

**AGENDA ITEM #XI-B-3
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

**FIRST READING – REVISED POLICY 4.095
LEAVE, VACATION – ADMINISTRATIVE/PROFESSIONAL/
CLASSIFIED EMPLOYEES**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves for first reading the attached revised policy 4.095, Leave, Vacation – Administrative/Professional/Classified Employees, which is included in Chapter IV, Personnel, of the policy manual.

BACKGROUND: Beginning January 1, 2024, Illinois employees will be covered under the Illinois Paid Leave for All Workers Act. The legislation provides that employees covered under this Act will earn up to 40 hours of paid leave per year at the rate of one hour for every 40 hours worked. Highland already provides paid leave benefits to many of the employees covered under this Act. In order to ensure compliance and that employees are getting the correct coverage outlined in the Act, the following paid leave changes are recommended, effective with the start of the fiscal year, July 1:

Policy 4.16 Leave, Personal Days will be changed from 3 to 5 days for eligible full-time. Regular part-time employees will be eligible for personal days based on hours worked. The benefit will be front loaded and will need to be used by the end of each fiscal year. Time may be taken in two-hour increments.

Policy 4.095 Leave, Vacation Days for eligible full-time will be reduced by 2 days at each level and shifted to personal days. For employees scheduled to work 32 hours per week, vacation days will be reduced by 5 days and shifted to personal days. The overall paid days leave between personal and vacation will remain the same. Time may be taken in two-hour increments.

Policy 4.12 Leave, Sick – Administrative/Professional/Classified Employees. Time may be taken in two-hour increments.

BOARD ACTION: _____

4.095 Leave. Vacation-Administrative/Professional/Classified Employees (Revised 11/22/22)

A new employee may be granted earned paid vacation time after completion of six (6) months of employment.

- A. New full-time classified and professional employees, earn ~~.67-.83~~ vacation days per month not to exceed ~~ten (10)~~ eight (8) days per year and will continue accruing at the following rates:
 1. 1 year through 5 years of employment ~~10-8~~ days vacation (accrued at ~~.67-.83~~ days per month)
 2. After 5 years of employment ~~15-13~~ days vacation (accrued at ~~1.08-1.25~~ days per month)
 3. After 15 years of employment ~~20-18~~ days vacation (accrued at ~~1.50-1.66~~ days per month)
- B. Full-time administrative employees earn ~~21-19~~ vacation days per year (accrued at ~~1.58-1.75~~ days per month).
- C. The President will (if employed full time) ~~earn~~ vacation days as determined by the Board. Carryover days for the President will be determined by the Board of Trustees and included in the Presidential Contract.
- A. Regular part-time employees who work at least 32 but less than 40 hours per week will accrue vacation leave on a pro rata basis to the schedule for full-time employees.
- B. Except for unforeseen emergencies, vacation time should be scheduled as far in advance as possible. Such requests must be routed through the supervisor for approval and submitted through the College's payroll system.
- C. Consideration will be given to all requests for vacation time and the employee's preference will be respected wherever practicable. However, the College reserves the right to deny requests which may jeopardize the operation of the College. Competitive requests for the same time off may be decided on the basis of employee seniority within the institution.
- D. A full-time classified or professional employee with up to 15 years of employment may carry over up to 10 vacation days into the next fiscal year. A full-time classified or professional employee after 15 years of employment and administrative employees may carry over up to 20 vacation days into the next fiscal year. Custodial Maintenance union employees must use any carryover days by December 31 each year.
- E. A regular part-time employee with up to 15 years of employment working 32 hours per week but less than 40, may carry over up to eight vacation days. A part-time employee after 15 years of employment working 32 hours per week but less than 40, may carry over up to 16

vacation days into the next fiscal year. Custodial Maintenance union employees must use any carryover days by December 31 each year.

- F. Any employee who resigns, retires or is terminated shall be granted full pay for earned, unused vacation time. If more vacation time is used than earned when an employee resigns, retires or is terminated, it will be deducted from the last pay. If the employee does not have enough earnings available in their last pay check to cover unaccrued, used vacation time, the employee will be expected to make arrangements to repay the College.

**AGENDA ITEM #XI-B-4
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

**FIRST READING – REVISED POLICY 4.12
LEAVE, SICK – ADMINISTRATIVE/PROFESSIONAL/CLASSIFIED EMPLOYEES**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves for first reading the attached revised policy 4.12, Leave, Sick – Administrative/Professional/Classified Employees, which is included in Chapter IV, Personnel, of the policy manual.

BACKGROUND: Beginning January 1, 2024, Illinois employees will be covered under the Illinois Paid Leave for All Workers Act. The legislation provides that employees covered under this Act will earn up to 40 hours of paid leave per year at the rate of one hour for every 40 hours worked. Highland already provides paid leave benefits to many of the employees covered under this Act. In order to ensure compliance and that employees are getting the correct coverage outlined in the Act, the following paid leave changes are recommended, effective with the start of the fiscal year, July 1:

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Policy 4.12 Leave, Sick – Administrative/Professional/Classified Employees. Time may be taken in two-hour increments.

BOARD ACTION: _____

4.12 Leave, Sick—Administrative/Professional/Classified Employees (Revised)

Employees are credited with one day of paid sick leave for each month of their employment contract or expected term of employment during each fiscal year. Sick days may accumulate without limitation. Regular part-time employees who work at least 20 but less than 39 hours per week will accrue sick leave on a pro-rated basis according to the schedule below:

Number of hours scheduled to work	Number of hours of sick leave accrued
20-27 per week	4 hours per month
28-31 per week	6 hours per month
32-39 per week	6.5 hours per month

You may use paid sick leave in ~~either half or full day~~ two-hour increments for absences as follows:

- personal illness
- injury
- medical care
- exposure to a contagious disease
- death not covered by bereavement policy
- illness, injury, or medical appointment of a child, spouse, Civil Union partner, domestic partner, or parents
- illness, injury, or medical appointment of a sibling, mother-in-law, father-in-law, grandchild, grandparent, or step-parent, for reasonable periods of time as the employee's attendance may be necessary, on the same terms upon which the employee is able to use sick leave benefits for the employee's own illness or injury (this time is limited to a period of no less than the personal sick leave that would be accrued during six months at the employee's then current rate of entitlement).

Residence of a member of the immediate family within or outside of the employee's home is not a factor in this policy.

An employee who must be absent from duty because of illness shall notify the employee's supervisor, supervisor's designee or call the Human Resources Office at the earliest practicable time.

A medical exam, at -the College's expense, or a doctor's certificate regarding a release to work is required for sick leave absences of more than three consecutive days. Verification from a covered relative's medical provider may be required for sick leave absences of more than three consecutive days. Supervisors shall notify Human Resources of any employee's sick leave absence of three (3) or more consecutive days due to medical reasons for possible application of the Family and Medical Leave Act (Policy 4.131).

Abuse of the sick leave benefit is cause for disciplinary action, possibly including termination.

The Payroll Office maintains the official sick leave use and accrual records on the employee's time records. Every ~~half day or full day~~ two hours of absence for sickness should be indicated on the employee's time sheet.

If an employee has used all accumulated, accrued leave time (personal, sick, vacation and any compensatory time where applicable) and is not released to return to work, a request of withdrawal of sick days from the sick leave bank may be made through the Human Resource Office. An employee must be a member of the sick leave bank for one year and meet other sick leave bank guidelines to be eligible to withdraw sick leave days from the bank (see the staff portal).

An employee will not be paid for unused sick leave when termination or resignation from the college occurs unless the employee is retiring and applies for and meets all eligibility requirements set forth in the Sick Leave Payout Program (see the staff portal). If more sick leave is used than earned when an employee resigns, retires, or is terminated, it will be deducted from the last pay. If the employee does not have enough earnings available in their last paycheck to cover unaccrued, used sick time the employee will be expected to make arrangements to repay the College.

**AGENDA ITEM #XI-B-5
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

**FIRST READING – REVISED POLICY 4.16
LEAVE, PERSONAL DAYS**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves for first reading the attached revised policy 4.16, Leave, Personal Days, which is included in Chapter IV, Personnel, of the policy manual.

BACKGROUND: Beginning January 1, 2024, Illinois employees will be covered under the Illinois Paid Leave for All Workers Act. The legislation provides that employees covered under this Act will earn up to 40 hours of paid leave per year at the rate of one hour for every 40 hours worked. Highland already provides paid leave benefits to many of the employees covered under this Act. In order to ensure compliance and that employees are getting the correct coverage outlined in the Act, the following paid leave changes are recommended, effective with the start of the fiscal year, July 1:

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Policy 4.12 Leave, Sick – Administrative/Professional/Classified Employees. Time may be taken in two-hour increments.

BOARD ACTION: _____

4.16 Leave, Personal Days (Revised 6/22/21)

Each full-time college administrative, professional or classified employee is entitled, subject to prior supervisory approval, to three (3) to five (5) paid personal leave days per fiscal year, accrued one-half day every two months front loaded at the beginning of each fiscal year, specifically for the purpose of completing personal business and complying with the Illinois Paid Leave Act. Regular part-time college administrative, professional or classified employees will receive a pro-rated amount based on their scheduled hours. Newly-hired employees will have a 90-day waiting period before using personal days.

Employees may use the time for any reason of their choosing in increments of at least two hours. Where foreseeable, employees should provide at least a 7 days notice. Otherwise, the leave request should be made as soon as possible.

Personal leave hours must be used by the end of each fiscal year. Any unused personal leave hours at the end of each fiscal year are not carried over. Unused hours are not paid at the time of termination.

If more personal leave is used than earned when an employee resigns, retires or is terminated, it will be deducted from the last pay. If the employee does not have enough earnings available in their last pay check to cover unaccrued, used personal time, the employee will be expected to make arrangements to repay the College.

If an employee is rehired within 12 months, they will be reinstated with any previously unused personal time.

**AGENDA ITEM #XI-C-1
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

**ACCEPTANCE OF STAFF MEMBER REQUESTING TO PARTICIPATE IN THE
PLANNED RETIREMENT PROGRAM**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees accepts the request of the following staff member to participate in the Planned Retirement Program.

Brian Leahy, planned retirement June 30, 2026

BACKGROUND: At the June 28, 2022, regular Board meeting, trustees approved offering all full-time non-union Administrative, Professional, and Classified employees the opportunity to participate in a Planned Retirement Program. Based on certain criteria, qualified staff may submit an irrevocable written notice of retirement to the Director of Human Resources up to three years in advance of their retirement date. Upon acceptance of the retirement by the Board of Trustees, qualified employees will receive outlined compensation. This request verifies the individual is qualified based on the criteria enumerated in the agreement and has put forward an irrevocable request. The number of planned resignations at this time is under the program limit of five.

BOARD ACTION: _____

**AGENDA ITEM #XI-C-2
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

**APPOINTMENT
COLLEGE ACCESS SPECIALIST,
TRIO EDUCATIONAL OPPORTUNITY CENTERS (EOC)
(GRANT FUNDED)**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves the appointment of Mr. Kirk Cabana as full-time College Access Specialist, TRIO Educational Opportunity Centers (EOC) beginning June 5, 2023, at an FY23 salary of \$40,000, plus appropriate fringe benefits. This is a full-time, exempt professional, grant-funded position and is within the FY23 budget. This position is dependent on continued grant funding.

BACKGROUND: Mr. Cabana comes to Highland from Marian University's Ancilla College located in Plymouth, Indiana. During his time at Marian, he served in multiple roles as an Interim Athletic Director, Head Baseball Coach, Career Services Coordinator and Academic Success Coach. In each of these positions, he was able to motivate students to excel in their goals athletically and academically. Mr. Cabana has helped students balance the set expectations of academics and sports by implementing academic strategies that were geared towards tutoring, math/writing labs, and other student success services. Prior to Marian University, Mr. Cabana was the Assistant Baseball Coach/Recruiting Coordinator at Carolina University in Winston Salem, North Carolina. In addition to his coaching responsibilities, he assisted in day-to-day administrative tasks such as monitoring grade progress, organizing study hall sessions, managing facility rentals, facilitating player communication, and coordinating fundraising efforts. Furthermore, Mr. Cabana possesses extensive sales experience.

Mr. Cabana earned his Bachelor of General Studies degree from Southern New Hampshire University in Manchester, New Hampshire, and was awarded his Master of Arts degree in Education and Psychology from the University of Missouri, Columbia, Missouri.

Mr. Cabana's experience with recruiting, guiding, motivating, and helping students develop a comprehensive educational plan, as well as his personal experience as a non-traditional student athlete, make him an outstanding choice for the position.

BOARD ACTION: _____

**AGENDA ITEM #XI-C-3
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE**

**NEW JOB DESCRIPTION
MULTIMEDIA CONTENT SPECIALIST**

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees approves the attached new job description for Multimedia Content Specialist with placement at range 28 on the Highland Salary Range Table. This is a full-time, exempt professional position and is included in the FY24 budget.

BACKGROUND: As part of the Position Request and Staff Justification Review and Approval Process, it was recommended that this position be funded for FY24. This position will serve as the primary creator and steward of visual content produced within the parameters of Highland's "It's All Here" brand to promote recruitment and retention. This role will also lead website design and ensure the College is following accessibility regulations and guidelines. The College has received guidance that expectations around web accessibility under Title II of the Americans with Disabilities Act will be heightened. This position will play an integral part in making sure that Highland's website continues to maintain the necessary standards for accessibility.

Illinois community colleges, similar in size to Highland, have on average four employees in the community relations/marketing/communication department. This position will bring the department closer to the average staffing levels.

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 and Commitment, Interpersonal Skills, Lifelong Learner and Sound Judgment.

TITLE: Multimedia Content Specialist*

GENERAL STATEMENT OF RESPONSIBILITIES: To serve as the primary creator and steward of visual content produced within the parameters of Highland Community College's brand. This role also leads website design and ensures Highland follows accessibility regulations.

PRINCIPAL DUTIES: (essential functions)

- Creates and produces photo and video content for campaigns, events and special projects.
- Designs digital and print materials in support of institutional campaigns promoting recruitment and retention.
- Develops and assists with producing content across several channels, including social media, web, advertising, publications and more.
- Ensures promotional materials and messaging align with the strategic institutional goals and recruitment and retention objectives of Highland, as well as the College's brand.
- Oversees accessibility and sophisticated page design initiatives on Highland's website.
- Collaborates with a contracted webmaster to maintain and develop the website design in an accessible format that follows the College's standards.
- Applies principles of design to create visually appealing and impactful multimedia content, and follows best practices to establish and uphold brand integrity.
- Manages such visual brand projects as advertisements, promotional items, digital graphics and billboards for the College.
- Organizes and maintains multimedia content library in an asset management platform.
- Collaborates with students, staff, faculty, subject matter experts and other stakeholders to provide creative direction in developing multimedia content that aligns with the institution's brand objectives and accessibility standards.
- Serves as backup to other Marketing and Community Relations staff to ensure continuity of operations.
- Performs other duties as assigned.

KNOWLEDGE AND SKILLS REQUIRED:

Knowledge of English usage, grammar, spelling, punctuation and vocabulary.

Knowledge of best practices in multimedia production, including video editing, audio recording, and design principles.

Knowledge of ADA compliance and website accessibility guidelines.

Knowledge of current marketing, advertising, social media, and communications principles and trends.

Knowledge of utilizing data to make informed decisions.

Skill in multimedia content creation, including video production, design and other multimedia formats, as well as in preservation of multimedia content via asset management platforms.
Skill in applying marketing and communication best practices, brand standards and AP style guidelines for visual/editorial consistency.
Skill in operating such common design software as Adobe Creative Cloud and Canva.
Skill in organizing and prioritizing multiple projects and meeting deadlines.
Skill in contributing to the implementation of recruitment marketing, communication messaging and public relations strategies.
Skill in operating web content management software.
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: Bachelor's degree in marketing, communication, journalism, graphic design, visual arts or related field and three to five (3-5) years experience OR an equivalent combination of education and experience that provide the required knowledge and skills.

REQUIRED LICENSE/CERTIFICATION: None.

REPORTS TO: Director, Marketing and Community Relations

APPOINTED BY: Board of Trustees

EMPLOYEE CATEGORY: Professional

FLSA CLASSIFICATION: Exempt

CLASS CODE: 2415

JOB SERIES/FAMILY: General Administrative Series/Marketing and Community Relations Group

ADOPTED: 05/23/23* [Pending Board Approval]

**AGENDA ITEM #XI-D-1
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

COURSE FEE CHANGES FOR SPRING 2024

RECOMMENDATION OF THE PRESIDENT: That the following course fee changes be approved beginning with the Spring 2024 semester.

Course	Current	Proposed
WELD130 Intro to Welding	\$85.00	\$90.00
WELD 135 Shielded Arc Oxy. Weld.	\$85.00	\$90.00
WELD232 Intermediate Welding	\$85.00	\$90.00
WELD233 Adv. Welding	\$85.00	\$95.00

The consumable supplies required for the welding classes continue to increase in costs.

Course	Current	Proposed
ACCT115 Computer Applications in Accounting	\$25.00	\$15.00
ACCT220 QuickBooks Accounting	\$25.00	\$15.00

Software cost decreased

BACKGROUND: The purpose of fees is to recover the cost of instructional supplies and technology or for providing services. Requested fee levels are to offset increased cost of course supplies or to reflect area service costs.

BOARD ACTION: _____

AGENDA ITEM #XI-D-2
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD

AUDITOR FOR FISCAL YEAR 2023

RECOMMENDATION OF THE PRESIDENT: It is recommended that the firm of Wipfli be retained to perform the annual audit for Fiscal Year 2023 at a cost not to exceed \$60,375 for the main audit, \$2,500 for the Consolidated Year-end Financial Report (CYEFR), \$5,000 for each additional major program, and \$2,500 for the implementation of Government Accounting Standards Board Statement No. 96. The audit will encompass all funds of Highland Community College including State and Federal grant programs.

BACKGROUND: The Board's Audit & Finance Committee met to review the attached letter submitted by Wipfli, which outlines professional auditing services to be provided and proposed fees. Auditing services require a high degree of professional skill and thus are one of the few services not subject to public bid law. Wipfli (formerly Lindgren, Callihan, Van Osdol & Co., Ltd.) has provided audit services to Highland Community College since fiscal year 1982. Audit partner rotation is utilized in order to promote a quality process. Wipfli's fee is comparable to that paid by other Illinois community colleges for similar services. The College has been pleased with the level of services provided by this firm.

BOARD ACTION: _____



403 East Third Street
Sterling, IL 61081

815 626 1277
wipfli.com

April 18, 2023

President and Board of Trustees
Highland Community College
2998 West Pearl City Road
Freeport, IL 61032

Dear President and Board of Trustees:

We are pleased to serve as the independent auditors for Highland Community College ("Client") for the year ended June 30, 2023. This letter, together with the attached Terms and Conditions – Attest Engagements, confirms the terms of our engagement and is collectively referred to herein as the "Letter" or the "Engagement Letter."

Fees

Our fees for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$60,375 for the audit, \$2,500 for the CYEFR, and \$5,000 for each additional major program. Expenses for items such as travel, telephone, postage, clerical time, printing, and reproduction of financial statements are included in the fee. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparation for the engagement and your current business operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We expect payment of our billings within 30 days after submission.

In addition, Wipfli LLP ("Wipfli") will be adding fees of \$2,500 for the implementation of Government Accounting Standards Board ("GASB") Statement No. 96, Subscription Based Information Technology Arrangements. This additional fee will cover the additional audit procedures and reporting requirements necessary in relation to your implementation.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

Audit Scope and Objectives

We will audit Client's financial statements and the disclosures, which collectively comprise the basic financial statements, of the business type activities and aggregate discretely presented component units of Client.

Accounting standards generally accepted in the United States of America ("GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement Client's 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. As part of our engagement, we will apply certain limited procedures to Client's RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedules of Net Pension Liability and Contributions
3. Schedule of Net OPEB Liability and Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies Client's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 GAAS, and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards
2. Illinois Community College Board Uniform Financial Statements and Certification of Chargeback Reimbursement
3. Consolidated Year-End Financial Report

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on the other information. In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

1. Other Financial Information – Combining Statements, Individual Fund Statements, and Supporting Schedules

The objectives of our audit are to obtain reasonable assurance as to whether Client's financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether Client's financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information, referred to in the second paragraph of this section, when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996; and Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of 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, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act amendments of 1996; and the provisions of the Uniform Guidance; and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit includes an evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as an evaluation of the overall presentation of the financial statements, including the disclosures, to assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. To express an opinion, we are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* does not expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

Audit Procedures – Internal Control

In the conduct of our audit, we will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

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An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control-related matters that are required to be communicated under professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Client's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal awards program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

The Uniform Guidance require that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Client's major programs. The purpose of these procedures will be to express an opinion on Client's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Component Auditor

We will make reference to Sikich LLP's audit of Highland Community College Foundation in our report on your financial statements.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for (1) designing, implementing, and maintaining internal controls, including internal controls over federal awards, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, in conformity with GAAP, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management's responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making available to us drafts of financial statements, all financial records, and related information and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the government complies with applicable laws and regulations, contracts, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon OR make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon.

Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Management's responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

Reporting

We will issue written reports, as listed in the following paragraph, upon completion of our audit of Client's financial statements. Our reports will be addressed to the Board of Trustees. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

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We expect to issue the following reports:

- A report on the financial statements including an opinion as to whether the schedule of expenditures of federal awards is presented fairly, in all material respects, in relation to the financial statements taken as a whole.
- A report on internal control over financial reporting and compliance based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.
- A report on compliance with requirements applicable to each major program and report on internal control over compliance in accordance with the Uniform Guidance.
- A schedule of findings and questioned costs.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, will be discussed with your personnel. Timely completion of this work will facilitate the completion of our engagement.

Engagement Administration

Matt Schueler will be your audit engagement partner.

Professional and certain regulatory standards require us to be independent in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Other Services

We may prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, Management will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

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Management agrees to assume all management responsibilities for these services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Annual Information Filings

Our engagement will include the preparation of the Federal Data Collection Form. The full and timely completion of requested client assistance and provision of any adjusting entries known by you are critical in meeting the prescribed due dates for these forms. Penalties may be imposed if the filing deadlines are not met. If during the course of our engagement we become aware of additional state filing requirements, we will prepare those filings. Preparation of any additional filings and reports and accounting assistance as directed by management are not part of the fees for this engagement and will be billed at our standard hourly rates.

You are responsible for making all management decisions and performing all management functions and for designating an individual with suitable skill, knowledge, and/or experience, preferably within senior management, to oversee these services. You are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results. You are also responsible for establishing and maintaining internal controls, including monitoring ongoing activities.

Conclusion and Approval to Proceed

If the terms above of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and your staff and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli LLP

Wipfli LLP

ACCEPTED: HIGHLAND COMMUNITY COLLEGE

By: _____

 (Print Name and Title)

Date: _____

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Wipfli LLP
Professional Services Terms and Conditions – Attest Engagements

1. Entire Agreement

These Terms and Conditions, together with the engagement letter ("Engagement Letter") to which these Terms and Conditions are attached, and the Engagement Letter's other appendixes and applicable Change Orders, if any, constitute the entire agreement between the parties on the subject matter thereof and supersede and merge all prior proposals (including prior proposals of Wipfli regarding the engagement), understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued to Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the Engagement Letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions or Engagement Letter shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of the Engagement Letter, its Appendixes (including these Terms and Conditions), Implementation Plan, Change Orders, and any other exhibit, attachment, schedule, or other document referenced in or by the Engagement Letter shall be read together and harmonized to give effect to the parties' intent. In the event of a direct conflict among the express provisions of the foregoing, the Engagement Letter shall be given controlling effect. No provision of these terms and conditions will apply to any attest services that may be performed by Wipfli for Client if such provision would impair Wipfli's independence from Client requiring pursuant to applicable professional standards, such services being governed exclusively by the Engagement Letters issued with respect thereto. Wipfli may be referred to herein as "we" or "us" or in a similar manner, and Client may be referred to as "you" or in a similar manner, and such references shall be read in context.

2. Commencement and Term

The Engagement Letter shall become effective when signed by duly authorized representatives of both parties and shall remain in full force and effect until the services to be delivered under the Engagement Letter are complete (as reasonably determined by Wipfli) unless earlier terminated by either party as provided in the Engagement Letter or these Terms and Conditions. Each person executing an Engagement Letter on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing same.

3. Termination of Agreement

The Engagement Letter may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements set forth in the Engagement Letter or Change Order (except when such default is due to a cause beyond the control of the party) and such default is not cured within thirty (30) days after notice from either party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days written notice. Termination of the Engagement Letter shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination.

Wipfli has the right to withdraw from this engagement with immediate effect if Client does not provide us with the information we request in a timely manner, refuses to cooperate with our reasonable requests, or misrepresents any facts. Our withdrawal will release us from any obligation to complete the engagement and will constitute completion of our engagement. Client agrees to compensate us for our time and out-of-pocket expenses through the date of our withdrawal.

4. Fee Estimates and Change Orders

Wipfli's Engagement Letter may set forth certain ranges for Wipfli's fees charged on any project or services. Wipfli provides fee estimates as an accommodation to Client. These estimates depend on certain assumptions, including: (a) anticipated cooperation from Client personnel, (b) timely responses to our inquiries, (c) timely completion and delivery of Client assistance requests, (d) timely communication of all significant accounting and financial reporting matters, (e) the assumption that unexpected circumstances will not be encountered during the engagement, and (f) where applicable, the assumption that Client's hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in the Engagement Letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli's actual fees may vary from its fee estimates.

Services that fall outside the agreed-upon scope of Wipfli's engagement shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli's invoice for such services. A "Change Order" means a mutually agreed-upon change in the schedule or the time for Wipfli's performance of the services on a project, the scope of specifications of a project, and/or the fees chargeable by Wipfli to Client, which is reduced to writing using an agreed-upon form that is executed by an authorized representative of each for Wipfli and Client.

Unless otherwise agreed in the Engagement Letter, miscellaneous expenses incurred by Wipfli in the course of performing the service will be charged in addition to Wipfli's professional fees. Miscellaneous expenses may include, but are not limited to: travel, lodging, transportation, and meals for projects requiring travel; clerical processing; telecommunications charges; technology fees; delivery expenses; and all sales, use, ad valorem, excise, or other taxes or other governmental charges.

5. Payment of Fees

Unless otherwise agreed, all invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on Client's balance due to Wipfli that is outstanding over thirty (30) days. At our discretion, services may be suspended if Client's account becomes overdue and will not be resumed until Client's account is paid in full. Client acknowledges and agrees that we are not required to continue services in the event of a failure to pay on a timely basis for services rendered as required. Client further acknowledges and agrees that in the event Wipfli stops services or withdraws from this engagement as a result of Client's failure to pay on a timely basis for services rendered as required by this Engagement Letter, Wipfli shall not be liable to Client for any damages that occur whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages.

In the event Wipfli is required to respond to a subpoena, court order, government regulatory inquiries, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this or any prior engagements, Client agrees to compensate us for all time we expend in connection with such response, at our regular rates, and to reimburse us for all related out-of-pocket costs, including attorney's fees, that we incur. Any services under this paragraph will be deemed a separate engagement and, to the extent permitted by law and applicable professional standards, we will promptly notify you of the matter.

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6. Privacy and Engagement Staffing

Wipfli expressly reserves the right to replace, in its sole discretion, any of our professional project team members, as necessary, to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including our wholly-owned subsidiary based in India and contractors in the Philippines) or any of their respective affiliates. In addition, Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client information in connection with the delivery of certain services. Wipfli is committed to maintaining the confidentiality and security of Client's information, and accordingly, Wipfli maintains policies, procedures and safeguards to protect the confidentiality of Client information. In addition, our agreements with all service providers appropriately maintain and protect the confidentiality of Client information, provided we may use electronic media to transmit Client information and such use in itself will not constitute a breach of any confidentiality obligation. We remain responsible to Client for the supervision of all service providers, entities, and personnel who assist us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes us to disclose Client information to the foregoing entities and parties for the purpose of providing professional services, including tax services, to Client.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data") and will maintain such Personal Data in confidence in accordance with professional standards and governing laws. Client will not provide any Personal Data to Wipfli unless necessary to perform professional services described in the Engagement Letter. When providing any Personal Data to us, Client will comply with all applicable laws (both foreign and domestic) and will anonymize, mask, obfuscate, and/or de-identify, if reasonably possible, all Personal Data that is not necessary to perform the professional services described in the Engagement Letter. Any Personal Data provided to us by Client will be kept confidential and not disclosed to any third party not described above (parties providing us assistance in rendering professional services) unless expressly permitted by Client or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their personal information, which will be obtained, used, and disclosed by Wipfli for its required purposes, and Wipfli may rely on the representation that Client has obtained such consents.

Please see Wipfli's Privacy Statement located at www.wipfli.com/privacy-statement for further information.

Applicable rules in some states require that we advise you that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services related to this engagement.

7. Intellectual Property Rights

Client acknowledges that Wipfli owns all intellectual property rights, title, and interest to all materials and information produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client materials, data or other information, all of which shall remain the property of Client. Upon completion of the services contemplated by the Engagement Letter, Wipfli grants to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client,

provided that any use or modification of such deliverable, other than for the stated purposes in the Engagement Letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual property notices applicable to any of Wipfli's goods, marketing material, or advertising media, and shall not in any way alter any of Wipfli's products. Client shall promptly notify Wipfli in writing of any infringement of Wipfli's intellectual property by third parties of which Client becomes aware. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process and other information shall be solely and exclusively the property of the originating party.

8. Mutual Confidentiality

During the course of performing services, the parties may have access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the recipient party or its affiliates, free of any obligation to keep it confidential, (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates, (iii) is received by the receiving party from a third party without any restriction on confidentiality, (iv) is independently developed by the receiving party or its affiliates, (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality, or (vi) is approved for release by prior written authorization of the disclosing party.

Without the advance written consent of the other party, except as required by law, regulation, or to comply with professional standards applicable to a party or for the performance of the services, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding Confidential Information that it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this Agreement. The parties further agree that expiration or termination of this Agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

9. Independent Contractor

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties.

10. Non-Exclusivity

No right of exclusivity is granted, guaranteed, or implied by Wipfli and Client entering into any engagement letter. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

11. Dispute Resolution

If any dispute arises among the parties regarding the subject matter hereof and such dispute cannot be resolved through informal negotiations and discussion, the parties agree to try in good faith to settle the dispute by mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes before resorting to arbitration or litigation. Costs of any mediation proceeding shall be shared equally by all parties. Except for an

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action by us to collect payment of our invoices, Wipfli and Client agree that no claim arising out of services rendered pursuant to the Engagement Letter or any Change Order shall be filed: (i) in the case of any report or deliverable issued by Wipfli under the Engagement Letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of the Engagement Letter), or (ii) in the case of any tax form or similar governmental filing, no later than two years after the initial due date of such tax form or filing.

12. Governing Law

Any and all claims relating to agreements between Wipfli and Client for any service shall be governed by and construed in accordance with the internal laws of the state in which the Wipfli office which issues the Engagement Letter related to the services is located.

13. Severability

In the event that any term or provision of the Engagement Letter or these Terms and Conditions shall be held to be invalid, void, or unenforceable, then the remainder shall not be affected and each remaining term or condition shall be valid and enforceable to the fullest extent permitted by law.

14. Notices

All notices required to be given to either party under the Engagement Letter shall be in writing and sent by traceable carrier to each party's address indicated on the Engagement Letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice should be provided to Wipfli's General Counsel at wipfli-legal@wipfli.com.

15. Electronic Signature

Each party hereto agrees that any electronic signature of a party to the Engagement Letter or any electronic signature to a document contemplated hereby is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to: (i) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (ii) an electronic copy of a traditional signature affixed to a document, (iii) a signature incorporated into a document utilizing touchscreen capabilities, or (iv) a digital signature. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

16. Record Retention

We will retain records related to this engagement pursuant to our record retention policy. At the end of the relevant time period, we will destroy our records related to this engagement. However, Client's original records will be returned to Client upon the completion of the engagement. When records are returned, it is Client's responsibility to retain and protect the records for possible future use, including potential examination by governmental or regulatory agencies.

17. Assignment

The Engagement Letter to which these Terms and Conditions are attached shall be binding on the parties hereto and their respective successors and assigns. Neither party may assign this Engagement Letter without prior written consent of the other, except that Wipfli may assign its rights and obligations under this Engagement Letter without the approval of Client to an entity that acquires all

or substantially all of the assets of Wipfli or to any subsidiary or affiliate or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations under this Engagement Letter.

18. Force Majeure

Either party may suspend (or if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) under the Engagement Letter or any amendment or Change Order, if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, fires, floods, storms, washouts, tsunamis, earthquakes, wars (declared or undeclared), civil disturbances, accidents, terrorist acts (including biochemical attacks), health pandemics, acts of any governmental body, damage to its plants and equipment, computer network problems caused by any Internet Service Provider or telecommunications company servicing Wipfli and/or Client, or acts of God or events beyond a party's control (collectively referred to herein as "Force Majeure"). Each party will use reasonable efforts to promptly minimize the duration and consequences of any failure of or delay in performance resulting from a Force Majeure event. In such event, the affected party will not be liable to the other for delay or failure to perform its obligations under this Engagement Letter.

**AGENDA ITEM #XI-D-3
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

HEALTH INSURANCE RATES

RECOMMENDATION OF THE PRESIDENT: That the Board of Trustees establishes the following monthly rates for medical, dental, and vision insurance during FY24 under a fully-insured health plan as listed below.

Medical (Blue Cross Blue Shield PPO Plan):

Employee Only	\$ 881.49	Retiree Only	\$ 881.49
Family Plan	\$2,203.74	Retiree with Family Plan	\$2,203.74

Medical (Blue Cross Blue Shield HDHP Plan):

Employee Only	\$ 775.72	Retiree Only	\$ 775.72
Family Plan	\$1,939.29	Retiree with Family Plan	\$1,939.29

Medical (Blue Cross Blue Shield PPO Co-Pay Plan):

Employee Only	\$ 765.23	Retiree Only	\$ 765.23
Family Plan	\$1,913.05	Retiree with Family Plan	\$1,913.05

Dental (Blue Cross Blue Shield):

Employee Only	\$ 27.34	Retiree Only	\$ 27.34
Employee + Spouse	\$ 55.62	Retiree + Spouse	\$ 55.62
Employee + Child(ren)	\$ 57.42	Retiree + Child(ren)	\$ 57.42
Family Plan	\$ 102.54	Retiree with Family Plan	\$ 102.54

Vision (Blue Cross Blue Shield):

Employee Only	\$ 7.80	Retiree Only	\$ 7.80
Employee + Spouse	\$ 14.83	Retiree + Spouse	\$ 14.83
Employee + Child(ren)	\$ 15.61	Retiree + Child(ren)	\$ 15.61
Family	\$ 22.95	Retiree with Family	\$ 22.95

BACKGROUND: The goals of the College health plan are to provide participants protection from catastrophic financial loss, provide participants with choices in health care options, and help the College remain sustainable and competitive.

The College will continue to offer three medical plan options: Blue Cross Blue Shield PPO plan, Blue Cross Blue Shield HDHP, and Blue Cross Blue Shield PPO Co-Pay plan. This year, the College will contribute \$500 to each employee's flexible spending plan if they opt for the co-pay plan and an additional \$100 based on a dollar for dollar match of the employee's contribution, capped at \$600. The College will contribute \$600 to each employee's Health Savings Account if they opt for the HDHP. Individuals who have been on a family plan option for the past 12

BOARD ACTION: _____

months will be offered the Family Advantage Plan. By taking coverage with a spouse's group coverage, the College will cover a portion of premiums and medical expenses.

The medical premiums for each plan have increased from FY23 by 2.0%. Dental and vision premiums remained the same.

The College will contribute 78% toward the cost of medical and dental premiums for current employees in FY24 and does not contribute toward the cost of retiree premiums. The voluntary vision plan premium is paid 100% by employees.

**AGENDA ITEM #XI-D-4
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD**

**PAYMENT OF BILLS AND AGENCY FUND REPORT
APRIL 2023**

RECOMMENDATION OF THE PRESIDENT: It is recommended that the Highland Community College Board approves the following Resolution for the payment of the April 2023 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 358055 through 358395 amounting to \$894,229.50 Automated Clearing House (ACH) debits W0000642 amounting to \$58,980.26, and Electronic Refunds of \$18,399.37, with 8 adjustments of \$9,595.72, such warrants amounting to \$962,170.21. Transfers of funds for payroll amounted to \$646,439.84.

Automated Clearing House (ACH) debits are Fifth Third Bank in the amount of \$58,980.26. Electronic Refunds are issued to students.

BOARD ACTION: _____

**HIGHLAND COMMUNITY COLLEGE
AGENCY FUND
Balance Sheet, April 30, 2023**

	PREVIOUS BALANCE	RECEIPTS	DISBURSEMENTS	BALANCE
US BANK	\$342,116.04	\$1,250.00	\$0.00	\$343,366.04
FIFTH THIRD	11,091.67	0.00	0.00	11,091.67
UNION LOAN AND SAVINGS	176,338.92	0.00	0.00	176,338.92
TOTAL ASSETS	\$529,546.63	\$1,250.00	\$0.00	\$530,796.63
1010 HCC ORCHESTRA	\$0.00			\$0.00
1011 TRANSFER FUNDS				
1012 FORENSICS SCHOLAR	0.00			0.00
1013 INTEREST ON INVEST.				
1014 TRUSTS AND AGENCIES				
1015 CARD FUND				
1016 DIST #145 ROAD AND LOT	65,074.89			65,074.89
1017 HCC ROAD AND LOT	102,651.85			102,651.85
1018 YMCA ROAD AND LOT	96,817.84	416.66		97,234.50
1019 YMCA BLDG/MAINT	75,291.55	833.34		76,124.89
1020 HCC BLDG/MAINT	78,047.13			78,047.13
1021 YMCA/HCC INTEREST	100,571.70			100,571.70
1022 HCC SECTION 125 PLAN	11,091.67			11,091.67
1023 Ic3SP CAREER SERVICES	0.00			0.00
TOTAL	\$529,546.63	\$1,250.00	\$0.00	\$530,796.63

**AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD
FY23**

**TREASURER'S REPORT
STATEMENTS OF REVENUE, EXPENDITURES &
CHANGES IN FUND BALANCE
(Cash basis, encumbrances included.)**

- We have now received the 2022 tax year tax computation reports from all four counties. EAV changes from tax year 2021 to 2022 by county are as follows:

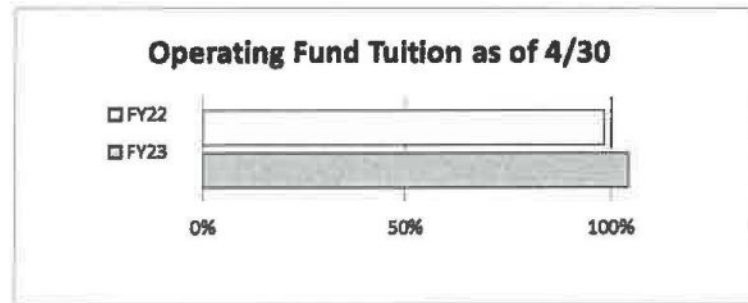
<u>County</u>	<u>Change</u>
Stephenson	+6.6%
Carroll	+10.5%
Ogle	+6.8%
Jo Daviess	+7.7%

Overall, the total district increase in EAV is about 7.7%. We had budgeted for an increase of 5%, which will result in our actual property tax revenue being about \$90,000 more than budgeted.

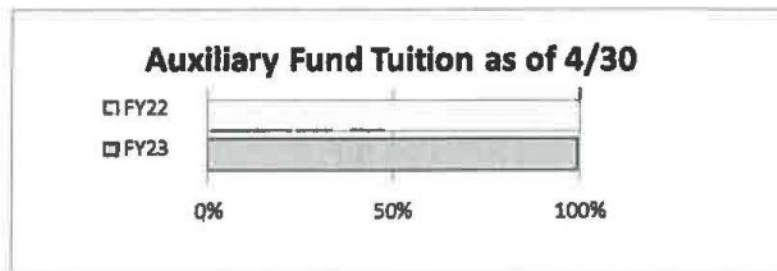
Each County's percentage of the overall EAV is as follows:

<u>County</u>	<u>% of EAV</u>
Stephenson	36%
Carroll	16%
Ogle	8%
Jo Daviess	40%

- Current Results as of Month End:** The following charts show the comparison of the FY22 financial results for various items, as labeled, to FY23 results as of April 30th. The FY22 bar is the year-to-date results as of April 30, 2022, divided by the actual year end results for FY22. The FY23 bar is the year to date results for April 30, 2023, divided by the annual budgeted amount for FY23.



Operating Fund tuition revenue appears to be about 4% higher than anticipated at this point in time. This is primarily due to truck driver training revenue, which is 73% (\$302,000) more than budgeted. Tuition revenue without truck driver training is about 3% lower than anticipated at this point in time.



Auxiliary Fund tuition revenue appears to be in line with what was anticipated at this point in time.

AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE
FY23

OPERATING FUNDS (EDUCATIONAL AND OPER. & MAINT. FUNDS COMBINED)
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended April 30, 2023

<u>REVENUE:</u>	<u>Budget</u>	<u>Year- to-Date</u>	<u>Percent</u>
Local Taxes	\$7,237,650	3,549,560	49.0%
Credit Hour Grants	1,274,865	1,137,258	89.2%
Equalization	50,000	41,667	83.3%
ICCB Career/Tech Education	136,719	136,719	100.0%
ICCB Performance	15,000	-	0.0%
CPP Replacement Tax	1,285,000	1,141,553	88.8%
Federal Sources	72,000	84,744	117.7%
Tuition & Fees	4,378,900	4,570,489	104.4%
Sales & Services	29,550	29,957	101.4%
Facilities Revenue	111,850	75,882	67.8%
Interest on Investments	72,000	196,354	272.7%
Non-Govt. Gifts, Grants	355,161	355,160	100.0%
Miscellaneous	44,376	49,546	111.7%
Total Revenue	\$15,063,071	\$11,368,889	75.5%
<u>EXPENDITURES:</u>			
Salaries	\$9,925,107	\$7,688,187	77.5%
Employee Benefits	2,330,670	2,095,288	89.9%
Contractual Services	1,279,288	1,392,539	108.9%
Materials & Supplies	934,410	682,005	73.0%
Conference & Meeting	269,788	173,908	64.5%
Fixed Charges	62,390	53,294	85.4%
Utilities	581,716	533,882	91.8%
Capital Outlay	38,745	43,604	112.5%
Other Expenditures	137,957	230,089	166.8%
Transfers (In) Out	(497,000)	-	0.0%
Total Expenditures	\$15,063,071	\$12,892,796	85.6%
Excess of Revenues Over Expenditures	\$0	(\$1,523,907)	
Fund Balance 7/1/22	6,771,616	6,771,616	
Fund Balance 4/30/23	\$6,771,616	\$5,247,709	

AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD
FY23

OPERATIONS AND MAINTENANCE FUND (RESTRICTED)
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended April 30, 2023

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$957,500	461,343	48.2%
Interest	-	257,532	100.0%
Bond Proceeds	7,245,000	7,357,250	100.0%
	-----	-----	-----
Total Revenue	\$8,202,500	\$8,076,125	100.0%
EXPENDITURES:			

Contractual Services	120,800	192,681	0.0%
Capital Outlay	10,692,319	2,404,373	22.5%
Other	-	169,534	100.0%
	-----	-----	-----
Total Expenditures	10,813,119	2,766,588	25.6%
Excess of Revenues Over Expenditures	(\$2,610,619)	\$5,309,537	
Fund Balance 7/1/22	\$4,054,017	\$4,054,017	
	-----	-----	
Fund Balance 4/30/23	\$1,443,398	\$9,363,554	

AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD
FY23

AUXILIARY ENTERPRISE FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended April 30, 2023

REVENUE:	Budget	Year to-Date	Percent
Tuition and Fees	\$425,000	\$422,640	99.4%
Bookstore Sales	425,000	406,229	95.6%
Athletics	41,040	28,055	68.4%
Other	70,350	169,791	241.4%
Total Revenue	\$961,390	\$1,026,715	106.8%
EXPENDITURES:			
Salaries	\$323,600	\$257,091	79.4%
Employee Benefits	33,433	32,008	95.7%
Contractual Services	120,330	80,964	67.3%
Materials & Supplies	539,635	522,900	96.9%
Conference & Meeting	322,063	280,217	87.0%
Fixed Charges	13,459	13,636	101.3%
Utilities	17,295	850	4.9%
Capital Outlay	650	46,321	7126.3%
Other Expenditures	25,773	35,040	136.0%
Transfers	-	(50,000)	100.0%
Total Expenditures	\$1,396,238	\$1,219,027	87.3%
Excess of Revenues Over Expenditures	(\$434,848)	(\$192,312)	
Fund Balance 7/1/22	\$1,471,702	\$1,471,702	
Fund Balance 4/30/23	\$1,036,854	\$1,279,390	

AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD
FY23

RESTRICTED PURPOSE FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended April 30, 2023

<u>REVENUE:</u>	<u>Budget</u>	<u>Year-to-Date</u>	<u>Percent</u>
Vocational Education	\$153,441	105,140	68.5%
Adult Education	253,516	177,622	70.1%
Other Illinois Sources	131,865	424,115	321.6%
Department of Education	3,624,293	2,876,591	79.4%
Other Federal Sources	565,013	154,137	27.3%
Tuition & Fees	520,000	516,560	99.3%
Sales & Service Fees	24,500	5,039	20.6%
Interest	20,000	47,217	236.1%
Non-govt. Gifts, Grants	376,614	1,168	0.3%
Other	298,951	265,117	88.7%
Total Revenue	\$5,968,193	4,572,706	76.6%
<u>EXPENDITURES:</u>			
Salaries	\$1,363,927	\$1,164,527	85.4%
Employee Benefits	358,188	271,031	75.7%
Contractual Services	836,554	674,539	80.6%
Materials & Supplies	281,409	261,161	92.8%
Conference & Meeting	140,706	131,890	93.7%
Fixed Charges	26,758	2,820	10.5%
Utilities	4,872	-	0.0%
Capital Outlay	1,036,653	387,813	37.4%
Other Expenditures	430,040	259,504	60.3%
Financial Aid	2,588,010	2,130,972	82.3%
Transfers out (in)	427,000	50,000	0.0%
Total Expenditures	\$7,494,117	\$5,334,257	71.2%
Excess of Expenditures Over Revenue	(\$1,525,924)	(\$761,551)	
Fund Balance 7/1/22	2,235,248	2,235,248	
Fund Balance 4/30/23	\$709,324	\$1,473,697	

AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD
FY23

AUDIT FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended April 30, 2023

REVENUE:	Budget	Year to-Date	Percent
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Local Taxes	\$60,000	\$26,297	43.8%
	-----	-----	-----
Total Revenue	\$60,000	\$26,297	43.8%
EXPENDITURES:			

Contractual Services	\$57,000	\$58,000	101.8%
	-----	-----	-----
Total Expenditures	\$57,000	\$58,000	101.8%
Excess of Revenues Over Expenditures	\$3,000	(\$31,703)	
Fund Balance 7/1/22	(\$2,785)	(\$2,785)	
	-----	-----	
Fund Balance 4/30/23	\$215	(\$34,488)	

AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD
FY23

BOND AND INTEREST FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended April 30, 2023

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$1,831,050	912,601	49.8%
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Total Revenue	\$1,831,050	\$912,601	49.8%
EXPENDITURES:			

Fixed Charges	\$1,776,050	1,708,975	96.2%
	-----	-----	-----
Total Expenditures	\$1,776,050	\$1,708,975	96.2%
Excess of Revenues Over Expenditures	\$55,000	(\$796,374)	
Fund Balance 7/1/22	\$870,056	\$870,056	
	-----	-----	
Fund Balance 4/30/23	\$925,056	\$73,682	

AGENDA ITEM #XII-A
MAY 23, 2023
HIGHLAND COMMUNITY COLLEGE BOARD
FY23

LIABILITY, PROTECTION, AND SETTLEMENT FUND
Statement of Revenue, Expenditures, & Changes in Fund Balance
For the Period Ended April 30, 2023

REVENUE:	Budget	Year to-Date	Percent
-----	-----	-----	-----
Local Taxes	\$1,327,500	\$635,022	47.8%
-----	-----	-----	-----
Total Revenue	\$1,327,500	\$635,022	47.8%
EXPENDITURES:			

Salaries	\$310,613	\$263,876	85.0%
Employee Benefits	309,017	249,931	80.9%
Contractual Services	389,425	388,203	99.7%
Materials & Supplies	16,300	11,122	68.2%
Conference & Meetings	23,220	14,460	62.3%
Fixed Charges	251,122	252,850	100.7%
Utilities	36,400	8,574	23.6%
-----	-----	-----	-----
Total Expenditures	\$1,336,097	\$1,189,016	89.0%
Excess of Revenues			
Over Expenditures	(\$8,597)	(\$553,994)	
Fund Balance 7/1/22	\$414,929	\$414,929	
-----	-----	-----	
Fund Balance 4/30/23	\$406,332	(\$139,065)	