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Please note that this version replaces a previously issued version that was posted on October 31, 2024 and re-posted on December 10, 2024.

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

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

For the Fiscal Year Ended June 30, 2024



CPAs | CONSULTANTS | WEALTH ADVISORS

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JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Howard Community College
Columbia, Maryland

Report on the Audit of the Statutory Financial Statements

Opinion

We have audited the accompanying statutory financial statements included in the Annual Financial Report to the Maryland Higher Education Commission (MHEC-CC-4) of Howard Community College (the College) for the year ended June 30, 2024 listed in the foregoing table of contents and the related notes to the statutory financial statements.

In our opinion, the statutory financial statements referred to above present fairly, in all material respects, the revenues and expenditures of the current unrestricted fund and the current restricted fund of the College for the year ended June 30, 2024 in accordance with the financial reporting provisions of the Maryland Higher Education Commission described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Statutory Financial Statements section of our report. We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the statutory financial statements included in the MHEC-CC-4, which describes the basis of accounting. The statutory financial statements are prepared by the College in accordance with the financial reporting provisions of the Maryland Higher Education Commission, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Maryland Higher Education Commission. As a result, the statutory financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Statutory Financial Statements

Management is responsible for the preparation and fair presentation of these statutory financial statements included in the MHEC-CC-4 in accordance with the financial reporting provisions of the Maryland Higher Education Commission, as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of statutory financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Statutory Financial Statements

Our objectives are to obtain reasonable assurance about whether the statutory financial statements included in the MHEC-CC-4 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 generally accepted auditing standards will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the statutory financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the statutory financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the statutory financial statements.
- Obtain an understanding of internal control relevant to the audit 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 College's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the statutory financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the College's ability to continue as a going concern for a reasonable period of time.

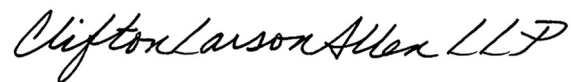
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the statutory financial statements as a whole. The supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic statutory financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the statutory financial statements or to the statutory financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule is fairly stated, in all material respects, in relation to the statutory financial statements as a whole.

Restriction on Use

The report is intended solely for the information and use of the Board of Trustees and management of the College and the Maryland Higher Education Commission and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Baltimore, Maryland
October 31, 2024

HOWARD COMMUNITY COLLEGE

**Summary Statement of Revenues
For Fiscal Year Ended June 30, 2024**

Revenue Source	Unrestricted Current Fund	Restricted Current Fund	Total Revenue
Student Tuition and Fees:			
1. Credit	\$ 34,531,015	\$ -	\$ 34,531,015
2. Noncredit	5,110,585	102,160	5,212,745
3. Total Student Tuition and Fees	39,641,600	102,160	39,743,760
Governmental:			
4. Federal	-	14,005,700	14,005,700
5. State	33,574,559	1,982,831	35,557,390
a. Regional Higher Education Center (Laurel College)	143,286	-	143,286
b. Maryland Excel's Program (Children's Learning Center)	-	-	-
6. Local			
a. Operating Appropriations	42,400,000	-	42,400,000
b. County paid OPEB contribution	1,031,544	-	1,031,544
c. Other County Funding (describe below)			
i. Cable Grant	-	131,700	131,700
ii. Cafe Composting	-	19,056	19,056
iii. Wellness Center Support	-	18,418	18,418
iv. Tighrope Media Cablecast	-	-	-
v. Howard County Getting Ahead	-	-	-
d. County in-kind rent	1,158,000	-	1,158,000
7. Total Governmental	78,307,389	16,157,704	94,465,093
8. Total Sales and Services of Educational Activities (Auxiliary Enterprises)	107,379	-	107,379
Other:			
9. Gifts/Grants (Explained on Exhibit X)	272,988	503,286	776,274
10. Other - Miscellaneous (Explain on Exhibit X)	6,268,288	-	6,268,288
11. Total Other	6,541,276	503,286	7,044,562
12. Total Revenue	<u>\$ 124,597,644</u>	<u>\$ 16,763,150</u>	<u>\$ 141,360,794</u>

NOTE: Do not include State paid benefits; reconcile to the financial statements on separate page.

HOWARD COMMUNITY COLLEGE**Summary Statement of Current General Funds
For Fiscal Year Ended June 30, 2024**

	Unrestricted Current General Fund	Restricted Current Fund
Revenue:		
1. Total Revenue (Per Line 12, Exhibit I)	<u>\$ 124,597,644</u>	<u>\$ 16,763,150</u>
Expenditures:		
Instruction	44,601,302	1,839,478
Research	-	-
Public Service	887,109	174,713
Academic Support	12,531,408	970,388
Student Services	8,747,371	442,462
Institutional Support	16,896,085	-
Operation and Maintenance of Plant	14,201,991	19,056
Scholarships and Fellowships	<u>4,262,172</u>	<u>13,220,774</u>
Contingency		
2. Total Education and General Expenditures	102,127,439	16,666,871
3. Total Mandatory Transfers	<u>17,952</u>	<u>(17,952)</u>
4. Total Educational and General Expenditures and Mandatory Transfers	102,145,391	16,648,919
5. Total Auxiliary Enterprises	1,532,720	7,520
6. Total Other Transfers	<u>(5,370,141)</u>	<u>(106,610)</u>
7. Total Expenditures, Transfers and Auxiliary	<u>\$ 98,307,970</u>	<u>\$ 16,549,829</u>

NOTE: Do not include State paid benefits; reconcile to the financial statements on separate page.

HOWARD COMMUNITY COLLEGE

Educational and General Expenditures of the Unrestricted Current Fund by Function and Object
For Fiscal Year Ended June 30, 2024

Acct. No.	Object Classification	Instruction	Research	Public Service	Academic Support	Student Services	Institutional Support	Operation and Maintenance of Facilities	Scholarships	Total
5XXX	Compensation (including Fringe Benefits)	\$ 39,393,659	\$ -	\$ 720,531	\$ 10,162,342	\$ 7,636,184	\$ 10,363,933	\$ 8,085,663	\$ -	\$ 76,362,312
60XX	Contracted Services	2,794,685	-	63,777	1,126,302	431,655	3,957,045	2,809,108	-	11,182,571
61XX	Supplies and Materials	865,461	-	12,474	275,126	326,898	199,533	490,983	-	2,170,475
62XX	Communications	65,631	-	467	6,325	11,096	142,123	19,349	-	244,990
63XX	Conferences/Meetings	519,514	-	39,838	324,882	241,582	546,608	78,907	-	1,751,330
64XX	Grants/Subsidies	28	-	-	(572)	30	-	-	4,262,171	4,261,657
65XX	Utilities	-	-	-	-	-	-	2,059,395	-	2,059,395
66XX	Fixed Charged - Insurance	-	-	-	-	2,871	424,657	438,933	-	866,461
68XX	Bad Debt Expense	3,888	-	-	-	-	988,646	-	-	992,534
69XX	Open (specify below)	-	-	-	-	-	-	-	-	-
7XXX	Furniture and Equipment	958,439	-	50,023	637,003	97,054	273,539	219,654	-	2,235,712
		\$ 44,601,305	\$ -	\$ 887,109	\$ 12,531,408	\$ 8,747,371	\$ 16,896,085	\$ 14,201,991	\$ 4,262,171	\$ 102,127,439

NOTE: Do not include Auxiliary Enterprises, they are not Education and General Expenditure. Do not include state paid benefits.

HOWARD COMMUNITY COLLEGE

Summary Statement of Education and General Expenditures by Fund and Object Classification, Unrestricted Current and Restricted Current Funds
For Fiscal Year Ended June 30, 2024

Acct. No.	Object Classification	Adjusted Unrestricted Current Fund	Adjusted Restricted Fund	Total Expenditures
5XXX	Compensation (including Fringe Benefits)	\$ 76,362,312	\$ 2,335,716	\$ 78,698,028
60XX	Contracted Services	11,182,571	461,806	11,644,377
61XX	Supplies and Materials	2,170,475	367,208	2,537,683
62XX	Communications	244,990	1,337	246,327
63XX	Conferences/Meetings	1,751,330	135,157	1,886,487
64XX	Grants/Subsidies	4,261,657	13,220,774	17,482,431
65XX	Utilities	2,059,395	-	2,059,395
66XX	Fixed Charged - Insurance	866,461	-	866,461
68XX	Bad Debt Expense	992,534	-	992,534
69XX	Other	-	-	-
7XXX	Furniture and Equipment (including Library Books)	2,235,712	144,873	2,380,586
	Total Expenditures	102,127,439	16,666,871	118,794,310
	Total Mandatory Transfers	17,952	(17,952)	-
	Total Expenditures and Mandatory Transfers	<u>\$ 102,145,391</u>	<u>\$ 16,648,919</u>	<u>\$ 118,794,310</u>

NOTE: Do not include State paid benefits; reconcile to the financial statements on separate page.

**Computation of Adjusted Cost Per Full-Time Equivalent And Percent of Local Contribution
For Fiscal Year Ended June 30, 2024**

1 Total Unrestricted Current General Fund Operating Expenditures (From Exhibit II, Line 4)	<u>\$ 102,145,391</u>
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Item	Object	Function	Amount
a) Compensated absence	59XXX	Various	29,732
b) Pension expense	59XXX	Plant	435,986
c) OPEB expense	59XXX	Various	(3,819)
d) Cultural, community & other	Various	Various	3,008,418
e) Scholarships	64XX	Scholarships	4,262,172

Total Deductions	\$ 7,732,489
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4 Total FTE students for fiscal year (From Exhibit VI)	6,866.06
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6 Total Maryland eligible FTE students (From Exhibit VI)	6,372.71
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8 Total Local Contribution	\$ 42,400,000
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9 Percentage of adjusted Unrestricted Current Expenditures contributed by the local political subdivision (Line 8 divided by Line 3) *	44.9%
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HOWARD COMMUNITY COLLEGE

Summary of Full-Time Equivalent Students and Student Tuition and Fees For Fiscal Year Ended June 30, 2024

	<u>FTE Students</u>	<u>Student Tuition and Fees</u>
Eligible Students		
In-County	3,961.50	\$ 20,741,810
Out of County	1,297.37	11,559,564
Noncredit	1,113.84	4,049,523
Total Eligible Students	<u>6,372.71</u>	<u>\$ 36,350,897</u>
Ineligible Students		
Credit		
Out of State	196.53	\$ 2,225,030
Other	4.97	4,610
Noncredit		
Out of State	220.33	801,041
Other	71.52	260,021
Total Ineligible Students	<u>493.35</u>	<u>3,290,702</u>
Total Students	<u>6,866.06</u>	<u>\$ 39,641,600</u>

NOTE: Regional community colleges are required to submit the above data for each of the counties supporting the College. Eligible to state fundable. FTEs shall be reported to the second decimal place.

HOWARD COMMUNITY COLLEGE

Summary of Restricted Federal Grant Programs For Fiscal Year Ended June 30, 2024

Program Title	Balance Balance	Revenue	Expenditures
U.S. Department of Education - Federal Supplemental Educational Opportunity Grants FY24	-	280,279	280,279
U.S. Department of Education - Federal Supplemental Educational Opportunity Grants FY24	-	33,892	33,892
U.S. Department of Education - Federal Work-Study Program FY24	-	220,087	220,087
U.S. Department of Education - Federal Pell Grant Program - FY24	-	9,834,326	9,834,326
U.S. Department of Education - Federal Pell Grant Program - FY23	-	233,486	233,486
U.S. Department of Education - Childcare Access Means Parents in School	-	7,520	7,520
National Science Foundation - IUSE (Improving Undergraduate Stem Education)	-	8,527	8,527
Department of Defense - 2021 Grant Program - Howard Community College	-	2,726	2,726
Department of Defense - 2023 Startalk Student Program	-	81,912	81,912
Maryland Department of Labor - 2020-2023 State Apprenticeship Expansion Grant, 2021 Maryland Community College Apprenticeship Initiative	-	131,915	131,915
Maryland Department of Labor - State Extension Apprenticeship Grant Hospitality Apprenticeship Program	-	34,317	34,317
Maryland Department of Labor - Consolidated Adult Education and Literacy Services Program	-	611,872	611,872
Maryland State Department of Education - Perkins Formula	-	515,948	515,948
Maryland State Department of Education - Perkins Formula -Prior Year	-	(1,040)	(1,040)
Maryland State Department of Education - Career & Technical Education Reserve Fund Grant	-	95,787	95,787
Maryland State Department of Education - ARP ESSER - Maryland Leads Partner Program - COVID 19	-	150,559	150,559
Maryland State Department of Education - Maryland Rebuilds Initiative Grant - COVID 19	-	777,046	777,046
Maryland Department of Health - CHW Certificate Training Programs	-	5,301	5,301
Howard County Government - Complete4Success Program - COVID 19	-	981,240	981,240
Total Federal	-	14,005,700	14,005,700

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

HOWARD COMMUNITY COLLEGE**Summary of Restricted State Grant Programs
For Fiscal Year Ended June 30, 2024**

Program Title	June 30, 2023 Balance	Revenue	Expenditures	June 30, 2024 Balance
MSDE - CCCPDF FY24	-	35,258	35,258	-
MSDE - CCCPDF FY21	-	42,183	42,183	-
ESL Credit	1,066	36,160	36,160	1,066
DLLR Literacy	-	221,504	221,504	-
ESL Non-Credit	-	309,216	309,216	-
AEHG Ext. Diploma	-	17,274	17,274	-
NNFF	-	-	-	-
Hunger Free Campus FY24	-	14,997	8,386	6,611
Hunger Free Campus	13,000	1,804	14,804	-
MD State Scholarship	-	800,432	800,432	-
MD PT Grant Progogram	-	322,909	322,909	-
MD- Conroy	-	43,244	43,244	-
MD Campus Based	-	48,600	48,600	-
State Workforce Sequence	-	89,250	89,250	-
Total State	<u>\$ 14,066</u>	<u>\$ 1,982,831</u>	<u>\$ 1,989,220</u>	<u>\$ 7,678</u>

NOTE: Total should agree with Exhibit I, Restricted Fund (line 5)

HOWARD COMMUNITY COLLEGE

**Summary of Restricted Local Grant Programs
For Fiscal Year Ended June 30, 2024**

Program Title	June 30, 2023 Balance	Revenue	Expenditures	June 30, 2024 Balance
Cable Grant	\$ -	\$ 131,700	\$ 131,700	\$ -
Cafe Composting	-	19,056	19,056	\$ -
Wellness Center Support	-	18,418	18,418	
Total Local	<u><u>\$ -</u></u>	<u><u>\$ 169,173</u></u>	<u><u>\$ 169,173</u></u>	<u><u>\$ -</u></u>

NOTE: Total should agree with Exhibit I, Restricted Fund (line 6)

HOWARD COMMUNITY COLLEGE

Summary of Other Sources of Unrestricted Current General Revenue For Fiscal Year Ended June 30, 2024

	Unrestricted Amounts	Restricted Amounts
Other Revenue Sources		
Grants and grants:		
Private gifts and grants	\$ 272,988	\$ 503,286
Total Grants	272,988	503,286
Other - Miscellaneous:		
Investment Income	4,990,567	-
Cultural, community & other programs	613,969	-
Miscellaneous	663,753	-
Total Other - Miscellaneous	6,268,289	-
Total Other Revenue Sources	\$ 6,541,277	\$ 503,286

NOTE: Total should agree with Exhibit I, C37 and E37

HOWARD COMMUNITY COLLEGE

Reconciliation of State Aid

For Fiscal Year Ended June 30, 2024

	<u>Amount</u>
6,142.12 State Aid FTEs @ \$3,436.16	\$ 21,105,287
Flat Grant (Fixed Cost Adjustment)	12,469,272
Hold Harmless Provision	-
Part-Time Grant	-
Low Income Student Grant	-
Other (specify below):	
Supplemental (tuition less than 2%)	-
Regional Higher Education Center, Howard's share only	143,286
Total State Aid	<u><u>\$ 33,717,845</u></u>

HOWARD COMMUNITY COLLEGE

Reconciliation of Maryland Full-Time Equivalent Students For Fiscal Year Ended June 30, 2024

	Eligible Maryland FTEs Accepted by MHEC	Eligible FTEs Now Claimed per Audit
Summer Credit Enrollment (CC-2)	591.60	591.60
Summer Noncredit Enrollment (CC-3)	152.21	152.21
Fall Credit Enrollment (CC-2)	2,261.47	2,261.47
Fall Noncredit Enrollment (CC-3)	395.83	395.83
Spring Credit Enrollment (CC-2)	2,196.77	2,196.77
Spring Noncredit Enrollment (CC-3)	565.80	565.80
Other Credit Enrollment (CC-2)	209.03	209.03
Other Noncredit Enrollment (CC-3)	-	-
Total Enrollment	6,372.71	6,372.71
Total Eligible Maryland FTEs accepted by MHEC during fiscal year	6,372.71	XXXXXX
Additional Eligible Maryland FTEs claimed per audit* (deletions)	-	XXXXXX
Total Eligible Maryland FTES**	6,372.71	6,372.71
Total Unduplicated Part-Time Students	N/A	N/A

*When additional FTEs not previously reported to the MHEC are claimed as a result of the audit, a properly executed CC-2 or CC-3 must be filed with the CC-4 to substantiate the claim

**This number of FTEs will be the basis for the payment of State aid two years hence. FTEs shall be reported to the second decimal place.

HOWARD COMMUNITY COLLEGE

Student - Faculty Ratio (Credit Courses Only) For Fiscal Year Ended June 30, 2024

Total Credit Hours Generated	<u>164,271</u>
Total Course Credit Hours Taught FY 2024	<u>8,907</u>
Student-Faculty Ratio (Total credit hours generated divided by total course credit hours taught)	<u><u>18.44</u></u>

NOTE: Information for the computation of the student-faculty ratio is to be supplied by the chief academic officer in conformity with the guidelines decided upon by the Maryland Council of Community College Academic Deans as follows:

- * Student credit hours generated and course credit hours taught are to be measured at the end of the third week of classes.
- * Laboratory courses and independent study courses are to be excluded from the denominator if they did not appear independently on the printed class schedule
- * Continuing education (noncredit) courses are to be excluded
- * Included all sessions (Summer and Winter)

HOWARD COMMUNITY COLLEGE

Funding of Manpower Shortage Program For Fiscal Year Ended June 30, 2024

	Summer/Fall CC-2D	Winter/Spring CC-2D	Total
Total out-of-county/city students enrolled in manpower shortage programs	959	646	1,605
Total credit hours*	6,443	4,355	10,798
Total tuition differential*	<u>\$ 778,161</u>	<u>\$ 535,665</u>	<u>\$ 1,313,826</u>
Total State Aid Received for Manpower Shortage Program	\$ 632,345	\$ 435,290	\$ 1,067,635
Minus:			
Current year write off	\$ 145,816	\$ 100,375	\$ 246,191
Audit Adjustments (Enclose Check)	<u>-</u>	<u>-</u>	<u>-</u>
Total Audited State Aid Balance Due for Manpower Shortage Program	<u>0.00</u>	<u>(0.00)</u>	<u>-</u>

*Per Audit

Howard Community College

**Funding of ESOL Grant Program
For Fiscal Year Ended June 30, 2024**

	<u>Total</u>
1. Total Number of Students Enrolled in Noncredit ESOL Programs	<u>4,234</u>
2. Total Noncredit Equated FTEs	<u>488.62</u>
Total Noncredit ESOL Funding Noncredit Equated FTE x \$800	<u>\$ 390,896</u>
Total Noncredit ESOL Funding	<u>\$ 390,896</u>
	<u>Total</u>
1. ESOL Credit FTEs	<u>1,242</u>
2. Total Credit FTEs	<u>30.50</u>
Total ESOL Credit FTEs x \$800	<u>\$ 24,400</u>
Total Credit ESOL Funding	<u>\$ 24,400</u>
Total Noncredit and Credit ESOL Funding	<u><u>\$ 415,296</u></u>

HOWARD COMMUNITY COLLEGE

Retirement System Payments To/From MHEC For Fiscal Year Ended June 30, 2024

Optional Retirement System Reimbursements from MHEC

Reimbursement Requested from MHEC	\$ 1,447,310
Prior Year Reimbursement not paid (from FY23 CC4)	259,995
Audit Adjustment	-
Less Amount Received from MHEC	<u>(1,402,590)</u>
Balance Due From/(To) MHEC	304,715

Teachers Retirement and Pension System Reimbursements

Required Reimbursement Reported to MHEC	82,647
Audit Adjustment	(3,000)
Less Amount Paid to MHEC	<u>(79,647)</u>
Balance Due From/(To) MHEC	-

Amount due from MHEC for Cost of Audit Verification

3,000

Total Amount Due From/(To) MHEC

\$ 307,715

HOWARD COMMUNITY COLLEGE

CC-4 Reconciliation

For Fiscal Year Ended June 30, 2024

Total Revenue - CC-4 Ex I

Total Revenue - Statement of Revenue and Expense	166,588,652
Scholarship reclassification	14,512,416
Restricted revenue	(16,763,150)
Grant deferred revenue	-
Capital appropriations	(33,954,166)
Bond interest	327,599
Lease interest	67,968
Plant fund revenue	(1,924,850)
State paid benefits	(4,256,825)
Total Revenue - CC-4 Ex I	\$ 124,597,644

Total Expenditures - CC-4 Ex II

Total Expenditures - Statement of Revenue and Expenses	124,066,299
Scholarship and other reclassification	15,516,687
Restricted expenditures	(16,674,391)
Auxiliary Expenditures	(1,532,720)
Amortization on right to use asset	(1,566,822)
Depreciation	(13,423,873)
Loss on disposal	(916)
State paid benefits	(4,256,825)
Total Education and General Expenditures - CC-4 Ex II	\$ 102,127,439

HOWARD COMMUNITY COLLEGE

NOTE 1 - BASIS OF PRESENTATION

Howard Community College (the College)'s annual financial report has been prepared in accordance with the basis of accounting prescribed and permitted by the Maryland Higher Education Commission and the laws and regulations contained in Title 16 of the Education Article of the Annotated Code of Maryland and Title 13B.07.03 of the Code of Maryland Regulations. These requirements do not present the College's revenue and expenditures in accordance with accounting principles generally accepted in the United States of America. These practices differ from generally accepted accounting principles in various respects, among them that Governmental Accounting Standards Board Statements 34 and 35 are not applied and current general unrestricted fund revenues and expenditures do not include amounts applicable to the operations of auxiliary enterprises. Additionally, sponsored scholarships from other sources of revenue and non-cash revenues and expenditures for certain fringe benefits which were paid by the State of Maryland are excluded.

