
Proceeds from property taxes	10,570,981
Proceeds from grants	9,200,786
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>19,771,767</b>
<b>Cash Flows from Capital Financing Activities</b>	
Purchases of capital assets and construction	(2,426,683)
Principal paid on capital debt	(1,486,786)
Interest and other paid on capital debt	(325,249)
<b>Net cash provided by (used for) capital financing activities</b>	<b>(4,238,718)</b>
<b>Cash Flows from Investing Activities</b>	
Maturity of investments	5,656,764
Purchase of investments	(4,248,459)
Interest and earnings on investments	96,697
<b>Net cash provided by (used for) investing activities</b>	<b>1,505,002</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,590,224</b>
<b>Beginning cash and cash equivalents</b>	<b>3,403,547</b>
<b>Ending cash and cash equivalents</b>	<b>\$4,993,771</b>
<b>Noncash, Capital and Related Financing Activities:</b>	
SURS and CIP contribution paid by state	\$8,276,339

See Accompanying Notes to Financial Statements.

# Highland Community College District #519

## Statement of Cash Flows (Continued)

For the year ended June 30, 2021

	Primary Government
<b>Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (used) From Operating Activities</b>	
Operating income (loss)	(\$24,689,453)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	1,237,857
On-behalf payments for SURS and CIP	8,276,339
Changes in net assets:	
Inventories (incr)decr	3,585
Prepaid expenses (incr)decr	11,433
Receivables (incr)decr	232,324
Deferred outflows of resources (incr)decr	(454,045)
Accounts payable incr(decr)	(341,480)
Accrued liabilities incr(decr)	(294,477)
Accrued compensated absences incr(decr)	(43,279)
OPEB liability	265,810
Deferred inflows of resources	376,438
Unearned tuition and fees incr(decr)	(28,879)
<b>Net cash provided (used) by operating activities</b>	<b>(\$15,447,827)</b>

See Accompanying Notes to Financial Statements.

# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 1. Summary of Significant Accounting Policies**

The Board of Trustees (Board), a seven member group, is the level of government which has the governing responsibilities over all activities related to public post and secondary school education within the jurisdiction of the Highland Community College District No. #519 (the District). The District receives funding from local, state and federal sources and must comply with the requirements established by these funding source entities. However, the District is not included in any other governmental "reporting entity" as to result in the District being considered a component unit of the entity since Board members are elected by the public and have decision making authority, the power to designate management, and the responsibility to significantly influence operations and primary accountability for fiscal matters.

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its discretely presented component unit, the Highland Community College Foundation.

The Foundation is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the District in support of its programs. The board members of the Foundation are self-perpetuating and consist of graduates and friends of the District. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District.

The Foundation is a not-for-profit organization that reports their financial results under Financial Accounting Standard Board (FASB) Statements. Most significant to the Foundation's operations and reporting model are FASB Standards relating to accounting for contributions received and contributions made and financial reporting for not-for-profit-organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences.

Although the District is the exclusive beneficiary of the Foundation, the Foundation is independent of the District in all respects. The Foundation is not a subsidiary or affiliate of the District and is not directly or indirectly controlled by the District. The District does not have the power or authority to mortgage, pledge or encumber the assets of the Foundation. The directors of the Foundation are entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the District. Under state law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of state-appropriated funds allocated to the District. Third parties dealing with the District, the Illinois State Board of Higher Education and the State of Illinois (or any agency thereof) should not rely upon the financial statements of the Foundation for any purpose without consideration of all of the foregoing conditions and limitations.

# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 1      Summary of Significant Accounting Policies (Continued)**

Financial statements for the Highland Community College Foundation can be obtained by calling the Foundation at 815-235-6121.

In addition, the District is not aware of any entity which would be financially accountable for the District, which would result in the District being considered a component of the entity.

The financial statements present a comprehensive look at the government and capitalization of assets and recording of depreciation. The financial statements use the full accrual basis of accounting rather than the modified accrual basis. The financial statements show the recording of accumulated depreciation and depreciation expense on general fixed assets, the elimination of internal revenue and expense charges, the removal of capital related items and debt principal payments from expenses, the recording of tuition revenue net of scholarships and allowances, the recording of property tax revenues on an accrual basis rather than a modified accrual basis, and the recording of summer school revenue between fiscal years rather than in one fiscal year.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The District reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

For financial reporting purposes, the District is considered a special-purpose government engaged only in business-type activities. Accordingly, the District's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, includes property taxes; federal, state and local grants; state appropriations, and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Budgets**

Budgeted amounts are obtained from the Board of Trustees approved operating budget of the District. The budget is used as the fiscal guideline in the implementation of Board policies and support of educational purposes of the District during the fiscal year. The budget amounts are the final adopted budget, including all amendments. The restricted fund budget is different than the operating budget. The restricted fund budget includes figures for grants received during the fiscal year. Therefore, these budgets are not approved by the Board at the beginning of the year and can change throughout the year.

Unexpended budgeted amounts lapse at the end of the budget year. Spending control is established by the amount of expenditures budgeted for each object and purpose, but management control is exercised at budgetary line item levels.

#### **New Accounting Pronouncement**

Management adopted new accounting guidance GASB Statement No. 84, Fiduciary Activities. GASB No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. See Note 15 for the restatement of beginning net position.

#### **Investments**

Investments consist of certificates of deposit and money market mutual funds. Investments are stated at cost or amortized cost, which approximates fair value. The District may invest funds under Section 3-47 of the Public Community College Act and Sections 235/1 through 235/7 of the Investment of the Public Funds Act.

The District funds may be invested in the types of securities listed below:

- a. Bonds, notes, certificates of indebtedness, treasury bills and other securities issued by the United States.
- b. Interest-bearing savings accounts, certificates of deposit, or time deposits with a bank or any other investment constituting direct obligations of any bank as defined by the Illinois Banking Act.
- c. Short-term obligations of U.S. corporations with assets exceeding \$500 million and meeting certain other requirements.
- d. Money market mutual funds registered under the Investment Company Act of 1940 provided the portfolio, both principal and interest, is guaranteed by the full faith and credit of the United States of America.
- e. Short-term discount obligations issued by the Federal National Mortgage Association.
- f. Shares or other securities issued by savings and loan associations.
- g. Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered in the United States with its principal office located in Illinois if insured by applicable law.

# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Investments (continued)**

- h. Certificates or securities issued by the Public Treasurers' Investment Pool.
- i. Funds managed, operated and administered by a bank, subsidiary of a bank, or a subsidiary of a bank holding company.
- j. Illinois School District Liquid Asset Fund.
- k. Repurchase agreements in which the instrument and the transaction must meet certain requirements.
- l. Mutual funds that invest primarily in corporate investment grade or global government short-term bonds which are approved by the local board of trustees.

The Foundation invests in various money markets, U.S. obligations, equities, and mutual funds, which are shown on the financial statements at fair value.

#### **Inventory**

Inventories of books, clothing and supplies are carried at cost, based on the first-in, first-out method.

#### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

Cash consists of NOW accounts and savings accounts.

For purposes of the statement of cash flows, cash equivalents can include money market accounts and any highly liquid debt instruments purchased with a maturity of less than three months. There were no cash equivalents included in cash as of June 30, 2021.

#### **Classification of Revenues**

Operating revenue include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, and (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as (1) local property taxes, (2) state appropriations (3) most federal, state, and local grants and contracts and federal appropriations, and (4) gifts and contributions.

# Highland Community College District #519

## Notes to Financial Statements

### Note 1 Summary of Significant Accounting Policies (Continued)

#### Property Taxes

Property taxes are levied each calendar year on all taxable real property located within the District. Property taxes are recorded on an accrual basis of accounting. Pursuant to the Board of Trustee resolution, property tax levies passed in November 2019 and 2020 were allocated fifty percent for each of the two years after the levy year.

The personal property replacement tax is recorded on the accrual basis based on the amounts held by the State.

The Counties in which the District resides are responsible for assessing, collecting, and distributing property taxes in accordance with enabling state legislation. Property taxes become a lien on the first day of the levy year which begins in January and are payable in two installments approximately in July and September. Payments made after the September installment date are assessed interest at the rate of 1% for farm land and 1-1/2% for all others.

Following are the tax rates for the last three years, and the statutory maximum tax rates. The 2020 rate is for tax levy payable in calendar year 2021, per \$100 of assessed valuation.

	Statutory Maximum Rate	2018 Rate	2019 Rate	2020 Rate
Education Fund*	\$.1750	\$.2800	\$.2800	\$.2800
Operations and Maintenance Fund	.0750	.0750	.0750	.0750
Average Additional	.2100	.0000	.0000	.0000
Liability Insurance	None	.0509	.0579	.0555
Audit Fund	.0050	.0025	.0024	.0024
Protection, Health, & Safety	.0500	.0410	.0500	.0483
Social Security/Medicare Fund	None	.0076	.0074	.0074
Prior Year Adjustment	None	.0000	.0000	.0000
Bond and Interest Fund	None	.0984	.0973	.0949
Total		\$ .5554	\$ .5700	\$ .5635

\* The District is able to exceed the statutory maximum rate due to a local referendum.

\*\*The Social Security/Medicare tax levy and related expenditures are recorded in the Liability, Protection, and Settlement Fund.

#### Tuition and Fees

Student tuition and fees include all such items assessed against students for educational and service purposes. Tuition and fee revenues collected during the fiscal year which relate to the period after June 30, 2021, have been recognized as unearned revenues.

# Highland Community College District #519

## Notes to Financial Statements

---

### Note 1 Summary of Significant Accounting Policies (Continued)

#### Prepaid Expense

Prepaid expenses relate to expenditures the District has paid for prior to year-end, but relate to the next fiscal year.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has only two items that qualify for reporting in this category. One is the other postemployment benefits relating to the CIP. The SURS pension contribution is the other expense deferred until the following year.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. One is unavailable revenue, which comes from property taxes recorded on the modified accrual basis of accounting. The other is the other postemployment benefits relating to the CIP. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### Net Position

The District's net position is classified as follows:

**Net Investment in Capital Assets** - This represents the District's total investment in capital assets, net of accumulated depreciation, and net of related debt.

**Restricted - Expendable** - This includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources when they are needed.

**Unrestricted** - This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the governing board to meet current expenses for any purpose.



# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 1 Summary of Significant Accounting Policies (Continued)**

#### **Out-of-District Tuition**

The amount of cost to be charged for out-of-district students during the year ended June 30, 2021, has been computed using the guidelines provided in the 2016 edition of the Fiscal Management Manual prepared by the Illinois Community College Board.

#### **Compensated Absences**

The District records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year.

At June 30, 2021, the District recorded a vacation liability of \$116,486. The District considers this liability current and due within one year.

The District implemented a sick pay payout upon retirement program that allows sick days over 180 to be paid out at \$20 a day upon retirement. At June 30, 2021, the District recorded a sick pay liability of \$35,645. The District considers this liability non-current.

#### **Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS or the System) and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

#### **Other Post-Employment ("OPEB") Obligations**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and to OPEB expense, information about the plan net position of the College Insurance Plan ("CIP") and additions to/deductions from CIP's plan net position has been determined on the same basis as they are reported by CIP. For this purpose, OPEB payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# Highland Community College District #519

## Notes to Financial Statements

### Note 1 Summary of Significant Accounting Policies (Continued)

#### Other Post-Employment ("OPEB") Obligations (Continued)

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to an OPEB plan that is used to provide OPEB to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to OPEB or (2) the non-employer is the only entity with a legal obligation to make contributions directly to an OPEB plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

### Note 2 Capital Assets

The following is a summary of the changes in general fixed assets of the District for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Adjustments	Balance June 30, 2021
Land (non-depreciable)	\$110,000	\$0	\$0	\$0	\$110,000
Land improvements	3,837,205	2,952	0	0	3,840,157
Buildings	29,290,283	1,128,804	0	0	30,419,087
Vehicles	599,781	0	0	0	599,781
Equipment & Technology	4,578,731	1,294,927	0	0	5,873,658
	<b>\$38,416,000</b>	<b>\$2,426,683</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,842,683</b>

A summary of changes in accumulated depreciation by asset categories follow:

	Balance July 1, 2020	Additions	Retirements	Adjustments	Balance June 30, 2021
Land improvements	\$3,234,318	\$104,117	\$0	\$0	\$3,338,435
Buildings	12,770,211	601,242	0	0	13,371,453
Vehicles	395,685	30,906	0	0	426,591
Equipment & technology	3,800,564	501,602	0	0	4,302,166
<b>Total</b>	<b>\$20,200,778</b>	<b>\$1,237,867</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,438,645</b>

# Highland Community College District #519

## Notes to Financial Statements

### Note 2 Capital Assets (Continued)

Capital assets include property, plant equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the District as assets with an initial unit cost of \$2,500 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated on the straight line basis based on the following:

<u>Assets</u>	<u>Years</u>
Buildings	50
Land Improvements	10
Equipment	8
Computer technology	4

### Note 3 Federal Financial Assistance Programs

The District participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, and Federal Family Education Loan programs. Federal programs are audited in accordance with the Single Audit Act Amendments of 1996, the U.S. Office of Management and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Uniform Guidance Compliance Supplement.

### Note 4 On-Behalf Payments for Fringe Benefits and Salaries

The District recognizes as revenues and expenses contributions made by the State of Illinois to the State Universities Retirement Systems on behalf of the District's employees. In fiscal year 2021, the state made contributions of \$8,059,670 (see Note 5) relating to the pension plan. In fiscal year 2021, the state made contributions of \$216,669 (see Note 6) relating to the OPEB plan.

### Note 5 Pension Plan

#### General Information about the Pension Plan

**Plan Description.** The District contributes to the State Universities Retirement System (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State's financial reporting entity and is included in the State's Comprehensive Annual Financial Report as a pension trust fund.

# Highland Community College District #519

## Notes to Financial Statements

---

### Note 5 Pension Plan (Continued)

#### General Information about the Pension Plan (Continued)

SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.SURS.org](http://www.SURS.org).

**Benefits Provided.** A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2020, can be found in the SURS Comprehensive Annual Financial Report-Notes to the Financial Statements.

**Contributions.** The State is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2020 and 2021, respectively, was 13.02% and 12.70% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary except for police officers and fire fighters who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the State's General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

# Highland Community College District #519

## Notes to Financial Statements

### Note 5 Pension Plan (Continued)

#### Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

**Net Pension Liability** The net pension liability (NPL) was measured as of June 30, 2020. At June 30, 2020, SURS reported a NPL of \$30,619,504,321.

**Employer Proportionate Share of Net Pension Liability** The amount of the proportionate share of the NPL to be recognized for the District is \$0. The proportionate share of the State's NPL associated with the District is \$73,351,054 or 0.2396%. The District's proportionate share changed by 0.0112% from 0.2284% since the last measurement date on June 30, 2019. This amount is not recognized in the District's financial statements. The NPL and total pension liability as of June 30, 2020 was determined based on the June 30, 2019 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2020.

**Pension Expense** At June 30, 2020, SURS reported a collective net pension expense of \$3,364,411,021.

**Employer Proportionate Share of Pension Expense** The employer proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2020. As a result, the District recognized on-behalf revenue and pension expense of \$8,059,670 from this special funding situation during the year ended June 30, 2021.

**Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$170,987,483	\$0
Changes in assumption	473,019,629	0
Net difference between projected and actual earnings on pension plan investments	474,659,178	0
	<b>\$1,118,666,290</b>	<b>\$0</b>

# Highland Community College District #519

## Notes to Financial Statements

### Note 5 Pension Plan (Continued)

#### Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2021	\$435,271,667
2022	346,428,171
2023	183,483,935
2024	153,482,517
2025	0
Thereafter	0
Total	\$1,118,666,290

#### District's Deferral of Fiscal Year 2021 Contributions

The District paid \$71,756 in federal, trust or grant contributions for the fiscal year ended June 30, 2021. These contributions were made subsequent to the pension liability measurement date of June 30, 2020 and are recognized as deferred outflows of resources as of June 30, 2021.

#### Assumptions and Other Inputs

**Actuarial assumptions.** The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period from June 30, 2014 through June 30, 2017. The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

# Highland Community College District #519

## Notes to Financial Statements

### Note 5 Pension Plan (Continued)

#### Assumptions and Other Inputs (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2020, these best estimates are summarized in the following table:

<b>Asset Class</b>	<b>Strategic Policy Allocation</b>	<b>Weighted Average Long-Term Expected Real Rate of Return (Arithmetic)</b>
<b>Traditional Growth</b>		
Global Public Equity	44.0%	6.67%
<b>Stabilized Growth</b>		
Credit Fixed Income	14.0%	2.39%
Core Real Assets	5.0%	4.14%
Options Strategies	6.0%	4.44%
<b>Non-Traditional Growth</b>		
Private Equity	8.0%	9.66%
Non-Core Real Assets	3.0%	8.70%
<b>Inflation Sensitive</b>		
U.S. TIPS	6.0%	0.13%
<b>Principal Protection</b>		
Core Fixed Income	8.0%	(0.45)%
<b>Crisis Risk Offset</b>		
Systematic Trend Following	2.1%	2.16%
Alternative Risk Premia	1.8%	1.60%
Long Duration	2.1%	0.86%
<b>Total</b>	<b>100.0%</b>	<b>4.84%</b>
<b>Inflation</b>		<b>2.25%</b>
<b>Expected Arithmetic Return</b>		<b>7.09%</b>

**Discount Rate.** A single discount rate of 6.49% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 2.45% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

# Highland Community College District #519

## Notes to Financial Statements

### Note 5 Pension Plan (Continued)

**Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate.** Regarding the sensitivity of the NPL to changes in the single discount rate, the following presents the State's NPL, calculated using a single discount rate of 6.49%, as well as what the State's NPL would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.49%	Current Single Discount Rate Assumption 6.49%	1% Increase 7.49%
\$36,893,469,884	\$30,619,504,321	\$25,441,837,592

Additional information regarding the SURS basic financial statements, including the plan's net position, can be found in the SURS Comprehensive Annual Financial Report by accessing the website at [www.SURS.org](http://www.SURS.org).

### Note 6 Other Postemployment Benefits

**Plan Administration.** The Community College Health Insurance Security Fund (CCHISF) (also known as The College Insurance Program, ("CIP") is a non-appropriated trust fund held outside the State Treasury, with the State Treasurer as custodian. The CIP was established under the State Employees Group Insurance Act of 1971, as amended, 5 ILCS 375/6.9 (f), which became effective July 1, 1999. The purpose of the CCHISF is to receive and record all revenues from the administration of health benefit programs under Article 15 of the Illinois Pension Code. Additions deposited into the Trust are for the sole purpose of providing the health benefits to retirees, as established under the plan, and associated administrative costs. CIP is a cost-sharing multiple-employer defined benefit post-employment healthcare plan with a special funding situation that covers retired employees and their dependents of Illinois community college districts throughout the State of Illinois, excluding the City Colleges of Chicago. As a result of the Governor's Executive Order 12-01, the responsibilities in relation to CIP were transferred to the Department of Central Management Services (Department) as of July 1, 2013. The Department administers the plan with the cooperation of the State Universities Retirement System and the boards of trustees of the various community college districts.

**Plan membership.** All members receiving benefits from the State Universities Retirement System (SURS) who have been full-time employees of a community college district or an association of a community college who have paid the required active member CIP contributions prior to retirement are eligible to participate in CIP. Survivors of an annuitant or benefit recipient eligible for CIP coverage are also eligible for coverage under CIP.



# Highland Community College District #519

## Notes to Financial Statements

### Note 6 Other Postemployment Benefits (Continued)

**Benefit Provisions.** A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706-4100.

**Benefits Provided.** CIP health coverage includes provisions for medical, prescription drugs, vision, dental and behavioral health benefits. Eligibility to participate in the CIP is defined in the State Employees Group Insurance Act of 1971 (ACT) (5 ILCS 375/3). The Act (5 ILCS 375/6.9) also establishes health benefits for community college benefit recipients and dependent beneficiaries.

**Contributions.** The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.10) requires every active contributor of the State Universities Retirement System (SURS), who is a full-time employee of a community college district or an association of community college boards, to make contributions to the plan at the rate of 0.5% of the salary. The same section of statute requires every community college district or association of community college boards that is an employer under the SURS, to contribute to the plan an amount equal to 0.5% of the salary paid to its full-time employees who participate in the plan. The State Pension Funds Continuing Appropriate Act (40 ILCS 15/1.4) requires the State to make an annual appropriation to the fund in an amount certified by the SURS Board of Trustees. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.9) requires the Director of the Department to determine the rates and premiums for annuitants and dependent beneficiaries and establish the cost-sharing parameter, as well as funding. At the option of the board of trustees, the college districts may pay all or part of the balance of the cost of coverage for retirees from their district. Administrative costs are paid by the CCHISF.

### OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

#### *Net OPEB Liability*

The net OPEB liability was measured as of June 30, 2020. At June 30, 2020, CIP reported a net OPEB liability of \$1,822,763,538.

**Employer Proportionate Share of Net OPEB Liability.** The amount of the proportionate share of the net OPEB liability to be recognized for the District in fiscal year 2021 is \$9,396,941 or 0.5155%. This amount is recognized in the financial statement. The change in the District's proportionate net OPEB liability was an increase of 0.032%. The proportionate share of the State's net OPEB liability associated with the District at June 30, 2020 was \$9,396,922. The total proportionate share of the net OPEB liability associated with the District at June 30, 2020 was \$18,793,863. The net OPEB liability and total OPEB liability as of June 30, 2020 was determined based on the June 30, 2019 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net OPEB liability is the actual reported OPEB contributions made to CIP during fiscal year 2020.

**OPEB Expense.** At June 30, 2020, CIP reported a collective net OPEB expense of \$38,455,955.

# Highland Community College District #519

## Notes to Financial Statements

### Note 6 Other Post-Employment Benefits (Continued)

#### *Employer Proportionate Share of OPEB Expense*

The employer proportionate share of collective OPEB expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective OPEB expense is the actual reported OPEB contributions made to CIP during fiscal year 2020. As a result, the District recognized on-behalf revenue and OPEB expense (and revenue) of \$216,669 for the fiscal year ended June 30, 2021. Additionally, the District recognized OPEB expense of \$214,806 for the fiscal year ended June 30, 2021.

#### *Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs*

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

The District's Deferred Outflows and Deferred Inflows of Resources by Sources:

<b>Fiscal Year Ended June 30, 2021</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$85,363	\$525,928
Changes in assumption	0	1,502,226
Net difference between projected and actual earnings on OPEB plan investments	0	398
Changes in proportion and differences between employer contributions and share of contributions	943,799	726,820
Total deferred amounts to be recognized in pension expense in future periods	1,029,162	2,755,372
OPEB contributions made subsequent to the measurement date	49,542	0
<b>Total</b>	<b>\$1,078,704</b>	<b>\$2,755,372</b>

# Highland Community College District #519

## Notes to Financial Statements

### Note 6 Other Post-Employment Benefits (Continued)

The District reported \$49,542 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting years ended June 30, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2022	(\$287,702)
2023	(287,702)
2024	(287,702)
2025	(287,702)
2026	(287,702)
Thereafter	(287,700)
<b>Total</b>	<b>(\$1,726,210)</b>

### Assumptions and Other Inputs

**Actuarial assumptions.** The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified.

Inflation	2.25%
Salary increases	Depends on service and ranges from 12.25% at less than 1 year of service to 3.25% at 34 or more years of service. Salary increase includes a 3.25% wage inflation assumption.
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2020 based on premium increases. For fiscal years on and after 2021, trend starts at 8.25% for non-Medicare costs and post-Medicare costs, respectively, and gradually decreases to an ultimate trend of 4.25%. There is no additional trend rate due to the repeal of the Excise Tax.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table. For disabled annuitants mortality rates were based on the RP-2014 Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. Tables were adjusted for SURS experience. All tables reflect future mortality improvements using Projection Scale MP-2017.

# Highland Community College District #519

## Notes to Financial Statements

### Note 6 Other Post-Employment Benefits (Continued)

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 to June 30, 2018.

**Discount Rate.** Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since CIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed income municipal bonds with the 20 years to maturity that include only federally tax-exempt municipal bonds reported in Fidelity's "20-year Municipal GO AA Index" has been selected. The discount rates are 2.45% as of June 30, 2020, and 3.13% as of June 30, 2019.

The decrease in the single discount rate from 3.13% to 2.45% caused the total OPEB liability to increase by approximately \$152.7 million from 2019 to 2020.

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

### Sensitivity of Net OPEB Liability to Changes In the Single Discount Rate

The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 2.45% at June 30, 2020, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Single Discount Rate Assumption			
	1% Decrease (1.45%)	Current Single Discount Rate Assumption (2.45%)	1% Increase (3.45%)
Net OPEB liability	\$10,707,127	\$9,396,941	\$8,267,123

# Highland Community College District #519

## Notes to Financial Statements

### Note 6 Other Post-Employment Benefits (Continued)

#### Sensitivity of Net OPEB Liability to Changes In the Healthcare Cost Trend Rate

The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates of well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. The key current claims trend rates are 8.25% in 2021 decreasing to an ultimate trend rate 4.25% in 2037.

Sensitivity of Net OPEB Liability as of June 30, 2020 to the Healthcare Cost Trend Rate Assumption			
	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Net OPEB liability	\$7,786,312	\$9,396,941	\$11,533,380

- (a) One percentage point decrease in healthcare trend rates are 7.25% in 2021 decreasing to an ultimate trend rate of 3.25% in 2037.
- (b) One percentage point increase in healthcare trend rates are 9.25% in 2021 decreasing to an ultimate trend rate of 5.25% in 2037.

# Highland Community College District #519

## Notes to Financial Statements

### Note 7 Deposits and Investments

Cash and investments as of June 30, 2021 consist of the following:

	Carrying Amount
Cash and cash equivalents	\$4,993,771
Marketable savings and money market	6,453,974
Marketable certificates of deposits	5,271,648
Local government investment pool	3,850,668
<b>Total</b>	<b>\$20,570,061</b>

### Deposits

Concentration of credit risk and Foreign Currency Risk:

Custodial credit risk for deposits is the risk that in the event of a bank failure, the District's deposits may not be returned to it. At year end, the District's carrying amount of deposits was \$4,993,771 and the bank balance was \$5,070,848. Of the bank balance, \$5,070,848 was covered by federal depository insurance or collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

The District has no foreign currency risk for deposits at year end.

### Investments

As of June 30, 2021, the District's investments were as follows:

	Carrying Amount	Fair Value
Marketable savings and money market	\$6,453,974	\$6,453,974
Marketable certificates of deposits	5,271,648	5,271,648
Local government investment pool	3,850,668	3,850,668
<b>Total investments</b>	<b>\$15,576,290</b>	<b>\$15,576,290</b>

# Highland Community College District #519

## Notes to Financial Statements

### Note 7 Deposits and Investments (Continued)

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. There was no increase in the fair value of investments during 2021.

The District's investments during the year did not vary significantly from those at year-end in amounts or level of risk.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Remaining Maturity (In Months)			Total
	1 Year or Less	1-5 Years	6-10 Years	
Marketable savings and money market	\$6,453,974	\$0	\$0	\$6,453,974
Marketable certificates of deposit	5,271,648	0	0	5,271,648
Local government investment pool	3,850,668	0	0	3,850,668
<b>Total</b>	<b>\$15,576,290</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,576,290</b>

#### Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year end for the external investment pool investment type:

Investment Type	June 30, 2021	AAAm	Aa	Unrated
Marketable savings and money market	\$6,453,974	\$6,453,974	\$0	\$0
Marketable certificates of deposit	5,271,648	0	0	5,271,648
Local government investment pool	3,850,668	3,850,668	0	0
<b>Total</b>	<b>\$15,576,290</b>	<b>\$10,304,642</b>	<b>\$0</b>	<b>\$5,271,648</b>

# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 7     Deposits and Investments (Continued)**

#### **Concentration of Credit Risk**

The District has no investments in any one issuer that represent 5% or more of the total District's investments.

#### **Custodial Credit Risk**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

As of June 30, 2021 there are no investments with custodial credit risk.

#### **Foreign Currency Risk**

The District has no foreign currency risk for investments at year end. At various times during the year, the bank balances exceeded FDIC insurance and collateral pledged by the financial institutions.

The Illinois School District Liquid Asset Fund is an investment pool acting on behalf of School Districts, Community Colleges, and Educational Service Regions.

The State Treasurer maintains the Illinois Funds Money Market at cost and fair value through daily adjustments in the interest earnings. The fair value of the District's investment in the fund is the same as the value of the pool shares. The Pool is audited annually by an outside independent auditor and copies of the report are distributed to participants.

The Pools maintain a Standard and Poor's AAA rating. The District's investments in the funds are not required to be categorized because they are not securities. The relationship between the District and the investment agent is a direct contractual relationship and the investments are not supported by a transferable instrument that evidences ownership or creditorship.

All funds deposited in the Pools could be withdrawn on a day's notice. Although not subject to direct regulatory oversight, the fund is administered in accordance with the provisions of the Illinois Public Investment Act, 30 ILCS 235.



# Highland Community College District #519

## Notes to Financial Statements

### Note 8 Changes In Long-term Debt

	Balance July 1, 2020	Issuances	Retirements	Balance June 30, 2021
2014 G.O. Bonds	\$575,000	\$0	\$575,000	\$0
2019 G.O. Bonds	1,930,000	0	245,000	1,685,000
2020 G.O. Bonds	4,950,000	0	625,000	4,325,000
2019 Copier Capital Lease	56,506	0	15,678	40,830
2019 Bus Capital Lease	180,483	0	26,110	154,373
<b>Subtotal</b>	<b>7,691,989</b>	<b>0</b>	<b>1,486,786</b>	<b>6,205,203</b>
Premium on bonds	655,108	0	267,649	387,459
Compensated absences	195,410	178,035	221,314	152,131
<b>Total</b>	<b>\$8,542,507</b>	<b>\$178,035</b>	<b>1,975,749</b>	<b>\$6,744,793</b>

	Due Within One Year
2019 Gen. Oblig. Bonds	\$245,000
2020 Gen. Oblig. Bonds	1,255,000
2019 Copier Capital Lease	18,085
2019 Bus Capital Lease	27,255
Premium on bonds	182,077
Compensated absences	114,098
<b>Total due in one year</b>	<b>\$1,841,515</b>

Debt Certificates, Series 2014 were issued in August 2014 and were paid off by the Series 2014 General Obligation Bonds issued in November, 2014. \$3,225,000 bonds were issued for the purpose of renovating, improving, and equipping the District's buildings. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 2.00%, commencing July 1, 2015 and maturing on January 1, 2021.

Series 2019 General Obligation Bonds were issued in November, 2019. \$1,930,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 4% - 5%, commencing July 1, 2020 and maturing on January 1, 2025.

Series 2020 General Obligation Bonds were issued in February, 2020. \$4,950,000 bonds were issued for the purpose of paying presently outstanding and unpaid claims against the District. Serial retirement of principal occurs on January 1, with interest payable on January 1 and July 1 of each year at rates of 5%, commencing January 1, 2021 and maturing on January 1, 2025.

# Highland Community College District #519

## Notes to Financial Statements

### Note 8 Changes In Long-term Debt (Continued)

At June 30, 2021, the annual cash flow requirements of bond principal and interest are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$1,500,000	\$253,550	\$1,753,550
2023	1,600,000	176,050	1,776,050
2024	1,710,000	118,450	1,828,450
2025	1,200,000	25,275	1,225,275
	<u>\$6,010,000</u>	<u>\$573,325</u>	<u>\$6,583,325</u>

The District entered into a capital lease in July, 2018 at an interest rate of 14.39%, to acquire copiers. Monthly payments of interest and principal began in August 2018. Total payments for the copiers are \$114,000 (principal of \$80,950 and interest of \$33,050).

The District entered into a capital lease in July, 2019 at an interest rate of 4.30%, to acquire buses. Monthly payments of interest and principal began in August 2019. Total payments are \$233,237 (principal of \$204,820 and interest of \$28,417).

The following is an amortization schedule for these leases:

Year Ending June 30	Principal	Interest	Total
2022	\$45,340	\$10,820	\$56,160
2023	49,320	6,843	56,163
2024	31,573	3,687	35,260
2025	68,970	247	69,217
Total	<u>\$195,203</u>	<u>\$21,597</u>	<u>\$216,800</u>

A computation of the legal debt margin of the District as of June 30, 2021, is as follows:

Assessed valuation – 2020 tax levy	\$1,888,378,143
Debt limit – 2.875% of assessed valuation	54,290,872
Less applicable debt	<u>(6,010,000)</u>
Legal debt margin	<u>\$48,280,872</u>

# Highland Community College District #519

## Notes to Financial Statements

### Note 9 Leases

#### HCC-YMCA Building

In an agreement made effective July 21, 1977, the Board of Trustees of the District and the Young Men's Christian Association of Freeport, Illinois, agreed to jointly construct and operate a multi-purpose recreational facility to be located on the District's campus.

In exchange for sharing the cost, the YMCA has a 50 year lease of the facility upon the terms and conditions set forth in the agreement. The District is entitled to the fair and equitable use of the facilities, the details of which are also set forth in the agreement.

The YMCA reimburses the District for its portion of operational costs for the physical education building. This reimbursement is based upon a set formula in which the YMCA reimburses the District for 65% of the operational costs. The total reimbursement amount for fiscal year 2021 totals \$215,865. As of June 30, 2021, the YMCA had paid \$239,120. The District has an accounts payable balance due of \$23,255 at year end.

As part of the lease with the District, both the District and the YMCA contribute \$1,250 per month to a joint fund used to share the cost of repair and maintenance to the Sports Complex building and to the loop road and parking lot.

The funds are maintained in an interest bearing account and the interest earned is credited to the joint account. These amounts are accounted for as custodial funds. The allowable expenses from these funds must be approved by the District's Board of Trustees and the YMCA's Board of Directors. As of June 30, 2021, the following amounts were available for the District's share of these expenditures:

Road and lot	\$ 100,382
Building maintenance	68,972
Accumulated interest	50,127
<hr/>	
Total	\$ 219,481

In an agreement dated April 2, 2014, the District agreed to lease to the YMCA the Child Care and Training Center. The YMCA shall pay the District lease payments each month, payable on the first day of each month. The YMCA also reimburses the District 90% of the electricity costs of the child care center. The lease was through June 30, 2021 with lease payments between \$875 - \$890 per month. The lease was renewed July 1, 2021 and it goes through June 30, 2024 with lease payments between \$908 - \$945 per month.

### Note 10 Related Party Transactions

Transactions between the District and Highland Community College Foundation, a related party, took place during the fiscal year. For the year ended June 30, 2021, \$1,495,941 was received from the Foundation which consists of grants, tuition, Foundation employee salary reimbursements, and miscellaneous expenses.

# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 11 Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and students; and natural disasters. The District purchases commercial insurance to cover the various risks of loss. The commercial insurance policies contain deductibles which vary with the type of coverage and risk involved. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. Potentially, the District could be assessed additional premiums for its share of any losses of the insurance pool. Historically, the District has not been assessed any additional premiums.

### **Note 12 Commitments and Contingencies**

The District has received a number of Federal and State grants for specific purposes which are subject to review and audit by grantor agencies. Such audits may result in requests for reimbursement to granting agencies for expenditures disallowed under the terms of the grants. Based on prior experience, District management believes that such disallowances, if any, will not be significant.

As of June 30, 2021 the District was not involved in any significant construction commitments.

### **Note 13 Pending Accounting Pronouncements**

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

GASB Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

# Highland Community College District #519

## Notes to Financial Statements

---

### **Note 13 Pending Accounting Pronouncements (Continued)**

GASB Statement No. 92, Omnibus 2020, improves the consistency of several practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 93, Replacement of Interbank Offered Rates, amends certain hedge accounting from GASB Statement No. 53 and variable lease payments in accordance with GASB Statement No. 87. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, provides more guidance for accounting and financial reporting for availability payments arrangements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), defines a SBITA, establishes a right-to-use subscription asset and liability, provides the capitalization criteria for outlays other than subscription payments, and requires note disclosures regarding a SBITA. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, provides more guidance for determining whether a primary government is financially accountable for a potential component unit, when the financial burden criterion in paragraph 7 of Statement No. 84 applies, and this statement clarifies that Statement 84 should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged if Statement 84 has been implemented.

The District has not determined the effect of these Statements.

# Highland Community College District #519

## Notes to Financial Statements

---

### Note 14 Component Unit

The Foundation is a private, not-for-profit organization that reports its financial results under the *Financial Accounting Standards Board (FASB) Accounting Standards Codification* (Codification) which is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The financial statements of the Foundation have been reformatted to comply with the classification and display requirements in GASB Statement 35 on the Statement of Net Position/Net Assets and the Statement of Revenues, Expenses, and Changes in Net Position/Net Assets. However, no modifications have been made to the Foundation's financial information in the District's financial reporting entity for revenue recognition or footnote disclosure differences.

Following is condensed financial information of Highland Community College Foundation (the Foundation), a discretely presented component unit of the District.

**Fund Accounting:** To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, the funds are combined and fund balances with similar characteristics are combined and reported. The Foundation follows the accrual basis of accounting.

### Summary of Significant Accounting Policies

Net assets and revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Net assets without donor restrictions:** net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**Net assets with donor restrictions:** net assets subject to donor or certain grantor imposed restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time, long-lived assets placed in service, or other events specified by the donor. Other explicit donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**Cash and Cash Equivalents:** For purposes of reporting the statement of cash flows, the Foundation defines cash accounts which are not subject to withdrawal restrictions or penalties as cash and cash penalties with an original maturity of three months or less as cash and cash equivalents.

# Highland Community College District #519

## Notes to Financial Statements

---

### Note 14 Component Unit (Continued)

**Concentration of Credit Risk:** The Foundation maintains cash balances in banks. The balances for these accounts at times exceed \$250,000, the amount insured by the Federal Deposit Insurance Corporation (FDIC).

**Investments:** As of June 30, 2021, investments of the Foundation's various funds are maintained in a State Bank Trust and Investment Account, Union Savings Bank, Citizens State Bank and the Commonfund, an investment management fund for educational institutions. Investments in securities with readily determinable fair values are measured at the fair value in the statement of financial position. Alternative investments are measured at the net asset value per share as a practical expedient in the statement of financial position. Separate management accounts have been established for the various funds. Investment earnings of each fund has been segregated and recorded in the appropriate fund.

**Donated Property:** Donated property is recorded at its fair value at the date of donation. If donors stipulate how long the assets must be used or held, the contributions are recorded as restricted support. In absence of such stipulations, contributions of property are recorded as unrestricted support.

**Accounting Estimates:** The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Change in Accounting Policy:** In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework*. The objective of these disclosure requirements is to provide financial statement users with information about assets and liabilities measured at fair value in the statement of financial position or disclosed in the notes to the financial statements regarding (1) the valuation techniques and inputs used to develop fair value measurements, including the related judgments and assumptions made, (2) the uncertainty in the fair value measurements as of the reporting date, and (3) how changes in the measurements impact the performance and cash flows of the entity. Organizations should consider the level of detail, the amount of emphasis, the degree of aggregation or disaggregation, and whether other information may be required for financial statement users to evaluate the quantitative information disclosed in complying with the disclosure requirements. There was no change in opening balances of net assets and no prior period results were restated.

**Functional Allocation of Expenses:** Included are expenses by function with natural classification detail. Expenses that can be identified with a specific program are recorded directly according to their natural expense classification. Other expenses that are common to several functions are allocated by various methods.

# Highland Community College District #519

## Notes to Financial Statements

### Note 14 Component Unit (Continued)

#### Statement of Functional Expenses

	Program Services	Management & General	Fundraising	Total
Salaries	\$45,875	\$127,499	\$145,678	\$319,052
Employee benefits	5,967	35,885	0	41,852
Administrative fees	0	237	0	237
Alumni	0	4,847	0	4,847
Annual events	0	1,366	0	1,366
Auto expense	0	1,106	935	2,041
Board/staff travel/training	0	0	3,126	3,126
Depreciation	0	4,898	0	4,898
Dues/subscription	0	150	0	150
Equipment	0	18,576	0	18,576
Insurance	0	6,747	0	6,747
Lunches/dinners	0	360	927	1,287
Marketing	0	5,598	7,839	13,437
Miscellaneous	0	62,703	1,115	63,818
Office supplies	0	2,402	0	2,402
Other contractual services	0	0	7,500	7,500
Professional fees	0	24,715	0	24,715
Real estate taxes	0	4,389	0	4,389
Rent	0	6,775	0	6,775
Scholarships	274,673	0	0	274,673
College grant	853,589	0	0	853,589
Fundraising	0	0	12,500	12,500
<b>Total functional expenses</b>	<b>\$1,180,104</b>	<b>\$308,253</b>	<b>\$179,620</b>	<b>\$1,667,977</b>

#### Liquidity and Availability of Financial Assets

The Foundation's primary sources of support are contributions, fundraising and income from investing its endowment. Most of that support is required to be used in accordance with the purpose restrictions imposed by the donors. The following table reflects the Foundation's financial assets as of June 30, 2021, reduced by amounts not available for general expenditures:

Total financial assets	\$30,144,194
Less those unavailable for general expenditure within one year due to:	
Board designations	10,531,573
Purpose restrictions	16,233,646
Beneficial interest in assets held by community foundation (CFNIL)	513,270
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$2,865,705</b>



# Highland Community College District #519

## Notes to Financial Statements

### Note 14 Component Unit (Continued)

#### Investments

Investments are presented in the financial statements in the aggregate at fair value. Gains and losses on the sale of or redemption at maturity of investments are shown net for each fund.

	<b>Cost</b>	<b>Fair Value</b>
Without donor restrictions	\$5,748,555	\$13,226,284
With donor restrictions	11,374,686	14,259,091
	<b>\$17,123,241</b>	<b>\$27,485,375</b>

Investments are composed of the following:

	<b>Cost</b>	<b>Fair Value</b>
Money market and cash equivalent	\$659,424	\$659,424
Certificate of deposits	631,645	688,471
Corporate bonds	0	0
Equities	3,158,878	4,593,618
Mutual funds	7,623,975	9,011,465
ETF	1,658,709	2,307,204
REIT	19,157	23,620
Alternative investments	3,299,994	9,531,573
Property	71,459	670,000
	<b>\$17,123,241</b>	<b>\$27,485,375</b>

The following tabulation summarizes the relationship between carrying value and fair value of investment assets.

	<b>Cost</b>	<b>Fair Value</b>	<b>Excess of Fair Value Over Cost</b>
Balance at end of year	\$17,123,241	\$27,485,375	\$10,362,134
Balance at beginning of year	\$16,408,833	\$21,983,817	5,574,984
Increase in unrealized appreciation			4,787,150
Realized net gain (loss) for the year			929,358
Total net gain (loss) for the year			\$5,716,508

The investment portfolio is subject to the volatility of the securities marketplace, and, accordingly, its fair value may increase or decrease on a basis unrelated to management's investment decisions

# Highland Community College District #519

## Notes to Financial Statements

### Note 14 Component Unit (Continued)

#### Fair Value Measurement

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2021 are as follows:

	Total	Fair Value Measurements at Reporting Date Using		
		(Level 1)	(Level 2)	(Level 3)
<b>Assets measured at fair value on a recurring basis</b>				
Money market and cash equivalent	\$659,424	\$659,424	\$0	\$0
Certificate of deposits	688,471	688,471	0	0
Corporate bonds	0	0	0	0
Equities	4,593,618	4,593,618	0	0
Mutual funds	9,011,465	9,011,465	0	0
ETF	2,307,204	2,307,204	0	0
REIT	23,620	23,620	0	0
Alternative investments	9,531,573	0	0	9,531,573
Property	670,000	0	0	670,000
Subtotal	27,485,375	17,283,802	0	10,201,573
Beneficial interest in CFNIL	513,270	0	0	513,270
	<b>\$27,998,645</b>	<b>\$17,283,802</b>	<b>\$0</b>	<b>\$10,714,843</b>

The fair value of the Foundation's Level 3 investments shown above for the year ended June 30, 2021 is for 70 acres of farm property valued at \$670,000 at the end of the year. The valuation techniques used to measure the fair value of this investment is based on the last obtained appraisal completed September 11, 2018.

Fair value for the beneficial interest in assets held by community foundation is measured using the fair value of the assets as reported by the Community Foundation of Northern Illinois (CFNIL) as of June 30, 2021. The Foundation considers the measurement of its beneficial interest to be a Level 3 measurement within the fair value measurement hierarchy because that measurement is based on the fair value of assets reported by the community foundation.

The following is a reconciliation of the beginning and ending balances of recurring fair value measurements recognized in the accompany statement of financial position using significant unobservable (Level 3) inputs:

	Beneficial Interest in Assets Held by Community Foundation (CFNIL)
Balance, at June 30, 2020	\$418,049
Investment income	114,244
Distributions	(19,023)
<b>Balance, at June 30, 2021</b>	<b>\$513,270</b>

# Highland Community College District #519

## Notes to Financial Statements

### Note 14 Component Unit (Continued)

At June 30, 2021, the Foundation's investments valued at net asset value were as follows:

	Fair Value	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Multi-strategy equity fund	\$8,611,658	Monthly	5 business days
Multi-strategy bond fund	919,915	Monthly	5 business days
<b>Total</b>	<b>\$9,531,573</b>		

The Foundation does not have any unfunded commitments related to the above investments as of June 30, 2021.

The table below sets forth a summary of changes in the value of the Foundation's investments measured using NAV:

	Multi-Strategy Equity Fund	Multi-Strategy Bond Fund	Total
Fair value as of June 30, 2020	\$6,255,017	\$1,184,450	\$7,439,467
Purchases	0	0	0
Fees	(27,576)	(3,284)	(30,840)
Distributions to College	0	(301,109)	(301,109)
Unrealized and realized gains	2,384,217	39,838	2,424,055
<b>Fair value as of June 30, 2021</b>	<b>\$8,611,658</b>	<b>\$919,915</b>	<b>\$9,531,573</b>

### Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following tables represent the Foundation's Level 3 assets, the valuation techniques used to measure the fair value of the assets, the significant unobservable inputs, and the ranges of values for those inputs.

As of June 30, 2021				
Assets	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Property	\$670,000	Appraisal	Fair value of land	N/A
Beneficial interest in perpetual trusts	\$513,270	Market approach	Fair value of assets contributed to trust	N/A

# Highland Community College District #519

## Notes to Financial Statements

### Note 14 Component Unit (Continued)

#### Beneficial Interest in Community Foundation

The Foundation established the Highland Community College Foundation/Rubin Matching Scholarship Fund with Community Foundation of Northern Illinois in 2016. The fund agreement is irrevocable and allows the use of the fund's principal and income in accordance with the Community Foundation of Northern Illinois's spending policy for permanent funds for supporting of Highland Community College Foundation. The investments are held at Community Foundation of Northern Illinois, which were contributed by the Foundation and are reported at fair value as beneficial interest in assets in the amount of \$513,270 as of June 30, 2021.

#### Endowment Funds

The Foundation's endowment consists of many funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence of absence of donor-imposed restrictions. The Board of Directors of the Foundation has interpreted state law as requiring the preservation of the fair value of the original gift as the gift date of the donor-restricted endowment funds absent explicit donor stipulation to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net position is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the purposes of the Foundation and the donor-restricted endowment fund.

The endowment net asset composition by type of fund as of June 30, 2021 is as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Assets
Donor-restricted endowment funds	\$0	\$16,233,646	\$16,233,646
Board-designated endowment funds	9,531,573	0	9,531,573
	<b>\$9,531,573</b>	<b>\$16,233,646</b>	<b>\$25,765,219</b>

# Highland Community College District #519

## Notes to Financial Statements

### Note 14 Component Unit (Continued)

#### Endowment Funds (continued)

Changes in endowment net assets as of June 30, 2021 are as follows:

	Without Donor Restriction	With Donor Restriction	Total Endowment Assets
Endowment net assets, beginning of year	\$7,439,467	\$12,158,700	\$19,598,167
Donations	0	2,082,275	2,082,275
Interest and dividend income	0	203,222	203,222
Net unrealized gain(loss) on investments	2,424,056	2,877,732	5,301,788
Change in value of beneficial interest and charitable remainder annuity trusts	0	134,228	134,228
Amounts appropriated for expenditure	(331,950)	0	(331,950)
Amounts released from restriction	0	(1,222,511)	(1,222,511)
Endowment net assets, end of year	\$9,531,573	\$16,233,646	\$25,765,219

#### Contributions Receivable

Unconditional pledges/promises and beneficial interests in split interest agreements are included in the financial statements as donation receivables and revenue of the appropriate net asset category.

The present value of donation receivable as of June 30, 2021 is as follows:

	Unconditional Pledges Receivable	Beneficial Interests Receivable	Total Donation Receivable
Due in one year or less	\$495,000	\$0	\$495,000
Due in one to five years	1,008,250	0	1,008,250
More than five years	0	231,357	231,357
	1,503,250	231,357	1,734,607
Less allowance for uncollectible pledges	2,900	0	2,900
Less discount to present value at rates ranging from 1% to 5%	77,787	26,144	103,931
	\$1,422,563	\$205,213	\$1,627,776

The net amount of receivables is based on the estimate of future cash flows. Due to unknown factors that may affect individual donor's future cash flows, it is reasonably possible that the estimated future cash flows of contributions receivable could change by a significant amount in the near term.

# Highland Community College District #519

## Notes to Financial Statements

---

### Note 14 Component Unit (Continued)

#### Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as a charitable group not organized for profit. Accordingly, no provision for income taxes is included in the financial statements.

Tax returns filed by the Foundation are subject to examination by the Internal Revenue Service for up to three years from the extended due date of each return. Tax returns filed by the Foundation are no longer subject to examination for the fiscal years ended June 30, 2017 and prior.

#### Capital Assets

A summary of capital assets is as follows:

	Cost 6/30/2020	Additions	Retirements	Cost 6/30/2021
Building improvements	\$24,276	\$0	\$0	\$24,276
Equipment	54,550	1,077	(760)	54,867
Total capital assets	78,826	1,077	(760)	79,143
Less accumulated depreciation	(68,260)	(4,898)	(760)	(72,398)
Total, net of accumulated depreciation	\$10,566	(\$3,821)	\$0	\$6,745

Depreciation is calculated using the straight-line method over 5, 7, and 10 year lives.

#### Charitable Remainder Annuity Trusts

The Foundation has three charitable remainder annuity trusts. Pursuant to the trust agreement, the Foundation will make monthly, quarterly, or annual payments to the contributors based on a percentage of the initial fair value of the trust assets. As of June 30, 2021, the present value of the expected future payments is \$123,635, included in charitable remainder annuity trusts payable under liabilities.

# Highland Community College District #519

## Notes to Financial Statements

---

### Note 14 Component Unit (Continued)

#### Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30, 2021:

Subject to expenditure for specified purpose:	
College Grants and Student Scholarships	\$7,541,467
Buildings and landscaping	353,429
Time restricted contributions	3,192,412
Annuity trust agreements	120,598
Endowment subject to spending policy and appropriation	5,025,740
	<hr/>
	\$16,233,646

The Foundation reports gifts or cash as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when the purpose of the restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

#### Net Assets Without Donor Restrictions, Board Designated

On October 5, 2011, the United States Department of Education released the Endowment Challenge Grant to the District, as the 20 year investment period was completed on March 31, 2010. During those 20 years, Highland Community College Foundation served as the fiscal agent for the District for the purposes of investing these funds.

During the year ended June 30, 2012, the Foundation Board designated the combined Federal and matching share of the Endowment Challenge Grant. The expenditures from this fund and its proceeds shall be at the suggestion and direction of the Board of Trustees of the District. These assets will remain as such until the District's Board requests all or a portion of these funds.

As of June 30, 2021, \$9,531,573 of assets relating to the Endowment Challenge Grant remains. These funds may be used for any educational purpose including strengthening the District's capability to meet financial goals and increasing student access to quality higher education.

The Foundation retains ownership and fiduciary responsibilities of these funds, but has entered into a memo of understanding with the District's Board as to what these funds will be used for along with the timing for the release of these funds.

Also included in the without donor restrictions net assets, board designated balance of \$10,531,573 is \$1,000,000 in the General fund to preserve a balance in the unrestricted funds.

# Highland Community College District #519

## Notes to Financial Statements

### Note 15 Current Year Restatement

As a result of the implementation of GASB Statement No. 84 for student club balances net position at July 1, 2020 was restated. Fiscal year 2020 balances were not restated as the information was not practical for restatement purposes. Current year restatements are as follows:

	<b>Restricted Purposes Fund</b>
Balance at July 1, 2020	\$1,157,896
add: Prior year club balances	458,191
<b>Balance at July 1, 2020, as restated</b>	<b>\$1,616,087</b>
	<b>Net Position</b>
Balance at July 1, 2020	\$22,202,776
add: Prior year club balances	458,191
<b>Balance at July 1, 2020, as restated</b>	<b>\$22,660,967</b>



## **Required Supplementary Information**

**Highland Community College District #519**  
**Schedule of Share of Net Pension Liability**  
**Last 10 Fiscal Years**  
**(Schedule to be Built Prospectively from 2014)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%	0%	0%	0%
Proportion amount of the collective net pension liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with the District	\$73,351,054	\$85,596,643	\$67,939,049	\$59,600,307	\$60,412,403	\$54,001,485	\$51,944,951		
Employer covered payroll	\$8,909,682	\$8,284,112	\$8,858,182	\$8,284,598	\$8,430,045	\$8,341,423	\$8,679,146		
Proportion of collective net pension liability associated with the District as a percentage of covered payroll	823.27%	791.84%	766.96%	719.41%	716.63%	647.39%	598.50%		
SURS plan net position as a percentage of total pension liability	39.05%	40.71%	41.27%	42.04%	39.57%	42.37%	44.38%		

Note: The District implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

**Highland Community College District #519**  
**Schedule of Pension Contributions (SURS)**  
**Last 10 Fiscal Years**  
**(Schedule to be Built Prospectively from 2014)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Federal, trust, grant and other contribution	\$71,756	\$45,153	\$44,507	\$40,836	\$34,468	\$31,213	\$42,942	\$50,030		
Contribution in relation to required contribution	71,756	45,153	44,507	40,836	34,468	31,213	42,942	50,030		
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Employer covered payroll	\$9,114,150	\$8,908,682	\$8,284,112	\$8,858,182	\$8,284,598	\$8,430,045	\$8,341,423	\$8,679,146		
Contribution as a percentage of covered-payroll	0.79%	0.51%	0.54%	0.46%	0.42%	0.37%	0.51%	0.58%		

Note: The District implemented GASB No. 68 in fiscal year 2015. The information is presented for as many years as available. The schedules intended to show information for 10 years.

**Highland Community College District #519**  
**Schedule of Share of Net OPEB Liability**  
**Last 10 Fiscal Years**  
**(Schedule to be Built Prospectively from 2016)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012
Proportion percentage of the collective net OPEB liability	0.52%	0.48%	0.53%	0.50%	0.49%				
Proportion amount of the collective net OPEB liability	\$9,396,941	\$9,131,131	\$10,074,013	\$9,204,286	\$8,985,434				
Portion of nonemployer contributing entities' total proportion of collective net OPEB liability associated with the College	\$9,396,922	\$9,131,131	\$10,074,013	\$9,083,069	\$9,372,478				
Total collective net OPEB liability associated with the College	\$18,793,863	\$18,262,262	\$20,148,026	\$18,287,365	\$18,367,910				
Employer covered payroll	\$8,909,682	\$8,284,112	\$8,858,182	\$8,284,598	\$8,430,045				
Proportion of collective net OPEB liability associated with the College as a percentage of covered payroll	210.94%	220.45%	227.45%	220.74%	217.89%				
College insurance plan net position as a percentage of total pension liability	-5.07%	-3.96%	-3.54%	-2.87%	-2.15%				

Note: The District implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

See Accompanying Notes to Required Supplementary Information.

# Highland Community College District #519

## Schedule of OPEB Contributions

Last 10 Fiscal Years

(Schedule to be Built Prospectively from 2017)

	2021	2020	2019	2018	2017	2016	2014	2013	2012
Statutorily required contribution	\$49,542	\$46,997	\$41,801	\$46,664	\$43,788				
Contribution in relation to the required statutorily	(49,542)	(46,997)	(41,801)	(46,664)	(43,788)				
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0				
Employer covered payroll	\$9,114,150	\$8,909,682	\$8,284,112	\$8,858,182	\$8,284,598				
Contribution as a percentage of covered-payroll	0.54%	0.53%	0.50%	0.53%	0.53%				

Note: The District implemented GASB No. 75 in fiscal year 2018. The information is presented for as many years as available. The schedule is intended to show information for 10 years.

# Highland Community College District #519

## Notes to Required Supplementary Information

---

### Note 1 Changes of Pension Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2020.

### Note 2 Changes of Pension Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25 percent to 12.25 percent based on years of service, with underlying wage inflation of 2.25 percent.
- Investment return. Decrease the investment return assumption to 6.75 percent. This reflects maintaining an assumed real rate of return of 4.50 percent and decreasing the underlying assumed price inflation to 2.25 percent.
- Effective rate of interest. Decrease the long-term assumption for the ERI for crediting the money purchase accounts to 6.75 percent (effective July 2, 2019.)
- Normal retirement rates. A slight increase in the retirement rate at age 50. No change rates for ages 60-61, 67-74 and 80+, but a slight decrease in rates at all other ages. A rate of 50 percent if the member has 40 or more years of service and is younger than age 80.
- Early retirement rates. Decrease in the rates for all Tier 1 early retirement eligibility ages (55-59).
- Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP2014 to the MP-2017 scale.
- Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

### Note 3 Changes of OPEB Benefit Terms

There were no benefit changes recognized in the Total OPEB Liability as of June 30, 2020.

### Note 4 Changes of OPEB Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of CIP. An experience review for the years June 30, 2014 to June 30, 2017, and updated actuarial assumption which were adopted by SURS for the actuarial valuation as of June 30, 2018. The following OPEB-related assumptions changes were made since the last valuation as of June 30, 2018:

# Highland Community College District #519

## Notes to Required Supplementary Information

---

### **Note 4      Changes of OPEB Assumptions (continued)**

- The discount rate was changed from 3.13 percent at June 30, 2019, to 2.45 percent at June 30, 2020.
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2019, projected plan cost for plan year end June 30, 2020, premium changes through plan year end 2020, and expectation of future trend increases after June 30, 2020.
- Since the Excise Tax was repealed, the Excise Tax trend adjustment was removed.
- Per capita claim costs for plan year end June 30, 2020, were updated based on projected claims and enrollment experience through June 30, 2020 and updated premium rates through plan year end 2021.
- Healthcare plan participation rates by plan were updated based on observed experience.

**Other Financial Information**



# Highland Community College District #519

## Reconciliation of Change in all Fund Balances to the Changes in Net Position June 30, 2021

All Fund Types - Change in Fund Balances	\$853,679
Reduction in student tuition and fees	(1,374,399)
Reduction in financial aid expense	1,374,399
Net effect	0
Prior year recognition of summer revenue deferred	(193,727)
Prior year recognition of summer salaries deferred	38,282
Recognition of summer revenue deferred	204,404
Recognition of summer salaries deferred	(17,954)
Net effect	31,005
Compensated absences decrease (increase)	43,279
SURS pension contribution (decrease) increase	26,603
Other post employment benefits CIP decrease (increase)	(214,806)
Expended for capital assets	2,426,683
Loss on disposal of assets	0
Depreciation	(1,237,857)
Net effect	1,188,826
Long-term debt issued (governmental funds)	0
Premium adjustment on bonds	267,649
Long-term debt retired (governmental funds)	1,486,786
Net effect	1,754,435
Change in net position	\$3,683,021
Net position, beginning of year, as restated	\$22,660,967
Net position, end of year	26,343,988
Reconciliation of Combined Balance Sheet to the Statement of Net Position	
Fund balances - all fund types and account groups	\$43,904,184
Recognition of summer revenue deferred	204,404
Recognition of summer salaries deferred	(17,954)
Deferral of SURS pension contribution	71,756
Amount to be provided for compensated absences	(152,131)
Amount to be provided for other post employment benefits	(11,073,609)
Amount available in debt service fund	(816,153)
Amount to be provided for retirement of general long-term debt	(5,776,509)
Net position of statement of net position	\$26,343,988

# Highland Community College District #519

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2021

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS</b>				
Cash and cash equivalents	\$1,581,329	\$1,866,896	\$183,989	\$555,896
Investments	4,557,762	7,091,473	9,126	3,917,929
Receivables:				
Taxes	5,796,272	1,045,680	1,518,645	774,133
Other, net of \$1,628,526 allowance for doubtful accounts	1,675,961	1,631,903	0	11,284
Due from other funds	0	2,271,357	0	0
Inventories	0	0	0	0
Deferred expense	33,478	4,500	0	0
Fixed assets	0	0	0	0
Other debits:				
Amount to be provided for compensated absences	0	0	0	0
Amount available in the debt service fund	0	0	0	0
Amount to be provided for opeb	0	0	0	0
Amount to be provided for retirement of general long-term debt	0	0	0	0
<b>Total assets</b>	<b>\$13,644,802</b>	<b>\$13,711,609</b>	<b>\$1,711,760</b>	<b>\$5,259,242</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$119,519	\$39,396	\$44	\$77,633
Accrued salaries	0	7,561	0	0
Accrued expenses	570,712	0	0	0
Other accrued expenses	0	0	0	0
Due to other funds	2,201,904	69,453	0	0
Unearned tuition revenue	1,666,459	234,894	0	0
Accrued compensated absences	0	0	0	0
Capital lease payable	0	0	0	0
Premium on bonds	0	0	0	0
Bonds payable	0	0	0	0
Net OPEB liability	0	0	0	0
<b>Total liabilities</b>	<b>4,558,594</b>	<b>351,304</b>	<b>44</b>	<b>77,633</b>
<b>Deferred inflows of resources -</b>				
Property taxes	3,351,871	616,651	895,563	456,516
Grant revenue	0	648,623	0	0
<b>Total deferred inflows of resources</b>	<b>3,351,871</b>	<b>1,265,274</b>	<b>895,563</b>	<b>456,516</b>
<b>Fund equity:</b>				
Investments in general fixed assets	0	0	0	0
Unrestricted net position	0	0	0	0
<b>Fund balances (deficit):</b>				
Reserved for restricted purposes	0	1,392,748	0	0
Reserved for bond requirements	0	0	816,153	0
Reserved for working cash	0	10,338,287	0	0
Unreserved - designated	5,734,337	363,996	0	4,725,093
<b>Total fund equity</b>	<b>5,734,337</b>	<b>12,095,031</b>	<b>816,153</b>	<b>4,725,093</b>
<b>Total liabilities, deferred inflows and fund equity</b>	<b>\$13,644,802</b>	<b>\$13,711,609</b>	<b>\$1,711,760</b>	<b>\$5,259,242</b>

# Highland Community College District #519

Combined Balance Sheet  
All Fund Types and Account Groups  
June 30, 2021

	Proprietary Fund Types	Account Groups		Total
	Enterprise	General Fixed Assets	Long-Term Debt	(Memorandum Only)
<b>ASSETS</b>				
Cash and cash equivalents	\$1,005,861	\$0	\$0	\$4,993,771
Investments	0	0	0	15,576,290
Receivables:				
Taxes	0	0	0	9,134,730
Other, net of \$1,628,526 allowance for doubtful accounts	36,114	0	0	3,355,262
Due from other funds	0	0	0	2,271,357
Inventories	291,837	0	0	291,837
Deferred expense	0	0	0	37,978
Fixed assets	0	19,404,038	0	19,404,038
Other debits:				
Amount to be provided for compensated absences	0	0	152,131	152,131
Amount available in the debt service fund	0	0	816,153	816,153
Amount to be provided for opeb	0	0	11,073,609	11,073,609
Amount to be provided for retirement of general long-term debt	0	0	5,776,509	5,776,509
<b>Total assets</b>	<b>\$1,333,812</b>	<b>\$19,404,038</b>	<b>\$17,818,402</b>	<b>\$72,883,665</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	\$986	\$0	\$0	\$237,578
Accrued salaries		0	0	7,561
Accrued expenses	2,656	0	0	573,366
Other accrued expenses		0	0	0
Due to other funds	0	0	0	2,271,357
Unearned tuition revenue	200,638	0	0	2,101,991
Accrued compensated absences	0	0	152,131	152,131
Capital lease payable	0	0	195,203	195,203
Premium on bonds	0	0	387,459	387,459
Bonds payable	0	0	6,010,000	6,010,000
Net OPEB liability	0	0	11,073,609	11,073,609
<b>Total liabilities</b>	<b>204,280</b>	<b>0</b>	<b>17,818,402</b>	<b>23,010,257</b>
<b>Deferred inflows of resources:</b>				
Property taxes	0	0	0	5,320,601
Grant revenue	0	0	0	648,623
<b>Total deferred inflows of resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,969,224</b>
<b>Fund equity:</b>				
Investments in general fixed assets	0	19,404,038	0	19,404,038
Unrestricted net position	1,129,532	0	0	1,129,532
Fund balances (deficit):				
Reserved for restricted purposes	0	0	0	1,392,748
Reserved for bond requirements	0	0	0	816,153
Reserved for working cash	0	0	0	10,338,287
Unreserved - designated	0	0	0	10,823,426
<b>Total fund equity</b>	<b>1,129,532</b>	<b>19,404,038</b>	<b>0</b>	<b>43,904,184</b>
<b>Total liabilities, deferred inflows and fund equity</b>	<b>\$1,333,812</b>	<b>\$19,404,038</b>	<b>\$17,818,402</b>	<b>\$72,883,665</b>

# Highland Community College District #519

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
All Governmental Fund Types  
For the year ended June 30, 2021

	Governmental Fund Types				Total (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues:</b>					
Local governmental sources	\$7,188,934	\$1,242,360	\$1,778,618	\$912,356	\$11,122,268
State governmental sources	1,432,851	533,118	0	0	1,965,969
Federal governmental sources	1,411,733	4,021,517	0	0	5,433,250
Student tuition and fees	4,681,612	591,433	0	0	5,273,045
Other sources	682,464	1,034,408	250	125,351	1,842,473
On behalf payments	0	8,276,339	0	0	8,276,339
<b>Total revenues</b>	<b>15,397,594</b>	<b>15,699,175</b>	<b>1,778,868</b>	<b>1,037,707</b>	<b>33,913,344</b>
<b>Expenditures:</b>					
Instruction	7,297,321	5,308,854	0	0	12,606,175
Academic support	750,271	398,712	0	0	1,148,983
Student services	1,066,437	1,435,292	0	0	2,501,729
Public services	476,657	250,144	0	0	726,801
Auxiliary services	694	379,510	0	0	380,204
Operations and maintenance of plant	1,342,685	1,239,632	0	529	2,582,846
Institutional support	2,489,698	3,539,943	950	62,185	6,092,776
Scholarships, student grants, and waivers	284,002	3,295,371	0	0	3,579,373
Capital projects	0	0	0	2,408,975	2,408,975
Debt service	56,160	0	1,755,875	0	1,812,035
<b>Total expenditures</b>	<b>13,763,925</b>	<b>15,847,458</b>	<b>1,756,825</b>	<b>2,471,689</b>	<b>33,839,897</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>1,633,669</b>	<b>(148,283)</b>	<b>22,043</b>	<b>(1,433,982)</b>	<b>73,447</b>
<b>Other financing sources (uses):</b>					
Payment to escrow agent	0	0	0	0	0
Transfers from (to) other funds	(80,538)	(24,462)	0	40,000	(65,000)
<b>Total other financing sources (uses)</b>	<b>(80,538)</b>	<b>(24,462)</b>	<b>0</b>	<b>40,000</b>	<b>(65,000)</b>
<b>Net change in fund balance</b>	<b>1,553,131</b>	<b>(172,745)</b>	<b>22,043</b>	<b>(1,393,982)</b>	<b>8,447</b>
<b>Fund balance, beginning of year as restated</b>	<b>4,181,206</b>	<b>12,267,776</b>	<b>794,110</b>	<b>6,119,075</b>	<b>23,362,167</b>
<b>Fund balance, end of year</b>	<b>\$5,734,337</b>	<b>\$12,095,031</b>	<b>\$816,153</b>	<b>\$4,725,093</b>	<b>\$23,370,614</b>

# Highland Community College District #519

## Combined Statement of Revenues, Expenditures, and

## Changes in Fund Balances - Budget and Actual

### All Governmental Fund Types

For the year ended June 30, 2021

	General Fund Types		Over (Under) Budget
	Budget	Actual	
<b>Revenues:</b>			
Local governmental sources	\$6,920,321	\$7,188,934	\$268,613
State governmental sources	1,447,851	1,432,851	(15,000)
Federal governmental sources	55,000	1,411,733	1,356,733
Student tuition and fees	4,947,800	4,681,612	(266,188)
Other sources	729,219	682,464	(46,755)
On behalf payments	0	0	0
<b>Total revenues</b>	<b>14,100,191</b>	<b>15,397,594</b>	<b>1,297,403</b>
<b>Expenditures:</b>			
Instruction	7,630,599	7,297,321	(333,278)
Academic support	943,060	750,271	(192,789)
Student services	1,126,590	1,066,437	(60,153)
Public services	486,695	476,657	(10,038)
Auxiliary services	0	694	694
Operations and maintenance of plant	1,474,264	1,342,685	(131,579)
Institutional support	2,663,685	2,489,698	(173,987)
Scholarships, student grants, and waivers	371,250	284,002	(87,248)
Capital projects	0	0	0
Debt service	0	56,160	56,160
<b>Total expenditures</b>	<b>14,696,143</b>	<b>13,763,925</b>	<b>(932,218)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(595,952)</b>	<b>1,633,669</b>	<b>2,229,621</b>
<b>Other financing sources (uses):</b>			
Payment to escrow agent	0	0	0
Transfer from (to) other funds	595,952	(80,538)	(676,490)
<b>Total other financing sources (uses)</b>	<b>595,952</b>	<b>(80,538)</b>	<b>(676,490)</b>
<b>Net change in fund balance</b>	<b>\$0</b>	<b>1,553,131</b>	<b>\$1,553,131</b>
<b>Fund balance, beginning of year, as restated</b>		<b>4,181,206</b>	
<b>Fund balance, end of year</b>		<b>\$5,734,337</b>	

# Highland Community College District #519

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual (continued)  
All Governmental Fund Types  
For the year ended June 30, 2021

	Special Revenue Fund Types		
	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources	\$1,232,500	\$1,242,360	\$9,860
State governmental sources	522,776	533,118	10,342
Federal governmental sources	5,250,918	4,021,517	(1,229,401)
Student tuition and fees	605,000	591,433	(13,567)
Other sources	715,875	1,034,408	318,533
On behalf payments	0	8,276,339	8,276,339
<b>Total revenues</b>	<b>8,327,069</b>	<b>15,699,175</b>	<b>7,372,106</b>
<b>Expenditures:</b>			
Instruction	\$705,260	5,308,854	4,603,594
Academic support	56,612	398,712	342,100
Student services	704,136	1,435,292	731,156
Public services	123,675	250,144	126,469
Auxiliary services	0	379,510	379,510
Operations and maintenance of plant	631,694	1,239,632	607,938
Institutional support	2,286,980	3,539,943	1,252,963
Scholarships, student grants, and waivers	3,997,581	3,295,371	(702,210)
Capital projects	0	0	0
Debt service	0	0	0
<b>Total expenditures</b>	<b>8,505,938</b>	<b>15,847,458</b>	<b>7,341,520</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(178,869)</b>	<b>(148,283)</b>	<b>30,586</b>
<b>Other financing sources (uses):</b>			
Payment to escrow agent	0	0	0
Transfer from (to) other funds	(586,192)	(24,462)	561,730
<b>Total other financing sources (uses)</b>	<b>(586,192)</b>	<b>(24,462)</b>	<b>561,730</b>
<b>Net change in fund balance</b>	<b>(\$765,061)</b>	<b>(172,745)</b>	<b>\$592,316</b>
<b>Fund balance, beginning of year, as restated</b>		<b>12,267,776</b>	
<b>Fund balance, end of year</b>		<b>\$12,095,031</b>	

# Highland Community College District #519

## Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (continued)

### All Governmental Fund Types

For the year ended June 30, 2021

	Debt Service Fund Types		
	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources	\$1,777,961	\$1,778,618	\$657
State governmental sources	0	0	0
Federal governmental sources	0	0	0
Student tuition and fees	0	0	0
Other sources	0	250	250
On behalf payments	0	0	0
<b>Total revenues</b>	<b>1,777,961</b>	<b>1,778,868</b>	<b>907</b>
<b>Expenditures:</b>			
Instruction	0	0	0
Academic support	0	0	0
Student services	0	0	0
Public services	0	0	0
Auxiliary services	0	0	0
Operations and maintenance of plant	0	0	0
Institutional support	0	950	950
Scholarships, student grants, and waivers	0	0	0
Capital projects	0	0	0
Debt service	1,848,950	1,755,875	(93,075)
<b>Total expenditures</b>	<b>1,848,950</b>	<b>1,756,825</b>	<b>(92,125)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(70,989)</b>	<b>22,043</b>	<b>93,032</b>
<b>Other financing sources (uses):</b>			
Payment to escrow agent	0	0	0
Transfer from (to) other funds	0	0	0
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>(\$70,989)</b>	<b>22,043</b>	<b>\$93,032</b>
<b>Fund balance, beginning of year, as restated</b>		<b>794,110</b>	
<b>Fund balance, end of year</b>		<b>\$816,153</b>	

# Highland Community College District #519

## Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (continued)

All Governmental Fund Types

For the year ended June 30, 2021

	Capital Project Fund Types		
	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources	\$911,500	\$912,356	\$856
State governmental sources	0	0	0
Federal governmental sources	0	0	0
Student tuition and fees	0	0	0
Other sources	0	125,351	125,351
On behalf payments	0	0	0
<b>Total revenues</b>	<b>911,500</b>	<b>1,037,707</b>	<b>126,207</b>
<b>Expenditures:</b>			
Instruction	0	0	0
Academic support	0	0	0
Student services	0	0	0
Public services	0	0	0
Auxiliary services	0	0	0
Operations and maintenance of plant	0	529	529
Institutional support	233,000	62,185	(170,815)
Scholarships, student grants, and waivers	0	0	0
Capital projects	5,782,734	2,408,975	(3,373,759)
Debt service	0	0	0
<b>Total expenditures</b>	<b>6,015,734</b>	<b>2,471,689</b>	<b>(3,544,045)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(5,104,234)</b>	<b>(1,433,982)</b>	<b>3,670,252</b>
<b>Other financing sources (uses):</b>			
Payment to escrow agent	0	0	0
Transfer from (to) other funds	(74,761)	40,000	114,761
<b>Total other financing sources (uses)</b>	<b>(74,761)</b>	<b>40,000</b>	<b>114,761</b>
<b>Net change in fund balance</b>	<b>(\$5,178,995)</b>	<b>(1,393,982)</b>	<b>\$3,785,013</b>
<b>Fund balance, beginning of year, as restated</b>		<b>6,119,075</b>	
<b>Fund balance, end of year</b>		<b>\$4,725,093</b>	



# Highland Community College District #519

Combined Statement of Revenues, Expenses, and  
Changes in Net Position - Budget and Actual  
All Proprietary Fund Types  
For the year ended June 30, 2021

	Enterprise	
	Budget	Actual
Operating revenues:		
Bookstore sales	\$455,200	\$450,070
Other fees	495,000	477,546
Athletics	41,040	9,515
Other sources	62,003	61,193
Total operating revenues	1,053,243	998,324
Operating expenses:		
Public services:		
Salaries	1,000	0
Contractual services	10,925	1,925
General materials and supplies	9,711	4,120
Conference and meeting expense	4,350	0
Utilities	600	616
Capital outlay	1,844	770
Other	950	0
Total public services	29,380	7,431
Auxiliary Services:		
Salaries	349,958	244,256
Employee benefits	64,049	43,581
Contractual services	57,961	50,872
General materials and supplies	556,075	553,302
Conference and meeting expense	245,251	75,731
Fixed charges	13,959	5,635
Capital outlay	5,204	7,334
Other	9,896	2,825
Total auxiliary services	1,302,353	983,536
Institutional support:		
Salaries	0	0
Scholarships, student grants, and waivers		
Other	13,145	18,721
Total operating expenses	1,344,878	1,009,688
Operating income (loss)	(291,635)	(11,364)

# Highland Community College District #519

## Combined Statement of Revenues, Expenses, and

## Changes in Net Position - Budget and Actual

### All Proprietary Fund Types

For the year ended June 30, 2021

	Enterprise	
	Budget	Actual
Nonoperating revenue (expenses):		
Federal revenue	0	693,934
Other revenue	70,000	97,662
Transfer from (to) other funds	65,000	65,000
Total nonoperating revenue (expense)	135,000	856,596
Net income (loss)	(\$156,635)	845,232
Unrestricted net position beginning of year		284,300
Unrestricted net position end of year		\$1,129,532

**Highland Community College District #519**  
**Combined Statement of Cash Flows**  
**Proprietary Fund Type**  
**For the year ended June 30, 2021**

	<b>Enterprise Fund Type</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	(\$11,364)
Adjustments to reconcile net income to net cash from operating activities:	
(Increase) decrease in current assets:	
Inventory	3,585
Accounts receivable	21,164
Deferred expense	0
Due from other funds	0
Increase (decrease) in current liabilities:	
Accounts payable	25
Accrued expenses	90
Unearned tuition revenue	5,803
Due to other funds	0
<b>Net cash provided by (used in) operations</b>	<b>19,303</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Proceeds from grants	791,596
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>791,596</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of investments	0
Maturity of investments	0
<b>Net cash provided by (used for) investing activities</b>	<b>0</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfer from (to) other funds	65,000
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>65,000</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>875,899</b>
<b>Beginning cash and cash equivalents</b>	<b>129,962</b>
<b>Ending cash and cash equivalents</b>	<b>\$1,005,861</b>

# Highland Community College District #519

## Combining Balance Sheet

### Governmental Fund Types - General Funds

June 30, 2021

<b>ASSETS</b>	<b>Educational Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Total General Funds</b>
Cash	\$0	\$1,581,329	\$1,581,329
Investments	4,557,762	0	4,557,762
Receivables:			
Taxes	4,595,446	1,200,826	5,796,272
Other, net of \$1,622,072 allowance for doubtful accounts	1,674,261	1,700	1,675,961
Deferred expense	33,478	0	33,478
<b>Total assets</b>	<b>10,860,947</b>	<b>2,783,855</b>	<b>13,644,802</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
Liabilities:			
Accounts payable	72,259	47,260	119,519
Accrued expenses	545,044	25,668	570,712
Due to other funds	2,201,904	0	2,201,904
Unearned tuition revenue	1,666,459	0	1,666,459
<b>Total liabilities</b>	<b>4,485,666</b>	<b>72,928</b>	<b>4,558,594</b>
Deferred inflows of resources:			
Property tax revenue	2,643,729	708,142	3,351,871
Grant revenue	0	0	0
<b>Total deferred inflows</b>	<b>2,643,729</b>	<b>708,142</b>	<b>3,351,871</b>
Fund balance - unreserved - designated	3,731,552	2,002,785	5,734,337
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$10,860,947</b>	<b>\$2,783,855</b>	<b>\$13,644,802</b>

# Highland Community College District #519

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Fund Types  
General Funds  
For the year ended June 30, 2021

	Educational Fund	Operations and Maintenance Fund	Total General Funds
<b>Revenues:</b>			
Local governmental sources	\$5,797,030	\$1,391,904	\$7,188,934
State governmental sources	1,245,074	187,777	1,432,851
Federal governmental sources	1,411,733	0	1,411,733
Student tuition and fees	4,681,612	0	4,681,612
Other sources	573,145	109,319	682,464
On behalf payments	0	0	0
<b>Total revenues</b>	<b>13,708,594</b>	<b>1,689,000</b>	<b>15,397,594</b>
<b>Expenditures:</b>			
Instruction	7,297,321	0	7,297,321
Academic support	750,271	0	750,271
Student services	1,066,437	0	1,066,437
Public services	476,657	0	476,657
Auxiliary services	694	0	694
Operations and maintenance of plant	0	1,342,685	1,342,685
Institutional support	2,489,698	0	2,489,698
Scholarships, student grants, and waivers	284,002	0	284,002
Debt service	56,160	0	56,160
On behalf payments	0	0	0
<b>Total expenditures</b>	<b>12,421,240</b>	<b>1,342,685</b>	<b>13,763,925</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>1,287,354</b>	<b>346,315</b>	<b>1,633,669</b>
<b>Other financing sources (uses):</b>			
Transfer from (to) other funds	(40,538)	(40,000)	(80,538)
<b>Net change in fund balance</b>	<b>1,246,816</b>	<b>306,315</b>	<b>1,553,131</b>
<b>Fund balance, beginning of year</b>	<b>2,484,736</b>	<b>1,696,470</b>	<b>4,181,206</b>
<b>Fund balance, end of year</b>	<b>\$3,731,552</b>	<b>\$2,002,785</b>	<b>\$5,734,337</b>

# Highland Community College District #519

## Combining Balance Sheet

### Governmental Fund Types - Special Revenue Funds

June 30, 2021

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Funds	Working Cash Funds	Total Special Revenue Funds
<b>ASSETS</b>					
Cash	\$19,177	\$0	\$0	\$1,647,519	\$1,666,696
Investments	672,301	0	0	6,419,172	7,091,473
Receivables:					
Property tax	0	38,907	1,006,773	0	1,045,680
Other	1,631,664	0	0	239	1,631,903
Due from other funds	0	0	0	2,271,357	2,271,357
Other deferred expenses	0	4,500	0	0	4,500
<b>Total assets</b>	<b>\$2,323,142</b>	<b>\$43,407</b>	<b>\$1,006,773</b>	<b>\$10,338,287</b>	<b>\$13,711,609</b>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$39,316	\$0	\$80	\$0	\$39,396
Accrued salaries	7,561	0	0	0	7,561
Accrued expense	0	0	0	0	0
Other accrued expenses	0	0	0	0	0
Due to other funds	0	19,602	49,851	0	69,453
Unearned tuition revenue	234,894	0	0	0	234,894
<b>Total liabilities</b>	<b>281,771</b>	<b>19,602</b>	<b>49,931</b>	<b>0</b>	<b>351,304</b>
Deferred inflows:					
Property taxes	0	22,944	593,707	0	616,651
Grant revenue	648,623	0	0	0	648,623
<b>Total deferred inflows</b>	<b>648,623</b>	<b>22,944</b>	<b>593,707</b>	<b>0</b>	<b>1,265,274</b>
Fund balance (deficit):					
Reserved for restricted purposes	1,392,748	0	0	10,338,287	11,731,035
Unreserved - designated	0	861	363,135	0	363,996
<b>Total fund balance</b>	<b>1,392,748</b>	<b>861</b>	<b>363,135</b>	<b>10,338,287</b>	<b>12,095,031</b>
<b>Total liabilities, deferred inflows, and fund balance</b>	<b>\$2,323,142</b>	<b>\$43,407</b>	<b>\$1,006,773</b>	<b>\$10,338,287</b>	<b>\$13,711,609</b>

# Highland Community College District #519

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Fund Types - Special Revenue Funds

For the year ended June 30, 2021

	Restricted Purposes Fund	Audit Fund	Liability, Protection, and Settlement Fund	Working Cash Fund	Total Special Revenue Funds
<b>Revenues:</b>					
Local government sources	\$0	\$45,098	\$1,197,262	\$0	\$1,242,360
State governmental sources	533,118	0	0	0	533,118
Federal governmental sources	4,021,517	0	0	0	4,021,517
Student tuition	591,433	0	0	0	591,433
Other sources	991,354	0	0	43,054	1,034,408
On behalf payments	8,276,339	0	0	0	8,276,339
<b>Total revenues</b>	<b>14,413,761</b>	<b>45,098</b>	<b>1,197,262</b>	<b>43,054</b>	<b>15,699,175</b>
<b>Expenditures:</b>					
Instruction	5,308,854	0	0	0	5,308,854
Academic support	398,712	0	0	0	398,712
Student services	1,435,292	0	0	0	1,435,292
Public services	250,144	0	0	0	250,144
Auxiliary services	379,510	0	0	0	379,510
Operations and maintenance	636,505	0	603,127	0	1,239,632
Institutional support	2,946,136	49,075	539,564	5,168	3,539,943
Scholarships, student grants, and waivers	3,295,371	0	0	0	3,295,371
<b>Total expenditures</b>	<b>14,650,524</b>	<b>49,075</b>	<b>1,142,691</b>	<b>5,168</b>	<b>15,847,458</b>
<b>Excess of (deficiency) of revenues over expenditures</b>	<b>(236,763)</b>	<b>(3,977)</b>	<b>54,571</b>	<b>37,886</b>	<b>(148,283)</b>
<b>Other financing sources (uses):</b>					
Transfer from (to) other funds	13,424	0	0	(37,886)	(24,462)
<b>Total other financing sources</b>	<b>13,424</b>	<b>0</b>	<b>0</b>	<b>(37,886)</b>	<b>(24,462)</b>
<b>Net change in fund balance</b>	<b>(223,339)</b>	<b>(3,977)</b>	<b>54,571</b>	<b>0</b>	<b>(172,745)</b>
<b>Fund balance, beginning of year, as previously reported</b>	<b>1,157,896</b>	<b>4,838</b>	<b>308,564</b>	<b>10,338,287</b>	<b>11,809,585</b>
<b>Restatement</b>	<b>458,191</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>458,191</b>
<b>Fund balance, beginning of year, as restated</b>	<b>1,616,087</b>	<b>4,838</b>	<b>308,564</b>	<b>10,338,287</b>	<b>12,267,776</b>
<b>Fund balance, end of year</b>	<b>\$1,392,748</b>	<b>\$861</b>	<b>\$363,135</b>	<b>\$10,338,287</b>	<b>\$12,095,031</b>

# Highland Community College District #519

## Educational Fund

### Schedule of Revenues Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Local governmental sources:</b>			
Current taxes	\$2,590,536	\$2,643,730	\$53,194
Back taxes	2,552,252	2,552,707	455
Corporate personal property replacement tax	400,000	600,593	200,593
<b>Total local government sources</b>	<b>5,542,788</b>	<b>5,797,030</b>	<b>254,242</b>
<b>State governmental sources:</b>			
ICCB base operating grants	1,064,071	1,064,071	0
ICCB equalization grants	50,000	50,000	0
ICCB career and technical education	131,003	131,003	0
ICCB other	15,000	0	(15,000)
<b>Total state government sources</b>	<b>1,260,074</b>	<b>1,245,074</b>	<b>(15,000)</b>
<b>Federal governmental sources:</b>			
HEERF	0	1,359,389	1,359,389
Other	55,000	52,344	(2,656)
<b>Total federal governmental sources</b>	<b>55,000</b>	<b>1,411,733</b>	<b>1,356,733</b>
<b>Student tuition and fees:</b>			
Tuition	4,307,575	4,059,855	(247,720)
Fees	640,225	621,757	(18,468)
<b>Total student tuition and fees</b>	<b>4,947,800</b>	<b>4,681,612</b>	<b>(266,188)</b>
<b>Other sources:</b>			
Facilities rental	16,000	6,385	(9,615)
Interest on investments	97,000	3,732	(93,268)
Other revenue	511,205	563,028	51,823
<b>Total other sources</b>	<b>624,205</b>	<b>573,145</b>	<b>(51,060)</b>
<b>Total revenues</b>	<b>\$12,429,867</b>	<b>\$13,708,594</b>	<b>\$1,278,727</b>



# Highland Community College District #519

## Educational Fund

### Schedule of Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Instruction:</b>			
Salaries	\$6,081,762	\$5,921,341	(\$160,421)
Employee benefits	1,162,020	1,116,290	(45,730)
Contractual services	91,560	65,752	(25,808)
General materials and supplies	229,529	154,494	(75,035)
Conference and meetings expense	16,678	3,641	(13,037)
Fixed charges	11,000	4,100	(6,900)
Utilities	774	773	(1)
Capital outlay	34,292	30,657	(3,635)
Other	2,984	273	(2,711)
<b>Total instruction</b>	<b>7,630,599</b>	<b>7,297,321</b>	<b>(333,278)</b>
<b>Academic support:</b>			
Salaries	594,172	516,330	(77,842)
Employee benefits	163,229	140,244	(22,985)
Contractual services	28,961	9,206	(19,755)
General materials and supplies	97,870	83,114	(14,756)
Conference and meetings expense	57,681	1,224	(56,457)
Capital outlay	1,147	115	(1,032)
Other	0	38	38
<b>Total academic support</b>	<b>943,060</b>	<b>750,271</b>	<b>(192,789)</b>
<b>Student services:</b>			
Salaries	783,731	740,310	(43,421)
Employee benefits	282,549	284,549	2,000
Contractual services	29,359	18,385	(10,974)
General materials and supplies	23,166	19,445	(3,721)
Conference and meetings expense	0	3,743	3,743
Fixed charges	7,100	0	(7,100)
Utilities	0	0	0
Capital outlay	360	0	(360)
Other	325	5	(320)
<b>Total student services</b>	<b>1,126,590</b>	<b>1,066,437</b>	<b>(60,153)</b>
<b>Public services:</b>			
Salaries	206,764	148,579	(58,185)
Employee benefits	25,567	10,633	(14,934)
Contractual services	169,793	282,505	112,712
General materials and supplies	29,611	6,930	(22,681)
Conference and meeting expense	34,990	14,276	(20,714)

# Highland Community College District #519

Educational Fund (Continued)

Schedule of Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Public services (continued):</b>			
Fixed charges	14,870	11,559	(3,311)
Utilities	0	0	0
Capital outlay	0	867	867
Other	5,100	1,308	(3,792)
<b>Total public services</b>	<b>486,695</b>	<b>476,657</b>	<b>(10,038)</b>
<b>Auxiliary services:</b>			
Salaries	0	694	694
<b>Institutional support:</b>			
Salaries	1,232,927	1,251,813	18,886
Employee benefits	498,428	500,311	1,883
Contractual services	394,669	320,674	(73,995)
General materials and supplies	323,291	288,964	(34,327)
Conference and meeting expense	82,394	31,382	(51,012)
Fixed charges	33,880	0	(33,880)
Utilities	17,400	17,563	163
Capital outlay	6,135	8,695	2,560
Other	74,561	70,296	(4,265)
<b>Total institutional support</b>	<b>2,663,685</b>	<b>2,489,698</b>	<b>(173,987)</b>
<b>Scholarships, student grants, and waivers</b>			
Other	371,250	284,002	(87,248)
<b>Debt service -</b>			
Principal and interest payments	0	56,160	56,160
<b>Other -</b>			
Provision of contingency	0	0	0
<b>Total educational fund</b>	<b>\$13,221,879</b>	<b>\$12,421,240</b>	<b>(\$800,639)</b>
<b>Other financing sources (uses):</b>			
Capital lease proceeds	\$0	\$0	\$0
Operating transfers in	586,191	62,886	(523,305)
Operating transfers out	(65,000)	(103,424)	(38,424)
<b>Total other financing sources (uses)</b>	<b>\$521,191</b>	<b>(\$40,538)</b>	<b>(\$561,729)</b>

# Highland Community College District #519

General - Operations and Maintenance Fund - Unrestricted

Schedule of Revenues and Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources:			
Current taxes	\$693,894	\$708,142	\$14,248
Back taxes	683,639	683,762	123
Corporate personal property replacement tax	0	0	0
Total local government sources	1,377,533	1,391,904	14,371
State governmental sources:			
State apportionment	187,777	187,777	0
Total state government sources	187,777	187,777	0
Federal governmental sources:			
FEMA	0	0	0
Total federal sources	0	0	0
Other sources:			
Facilities rental	84,714	89,859	5,145
Other revenue	20,300	19,460	(840)
Total other sources	105,014	109,319	4,305
Total revenues	\$1,670,324	\$1,689,000	\$18,676
<b>Expenditures:</b>			
Operation and maintenance of plant:			
Salaries	\$603,958	\$550,379	(\$53,579)
Employee benefits	204,343	178,093	(26,250)
Contractual services	128,372	75,992	(52,380)
General materials and supplies	179,839	133,608	(46,231)
Conference and meeting expense	0	384	384
Utilities	637,751	603,126	(34,625)
Capital outlay	1,970	1,988	(2)
Other	(281,969)	(200,865)	81,104
Contingency	0	0	0
Total expenditures	\$1,474,264	\$1,342,685	(\$131,579)
Other financing sources (uses):			
Operating transfers in	\$74,761	\$0	(\$74,761)
Operating transfers out	0	(40,000)	(40,000)
Total financing sources (uses)	\$74,761	(\$40,000)	(\$114,761)

# Highland Community College District #519

## Special Revenue - Restricted Purpose Fund Schedule of Revenues Compared to Budget For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
<b>State governmental sources:</b>			
Student success grant	\$5,285	\$5,285	\$0
SBE adult education	229,950	224,040	(5,910)
SBE vocational education	156,421	149,846	(6,575)
SURS On-Behalf	0	8,059,670	8,059,670
CIP On-Behalf	0	216,669	216,669
Other	131,120	153,947	22,827
<b>Total state government sources</b>	<b>522,776</b>	<b>8,809,457</b>	<b>8,286,681</b>
<b>Federal Governmental Sources:</b>			
Student support services grant	344,538	317,447	(27,091)
College work study	83,945	79,231	(4,714)
Direct federal loan program	1,050,000	533,207	(516,793)
Upward bound grant	297,601	214,704	(82,897)
Pell	2,680,000	2,043,603	(636,397)
SEOG	44,268	48,983	4,715
RSVP	54,456	55,340	884
HEERF CARES Act	466,698	458,125	(8,573)
GEER	172,800	151,624	(21,176)
HEERF CRRSA	0	537,855	537,855
HEERF American Rescue Act	0	(427,201)	(427,201)
Other	56,612	8,599	(48,013)
<b>Total federal government sources</b>	<b>5,250,918</b>	<b>4,021,517</b>	<b>(1,229,401)</b>
<b>Student tuition and fees:</b>			
Tuition	605,000	591,177	(13,823)
Fees	0	256	256
<b>Total student tuition and fees</b>	<b>605,000</b>	<b>591,433</b>	<b>(13,567)</b>
<b>Other sources:</b>			
Highland Community College Foundation	256,303	263,638	7,335
Investment income	19,346	20,715	1,369
In Kind	31,294	27,813	(3,481)
Other	263,932	679,188	415,256
<b>Total other sources</b>	<b>570,875</b>	<b>991,354</b>	<b>420,479</b>
<b>Total revenue</b>	<b>\$8,949,569</b>	<b>\$14,413,781</b>	<b>\$7,464,192</b>

# Highland Community College District #519

Special Revenue - Restricted Purpose Fund  
 Schedule of Expenditures Compared to Budget  
 For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Expenditures:</b>			
<b>Instruction:</b>			
Salaries	\$326,026	\$316,685	(\$9,341)
Employee benefits	92,297	4,798,198	4,705,901
Contractual services	41,465	9,341	(32,124)
General materials and supplies	79,723	96,136	16,413
Conference and meetings expense	45,882	7,619	(38,263)
Fixed charges	0	0	0
Utilities	0	0	0
Capital outlay	91,310	66,053	(25,257)
Other	28,557	14,822	(13,735)
<b>Total Instruction</b>	<b>705,280</b>	<b>5,308,854</b>	<b>4,603,594</b>
<b>Academic support:</b>			
Salaries	0	0	0
Employee benefits	0	390,113	390,113
Contractual services	47,892	7,370	(40,522)
General materials and supplies	6,220	1,229	(4,991)
Conference and meetings expense	2,500	0	(2,500)
Capital outlay	0	0	0
Other	0	0	0
<b>Total academic support</b>	<b>56,612</b>	<b>398,712</b>	<b>342,100</b>
<b>Student services:</b>			
Salaries	415,479	362,335	(53,144)
Employee benefits	104,816	944,921	840,105
Contractual services	6,816	495	(6,321)
General materials and supplies	86,116	25,117	(60,999)
Conference meeting expense	34,054	20,730	(13,324)
Capital outlay	2,500	0	(2,500)
Other	54,355	81,694	27,339
<b>Total student services</b>	<b>704,136</b>	<b>1,435,292</b>	<b>731,156</b>
<b>Public services:</b>			
Salaries	52,439	51,838	(601)
Employee benefits	5,772	158,923	153,151
Contractual services	3,500	0	(3,500)
General materials and supplies	12,386	6,937	(5,449)
Conference and meeting expense	12,430	4,190	(8,240)
Fixed charges	23,546	23,546	0
Utilities	4,152	4,152	0
Capital outlay	3,610	0	(3,610)
Other	5,840	558	(5,282)
<b>Total public services</b>	<b>123,675</b>	<b>250,144</b>	<b>126,469</b>

**Highland Community College District #519**  
**Special Revenue - Restricted Purpose Fund (Continued)**  
**Schedule of Expenditures Compared to Budget**  
**For the year ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Over (Under) Budget</b>
<b>Expenditures (continued):</b>			
<b>Auxiliary Services:</b>			
Employee Benefits	0	367,046	367,046
Contractual services	0	0	0
Capital outlay	0	11,445	11,445
Other	0	1,019	1,019
<b>Total auxiliary services</b>	<b>0</b>	<b>379,510</b>	<b>379,510</b>
<b>Institutional Support:</b>			
Salaries	421,358	552,954	131,596
Employee Benefits	82,314	1,464,878	1,382,564
Contractual services	668,394	743,410	75,016
General materials and supplies	43,623	43,957	334
Conference and meetings expense	39,397	14,462	(24,935)
Fixed charges	650	0	(650)
Utilities	0	0	0
Capital outlay	372,442	126,705	(245,737)
Other	700	(230)	(930)
<b>Total institutional support</b>	<b>1,628,878</b>	<b>2,946,136</b>	<b>1,317,258</b>
<b>Scholarships, student grants, and waivers:</b>			
Salaries	0	0	0
Employee benefits	0	0	0
Contractual services	0	0	0
General materials and supplies	0	0	0
Other	3,997,581	3,295,371	(702,210)
<b>Total scholarships, student grants, and waivers</b>	<b>3,997,581</b>	<b>3,295,371</b>	<b>(702,210)</b>
<b>Operations and Maintenance:</b>			
Salaries	0	0	0
Employee benefits	0	636,505	636,505
General materials and supplies	0	0	0
Capital outlay	0	0	0
Conference and meetings expense	0	0	0
Debt principal retirement	0	0	0
Other	0	0	0
<b>Total operations and maintenance</b>	<b>0</b>	<b>636,505</b>	<b>636,505</b>
<b>Total expenditures</b>	<b>\$7,216,142</b>	<b>\$14,650,524</b>	<b>\$7,434,382</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	\$0	\$38,424	\$38,424
Operating transfers out	(448,692)	(25,000)	423,692
<b>Total other financing sources (uses)</b>	<b>(\$448,692)</b>	<b>\$13,424</b>	<b>\$462,116</b>

# Highland Community College District #519

## Special Revenue - Audit Fund

### Schedule of Revenues and Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources:			
Current taxes	\$23,000	\$22,944	(\$56)
Back taxes	22,000	22,154	154
<b>Total revenues</b>	<b>\$45,000</b>	<b>\$45,098</b>	<b>\$98</b>
<b>Expenditures:</b>			
Institutional support:			
Salaries	\$0	\$0	\$0
Employee benefits	0	0	0
Contractual services	47,900	49,075	1,175
General materials and supplies	0	0	0
Conferences and meetings	0	0	0
Fixed charges	0	0	0
Capital outlay	0	0	0
Other	0	0	0
<b>Total expenditures</b>	<b>\$47,900</b>	<b>\$49,075</b>	<b>\$1,175</b>

# Highland Community College District #519

## Special Revenue

### Liability, Protection, and Settlement Fund

#### Schedule of Revenues and Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Local Governmental Sources			
Current taxes	\$595,000	\$593,706	(\$1,294)
Back taxes	592,500	595,419	2,919
Other revenue	0	8,137	8,137
<b>Total revenues</b>	<b>\$1,187,500</b>	<b>\$1,197,262</b>	<b>\$9,762</b>
<b>Expenditures:</b>			
Institutional support:			
Salaries	\$0	\$5,174	\$5,174
Employee benefits	242,960	203,973	(38,987)
Contractual services	145,425	131,662	(13,763)
General materials and supplies	9,100	6,216	(2,884)
Conferences and meetings	15,555	844	(14,711)
Fixed charges	186,917	187,697	780
Utilities	2,745	3,998	1,253
Capital outlay	0	0	0
Other	0	0	0
<b>Total institutional support</b>	<b>602,702</b>	<b>539,564</b>	<b>(63,138)</b>
<b>Operations and Maintenance</b>			
Salaries	\$307,024	\$292,060	(14,964)
Employee benefits	83,470	76,150	(7,320)
Contractual services	241,200	234,917	(6,283)
<b>Total operations and maintenance</b>	<b>631,694</b>	<b>603,127</b>	<b>(28,567)</b>
<b>Total expenditures</b>	<b>\$1,234,396</b>	<b>\$1,142,691</b>	<b>(\$91,705)</b>



# Highland Community College District #519

## Special Revenue

## Working Cash Fund

## Schedule of Revenues and Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Other sources:			
Interest on investments	\$145,000	\$43,054	(\$101,946)
Other revenue	0	0	0
<b>Total revenues</b>	<b>\$145,000</b>	<b>\$43,054</b>	<b>(\$101,946)</b>
<b>Expenditures:</b>			
Institutional support:			
Salaries	\$0	\$0	\$0
Employee benefits	0	0	0
Contractual services	0	0	0
General materials and supplies	0	0	0
Conferences and meetings	0	0	0
Fixed charges	0	0	0
Capital outlay	0	0	0
Other	7,500	5,168	(2,332)
<b>Total expenditures</b>	<b>\$7,500</b>	<b>\$5,168</b>	<b>(\$2,332)</b>
<b>Other financing sources (uses):</b>			
Bond proceeds	\$0	\$0	\$0
Premium on debt issued	0	0	0
Operating transfer out	(137,500)	(37,886)	99,614
<b>Total other financing sources (uses)</b>	<b>(\$137,500)</b>	<b>(\$37,886)</b>	<b>\$99,614</b>

# Highland Community College District #519

## Schedule of Tort Expenditures

For the year ended June 30, 2021

---

Risk management related salaries and benefits	\$540,038
Insurance	225,016
Legal services	0
Security and safety related	377,637
<hr/>	
Total tort expenditures	\$1,142,691
<hr/>	

# Highland Community College District #519

## Capital Projects

## Operations and Maintenance Fund - Restricted

## Schedule of Revenues and Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
<b>Revenues:</b>			
Local governmental sources:			
Current taxes	\$457,500	\$456,515	(\$985)
Back taxes	454,000	455,841	1,841
<b>Total local government sources</b>	<b>911,500</b>	<b>912,356</b>	<b>856</b>
State governmental sources:			
ADA Grant	0	0	0
<b>Total state government sources</b>	<b>0</b>	<b>0</b>	<b>0</b>
Other sources:			
Other gifts/revenue	0	96,155	96,155
Interest on investments	0	29,196	29,196
<b>Total other sources</b>	<b>0</b>	<b>125,351</b>	<b>125,351</b>
<b>Total revenues</b>	<b>\$911,500</b>	<b>\$1,037,707</b>	<b>\$126,207</b>
<b>Expenditures:</b>			
Operations and Maintenance:			
Contractual services	0	0	0
General materials and supplies	0	529	529
Capital outlay	1,375,651	693,933	(681,718)
Other	0	0	0
<b>Total operations and maintenance</b>	<b>1,375,651</b>	<b>694,462</b>	<b>(681,189)</b>
Institutional Support:			
Contractual services	233,000	62,185	(\$170,815)
Capital outlay	4,407,083	1,715,042	(2,692,041)
Other	0	0	0
<b>Total institutional support</b>	<b>\$4,640,083</b>	<b>\$1,777,227</b>	<b>(\$2,862,856)</b>
<b>Total expenditures</b>	<b>\$6,015,734</b>	<b>\$2,471,689</b>	<b>(\$3,544,045)</b>

# Highland Community College District #519

Capital Projects

Operations and Maintenance Fund - Restricted

Schedule of Revenues and Expenditures Compared to Budget

For the year ended June 30, 2021

	Budget	Actual	Over (Under) Budget
Debt service -			
Principal and interest payments	\$0	\$0	\$0
Other financing sources (uses):			
Operating transfers in	0	40,000	40,000
Operating transfers out	(74,761)	0	74,761
Total other financing sources (uses)	(\$74,761)	\$40,000	\$114,761

# Highland Community College District #519

## Schedule of Assessed Valuations, Rates, and Taxes Extended Levy Years 2020, 2019, and 2018

	2020 Levy	2019 Levy	2018 Levy
<b>Assessed valuation</b>	<b>\$1,888,378,143</b>	<b>\$1,823,037,288</b>	<b>\$1,769,991,166</b>
<b>Tax Rates (per \$100 of assessed valuation)</b>			
Education Fund	0.2800	0.2800	0.2800
Operations, and Maintenance Fund	0.0750	0.0750	0.0750
Insurance	0.0555	0.0579	0.0509
Audit Fund	0.0024	0.0024	0.0025
Protection, Health & Safety	0.0484	0.0500	0.0410
Bond and Interest	0.0949	0.0973	0.0984
Social Security	0.0074	0.0074	0.0076
<b>Total</b>	<b>0.5636</b>	<b>0.5700</b>	<b>0.5554</b>
<b>Taxes Extended</b>			
Education Fund	\$5,287,459	\$5,104,505	\$4,955,976
Operations, and Maintenance Fund	1,416,283	1,367,279	1,327,494
Education and O&M additional	(7,172)	0	(3,672)
Insurance	1,048,651	1,053,963	900,041
Audit Fund	45,932	44,244	44,073
Protection, Health & Safety	913,876	910,828	725,152
Bond and Interest	1,797,083	1,768,493	1,748,681
Social Security	139,859	135,507	135,050
<b>Total</b>	<b>\$10,641,971</b>	<b>\$10,384,819</b>	<b>\$9,832,795</b>

# Highland Community College District #519

## Schedule of Assessed Valuations and Tax Extensions by County Levy Years 2020, 2019, and 2018

	2020 Levy	2019 Levy	2018 Levy
<b><i>Assessed valuations</i></b>			
Carroll	\$297,034,632	\$283,619,951	\$268,845,001
Jo Daviess	758,537,764	739,048,860	729,849,444
Ogle	147,749,242	139,172,852	131,837,942
Stephenson	685,056,505	661,195,625	639,458,779
<b>Total</b>	<b>\$1,888,378,143</b>	<b>\$1,823,037,288</b>	<b>\$1,769,991,166</b>
<b><i>Tax extensions</i></b>			
<b><u>Educational</u></b>			
Carroll	\$831,697	\$794,136	\$752,766
Jo Daviess	2,123,906	2,069,337	2,043,578
Ogle	413,698	389,684	369,146
Stephenson	1,918,158	1,851,348	1,790,485
<b>Total</b>	<b>\$5,287,459</b>	<b>\$5,104,505</b>	<b>\$4,955,975</b>
<b><u>Operation and Maintenance</u></b>			
Carroll	\$222,776	\$212,715	\$201,634
Jo Daviess	568,903	554,287	547,387
Ogle	110,812	104,380	98,878
Stephenson	513,792	495,897	479,594
<b>Total</b>	<b>\$1,416,283</b>	<b>\$1,367,279</b>	<b>\$1,327,493</b>
<b><u>Insurance</u></b>			
Carroll	\$165,478	\$163,450	\$136,708
Jo Daviess	420,837	427,688	371,128
Ogle	82,267	80,191	67,040
Stephenson	380,069	382,634	325,165
<b>Total</b>	<b>\$1,048,651</b>	<b>\$1,053,963</b>	<b>\$900,041</b>
<b><u>Audit</u></b>			
Carroll	\$7,248	\$6,864	\$6,694
Jo Daviess	18,432	17,959	18,173
Ogle	3,605	3,354	3,283
Stephenson	16,647	16,067	15,923
<b>Total</b>	<b>\$45,932</b>	<b>\$44,244</b>	<b>\$44,073</b>

# Highland Community College District #519

## Schedule of Assessed Valuations and Tax Extensions by County

(Continued)

Levy Years 2020, 2019, and 2018

	2020 Levy	2019 Levy	2018 Levy
<b><u>Tax extensions (continued)</u></b>			
<b><u>Protection, Health, &amp; Safety</u></b>			
Carroll	144,210	141,356	110,146
Jo Daviess	366,753	369,524	299,019
Ogle	71,688	69,350	54,001
Stephenson	331,225	330,598	261,986
	913,876	910,828	725,152
<b><u>Bond and Interest</u></b>			
Carroll	282,242	274,714	264,570
Jo Daviess	721,445	718,873	721,894
Ogle	140,332	134,803	129,729
Stephenson	653,064	640,103	632,489
	1,797,083	1,768,493	1,748,682
<b><u>Social Security</u></b>			
Carroll	22,070	21,016	20,513
Jo Daviess	56,132	54,985	55,688
Ogle	10,963	10,313	10,059
Stephenson	50,694	49,193	48,791
	139,859	135,507	135,051
<b><u>Prior Year Adjustment</u></b>			
Carroll	0	0	0
Jo Daviess	(7,054)	0	(73)
Ogle	(118)	0	(3,599)
Stephenson	0	0	0
	(7,172)	0	(3,672)
<b>Total</b>	<b>\$ 10,641,971</b>	<b>\$ 10,384,819</b>	<b>\$ 9,832,795</b>

**Highland Community College District #519**  
**Summary Schedule of Taxes Receivable and Tax Collections**  
**For the year ended June 30, 2021**

Year	Levy Valuation	Assessed Rate	Combined Taxes Extended	Total Collected to June 30, 2020	Collected During Year Ended June 30, 2021	Total Collected to June 30, 2021	Percent Collected June 30, 2021	Allowance for Uncollectible Taxes	Balance After Allowance
2019	1,823,037,286	0.5700	10,384,819	\$1,432,801	\$8,952,149	\$10,384,950	100.00%	\$0	\$0
2020	1,888,378,143	0.5636	10,641,971	0	1,618,831	1,618,831	15.21%	0	9,023,140
<b>Total</b>				<b>\$1,432,801</b>	<b>\$10,570,980</b>	<b>\$12,003,781</b>	<b>57.09%</b>	<b>\$0</b>	<b>\$9,023,140</b>

**2020 Property Taxes Extended**

	Uncollected June 30, 2021
Education	\$ 4,483,084
Operations, and Maintenance	1,200,826
Insurance	888,291
Audit	38,907
Protection, Health & Safety	774,133
Bond and Interest	1,518,645
Social Security	118,462
Difference due to estimated equalized assessed value	
<b>Total</b>	<b>\$ 9,022,368</b>



# Highland Community College District #519

## Schedule of Legal Debt Margin

For the year ended June 30, 2021

---

Assessed valuation - 2020 levy	\$1,888,378,143
Debt limit, 2.875% of assessed valuation	\$54,290,872
Total long-term debt	6,010,000
Legal debt margin	\$48,280,872

## **Supplemental Financial Information**

# Highland Community College District #519

All Funds Summary

Uniform Financial Statement #1

All Funds Summary

For the year ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Operations and Maintenance Fund (Restricted)	Bond and Interest Fund	Auxiliary Enterprises Fund
Fund balance, July 1, 2020, as restated	\$2,484,736	\$1,696,470	\$6,119,075	\$794,110	\$284,300
<b>Revenues:</b>					
Local tax revenue	5,797,030	1,391,904	912,356	1,778,618	0
All other local revenue	0	0	0	0	0
ICCB grants	1,245,074	187,777	0	0	0
All other state revenue	0	0	0	0	0
Federal revenue	1,411,733	0	0	0	693,934
Student tuition and fees	4,660,684	0	0	0	477,546
On-behalf CIP	0	0	0	0	0
On-behalf SURS	0	0	0	0	0
All other revenue	594,073	109,319	125,351	250	618,440
<b>Total revenue</b>	<b>13,708,594</b>	<b>1,689,000</b>	<b>1,037,707</b>	<b>1,778,868</b>	<b>1,789,920</b>
<b>Expenditures:</b>					
Instruction	7,298,015	0	0	0	0
Academic support	750,271	0	0	0	0
Student services	1,066,437	0	0	0	0
Public service	476,657	0	0	0	7,431
Organized research	0	0	0	0	0
Auxiliary services	0	0	0	0	983,536
Operations and maintenance	0	1,342,685	694,462	0	0
Institutional support	2,545,858	0	1,777,227	1,756,825	0
Scholarships, grants, waivers	284,002	0	0	0	18,721
<b>Total expenditures</b>	<b>12,421,240</b>	<b>1,342,685</b>	<b>2,471,689</b>	<b>1,756,825</b>	<b>1,009,688</b>
<b>Other financing sources</b>					
Net transfers	(40,538)	(40,000)	40,000	0	65,000
<b>Fund balance, June 30, 2021</b>	<b>\$3,731,552</b>	<b>\$2,002,785</b>	<b>\$4,725,093</b>	<b>\$816,153</b>	<b>\$1,129,532</b>

# Highland Community College District #519

## All Funds Summary

### Uniform Financial Statement #1 (continued)

## All Funds Summary

For the year ended June 30, 2021

	Restricted Purpose Fund	Working Cash Fund	Audit Fund	Liability, Protection, and Settlement Fund	Total
Fund balance, July 1, 2020, as restated	\$1,616,087	\$10,338,287	\$4,838	\$308,564	\$23,646,467
Revenues:					
Local tax revenue	0	0	45,098	1,189,125	11,114,131
All other local revenue	0	0	0	0	0
ICCB grants	147,025	0	0	0	1,579,876
All other state revenue	129,101	0	0	0	129,101
Federal revenue	4,278,509	0	0	0	6,384,176
Student tuition and fees	591,177	0	0	0	5,729,407
On-behalf CIP	216,669	0	0	0	216,669
On-behalf SURS	8,059,670	0	0	0	8,059,670
All other revenue	991,610	43,054	0	8,137	2,490,234
Total revenue	14,413,761	43,054	45,098	1,197,262	35,703,264
Expenditures:					
Instruction	5,308,854	0	0	0	12,606,869
Academic support	398,712	0	0	0	1,148,983
Student services	1,435,292	0	0	0	2,501,729
Public service	250,144	0	0	0	734,232
Organized research	0	0	0	0	0
Auxiliary services	379,510	0	0	0	1,363,046
Operations and maintenance	636,505	0	0	603,127	3,276,779
Institutional support	2,948,136	5,168	49,075	539,564	9,619,853
Scholarships, grants, waivers	3,295,371	0	0	0	3,598,094
Total expenditures	14,650,524	5,168	49,075	1,142,691	34,849,585
Other financing sources					
Net transfers	13,424	(37,886)	0	0	0
Fund balance, June 30, 2021	\$1,392,748	\$10,338,287	\$861	\$363,135	\$24,500,148

# Highland Community College District #519

## Summary of Capital Assets and Long-Term Debt

### Uniform Financial Statement #2

Fiscal Year ended June 30, 2021

	Capital Assets/ Long-Term Debt June 30, 2020	Additions	Deletions	Adjustments	Capital Assets/ Long-Term Debt June 30, 2021
<b>Capital assets:</b>					
Sites and improvements	\$3,947,205	\$2,952	\$0	\$0	\$3,950,157
Construction in process	0	0	0	0	0
Buildings, additions and improvements	29,290,283	1,128,804	0	0	30,419,087
Vehicles	599,781	0	0	0	599,781
Equipment and technology	4,578,731	1,294,927	0	0	5,873,658
<b>Total capital assets</b>	<b>38,416,000</b>	<b>2,426,683</b>	<b>0</b>	<b>0</b>	<b>40,842,683</b>
<b>Accumulated depreciation</b>	<b>20,200,778</b>	<b>1,237,867</b>	<b>0</b>	<b>0</b>	<b>21,438,645</b>
<b>Net capital assets</b>	<b>\$18,215,222</b>	<b>\$1,188,816</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,404,038</b>
<b>Long-Term Debt:</b>					
Bonds payable	\$7,455,000	\$0	\$1,445,000	\$0	\$8,010,000
Accrued compensated absences	195,410	178,035	221,314	0	152,131
Capital lease payable	236,989	0	41,786	0	195,203
Unamortized premium on bonds	655,108	0	267,649	0	387,459
OPEB CIP liability	9,131,131	265,810	0	0	9,396,941
<b>Total long-term debt</b>	<b>\$17,673,638</b>	<b>\$443,845</b>	<b>\$1,975,749</b>	<b>\$0</b>	<b>\$16,141,734</b>

# Highland Community College District #519

## Operating Funds Revenues and Expenditures

### Uniform Financial Statement #3

Fiscal Year ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating revenue by source:</b>			
Local Government Revenue			
Local taxes	\$5,196,437	\$1,391,904	\$6,588,341
CPPRT	600,593	0	600,593
<b>Total local government</b>	<b>5,797,030</b>	<b>1,391,904</b>	<b>7,188,934</b>
<b>State government</b>			
ICCB base operating grant	1,064,071	187,777	1,251,848
ICCB equalization grants	50,000	0	50,000
ICCB - Career and Technical Education	131,003	0	131,003
Other ICCB grants not listed above	0	0	0
Other State not listed above	0	0	0
<b>Total state government</b>	<b>1,245,074</b>	<b>187,777</b>	<b>1,432,851</b>
<b>Federal government</b>			
Department of Education	52,344	0	52,344
Other	0	0	0
<b>Total federal government</b>	<b>52,344</b>	<b>0</b>	<b>52,344</b>
<b>Student tuition and fees</b>			
Tuition	4,059,855	0	4,059,855
Fees	600,829	0	600,829
<b>Total tuition and fees</b>	<b>4,660,684</b>	<b>0</b>	<b>4,660,684</b>
<b>Other sources</b>			
Sales and service fees	20,928	0	20,928
Facilities revenue	6,385	89,859	96,244
Investment revenue	3,732	0	3,732
Non-governmental grants	488,454	0	488,454
Other	74,574	19,460	94,034
<b>Total other sources</b>	<b>594,073</b>	<b>109,319</b>	<b>703,392</b>
<b>Total revenue</b>	<b>\$12,349,205</b>	<b>\$1,689,000</b>	<b>\$14,038,205</b>

# Highland Community College District #519

## Operating Funds Revenues and Expenditures

### Uniform Financial Statement #3

Fiscal Year ended June 30, 2021

	Education Fund	Operations and Maintenance Fund	Total Operating Funds
<b>Operating expenses:</b>			
By program:			
Instruction	\$7,298,015	\$0	\$7,298,015
Academic support	750,271	0	750,271
Student services	1,066,437	0	1,066,437
Public service	476,657	0	476,657
Operations and Maintenance	0	1,342,685	1,342,685
Institutional support	2,545,858	0	2,545,858
Scholarships, grants, waivers	284,002	0	284,002
<b>Total expenditures</b>	<b>12,421,240</b>	<b>1,342,685</b>	<b>13,763,925</b>
<b>Less non-operating items*:</b>			
Tuition chargeback	0	0	0
Transfers to non-operating funds	(40,538)	(40,000)	(80,538)
<b>Adjusted expenditures</b>	<b>\$12,461,778</b>	<b>\$1,382,685</b>	<b>\$13,844,463</b>
<b>By object:</b>			
Salaries	\$8,578,373	\$550,379	\$9,128,752
Employee benefits	2,052,027	178,093	2,230,120
Contractual services	696,522	75,992	772,514
General materials and supplies	552,947	133,608	686,555
Travel, conference and meeting expenses	54,266	384	54,650
Fixed charges	71,819	0	71,819
Utilities	18,336	603,126	621,462
Capital outlay	40,334	1,968	42,302
Other	356,616	(200,865)	155,751
<b>Total expenditures</b>	<b>12,421,240</b>	<b>1,342,685</b>	<b>13,763,925</b>
<b>Less non-operating items*:</b>			
Tuition chargeback	0	0	0
Transfers to non-operating funds	(40,538)	(40,000)	(80,538)
<b>Adjusted expenditures</b>	<b>\$12,461,778</b>	<b>\$1,382,685</b>	<b>\$13,844,463</b>

\* Inter-college revenues that do not generate related local college credit hours are subtracted to allow for statewide comparisons.

# Highland Community College District #519

## Restricted Purposes Fund - Revenues and Expenditures

### Uniform Financial Statement #4

Fiscal Year ended June 30, 2021

#### Revenues by source:

State Government	
ICCB - Adult Education	(\$8,106)
ICCB - other	155,131
On-Behalf CIP	216,669
On-Behalf SURS	8,059,670
Other	129,101
<b>Total state government</b>	<b>8,552,465</b>
Federal government:	
Department of Education	4,223,169
Other	55,340
<b>Total federal government</b>	<b>4,278,509</b>
Other sources:	
Tuition and fees	591,177
Other	991,610
<b>Total other sources</b>	<b>1,582,787</b>
<b>Total restricted purposes fund revenues</b>	<b>\$14,413,761</b>



# Highland Community College District #519

## Restricted Purposes Fund - Revenues and Expenditures (Continued)

### Uniform Financial Statement #4

Fiscal Year ended June 30, 2021

<b>Expenditures by Program:</b>	
Instruction	\$5,308,854
Academic support	398,712
Student services	1,435,292
Public service/continuing education	250,144
Organized research	0
Auxiliary services	379,510
Operations and maintenance	636,505
Institutional support	2,946,136
Scholarships, grants and waivers	3,295,371
<b>Total restricted purposes fund expenditures by program</b>	<b>\$14,650,524</b>

<b>Expenditures by object:</b>	
Salaries	\$1,283,812
Employee benefits	8,760,584
Contractual services	760,616
General materials and supplies	173,376
Travel, conference and meeting expenses	47,001
Fixed charges	23,546
Utilities	4,152
Capital outlay	204,203
Other	3,393,234
<b>Total restricted purposes fund expenditures</b>	<b>\$14,650,524</b>

#### State Government Detail

<b>** ICCB other</b>	
Perkins	\$149,846
Student Success Grant	5,285
Program improvement	0
<b>Total state sources other</b>	<b>\$155,131</b>

#### \*\*\* State sources other

Secretary of state	\$67,700
RSVP Department of Aging	11,401
Growing AG Teachers Grant	50,000
<b>Total state sources other</b>	<b>\$129,101</b>

# Highland Community College District #519

Current Funds - Expenditures by Activity

Uniform Financial Statement #5

Fiscal Year ended June 30, 2021

<b>Instruction:</b>	
Instructional programs	7,298,015
Other	5,308,854
<b>Total instruction</b>	<b>12,606,869</b>
<b>Academic support:</b>	
Library center	318,086
Instructional materials center	71,353
Educational media services	288,907
Academic computing support	71,925
Academic administration and planning	8,599
Other	390,113
<b>Total academic support</b>	<b>1,148,983</b>
<b>Student services support:</b>	
Admissions and records	333,034
Counseling and career services	447,485
Financial aid administration	381,322
Other	1,339,888
<b>Total student services support</b>	<b>2,501,729</b>
<b>Public service/continuing education:</b>	
Community education	104,763
Customized training (Instructional)	0
Community services	478,044
Other	151,425
<b>Total public service/continuing education</b>	<b>734,232</b>
<b>Auxiliary services</b>	<b>1,363,046</b>
<b>Operations and maintenance of plant:</b>	
Maintenance	44,436
Custodial services	464,415
Grounds	106,965
Campus security	603,127
Transportation	21,262
Utilities	601,664
Administration	103,943
Other	636,505
<b>Total operations and maintenance of plant</b>	<b>2,582,317</b>

# Highland Community College District #519

Current Funds - Expenditures by Activity

Uniform Financial Statement #5 (continued)

Fiscal Year ended June 30, 2021

Institutional support	
Executive management	356,365
Fiscal operations	873,113
Community relations	349,273
Administrative support services	383,975
Board of trustees	235,494
General institutions	0
Institutional research	169,897
Administrative data processing	1,066,569
Other	2,645,947
Total institutional support	6,080,633
Scholarships, Student Grants & Waivers	3,598,094
Total current funds expenditures	\$30,615,903

\* Current funds include the Education; Operations and Maintenance;  
Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection, and Settlement;  
and PBC Operations and Maintenance funds.

# Highland Community College District #519

## Certification of Chargeback Reimbursement \* For Fiscal Year 2021

All fiscal year 2021 noncapital audited operating expenditures from the following funds:

1	Education Fund	12,384,492
2	Operations and Maintenance Fund	1,340,892
3	Public Building Commission Operation and Maintenance Fund	0
4	Bond and Interest Fund	950
5	Public Building Commission Rental Fund	0
6	Restricted Purposes Fund	14,484,483
7	Audit Fund	49,075
8	Liability, Protection, and Settlement Fund	1,142,691
9	Auxiliary Enterprises Fund (subsidiary only)	0
10	Total noncapital expenditures (sum of lines 1-9)	<u>\$29,382,583</u>
11	Depreciation on capital outlay expenditures (equipment, buildings, and fixed equipment paid) from sources other than state and federal funds	<u>\$1,355,087</u>
12	Total costs included (line 10 plus line 11)	<u>\$30,787,680</u>
13	Total certified semester credit hours for FY 2021	<u>28,422</u>
14	Per capita cost (line 12 divided by line 13)	\$1,082.53
15	All FY 2021 state and federal operating grants for noncapital expenditures, except ICCB grants	<u>\$8,057,602</u>
16	FY 2021 state and federal grants per semester credit hour (line 15 divided by line 13)	213.13
17	District's average ICCB grant rate (excluding equalization grants) for FY 2022	<u>38.42</u>
18	District's student tuition and fee rate per semester credit hour for FY 2022	<u>148.00</u>
19	Chargeback reimbursement per semester credit hour (line 14 less lines 16, 17, and 18)	<u>\$684.98</u>

Approved: Chris Spilner  
President

3/1/2022  
Date

Approved: Gill Davidson  
Chief Financial Officer

3/1/2022  
Date

## **ICCB State Grant Financial Compliance Section**



## **Independent Auditor's Report on Compliance with State Requirements for the State Adult Education and Family Literacy Grants**

Board of Directors  
Highland College District #519  
Freeport, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the State Adult Education and Family Literacy Grants of Highland Community College District #519, which comprise the balance sheet at June 30, 2021, and the statement of revenues, expenditures, and changes in fund balance for the year ended June 30, 2021, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's *Fiscal Management Manual*. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Our audit also included a review of compliance with provisions of laws, regulations, contracts, and grants between the District and the State of Illinois and Illinois Community College Board (ICCB).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Adult Education and Family Literacy Grants of Highland Community College, Illinois Community College District #519 as of June 30, 2021, and the changes in financial position thereof and for the year ended in accordance with accounting principles generally accepted in the United States of America.

#### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the State Adult Education and Family Literacy Grants and do not purport to, and do not present fairly the financial position of Highland Community College District #519 as of June 30, 2021, the changes in its financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States. Our opinion is not modified with respect to this matter.

#### **Compliance**

In connection with our audit, nothing came to our attention that caused us to believe that Highland Community College, Illinois Community College #519 failed to materially comply with the provisions of laws, regulations, contracts and grants between Highland Community College and the State of Illinois and the Illinois Community College Board. However, our audit was not directed primarily toward obtaining knowledge of all such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced laws, regulations, contracts and grants. We also believe that the District is materially in compliance with the provisions of laws, contracts, and ICCB policy guidelines for restricted grants.

*Wipfli LLP*

Sterling, Illinois  
March 1, 2022

# Highland Community College District #519

State Adult Education and Family Literacy Grants

Balance Sheet

June 30, 2021

<b>ASSETS</b>	<b>State Basic</b>	<b>Public Assistance</b>	<b>Performance</b>	<b>Total</b>
Cash	\$7,391	\$104	\$0	\$7,495
Accounts receivable	0	0	0	0
<b>Total assets</b>	<b>\$7,391</b>	<b>\$104</b>	<b>\$0</b>	<b>\$7,495</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$3,304	\$0	\$0	\$3,304
Cash overdraft	0	0	0	0
Accrued expenses	4,087	0	0	4,087
Deferred revenue	0	104	0	104
<b>Total liabilities</b>	<b>7,391</b>	<b>104</b>	<b>0</b>	<b>7,495</b>
Fund balance	0	0	0	0
<b>Total liabilities and fund balances</b>	<b>\$7,391</b>	<b>\$104</b>	<b>\$0</b>	<b>\$7,495</b>



# Highland Community College District #519

## State Adult Education and Family Literacy Grants

### Statement of Revenues, Expenditures, and Changes in Fund Balance

For the year ended June 30, 2021

	Actual			Total
	State Basic	Public Assistance	Performance	
<b>Revenue -</b>				
State sources	\$115,375	\$0	\$26,365	\$141,740
<b>Expenditures:</b>				
Instruction	53,325	0	0	53,325
Social work services	7,722	0	0	7,722
Student transportation services	0	0	0	0
Literacy Services	18,965	0	0	18,965
Guidance services	10,944	0	0	10,944
Assessment & Testing	684	0	1,100	1,784
Child Care Services	0	0	0	0
Improvement of instructional services	0	0	500	500
General administration	8,735	0	7,575	16,310
Operation & maintenance of plant services	0	0	0	0
Workforce coordination	0	0	0	0
Data & information services	15,000	0	17,190	32,190
<b>Total expenditures</b>	<b>115,375</b>	<b>0</b>	<b>26,365</b>	<b>141,740</b>
<b>Excess of revenue over (under) expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Transfers from (to) other funds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Excess of revenue over (under) expenditures and transfers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance, beginning</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund balance, ending</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Highland Community College District #519

ICCB Compliance Statement for the State Adult Education and  
Family Literacy Restricted Funds

Expenditure Amounts and Percentages for ICCB Grant Funds Only  
For the year ended June 30, 2021

---

<b>State Basic</b>	<b>Audited Expenditure Amount</b>	<b>Actual Expenditure Percentage</b>
Instruction (45% minimum required)	\$53,325	46.22%
General Administration (20% maximum allowed)	\$8,735	7.57%

Note: Due to Covid-19, the ICCB suspended the percentage requirements.

# Highland Community College District #519

## Notes to ICCB State Grant Financial Statements

---

### **Note 1     Summary of Significant Accounting Policies**

#### **a.     General**

The preceding statements include only those transactions resulting from the Illinois Community College Board (ICCB) Adult Education and Family Literacy Grants. These transactions have been accounted for in the Restricted Purposes Fund.

#### **b.     Basis of Accounting**

The statements have been prepared on the modified accrual basis. Expenditures include all accounts payable representing liabilities for goods and services actually received as of June 30, 2021. Funds obligated for goods prior to June 30 for which the goods are received prior to August 31, 2021 are recorded as encumbrances.

#### **c.     Fixed Assets**

Fixed asset purchases are recorded as a capital outlay and are not capitalized. However, for the Statement of Net Position for the District as a whole, capital assets are capitalized.

### **Note 2     Payments of Prior Year's Encumbrances**

Payments of prior year's encumbrances for goods received prior to August 31 are reflected as expenditures during the current fiscal year.

# Highland Community College District #519

## Background Information on State Grant Activity

---

### **Unrestricted Grants**

#### **Base Operating Grants**

General operating funds provided to colleges based upon credit enrollment.

#### **Small College Grants**

Funds provided to colleges with full-time equivalent enrollments of less than 2,500 students. Intended to help small colleges pay for some of the "fixed costs" of operating a smaller institution.

#### **Equalization Grants**

Grants provided to institutions with less than the statewide average local tax dollars available per full-time equivalent student.

### **Statewide Initiatives**

**Special Incentive Grants** - A new request to provide flexible funding for unique initiatives needed in the community college system. The grants will be awarded on a Request for Proposal basis and will focus on higher education priorities such as accessibility, affordability, productivity, partnerships, quality, and responsiveness. In addition, a significant proportion of the dollars available will focus on improving the availability of qualified information technology employees in the State of Illinois.

**Other Grants** - These other grants are additional contractual grants provided for special or specific system related initiatives. These grants are supported by signed contracts between the college and the State of Illinois. A brief description of each grant should be included in this section. A description of the grants supported by grant agreements may be found in the appendix of the grant agreement governing these grants.

# Highland Community College District #519

## Background Information on State Grant Activity

---

### **Restricted Grants/State**

#### **State Basic**

Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and child care facilities or provision.

#### **Public Assistance**

Grant awarded to Adult Education and Family Literacy providers to pay for instruction, fees, books, and materials incurred in the program for students who are identified as recipients of public assistance.

#### **Performance**

Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.



**Independent Accountant's Report on the Enrollment  
Data and Other Bases Upon Which Claims are Filed**

Board of Trustees  
Highland Community College District #519  
Freeport, Illinois

We have examined management of Highland Community College District #519 assertion that the District complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Highland Community College District #519 during the period July 1, 2020 through June 30, 2021. The District's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the District's compliance with the specified requirement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about whether management's assertion is fairly stated, in all material respects. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the District's compliance with the specified requirements.

In our opinion, management's assertion that the District complied with the guidelines of the Illinois Community College Board's *Fiscal Management Manual* included in the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims Are Filed of Highland Community College District No. 519 is fairly stated, in all material respects.

*Wipfli LLP*

Sterling, Illinois  
March 1, 2022

# Highland Community College District #519

Schedule of Enrollment Data and Other Bases  
Upon Which Claims are Filed (Continued)  
For the year ended June 30, 2021

	Total Reimbursable Semester Credit Hours by Term					
	Summer Term		Fall Term		Spring Term	
	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours	Unrestricted Hours	Restricted Hours
Credit Hour Calculation	1,703.0	4.0	8,983.5	0.0	7,888.6	0.0
Business	85.0	0.0	804.0	0.0	865.0	0.0
Technical Occupational	87.0	0.0	1,237.0	0.0	2,178.0	0.0
Health Occupational	400.0	0.0	1,316.0	0.0	1,982.0	0.0
Remedial/Developmental	113.0	20.0	689.0	38.0	448.0	38.0
Adult Education	0.0	0.0	0.0	298.5	0.0	294.5
	2,388.0	30.0	12,309.5	288.5	13,127.5	330.5
					27,795.0	627.0

In-District (All Terms)				Out of District (All Terms)			
Unrestricted Hours		Restricted Hours		Unrestricted Hours		Restricted Hours	
Reimbursable Credit Hours:	22,723.0	572.5	0.0	542.0	0.0		

Credit hours on chargeback or contractual agreement

353.5

District equalized assessed valuation

\$1,888,378,143

	Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
	Correctional Hours	Correctional Hours	Correctional Hours	Correctional Hours
Credit Hour Calculation	0.0	0.0	0.0	0.0
Business	0.0	0.0	0.0	0.0
Technical Occupational	0.0	0.0	0.0	0.0
Health Occupational	0.0	0.0	0.0	0.0
Remedial/Developmental	0.0	0.0	0.0	0.0
Adult Education	0.0	0.0	0.0	0.0

Signature: *Chari G. Guler*  
President

Signature: *Jill Jaramila*  
Chief Financial Officer

See Notes to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed.

# Highland Community College District #519

Schedule of Enrollment Data and Other Bases  
Upon Which Claims are Filed (Continued)  
For the year ended June 30, 2021

<u>Credit Hour Categories</u>	Total Reimbursable Semester Credit Hours				
	Total Reported In Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Total Reported In Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	18,173.0	18,173.0	12.0	12.0	0.0
Business Occupational	1,214.0	1,214.0	0.0	0.0	0.0
Technical Occupational	3,472.0	3,472.0	0.0	0.0	0.0
Health Occupational	3,678.0	3,678.0	0.0	0.0	0.0
Remedial/Developmental	1,258.0	1,258.0	102.0	102.0	0.0
Adult Education	0.0	0.0	513.0	513.0	0.0
Total:	27,795.0	27,795.0	627.0	627.0	0.0

	Total Correctional Semester Credit Hours				
	Total Reported In Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Total Reported In Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
In-District Credit Hours:	22,723.0	22,723.0	572.5	572.5	0.0
Dual Credit Hours:	3,928.0	3,928.0	0.0	0.0	0.0
Dual Enrollment Hours:	542.0	542.0	0.0	0.0	0.0

<u>Credit Hour Categories</u>	Total Correctional Semester Credit Hours				
	Total Reported In Audit Unrestricted Hours	Total Certified to ICCB Unrestricted Hours	Total Reported In Audit Restricted Hours	Total Certified to ICCB Restricted Hours	Difference
Baccalaureate	0	0	0	0	0
Business Occupational	0	0	0	0	0
Technical Occupational	0	0	0	0	0
Health Occupational	0	0	0	0	0
Remedial/Developmental	0	0	0	0	0
Adult Education	0	0	0	0	0
Total:	0	0	0	0	0

See Notes to Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed.



# Highland Community College District #519

## Notes to Schedule of Government Data and Other Basis Upon Which Claims are Filed

---

### **Note 1 Procedures for Verifying the Residency Status of Students**

In-District tuition is paid by individuals who meet the residency requirements and live in the high school districts of Aquin, Dakota, East Dubuque, Eastland, Forreston, Freeport, Galena, Lena-Winslow, Orangeville, Oregon, Pearl City, River Ridge, Scales Mound, Stockton, Warren, and West Carroll. In addition, former Career Tech students from the Durand and Pecatonica School Districts will be considered In-District.

Any student who has occupied a dwelling within the District for at least 30 days immediately prior to the scheduled beginning of classes is considered In-District. Proof of residency is verified by the District by obtaining any two of the five criteria:

- 1) Living with parents whose legal residence is within Highland's District.
- 2) Current driver's license.
- 3) Tax, utility, or rent receipt.
- 4) Voter's registration.
- 5) Other verification of residency.

Students may not attain In-District status simply by attending classes at Highland for 30 days or more.

Students who move into the District for reasons other than attending Highland shall be exempt for the 30-day requirement if they demonstrate a verifiable interest in establishing permanent residency. Verification will consist of employment documentation, home purchase documents, and/or other legal documents.

**Annual Federal Financial Compliance Section**



**Independent Auditor's Report on Internal Control over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
In Accordance with Government Auditing Standards**

To the Board of Trustees  
Highland Community College  
District #519  
Freeport, Illinois

We have audited in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Highland Community College, Illinois Community College District #519 (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 1, 2022. The financial statements of Highland Community College Foundation were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Highland Community College Foundation.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is in integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipac LLP*

Sterling, Illinois  
March 1, 2022


 WIPFLI

**Independent Auditor's Report on Compliance for Each  
Major Federal Program and on Internal Control Over  
Compliance Required by the Uniform Guidance**

To the Board of Trustees  
Highland Community College  
District #519  
Freeport, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited the Highland Community College, Illinois Community College District #519's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility for Compliance**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Highland Community College District #519 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Sterling, Illinois  
March 1, 2022

# Highland Community College District #519

Schedule of Expenditure of Federal Awards  
For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
<b>U.S. Department of Treasury:</b>				
Pass-through Illinois Community College Board:				
Coronavirus Relief Fund:				
ICCB/IDHS CURES Act for Adult Education	21.019	CURES15	\$24,846	\$0
<b>U.S. Department of Education:</b>				
Direct award:				
Student Financial Assistance Cluster:				
Supplemental Education Opportunity Grant (m)	84.007	P007A201164	\$48,983	\$0
Federal Work Study Program (m)	84.033	P033A201164	79,231	0
Pell Grant Program (m)	84.063	P063P201346	2,040,698	0
Pell Grant Program Administrative Allowance (m)	84.063	P063Q201346	2,905	0
Federal Direct Student Loans (m)	84.268	P268K211346	533,207	0
Total Student Financial Assistance cluster			2,705,024	0
Direct award:				
TRIO Cluster:				
Title IV Grant 2020 Student Support Services	84.042A	P042A151100	54,588	0
Title IV Grant 2021, Student Support Services	84.042A	P042A200286	262,859	0
Title IV Grant 2020, Upward Bound	84.047	P047A171375	68,708	0
Title IV Grant 2021, Upward Bound	84.047	P047A171375	145,998	0
Total TRIO Cluster			532,151	0
<b>COVID-19 - Education Stabilization Fund:</b>				
Direct award:				
COVID-19 - Higher Education Emergency Relief Fund - Student (m)	84.425E	P425E202685	578,725	0
COVID-19 - Higher Education Emergency Relief Fund - Institutional (m)	84.425F	P425F200196	2,459,337	0
COVID-19 - Higher Education Emergency Relief Fund - Strengthening Institutions (m)	84.425M	P425M00193	137,857	0
Pass-through Illinois Community College Board:				
COVID-19 - Governor's Emergency Education Relief Fund (m)	84.425C	GEER-519	151,624	0
Total COVID-19 - Education Stabilization Fund			3,327,543	0
Direct award:				
Child Care Access Means Parents in School				
C Campus Program	84.335A	P335A190336	8,599	0
Pass-through Illinois Community College Board:				
Career and Technical Education - Basic Grants to States				
CTE Perkins Postsecondary	84.048A	CTE51916	149,846	0
Pass-through Illinois Community College Board:				
Adult Education - Basic Grants to States:				
Federal Adult Basic	84.002A	51901	82,300	0
Total U.S. Department of Education			\$6,830,309	\$0

(m) Denotes major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards

# Highland Community College District #519

## Schedule of Expenditure of Federal Awards (Continued)

For the year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures	Passed Through to Subrecipients
U.S. Department of Health & Human Services: Pass-through Illinois Community College Board: Retired Senior Volunteer Program (RSVP)	94.002	19SRNIL009	\$55,340	\$0
Total activity of federal awards			\$6,885,649	\$0

(m) Denotes major program

See Accompanying Notes to Schedule of Expenditures of Federal Awards



# Highland Community College District #519

## Notes to Schedule of Expenditure of Federal Awards

---

### **Note 1 Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Highland Community College District #519 (the District) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Government, and Non-Profit Organizations. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

### **Note 2 Summary of Significant Accounting Policies**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

### **Note 3 Loan Program**

The District's participation in the U.S. Department of Education's Student Financial Aid Program includes the Federal Direct Student Loan Program. The District does not make the loan as this is done directly with the students by the lenders. The District includes the value of the loans made during the year as federal awards expended in the Schedule of Expenditures of Federal Awards. The balance of the loans from previous years is not included because the lender accounts for the prior balances.

### **Note 4 Nonmonetary Assistance**

For the year ended June 30, 2021, the District received no federal funds in the form of nonmonetary assistance.

### **Note 5 Other Federal Award Information**

The District has no loans or loan guarantees at fiscal year end June 30, 2021.

### **Note 6 Indirect Cost Rate**

The District has not elected to use the 10% de minimus indirect cost rate during the year ending June 30, 2021.

# Highland Community College District #519

## Schedule of Findings and Questioned Costs

---

### I. Summary of Independent Auditor's Results

#### Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- \* Material weakness identified?        Yes   X   No
  - \* Significant deficiency identified that is not  
considered to be a material weakness        Yes   X   None
- Reported

Noncompliance material to financial statements  
noted?        Yes   X   No

#### Federal Awards

Internal control over major programs:

- Material weakness identified?        Yes   X   No
  - Significant deficiency identified that is  
not considered to be a material weakness        Yes   X   None
- Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required  
to be reported in accordance with the  
Uniform Guidance?        Yes   X   No

#### Identification of Major Programs

##### Assistance Listing Number

##### Name of Federal Program

84.007, 84.033, 84.063, 84.268

Student Financial Assistance

84.425C, 84.425E, 84.425F, 84.425M

COVID-19 - Education Stabilization Fund

Dollar threshold used to distinguish between  
type A and type B programs:

\$ 750,000

Auditee qualified as low risk auditee?

  X   Yes        No

## Highland Community College District #519

### Schedule of Findings and Questioned Costs

---

#### **II. Findings Relating to the Basic Financial Statement Audit as Required to be Reported In Accordance with Generally Accepted Government Auditing Standards**

**A. Significant Deficiencies in Internal Control**

None

**B. Compliance Findings**

None

#### **III. Findings and Questioned Costs for Federal Awards**

**A. Significant Deficiencies in Administering Federal Awards**

None

**B. Compliance Findings**

None

# Highland Community College District #519

## Summary Schedule of Prior Year Audit Findings

---

June 30, 2020

### Section II Financial Statement Finding

None

### Section III Findings and Questioned Costs for Federal Awards

#### A. Significant Deficiencies in Administering Federal Awards

2020-01

Condition and Criteria – There is inadequate control over the function of processing eligibility forms for the Trio grants. Internal controls should be in place that provide reasonable assurance that processes were followed and documented.

Cause – 5 out of 60 eligibility forms sampled for the Trio grants were not signed by the program director.

Effects or Potential Effects – Without adequate processes and documentation, the likelihood that unauthorized or false transactions will be prevented or detected in a timely fashion is significantly diminished which may result in misstated financial statements.

Auditor's Recommendation – There should be controls over eligibility processing in order to determine who performed the verification of eligibility for participants in the Trio grants. The District should reinforce policies regarding approval of participant eligibility.

View of responsible officials – The District will review existing policies and procedures for preparing the eligibility forms for Trio grant participants. The District will develop an ongoing plan to monitor compliance with internal controls. **This finding has been resolved for fiscal year 2021.**

June 30, 2019

### Section II Financial Statement Finding

None

### Section III Findings and Questioned Costs for Federal Awards

None

# Highland Community College District #519

Auditor's Information

Sterling, Illinois

---

Lead Auditor: Matthew J. Schueler  
Wipfli LLP

Tel. No.: (815) 626-1277

The audit was performed between May 11, 2021 and March 1, 2022 at the institution's facilities as follows:

<u>Location</u>	<u>Description of Facility (Admin. of SFA offices, main campuses, etc.)</u>	<u>Dates Visited</u>
Freeport, Illinois	Main Campus	May 11, 2021 - March 1, 2022

Institution's Accrediting Organization: Higher Learning Commission

The institution does not utilize an SFA Consultant/Service.

Records for the accounting and administration of the SFA programs are located at Highland Community College, Pearl City Road, Freeport, Illinois.

**AGENDA ITEM #IX-D-4  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD**

**PAYMENT OF BILLS AND AGENCY FUND REPORT  
FEBRUARY 2022**

**RECOMMENDATION OF THE PRESIDENT:** It is recommended that the Highland Community College Board approves the following Resolution for the payment of the February 2022 bills, including Board travel.

**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 351216 through 352761 amounting to \$1,666,832.42, Automated Clearing House (ACH) debits W0000627 amounting to \$13,280.02, Other Debits D0000112 amounting to \$90.92, and Electronic Refunds of \$33,247.11, with 6 adjustments of \$16,017.89, such warrants amounting to \$1,697,432.58. Transfers of funds for payroll amounted to \$571,983.66.

Automated Clearing House (ACH) debits are Fifth Third Bank in the amount of \$13,280.02. Other Debits consist of replenishing petty cash in the cashier's office. Electronic Refunds are issued to students. American Rescue Act checks for students were disbursed.

**BOARD ACTION:** \_\_\_\_\_

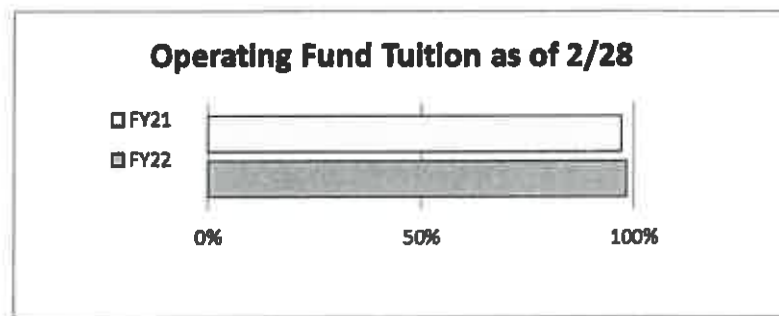
**HIGHLAND COMMUNITY COLLEGE  
AGENCY FUND  
Balance Sheet, February 28, 2022**

	<b>PREVIOUS BALANCE</b>	<b>RECEIPTS</b>	<b>DISBURSEMENTS</b>	<b>BALANCE</b>
<b>US BANK</b>	<b>\$286,049.94</b>	<b>\$916.68</b>	<b>\$0.00</b>	<b>\$286,966.62</b>
<b>FIFTH THIRD</b>	<b>31,612.25</b>	<b>0.00</b>	<b>0.00</b>	<b>31,612.25</b>
<b>UNION LOAN AND SAVINGS</b>	<b>176,116.89</b>	<b>0.00</b>	<b>0.00</b>	<b>176,116.89</b>
<b>TOTAL ASSETS</b>	<b>\$493,779.08</b>	<b>\$916.68</b>	<b>\$0.00</b>	<b>\$494,695.76</b>
<b>1010 HCC ORCHESTRA</b>	<b>\$0.00</b>			<b>\$0.00</b>
<b>1011 TRANSFER FUNDS</b>				
<b>1012 FORENSICS SCHOLAR</b>	<b>0.00</b>			<b>0.00</b>
<b>1013 INTEREST ON INVEST.</b>				
<b>1014 TRUSTS AND AGENCIES</b>				
<b>1015 CARD FUND</b>				
<b>1016 DIST #145 ROAD AND LOT</b>	<b>65,204.86</b>			<b>65,204.86</b>
<b>1017 HCC ROAD AND LOT</b>	<b>97,781.81</b>			<b>97,781.81</b>
<b>1018 YMCA ROAD AND LOT</b>	<b>92,364.58</b>	<b>916.68</b>		<b>93,281.26</b>
<b>1019 YMCA BLDG/MAINT</b>	<b>37,493.78</b>			<b>37,493.78</b>
<b>1020 HCC BLDG/MAINT</b>	<b>68,972.13</b>			<b>68,972.13</b>
<b>1021 YMCA/HCC INTEREST</b>	<b>100,349.67</b>	<b>0.00</b>		<b>100,349.67</b>
<b>1022 HCC SECTION 125 PLAN</b>	<b>31,612.25</b>			<b>31,612.25</b>
<b>1023 I&amp;3SP CAREER SERVICES</b>	<b>0.00</b>			<b>0.00</b>
<b>TOTAL</b>	<b>\$493,779.08</b>	<b>\$916.68</b>	<b>\$0.00</b>	<b>\$494,695.76</b>

**AGENDA ITEM #X-A  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD  
FY22**

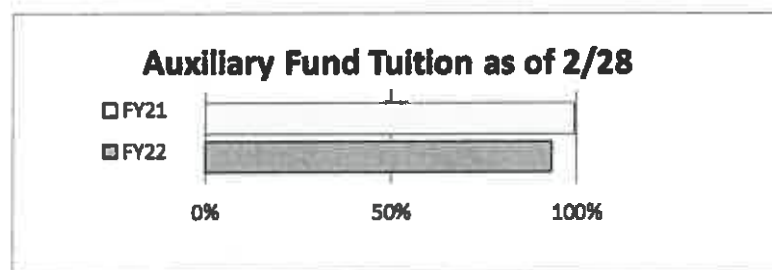
**TREASURER'S REPORT  
STATEMENTS OF REVENUE, EXPENDITURES &  
CHANGES IN FUND BALANCE**

- As of February 28th, we are 66% of the way into FY22.
- **Current Results as of Month End:** The following charts show the comparison of the FY22 financial results for various items, as labeled, to FY21 results as of February 28th. The FY21 bar is the year-to-date results as of February 29, 2021, divided by the actual year end results for FY21. The FY22 bar is the year-to-date results for February 28, 2022, divided by the annual budgeted amount for FY22.



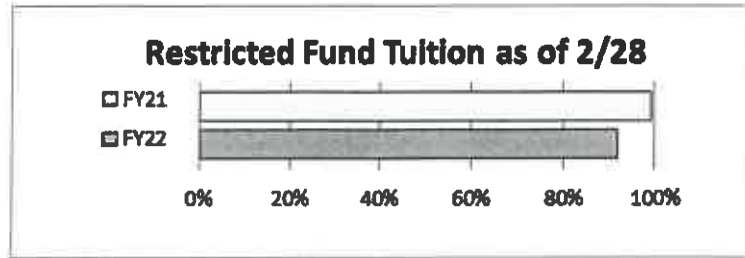
At the time, Operating Fund tuition appears to be about 1% or \$44,000 above budget.

The College has received the annual draw down from the Matching Grant, in the amount of \$325,000. This is reflected in Other Revenue in the Operating Funds.



At this time, Auxiliary Fund tuition revenue, which accounts for the per credit hour activity fee, appears to be about 6% or \$29,000 below the budgeted amount for FY21.





At this time, Restricted Fund tuition revenue, which accounts for the per credit hour technology fee, appears to be about 7% or \$41,000 below the budgeted amount for FY21.

AGENDA ITEM #X-A  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE  
FY22

OPERATING FUNDS (EDUCATIONAL AND OPER. & MAINT. FUNDS COMBINED)  
Statement of Revenue, Expenditures, & Changes in Fund Balance  
For the Period Ended February 28, 2022

<u>REVENUE:</u>	<u>Budget</u>	<u>Year- to-Date</u>	<u>Percent</u>
Local Taxes	\$6,770,780	\$3,352,485	49.5%
Credit Hour Grants	1,232,526	869,908	70.6%
Equalization	50,000	33,333	66.7%
ICCB Career/Tech Education	128,361	64,181	50.0%
ICCB Performance	-	4,495	0.0%
CPP Replacement Tax	625,000	569,604	91.1%
Federal Sources	55,000	36,005	65.5%
Tuition & Fees	4,410,000	4,331,356	98.2%
Sales & Services	27,150	28,282	104.2%
Facilities Revenue	111,550	61,389	55.0%
Interest on Investments	7,000	1,404	20.1%
Non-Govt. Gifts, Grants	300,000	351,104	117.0%
Miscellaneous	44,626	79,045	177.1%
	-----	-----	-----
Total Revenue	\$13,761,993	\$9,782,591	71.1%
 <u>EXPENDITURES:</u>			
Salaries	\$9,699,734	\$5,778,577	59.6%
Employee Benefits	2,312,285	1,770,683	76.6%
Contractual Services	865,583	681,106	78.7%
Materials & Supplies	866,357	477,970	55.2%
Conference & Meeting	252,197	99,442	39.4%
Fixed Charges	59,700	44,565	74.6%
Utilities	659,325	646,366	98.0%
Capital Outlay	49,225	34,482	70.0%
Other Expenditures	142,356	171,421	120.4%
Federal Relief Lost Revenue	(988,531)	(955,854)	96.7%
Transfers (In) Out	(156,238)	-	0.0%
	-----	-----	-----
Total Expenditures	\$13,761,993	\$8,748,758	63.6%
 Excess of Revenues Over Expenditures	 \$0	 \$1,033,833	
 Fund Balance 7/1/21	 5,734,337	 5,734,337	
	-----	-----	
Fund Balance 2/28/22	\$5,734,337	\$6,768,170	

**AGENDA ITEM #X-A  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD  
FY22**

**OPERATIONS AND MAINTENANCE FUND (RESTRICTED)  
Statement of Revenue, Expenditures, & Changes in Fund Balance  
For the Period Ended February 28, 2022**

<b>REVENUE:</b>	<b>Budget</b>	<b>Year to-Date</b>	<b>Percent</b>
-----	-----	-----	-----
Local Taxes	\$921,000	\$456,600	49.6%
Interest	-	32,675	100.0%
	-----	-----	-----
Total Revenue	\$921,000	\$489,275	100.0%
<b>EXPENDITURES:</b>			
-----			
Contractual Services	182,800	79,273	0.0%
Materials & Supplies	-	148	100.0%
Capital Outlay	4,798,078	2,157,584	45.0%
	-----	-----	-----
Total Expenditures	\$4,980,878	\$2,237,005	44.9%
Excess of Revenues Over Expenditures	(\$4,059,878)	(\$1,747,730)	
Fund Balance 7/1/21	\$4,725,092	\$4,725,092	
	-----	-----	
Fund Balance 2/28/22	\$665,214	\$2,977,362	

AGENDA ITEM #X-A  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD  
FY22

**RESTRICTED PURPOSE FUND**  
**Statement of Revenue, Expenditures, & Changes in Fund Balance**  
**For the Period Ended February 28, 2022**

<u>REVENUE:</u>	<u>Budget</u>	<u>Year-to-Date</u>	<u>Percent</u>
Vocational Education	\$140,056	\$10,277	7.3%
Adult Education	229,950	68,477	29.8%
Other Illinois Sources	131,865	113,164	85.8%
Department of Education	7,840,258	3,647,824	46.5%
Other Federal Sources	49,684	35,391	71.2%
Tuition & Fees	592,000	544,301	91.9%
Sales & Service Fees	20,000	34	0.2%
Interest	19,346	19,743	102.1%
Non-govt. Gifts, Grants	891,319	4,435	0.5%
Other	298,726	219,434	73.5%
	-----	-----	-----
Total Revenue	\$10,213,204	4,663,080	45.7%
 <u>EXPENDITURES:</u>			
Salaries	\$1,180,551	\$832,590	70.5%
Employee Benefits	270,047	192,123	71.1%
Contractual Services	755,993	225,080	29.8%
Materials & Supplies	255,853	115,440	45.1%
Conference & Meeting	121,038	80,708	66.7%
Fixed Charges	26,758	1,294	4.8%
Utilities	4,152		0.0%
Capital Outlay	815,170	450,061	55.2%
Other Expenditures	1,811,103	1,224,669	67.6%
Federal Relief Lost Revenue	(137,651)	-	0.0%
Financial Aid	4,711,745	3,004,269	63.8%
Transfers out (in)	180,438	-	0.0%
	-----	-----	-----
Total Expenditures	\$9,995,197	\$6,126,234	61.3%
 Excess of Expenditures Over Revenue	\$218,007	(\$1,463,154)	
 Fund Balance 7/1/21	877,588	877,588	
	-----	-----	
Fund Balance 2/28/22	\$1,095,595	(\$585,566)	

**AGENDA ITEM #X-A**  
**MARCH 22, 2022**  
**HIGHLAND COMMUNITY COLLEGE BOARD**  
**FY22**  
**AUDIT FUND**

**Statement of Revenue, Expenditures, & Changes in Fund Balance**  
**For the Period Ended February 28, 2022**

<b>REVENUE:</b>	<b>Budget</b>	<b>Year to-Date</b>	<b>Percent</b>
-----	-----	-----	-----
Local Taxes	\$49,000	\$22,948	46.8%
	-----	-----	-----
Total Revenue	\$49,000	\$22,948	46.8%
<b>EXPENDITURES:</b>			
-----			
Contractual Services	\$49,000	\$52,750	107.7%
	-----	-----	-----
Total Expenditures	\$49,000	\$52,750	107.7%
Excess of Revenues Over Expenditures	\$0	(\$29,802)	
Fund Balance 7/1/21	\$861	\$861	
	-----	-----	
Fund Balance 2/28/22	\$861	(\$28,941)	

AGENDA ITEM #X-A  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD  
FY22

BOND AND INTEREST FUND  
Statement of Revenue, Expenditures, & Changes in Fund Balance  
For the Period Ended February 28, 2022

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$1,803,550	\$895,729	49.7%
	-----	-----	-----
Total Revenue	\$1,803,550	\$895,729	49.7%
 EXPENDITURES:			
-----			
Fixed Charges	\$1,753,550	\$1,646,475	93.9%
	-----	-----	-----
Total Expenditures	\$1,753,550	\$1,646,475	93.9%
 Excess of Revenues Over Expenditures	\$50,000	(\$750,746)	
 Fund Balance 7/1/21	\$816,153	\$816,153	
	-----	-----	
Fund Balance 2/28/22	\$866,153	\$65,407	

AGENDA ITEM #X-A  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD  
FY22

BOND AND INTEREST FUND  
Statement of Revenue, Expenditures, & Changes in Fund Balance  
For the Period Ended February 28, 2022

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$1,803,550	\$895,729	49.7%
	-----	-----	-----
Total Revenue	\$1,803,550	\$895,729	49.7%
 EXPENDITURES:			
-----			
Fixed Charges	\$1,753,550	\$1,646,475	93.9%
	-----	-----	-----
Total Expenditures	\$1,753,550	\$1,646,475	93.9%
 Excess of Revenues Over Expenditures	\$50,000	(\$750,746)	
 Fund Balance 7/1/21	\$816,153	\$816,153	
	-----	-----	
Fund Balance 2/28/22	\$866,153	\$65,407	

AGENDA ITEM #X-A  
MARCH 22, 2022  
HIGHLAND COMMUNITY COLLEGE BOARD  
FY22

LIABILITY, PROTECTION, AND SETTLEMENT FUND  
Statement of Revenue, Expenditures, & Changes in Fund Balance  
For the Period Ended February 28, 2022

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$1,225,000	\$593,815	48.5%
-----	-----	-----	-----
Total Revenue	\$1,225,000	\$593,815	48.5%
 EXPENDITURES:			
-----			
Salaries	\$330,801	\$203,762	61.6%
Employee Benefits	312,950	196,560	62.8%
Contractual Services	387,425	344,612	88.9%
Materials & Supplies	9,100	7,709	84.7%
Conference & Meetings	15,974	10,212	63.9%
Fixed Charges	207,374	218,187	105.2%
Utilities	4,000	2,640	66.0%
-----	-----	-----	-----
Total Expenditures	\$1,267,624	\$983,682	77.6%
 Excess of Revenues Over Expenditures	 (\$42,624)	 (\$389,867)	
 Fund Balance 7/1/21	 \$363,135	 \$363,135	
-----	-----	-----	
Fund Balance 2/28/22	\$320,511	(\$26,732)	