

BOARD OF TRUSTEES
McHENRY COUNTY COLLEGE DISTRICT #528

Tuesday, October 15, 2019
6:00 p.m.



Board Room
8900 U.S. Highway 14
Crystal Lake, IL 60012

COMMITTEE OF THE WHOLE MEETING

AGENDA

1. Call to Order
2. Roll Call
3. Acceptance of Agenda
4. Acceptance of Minutes: Committee of the Whole, September 17, 2019
5. Open for Recognition of Visitors and Presentations
Three (3) minutes per person or less.
6. President's Report
7. FY 2019 Audit Presentation: Mr. Fred Lantz and Mr. Ray Krouse, Sikich LLP
8. Discussion of the 2020 Tax Levy: Mr. Bob Tenuta
9. Preliminary September Financial Statements: Mr. Bob Tenuta
10. Future Agenda Items/Summary Comments by Board Members
11. Closed Session
 - A. 120/2(c) Exception #1, Personnel (President's Evaluation)
 - B. 120/2(c) Exception #21, Review of Closed Session Minutes
 - C. Other matters as pertain to the exceptions of the Open Meetings Act
12. Acceptance of Closed Session Minutes: Committee of the Whole Meeting, August 13, 2019
13. Adjournment

A handwritten signature in cursive script that reads "Molly H. Walsh". The signature is written in black ink on a light-colored background.

Molly H. Walsh
Chair

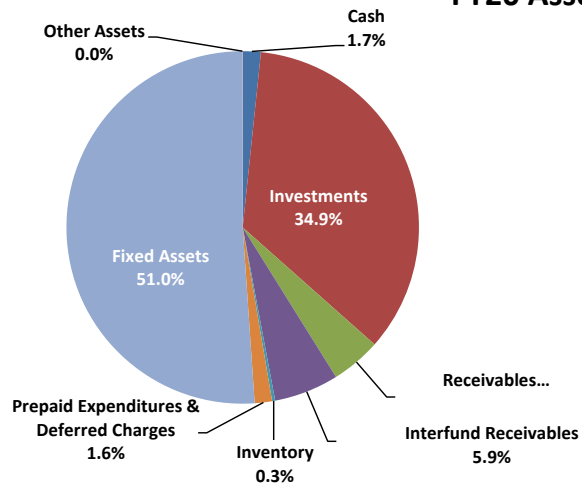
All Funds Statement of Net Position (Balance Sheet)
September 30, 2019

| | 01 | 02 | 03 | 04 | 05 | 06 | 07 | 08 | 09 | 10 | 11 | 12 | 17 | |
|--|--------------------|-------------------------------|--|----------------------|------------------------------|--------------------------|-------------------|--------------------------|------------------------|---------------------|----------------|--|-------------------|---------------------|
| All Funds | Education Fund | Operations & Maintenance Fund | Operations & Maintenance (Restricted) Fund | Bond & Interest Fund | Auxilliary Entrerprises Fund | Restricted Purposes Fund | Working Cash Fund | General Fixed Asset Fund | General Long-Debt Fund | Trust & Agency Fund | Audit Fund | Liability Protection & Settlement Fund | OPEB Fund | |
| Assets | | | | | | | | | | | | | | |
| Cash | 2,234,616 | - | 1,097,249 | - | 273,459.06 | - | 306,878 | 95,646 | - | - | 403,778 | 57,606 | - | - |
| Investments | 47,149,670 | 28,547,689 | 998,782 | 12,686,149 | - | - | 2,878,117 | - | - | - | - | 2,038,932 | - | |
| Receivables | 6,177,855 | 5,406,711 | 681,656 | - | - | 26,231 | - | - | - | - | 3,261 | 59,996 | - | |
| Accrued Revenue | 136,307 | 64,804 | 4,294 | 51,030 | - | - | 8,816 | - | - | - | - | 7,363 | - | |
| Interfund Receivables | 8,005,987 | 541,141 | 8,004,649 | - | 1,338 | (126,515) | (414,627) | - | - | - | - | - | - | |
| Inventory | 381,353 | - | - | - | - | 381,353 | - | - | - | - | - | - | - | |
| Prepaid Expenditures & Deferred Charges | 2,145,728 | 978,613 | 44,335 | 140,000 | - | 15,867 | 4,783 | - | 44,698 | - | - | 165,341 | 752,090 | |
| Fixed Assets | 68,978,838 | - | - | - | - | - | - | 68,978,838 | - | - | - | - | - | |
| Other Assets | 46,191 | - | - | - | - | - | - | - | 46,191 | - | - | - | - | |
| Total Assets | 135,256,546 | 35,538,959 | 10,830,966 | 12,877,179 | 274,797 | 296,937 | (102,966) | 2,982,580 | 68,978,838 | 90,888 | 403,778 | 60,867 | 2,271,632 | 752,090 |
| Liabilities | | | | | | | | | | | | | | |
| Payroll Deductions Payable | 1,129,764 | 953,407 | 50,276 | - | - | 99,361 | 2,229 | - | - | (16,326) | - | 40,818 | - | |
| Accounts Payable | 322,755 | 310,047 | - | - | - | 2,084 | 10,624 | - | - | - | - | - | - | |
| Interfund Payable | 8,004,649 | 252,287 | - | 6,448,965 | - | 104,096 | - | - | - | - | - | 1,199,302 | - | |
| Accrued Expense | 25,068,897 | 565,671 | - | - | - | - | - | - | - | - | - | - | 24,503,226 | |
| Deferred Revenue | 17,519,151 | 12,182,215 | 1,228,368 | - | - | 234 | - | - | - | - | 18,746 | 345,197 | 3,744,392 | |
| Fixed Liabilities | 11,661,953 | - | - | - | - | - | - | - | 11,661,953 | - | - | - | - | |
| Other Liabilities | 462,210 | 21,788 | - | - | - | 20,317 | - | - | - | 420,104 | - | - | - | |
| Total Liabilities | 64,169,380 | 14,285,414 | 1,278,645 | 6,448,965 | - | 226,091 | 12,853 | - | 11,661,953 | 403,778 | 18,746 | 1,585,316 | 28,247,618 | |
| Designated Fund Balance | 71,087,166 | 21,253,544 | 9,552,322 | 6,428,214 | 274,797 | 70,845 | (115,819) | 2,982,580 | 68,978,838 | (11,571,065) | - | 42,121 | 686,316 | (27,495,528) |
| Assigned Fund Balance | | | | | | | | | | | | | | |
| 33% Unassigned for annual budgeted expenditures | 17,351,503 | 14,847,591 | 2,503,912 | - | - | - | - | - | - | - | - | - | - | - |
| Other Designated Reserves | 0 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital Improvement/Investment in Capital Assets | 75,407,053 | - | - | 6,428,214 | 0 | - | - | 68,978,838 | - | 0 | - | 686,316 | -27,495,528 | |
| Liabilities, Protection, and Settlement | -38,471,165 | - | - | - | - | - | - | - | -11,661,953 | - | - | - | - | |
| Working Cash/Other Restricted | 1,676,302 | - | - | - | - | - | -115,819 | 1,750,000 | - | - | 42,121 | - | - | |
| Remaining Unassigned Balance | 15,123,474 | 6,405,953 | 7,048,410 | 0 | 274,797 | 70,845 | 0 | 1,232,580 | 0 | 90,888 | 0 | 0 | 0 | 0 |

All Funds Statement of Net Position (Balance Sheet)
September 30, 2019

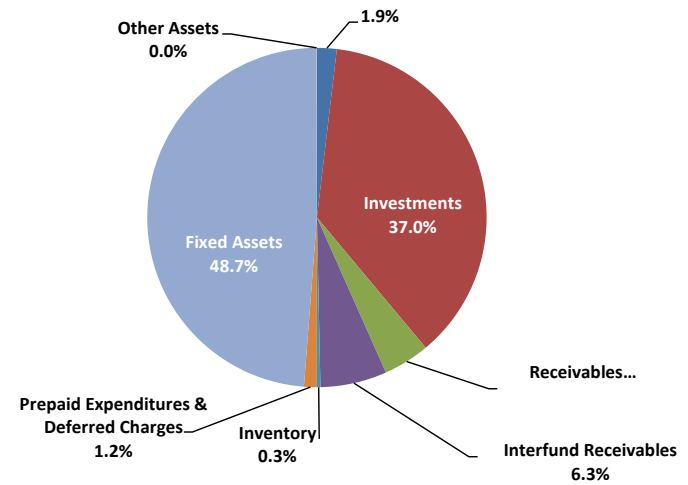
Total Assets = \$ 135,256,546

FY20 Assets - All Funds

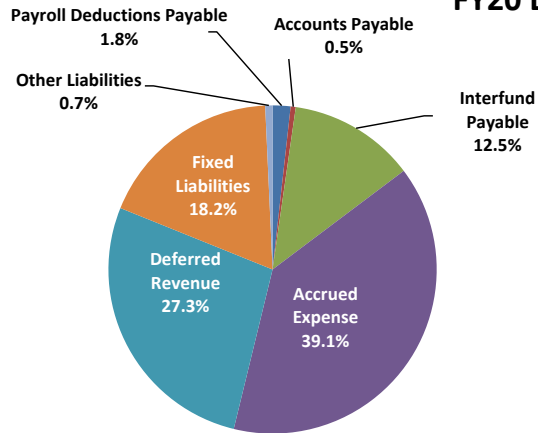


Total Assets = \$ 129,515,763

FY19 Assets - All Funds

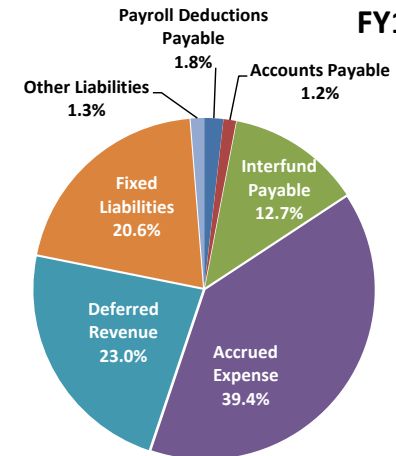


FY20 Liabilities - All Funds



Total Liabilities = \$ 64,169,380

FY19 Liabilities - All Funds



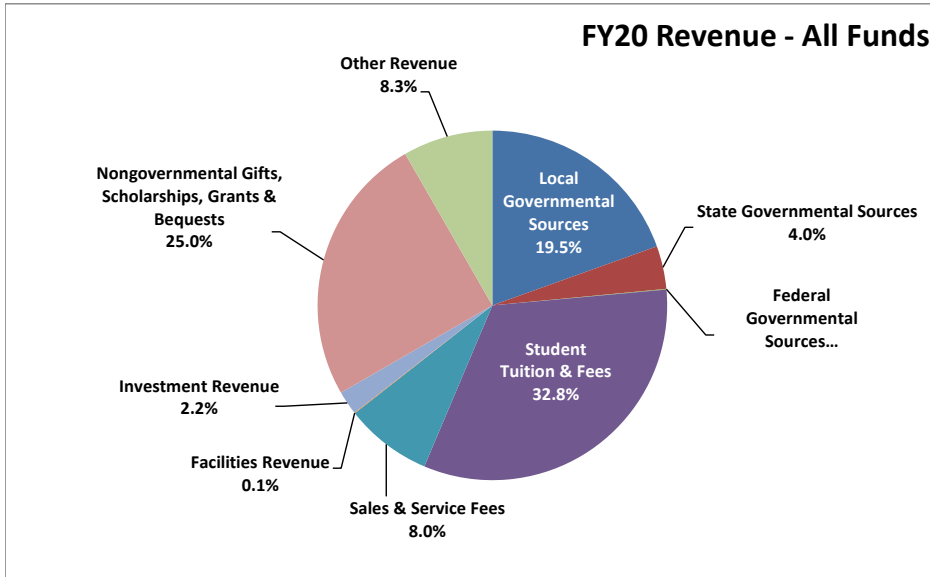
Total Liabilities = \$ 63,274,840

All Funds Statement of Activities (Income Statement)
September 30, 2019

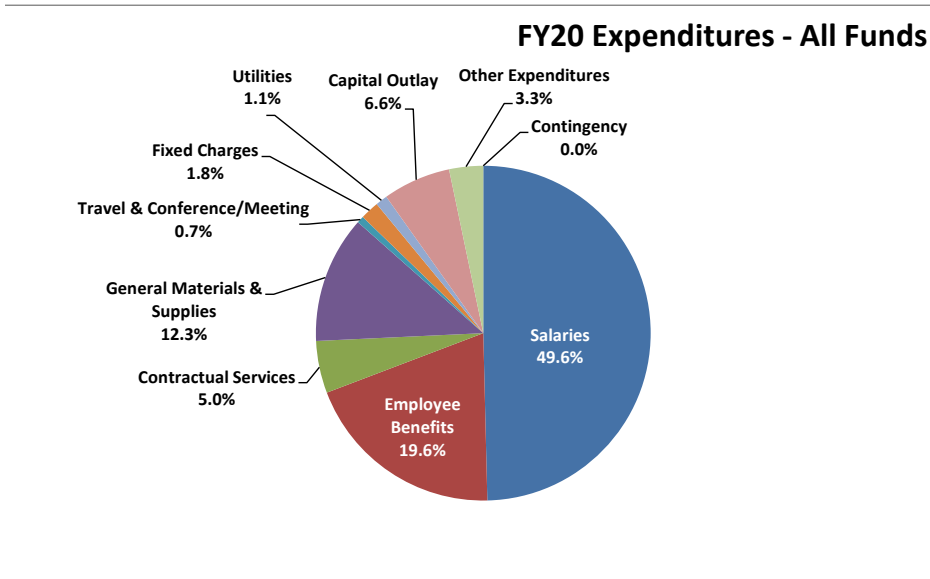
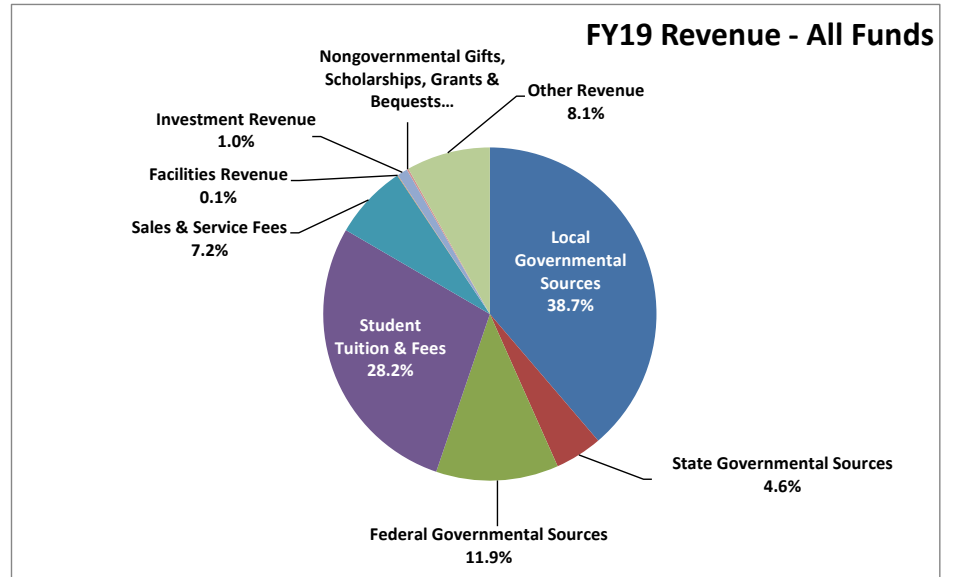
| | 01 | 02 | 03 | 04 | 05 | 06 | 07 | 08 | 09 | 11 | 12 | 17 | |
|--|-------------------|-------------------------------|--|-------------------|-----------------------------|--------------------------|-------------------|--------------------------|------------------------|----------------|--|------------------|--------------|
| All Funds | Education Fund | Operations & Maintenance Fund | Operations & Maintenance (Restricted) Fund | Bond and Interest | Auxilliary Enterprises Fund | Restricted Purposes Fund | Working Cash Fund | General Fixed Asset Fund | General Long-Debt Fund | Audit Fund | Liability Protection & Settlement Fund | OPEB Fund | |
| Revenue | | | | | | | | | | | | | |
| Local Governmental Sources | 2,388,395 | 2,021,445 | 245,636 | - | - | - | - | - | - | 6,249 | 115,066 | - | |
| State Governmental Sources | 486,208 | 420,944 | 123,856 | - | - | (58,592) | - | - | - | - | - | - | |
| Federal Governmental Sources | 7,782 | - | - | - | - | 7,782 | - | - | - | - | - | - | |
| Student Tuition & Fees | 4,015,169 | 3,060,527 | 385,119 | 44,716 | 417,354 | 107,453 | - | - | - | - | - | - | |
| Sales & Service Fees | 984,248 | 97,730 | - | - | - | 886,518 | - | - | - | - | - | - | |
| Facilities Revenue | 9,097 | 77 | - | - | - | 9,020 | - | - | - | - | - | - | |
| Investment Revenue | 269,214 | 138,439 | 7,854 | 93,330 | - | - | 16,123 | - | - | - | 13,467 | - | |
| Nongovernmental Gifts, Scholarships, Grants & Bequests | 3,060,544 | - | - | 3,000,000 | - | 60,544 | - | - | - | - | - | - | |
| Other Revenue | 1,017,000 | 1,007,064 | 9,936 | - | - | - | - | - | - | - | - | - | |
| Total Revenue | 12,237,656 | 6,746,227 | 772,401 | 3,138,046 | 417,354 | 1,002,991 | 9,733 | 16,123 | - | 6,249 | 128,532 | - | |
| Expenditures | | | | | | | | | | | | | |
| Salaries | 4,337,887 | 3,723,510 | 102,722 | - | - | 283,624 | 136,317 | - | - | - | 91,715 | - | |
| Employee Benefits | 1,714,042 | 1,479,293 | 19,205 | - | - | 52,845 | 25,432 | - | - | - | 137,267 | - | |
| Contractual Services | 440,372 | 256,872 | 119,338 | 7,361 | - | 47,089 | 945 | - | - | - | 8,768 | - | |
| General Materials & Supplies | 1,073,281 | 429,629 | 45,976 | 111,548 | - | 474,141 | 10,660 | - | - | - | 1,328 | - | |
| Travel & Conference/Meeting | 59,193 | 28,080 | 1,037 | - | - | 4,317 | 24,795 | - | - | - | 964 | - | |
| Fixed Charges | 157,936 | 278,582 | 4,318 | 84,900 | 158,200 | 5,000 | - | - | (383,943) | - | 10,880 | - | |
| Utilities | 100,299 | 28,049 | 72,250 | - | - | - | - | - | - | - | - | - | |
| Capital Outlay | 573,342 | 140,694 | 600,007 | 509,838 | - | - | - | (677,196) | - | - | - | - | |
| Other Expenditures | 286,991 | 162,319 | - | - | - | 110 | 124,562 | - | - | - | - | - | |
| Contingency | - | - | - | - | - | - | - | - | - | - | - | - | |
| Total Expenditures | 8,743,344 | 6,527,027 | 964,851 | 713,646 | 158,200 | 867,127 | 322,711 | (677,196) | (383,943) | - | 250,921 | - | |
| Excess/(deficit) of revenues over expenditures | 3,494,312 | 219,200 | (192,450) | 2,424,400 | 259,154 | 135,864 | (312,978) | 16,123 | 677,196 | 383,943 | 6,249 | (122,389) | - |
| Operating transfers in | - | - | - | - | - | - | - | - | - | - | - | - | |
| Operating transfers out | - | - | - | - | - | - | - | - | - | - | - | - | |
| Beginning Fund Balance | 67,225,844 | 19,814,385 | 9,514,022 | 5,221,170 | 14,305 | 224,674 | 7,749 | 2,966,244 | 66,992,001 | (12,262,958) | 68,374 | 696,448 | (26,030,570) |
| Ending Fund Balance | 70,720,156 | 20,033,585 | 9,321,572 | 7,645,570 | 273,459 | 360,538 | (305,229) | 2,982,367 | 67,669,197 | (11,879,015) | 74,623 | 574,059 | (26,030,570) |

All Funds Statement of Activities (Income Statement)
September 30, 2019

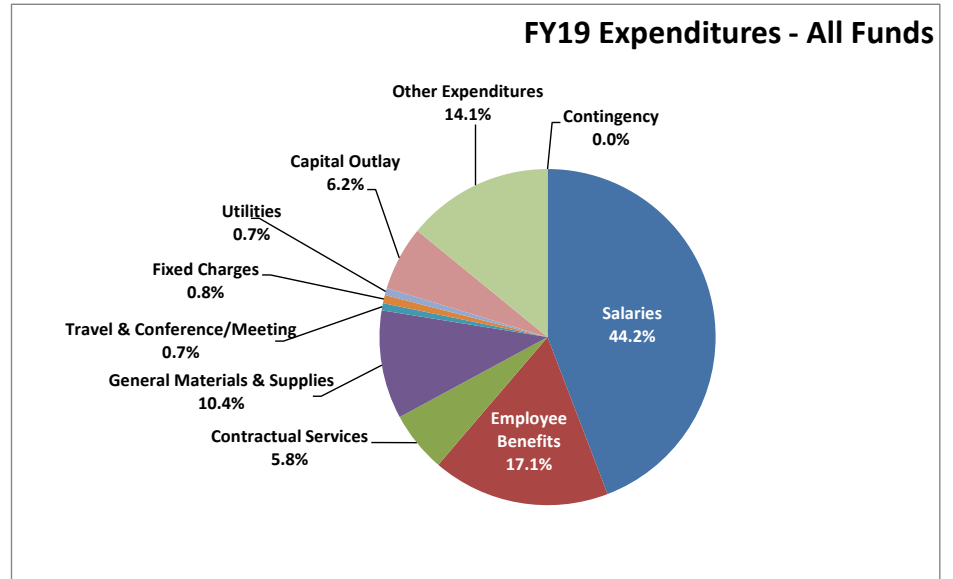
Total Revenue = \$ 12,237,656



Total Revenue = \$ 18,192,218



Total Expense = \$ 8,743,344



Total Expense = \$ 14,692,975

Operating (Funds 01 & 02) Statement of Activities
September 30, 2019

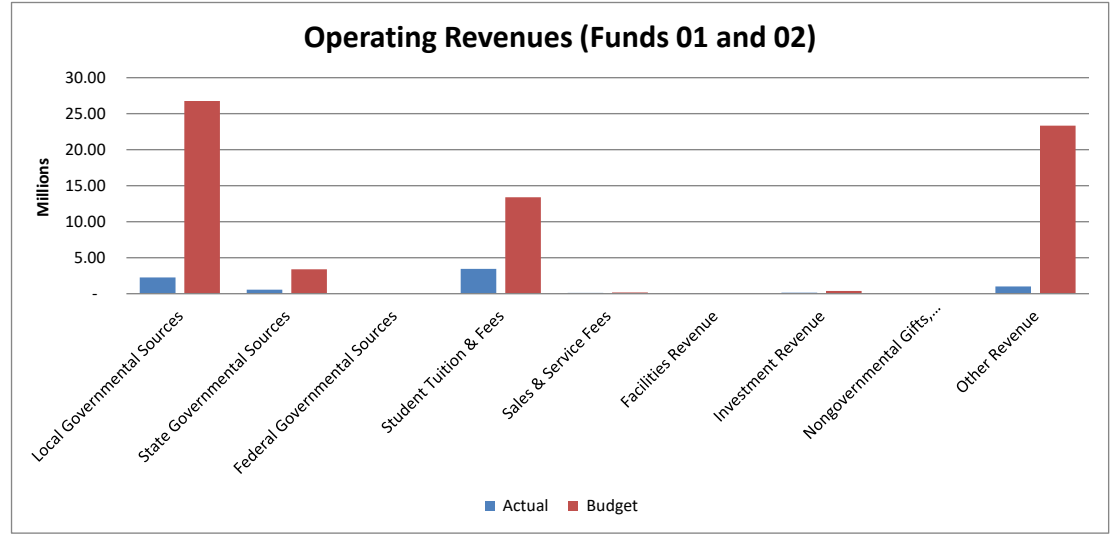
| | FY20 | | | FY19 | | | FY20 | % |
|--|----------------------|-----------------------|--------------|----------------------|-----------------------|--------------|-----------------------|---------------|
| | Actual | Budget | | Actual | Budget | | Change Over FY19 | Change |
| Revenue | | | | | | | | |
| Local Governmental Sources | \$ 2,267,081 | \$ 26,771,195 | 8.5% | \$ 6,683,090 | \$ 26,771,195 | 25.0% | \$ (4,416,009) | -66.1% |
| State Governmental Sources | 544,800 | 3,384,560 | 16.1% | 728,920 | 3,196,860 | 22.8% | \$ (184,120) | -25.3% |
| Federal Governmental Sources | - | - | 0.0% | - | - | 0.0% | \$ - | 0.0% |
| Student Tuition & Fees | 3,445,646 | 13,392,691 | 25.7% | 4,533,141 | 13,511,264 | 33.6% | \$ (1,087,495) | -24.0% |
| Sales & Service Fees | 97,730 | 186,150 | 52.5% | 107,174 | 153,150 | 70.0% | \$ (9,444) | -8.8% |
| Facilities Revenue | 77 | 11,100 | 0.7% | - | 11,100 | 0.0% | \$ 77 | 0.0% |
| Investment Revenue | 146,293 | 381,749 | 38.3% | 97,346 | 154,141 | 63.2% | \$ 48,948 | 50.3% |
| Nongovernmental Gifts, Scholarships, Grants & Bequests | - | 5,000 | 0.0% | 4,557 | - | 0.0% | \$ (4,557) | -100.0% |
| Other Revenue | 1,017,000 | 23,328,977 | 4.4% | 1,480,139 | 22,929,765 | 6.5% | \$ (463,139) | -31.3% |
| Total Revenue | \$ 7,518,628 | \$ 67,461,422 | 11.1% | \$ 13,634,367 | \$ 66,727,475 | 20.4% | \$ (6,115,739) | -44.9% |
| Expenditures | | | | | | | | |
| Salaries | \$ 3,826,232 | \$ 26,249,735 | 14.6% | \$ 5,714,657 | \$ 26,048,499 | 21.9% | \$ (1,888,425) | -33.0% |
| Employee Benefits | 1,498,497 | 27,775,500 | 5.4% | 2,217,721 | 28,154,048 | 7.9% | \$ (719,224) | -32.4% |
| Contractual Services | 376,209 | 3,640,115 | 10.3% | 705,300 | 3,824,118 | 18.4% | \$ (329,091) | -46.7% |
| General Materials & Supplies | 475,605 | 2,454,500 | 19.4% | 591,885 | 2,484,892 | 23.8% | \$ (116,280) | -19.6% |
| Travel & Conference/Meeting | 29,117 | 487,876 | 6.0% | 66,055 | 531,425 | 12.4% | \$ (36,938) | -55.9% |
| Fixed Charges | 282,899 | 1,841,072 | 15.4% | 380,321 | 1,734,425 | 21.9% | \$ (97,422) | -25.6% |
| Utilities | 100,299 | 1,143,200 | 8.8% | 98,745 | 1,125,600 | 8.8% | \$ 1,554 | 1.6% |
| Capital Outlay | 740,701 | 4,491,916 | 16.5% | (152,395) | 3,038,653 | -5.0% | \$ 893,096 | -586.0% |
| Other Expenditures | 162,319 | 906,000 | 17.9% | 185,594 | 869,850 | 21.3% | \$ (23,275) | -12.5% |
| Contingency | - | 208,096 | 0.0% | - | 194,130 | 0.0% | \$ - | 0.0% |
| Total Expenditures | \$ 7,491,878 | \$ 69,198,010 | 10.8% | \$ 9,807,883 | \$ 68,005,640 | 14.4% | \$ (2,316,005) | -23.6% |
| Excess/(deficit) of revenues over expenditures | \$ 26,750 | \$ (1,736,588) | | \$ 3,826,484 | \$ (1,278,165) | | \$ (3,799,734) | -99.3% |
| Net Transfers Out/(In) | \$ - | \$ 750,000 | | \$ - | \$ 160,488 | | \$ - | 0.0% |
| Net Operating Funds Surplus/(Deficit) | \$ 26,750 | \$ (2,486,588) | | \$ 3,826,484 | \$ (1,438,653) | | \$ (3,799,734) | -99.3% |
| <i>Operating Fund Balance Unassigned @33% based on Total Budgeted Expenditures*</i> | | 23,066,003 | | | 22,668,547 | | | |
| <i>Less : Adj. for budgeted SURS Pass Thru (\$17.4m & \$16.9m respectively) *.3334</i> | | 5,808,844 | | | 5,645,135 | | | |
| <i>Adj. for Contingency (\$0.21m & \$0.19m respectively) x .3334</i> | | 69,365 | | | 64,710 | | | |
| Unassigned Fund Balance needed @ 33% of adjusted budgeted expenditures (a) | | 17,187,794 | | | 16,958,702 | | | |
| Unaudited Beginning Fund Balance | 29,328,407 | 29,328,407 | | 29,328,407 | 29,328,407 | | | |
| <i>Net Operating Funds Surplus/(Deficit)</i> | 26,750 | (2,486,588) | | 3,826,484 | (1,438,653) | | | |
| <i>Add back Contingency (assumption is it is not used)</i> | | 208,096 | | | 194,130 | | | |
| Calculated YTD Ending Fund Balance (budget estimate) (b) | \$ 29,355,157 | \$ 27,049,915 | | \$ 33,154,891 | \$ 28,083,884 | | | |
| Amount Over/(Under) Fund balance reserve (b)-(a) | | 9,862,121 | | | 11,125,182 | | | |

*Net of Transfers Out/(In) and contingency

FY 24.91% complete

Operating Funds - Statement of Activities
September 30, 2019

| | Actual | Budget |
|--|---------------------|----------------------|
| Revenue | | |
| Local Governmental Sources | 2,267,080.91 | 26,771,195.00 |
| State Governmental Sources | 544,800.18 | 3,384,560.00 |
| Federal Governmental Sources | - | - |
| Student Tuition & Fees | 3,445,646.19 | 13,392,691.00 |
| Sales & Service Fees | 97,729.85 | 186,150.00 |
| Facilities Revenue | 77.40 | 11,100.00 |
| Investment Revenue | 146,293.28 | 381,749.00 |
| Nongovernmental Gifts, Scholarships, Grants & Bequests | - | 5,000.00 |
| Other Revenue | 1,017,000.22 | 23,328,977.00 |
| Total Revenue | 7,518,628.03 | 67,461,422.00 |



| | | |
|---|---------------------|-----------------------|
| Expenditures | | |
| Salaries | 3,826,231.62 | 26,249,735.00 |
| Employee Benefits | 1,498,497.45 | 27,775,500.00 |
| Contractual Services | 376,209.27 | 3,640,115.00 |
| General Materials & Supplies | 475,605.20 | 2,454,500.00 |
| Travel & Conference/Meeting | 29,116.53 | 487,876.00 |
| Fixed Charges | 282,899.05 | 1,841,072.00 |
| Utilities | 100,299.24 | 1,143,200.00 |
| Capital Outlay | 740,701.00 | 4,491,916.00 |
| Other Expenditures | 162,319.04 | 906,000.00 |
| Contingency | - | 208,096.00 |
| Total Expenditures | 7,491,878.40 | 69,198,010.00 |
| Excess/(deficit) of revenues over expenditures | 26,749.63 | (1,736,588.00) |

