



MHEC Financial Statements
June 30, 2022

Midwestern Higher Education Compact

Midwestern Higher Education Compact

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Independent Auditor's Report

To the Commission
Midwestern Higher Education Compact
Minneapolis, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Midwestern Higher Education Compact (the Compact) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Compact's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Compact, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Compact 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 opinions.

Adoption of New Accounting Standard

As discussed in Note 1 and Note 10 to the financial statements, the Compact has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended June 30, 2022. Accordingly, a restatement has been made to the Compact's net position as of July 1, 2021, to restate beginning net position. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note 10 to the financial statements, the Compact adopted the provisions of GASB accounting pronouncements for the year ended June 30, 2022. Due to this adoption, certain errors resulting in an overstatement of amounts previously reported for unearned revenue and accounts receivable as of June 30, 2021, were discovered by management of the Compact during the current year. Accordingly, a restatement has been made to the Compact's net position as of June 30, 2021, to correct the error. Our opinions are not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Compact'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact'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.

Required Supplementary Information

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by the missing information.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the schedule of functional expenses and Board designated net position but does not include the basic financial statements and our auditor’s report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Minneapolis, Minnesota
December 6, 2022

Midwestern Higher Education Compact
Statement of Net Position
June 30, 2022

Assets	
Current Assets	
Cash and cash equivalents	\$ 5,182,527
Restricted cash	20,073
Accounts receivable	1,004,165
Prepaid expenses	<u>117,590</u>
Total current assets	<u>6,324,355</u>
Capital Assets	
Property and equipment, net	136,090
Right-of-use (ROU) lease assets, net	<u>248,478</u>
Total capital assets, net	<u>384,568</u>
	<u>\$ 6,708,923</u>
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts payable	\$ 533,971
Accrued vacation	166,390
Accrued payroll and related expenses	77,277
Current portion of long-term lease liability	<u>83,211</u>
Total current liabilities	<u>860,849</u>
Long-term Liabilities	
Unearned revenue	101,407
Long-term lease liability	<u>265,543</u>
Total long-term liabilities	<u>366,950</u>
Total liabilities	<u>1,227,799</u>
Net Position	
Restricted	20,073
Net investment in capital assets	35,814
Unrestricted	<u>5,425,237</u>
Total net position	<u>5,481,124</u>
Total liabilities and net position	<u>\$ 6,708,923</u>

Midwestern Higher Education Compact
Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2022

Operating Revenues	
State commitments	\$ 1,380,000
Program revenue	
Technology contract	1,476,315
Master Property Program (MPP)	415,000
MHECare	339,054
Midwestern - State Authorization Reciprocity Agreement (M-SARA)	471,656
Research	10,000
Grants	672,574
Sponsorships	9,000
	<u>4,773,599</u>
Total revenues	<u>4,773,599</u>
Operating Expenses	
Program services	
Convening	783,040
Technology contract	334,729
Master Property Program (MPP)	572,395
MHECare	115,826
M-SARA	382,581
Other	119,247
Policy and research	1,032,811
	<u>3,340,629</u>
Total program services	3,340,629
Management and general expenses	863,838
Fundraising expenses	2,494
	<u>4,206,961</u>
Total operating expenses	<u>4,206,961</u>
Operating Income	<u>566,638</u>
Nonoperating Revenues (Expenses)	
Interest income	5,771
Interest expense	(6,389)
MPP expense	(250,000)
	<u>(250,618)</u>
Total Nonoperating Revenues (Expenses)	<u>(250,618)</u>
Total Change in Net Position	<u>316,020</u>
Net Position, Beginning of Year, as Restated (Note 10)	<u>5,165,104</u>
Net Position, End of Year	<u>\$ 5,481,124</u>

Midwestern Higher Education Compact
Statement of Cash Flows
Year Ended June 30, 2022

Cash Flows from Operating Activities	
Cash received for state commitments	\$ 1,265,000
Cash received for grants and contract	2,986,552
Cash received for other operating revenue	9,000
Cash payments to employees for services	(1,745,997)
Cash paid to vendors	<u>(2,256,910)</u>
Net Cash Provided by (Used In) Operating Activities	<u>257,645</u>
Cash Flows from Noncapital Financing Activity	
Principal paid on leases	(79,344)
Interest paid on leases	<u>(6,389)</u>
Net Cash Provided by (Used In) Financing Activities	<u>(85,733)</u>
Cash Flows from Investing Activity	
Interest received	<u>16,942</u>
Net Cash Provided by (Used In) Investing Activities	<u>16,942</u>
Net Change in Cash and Cash Equivalents	188,854
Cash and Cash Equivalents, Beginning of Year	<u>4,993,673</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 5,182,527</u></u>
Cash Flows Provided by Operating Activities	
Operating income	\$ 566,638
Adjustments to reconcile change in operating income to net cash	
Depreciation	45,814
Amortization	63,530
Changes in assets and liabilities related to operations	
Receivables	(240,425)
Prepaid expenses	6,345
Accounts payable	81,531
Accrued payroll and related expenses	6,834
Unearned Revenue	<u>(272,622)</u>
Net Cash Provided by (Used In) Operating Activities	<u><u>\$ 257,645</u></u>

Note 1 - Summary of Significant Accounting Policies**Nature of Operations**

Midwestern Higher Education Compact (MHEC or the Compact) is a regional agency established by interstate compact to help its members and affiliate states work together to meet the workforce needs of those states and the education needs of their residents. MHEC encourages cooperation and the sharing of resources among states and institutions and with related private and public enterprises.

Definition of Reporting Entity

MHEC follows Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity and respective financial accountability. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. MHEC is not a component unit of any other primary governmental entity or governing body.

The more significant accounting policies of MHEC are described as follows:

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting policies of MHEC conform to generally accepted accounting principles applicable to governmental units accounted for as a Proprietary Fund. The Proprietary Fund is used since MHEC's powers are related to those operated in a manner like a private organization. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting.

Revenue is recognized when earned, and expenses are recognized when the liability is incurred. Revenue is recognized on all grants as allowable reimbursable expenses are incurred. Cash received more than allowable expenses is recorded as unearned revenue or refundable advances, and allowable expenses incurred more than cash received are recorded as receivables. Program cash is deposited into and disbursed from a single checking account with accountability maintained using departmental accounting. MHEC distinguishes between operating revenues and expenses and nonoperating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with MHEC's purpose of providing education services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Cash and Cash Equivalents

The Compact considers all cash and highly liquid financial instruments with original maturities of three months or less when purchased to be cash equivalents. At times cash and cash equivalents, may be in excess of FDIC insurance limits.

Cash and cash equivalents include restricted cash. Restricted cash is cash received from legally separate entities, deposited in MHEC cash accounts, and are restricted to purpose of use. When an expenditure is incurred for purposes for which both restricted and unrestricted cash are available, MHEC considers restricted funds to have been spent first.

Accounts Receivable

Accounts receivable consist primarily of amounts due for dues and fees. Intentions to give and conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Compact uses the allowance method to determine uncollectible contributions and other receivables. The allowance is based on prior year experience and management's analysis. The Compact does not charge interest on past due accounts. Accounts receivables are written off when deemed uncollectible. On June 30, 2022, the allowance was \$0.

Capital Assets

Capital asset additions over \$3,500 are recorded at cost or, if donated, at the acquisition value at the date of donation. Depreciation of capital assets is provided using the straight-line method over the estimated useful lives of the assets.

Computers	3 years
Office improvements	5 years
Software and IT equipment	5 years
Furniture	10 years
Leasehold improvements	15 years

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Compact reviews the carrying values of capital assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2022.

Income Taxes

The Compact qualifies as a tax-exempt organization under Section 501(c)(3) and is not a private foundation under Section 509(a) of the Internal Revenue Code. The Compact is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Compact is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Compact has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

The Compact believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Compact would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

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

Revenue Recognition

State commitment revenue is billed at the beginning of each fiscal year and is recognized ratably throughout the year. Invoices are due upon receipt of billing. State commitments paid in advance are deferred to the year in which they relate. Technology contract revenues are recognized quarterly based on an agreed upon administration fee per sale made under the contract. Insurance program revenues are recognized in two ways. MHECare revenues are recognized three times a year and are based on an agreed upon administration fee applied to the total premiums paid by students and institutions participating in the program. Master Property Program revenues are recognized ratably annually and based upon the number of institutions engaging in the program. Institutions may join mid-policy year and are assessed based on an agreed upon administration fee. Midwestern-State Authorization Reciprocity Agreement (M-SARA) revenue is recognized when earned, the organization receives revenues based on the budget of NC-SARA and a set amount is voted on by the NC-SARA finance and audit committee. Unsecured credit is extended to these organizations in the normal course of business.

Grants

Revenue is recognized in the year to which it applies. For multiyear grants and contracts, revenue is recognized to cover the expenses which accrue in that year and excess revenue is deferred. MHEC recognizes all excess revenue in the year the grant or contract concludes.

Expense Allocation

The costs of providing various programs and other activities have been summarized on the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Net Position

Included in the net position are unrestricted and restricted net position. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, MHEC considers restricted funds to have been spent first. Also included in net position is net investment in capital assets. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Compensated Absences

Full-time employees of MHEC are eligible to earn up to 120 hours of paid vacation each fiscal year during their first five years of employment. After five years of full-time employment with MHEC, full-time employees are eligible to earn up to 160 hours of paid vacation each fiscal year. Employees regularly scheduled to work at least 20 hours per week for MHEC are eligible to earn paid vacation days on a proportional basis. A maximum of 240 hours of vacation leave can be carried over each year. Earned vacation hours in excess of the maximum are forfeited at the end of each fiscal year. Unused vacation leave is paid upon termination if there is a remainder. MHEC provides up to 16 days each year of paid holiday and 12 days paid personal time off (PTO) for full-time employees. Unused PTO is forfeited at the end of each fiscal year and at time of termination.

Adoption of New Accounting Standard

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87 – *Leases*. MHEC adopted this statement effective July 1, 2021. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Leases

The Compact determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) lease assets and lease liability in the statement of net position.

ROU assets represent the Compact's right to use an underlying asset for the lease term and lease liabilities represent the Compact's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Compact will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Compact has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Compact has elected to use its estimated incremental borrowing rate. The estimated incremental borrowing rate is an estimate of the interest rate that would be charged for borrowing the lease payment amount during the lease term.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents are reflected on the June 30, 2022, balance sheet as follows:

Unrestricted	\$ 5,182,527
Restricted	<u>20,073</u>
Total	<u><u>\$ 5,202,600</u></u>

Cash and cash equivalents as of June 30, 2022, consist of the following:

Deposits with financial institutions	\$ 4,505,190
Investments	<u>697,410</u>
Total	<u><u>\$ 5,202,600</u></u>

Note 3 - Concentration

For the year ended June 30, 2022, 29% of MHEC's revenue was from state commitment dues. These dues are split evenly among MHEC's 12 member states. Revenue from technology contracts was 31% of MHEC's revenues with one contract attributed to 81% of the technology contract revenue.

Note 4 - Retirement Plan

Employees of the Compact participate in a Teachers Insurance and Annuity Association of America (TIAA) tax sheltered deferred annuity plan upon completion of a 30-day waiting period. The employee must contribute to the plan through payroll withholdings. The Compact contributes 13% of the employee's salary to the plan. Employees are required to contribute 2.5% of their annual salary to the plan. An employee may choose to increase their contribution according to federal guidelines. Employer contributions were \$225,637 for the year ended June 30, 2022.

Note 5 - Capital Assets

Capital assets consist of the following:

	Balance July 1, 2021, as restated (Note 10)	Additions	Deletions	June 30, 2022
Capital assets, being depreciated				
Computers	\$ 30,407	\$ -	\$ -	\$ 30,407
Software and IT equipment	306,463	-	-	306,463
Furniture	176,961	-	-	176,961
Leasehold improvements	375,877	-	-	375,877
	<u>889,708</u>	<u>-</u>	<u>-</u>	<u>889,708</u>
Total capital assets	889,708	-	-	889,708
Less accumulated depreciation	<u>(707,804)</u>	<u>(45,814)</u>	<u>-</u>	<u>(753,618)</u>
Capital assets, being depreciated, net	<u>181,904</u>	<u>(45,814)</u>	<u>-</u>	<u>136,090</u>
Right-of-use lease assets				
Office space	302,145	-	-	302,145
Equipment	9,863	-	-	9,863
	<u>312,008</u>	<u>-</u>	<u>-</u>	<u>312,008</u>
Total right of use assets	312,008	-	-	312,008
Accumulated amortization - office space	-	61,453	-	61,453
Accumulated amortization - equipment	-	2,077	-	2,077
	<u>-</u>	<u>63,530</u>	<u>-</u>	<u>63,530</u>
Total accumulated amortization	-	63,530	-	63,530
Net right of use lease asset balance	<u>312,008</u>	<u>(63,530)</u>	<u>-</u>	<u>248,478</u>
Total capital assets, net	<u>\$ 493,912</u>	<u>\$ (109,344)</u>	<u>\$ -</u>	<u>\$ 384,568</u>

Note 6 - Long-Term Liabilities

The long-term activity for the year ended June 30, 2022, is as follows:

	Outstanding July 1, 2021, as restated (Note 10)	Additions	Reductions	Outstanding June 30, 2022	Amounts Due in One Year
Long term lease liability, net	<u>\$ 428,097</u>	<u>\$ -</u>	<u>\$ 79,343</u>	<u>\$ 348,754</u>	<u>\$ 83,211</u>

Note 7 - Leases

MHEC leases equipment and office facilities for various terms under long-term, non-cancelable operating lease agreements. MHEC leases office space at 105 5th Avenue South in Minneapolis. This lease expires May 31, 2026, has an initial Right-of-use value of \$302,145 and a discount rate of 1.66%. The net value at June 30, 2022, of this lease is \$240,692. MHEC leases a copier, the lease for which expires March 24, 2026, and has an initial right-of-use value of \$9,863 with a discount rate of 1.66%. The net value at June 30, 2022, of this lease is \$7,786. For the year ended June 30, 2022, interest expense on the leases was \$6,389 and amortization expense was \$63,530. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments. Additionally, the agreements generally require the Compact to pay real estate taxes, insurance, and repairs.

A maturity analysis of future lease payments as of June 30, 2022, is as follows:

Year Ending	Principal	Interest	Total
2023	\$ 83,211	\$ 5,042	\$ 88,253
2024	87,209	3,627	90,836
2025	91,341	2,144	93,485
2026	86,993	604	87,597
Totals	\$ 348,754	\$ 11,417	\$ 360,171

Note 8 - Risk Management

MHEC is exposed to various risks of loss related to premises liability; torts, thefts of, damage to or destruction of assets; injury to staff and acts of God. MHEC purchases commercial liability insurance for directors and officers and employment practices (\$3,000,000 combined limit), general liability (\$1,000,000), professional liability and errors & omissions (\$1,000,000 combined limit), cyber insurance (\$2,000,000), crime insurance (\$1,000,000) along with general umbrella (\$4,000,000) and business travel accident insurance, property coverage on a replacement cost basis and workers comp coverage for all MHEC employees. There have been no claims in at least five years.

Note 9 - Restricted Net Position

Restricted net position at June 30, 2022, consist of the following:

Programmatic activities	
Master Property Program	\$ 20,073

Note 10 - Correction of Error and Adoption of New Standard

MHEC adopted the provisions of GASB accounting pronouncements for the reporting period ended June 30, 2022, resulting in the following restatements:

Net Position

Net position on June 30, 2021, as previously reported	\$ 5,886,220
Restate net position to unearned revenue (GASB 33)	(172,781)
Restate accounts receivable from net position (GASB 33)	(601,200)
Restate deferred lease liability to net position (GASB 87)	<u>52,865</u>
Net position on June 30, 2021, as restated	<u><u>\$ 5,165,104</u></u>

Unearned Revenue

Unearned revenue on June 30, 2021, as previously reported	\$ -
Restate net position to unearned revenue (GASB 33)	<u>172,781</u>
Unearned revenue on June 30, 2021, as restated	<u><u>\$ 172,781</u></u>

Accounts Receivable

Accounts receivable on June 30, 2021, as previously reported	\$ 1,376,107
Restate accounts receivable from net position (GASB 33)	<u>(601,200)</u>
Accounts receivable on June 30, 2021, as restated	<u><u>\$ 774,907</u></u>

Capital Assets

Capital assets on June 30, 2021, as previously reported	\$ 181,904
Addition of right-of-use capital assets (GASB 87)	<u>312,008</u>
Capital assets on June 30, 2021, as restated	<u><u>\$ 493,912</u></u>

Long-term Lease Liability

Deferred lease liability on June 30, 2021, as previously reported	\$ 52,865
Restate deferred lease liability to net position (GASB 87)	(52,865)
Addition of long-term lease liability (GASB 87)	<u>428,097</u>
Long-term lease liability on June 30, 2021, as restated	<u><u>\$ 428,097</u></u>



Other Information
June 30, 2022

Midwestern Higher Education Compact

Midwestern Higher Education Compact

Schedule of Functional Expenses (unaudited)

Year Ended June 30, 2022

	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	\$ 1,794,384	\$ 643,181	\$ 2,494	\$ 2,440,059
Professional Fees	82,533	88,604	-	171,137
Contract Services	772,198	23,166	-	795,364
Office Space Lease	77,467	27,880	-	105,347
Auto and Parking	35	13	-	48
Office Supplies	3,467	769	-	4,236
Postage and Shipping	3,369	226	-	3,595
Printing	1,243	351	-	1,594
Dues and Subscriptions	25,426	3,258	-	28,684
Software/Maintenance Contract	127,204	25,223	-	152,427
Telephone	11,798	4,240	-	16,038
Insurance	23,562	8,480	-	32,042
Miscellaneous	69,789	14,390	-	84,179
Depreciation	33,688	12,124	-	45,812
Travel/Meetings/Conference	286,485	3,463	-	289,948
Office Equipment	27,981	8,470	-	36,451
Total Expenses by Function	\$ 3,340,629	\$ 863,838	\$ 2,494	\$ 4,206,961

Midwestern Higher Education Compact
Schedule of Board Designated Funds (unaudited)
Year Ended June 30, 2022

Board Designated Funds	
Risk management	\$ 25,000
Operations reserve	1,671,000
Special projects - open education resource	500,000
Organizational capacity - technology	10,439
M-SARA	464,000
Capital asset reserve	
Future lease payments	450,000
Capital investments	<u>17,291</u>
	<u><u>\$ 3,137,730</u></u>

**MIDWESTERN HIGHER EDUCATION
COMPACT**

*REPORT OF INDEPENDENT AUDITORS
AND FINANCIAL STATEMENTS
JUNE 30, 2023*

MIDWESTERN HIGHER EDUCATION COMPACT

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MIDWESTERN HIGHER EDUCATION COMPACT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) YEAR ENDED JUNE 30, 2023

INTRODUCTION

The Midwestern Higher Education Compact (MHEC), has prepared MHEC's financial statements including this narrative discussion and analysis of the financial position and activities of MHEC for the fiscal year ending June 30, 2023. It includes in some cases a comparative presentation and analysis of the current and preceding year to provide context as our practice is to budget for one year and plan for the following. This discussion has been prepared by management and should be read in conjunction with the financial statements including the notes thereto, which follow this section.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Midwestern Higher Education Compact's basic financial statements. The Midwestern Higher Education Compact's basic financial statements are composed of the statement of net position, the statement of revenues, expenses, and change in net position and statement of cash flows.

FINANCIAL HIGHLIGHTS

- The assets of MHEC exceeded its liabilities by \$10,028,283 and \$5,481,124 for the fiscal years ended June 30, 2023, and 2022, respectively.
- MHEC's total net position increased by \$4,547,159 and \$316,020 during the fiscal years ended June 30, 2023, and 2022, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The purpose of these financial statements, along with the accompanying notes to the financial statements, is to present the financial position and results of operations to the financial statement users. The financial section of this report consists of:

1. Management Discussion and Analysis
2. Report of Independent Auditors
3. Basic (Enterprise fund) Financial Statements
 - a. Statement of net position
 - b. Statement of revenues, expenses and changes in net position
 - c. Statement of cash flows
4. Notes to the Financial Statements

MHEC uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. MHEC maintains one proprietary fund, an enterprise fund. The enterprise fund financial statements report information about MHEC's overall financial status. The statements present information on MHEC's assets, liabilities, and net position, and show how net position has changed during the year. These financial statements and explanatory notes are prepared in conformance with generally accepted governmental accounting principles and are

reported using the accrual basis of accounting.

MHEC shifted to following Governmental Accounting Standards Board (GASB) in the fiscal year ended 2022 after operating under FASB since 1991. MHEC has determined that the Stone Arch Insurance Company (Stone Arch) meets the criteria to be presented as a component unit of MHEC. Stone Arch is wholly owned by MHEC and was formed to provide insurance coverage to the member institutions of MHEC (the Insured), This is a change from the previously issued financial statements, and as such the beginning balances of Stone Arch have been restated. Stone Arch's financial statements are presented following each of MHEC's respective basic financial statements, as Stone Arch operates and reports on a calendar year basis and on the Financial Accounting Standards Board (FASB) basis of accounting.

Financial statements of enterprise fund activities provide a general overview of MHEC's operations in a manner similar to a private sector business. These statements consist of the statement of net position and the statement of revenues, expenses and changes in net position and are prepared using an accrual basis of accounting. These statements begin on page 9 of this report.

The *statement of net position* presents MHEC's assets and liabilities; the difference between the two is net position. Over time, the increase or decrease in net position can serve as an indicator as to whether MHEC's financial position is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how MHEC's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *statements of cash flows* provide information about the cash receipts, cash payments, and net change in cash resulting from the operating, investing, and financing activities (capital and noncapital) of MHEC during the fiscal year. This statement helps users assess MHEC's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing.

The statement of cash flows is divided into three sections:

Cash flows from operating activities. This section shows the net cash used by the operating activities of MHEC.

Cash flows from noncapital financing activities. This section reflects the cash received and paid for nonoperating, non-investing, and noncapital financing purposes.

Cash flows from investing activities. This section shows the purchases, proceeds, and interest received from investing activities.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to fully understand the financial statements. The notes to the financial statements start on page 15 of this report.

FINANCIAL ANALYSIS

While MHEC prepares a two-year budget for forecasting purposes, the Executive Committee only approves the acting budget on an annual basis at its June meeting. During fiscal year 2023 MHEC incurred a fourfold increase in technology contract revenue due largely to an increased administration fee bringing that fee in line with an industry average. One contract in particular is driving this technology contract revenue increase, which is expected to continue over the seven-year life of the contract. Implementation of strategic planning initiatives has started.

The Executive Committee, which has the authority to act on behalf of the full Commission during the interim between Commission meetings, approves next fiscal year's budget at its annual meeting in June just prior to the end of the fiscal year, while the full Commission approves the prior fiscal year's audit and other major organizational financial decisions at its fall meeting. The Finance and Audit Committee attempts to meet quarterly to review organizational financials and policies and make recommendations to the Commission where appropriate.

As noted earlier, net position may serve over time as a useful indicator of MHEC's financial position. MHEC's assets exceeded its liabilities by \$10,028,283 and \$5,481,124 as of June 30, 2023 and 2022, respectively. Current assets net of current liabilities increased \$4,547,159 due to increased program revenue from negotiated administrative fees and expenses associated with technology contracts.

Condensed Statements of Net Position

	As of June 30		Increase (Decrease)
	2023	2022	
Assets			
Current Assets	\$ 12,056,924	\$ 6,324,355	\$ 5,732,569
Capital Assets, Net	287,710	384,568	(96,858)
Total Assets	\$ 12,344,634	\$ 6,708,923	\$ 5,635,711
Liabilities			
Current Liabilities	\$ 2,138,016	\$ 962,256	\$ 1,175,760
Long-Term Liabilities	178,335	265,543	(87,208)
Total Liabilities	\$ 2,316,351	\$ 1,227,799	\$ 1,088,552
Net Position			
Restricted	\$ 20,073	\$ 20,073	\$ -
Net Investment in Capital Assets	22,166	35,814	(13,648)
Unrestricted	9,986,044	5,425,237	4,560,807
Total Net Position	\$ 10,028,283	\$ 5,481,124	\$ 4,547,159

Key elements of the increase of net position of \$4,547,384 and \$316,020 for the fiscal years ending June 30, 2023, and 2022, respectively are as follows:

Condensed Statements of Revenues, Expenses and Changes in Net Position

	As of June 30		Increase (Decrease)
	2023	2022	
Operating Revenues	\$ 8,497,304	\$ 4,773,599	\$ 3,723,705
Operating Expenses	3,969,714	4,206,961	(237,247)
Operating Income	4,527,590	566,638	3,960,952
Nonoperating Revenues (Expenses)	19,569	(250,618)	270,187
Change in Net Position	4,547,159	316,020	\$ 4,231,139
Net Position, Beginning of Year	5,481,124	5,165,104	\$ 316,020
Net Position, End of Year	\$ 10,028,283	\$ 5,481,124	\$ 4,547,159

- MHEC’s operating revenues for fiscal year 2023 increased \$3,723,705 as compared to fiscal year 2022. This increase was due to the renegotiated technology contracts. Operating revenues for fiscal year 2022 decreased \$219,906 as compared to fiscal year 2021. The decrease was due to the impact of adopting new accounting standards.
- Overall, fiscal year 2023 operating expenses decreased \$237,247 compared to 2022. This was mostly due to a reduction in contracted services related to expiring grants. During fiscal year 2022 total operating expenses increased \$233,226 compared to 2021. This was mostly due to the timing of contracted services.

DEBT ADMINISTRATION

MHEC entered into finance lease agreements primarily for copying equipment and office space. The balance of all finance leases payable totaled \$265,544 and \$348,754 as of June 30, 2023, and 2022, respectively, with payments payable through fiscal year 2026. Additional information on MHEC’s long-term liabilities can be found in Note 7 of this report.

NEXT YEAR’S FUNDING AND BUDGET

The Midwestern Higher Education Compact’s budget for fiscal year 2024 was approved by the officers in June 2023. MHEC will continue to utilize funds to further operations and strategic mission goals.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview of MHEC finances and to demonstrate MHEC's accountability for the money it receives.

Questions about information in this report or requests for additional financial information should be addressed to Midwestern Higher Education Compact, 105 5th Avenue South, Minneapolis, MN 55401

Report of Independent Auditors

To the Commissioners
Midwestern Higher Education Compact

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the discretely presented component unit of Midwestern Higher Education Compact (the Compact) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Compact's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Compact as of June 30, 2023, and the discretely presented component unit of the Compact as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Stone Arch Insurance Company (the Company), which represent 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of December 31, 2022. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Compact 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

Correction of an Error

As discussed in Note 1, the Compact restated opening balances of the discretely presented component unit, Stone Arch Insurance Company, as it was not presented as a discretely presented component unit within the Compact's financial statements for the year ending June 30, 2022. Our opinion is not modified with respect to this matter.

Run-off

The other auditor's report on the December 31, 2022, financial statements of Stone Arch Insurance Company included an emphasis of matters related to run-off, as disclosed in Note 10 B. Stone Arch Insurance Company's assumed insurance coverage expires on July 1, 2023. The Company does not intend to renew and has no current plans to write new coverages. Accordingly, the ongoing operations of the Company will consist primarily of the run-off of liabilities for previously issued insurance coverages. Management does not believe that any adjustments to the carrying value of assets and liabilities as reported in the financial statements are required. The other auditors' opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Compact'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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact'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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Spokane, Washington
December 1, 2023

Midwestern Higher Education Compact

Statement of Net Position June 30, 2023

	<u>2023</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 8,980,130
Restricted Cash	20,073
Accounts Receivable	3,014,247
Prepaid Expenses	42,474
Total Current Assets	<u>12,056,924</u>
Capital Assets	
Property and Equipment, Net	102,762
Right-of-Use (ROU) Lease Assets, Net	184,948
Total Capital Assets, Net	<u>287,710</u>
Total Assets	<u>\$ 12,344,634</u>
Liabilities and Net Position	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 1,730,793
Accrued Vacation	142,193
Accrued Payroll and Related Expenses	90,017
Unearned Revenue	87,804
Current Portion of Long-Term Lease Liability	87,209
Total Current Liabilities	<u>2,138,016</u>
Long-Term Liabilities	
Long-term Lease Liability	178,335
Total Long-Term Liabilities	<u>178,335</u>
Total Liabilities	<u>2,316,351</u>
Net Position	
Restricted	20,073
Net Investment in Capital Assets	22,166
Unrestricted	9,986,044
Total Net Position	<u>10,028,283</u>
Total Liabilities and Net Position	<u>\$ 12,344,634</u>

The accompanying notes are an integral part of these financial statements.

Component Unit - Balance Sheet
Stone Arch Insurance Company
As of December 31, 2022

	2022
Assets	
Cash and Restricted Cash	\$ 10,610,432
Income Tax Receivable	963,421
Prepaid Expenses	14,956
Deferred Tax Asset	15,824
Total Assets	11,604,633
 Liabilities and Stockholder's Equity	
Liabilities	
Net Deposit Liability	5,971,951
Accounts Payable and Accrued Liabilities	75,350
Total Liabilities	6,047,301
 Stockholder's Equity	
Common stock, \$0 par value, 1,000,000 shares authorized, 250,000 shares issued and outstanding	-
Contributed Capital	250,000
Retained Earnings	5,307,332
Total Stockholder's Equity	5,557,332
Total Liabilities and Stockholder's Equity	\$ 11,604,633

The accompanying notes are an integral part of these financial statements.

Midwestern Higher Education Compact

Statement of Revenues, Expenses, and Changes in Net Position For the Year Ended June 30, 2023

	2023
Operating Revenues	
State Commitments	\$ 1,380,000
Program Revenues	
Technology Contract	5,753,907
Master Property Program (MPP)	188,100
MHECare	441,902
Midwestern-State Authorization Reciprocity Agreement (M-SARA)	525,062
Research	102,521
Grants	101,408
Miscellaneous	4,404
	8,497,304
Operating Expenses	
Program Services	
Convening	801,544
Technology Contract	385,935
Master Property Program (MPP)	312,502
MHECare	82,704
M-SARA	566,623
Other	100,676
Policy & Research	856,747
	3,106,731
Total Program Services Expenses	
Management and General Expenses	860,260
Fundraising Expenses	2,723
	3,969,714
Total Operating Expenses	
	3,969,714
Operating Income	4,527,590
Nonoperating Revenues (Expenses)	
Interest Income	24,611
Interest Expense	(5,042)
Total Nonoperating Revenues (Expenses)	19,569
Change in Net Position	4,547,159
Net Position, Beginning of Year	5,481,124
Net Position, End of Year	\$ 10,028,283

The accompanying notes are an integral part of these financial statements.

Component Unit - Income Statement
Stone Arch Insurance Company
As of December 31, 2022

	2022
Revenue	
Net Gain on Deposit Contracts	\$ 3,278,972
Interest Income	32,104
Total Revenue	3,311,076
Expenses	
General and Administrative Expenses	280,075
Total Expenses	280,075
Income before Federal Income Taxes	3,031,001
Federal Income Tax Benefit	(162,112)
Net Income	\$ 3,193,113

Component Unit - Statement of Changes in Shareholder's Equity
Stone Arch Insurance Company
As of December 31, 2022

	Contributed Capital	Retained Earnings	Total Shareholder's Equity
Balance at December 31, 2021 Restated	250,000	2,114,219	2,364,219
Net Income	-	3,193,113	3,193,113
Balance at December 31, 2022	\$ 250,000	\$ 5,307,332	\$ 5,557,332

The accompanying notes are an integral part of these financial statements.

Midwestern Higher Education Compact

Statement of Cash Flows For the Year Ended June 30, 2023

	<u>2023</u>
Cash Flows From Operating Activities	
Cash received for state commitments	\$ 1,380,000
Cash received for grants and contracts	6,614,389
Cash received for other operating revenue	4,558
Cash payments to employees for services	(1,762,302)
Cash payments for compensated absences	(24,826)
Cash paid to vendors	<u>(2,350,575)</u>
Net Cash From Operating Activities	<u>3,861,244</u>
Cash Flows From Capital Financing Activities	
Principal paid on leases and direct borrowing payable	(83,210)
Interest paid on leases and direct borrowing payable	<u>(5,042)</u>
Net Cash From Capital Financing Activities	<u>(88,252)</u>
Cash Flows From Investing Activities	
Interest received	<u>24,611</u>
Net Cash From Investing Activities	<u>24,611</u>
Net Change in Cash and Cash Equivalents	3,797,603
Cash and Cash Equivalents, Beginning of Year	<u>5,202,600</u>
Cash and Cash Equivalents, End of Year	<u><u>9,000,203</u></u>
Cash Flows Provided by Operating Activities	
Operating Income	4,527,590
Adjustments to reconcile change in operating income to net cash	
Depreciation	33,328
Amortization	63,530
Changes in assets and liabilities related to operations:	
Receivables	(2,010,082)
Prepaid expenses	75,116
Accounts payable	1,196,822
Accrued payroll and related expenses	(11,457)
Unearned revenue	<u>(13,603)</u>
Net Cash From Operating Activities	<u>\$ 3,861,244</u>

The accompanying notes are an integral part of these financial statements.

Component Unit - Statement of Cash Flows
Stone Arch Insurance Company
For the Year Ended December 31, 2022

	2022
Cash Flows from Operating Activities	
Net income	\$ 3,193,113
Add (deduct) items not affecting cash:	
Net deferred federal income tax	(11,624)
Changes in assets and liabilities	
Prepaid expenses	(4,613)
Federal income taxes receivable	(790,488)
Net deposit liability	3,743,982
Accounts payable and accrued expenses	(27,373)
Net cash flows from operating activities	6,102,997
Net Change in cash and restricted cash	6,102,997
Cash and restricted cash, beginning of period	4,507,435
Cash and restricted cash, end of period	\$ 10,610,432

The accompanying notes are an integral part of these financial statements.

Midwestern Higher Education Compact

Notes to the Financial Statements For the Year June 30, 2023

Note 1 – Organization and Summary of Significant Accounting Policies

Nature Of Operations

Midwestern Higher Education Compact (MHEC or the Compact) is a regional multistate nonprofit organization established by interstate compact to help its member states work together to achieve cost savings, collaborate, and share best practices and to meet the workforce and education needs of their residents. MHEC encourages cooperation and the sharing of resources among states and institutions and with related private and public entities.

Definition of Reporting Entity

MHEC follows Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity and respective financial accountability. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. MHEC is not a component unit of any other primary governmental entity or governing body.

Discretely Presented Component Unit - Restated

MHEC has determined that the Stone Arch Insurance Company (Stone Arch) meets the criteria to be presented as a component unit of MHEC. The Company is wholly owned by the Midwestern Higher Education Compact and was formed to provide insurance coverage to the member institutions of MHEC (the Insured), as more fully described in Note 10. This is a change from the previously issued financial statements, and as such the financial statements of MHEC have been restated to include Stone Arch. Stone Arch is included in MHEC's reported entity because (1) MHEC holds a majority equity interest in the entity, that does not meet the definition of an investment under GASB State No. 72 and (2) MHEC can impose its will upon Stone Arch by significantly influencing the program, projects, activities, or level of services performed by Stone Arch. Stone Arch's financial statements are presented following each of MHEC's respective basic financial statements, as Stone Arch operates and reports on a calendar year basis and on the Financial Accounting Standards Board (FASB) basis of accounting. The financial information included herein is presented as of December 31, 2022 (the most recent audit information available).

The significant accounting policies of MHEC are described as follows:

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting policies of MHEC conform to generally accepted accounting principles (GAAP) applicable to governmental units accounted for as a Proprietary Fund. The Proprietary Fund is used since MHEC's powers are related to those operating in a manner like a private organization. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Following the accrual basis of accounting, revenue is recognized when earned, and expenses are recognized when the liability is incurred. Revenue is recognized on all grants as allowable reimbursable expenses are incurred. Cash received more than allowable expenses is recorded as unearned revenue or refundable advances, and allowable expenses incurred more than cash received are recorded as receivables. Program cash is deposited into and disbursed from a single checking account with accountability maintained using departmental accounting. MHEC distinguishes between operating revenues and expenses and nonoperating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with MHEC's purpose of providing education services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Cash and Cash Equivalents

The Compact considers all cash and highly liquid financial instruments with original maturities of three months or less when purchased to be cash equivalents. At times, cash, and cash equivalents, may be in excess of FDIC insurance limits.

Cash and cash equivalents include restricted cash. Restricted cash is cash received from legally separate entities, deposited in MHEC cash accounts, and are restricted to purpose of use. When an expenditure is incurred for purposes for which both restricted and unrestricted cash are available, MHEC considers restricted funds to have been spent first.

Accounts Receivable

Accounts receivable consist primarily of amounts collectible for dues and fees. Intentions to give and conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Compact uses the allowance method to determine uncollectible contributions and other receivables. The allowance is based on prior year experience and management's analysis. The Compact does not charge interest on past due accounts. Accounts receivables are written off when deemed uncollectible. On June 30, 2023, the allowance was \$0. Accounts receivables are due within 30 days. Accounts receivables are not secured. Statements are issued quarterly, and balances are reviewed monthly for collectability.

Capital Assets

Capital asset additions over \$3,500 are recorded at cost or, if donated, at the acquisition value at the date of donation. Depreciation and amortization of capital assets is provided using the straight-line method over the estimated useful lives of the assets.

Computers	3 years
Office improvements	5 years
IT equipment	5 years
Furniture	10 years
Leasehold improvements	Lesser of useful life or lease term

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of revenues, expenses, and changes in net position. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Compact reviews the carrying values of capital assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2023.

Income Taxes

The Compact qualifies as a tax-exempt organization under Section 501(c)(3) and is not a private foundation under Section 509(a) of the Internal Revenue Code. The Compact is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Compact is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Compact has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990T) with the IRS.

The Compact believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Compact would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Estimates

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

Revenue Recognition

State commitment revenue is billed at the beginning of each fiscal year and is recognized ratably throughout the year. Invoices are due upon receipt of billing. State commitments paid in advance are deferred to the year in which they relate. Technology contract revenues are recognized quarterly based on an agreed upon administration fee per sale made under the contract. Insurance program revenues are recognized in two ways. MHEC revenues are recognized three times a year and are based on an agreed upon administration fee applied to the total premiums paid by students and institutions participating in the program. Master Property Program revenues are recognized ratably annually and based upon the number of institutions engaging in the program. Institutions may join mid-policy year and are assessed based on an agreed upon administration fee. Midwestern-State Authorization Reciprocity Agreement (M-SARA) revenue is recognized when earned, the Organization receives revenues based on the budget of NC-SARA, and a set amount is voted on by the NC-SARA finance and audit committee. Program revenue from Research is recognized when earned. Unsecured credit is extended to these organizations in the normal course of business.

Grants

Revenue is recognized in the year to which it applies. For multiyear grants and contracts, revenue is recognized to cover the expenses which accrue in that year and excess revenue is deferred. MHEC recognizes all excess revenue in the year the grant or contract concludes.

Expense Allocation

The costs of providing various programs and other activities have been summarized on the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Net Position

Included in the net position are unrestricted and restricted net position. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, MHEC considers restricted funds to have been spent first. Also included in net position is net investment in capital assets. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

Compensated Absences

Full-time employees of MHEC are eligible to earn up to 120 hours of paid vacation each fiscal year during their first three years of employment. After three years of full-time employment with MHEC, full-time employees are eligible to earn up to 160 hours of paid vacation each fiscal year. Employees regularly scheduled to work at least 20 hours per week for MHEC are eligible to earn paid vacation days on a proportional basis. A maximum of 240 hours of vacation leave can be carried over each year. Earned vacation hours in excess of the maximum are forfeited at the end of each fiscal year. Unused vacation leave is paid upon termination if there is a remainder. MHEC provides up to 16 days each year of paid holiday and 12 days paid personal time off for full-time employees. Unused personal time off, separate from vacation, is forfeited at the end of each fiscal year and at time of termination.

Unearned Revenue

Revenue for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including items such as tuition, orientation fees, financial aid deposits, and advance payments on sponsored awards.

Long-Term Liabilities

Long-term liabilities include obligations that will not be paid within the next fiscal year.

Adoption of New Accounting Standard

In May 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96 – *Subscription Based Information Technology Arrangements*. MHEC adopted this statement effective July 1, 2022. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible assets) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBIT. We have determined the adoption of the statement to not have a material impact on the financial statement as of June 30, 2023.

Right of Use Assets and Liabilities

The Compact determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) lease assets and lease liability in the statement of net position.

ROU assets represent the Compact’s right to use an underlying asset for the lease term and lease liabilities represent the Compact’s obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Compact will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Compact has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Compact has elected to use its estimated incremental borrowing rate. The estimated incremental borrowing rate is an estimate of the interest rate that would be charged for borrowing the lease payment amount during the lease term.

Note 2 – Cash and Cash Equivalents

Cash and cash equivalents are reflected on the June 30, 2023

	2023
Unrestricted	\$ 8,980,130
Restricted	20,073
Total cash, cash equivalent, and restricted cash	<u>\$ 9,000,203</u>

Note 3 – Concentration

For the year ended June 30, 2023, 16% of MHEC’s revenue was from state commitment dues. These dues are split evenly among MHEC’s 12 member states. Revenue from technology contracts was 67% of MHEC’s revenues with 1 contract attributed to 91% of the technology contract revenue.

Note 4 – Retirement Plan

Employees of the Compact participate in a Teachers Insurance and Annuity Association of America (TIAA) tax deferred annuity plan (TDA) upon completion of a 30-day waiting period and a deferred compensation (DC) retirement plan. The employee must contribute to the plan through payroll withholdings. The Compact contributes 13% of the employee’s salary to the plan. Employees are required to contribute 2.5% of their annual salary to the plan. An employee may choose to increase their contribution according to federal guidelines. Employer contributions were \$211,249 for the year ended June 30, 2023.

Note – 5 Capital Assets

Capital assets consist of the following:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets, being depreciated				
Computers	\$ 30,407	\$ -	\$ -	\$ 30,407
Software and IT equipment	306,463	-	-	306,463
Furniture	176,961	-	-	176,961
Leasehold improvements	375,877	-	-	375,877
Total Capital Assets	889,708	-	-	889,708
Less Accumulated Depreciation	(753,618)	(33,328)	-	(786,946)
Net Capital Assets, being depreciated	\$ 136,090	\$ (33,328)	\$ -	\$ 102,762
Right-of-Use Lease Assets				
Office Space	\$ 302,145	\$ -	\$ -	\$ 302,145
Equipment	9,863	-	-	9,863
Total Right of Use Assets	312,008	-	-	312,008
Accumulated Amortization-Office Space	(61,453)	(61,453)	-	(122,906)
Accumulated Amortization-Equipment	(2,077)	(2,077)	-	(4,154)
Total Accumulated Amortization	(63,530)	(63,530)	-	(127,060)
Net Right of Use Lease Asset Balance	\$ 248,478	\$ (63,530)	\$ -	\$ 184,948
Total Capital Assets, Net	\$ 384,568	\$ (96,858)	\$ -	\$ 287,710

Note 6 – Long-Term Liabilities

The long-term activity for the year ended June 30, 2023 is as follows:

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due in One Year
Long Term Lease Liability, Net	\$ 348,754	\$ -	\$ 83,210	\$ 265,544	\$ 87,209
	<u>\$ 348,754</u>	<u>\$ -</u>	<u>\$ 83,210</u>	<u>\$ 265,544</u>	

Note 7 – Right of Use Assets and Liabilities

MHEC leases equipment and office facilities for various terms under long-term, non-cancelable operating lease agreements. MHEC leases office space at 105 5th Avenue South in Minneapolis. This lease expires May 31, 2026, has an initial Right-of-Use value of \$302,145 and a discount rate of 1.66%. The net value at June 30, 2023 of this lease is \$179,238. MHEC leases a copier, the lease for which expires March 24, 2026, and has an initial Right-of-Use value of \$9,863 with a discount rate of 1.66%. The net value at June 30, 2023 of this lease is \$5,710. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments. Additionally, the agreements generally require the Company to pay real estate taxes, insurance, and repairs, which are excluded from the right to use assets and liability and expensed as incurred.

A maturity analysis of future lease payments as of June 30, 2023, is as follows:

Year Ending	Principal	Interest	Total
2024	\$ 87,209	\$ 3,627	\$ 90,836
2025	91,341	2,144	93,485
2026	86,994	604	87,597
Totals	<u>\$ 265,544</u>	<u>\$ 6,375</u>	<u>\$ 271,918</u>

Note 8 – Risk Management

MHEC is exposed to various risks of loss related to premises liability; torts, thefts of, damage to or destruction of assets; injury to staff and acts of God. MHEC purchases commercial liability insurance for directors and officers and employment practices (\$3,000,000 combined limit), general liability (\$1,000,000), professional liability and errors & omissions (\$1,000,000 combined limit), cyber insurance (\$2,000,000), crime insurance (\$1,000,000) along with general umbrella (\$4,000,000) and business travel accident insurance, property coverage on a replacement cost basis and workers compensation coverage for all MHEC employees. There have been no claims in over 5 years.

Note 9 – Functional and Natural Expense Classification

MHEC's operating expenses by functional and natural classification are as follows:

	2023			
	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	\$ 2,006,807	\$ 414,149	\$ 2,723	\$ 2,423,679
Professional Fees	12,701	303,241	-	315,942
Contract Services	263,852	22,846	-	286,698
Office Space Lease	89,913	17,216	-	107,129
Office Supplies	2,680	436	-	3,116
Postage and Shipping	2,009	1,043	-	3,052
Printing	1,578	553	-	2,131
Dues and Subscriptions	27,611	6,630	-	34,241
Software/Maintenance Contract	105,917	21,586	-	127,503
Telephone	12,714	2,573	-	15,287
Insurance	25,780	4,937	-	30,717
Miscellaneous	55,027	21,504	-	76,531
Depreciation	27,971	5,357	-	33,328
Travel/Meetings/Conference	424,596	14,852	-	439,448
Office Equipment	47,575	23,337	-	70,912
Total Expenses by Function	<u>\$ 3,106,731</u>	<u>\$ 860,260</u>	<u>\$ 2,723</u>	<u>\$ 3,969,714</u>

Note 10 – Component Unit Disclosure

Note A - Organization and Significant Accounting Policies

Organization

Stone Arch Insurance Company (Stone Arch or the Company), was incorporated under the laws of the State of Vermont effective June 8, 2021, and issued a Certificate of Authority effective July 1, 2021, permitting the Company transact the business of a captive insurance company by the Vermont Department of Financial Regulation (the Department).

The Company is wholly-owned by the Midwestern Higher Education Compact (MHEC or the Parent), and was formed to provide insurance coverage to the member institutions of MHEC (the Insureds), as more fully described in Note B.

MHEC is a 501(c)3 entity, one of the four statutorily created higher education interstate compacts founded in 1991. MHEC brings together Midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

The Company has no employees. Pursuant to a management agreement, Marsh Management Services Inc. provides accounting, records retention, regulatory compliance, and other related services to the Company.

Basis of Reporting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) promulgated by the Financial Accounting Standards Board Accounting Standards Codification.

Use of Estimates

Preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events for disclosure and recognition through June 22, 2023, the date on which these financial statements were available to be issued.

Deposit Accounting

As more fully described in Note B, Stone Arch assumes property coverage from two unrelated insurance companies. Management has determined that the assumed reinsurance agreements do not subject the Company to a reasonable possibility of realizing a significant loss. Accordingly, these transactions have been accounted for using the deposit method of accounting, which follows the guidance for insurance and reinsurance contracts that do not transfer risk.

Premium deposits assumed by the Company are earned ratably over the terms of the agreements to which they relate as a component of net gain on deposit contracts on the statements of operations. Amounts related to the unexpired portion of the policy term at the balance sheet dates are reported as a component of the net deposit liability.

Deferred Policy Acquisition Costs

Policy acquisition costs consist of fronting fees and premium taxes and are deferred and amortized over the terms of the agreements to which they relate, as a component of net gain on deposit contracts on the statements of operations. Deferred amounts at the balance sheet date are reported as a component of the net deposit liability.

Liability for Losses and Loss Adjustment Expenses

The liability for unpaid losses and loss adjustment expenses (LAE) reported as part of the net deposit liability consists of case-basis estimates of reported losses, plus supplemental amounts related to incurred but not reported losses (IBNR) calculated based upon loss projections utilizing actuarial studies of the insureds' historical experience and industry data. An estimate of ultimate losses and LAE is projected at each reporting date. IBNR reserves are derived from the difference between the projected ultimate losses and LAE and the sum of case-basis losses and LAE and inception-to-date paid losses and LAE. In establishing its aggregate liability for losses and LAE, the Company utilizes the findings of an independent consulting actuary. Actuarial methodologies used by the consulting actuary include the Bornhuetter-Ferguson and loss development methods, on both a paid and incurred basis, as well as the frequency severity method.

Management believes that its aggregate liability for unpaid losses and LAE at December 31, 2022 and 2021 represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. However, because of the limited population of insured risks, limited historical data, uncertainty related to economic conditions, judicial decisions, legislation and other uncertainties, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability at the balance sheet date. Accordingly, the ultimate liability could be significantly in excess of or less than the amount indicated in the financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

It is likely that Stone Arch will be placed into dormancy which is allowed for the next five years with an option to renew in order to identify whether there are additional purposes for the Captive.

Cash and Restricted Cash

For the purposes of the statement of cash flows, the Company considers money market fund accounts and all other highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposit with each financial institution up to limits as prescribed by law. The Company holds funds with financial institutions in excess of the FDIC or non-FDIC insured amounts; however, the Company has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Restricted cash consists of cash held by the Company and pledged as collateral for letters of credit (LOCs) obtained for the benefit of the unrelated insurance companies, as further described in Note B.

A summary of the Company's cash and restricted cash at December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Cash - M&T Bank	\$ 3,699,849	\$ 1,807,435
Restricted cash - M&T Bank	<u>6,910,583</u>	<u>\$2,700,000</u>
Total cash and restricted cash	<u>\$10,610,432</u>	<u>\$4,507,435</u>

Note B - Insurance Activity

Effective July 1, 2021, the Company assumes property coverage from AIG Property Casualty Company (AIG) and Zurich American Insurance Company (Zurich), with a per occurrence limit of \$2,500,000, and an annual aggregate limit of \$8,210,583. Insured deductibles range from \$25,000 to \$1,000,000 and only apply to losses, not LAE. The assumed limits are excess of the insureds' deductible, and include LAE. The Company assumes 100% of the coverage on a quota share basis, 60% from AIG (\$1,500,000 per occurrence and \$4,210,583 in the aggregate) and 40% from Zurich (\$1,000,000 per occurrence and \$4,000,000 in the aggregate).

Effective July 1, 2022, the Company assumes property coverage with a combined per occurrence limit of \$1,937,500, and a combined aggregate limit of \$5,000,000. The Company assumes from AIG 75% of \$1,750,000 per occurrence (\$1,312,500 per occurrence), and 75% of the aggregate limit (\$3,750,000). The Company assumes from Zurich 25% of \$2,500,000 (\$625,000 per occurrence), and 25% of the aggregate limit (\$1,250,000). Treatment of insureds' deductibles and LAE remains unchanged.

The assumed insurance coverage expires on July 1, 2023, the Company does not intend to renew the coverage and has no current plans to write new coverages.

As security for the assumed reinsurance agreements, the Company obtained LOCs from M&T Bank for the benefit of AIG and Zurich. A summary of the LOCs at December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
LOC for the benefit of Zurich	\$ 2,700,000	\$2,700,000
LOC for the benefit of AIG	\$ 4,210,583	\$ -

During January and February of 2023, the Company increased the value of the LOC in favor of AIG to a total balance of \$7,960,583.

As disclosed in Note A, the Company holds restricted cash as collateral for the LOCs as of December 31, 2022 and 2021. During January and February of 2023, the Company increased the restricted cash collateral balance corresponding with the increases to the LOC in favor of AIG.

As of December 31, 2022 and 2021, the components of the net deposit liability are as follows:

	<u>2022</u>	<u>2021</u>
Case-basis loss and LAE reserves	\$ 3,697,979	\$ 430,000
IBNR loss and LAE reserves	4,435,539	1,722,548
Deposit contract premium receivable	(2,196,492)	(4,421,112)
Unearned deposit contract premium	-	4,482,635
Deferred policy acquisition costs	-	(210,976)
Fronting fees payable	128,224	210,529
Premium taxes payable	6,701	14,345
Funds held - Zurich	(100,000)	-
Net deposit liability	<u>\$ 5,971,951</u>	<u>\$2,227,969</u>

The components of the net gain recorded on deposit contracts for the year ending December 31, 2022, and for the period from the commencement of operations (July 1, 2021) to December 31, 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Deposit premium earned	\$ 9,950,411	\$4,556,932
Losses and LAE paid	(146,482)	-
Change in loss and LAE reserves	(5,980,970)	(2,152,548)
Policy acquisition costs incurred	(543,987)	(214,472)
Net gain on deposit contracts	<u>\$ 3,278,972</u>	<u>\$2,189,912</u>

In accordance with the guidance, the liability for loss and LAE should be recorded as component of the net deposit liability at discounted present value. Due to the short pay-out period associated with the coverage offered, the Company recorded these amounts at their current value, which approximates the discounted present value.

Note C - Federal Income Taxes

The Company files its federal income tax return on a standalone basis, and is not considered an insurance company for federal income tax purposes. The Company calculates its tax liability using the U.S. federal statutory tax rate of 21%. The provision for income taxes differs from the amount of income tax expense determined by applying the 21% tax rate to pre-tax net income due to the net gain on deposit contracts, which is excluded from taxable income.

The components of the provision for federal income tax for the periods ended December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Current benefit	\$ (150,488)	\$ (72,933)
Deferred benefit	(11,624)	(4,200)
Federal income benefit	<u>\$ (162,112)</u>	<u>\$ (77,133)</u>

Cash paid for income taxes amounted to \$640,000 and \$100,000 for the year ended December 31, 2022 and for the period from the commencement of operations (July 1, 2021) to December 31, 2021, respectively.

Deferred federal income taxes arise from temporary differences between the valuation of certain assets and liabilities as determined for financial reporting purposes and federal income tax purposes. The Company's temporary differences are measured at an effective tax rate of 21% as of December 31, 2022 and 2021. Although realization is not assured, management believes it is more likely than not that the deferred tax will be realized. The amount of the deferred tax considered realizable could be reduced in the near term if estimates of future taxable income are reduced.

As of December 31, 2022 and 2021, the Company recorded a deferred tax asset amounting to \$15,824 and \$4,200, respectively, that relates entirely to timing of accrued expenses.

The Company accounts for uncertain tax positions in accordance with applicable guidance. Accordingly, any tax benefits resulting from uncertain tax positions taken, or expected to be taken in a tax return, would require the accrual of a liability. No uncertain tax positions have been identified by management, nor any liabilities accrued, as of December 31, 2022 and 2021.

Note D - Shareholder's Equity

In accordance with laws of the State of Vermont, for the purpose of submitting its financial statements to the Department, the Company is required to use U.S. GAAP with the exception of variances prescribed by Vermont laws and regulations or permitted by the Department. The laws of the State of Vermont require the Company to maintain unimpaired minimum capital and surplus (shareholder's equity) of \$250,000. As of December 31, 2022 and 2021, shareholder's equity totaled \$5,557,332 and \$2,364,219, respectively.

Vermont law provides that no dividends may be paid without prior approval of the Insurance Commissioner of the Department. No dividends were declared or paid during the year ending December 31, 2022 and the period from the commencement of operations (July 1, 2021) to December 31, 2021.

There were no differences, other than rounding, between capital and surplus and net income as reported in the 2021 Vermont Captive Insurance Company Annual Report and the corresponding amounts reported herein.

Net income and capital and surplus as reported in the 2022 Vermont Captive Insurance Company Annual Report and the corresponding amounts reported in these financial statements are reconciled as follows:

	<u>2022</u>	
	<u>Net Income</u>	<u>Capital and Surplus</u>
As reported in the Annual Report	\$ 588,475	\$2,952,694
Net deposit liability	-	2,569,606
Net gain on deposit liability	2,569,606	-
Federal income taxes	<u>35,032</u>	<u>35,032</u>
As reported in the financial statements	<u>\$ 3,193,113</u>	<u>\$5,557,332</u>

MIDWESTERN HIGHER EDUCATION COMPACT
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

**MIDWESTERN HIGHER EDUCATION COMPACT
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**MIDWESTERN HIGHER EDUCATION COMPACT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 AND 2023**

INTRODUCTION

The Midwestern Higher Education Compact (MHEC), has prepared MHEC's financial statements including this narrative discussion and analysis of the financial position and activities of MHEC for the fiscal year ending June 30, 2024 and 2023. It includes in some cases a comparative presentation and analysis of the current and preceding year to provide context as our practice is to budget for one year and plan for the following. This discussion has been prepared by management and should be read in conjunction with the financial statements including the notes thereto, which follow this section.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the Midwestern Higher Education Compact's basic financial statements. The Midwestern Higher Education Compact's basic financial statements are composed of the statement of net position, the statement of revenues, expenses, and change in net position and statement of cash flows.

FINANCIAL HIGHLIGHTS

- The assets of MHEC exceeded its liabilities by \$15,481,871 and \$10,028,283 for the fiscal years ended June 30, 2024 and 2023, respectively.
- MHEC's total net position increased by \$5,453,588 and \$4,547,159 during the fiscal years ended June 30, 2024 and 2023, respectively.

OVERVIEW OF THE FINANCIAL STATEMENTS

The purpose of these financial statements, along with the accompanying notes to the financial statements, is to present the financial position and results of operations to the financial statement users. The financial section of this report consists of:

1. Management Discussion and Analysis
2. Report of Independent Auditors
3. Basic (Enterprise Fund) Financial Statements
 - a. Statement of Net Position
 - b. Statement of Revenues, Expenses and Changes in Net Position
 - c. Statement of Cash Flows
4. Notes to the Financial Statements

MHEC uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. MHEC maintains one proprietary fund, an enterprise fund. The enterprise fund financial statements report information about MHEC's overall financial status. The statements present information on MHEC's assets, liabilities, and net position, and show how net position has changed during the year. These financial statements and explanatory notes are prepared in conformance with generally accepted governmental accounting principles and are reported using the accrual basis of accounting.

**MIDWESTERN HIGHER EDUCATION COMPACT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 AND 2023**

MHEC shifted to following Governmental Accounting Standards Board (GASB) in the fiscal year ended 2022 after operating under FASB since 1991. MHEC has determined that the Stone Arch Insurance Company (Stone Arch) meets the criteria to be presented as a component unit of MHEC. Stone Arch is wholly owned by MHEC and was formed to provide insurance coverage to the member institutions of MHEC (the Insureds). Stone Arch's financial statements are presented following each of MHEC's respective basic financial statements, as Stone Arch operates and reports on a calendar year basis and on the Financial Accounting Standards Board (FASB) basis of accounting.

Financial statements of enterprise fund activities provide a general overview of MHEC's operations in a manner similar to a private sector business. These statements consist of the statement of net position and the statement of revenues, expenses and changes in net position and are prepared using an accrual basis of accounting. These statements begin on page 8 of this report.

The *statement of net position* presents MHEC's assets and liabilities; the difference between the two is net position. Over time, the increase or decrease in net position can serve as an indicator as to whether MHEC's financial position is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how MHEC's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *statements of cash flows* provide information about the cash receipts, cash payments, and net change in cash resulting from the operating, investing, and financing activities (capital and noncapital) of MHEC during the fiscal year. This statement helps users assess MHEC's ability to generate net cash flows, its ability to meet obligations as they come due, and its need for external financing.

The statement of cash flows is divided into three sections:

Cash flows from operating activities. This section shows the net cash used by the operating activities of MHEC.

Cash flows from capital financing activities. This section reflects the cash received and paid for nonoperating, noninvesting, and capital financing purposes.

Cash flows from investing activities. This section shows the purchases, proceeds, and interest received from investing activities.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to fully understand the financial statements. The notes to the financial statements start on page 14 of this report.

**MIDWESTERN HIGHER EDUCATION COMPACT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 AND 2023**

FINANCIAL ANALYSIS

While MHEC prepares a two-year budget for forecasting purposes, the Executive Committee only approves the acting budget on an annual basis at its June meeting. During fiscal year 2024 MHEC incurred a fourfold increase in technology contract revenue due largely to an increased administration fee bringing that fee in line with an industry average. One contract in particular is driving this technology contract revenue increase, which is expected to continue over the seven-year life of the contract. Implementation of strategic planning initiatives has started.

The Executive Committee, which has the authority to act on behalf of the full Commission during the interim between Commission meetings, approves next fiscal year's budget at its annual meeting in June just prior to the end of the fiscal year, while the full Commission approves the prior fiscal year's audit and other major organizational financial decisions at its fall meeting. The Finance and Audit Committee attempts to meet quarterly to review organizational financials and policies and make recommendations to the Commission where appropriate.

As noted earlier, net position may serve over time as a useful indicator of MHEC's financial position. MHEC's assets exceeded its liabilities by \$15,481,871 and \$10,028,283 as of June 30, 2024 and 2023, respectively. Current assets net of current liabilities increased \$5,516,073 due to increased program revenue from negotiated administrative fees and expenses associated with technology contracts.

Condensed Statements of Net Position

	As of June 30		Increase (Decrease)
	2024	2023	
Assets			
Current Assets	\$ 17,968,768	\$ 12,056,924	\$ 5,911,844
Capital Assets, Net	215,839	287,710	(71,871)
Total Assets	<u>\$ 18,184,607</u>	<u>\$ 12,344,634</u>	<u>\$ 5,839,973</u>
Liabilities			
Current Liabilities	\$ 2,615,742	\$ 2,138,016	\$ 477,726
Long-Term Liabilities	86,994	178,335	(91,341)
Total Liabilities	<u>\$ 2,702,736</u>	<u>\$ 2,316,351</u>	<u>\$ 386,385</u>
Net Position			
Restricted	\$ 20,073	\$ 20,073	\$ -
Net Investment in Capital Assets	37,504	22,166	15,338
Unrestricted	15,424,294	9,986,044	5,438,250
Total Net Position	<u>\$ 15,481,871</u>	<u>\$ 10,028,283</u>	<u>\$ 5,453,588</u>

**MIDWESTERN HIGHER EDUCATION COMPACT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2024 AND 2023**

Key elements of the increase of net position of \$5,535,543 and \$4,547,384 for the fiscal years ending June 30, 2024 and 2023, respectively are as follows:

Condensed Statements of Revenues, Expenses and Changes in Net Position

	As of June 30		Increase
	2024	2023	
Operating Revenues	\$ 9,574,313	\$ 8,497,304	\$ 1,077,009
Operating Expenses	4,472,223	3,969,714	502,509
Operating Income	5,102,090	4,527,590	574,500
Nonoperating Revenues (Expenses), Net	351,498	19,569	331,929
Change in Net Position	<u>5,453,588</u>	<u>4,547,159</u>	<u>\$ 906,429</u>
Net Position, Beginning of Year	10,028,283	5,481,124	\$ 4,547,159
Net Position, End of Year	<u>\$ 15,481,871</u>	<u>\$ 10,028,283</u>	<u>\$ 5,453,588</u>

- MHEC's operating revenues for fiscal year 2024 increased \$1,077,009 as compared to fiscal year 2023. This increase was due to continued strong revenue relating to technology contracts. Operating revenues for fiscal year 2023 increased \$3,723,705 as compared to fiscal year 2022. This increase was due to the renegotiated technology contracts.
- Overall, fiscal year 2024 operating expenses increased \$502,509 compared to 2023. This was mostly due to increased expenses relating to policy and research, as well as convening. During fiscal year 2023 total operating expenses decreased \$237,247 compared to 2022. This was mostly due to a reduction in contracted services related to expiring grants.

DEBT ADMINISTRATION

MHEC entered into finance lease agreements primarily for copying equipment and office space. The balance of all finance leases payable totaled \$178,335 and \$265,544 as of June 30, 2024, and 2023, respectively, with payments payable through fiscal year 2026. Additional information on MHEC's long-term liabilities can be found in Note 6 of this report.

NEXT YEAR'S FUNDING AND BUDGET

The Midwestern Higher Education Compact's budget for fiscal year 2025 was approved by the officers in June 2024. MHEC will continue to utilize funds to further operations and strategic mission goals.

REQUESTS FOR INFORMATION

This financial report is designed to provide an overview of MHEC finances and to demonstrate MHEC's accountability for the money it receives.

Questions about information in this report or requests for additional financial information should be addressed to Midwestern Higher Education Compact, 105 5th Avenue South, Minneapolis, MN 55401

Report of Independent Auditors

The Commissioners
Midwestern Higher Education Compact

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities and the discretely presented component unit of Midwestern Higher Education Compact (the Compact) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Compact's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Compact as of June 30, 2024, and the discretely presented component unit of the Compact as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Stone Arch Insurance Company (the Company), which represent 100 percent, respectively, of the assets, net position, and revenues of the discretely presented component unit as of December 31, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for is based solely on the report of the other auditors.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Compact 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

Run-off

The other auditor's report on the December 31, 2023, financial statements of Stone Arch Insurance Company included an emphasis of matters related to run-off, as disclosed in Note 10 B. Stone Arch Insurance Company's assumed insurance coverage expired on July 1, 2023. The Company does not intend to renew and has no current plans to write new coverages. Accordingly, the ongoing operations of the Company will consist primarily of the run-off of liabilities for previously issued insurance coverages. Management does not believe that any adjustments to the carrying value of assets and liabilities as reported in the financial statements are required. The other auditors' opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 GAAS 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 financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Compact'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Compact'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

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1 through 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Moss Adams LLP

Spokane, Washington
November 22, 2024

**MIDWESTERN HIGHER EDUCATION COMPACT
STATEMENT OF NET POSITION
JUNE 30, 2024**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 14,389,928
Restricted Cash	20,176
Accounts Receivable	3,477,441
Prepaid Expenses	81,223
Total Current Assets	17,968,768

CAPITAL ASSETS

Capital Assets, Net	94,420
Right-of-Use (ROU) Lease Assets, Net	121,419
Total Capital Assets, Net	215,839

Total Assets	\$ 18,184,607
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable	\$ 2,224,440
Accrued Vacation	151,747
Accrued Payroll and Related Expenses	93,010
Unearned Revenue	55,204
Current Portion of Long-Term Lease Liability	91,341
Total Current Liabilities	2,615,742

LONG-TERM LIABILITIES

Long-Term Lease Liability	86,994
Total Long-Term Liabilities	86,994

Total Liabilities	2,702,736
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NET POSITION

Restricted	20,073
Net Investment in Capital Assets	37,504
Unrestricted	15,424,294
Total Net Position	15,481,871

Total Liabilities and Net Position	\$ 18,184,607
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The accompanying notes are an integral part of these financial statements.

MIDWESTERN HIGHER EDUCATION COMPACT

**STONE ARCH INSURANCE COMPANY
COMPONENT UNIT - BALANCE SHEET
AS OF DECEMBER 31, 2023**

2023

Assets

Cash and Restricted Cash	\$ 10,501,039
Prepaid Expenses	4,553
Federal Income Tax Receivable	949,102
Deferred Federal Income Tax Asset	1,006
Total Assets	<u>\$ 11,455,700</u>

Liabilities and Stockholder's Equity

Liabilities

Net Deposit Liability	5,905,701
Accounts Payable and Accrued Liabilities	4,790
Total Liabilities	<u>5,910,491</u>

Stockholder's Equity

Common stock, \$0 par value, 1,000,000 shares authorized, 250,000 shares issued and outstanding	-
Contributed Capital	250,000
Retained Earnings	5,295,209
Total Stockholder's Equity	<u>5,545,209</u>

Total Liabilities and Stockholder's Equity	<u>\$ 11,455,700</u>
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The accompanying notes are an integral part of these financial statements.

**MIDWESTERN HIGHER EDUCATION COMPACT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2024**

OPERATING REVENUES	
State Commitments	\$ 1,380,000
Program Revenues:	
Technology Contract	6,834,276
MHECare	511,816
Midwestern-State Authorization Reciprocity Agreement (M-SARA)	523,461
Grants	324,760
Total Operating Revenues	<u>9,574,313</u>
OPERATING EXPENSES	
Program Services:	
Convening	1,074,989
Technology Contract	428,671
Risk Management	100,923
M-SARA	562,256
Strategic Initiatives	74,105
Policy and Research	1,175,757
Total Program Services Expenses	<u>3,416,701</u>
Management and General Expenses	1,052,692
Fundraising Expenses	2,830
Total Operating Expenses	<u>4,472,223</u>
OPERATING INCOME	5,102,090
NONOPERATING REVENUES (EXPENSES)	
Interest Income	355,135
Interest Expense	<u>(3,637)</u>
Total Nonoperating Revenues (Expenses)	<u>351,498</u>
CHANGE IN NET POSITION	5,453,588
Net Position - Beginning of Year	<u>10,028,283</u>
NET POSITION - END OF YEAR	<u><u>\$ 15,481,871</u></u>

The accompanying notes are an integral part of these financial statements.

MIDWESTERN HIGHER EDUCATION COMPACT

**STONE ARCH INSURANCE COMPANY
COMPONENT UNIT - INCOME STATEMENT
FOR THE YEAR ENDING DECEMBER 31, 2023**

	<u>2023</u>
Revenue	
Net (Loss) Gain on Deposit Contracts	\$ (52,866)
Interest Income	<u>319,152</u>
Total Revenue	266,286
Expenses	
General and Administrative Expenses	<u>249,273</u>
Total Expenses	249,273
Income before Federal Income Taxes	17,013
Federal Income Tax Expense (Benefit)	<u>29,136</u>
Net (Loss) Income	<u><u>\$ (12,123)</u></u>

**STONE ARCH INSURANCE COMPANY
COMPONENT UNIT - STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
YEAR ENDED DECEMBER 31, 2023**

	<u>Contributed Capital</u>	<u>Retained Earnings</u>	<u>Total Shareholder's Equity</u>
Balance at December 31, 2022	\$ 250,000	\$ 5,307,332	\$ 5,557,332
Net Loss	<u>-</u>	<u>(12,123)</u>	<u>(12,123)</u>
Balance at December 31, 2023	<u><u>\$ 250,000</u></u>	<u><u>\$ 5,295,209</u></u>	<u><u>\$ 5,545,209</u></u>

The accompanying notes are an integral part of these financial statements.

**MIDWESTERN HIGHER EDUCATION COMPACT
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received for State Commitments	\$ 1,380,000
Cash Received for Grants And Contracts	9,498,629
Cash Received for Other Operating Revenue	85
Cash Payments to Employees for Services	(1,784,206)
Cash Paid to Vendors	(3,948,896)
Net Cash From Operating Activities	<u>5,145,612</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Principal Paid on Leases and Direct Borrowing Payable	(87,209)
Interest Paid on Leases	(3,637)
Net Cash From Capital Financing Activities	<u>(90,846)</u>
CASH FLOWS FROM CAPITAL INVESTING ACTIVITIES	
Interest Received	<u>355,135</u>
Net Cash From Investing Activities	<u>355,135</u>
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	5,409,901
Cash, Cash Equivalents, and Restricted Cash - Beginning of Year	<u>9,000,203</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u><u>\$ 14,410,104</u></u>
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 5,102,090
Adjustments to Reconcile Change in Operating Income to Net Cash	
Depreciation	29,922
Amortization	63,529
Addition to Property and Equipment	(21,580)
Changes in Assets and Liabilities Related to Operations:	
Receivables	(463,194)
Prepaid Expenses	(38,749)
Accounts Payable	493,647
Accrued Vacation, Payroll and Related Expenses	12,547
Unearned Revenue	(32,600)
Net Cash From Operating Activities	<u><u>\$ 5,145,612</u></u>

The accompanying notes are an integral part of these financial statements.

MIDWESTERN HIGHER EDUCATION COMPACT
STONE ARCH INSURANCE COMPANY
COMPONENT UNIT - STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023

	2023
Cash Flows from Operating Activities	
Net (loss) income	\$ (12,123)
Add (deduct) items not affecting cash:	
Net deferred federal income tax	14,818
Changes in assets and liabilities	
Prepaid expenses	10,403
Federal income taxes receivable	14,319
Net deposit liability	(66,250)
Accounts payable and accrued expenses	(70,560)
Net cash flows from operating activities	(109,393)
Cash Flows from Financing Activities	
Capital contributed and total cash flows from financing activities	
Net Change in cash and restricted cash	(109,393)
Cash and restricted cash, beginning of period	10,610,432
Cash and restricted cash, end of period	\$ 10,501,039

The accompanying notes are an integral part of these financial statements.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Midwestern Higher Education Compact (MHEC or the Compact) is a regional multistate nonprofit organization established by interstate compact to help its member states work together to achieve cost savings, collaborate, and share best practices and to meet the workforce and education needs of their residents. MHEC encourages cooperation and the sharing of resources among states and institutions and with related private and public entities.

Definition of Reporting Entity

MHEC follows Governmental Accounting Standards Board (GASB) accounting pronouncements which provide guidance for determining which governmental activities, organizations, and functions should be included within the financial reporting entity and respective financial accountability. Financial accountability includes, but is not limited to, appointment of a voting majority of the organization's governing body, ability to impose its will on the organization, a potential for the organization to provide specific financial benefits or burdens and fiscal dependency. MHEC is not a component unit of any other primary governmental entity or governing body.

Discretely Presented Component Unit

MHEC has determined that the Stone Arch Insurance Company (Stone Arch) meets the criteria to be presented as a component unit of MHEC. The Company is wholly owned by the Midwestern Higher Education Compact and was formed to provide insurance coverage to the member institutions of MHEC (the Insureds), as more fully described in Note 9. Stone Arch is included in MHEC's reported entity because (1) MHEC holds a majority equity interest in the entity, that does not meet the definition of an investment under GASB State No. 72 and (2) MHEC can impose its will upon Stone Arch by significantly influencing the program, projects, activities, or level of services performed by Stone Arch. Stone Arch's financial statements are presented following each of MHEC's respective basic financial statements, as Stone Arch operates and reports on a calendar year basis and on the Financial Accounting Standards Board (FASB) basis of accounting. The financial information included herein is presented as of December 31, 2023 (the most recent audit information available).

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

The significant accounting policies of MHEC are described as follows:

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting policies of MHEC conform to generally accepted accounting principles (GAAP) applicable to governmental units accounted for as a Proprietary Fund. The Proprietary Fund is used since MHEC's powers are related to those operating in a manner like a private organization. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Following the accrual basis of accounting, revenue is recognized when earned, and expenses are recognized when the liability is incurred. Revenue is recognized on all grants as allowable reimbursable expenses are incurred. Cash received more than allowable expenses is recorded as unearned revenue or refundable advances, and allowable expenses incurred more than cash received are recorded as receivables. Program cash is deposited into and disbursed from a single checking account with accountability maintained using departmental accounting. MHEC distinguishes between operating revenues and expenses and nonoperating items in the statement of revenues, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with MHEC's purpose of providing education services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses or capital contributions.

Cash, Cash Equivalents, and Restricted Cash

The Compact considers all cash and highly liquid financial instruments with original maturities of three months or less when purchased to be cash equivalents. At times, cash, and cash equivalents, may be in excess of FDIC insurance limits.

Restricted cash is cash received from legally separate entities, deposited in MHEC cash accounts, and are restricted to purpose of use. When an expenditure is incurred for purposes for which both restricted and unrestricted cash are available, MHEC considers restricted funds to have been spent first.

Accounts Receivable

Accounts receivable consist primarily of amounts collectible for dues and fees. Intentions to give and conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The Compact uses the allowance method to determine uncollectible contributions and other receivables. The allowance is based on prior year experience and management's analysis. The Compact does not charge interest on past due accounts. Accounts receivables are written off when deemed uncollectible. On June 30, 2024, the allowance was \$-0-. Accounts receivables are due within 30 days. Accounts receivables are not secured. Statements are issued quarterly, and balances are reviewed monthly for collectability.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Capital Assets

Capital asset additions over \$3,500 are recorded at cost or, if donated, at the acquisition value at the date of donation. Depreciation and amortization of capital assets is provided using the straight-line method over the estimated useful lives of the assets.

Computers	3 Years
Software and IT Equipment	5 Years
Furniture	10 Years
Leasehold Improvements	Lesser of Useful Life or Lease Term

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of revenues, expenses, and changes in net position. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

The Compact reviews the carrying values of capital assets for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the year ended June 30, 2024.

Income Taxes

The Compact qualifies as a tax-exempt organization under Section 501(c)(3) and is not a private foundation under Section 509(a) of the Internal Revenue Code. The Compact is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Compact is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Compact has determined it is not subject to unrelated business income tax and has not filed an *Exempt Organization Business Income Tax Return* (Form 990T) with the IRS.

The Compact believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Compact would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Estimates

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

Revenue Recognition

State commitment revenue is billed at the beginning of each fiscal year and is recognized ratably throughout the year. Invoices are due upon receipt of billing. State commitments paid in advance are deferred to the year in which they relate. Technology contract revenues are recognized quarterly based on an agreed upon administration fee per sale made under the contract. Insurance program revenues are recognized in two ways. MHECare revenues are recognized three times a year and are based on an agreed upon administration fee applied to the total premiums paid by students and institutions participating in the program. Midwestern-State Authorization Reciprocity Agreement (M-SARA) revenue is recognized when earned, the Organization receives revenues based on the budget of NC-SARA and a set amount is voted on by the NC-SARA finance and audit committee. Program revenue from Research is recognized when earned. Unsecured credit is extended to these organizations in the normal course of business.

Grants

Revenue is recognized in the year to which it applies. For multiyear grants and contracts, revenue is recognized to cover the expenses which accrue in that year and excess revenue is deferred. MHEC recognizes all excess revenue in the year the grant or contract concludes.

Expense Allocation

The costs of providing various programs and other activities have been summarized on the statement of revenues, expenses, and changes in net position. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Net Position

Included in the net position are unrestricted, restricted net position and net investment in capital assets. When an expenditure is incurred for purposes for which both restricted and unrestricted net position are available, MHEC considers restricted funds to have been spent first. Also included in net position is net investment in capital assets. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Compensated Absences

Full-time employees of MHEC are eligible to earn up to 120 hours of paid vacation each fiscal year during their first three years of employment. After three years of full-time employment with MHEC, full-time employees are eligible to earn up to 160 hours of paid vacation each fiscal year. Employees regularly scheduled to work at least 20 hours per week for MHEC are eligible to earn paid vacation days on a proportional basis. A maximum of 240 hours of vacation leave can be carried over each year. Earned vacation hours in excess of the maximum are forfeited at the end of each fiscal year. Unused vacation leave is paid upon termination if there is a remainder. MHEC provides up to 16 days each year of paid holiday and 12 days paid personal time off for full-time employees. Unused personal time off, separate from vacation, is forfeited at the end of each fiscal year and at time of termination.

Unearned Revenue

Unearned revenue consists of amounts received in advance related to a grant. The grant funds are recognized as revenue when the related expenses are incurred and the performance obligations are satisfied in accordance with the terms of the grant agreement.

Long-Term liabilities

Long Term liabilities include obligations that will not be paid within the next fiscal year.

Adoption of New Accounting Standard

In May 2022, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 96 – Subscription Based Information Technology Arrangements. MHEC adopted this statement effective July 1, 2022. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible assets) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. We have determined the adoption of the statement to not have a material impact on the financial statement as of June 30, 2024.

Right-of-Use Assets and Liabilities

The Compact determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) lease assets and lease liabilities in the statement of net position.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Right-of-Use Assets and Liabilities (Continued)

ROU assets represent the Compact's right to use an underlying asset for the lease term and lease liabilities represent the Compact's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Compact will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term. The Compact has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statement of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Compact has elected to use its estimated incremental borrowing rate. The estimated incremental borrowing rate is an estimate of the interest rate that would be charged for borrowing the lease payment amount during the lease term.

NOTE 2 CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

Cash, cash equivalents, and restricted cash are reflected on the June 30, 2024 statement of net position as follows:

Unrestricted	\$ 14,389,928
Restricted	20,176
Total Cash, Cash Equivalent, and Restricted Cash	\$ 14,410,104

NOTE 3 CONCENTRATION

For the year ended June 30, 2024, 14% of MHEC's revenue was from state commitment dues. These dues are split evenly among MHEC's 12 member states. Revenue from technology contracts was 71% of MHEC's revenues with one contract attributed to 92% of the technology contract revenue.

NOTE 4 RETIREMENT PLAN

Employees of the Compact participate in a Teachers Insurance and Annuity Association of America (TIAA) tax deferred annuity plan (TDA) upon completion of a 30-day waiting period and a deferred compensation (DC) retirement plan. The employee must contribute to the plan through payroll withholdings. The Compact contributes 13% of the employee's salary to the plan. Employees are required to contribute 2.5% of their annual salary to the plan. An employee may choose to increase their contribution according to federal guidelines. Employer contributions were \$213,187 for the year ended June 30, 2024.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 CAPITAL ASSETS

Capital assets consist of the following:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital Assets, Being Depreciated:				
Computers	\$ 30,407	\$ -	\$ -	\$ 30,407
Software and IT Equipment	306,463	21,580	-	328,043
Furniture	176,961	-	-	176,961
Leasehold Improvements	375,877	-	-	375,877
Total Capital Assets	889,708	21,580	-	911,288
Less: Accumulated Depreciation	(786,946)	(29,922)	-	(816,868)
Net Capital Assets, Being Depreciated	102,762	(8,342)	-	94,420
Right-of-Use Lease Assets:				
Office Space	302,145	-	-	302,145
Equipment	9,863	-	-	9,863
Total Right-of-Use Assets	312,008	-	-	312,008
Accumulated Amortization - Office Space	(122,906)	(61,452)	-	(184,358)
Accumulated Amortization - Equipment	(4,154)	(2,077)	-	(6,231)
Total Accumulated Amortization	(127,060)	(63,529)	-	(190,589)
Net Right-of-Use Lease Asset Balance	184,948	(63,529)	-	121,419
Total Capital Assets, Net	<u>\$ 287,710</u>	<u>\$ (71,871)</u>	<u>\$ -</u>	<u>\$ 215,839</u>

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 RIGHT-OF-USE ASSETS AND LIABILITIES

MHEC leases equipment and office facilities for various terms under long-term, noncancelable operating lease agreements. MHEC leases office space at 105 5th Avenue South in Minneapolis. This lease expires May 31, 2026, has an initial right-of-use value of \$302,145 and a discount rate of 1.66%. The net value at June 30, 2024, of this lease is \$117,785. MHEC leases a copier, which expires March 24, 2026, and has an initial Right-of-Use value of \$9,863 with a discount rate of 1.66%. The net value at June 30, 2024, of this lease is \$3,634. In the normal course of business, it is expected that these leases will be renewed or replaced by similar leases. Certain facility leases provide for increases in future minimum annual rental payments. Additionally, the agreements generally require the Company to pay real estate taxes, insurance, and repairs, which are excluded from the right to use assets and liability, and expensed as incurred.

The long-term lease activity for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Amount Due in One Year
Long-term Lease Liability, net	\$ 178,335	\$ -	\$ 91,341	\$ 86,994	\$ 91,341
	<u>\$ 178,335</u>	<u>\$ -</u>	<u>\$ 91,341</u>	<u>\$ 86,994</u>	<u>\$ 91,341</u>

A maturity analysis of future lease payments as of June 30, 2024, is as follows:

Year Ending	Principal	Interest	Total
2025	\$ 91,341	\$ 2,144	\$ 93,485
2026	86,994	604	87,598
Totals	<u>\$ 178,335</u>	<u>\$ 2,748</u>	<u>\$ 181,083</u>

NOTE 7 RISK MANAGEMENT

MHEC is exposed to various risks of loss related to premises liability; torts, thefts of, damage to or destruction of assets; injury to staff and acts of God. MHEC purchases commercial liability insurance for directors and officers and employment practices (\$3,000,000 combined limit), general liability (\$1,000,000), professional liability and errors and omissions (\$1,000,000 combined limit), cyber insurance (\$2,000,000), crime insurance (\$1,000,000) along with general umbrella (\$4,000,000) and business travel accident insurance, property coverage on a replacement cost basis and workers comp coverage for all MHEC employees. There have been no claims in over five years.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 8 FUNCTIONAL AND NATURAL EXPENSE CLASSIFICATION

MHEC's operating expenses by functional and natural classification are as follows:

	Program Services	Management and General	Fundraising	Total
Salaries and Benefits	\$ 1,935,953	\$ 503,961	\$ 2,830	\$ 2,442,744
Professional Fees	1,691	289,995	-	291,686
Contract Services	358,758	98,156	-	456,914
Office Space Lease	78,318	27,104	-	105,422
Office Supplies	6,779	2,019	-	8,798
Postage and Shipping	5,136	1,106	-	6,242
Printing	3,146	1,094	-	4,240
Dues and Subscriptions	16,993	19,896	-	36,889
Software/Maintenance Contract	84,788	36,727	-	121,515
Telephone	7,230	2,502	-	9,732
Insurance	22,482	7,780	-	30,262
Miscellaneous	5,883	6,089	-	11,972
Depreciation and Amortization	69,425	24,026	-	93,451
Travel/Meetings/Conference	780,392	19,960	-	800,352
Office Equipment	39,727	12,277	-	52,004
Total Expenses by Function	<u>\$ 3,416,701</u>	<u>\$ 1,052,692</u>	<u>\$ 2,830</u>	<u>\$ 4,472,223</u>

NOTE 9 DISCRETELY PRESENTED COMPONENT UNIT DISCLOSURES

Note A - Organization and Significant Accounting Policies

Organization

Stone Arch Insurance Company (Stone Arch or the Company), was incorporated under the laws of the State of Vermont effective June 8, 2021, and issued a Certificate of Authority effective July 1, 2021, permitting the Company transact the business of a captive insurance company by the Vermont Department of Financial Regulation (the Department).

The Company is wholly-owned by the Midwestern Higher Education Compact (MHEC or the Parent), and was formed to provide insurance coverage to the member institutions of MHEC (the Insureds), as more fully described in Note B.

MHEC is a 501(c)3 entity, one of the four statutorily created higher education interstate compacts founded in 1991. MHEC brings together Midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

The Company has no employees. Pursuant to a management agreement, Marsh Management Services Inc. provides accounting, records retention, regulatory compliance, and other related services to the Company.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

Basis of Reporting

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) promulgated by the Financial Accounting Standards Board Accounting Standards Codification.

Use of Estimates

Preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Company has evaluated subsequent events for disclosure and recognition through August 26, 2024, the date on which these financial statements were available to be issued.

Deposit Accounting

As more fully described in Note B, Stone Arch assumes property coverage from two unrelated insurance companies. Management has determined that the assumed reinsurance agreements do not subject the Company to a reasonable possibility of realizing a significant loss. Accordingly, these transactions have been accounted for using the deposit method of accounting, which follows the guidance for insurance and reinsurance contracts that do not transfer risk.

Premium deposits assumed by the Company are earned ratably over the terms of the agreements to which they relate as a component of net gain on deposit contracts on the statements of operations. Amounts related to the unexpired portion of the policy term at the balance sheet dates are reported as a component of the net deposit liability.

Liability for Losses and Loss Adjustment Expenses

The liability for unpaid losses and loss adjustment expenses (LAE) reported as part of the net deposit liability consists of case-basis estimates of reported losses, plus supplemental amounts related to incurred but not reported losses (IBNR) calculated based upon loss projections utilizing actuarial studies of the insureds' historical experience and industry data. An estimate of ultimate losses and LAE is projected at each reporting date. IBNR reserves are derived from the difference between the projected ultimate losses and LAE and the sum of case-basis losses and LAE and inception-to-date paid losses and LAE. In establishing its aggregate liability for losses and LAE, the Company utilizes the findings of an independent consulting actuary. Actuarial methodologies used by the consulting actuary include the Bornhuetter-Ferguson and loss development methods, on both a paid and incurred basis, as well as the frequency severity method.

**MIDWESTERN HIGHER EDUCATION COMPACT
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Management believes that its aggregate liability for unpaid losses and LAE at December 31, 2023 and 2022 represents its best estimate, based upon the available data, of the amount necessary to cover the ultimate cost of losses. However, because of the limited population of insured risks, limited historical data, uncertainty related to economic conditions, judicial decisions, legislation and other uncertainties, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability at the balance sheet date. Accordingly, the ultimate liability could be significantly in excess of or less than the amount indicated in the financial statements. As adjustments to these estimates become necessary, such adjustments are reflected in current operations.

Cash and Restricted Cash

For the purposes of the statement of cash flows, the Company considers money market fund accounts and all other highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Federal Deposit Insurance Corporation (FDIC) insures amounts on deposit with each financial institution up to limits as prescribed by law. The Company holds funds with financial institutions in excess of the FDIC or non-FDIC insured amounts; however, the Company has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Restricted cash consists of cash held by the Company and pledged as collateral for letters of credit (LOCs) obtained for the benefit of the unrelated insurance companies, as further described in Note B.

A summary of the Company's cash and restricted cash at December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Cash - M&T Bank	\$ 840,456	\$ 3,699,849
Restricted cash - M&T Bank	<u>9,660,583</u>	<u>6,910,583</u>
Total cash and restricted cash	<u>\$10,501,039</u>	<u>\$ 10,610,432</u>

Note B - Insurance Activity

Effective July 1, 2021, the Company assumes property coverage from AIG Property Casualty Company (AIG) and Zurich American Insurance Company (Zurich), with a per occurrence limit of \$2,500,000, and an annual aggregate limit of \$8,210,583. Insured deductibles range from \$25,000 to \$1,000,000 and only apply to losses, not LAE. The assumed limits are excess of the insureds' deductible, and include LAE. The Company assumes 100% of the coverage on a quota share basis, 60% from AIG (\$1,500,000 per occurrence and \$4,210,583 in the aggregate) and 40% from Zurich (\$1,000,000 per occurrence and \$4,000,000 in the aggregate).

**MIDWESTERN HIGHER EDUCATION COMPACT
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Effective July 1, 2022, the Company assumes property coverage with a combined per occurrence limit of \$1,937,500, and a combined aggregate limit of \$5,000,000. The Company assumes from AIG 75% of \$1,750,000 per occurrence (\$1,312,500 per occurrence), and 75% of the aggregate limit (\$3,750,000). The Company assumes from Zurich 25% of \$2,500,000 (\$625,000 per occurrence), and 25% of the aggregate limit (\$1,250,000). Treatment of insureds' deductibles and LAE remains unchanged.

The assumed insurance coverage expired on July 1, 2023, and was not renewed.

As security for the assumed reinsurance agreements, the Company obtained LOCs from M&T Bank for the benefit of AIG and Zurich. A summary of the LOCs at December 31, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
LOC for the benefit of Zurich	\$ 1,700,000	\$ 2,700,000
LOC for the benefit of AIG	\$ 7,960,583	\$ 4,210,583

During May of 2024, the Company decreased the value of the LOC in favor of AIG to a total balance of \$6,960,583.

As disclosed in Note A, the Company holds restricted cash as collateral for the LOCs as of December 31, 2023 and 2022.

As of December 31, 2022, the Company also placed \$100,000 on deposit with Zurich as additional collateral, which was included as a component of the net deposit liability. Zurich released the funds withheld during 2023; therefore, as of December 31, 2023, there were no funds withheld.

As of December 31, 2023 and 2022, the components of the net deposit liability are as follows:

	<u>2023</u>	<u>2022</u>
Case-basis loss and LAE reserves	\$ 2,928,997	\$ 3,697,979
IBNR loss and LAE reserves	2,970,109	4,435,539
Deposit contract premium receivable	-	(2,196,492)
Fronting fees payable	-	128,224
Premium taxes payable	6,595	6,701
Funds held - Zurich	-	(100,000)
Net deposit liability	<u>\$ 5,905,701</u>	<u>\$ 5,971,951</u>

MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
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The components of the net (loss) gain recorded on deposit contracts for the year ending December 31, 2023, and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Deposit premium earned	\$ (46,376)	\$ 9,950,411
Losses and LAE paid	(2,234,412)	(146,482)
Change in loss and LAE reserves	2,234,412	(5,980,970)
Policy acquisition costs incurred	<u>(6,490)</u>	<u>(543,987)</u>
Net gain on deposit contracts	<u>\$ (52,866)</u>	<u>\$ 3,278,972</u>

In accordance with the guidance, the liability for loss and LAE should be recorded as component of the net deposit liability at discounted present value. Due to the short pay-out period associated with the coverage offered, the Company recorded these amounts at their current value, which approximates the discounted present value.

Note C - Federal Income Taxes

The Company files its federal income tax return on a standalone basis, and is not considered an insurance company for federal income tax purposes. The Company calculates its tax liability using the U.S. federal statutory tax rate of 21%. The provision for income taxes differs from the amount of income tax expense determined by applying the 21% tax rate to pre-tax net income due to the net gain on deposit contracts, which is excluded from taxable income.

The components of the provision for federal income tax for the periods ended December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Current expense (benefit)	\$ 14,318	\$ (150,488)
Deferred expenses (benefit)	<u>14,818</u>	<u>(11,624)</u>
Federal income expense (benefit)	<u>\$ 29,136</u>	<u>\$ (162,112)</u>

For the years ended December 31, 2023 and 2022, the Company received an income tax refund of \$150,000, and paid income taxes of \$640,000, respectively.

Deferred federal income taxes arise from temporary differences between the valuation of certain assets and liabilities as determined for financial reporting purposes and federal income tax purposes. The Company's temporary differences are measured at an effective tax rate of 21% as of December 31, 2023 and 2022. Although realization is not assured, management believes it is more likely than not that the deferred tax will be realized. The amount of the deferred tax considered realizable could be reduced in the near term if estimates of future taxable income are reduced.

**MIDWESTERN HIGHER EDUCATION COMPACT
NOTES TO FINANCIAL STATEMENTS
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As of December 31, 2023 and 2022, the Company recorded a deferred tax asset amounting to \$1,006 and \$15,824, respectively, that relates entirely to timing of accrued expenses.

The Company accounts for uncertain tax positions in accordance with applicable guidance. Accordingly, any tax benefits resulting from uncertain tax positions taken, or expected to be taken in a tax return, would require the accrual of a liability. No uncertain tax positions have been identified by management, nor any liabilities accrued, as of December 31, 2023 and 2022.

Note D - Shareholder's Equity

In accordance with laws of the State of Vermont, for the purpose of submitting its financial statements to the Department, the Company is required to use U.S. GAAP with the exception of variances prescribed by Vermont laws and regulations or permitted by the Department. The laws of the State of Vermont require the Company to maintain unimpaired minimum capital and surplus (shareholder's equity) of \$250,000. As of December 31, 2023 and 2022, shareholder's equity totaled \$5,545,209 and \$5,557,332, respectively.

Vermont law provides that no dividends may be paid without prior approval of the Insurance Commissioner of the Department. No dividends were declared or paid during the years ending December 31, 2023 and December 31, 2022.

Net (loss) income and capital and surplus as reported in the 2023 and 2022 Vermont Captive Insurance Company Annual Reports and the corresponding amounts reported in these financial statements are reconciled as follows:

	December 31, 2023		December 31, 2022	
	Net Income	Capital and Surplus	Net Income	Capital and Surplus
As reported in the Annual Report	\$ (13,026)	\$ 5,544,305	\$ 588,475	\$ 2,952,694
Net deposit liability	-	905	-	2,569,606
Net (loss) gain on deposit liability	(1)	-	2,569,606	-
General and administrative expense	905	-	-	-
Federal income taxes	-	-	35,032	35,032
Rounding	(1)	(1)	-	-
As reported in the financial statements	<u>\$ (12,123)</u>	<u>\$ 5,545,209</u>	<u>\$ 3,193,113</u>	<u>\$ 5,557,332</u>

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2019 calendar year, or tax year beginning **JUL 1, 2019** and ending **JUN 30, 2020**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Midwestern Higher Education Compact Doing business as Number and street (or P.O. box if mail is not delivered to street address) Room/suite 105 Fifth Avenue South, Suite 450 City or town, state or province, country, and ZIP or foreign postal code Minneapolis, MN 55401 F Name and address of principal officer: Susan Heegaard same as C above	D Employer identification number 38-3011476 E Telephone number 612-626-8292 G Gross receipts \$ 3,994,652. H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		
J Website: ▶ www.mhec.org		
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation: 1991 M State of legal domicile: MN

Part I Summary

1	Briefly describe the organization's mission or most significant activities: To bring together midwestern states to develop and support best practices, collaboration efforts,		
2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
3	Number of voting members of the governing body (Part VI, line 1a)	3	66
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	66
5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	5	18
6	Total number of volunteers (estimate if necessary)	6	193
7 a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
7 b	Net unrelated business taxable income from Form 990-T, line 39	7b	0.
8	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
9	Program service revenue (Part VIII, line 2g)	1,412,000.	1,408,000.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,255,812.	2,545,283.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	57,681.	41,369.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0.	0.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	3,725,493.	3,994,652.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	2,296,845.	2,285,354.
16b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 3,273.	0.	0.
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	1,185,284.	1,309,184.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	3,482,129.	3,594,538.
19	Revenue less expenses. Subtract line 18 from line 12	243,364.	400,114.
20	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
21	Total liabilities (Part X, line 26)	4,566,682.	5,203,437.
22	Net assets or fund balances. Subtract line 21 from line 20	821,462.	1,058,103.
22		3,745,220.	4,145,334.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer Daniel Moser, Chief Financial Officer Type or print name and title	Date 			
Paid Preparer Use Only	Print/Type preparer's name Deb Nelson, CPA	Preparer's signature Deb Nelson, CPA	Date 03/27/21	Check if self-employed <input type="checkbox"/>	PTIN P01264758
	Firm's name ▶ Eide Bailly LLP		Firm's EIN ▶ 41-1765929		
	Firm's address ▶ 800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033		Phone no. 612-253-6500		

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission:
Midwestern Higher Education Compact members collaborate to address the region's most pressing challenges in higher education and transform educational opportunities so that people and communities thrive.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [X] Yes [] No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [X] Yes [] No
If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 2,055,900. including grants of \$) (Revenue \$)
Convening

MHEC empowers the member states to connect for the purpose of exchanging expertise, sharing ideas and experiences, and collaboratively pursuing efforts that help further higher education. This convening and collaborating leads to many programs and activities that produce a variety of outcomes and results ranging from the dissemination of knowledge and expertise about practical solutions, to leveraging the collective purchasing power of the region to achieve efficiencies and savings.

Multi-State Collaborative on Military Credit

4b (Code:) (Expenses \$ 629,877. including grants of \$) (Revenue \$ 1,152,131.)
Programs

MHEC programs are initiated in response to identified needs in one or more of the member states. Bringing together expertise from across the region, MHEC identifies activities needed to address the identified needs. Those problems best solved through ongoing interstate cooperation are then developed into MHEC programs. Each MHEC program provides the program participants with governance and leadership structures to guide and maintain programmatic outcomes.

Master Property Program

A premier property insurance program that broadens property insurance

4c (Code:) (Expenses \$ 129,152. including grants of \$) (Revenue \$ 1,393,152.)
Contracts

MHEC contracts leverage the potential volume of the region's purchasing power, while saving entities time and money by simplifying the procurement process and negating the need to conduct a competitive sourcing event. By offering a turnkey solution with the ability to tailor the already negotiated contract to match the entity's specific needs and requirements, MHEC contracts shift some of the negotiating power back to the procuring entities. In addition to contracts available through the Master Property Program and MHECare Health Insurance Solutions, MHEC offers numerous contracts in Technology. The contracts are a product of a representative group of stakeholders from

4d Other program services (Describe on Schedule O.)
(Expenses \$ 32,312. including grants of \$) (Revenue \$)

4e Total program service expenses 2,847,241.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 22-38 detailing various organizational requirements and compliance checks.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with 3 columns: Question, Yes, No. Rows 1a, 1b, 1c regarding Form 1096, Forms W-2G, and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No columns. Includes questions 2a through 16 regarding employee counts, tax filings, and organizational compliance.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a 66		
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b 66		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c		X	
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **▶ MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **▶**
Daniel Moser - 612-677-2764
105 Fifth Avenue South, Suite 450, Minneapolis, MN 55401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Larry Isaak Former President	0.00						X	0.	0.	319,808.
(2) Susan Heegaard President	40.00			X				240,745.	0.	56,047.
(3) Robert Trembath COO & General Counsel	40.00				X			145,110.	0.	45,313.
(4) Jennifer Dahlquist Vice President	40.00				X			143,469.	0.	26,703.
(5) Jennifer Parks Vice President	40.00				X			105,765.	0.	39,560.
(6) Carla Ahrens Property Program Manager	40.00				X			104,047.	0.	14,068.
(7) Daniel Moser Chief Financial Officer	40.00			X				93,989.	0.	12,133.
(8) Ken Sauer Past Chair	3.00	X		X				0.	0.	0.
(9) Olivia Madison Chair	3.00	X		X				0.	0.	0.
(10) David Eisler Vice Chair	3.00	X		X				0.	0.	0.
(11) Rick Carfagna Treasurer	3.00	X		X				0.	0.	0.
(12) La Shawn Ford Executive Commissioner	2.00	X						0.	0.	0.
(13) Suzanne Morris Executive Commissioner	2.00	X						0.	0.	0.
(14) Carrie Koelker Executive Commissioner	2.00	X						0.	0.	0.
(15) Blake Flanders Executive Commissioner	2.00	X						0.	0.	0.
(16) Marci Francisco Executive Commissioner	2.00	X						0.	0.	0.
(17) Connie Bernardy Executive Commissioner	2.00	X						0.	0.	0.

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Devinder Malhotra Executive Commissioner	2.00	X						0.	0.	0.
(19) Kayla Hahn Executive Commissioner	2.00	X						0.	0.	0.
(20) Deborah Frison Executive Commissioner	2.00	X						0.	0.	0.
(21) Rick Kolowski Executive Commissioner	2.00	X						0.	0.	0.
(22) Mark Hagerott Executive Commissioner	2.00	X						0.	0.	0.
(23) Dennis Johnson Executive Commissioner	2.00	X						0.	0.	0.
(24) Rick Carfagna Executive Commissioner	2.00	X						0.	0.	0.
(25) Stephanie Davidson Executive Commissioner	2.00	X						0.	0.	0.
(26) Janelle Toman Executive Commissioner	2.00	X						0.	0.	0.
1b Subtotal								833,125.	0.	513,632.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								833,125.	0.	513,632.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **5**

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>	X	
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

See Part VII, Section A Continuation sheets

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) Joan Ballweg Executive Commissioner	2.00	X						0.	0.	0.
(28) Rolf Wegenke Executive Commissioner	2.00	X						0.	0.	0.
(29) Mollie Foust Commissioner	1.00	X						0.	0.	0.
(30) Alice Jacobs Commissioner	1.00	X						0.	0.	0.
(31) Pat McGuire Commissioner	1.00	X						0.	0.	0.
(32) Charles Johnson Jr. Commissioner	1.00	X						0.	0.	0.
(33) Jack Jordan Commissioner	1.00	X						0.	0.	0.
(34) David Wantz Commissioner	1.00	X						0.	0.	0.
(35) Andy Zay Commissioner	1.00	X						0.	0.	0.
(36) Nancy Boettger Commissioner	1.00	X						0.	0.	0.
(37) Derrick Franck Commissioner	1.00	X						0.	0.	0.
(38) Joe Mitchell Commissioner	1.00	X						0.	0.	0.
(39) Herman Quirnbach Commissioner	1.00	X						0.	0.	0.
(40) Andrew Baumert Commissioner	1.00	X						0.	0.	0.
(41) Todd Brown Commissioner	1.00	X						0.	0.	0.
(42) Timothy Fitzgibbon Commissioner	1.00	X						0.	0.	0.
(43) Sharon Steckman Commissioner	1.00	X						0.	0.	0.
(44) Barbara Ballard Commissioner	1.00	X						0.	0.	0.
(45) Molly Baumgardner Commissioner	1.00	X						0.	0.	0.
(46) Aaron Otto Commissioner	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(47) Helen Van Etten Commissioner	1.00	X						0.	0.	0.
(48) Brandy Johnson Commissioner	1.00	X						0.	0.	0.
(49) Kimberly LaSata Commissioner	1.00	X						0.	0.	0.
(50) Bill Pink Commissioner	1.00	X						0.	0.	0.
(51) Scott VanSingel Commissioner	1.00	X						0.	0.	0.
(52) Paul Anderson Commissioner	1.00	X						0.	0.	0.
(53) Karen Hanson Commissioner	1.00	X						0.	0.	0.
(54) Dennis Olson Commissioner	1.00	X						0.	0.	0.
(55) Gary Romine Commissioner	1.00	X						0.	0.	0.
(56) Susan Thomas Commissioner	1.00	X						0.	0.	0.
(57) Margie Vandeven Commissioner	1.00	X						0.	0.	0.
(58) Randolph Ferlic Commissioner	1.00	X						0.	0.	0.
(59) Susan Fritz Commissioner	1.00	X						0.	0.	0.
(60) Julie Slama Commissioner	1.00	X						0.	0.	0.
(61) Kyle Davison Commissioner	1.00	X						0.	0.	0.
(62) Donald Morton Commissioner	1.00	X						0.	0.	0.
(63) Gary Cates Commissioner	1.00	X						0.	0.	0.
(64) Jack Hershey Commissioner	1.00	X						0.	0.	0.
(65) Stephanie Kunze Commissioner	1.00	X						0.	0.	0.
(66) Michael Cartney Commissioner	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns					
	b	Membership dues	1,380,000.				
	c	Fundraising events					
	d	Related organizations					
	e	Government grants (contributions)					
	f	All other contributions, gifts, grants, and similar amounts not included above	28,000.				
	g	Noncash contributions included in lines 1a-1f	\$				
	h	Total. Add lines 1a-1f		1,408,000.			
Program Service Revenue	2 a	<u>Service Fees</u>	900099	2,499,122.	2,499,122.		
	b	<u>Master Property Progra</u>	900099	46,161.	46,161.		
	c						
	d						
	e						
	f	All other program service revenue					
	g	Total. Add lines 2a-2f		2,545,283.			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		41,369.		41,369.	
	4	Income from investment of tax-exempt bond proceeds					
	5	Royalties					
	6 a	Gross rents	(i) Real				
			(ii) Personal				
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)					
	7 a	Gross amount from sales of assets other than inventory	(i) Securities				
			(ii) Other				
	b	Less: cost or other basis and sales expenses					
	c	Gain or (loss)					
d	Net gain or (loss)						
8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18						
b	Less: direct expenses						
c	Net income or (loss) from fundraising events						
9 a	Gross income from gaming activities. See Part IV, line 19						
b	Less: direct expenses						
c	Net income or (loss) from gaming activities						
10 a	Gross sales of inventory, less returns and allowances						
b	Less: cost of goods sold						
c	Net income or (loss) from sales of inventory						
Miscellaneous Revenue	11 a						
	b						
	c						
	d	All other revenue					
	e	Total. Add lines 11a-11d					
12	Total revenue. See instructions		3,994,652.	2,545,283.	0.	41,369.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	399,523.	228,557.	168,058.	2,908.
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,313,873.	1,018,814.	295,059.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	157,395.	122,526.	34,869.	
9 Other employee benefits	294,889.	217,431.	77,227.	231.
10 Payroll taxes	119,674.	87,715.	31,825.	134.
11 Fees for services (nonemployees):				
a Management				
b Legal	9,947.	7,291.	2,656.	
c Accounting	81,040.	59,398.	21,642.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	80,939.	72,542.	8,397.	
12 Advertising and promotion				
13 Office expenses	79,775.	62,780.	16,995.	
14 Information technology	102,307.	80,754.	21,553.	
15 Royalties				
16 Occupancy	155,937.	115,099.	40,838.	
17 Travel	878.	694.	184.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	415,220.	412,009.	3,211.	
20 Interest	299.	299.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	44,209.	32,403.	11,806.	
23 Insurance	23,570.	17,281.	6,289.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Membership Reimbursemen	265,009.	265,009.		
b Subscriptions	30,465.	27,050.	3,415.	
c Training	8,897.	8,897.		
d Promotions	2,665.	2,665.		
e All other expenses _____	8,027.	8,027.		
25 Total functional expenses. Add lines 1 through 24e	3,594,538.	2,847,241.	744,024.	3,273.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	2,871,215.	2	4,045,477.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	830,061.	4	728,403.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	157,881.	9	126,241.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 872,800.		
	b Less: accumulated depreciation	10b 669,484.		
	11 Investments - publicly traded securities	460,000.	11	100,000.
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 33)	4,566,682.	16	5,203,437.	
Liabilities	17 Accounts payable and accrued expenses	706,462.	17	758,103.
	18 Grants payable		18	
	19 Deferred revenue	115,000.	19	0.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	300,000.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	821,462.	26	1,058,103.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	3,067,793.	27	3,623,261.
	28 Net assets with donor restrictions	677,427.	28	522,073.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	3,745,220.	32	4,145,334.
	33 Total liabilities and net assets/fund balances	4,566,682.	33	5,203,437.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	3,994,652.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,594,538.
3	Revenue less expenses. Subtract line 2 from line 1	3	400,114.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	3,745,220.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	4,145,334.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? _____		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____		

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1419000.	1609652.	1416000.	1412000.	1408000.	7264652.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	1419000.	1609652.	1416000.	1412000.	1408000.	7264652.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						203,810.
6 Public support. Subtract line 5 from line 4.						7060842.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
7 Amounts from line 4	1419000.	1609652.	1416000.	1412000.	1408000.	7264652.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	9,785.	10,901.	19,531.	57,681.	42,194.	140,092.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						7404744.
12 Gross receipts from related activities, etc. (see instructions)					12	10,739,200.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2019 (line 6, column (f) divided by line 11, column (f))	14	95.36 %
15 Public support percentage from 2018 Schedule A, Part II, line 14	15	87.30 %
16a 33 1/3% support test - 2019. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2018. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2019. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2018. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2015	(b) 2016	(c) 2017	(d) 2018	(e) 2019	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2019 (line 8, column (f), divided by line 13, column (f))	15	%
16 Public support percentage from 2018 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2019 (line 10c, column (f), divided by line 13, column (f))	17	%
18 Investment income percentage from 2018 Schedule A, Part III, line 17	18	%

19a 33 1/3% support tests - 2019. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33 1/3% support tests - 2018. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked 12a of Part I, complete Sections A and B. If you checked 12b of Part I, complete Sections A and C. If you checked 12c of Part I, complete Sections A, D, and E. If you checked 12d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer (b) and (c) below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked 12a or 12b in Part I, answer (b) and (c) below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? <i>If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?		
b A family member of a person described in (a) above?		
c A 35% controlled entity of a person described in (a) or (b) above? <i>If "Yes" to a, b, or c, provide detail in Part VI.</i>		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).		
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.		
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.		
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a government entity (see instructions).		
2 Activities Test. Answer (a) and (b) below.		
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>		
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>		
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>Provide details in Part VI.</i>		
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (explain in Part VI). **See instructions.** All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (explain in detail in Part VI):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by .035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, Column A)	1	
2	Enter 85% of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, Column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions	Current Year
1 Amounts paid to supported organizations to accomplish exempt purposes	
2 Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3 Administrative expenses paid to accomplish exempt purposes of supported organizations	
4 Amounts paid to acquire exempt-use assets	
5 Qualified set-aside amounts (prior IRS approval required)	
6 Other distributions (describe in Part VI). See instructions.	
7 Total annual distributions. Add lines 1 through 6.	
8 Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9 Distributable amount for 2019 from Section C, line 6	
10 Line 8 amount divided by line 9 amount	

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2019	(iii) Distributable Amount for 2019
1 Distributable amount for 2019 from Section C, line 6			
2 Underdistributions, if any, for years prior to 2019 (reasonable cause required- explain in Part VI). See instructions.			
3 Excess distributions carryover, if any, to 2019			
a From 2014			
b From 2015			
c From 2016			
d From 2017			
e From 2018			
f Total of lines 3a through e			
g Applied to underdistributions of prior years			
h Applied to 2019 distributable amount			
i Carryover from 2014 not applied (see instructions)			
j Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4 Distributions for 2019 from Section D, line 7: \$			
a Applied to underdistributions of prior years			
b Applied to 2019 distributable amount			
c Remainder. Subtract lines 4a and 4b from 4.			
5 Remaining underdistributions for years prior to 2019, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI . See instructions.			
6 Remaining underdistributions for 2019. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI . See instructions.			
7 Excess distributions carryover to 2020. Add lines 3j and 4c.			
8 Breakdown of line 7:			
a Excess from 2015			
b Excess from 2016			
c Excess from 2017			
d Excess from 2018			
e Excess from 2019			

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization: Midwestern Higher Education Compact; Employer identification number: 38-3011476

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two yes/no questions about donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Form for Part II Conservation Easements. Includes checkboxes for types of easements, a table for lines 2a-2d (Total number, acreage, certified historic structures, and National Register listings), and questions about monitoring, expenses, and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Form for Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Includes questions about reporting works of art and historical treasures, and a table for revenue and assets.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____%
 - b Permanent endowment _____%
 - c Term endowment _____%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		872,800.	669,484.	203,316.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				203,316.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	3,994,652.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	3,994,652.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	3,994,652.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	3,594,538.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	3,594,538.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	3,594,538.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part X, Line 2:

The Compact believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Compact would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2019

Open to Public Inspection

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	X	
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2019

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Larry Isaak Former President	(i)	0.	0.	319,808.	0.	319,808.	0.
	(ii)	0.	0.	0.	0.	0.	0.
(2) Susan Heegaard President	(i)	226,633.	14,112.	30,685.	27,004.	298,434.	0.
	(ii)	0.	0.	0.	0.	0.	0.
(3) Robert Trembath COO & General Counsel	(i)	120,110.	25,000.	20,719.	26,860.	192,689.	0.
	(ii)	0.	0.	0.	0.	0.	0.
(4) Jennifer Dahlquist Vice President	(i)	135,539.	7,930.	18,668.	10,258.	172,395.	0.
	(ii)	0.	0.	0.	0.	0.	0.
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							
(i)							
(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 1a:

As part of the President's employment contract, the President's spouse may accompany President at two meetings during the year. This is to be an expense of the Compact.

Part II (1)

Larry Isaak received deferred compensation as part of his retirement that was paid out in FY2020, even though his last day with the organization was November 16, 2018.

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2019

Open to Public
Inspection

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

Form 990, Part I, Line 1, Description of Organization Mission:

and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

Form 990, Part III, Line 2, New Program Services:

April 2020: Partnership with Credential Engine to seek funding from NSF and Ascendium.

May 2020: Joined National Consortium for Open Education Resources (OER) with other regional compacts to seek grant funding from the Hewlett Foundation.

May 2020: Created CLR Advisory group to begin long term work on digitizing and expanding student records.

June 2020: Agreement to work with NEWERA to develop Graduate Credit Quest website.

Form 990, Part III, Line 3, Changes in Program Services:

Scaled back MCMC work by not holding annual meeting and offering fewer webinars. Expanded work on Concurrent Enrollment by increasing engagement with CHSA and NACEP and partnership with NEWERA.

Expanded work on OER by partnering with the other three compacts.

Form 990, Part III, Line 4a, Program Service Accomplishments:

MHEC's largest convening was the Multi-State Collaborative on Military Credit (MCMC), an interstate collaborative MHEC organizes the 13 states of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota,

Name of the organization

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Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin for the purpose of advancing best practices that are designed to ease the transition of military-connected life to postsecondary education.

Emphasis is given to translating competencies acquired through military training and experiences into milestones toward completing a college degree or earning a certificate or license. This past year MCMC started concentrating on all forms of credentials and badges.

In FY 2020, MCMC produced 3 webinars with over 260 participants.

One policy report was released in FY 2020.

Form 990, Part III, Line 4b, Program Service Accomplishments:

coverage, reduces costs, and encourages improved asset protection strategies for colleges and universities. More than \$7.09 million in FY 2020 was saved by participating institutions in the MHEC region.

MHECare Health Insurance Solutions

Comprehensive health insurance solutions created in response to both increasing cost and concern for student health. 31 campuses offered MHECare health insurance solutions in FY 2020.

Midwest Student Exchange Program

A multi-state tuition reciprocity program that makes attending out-of-state colleges and universities more affordable for non-resident students.

- 10,986 students enrolled in the Midwest Student Exchange Program in 9 of the Compact states (Illinois, Indiana, Kansas, Michigan,

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin) during the FY 2020.

- MSEP students saved over \$81 million in the FY 2020, bringing the total program savings to \$735 million since 1994.

- On average, students in MSEP typically realize saving between \$500 and \$5,000 annually.

- A report was produced as part of a program assessment.

Midwestern State Authorization Reciprocity Agreement

A voluntary agreement among states that establishes nationwide standards for the offering of postsecondary distance education courses and programs. M-SARA saved institutions an estimated \$16.056 million in FY 2020.

Form 990, Part III, Line 4c, Program Service Accomplishments:

the higher education technology community conducting a competitive sourcing process that leverages the potential purchasing power of the 12 MHEC member states. Technology contracts saved entities in the MHEC states. Technology contracts saved entities in the MHEC region nearly \$37 million in FY 2020. In some cases, the Compact's cost savings initiatives may be utilized by city, county and state government as well as nonprofit organizations.

Form 990, Part III, Line 4d, Other Program Services:

Research

MHEC Research informs institutional and state efforts in improving postsecondary policies, practices, and outcomes in several ways: (a)

Name of the organization

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maintaining a national repository of expertise, knowledge and best practices for guiding policy and practice; (b) conducting applied research and analysis on critical topics in higher education; (c) developing innovative approaches to improve educational opportunity and effectiveness; and (d) providing public outreach and service to institutions and governments. Among its core outputs, MHEC Research maintains an online dashboard of educational performance indicators and produces timely briefs, reports, and technical papers in the most critical areas for facilitating progress towards state educational attainment goals, including College Readiness; Affordability and Finance; Educational Quality; and Performance, Value, and Accountability as well as other topics of importance to Midwestern states. Thirteen publications were released in FY 2020.

Expenses \$ 32,312. including grants of \$ 0. Revenue \$ 0.

Form 990, Part VI, Section A, line 1:

The Executive Committee has authority to act on behalf of the board. The Executive Committee is made up of commissioners chosen by the Board of Commissioners. Two executive board members are chosen from each state giving the states equal representation and equal authority and votes.

Form 990, Part VI, Section A, line 6:

Compact Members: The members of the Compact are the 12 Midwestern states identified in the compact statute: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. To become a member, the states must enact the compact statute. Once enacted, the appointing authorities in each of the compacting states shall forward the names of their appointees to the

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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Compact staff. The Compact staff shall promptly advise the appropriate appointing authorities of the need to appoint new commission members upon the expiration of designated terms.

Affiliate Members: States not eligible to become a party to the Compact and/or Canadian Provinces may become affiliate members when mutual interests exist and when it would benefit the Compact to enter into such arrangements.

Associate Members: Entities not eligible to become members of the Compact may be afforded status as associates of the Commission in accordance with the policies and procedures approved by the Commission.

Form 990, Part VI, Section A, line 7a:

Each compact member may appoint five resident members of each state to the commission as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; two legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), appointed by the appropriate appointing authority in each house of the legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. All vacancies shall be filled in accordance with the laws of the appointed states.

Form 990, Part VI, Section B, line 11b:

A draft return is reviewed by the President, Chief Operating Officer, Chief Financial Officer and Director of Finance and Administration. The draft is

Name of the organization

Midwestern Higher Education Compact

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38-3011476

then forwarded to a Finance and Audit Committee for their review. Once approved it is then forwarded to the organization's officers for their approval."

Form 990, Part VI, Section B, Line 12c:

The conflict of interest policy covers the governing board and officers. Annual statements are reviewed by the Director of Communications and Marketing. If a conflict was known, that individual would be required to refrain from voting on the matter.

Form 990, Part VI, Section B, Line 15a:

Compensation for the President is recommended by a Compensation Committee, which is composed of board members appointed by the Chair. The Compensation Committee uses comparability data for similar organizations. The final determination and discussion is documented in the minutes at the full board meeting in June. This process is done on an annual basis.

Compensation for other officers is determined by the President on an annual basis.

Form 990, Part VI, Section C, Line 19:

Governing documents are currently available on the Compact's website. Financial statements and the conflict of interest policy are made available upon request.

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. Midwestern Higher Education Compact	Taxpayer identification number (TIN) 38-3011476
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 105 Fifth Avenue South, Suite 450	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. Minneapolis, MN 55401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 | 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

Daniel Moser - 105 Fifth Avenue South, Suite 450 -

- The books are in the care of ▶ **Minneapolis, MN 55401**
Telephone No. ▶ **612-677-2764** Fax No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until May 17, 2021, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
 ▶ calendar year _____ or
 ▶ tax year beginning JUL 1, 2019, and ending JUN 30, 2020.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return
 Change in accounting period

3a If this application is for Forms 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

TAX RETURN FILING INSTRUCTIONS

MINNESOTA ANNUAL REPORT

FOR THE YEAR ENDING

June 30, 2020

Prepared For:

Midwestern Higher Education Compact
105 Fifth Avenue South, Suite 450
Minneapolis, MN 55401

Prepared By:

Eide Bailly LLP
800 Nicollet Mall, Ste. 1300
Minneapolis, MN 55402-7033

Amount of Tax:

Balance due of \$25

Make Check Payable To:

State of Minnesota

Mail Tax Return To:

Minnesota Attorney Generals Office
Charities Division
445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130

Return Must Be Mailed On Or Before:

Please mail as soon as possible.

Special Instructions:

The report should be signed and dated by an authorized individual(s).

Include the organization's Federal Employer Identification Number and 2019 Annual Report on the check or money order.

Mail To:

Minnesota Attorney General's Office
Charities Division
445 Minnesota Street, Suite 1200
St. Paul, MN 55101-2130

**STATE OF MINNESOTA
CHARITABLE ORGANIZATION
ANNUAL REPORT FORM**

C2

Website Address:

www.ag.state.mn.us/charity

(Pursuant to Minn. Stat. ch. 309)

SECTION A: Organization Information

Legal Name of Organization Midwestern Higher Education Compact

Federal EIN: 38-3011476

Fiscal Year-End: 06302020
mm/dd/yyyy

Did the organization's fiscal year-end change? Yes No

Mailing Address: <u>Susan Heegaard</u> Contact Person <u>105 Fifth Avenue South, Suite 450</u> Street Address <u>Minneapolis, MN 55401</u> City, State, and ZIP Code <u>612-677-2761</u> Phone Number <u>SusanH@mhec.org</u> Email Address	Physical Address: <u>Susan Heegaard</u> Contact Person <u>105 Fifth Avenue South, Suite 450</u> Street Address <u>Minneapolis, MN 55401</u> City, State, and ZIP Code <u>612-677-2761</u> Phone Number <u>SusanH@mhec.org</u> Email Address
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1. Organization's website: www.mhec.org

2. List all of the organization's alternate and former names (attach list if more space is needed).

_____ Alternate Former
_____ Alternate Former

3. List all names under which the organization solicits contributions (attach list if more space is needed).
Midwestern Higher Education Compact

4. Is the organization incorporated pursuant to Minn. Stat. ch. 317A? Yes No

5. Total amount of contributions the organization received from Minnesota donors: \$ 115,000.

6. Has the organization's tax-exempt status with the IRS changed?
 Yes No If yes, attach explanation.

7. Has the organization significantly changed its purpose(s) or program(s)?
 Yes No If yes, attach explanation.

**CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)**

8. Has the organization been denied the right to solicit contributions by any court or government agency?
 Yes No If yes, attach explanation.

9. Does the organization use the services of a professional fundraiser (outside solicitor or consultant) to solicit contributions in Minnesota? Yes No
 If yes, provide the following information for each (attach list if more space is needed):

Name of Professional Fundraiser	Compensation
Street Address	City, State, and ZIP Code

10. Is the organization a food shelf? Yes No
 If yes, is the organization required to file an audit? Yes, audit attached No

Note: An organization that has total revenue of more than \$750,000 is required to file an audit prepared in accordance with generally accepted accounting principles by an independent CPA or LPA. The value of donated food to a nonprofit food shelf may be excluded from the total revenue if the food is donated for subsequent distribution at no charge and is not resold.

11. Do any directors, officers, or employees of the organization or its related organization(s) receive total compensation* of more than \$100,000? Yes No
 If yes, provide the following information for the five highest paid individuals:

Name and title	Compensation*	Other compensation
Susan Heegaard President	240,745.	56,047.
Robert Trembath COO & General Counsel	145,110.	45,313.
Jennifer Dahlquist Vice President	143,469.	26,703.
Jennifer Parks Vice President	105,765.	39,560.
Carla Ahrens Property Program Manager	104,047.	14,068.

*Compensation is defined as the total amount reported on Form W-2 (Box 5) or Form 1099-MISC (Box 7) issued by the organization and its related organizations to the individual. See Minn. Stat. § 309.53, subd. 3(i) and Minn. Stat. § 317A.011 for definitions.

**CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)**

SECTION B: Financial Information

This section must be completed by organizations that file an IRS Form 990-EZ, 990-PF, or 990-N.
Organizations that file an IRS Form 990 may skip Section B and go directly to Section C.

INCOME

1. Contributions Received	\$ _____	1
2. Government Grants	\$ _____	2
3. Program Service Revenue	\$ _____	3
4. Other Revenue	\$ _____	4
5. TOTAL INCOME	\$ _____	5

EXPENSES

6. Program Expenses	\$ _____	6
7. Management & General Expenses	\$ _____	7
8. Fund-raising Expenses	\$ _____	8
9. TOTAL EXPENSES	\$ _____	9
10. EXCESS or DEFICIT	\$ _____	10
(Line 5 minus Line 9)		

ASSETS

11. Cash	\$ _____	11
12. Land, Buildings & Equipment	\$ _____	12
13. Other Assets	\$ _____	13
14. TOTAL ASSETS	\$ _____	14

LIABILITIES

15. Accounts Payable	\$ _____	15
16. Grants Payable	\$ _____	16
17. Other Liabilities	\$ _____	17
18. TOTAL LIABILITIES	\$ _____	18

FUND BALANCE/NET WORTH

FUND BALANCE/NET WORTH	\$ _____
(Line 14 minus Line 18)	

**CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)**

Section B (continued): Statement of Functional Expenses

This expense statement must be prepared in accordance with generally accepted accounting principles. Each column must be completed, and Columns B, C, and D must equal Column A. The amount on Line 25, Column A must match Line 17 of IRS Form 990-EZ or Line 26 of IRS Form 990-PF.

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1. Grants and other assistance to governments and organizations in the U.S.				
2. Grants and other assistance to individuals in the U.S.				
3. Grants and other assistance to governments, organizations, and individuals outside the U.S.				
4. Benefits paid to or for members				
5. Compensation of current officers, directors, trustees, and key employees				
6. Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B)				
7. Other salaries and wages				
8. Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9. Other employee benefits				
10. Payroll taxes				
11. Fees for services (non-employees):				
a. Management				
b. Legal				
c. Accounting				
d. Lobbying				
e. Professional fundraising services				
f. Investment management fees				
g. Other				
12. Advertising and promotion				
13. Office expenses				
14. Information technology				
15. Royalties				
16. Occupancy				
17. Travel				
18. Payments of travel or entertainment expenses for any federal, state, or local public officials				
19. Conferences, conventions, and meetings				
20. Interest				
21. Payments to affiliates				
22. Depreciation, depletion, and amortization				
23. Insurance				
24. Other expenses. Itemize expenses not covered above. Expenses labeled miscellaneous may not exceed 5% of total expenses (Line 25).				
a.				
b.				
c.				
d.				
25. Total functional expenses. Add lines 1 through 24d				
26. Joint costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in Column B joint costs from a combined educational campaign and fundraising solicitation				

CHARITABLE ORGANIZATION ANNUAL REPORT FORM
(Continued)

Section C: Board of Directors Signatures and Acknowledgment

The form must be executed pursuant to a resolution of the board of directors, trustees, or managing group and must be signed by two officers of the organization. See Minn. Stat. § 309.52, subd. 3.

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

Chief Financial Officer (Title) and President (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

Board of Directors (Board of Directors, Trustees, or Managing Group) adopted on the _____

day of _____, 20 __, approving the contents of the document, and do hereby certify that the

Board of Directors (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the operations and finances of the organization. We further state that the information supplied is true, correct and complete to the best of our knowledge.

Daniel Moser
Name (Print)

Susan Heegaard
Name (Print)

Signature

Signature

Chief Financial Officer
Title

President
Title

Date

Date

Extention granted to May 15, 2023

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form 990

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2021

Department of the Treasury
Internal Revenue Service

Do not enter social security numbers on this form as it may be made public.

Go to www.irs.gov/Form990 for instructions and the latest information.

Open to Public Inspection

A For the 2021 calendar year, or tax year beginning **JUL 1, 2021** and ending **JUN 30, 2022**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization Midwestern Higher Education Compact		D Employer identification number 38-3011476
	Doing business as		E Telephone number 612-677-2777
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	G Gross receipts \$ 4,779,370.
	105 Fifth Avenue South, Suite 450		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or province, country, and ZIP or foreign postal code Minneapolis, MN 55401		H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No
F Name and address of principal officer: Susan Heegaard same as C above		If "No," attach a list. See instructions	
I Tax-exempt status: <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: www.mhec.org			
K Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other		L Year of formation: 1991	M State of legal domicile: MN

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: MHEC brings together midwestern states to develop and support best practices, collaboration efforts,		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	57
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	57
	5 Total number of individuals employed in calendar year 2021 (Part V, line 2a)	5	19
	6 Total number of volunteers (estimate if necessary)	6	200
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,910,400.	2,061,574.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,787,508.	2,712,025.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	16,713.	5,771.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0.	0.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	5,714,621.	4,779,370.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0.	0.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	2,379,731.	2,440,058.
	b Total fundraising expenses (Part IX, column (D), line 25)	0.	0.
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,494.	
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	1,594,004.	2,023,292.
19 Revenue less expenses. Subtract line 18 from line 12	3,973,735.	4,463,350.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	1,740,886.	316,020.
	21 Total liabilities (Part X, line 26)	Beginning of Current Year	End of Year
	22 Net assets or fund balances. Subtract line 21 from line 20	6,945,692.	6,708,923.
		1,059,472.	1,227,799.
		5,886,220.	5,481,124.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	Susan Heegaard, President Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	Deb Nelson, CPA	Deb Nelson, CPA	04/13/23		P01264758
	Firm's name	Firm's EIN			
	Eide Bailly LLP	41-1765929			
	Firm's address	Phone no.			
	800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033	612-253-6500			

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: MHEC members collaborate to address the region's most pressing challenges in higher education and transform educational opportunities so that people and communities thrive.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses.

4a (Code:) (Expenses \$ 783,040. including grants of \$) (Revenue \$) Convening

MHEC empowers the member states to connect for the purpose of exchanging expertise, sharing ideas and experiences, and collaboratively pursuing efforts that help further higher education. This convening and collaborating leads to many programs and activities that produce a variety of outcomes and results ranging from the dissemination of knowledge and expertise about practical solutions, to leveraging the collective purchasing power of the region to achieve efficiencies and savings.

Multi-State Collaborative on Military Credit

4b (Code:) (Expenses \$ 1,446,438. including grants of \$) (Revenue \$ 1,225,710.) Programs

Additional MHEC programs are initiated in response to identified needs in one or more of the member states. Bringing together expertise from across the region, MHEC identifies activities needed to address the identified needs. Those problems best solved through ongoing interstate cooperation are then developed into MHEC programs. Each MHEC program provides the program participants with governance and leadership structures to guide and maintain programmatic outcomes.

Master Property Program

A premier property insurance program that broadens property insurance

4c (Code:) (Expenses \$ 334,729. including grants of \$) (Revenue \$ 1,476,315.) Contracts

MHEC contracts leverage the potential volume of the region's purchasing power, while saving entities time and money by simplifying the procurement process and negating the need to conduct a competitive sourcing event. By offering a turnkey solution with the ability to tailor the already negotiated contract to match the entity's specific needs and requirements, MHEC contracts shift some of the negotiating power back to the procuring entities. In addition to contracts available through the Master Property Program and MHECare Student Health Solutions, MHEC offers numerous contracts in Technology. The contracts are a product of a representative group of stakeholders from

4d Other program services (Describe on Schedule O.) (Expenses \$ 1,032,811. including grants of \$) (Revenue \$ 10,000.)

4e Total program service expenses 3,597,018.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>		X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I.</i> See instructions		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	X	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		X
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
28 Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
b A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
c A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
38 Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19?	X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 17 regarding employee counts, tax returns, unrelated business income, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
	1a 57		
b	Enter the number of voting members included on line 1a, above, who are independent		
	1b 57		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?	X	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
b	Each committee with authority to act on behalf of the governing body?	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?		X
b	Describe on Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done	X	
12c			
13	Did the organization have a written whistleblower policy?	X	
14	Did the organization have a written document retention and destruction policy?		X
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
b	Other officers or key employees of the organization		X
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17** List the states with which a copy of this Form 990 is required to be filed **MN**
- 18** Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19** Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20** State the name, address, and telephone number of the person who possesses the organization's books and records **Erin Frahm - 612-677-2766**
105 Fifth Avenue South, Suite 450, Minneapolis, MN 55401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations. See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) Susan Heegaard President	40.00			X			246,764.	0.	70,197.	
(2) Robert Trembath COO & General Counsel	40.00			X			155,335.	0.	58,445.	
(3) Jennifer Dahlquist Vice President	40.00					X	142,634.	0.	31,337.	
(4) Jennifer Parks Vice President	40.00					X	125,841.	0.	43,027.	
(5) Mary Roberson Sr. Dir. of Comm. & Marketing	40.00					X	100,309.	0.	33,104.	
(6) Daniel Moser Chief Financial Officer	40.00			X			94,319.	0.	30,840.	
(7) Carla Ahrens Property Program Manager	40.00					X	106,357.	0.	13,826.	
(8) David Eisler Past Chair	3.00	X		X			0.	0.	0.	
(9) Rick Carfagna Past Chair	3.00	X		X			0.	0.	0.	
(10) Devinder Maholtra Acting Chair	3.00	X		X			0.	0.	0.	
(11) Larry Tidemann Acting Treasurer	3.00	X		X			0.	0.	0.	
(12) Ken Sauer Executive Commissioner	2.00	X					0.	0.	0.	
(13) Blake Flanders Executive Commissioner	2.00	X					0.	0.	0.	
(14) Connie Bernardy Executive Commissioner	2.00	X					0.	0.	0.	
(15) Kayla Hahn Executive Commissioner	2.00	X					0.	0.	0.	
(16) Deborah Frison Executive Commissioner	2.00	X					0.	0.	0.	
(17) Mark Hagerott Executive Commissioner	2.00	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) Rolf Wegenke Executive Commissioner	2.00	X						0.	0.	0.
(19) Barbara Ballard Executive Commissioner	2.00	X						0.	0.	0.
(20) Brandy Johnson Executive Commissioner	2.00	X						0.	0.	0.
(21) Gary Cates Executive Commissioner	2.00	X						0.	0.	0.
(22) Connie Hutchison Executive Commissioner	2.00	X						0.	0.	0.
(23) Katie Stuart Executive Commissioner	2.00	X						0.	0.	0.
(24) John Cavanaugh Executive Commissioner	2.00	X						0.	0.	0.
(25) Brandy Pyle Executive Commissioner (As of Aug)	2.00	X						0.	0.	0.
(26) Olivia Madison Commissioner	1.00	X						0.	0.	0.
1b Subtotal								971,559.	0.	280,776.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								971,559.	0.	280,776.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **6**

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
Credential Engine Inc., 2021 L St NW Suite 101-342, Washington, DC 20036	Contracted Program Services	557,500.
edBridge Partners LLC 30 E 37th St #10b, New York, NY 10016	Contracted Program Services	154,600.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **2**

See Part VII, Section A Continuation sheets

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(27) Jack Jordan Commissioner	1.00	X						0.	0.	0.
(28) David Wantz Commissioner	1.00	X						0.	0.	0.
(29) Nancy Boettger Commissioner	1.00	X						0.	0.	0.
(30) Derrick Franck Commissioner	1.00	X						0.	0.	0.
(31) Sharon Steckman Commissioner	1.00	X						0.	0.	0.
(32) Molly Baumgardner Commissioner	1.00	X						0.	0.	0.
(33) Aaron Otto Commissioner	1.00	X						0.	0.	0.
(34) Kimberly LaSata Commissioner	1.00	X						0.	0.	0.
(35) Bill Pink Commissioner	1.00	X						0.	0.	0.
(36) Dennis Olson Commissioner	1.00	X						0.	0.	0.
(37) Susan Thomas Commissioner	1.00	X						0.	0.	0.
(38) Randolph Ferlic Commissioner	1.00	X						0.	0.	0.
(39) Susan Fritz Commissioner	1.00	X						0.	0.	0.
(40) Kyle Davison Commissioner	1.00	X						0.	0.	0.
(41) Jack Hershey Commissioner	1.00	X						0.	0.	0.
(42) Michael Cartney Commissioner	1.00	X						0.	0.	0.
(43) Erin Healy Commissioner	1.00	X						0.	0.	0.
(44) Stephen Nass Commissioner	1.00	X						0.	0.	0.
(45) Julie Underwood Commissioner	1.00	X						0.	0.	0.
(46) Tim Flakoll Commissioner	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a						
	b Membership dues	1b	1,380,000.					
	c Fundraising events	1c						
	d Related organizations	1d						
	e Government grants (contributions)	1e						
	f All other contributions, gifts, grants, and similar amounts not included above	1f	681,574.					
	g Noncash contributions included in lines 1a-1f	1g	\$					
	h Total. Add lines 1a-1f			2,061,574.				
Program Service Revenue	2 a <u>Technology Contracts</u>	Business Code	900099	1,476,315.	1,476,315.			
	b <u>Service Fees</u>		900099	1,225,710.	1,225,710.			
	c <u>Research</u>		900099	10,000.	10,000.			
	d							
	e							
	f All other program service revenue							
	g Total. Add lines 2a-2f			2,712,025.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			5,771.			5,771.	
	4 Income from investment of tax-exempt bond proceeds							
	5 Royalties							
	6 a Gross rents	6a	(i) Real					
			(ii) Personal					
	b Less: rental expenses	6b						
	c Rental income or (loss)	6c						
	d Net rental income or (loss)							
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities					
			(ii) Other					
	b Less: cost or other basis and sales expenses	7b						
	c Gain or (loss)	7c						
d Net gain or (loss)								
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a							
b Less: direct expenses	8b							
c Net income or (loss) from fundraising events								
9 a Gross income from gaming activities. See Part IV, line 19	9a							
b Less: direct expenses	9b							
c Net income or (loss) from gaming activities								
10 a Gross sales of inventory, less returns and allowances	10a							
b Less: cost of goods sold	10b							
c Net income or (loss) from sales of inventory								
Miscellaneous Revenue	11 a	Business Code						
	b							
	c							
	d All other revenue							
	e Total. Add lines 11a-11d							
12 Total revenue. See instructions				4,779,370.	2,712,025.	0.	5,771.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	688,892.	420,737.	265,790.	2,365.
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,255,990.	987,556.	268,434.	
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	158,575.	124,920.	33,655.	
9 Other employee benefits	210,447.	168,399.	42,048.	
10 Payroll taxes	126,154.	92,772.	33,253.	129.
11 Fees for services (nonemployees):				
a Management				
b Legal	103,993.	50,152.	53,841.	
c Accounting	67,144.	32,381.	34,763.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	795,364.	772,198.	23,166.	
12 Advertising and promotion				
13 Office expenses	70,920.	55,319.	15,601.	
14 Information technology	152,427.	127,204.	25,223.	
15 Royalties				
16 Occupancy	105,347.	77,467.	27,880.	
17 Travel	48.	35.	13.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings	289,948.	286,485.	3,463.	
20 Interest	6,389.	6,389.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	45,812.	33,688.	12,124.	
23 Insurance	32,042.	23,562.	8,480.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a MPP Expense	250,000.	250,000.		
b Honoraria and Lecture F	47,845.	39,666.	8,179.	
c Subscriptions	28,684.	25,426.	3,258.	
d Training	9,539.	7,908.	1,631.	
e All other expenses	17,790.	14,754.	3,036.	
25 Total functional expenses. Add lines 1 through 24e	4,463,350.	3,597,018.	863,838.	2,494.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing		1	
	2 Savings and temporary cash investments	5,263,746.	2	5,202,600.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,376,107.	4	1,004,165.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	123,935.	9	117,590.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 889,708.		
	b Less: accumulated depreciation	10b 753,618.	181,904.	10c 136,090.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	0.	15	248,478.
16 Total assets. Add lines 1 through 15 (must equal line 33)	6,945,692.	16	6,708,923.	
Liabilities	17 Accounts payable and accrued expenses	858,228.	17	777,638.
	18 Grants payable		18	
	19 Deferred revenue	201,244.	19	101,407.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0.	25	348,754.
	26 Total liabilities. Add lines 17 through 25	1,059,472.	26	1,227,799.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	4,329,634.	27	5,461,051.
	28 Net assets with donor restrictions	1,556,586.	28	20,073.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	5,886,220.	32	5,481,124.
	33 Total liabilities and net assets/fund balances	6,945,692.	33	6,708,923.

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	4,779,370.
2	Total expenses (must equal Part IX, column (A), line 25)	2	4,463,350.
3	Revenue less expenses. Subtract line 2 from line 1	3	316,020.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	5,886,220.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	-721,116.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	5,481,124.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

- 1 Accounting method used to prepare the Form 990: Cash Accrual Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant?
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:
 Separate basis Consolidated basis Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c		X
3a		X
3b		

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1416000.	1412000.	1408000.	2136419.	2061574.	8433993.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	1416000.	1412000.	1408000.	2136419.	2061574.	8433993.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						1085557.
6 Public support. Subtract line 5 from line 4.						7348436.

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2017	(b) 2018	(c) 2019	(d) 2020	(e) 2021	(f) Total
7 Amounts from line 4	1416000.	1412000.	1408000.	2136419.	2061574.	8433993.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	19,531.	57,681.	42,194.	16,713.	5,771.	141,890.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
11 Total support. Add lines 7 through 10						8575883.
12 Gross receipts from related activities, etc. (see instructions)					12	12,250,909.
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2021 (line 6, column (f), divided by line 11, column (f))	14	85.69 %
15 Public support percentage from 2020 Schedule A, Part II, line 14	15	97.54 %
16a 33 1/3% support test - 2021. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input checked="" type="checkbox"/>
b 33 1/3% support test - 2020. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2020. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization		<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2017, (b) 2018, (c) 2019, (d) 2020, (e) 2021, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 10b Unrelated business taxable income; 11 Net income from unrelated business activities not included on line 10b; 12 Other income; 13 Total support.

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

Table with 2 columns: Description, Percentage. Row 15: Public support percentage for 2021 (line 8, column (f), divided by line 13, column (f)) 15%. Row 16: Public support percentage from 2020 Schedule A, Part III, line 15 16%.

Section D. Computation of Investment Income Percentage

Table with 2 columns: Description, Percentage. Row 17: Investment income percentage for 2021 (line 10c, column (f), divided by line 13, column (f)) 17%. Row 18: Investment income percentage from 2020 Schedule A, Part III, line 17 18%.

19a 33 1/3% support tests - 2021. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2020. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box in line 12 on Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described on lines 11b and 11c below, the governing body of a supported organization?		
b A family member of a person described on line 11a above?		
c A 35% controlled entity of a person described on line 11a or 11b above? <i>If "Yes" to line 11a, 11b, or 11c, provide detail in Part VI.</i>		
11a		
11b		
11c		

Section B. Type I Supporting Organizations

	Yes	No
1 Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? <i>If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove officers, directors, or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.</i>		
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? <i>If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.</i>		
1		
2		

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? <i>If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).</i>		
1		

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?		
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? <i>If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).</i>		
3 By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? <i>If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.</i>		
1		
2		
3		

Section E. Type III Functionally Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions).			
a <input type="checkbox"/> The organization satisfied the Activities Test. Complete line 2 below.			
b <input type="checkbox"/> The organization is the parent of each of its supported organizations. Complete line 3 below.			
c <input type="checkbox"/> The organization supported a governmental entity. Describe in Part VI how you supported a governmental entity (see instructions).			
2 Activities Test. Answer lines 2a and 2b below.			
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? <i>If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.</i>			
b Did the activities described on line 2a, above, constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? <i>If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.</i>			
3 Parent of Supported Organizations. Answer lines 3a and 3b below.			
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? <i>If "Yes" or "No" provide details in Part VI.</i>			
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? <i>If "Yes," describe in Part VI the role played by the organization in this regard.</i>			
2a			
2b			
3a			
3b			

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). **See instructions.**
 All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2021 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2021	(iii) Distributable Amount for 2021
1	Distributable amount for 2021 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2021 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2021		
a	From 2016		
b	From 2017		
c	From 2018		
d	From 2019		
e	From 2020		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2021 distributable amount		
i	Carryover from 2016 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2021 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2021 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2021, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2021. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2022. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2017		
b	Excess from 2018		
c	Excess from 2019		
d	Excess from 2020		
e	Excess from 2021		

Part VI **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Part II, Section A, Line 1, Column (d)

Midwestern Higher Education Compact adopted the provisions of GASB accounting pronouncements for the reporting period ended June 30, 2022 resulting in a restatement of grant recognition. Column d has been adjusted to reflect the GASB financial treatment of grant recognition and prior year restatement.

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990 or Form 990-PF.
▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ 519,708.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 152,866.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____
	_____	\$ _____	_____

Name of organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of **\$1,000 or less** for the year. (Enter this info. once.) ▶ \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2021

Open to Public Inspection

Name of the organization: Midwestern Higher Education Compact; Employer identification number: 38-3011476

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows include: 1 Total number at end of year, 2 Aggregate value of contributions to (during year), 3 Aggregate value of grants from (during year), 4 Aggregate value at end of year, 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? (Yes/No), 6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? (Yes/No)

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 2 columns: Held at the End of the Tax Year. Rows include: 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of a historically important land area, Preservation of a certified historic structure; 2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year: 2a Total number of conservation easements, 2b Total acreage restricted by conservation easements, 2c Number of conservation easements on a certified historic structure included in (a), 2d Number of conservation easements included in (c) acquired after 7/25/06, and not on a historic structure listed in the National Register; 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year; 4 Number of states where property subject to conservation easement is located; 5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? (Yes/No); 6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year; 7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year; 8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? (Yes/No); 9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 2 columns: \$. Rows include: 1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide in Part XIII the text of the footnote to its financial statements that describes these items.; 1b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenue included on Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X; 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items: a Revenue included on Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____ %
 - b Permanent endowment _____ %
 - c Term endowment _____ %
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|--|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		889,708.	753,618.	136,090.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				136,090.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) Lease Liability	348,754.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	348,754.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements		1	4,779,370.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains (losses) on investments	2a		
b	Donated services and use of facilities	2b		
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	4,779,370.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)		5	4,779,370.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements		1	4,463,350.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a		
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d		
e	Add lines 2a through 2d		2e	0.
3	Subtract line 2e from line 1		3	4,463,350.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)		5	4,463,350.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Part X, Line 2:

The Compact believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Compact would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**SCHEDULE J
(Form 990)**

Compensation Information

OMB No. 1545-0047

2021

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
 ▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
 ▶ Attach to Form 990.
 ▶ Go to www.irs.gov/Form990 for instructions and the latest information.

Department of the Treasury
Internal Revenue Service

Name of the organization: **Midwestern Higher Education Compact**
 Employer identification number: **38-3011476**

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input checked="" type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

- b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain
- 2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

- 3** Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.
- | | |
|--|---|
| <input type="checkbox"/> Compensation committee | <input checked="" type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

- 4** During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:
- a** Receive a severance payment or change-of-control payment?
- b** Participate in or receive payment from a supplemental nonqualified retirement plan?
- c** Participate in or receive payment from an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

- 5** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:
- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.
- 6** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:
- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.
- 7** For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III
- 8** Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III
- 9** If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b	X	
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7		X
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2021

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) Susan Heegaard President	(i)	238,964.	0.	7,800.	31,065.	42,680.	320,509.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) Robert Trembath COO & General Counsel	(i)	155,335.	0.	0.	20,194.	40,519.	216,048.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) Jennifer Dahlquist Vice President	(i)	142,634.	0.	0.	18,542.	15,039.	176,215.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) Jennifer Parks Vice President	(i)	125,841.	0.	0.	16,359.	28,629.	170,829.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Part I, Line 1a:

As part of the President's employment contract, the President's spouse may accompany the President at two meetings during the year. This is to be an expense of the Compact.

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2021

Open to Public
Inspection

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

Form 990, Part I, Line 1, Description of Organization Mission:

and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.

Form 990, Part III, Line 4a, Program Service Accomplishments:

MHEC's largest convening was the Multi-State Collaborative on Military Credit (MCMC), an interstate collaborative MHEC organizes the 13 states of Illinois, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin for the purpose of advancing best practices that are designed to ease the transition of military-connected life to postsecondary education. Emphasis is given to translating competencies acquired through military training and experiences into milestones toward completing a college degree or earning a certificate or license.

In FY22, MCMC Produced 4 webinars with approximately 1,852 participants.

MHEC continued expansion of the Graduate Credit Quest, a web-based platform for teachers to search for graduate course work within their content areas that lead to required credentialing for teaching dual or concurrent credit classes.

The platform provides information about dual credit and concurrent enrollment policies and practices for all 12 MHEC member states. It also serves as a repository of research publications, professional

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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papers and media releases on the subject of dual/concurrent credit.

The platform was enhanced in 2022 with specific communications and pathway tracking capacities that further enable teachers to accelerate their efforts to comply with credentialing requirements. Now the platform enables over 25 regional graduate schools to build awareness among teachers about roughly 500 unique course offerings, within multiple academic disciplines, and providing access to specific enrollment processes, delivery modalities, and more.

Campus coordinators for dual or concurrent credit teachers can now communicate with partnered teachers about their specific progress toward credentialing and teachers can have confidence that selected courses will count toward credentialing. The platform hosts Colleges and Universities from 11 of the 12 MHEC member states. Teacher user counts (over 100) have doubled and coordinator counts (20) are rising as outreach efforts (2 webinars, 2 conference presentations, and direct outreach to 43 university users) are implemented.

Form 990, Part III, Line 4b, Program Service Accomplishments:
coverage, reduces costs, and encourages improved asset protection strategies for colleges and universities.

MHECare Health Insurance Solutions

Comprehensive health insurance solutions created in response to both increasing cost and concern for student health. 30 campuses offered MHECare health insurance solutions in FY 2022.

Midwest Student Exchange Program

A multi-state tuition reciprocity program that makes attending

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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out-of-state colleges and universities more affordable for non-resident students.

- 8,111 students enrolled in the Midwest Student Exchange Program in 8 of the Compact states (Indiana, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Ohio, and Wisconsin) during FY22.

- MSEP students saved over \$51 million in FY22, bringing the total program savings to \$847 million since 1994.

- On average, students in MSEP typically realize saving between \$500 and \$5,000 annually.

- Two reports were produced as part of a program assessment.

Midwestern State Authorization Reciprocity Agreement

A voluntary agreement among states that establishes nationwide standards for the offering of postsecondary distance education courses and programs. M-SARA saved institutions an estimated \$37,138,490 in FY 2022.

Form 990, Part III, Line 4c, Program Service Accomplishments:

the higher education technology community conducting a competitive sourcing process that leverages the potential purchasing power of the 12 MHEC member states. Technology contracts saved entities in the MHEC region nearly \$34 million in FY2022. In some cases, the Compact's cost savings initiatives may be utilized by city, county and state government as well as nonprofit organizations.

Form 990, Part III, Line 4d, Other Program Services:

Research

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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MHEC Research informs institutional and state efforts in improving postsecondary policies, practices, and outcomes in several ways: (a) maintaining a national repository of expertise, knowledge and best practices for guiding policy and practice; (b) conducting applied research and analysis on critical topics in higher education; (c) developing innovative approaches to improve educational opportunity and effectiveness; and (d) providing public outreach and service to institutions and governments. Among its core outputs, MHEC Research maintains an online dashboard of educational performance indicators and produces timely briefs, reports, and technical papers in the most critical areas for facilitating progress towards state educational attainment goals, including College Readiness; Affordability and Finance; Student Success; and Performance, Value, and Accountability as well as other topics of importance to Midwestern states. Fifteen publications were released in FY22.

Expenses \$ 1,032,811. including grants of \$ 0. Revenue \$ 10,000.

Form 990, Part VI, Section A, line 1a:

The Executive Committee has authority to act on behalf of the board. The Executive Committee is made up of commissioners chosen by the Board of Commissioners. Two executive board members are chosen from each state giving the states equal representation and equal authority and votes.

Form 990, Part VI, Section A, line 6:

Compact Members: The members of the Compact are the 12 Midwestern states identified in the compact statute: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin. To become a member, the states must enact the compact

Name of the organization

Midwestern Higher Education Compact

Employer identification number

38-3011476

statute. Once enacted, the appointing authorities in each of the compacting states shall forward the names of their appointees to the Compact staff. The Compact staff shall promptly advise the appropriate appointing authorities of the need to appoint new commission members upon the expiration of designated terms.

Affiliate Members: States not eligible to become a party to the Compact and/or Canadian Provinces may become affiliate members when mutual interests exist and when it would benefit the Compact to enter into such arrangements.

Associate Members: Entities not eligible to become members of the Compact may be afforded status as associates of the Commission in accordance with the policies and procedures approved by the Commission.

Form 990, Part VI, Section A, line 7a:

Each compact member may appoint five resident members of each state to the commission as follows: the governor or the governor's designee who shall serve during the tenure of office of the governor; two legislators, one from each house (except Nebraska, which may appoint two legislators from its Unicameral Legislature), appointed by the appropriate appointing authority in each house of the legislature; and two other at-large members, at least one of whom shall be selected from the field of higher education. The at-large members shall be appointed in a manner provided by the laws of the appointing state. All vacancies shall be filled in accordance with the laws of the appointed states.

Form 990, Part VI, Section B, line 11b:

Name of the organization

Midwestern Higher Education Compact

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A draft return is reviewed by the President, Chief Operating Officer, Chief Financial Officer and Director of Finance and Administration. The draft is then forwarded to a Finance and Audit Committee for their review. Once approved it is then forwarded to the organization's officers for their approval."

Form 990, Part VI, Section B, Line 12c:

The conflict of interest policy covers the governing board and officers. Annual statements are reviewed by the Director of Communications and Marketing. If a conflict was known, that individual would be required to refrain from voting on the matter.

Form 990, Part VI, Section B, Line 15a:

Compensation for the President is recommended by the Executive Committee. The Executive Committee uses comparability data for similar organizations. The final determination and discussion is documented in the minutes at the full board meeting in June. This process is done on an annual basis.

Compensation for other officers is determined by the President on an annual basis.

Form 990, Part VI, Section C, Line 19:

Governing documents are currently available on the Compact's website. Financial statements and the conflict of interest policy are made available upon request.

Form 990, Part IX, Line 11g, Other Fees:

Other Professional Fees:

Name of the organization Midwestern Higher Education Compact	Employer identification number 38-3011476
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Program service expenses	772,198.
Management and general expenses	23,166.
Fundraising expenses	0.
Total expenses	795,364.
Total Other Fees on Form 990, Part IX, line 11g, Col A	795,364.

Form 990, Part XI, line 9, Changes in Net Assets:

Restatement of Audit Beg Net Assets for adoption of GASB

Lease Standard	-721,116.
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PUBLIC DISCLOSURE COPY

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

Form 990

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
Do not enter social security numbers on this form as it may be made public.
Go to www.irs.gov/Form990 for instructions and the latest information.

2022

Open to Public Inspection

A For the **2022** calendar year, or tax year beginning **JUL 1, 2022** and ending **JUN 30, 2023**

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization MIDWESTERN HIGHER EDUCATION COMPACT		D Employer identification number 38-3011476
	Doing business as		E Telephone number 612-677-2777
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	
	105 FIFTH AVENUE SOUTH, SUITE 450		G Gross receipts \$ 8,521,915.
	City or town, state or province, country, and ZIP or foreign postal code MINNEAPOLIS, MN 55401		
F Name and address of principal officer: SUSAN HEEGAARD SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. See instructions H(c) Group exemption number	

I Tax-exempt status: 501(c)(3) 501(c) () (insert no.) 4947(a)(1) or 527

J Website: **WWW.MHEC.ORG**

K Form of organization: Corporation Trust Association Other **L** Year of formation: **1991** **M** State of legal domicile: **MN**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: MHEC BRINGS TOGETHER MIDWESTERN STATES TO DEVELOP AND SUPPORT BEST PRACTICES, COLLABORATION EFFORTS,		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	67
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	67
	5 Total number of individuals employed in calendar year 2022 (Part V, line 2a)	5	17
	6 Total number of volunteers (estimate if necessary)	6	69
	7 a Total unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b Net unrelated business taxable income from Form 990-T, Part I, line 11	7b	0.	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,061,574.	1,583,929.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,712,025.	6,908,971.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	5,771.	24,611.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	0.	4,404.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,779,370.	8,521,915.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,440,058.	2,423,681.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b Total fundraising expenses (Part IX, column (D), line 25)	2,723.	
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,023,292.	1,551,075.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,463,350.	3,974,756.	
19 Revenue less expenses. Subtract line 18 from line 12	316,020.	4,547,159.	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	6,708,923.	12,344,634.
	22 Net assets or fund balances. Subtract line 21 from line 20	1,227,799.	2,316,351.
		5,481,124.	10,028,283.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer		Date		
	SUSAN HEEGAARD, PRESIDENT				
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
	EMINA O. CRESSWELL, CPA	EMINA O. CRESSWELL, CPA	03/29/24		P01217304
Preparer Use Only	Firm's name	Firm's EIN		91-0189318	
	Firm's address	601 W. RIVERSIDE AVENUE STE 1800		SPOKANE, WA 99201	
			Phone no. 509-747-2600		

May the IRS discuss this return with the preparer shown above? See instructions Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III [X]

1 Briefly describe the organization's mission: MHEC MEMBERS COLLABORATE TO ADDRESS THE REGION'S MOST PRESSING CHALLENGES IN HIGHER EDUCATION AND TRANSFORM EDUCATIONAL OPPORTUNITIES SO THAT PEOPLE AND COMMUNITIES THRIVE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [] Yes [X] No If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [] Yes [X] No If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 1,067,547. including grants of \$) (Revenue \$ 1,155,064.) PROGRAMS:

ADDITIONAL MHEC PROGRAMS ARE INITIATED IN RESPONSE TO IDENTIFIED NEEDS IN ONE OR MORE OF THE MEMBER STATES. BRINGING TOGETHER EXPERTISE FROM ACROSS THE REGION, MHEC IDENTIFIES ACTIVITIES NEEDED TO ADDRESS THE IDENTIFIED NEEDS. THOSE PROBLEMS BEST SOLVED THROUGH ONGOING INTERSTATE COOPERATION ARE THEN DEVELOPED INTO MHEC PROGRAMS. EACH MHEC PROGRAM PROVIDES THE PROGRAM PARTICIPANTS WITH GOVERNANCE AND LEADERSHIP STRUCTURES TO GUIDE AND MAINTAIN PROGRAMMATIC OUTCOMES.

MHECARE HEALTH INSURANCE SOLUTIONS:

4b (Code:) (Expenses \$ 801,544. including grants of \$) (Revenue \$) CONVENING:

MHEC EMPOWERS THE MEMBER STATES TO CONNECT FOR THE PURPOSE OF EXCHANGING EXPERTISE, SHARING IDEAS AND EXPERIENCES, AND COLLABORATIVELY PURSUING EFFORTS THAT HELP FURTHER HIGHER EDUCATION. THIS CONVENING AND COLLABORATING LEADS TO MANY PROGRAMS AND ACTIVITIES THAT PRODUCE A VARIETY OF OUTCOMES AND RESULTS RANGING FROM THE DISSEMINATION OF KNOWLEDGE AND EXPERTISE ABOUT PRACTICAL SOLUTIONS, TO LEVERAGING THE COLLECTIVE PURCHASING POWER OF THE REGION TO ACHIEVE EFFICIENCIES AND SAVINGS.

CONCURRENT ENROLLMENT:

4c (Code:) (Expenses \$ 385,935. including grants of \$) (Revenue \$ 5,753,907.) CONTRACTS:

MHEC CONTRACTS LEVERAGE THE POTENTIAL VOLUME OF THE REGION'S PURCHASING POWER, WHILE SAVING ENTITIES TIME AND MONEY BY SIMPLIFYING THE PROCUREMENT PROCESS AND NEGATING THE NEED TO CONDUCT A COMPETITIVE SOURCING EVENT. BY OFFERING A TURNKEY SOLUTION WITH THE ABILITY TO TAILOR THE ALREADY NEGOTIATED CONTRACT TO MATCH THE ENTITY'S SPECIFIC NEEDS AND REQUIREMENTS, MHEC CONTRACTS SHIFT SOME OF THE NEGOTIATING POWER BACK TO THE PROCURING ENTITIES. IN ADDITION TO CONTRACTS AVAILABLE THROUGH MHECARE STUDENT HEALTH SOLUTIONS, MHEC OFFERS NUMEROUS CONTRACTS IN TECHNOLOGY. THE CONTRACTS ARE A PRODUCT OF A REPRESENTATIVE GROUP OF STAKEHOLDERS FROM THE HIGHER EDUCATION

4d Other program services (Describe on Schedule O.) (Expenses \$ 818,266. including grants of \$) (Revenue \$)

4e Total program service expenses 3,073,292.

Part IV Checklist of Required Schedules

Table with 3 columns: Question ID, Yes, No. Rows include questions 1 through 21 regarding organizational requirements and financial reporting.

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 22 through 38 regarding organizational reporting, compensation, tax-exempt bonds, and business transactions.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

Table with 3 columns: Question ID, Question Text, Yes, No. Rows include questions 1a, 1b, and 1c regarding Form 1096, Forms W-2G, and backup withholding rules.

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with 3 columns: Question, Yes, No. Rows include 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7 (Organizations that may receive deductible contributions under section 170(c)), 8, 9, 10, 11, 12a-12b, 13, 14a-14b, 15, 16, 17.

Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year (67); 1b Enter the number of voting members included on line 1a, above, who are independent (67); 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? (X); 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? (X); 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? (X); 5 Did the organization become aware during the year of a significant diversion of the organization's assets? (X); 6 Did the organization have members or stockholders? (X); 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? (X); 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? (X); 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: a The governing body? (X); b Each committee with authority to act on behalf of the governing body? (X); 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O (X).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? (X); 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? (X); 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? (X); 11b Describe on Schedule O the process, if any, used by the organization to review this Form 990.; 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 (X); 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? (X); 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done (X); 13 Did the organization have a written whistleblower policy? (X); 14 Did the organization have a written document retention and destruction policy? (X); 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? a The organization's CEO, Executive Director, or top management official (X); b Other officers or key employees of the organization (X); If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.; 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? (X); 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? (X).

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MN
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[] Own website [] Another's website [X] Upon request [] Other (explain on Schedule O)
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records
ERIN FRAHM - 612-677-2766
105 FIFTH AVENUE SOUTH, SUITE 450, MINNEAPOLIS, MN 55401

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) SUSAN HEEGAARD PRESIDENT	40.00			X			264,426.	0.	112,955.	
(2) ROBERT TREMBACH CHIEF OPERATING OFFICER	40.00			X			163,584.	0.	104,242.	
(3) JENNIFER PARKS VICE PRESIDENT	40.00					X	140,989.	0.	75,480.	
(4) JENNIFER DAHLQUIST VICE PRESIDENT	40.00					X	151,798.	0.	48,768.	
(5) MARY ROBERSON SENIOR DIRECTOR	40.00					X	107,182.	0.	56,204.	
(6) CARLA AHRENS MANAGER (THRU 11/22)	40.00					X	124,190.	0.	17,535.	
(7) AARON HORN ASSOCIATE VICE PRESIDENT	40.00					X	102,944.	0.	28,929.	
(8) DANIEL MOSER CHIEF FINANCIAL OFFICER (THRU 07/22)	40.00			X			74,930.	0.	30,057.	
(9) BARBARA BALLARD BOARD CHAIR	3.00	X		X			0.	0.	0.	
(10) JOAN BALLWEG BOARD VICE CHAIR	3.00	X		X			0.	0.	0.	
(11) LARRY TIDEMANN BOARD TREASURER	3.00	X		X			0.	0.	0.	
(12) TIM FLAKOLL PAST BOARD CHAIR	3.00	X		X			0.	0.	0.	
(13) DAVID PEARCE PAST BOARD CHAIR	3.00	X		X			0.	0.	0.	
(14) MAUREEN BANKS EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	
(15) KATIE STUART EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	
(16) KEN SAUER EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	
(17) OLIVIA M.A. MADISON EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(18) SHARON STECKMAN EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(20) DAVID EISLER EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(21) BRANDY JOHNSON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(22) DENNIS OLSON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(23) JOHN CAVANAUGH EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(24) DEBORAH FRISON EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(25) MARK HAGEROTT EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(26) BRANDY PYLE EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
(27) GARY CATES EXECUTIVE COMMISSIONER	2.00	X						0.	0.	0.
1b Subtotal								1,130,043.	0.	474,170.
c Total from continuation sheets to Part VII, Section A								0.	0.	0.
d Total (add lines 1b and 1c)								1,130,043.	0.	474,170.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization 8

	Yes	No
3 Did the organization list any former officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
CREDENTIAL ENGINE INC, 2021 L STREET NW SUITE 101-342, WASHINGTON, DC 20036	GRANT SUBCONTRACTOR	307,500.
EDBRIDGE PARTNERS LLC, 1133 CAMELBACK STREET SUITE 7876, NEWPORT BEACH, CA 92658	GRANT CONSULTING	229,033.
CLIFTON LARSON ALLEN, 220 SOUTH SIXTH STREET SUITE 300, MINNEAPOLIS, MN 55402	ACCOUNTING SERVICES	140,464.

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization 3

SEE PART VII, SECTION A CONTINUATION SHEETS

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)										
(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(28) JERRY CIRINO EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	
(29) MICHAEL CARTNEY EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	
(30) CONNIE HUTCHISON EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	
(31) DAVID MURPHY EXECUTIVE COMMISSIONER	2.00	X					0.	0.	0.	
(32) SCOTT BENNETT COMMISSIONER (THRU 12/22)	1.00	X					0.	0.	0.	
(33) MICHAEL HALPIN COMMISSIONER	1.00	X					0.	0.	0.	
(34) PRANAV KOTHARI COMMISSIONER	1.00	X					0.	0.	0.	
(35) BOB BEHNING COMMISSIONER	1.00	X					0.	0.	0.	
(36) KURK DYKSTRA COMMISSIONER	1.00	X					0.	0.	0.	
(37) JON FORD COMMISSIONER	1.00	X					0.	0.	0.	
(38) RONALD ROCHON COMMISSIONER	1.00	X					0.	0.	0.	
(39) NANCY BOETTGER COMMISSIONER	1.00	X					0.	0.	0.	
(40) JACOB BOSSMAN COMMISSIONER	1.00	X					0.	0.	0.	
(41) DERRICK FRANCK COMMISSIONER	1.00	X					0.	0.	0.	
(42) GRETA ROUSE COMMISSIONER	1.00	X					0.	0.	0.	
(43) CINDY WINCKLER COMMISSIONER	1.00	X					0.	0.	0.	
(44) MOLLY BAUMGARDNER COMMISSIONER	1.00	X					0.	0.	0.	
(45) CYNTHIA LANE COMMISSIONER	1.00	X					0.	0.	0.	
(46) AARON OTTO COMMISSIONER	1.00	X					0.	0.	0.	
(47) BEN FREDERICK COMMISSIONER	1.00	X					0.	0.	0.	
Total to Part VII, Section A, line 1c										

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(48) CAROL GLANVILLE COMMISSIONER	1.00	X						0.	0.	0.
(49) KIMBERLY LASATA COMMISSIONER	1.00	X						0.	0.	0.
(50) SEAN MCCANN COMMISSIONER	1.00	X						0.	0.	0.
(51) BILL PINK COMMISSIONER	1.00	X						0.	0.	0.
(52) CONNIE BERNARDY COMMISSIONER	1.00	X						0.	0.	0.
(53) OMAR FATEH COMMISSIONER	1.00	X						0.	0.	0.
(54) MICHAEL GOH COMMISSIONER	1.00	X						0.	0.	0.
(55) DEVINDER MALHOTRA COMMISSIONER	1.00	X						0.	0.	0.
(56) DAVID TOMASSONI COMMISSIONER (THRU 08/22)	1.00	X						0.	0.	0.
(57) GENE PELOWSKI, JR. COMMISSIONER	1.00	X						0.	0.	0.
(58) JOHN BLACK COMMISSIONER	1.00	X						0.	0.	0.
(59) KARLA ESLINGER COMMISSIONER	1.00	X						0.	0.	0.
(60) KAYLA HAHN COMMISSIONER	1.00	X						0.	0.	0.
(61) ANDREW KOENIG COMMISSIONER	1.00	X						0.	0.	0.
(62) CINDY O'LAUGHLIN COMMISSIONER	1.00	X						0.	0.	0.
(63) SUSAN THOMPSON COMMISSIONER	1.00	X						0.	0.	0.
(64) RANDOLPH FERLIC COMMISSIONER	1.00	X						0.	0.	0.
(65) HEATH MELLO COMMISSIONER	1.00	X						0.	0.	0.
(66) LYNNE WALZ COMMISSIONER	1.00	X						0.	0.	0.
(67) KYLE DAVISON COMMISSIONER	1.00	X						0.	0.	0.
Total to Part VII, Section A, line 1c										

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a Federated campaigns	1a					
	b Membership dues	1b	1,380,000.				
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above ...	1f	203,929.				
	g Noncash contributions included in lines 1a-1f	1g	\$				
	h Total. Add lines 1a-1f			1,583,929.			
Program Service Revenue	2 a TECHNOLOGY CONTRACTS	Business Code					
		900099	5,753,907.	5,753,907.			
	b SERVICE FEES	900099	1,155,064.	1,155,064.			
	c _____						
	d _____						
	e _____						
	f All other program service revenue						
g Total. Add lines 2a-2f			6,908,971.				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		24,611.			24,611.	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	6a	(i) Real				
			(ii) Personal				
	b Less: rental expenses ...	6b					
	c Rental income or (loss)	6c					
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	7a	(i) Securities				
			(ii) Other				
	b Less: cost or other basis and sales expenses	7b					
	c Gain or (loss)	7c					
	d Net gain or (loss)						
8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	8a						
b Less: direct expenses	8b						
c Net income or (loss) from fundraising events							
9 a Gross income from gaming activities. See Part IV, line 19	9a						
b Less: direct expenses	9b						
c Net income or (loss) from gaming activities							
10 a Gross sales of inventory, less returns and allowances	10a						
b Less: cost of goods sold	10b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue	11 a OTHER INCOME	Business Code					
		900099	4,404.			4,404.	
	b _____						
	c _____						
	d All other revenue						
e Total. Add lines 11a-11d			4,404.				
12 Total revenue. See instructions			8,521,915.	6,908,971.	0.	29,015.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21 ...				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	600,175.	463,792.	132,968.	3,415.
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,300,293.	1,101,920.	199,083.	-710.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	154,278.	130,865.	23,506.	-93.
9 Other employee benefits	246,837.	209,134.	37,729.	-26.
10 Payroll taxes	122,098.	101,097.	20,864.	137.
11 Fees for services (nonemployees):				
a Management				
b Legal	34,442.		34,442.	
c Accounting	281,500.		281,500.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Sch O.)	286,698.	263,852.	22,846.	
12 Advertising and promotion				
13 Office expenses	94,498.	66,556.	27,942.	
14 Information technology	127,503.	105,917.	21,586.	
15 Royalties				
16 Occupancy	107,129.	89,913.	17,216.	
17 Travel	439,448.	424,596.	14,852.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials ...				
19 Conferences, conventions, and meetings				
20 Interest	5,042.	5,042.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	96,858.	73,650.	23,208.	
23 Insurance	30,717.		30,717.	
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
a SUBSCRIPTIONS	34,241.	27,611.	6,630.	
b PROMOTIONS	10,754.	7,732.	3,022.	
c OTHER EXPENSES	1,319.	949.	370.	
d LICENSES	926.	666.	260.	
e All other expenses _____				
25 Total functional expenses. Add lines 1 through 24e	3,974,756.	3,073,292.	898,741.	2,723.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1 Cash - non-interest-bearing	1,125,463.	1	1,699,981.
	2 Savings and temporary cash investments	4,077,137.	2	7,300,222.
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	1,004,165.	4	3,014,247.
	5 Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5	
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	117,590.	9	42,474.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 889,707.		
	b Less: accumulated depreciation	10b 786,946.	136,090.	10c 102,761.
	11 Investments - publicly traded securities		11	
	12 Investments - other securities. See Part IV, line 11		12	
	13 Investments - program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	248,478.	15	184,949.
16 Total assets. Add lines 1 through 15 (must equal line 33)	6,708,923.	16	12,344,634.	
Liabilities	17 Accounts payable and accrued expenses	777,638.	17	1,963,004.
	18 Grants payable		18	
	19 Deferred revenue	101,407.	19	87,804.
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	348,754.	25	265,543.
	26 Total liabilities. Add lines 17 through 25	1,227,799.	26	2,316,351.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27 Net assets without donor restrictions	5,461,051.	27	10,008,210.
	28 Net assets with donor restrictions	20,073.	28	20,073.
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29 Capital stock or trust principal, or current funds		29	
	30 Paid-in or capital surplus, or land, building, or equipment fund		30	
	31 Retained earnings, endowment, accumulated income, or other funds		31	
	32 Total net assets or fund balances	5,481,124.	32	10,028,283.
33 Total liabilities and net assets/fund balances	6,708,923.	33	12,344,634.	

Form 990 (2022)

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	8,521,915.
2	Total expenses (must equal Part IX, column (A), line 25)	2	3,974,756.
3	Revenue less expenses. Subtract line 2 from line 1	3	4,547,159.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	5,481,124.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	10,028,283.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
b	Were the organization's financial statements audited by an independent accountant? _____ If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input checked="" type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? _____ If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		X
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Uniform Guidance, 2 C.F.R. Part 200, Subpart F? _____		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits _____		

Form **990** (2022)

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	1,412,000.	1,408,000.	2,136,419.	2,061,574.	1,583,929.	8,601,922.
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	1,412,000.	1,408,000.	2,136,419.	2,061,574.	1,583,929.	8,601,922.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						2,206,238.
6 Public support. Subtract line 5 from line 4.						6,395,684.

Section B. Total Support

Calendar year (or fiscal year beginning in)	(a) 2018	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) Total
7 Amounts from line 4	1,412,000.	1,408,000.	2,136,419.	2,061,574.	1,583,929.	8,601,922.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources	57,681.	42,194.	16,713.	5,771.	24,611.	146,970.
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)					4,404.	4,404.
11 Total support. Add lines 7 through 10						8,753,296.
12 Gross receipts from related activities, etc. (see instructions)					12	17,209,599.
13 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						<input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2022 (line 6, column (f), divided by line 11, column (f))	14	73.07	%
15 Public support percentage from 2021 Schedule A, Part II, line 14	15	85.69	%
16a 33 1/3% support test - 2022. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			<input checked="" type="checkbox"/>
b 33 1/3% support test - 2021. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
17a 10% -facts-and-circumstances test - 2022. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
b 10% -facts-and-circumstances test - 2021. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the facts-and-circumstances test, check this box and stop here. Explain in Part VI how the organization meets the facts-and-circumstances test. The organization qualifies as a publicly supported organization			<input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions			<input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 10 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Table with 7 columns: (a) 2018, (b) 2019, (c) 2020, (d) 2021, (e) 2022, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Gross receipts from admissions; 3 Gross receipts from activities that are not an unrelated trade or business; 4 Tax revenues levied for the organization's benefit; 5 The value of services or facilities furnished by a governmental unit; 6 Total; 7a Amounts included on lines 1, 2, and 3 received from disqualified persons; 7b Amounts included on lines 2 and 3 received from other than disqualified persons; 8 Public support.

Section B. Total Support

Table with 7 columns: (a) 2018, (b) 2019, (c) 2020, (d) 2021, (e) 2022, (f) Total. Rows include: 9 Amounts from line 6; 10a Gross income from interest, dividends, payments received on securities loans, rents, royalties, and income from similar sources; 10b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975; 10c Add lines 10a and 10b; 11 Net income from unrelated business activities not included on line 10b, whether or not the business is regularly carried on; 12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.); 13 Total support.

14 First 5 years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Row 15: Public support percentage for 2022 (line 8, column (f), divided by line 13, column (f)) 15 %; Row 16: Public support percentage from 2021 Schedule A, Part III, line 15 16 %

Section D. Computation of Investment Income Percentage

Table with 2 columns: Line number, Percentage. Row 17: Investment income percentage for 2022 (line 10c, column (f), divided by line 13, column (f)) 17 %; Row 18: Investment income percentage from 2021 Schedule A, Part III, line 17 18 %

19a 33 1/3% support tests - 2022. If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b 33 1/3% support tests - 2021. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

Part IV Supporting Organizations

(Complete only if you checked a box on line 12 of Part I. If you checked box 12a, Part I, complete Sections A and B. If you checked box 12b, Part I, complete Sections A and C. If you checked box 12c, Part I, complete Sections A, D, and E. If you checked box 12d, Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? <i>If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.</i>		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? <i>If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).</i>		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? <i>If "Yes," answer lines 3b and 3c below.</i>		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? <i>If "Yes," describe in Part VI when and how the organization made the determination.</i>		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? <i>If "Yes," explain in Part VI what controls the organization put in place to ensure such use.</i>		
4a Was any supported organization not organized in the United States ("foreign supported organization")? <i>If "Yes," and if you checked box 12a or 12b in Part I, answer lines 4b and 4c below.</i>		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? <i>If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.</i>		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? <i>If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.</i>		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? <i>If "Yes," answer lines 5b and 5c below (if applicable). Also, provide detail in Part VI, including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).</i>		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? <i>If "Yes," provide detail in Part VI.</i>		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (as defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described on line 7? <i>If "Yes," complete Part I of Schedule L (Form 990).</i>		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons, as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? <i>If "Yes," provide detail in Part VI.</i>		
b Did one or more disqualified persons (as defined on line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? <i>If "Yes," provide detail in Part VI.</i>		
c Did a disqualified person (as defined on line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? <i>If "Yes," provide detail in Part VI.</i>		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? <i>If "Yes," answer line 10b below.</i>		
b Did the organization have any excess business holdings in the tax year? <i>(Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)</i>		

Part IV Supporting Organizations (continued)

Table with 3 columns: Question, Yes, No. Row 11: Has the organization accepted a gift or contribution from any of the following persons? Sub-rows 11a, 11b, 11c.

Section B. Type I Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Did the governing body, members of the governing body, officers acting in their official capacity, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's officers, directors, or trustees at all times during the tax year? Row 2: Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization?

Section C. Type II Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)?

Section D. All Type III Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided? Row 2: Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? Row 3: By reason of the relationship described on line 2, above, did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year?

Section E. Type III Functionally Integrated Supporting Organizations

Table with 3 columns: Question, Yes, No. Row 1: Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions). Sub-rows a, b, c. Row 2: Activities Test. Answer lines 2a and 2b below. Sub-rows a, b. Row 3: Parent of Supported Organizations. Answer lines 3a and 3b below. Sub-rows a, b.

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970 (*explain in Part VI*). **See instructions.**
 All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1	Net short-term capital gain	1	
2	Recoveries of prior-year distributions	2	
3	Other gross income (see instructions)	3	
4	Add lines 1 through 3.	4	
5	Depreciation and depletion	5	
6	Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6	
7	Other expenses (see instructions)	7	
8	Adjusted Net Income (subtract lines 5, 6, and 7 from line 4)	8	

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1	Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):		
a	Average monthly value of securities	1a	
b	Average monthly cash balances	1b	
c	Fair market value of other non-exempt-use assets	1c	
d	Total (add lines 1a, 1b, and 1c)	1d	
e	Discount claimed for blockage or other factors (<i>explain in detail in Part VI</i>):		
2	Acquisition indebtedness applicable to non-exempt-use assets	2	
3	Subtract line 2 from line 1d.	3	
4	Cash deemed held for exempt use. Enter 0.015 of line 3 (for greater amount, see instructions).	4	
5	Net value of non-exempt-use assets (subtract line 4 from line 3)	5	
6	Multiply line 5 by 0.035.	6	
7	Recoveries of prior-year distributions	7	
8	Minimum Asset Amount (add line 7 to line 6)	8	

Section C - Distributable Amount			Current Year
1	Adjusted net income for prior year (from Section A, line 8, column A)	1	
2	Enter 0.85 of line 1.	2	
3	Minimum asset amount for prior year (from Section B, line 8, column A)	3	
4	Enter greater of line 2 or line 3.	4	
5	Income tax imposed in prior year	5	
6	Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions).	6	
7	<input type="checkbox"/> Check here if the current year is the organization's first as a non-functionally integrated Type III supporting organization (see instructions).		

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	1
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	2
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	3
4	Amounts paid to acquire exempt-use assets	4
5	Qualified set-aside amounts (prior IRS approval required - provide details in Part VI)	5
6	Other distributions (describe in Part VI). See instructions.	6
7	Total annual distributions. Add lines 1 through 6.	7
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	8
9	Distributable amount for 2022 from Section C, line 6	9
10	Line 8 amount divided by line 9 amount	10

Section E - Distribution Allocations (see instructions)	(i) Excess Distributions	(ii) Underdistributions Pre-2022	(iii) Distributable Amount for 2022
1	Distributable amount for 2022 from Section C, line 6		
2	Underdistributions, if any, for years prior to 2022 (reasonable cause required - explain in Part VI). See instructions.		
3	Excess distributions carryover, if any, to 2022		
a	From 2017		
b	From 2018		
c	From 2019		
d	From 2020		
e	From 2021		
f	Total of lines 3a through 3e		
g	Applied to underdistributions of prior years		
h	Applied to 2022 distributable amount		
i	Carryover from 2017 not applied (see instructions)		
j	Remainder. Subtract lines 3g, 3h, and 3i from line 3f.		
4	Distributions for 2022 from Section D, line 7: \$		
a	Applied to underdistributions of prior years		
b	Applied to 2022 distributable amount		
c	Remainder. Subtract lines 4a and 4b from line 4.		
5	Remaining underdistributions for years prior to 2022, if any. Subtract lines 3g and 4a from line 2. For result greater than zero, explain in Part VI. See instructions.		
6	Remaining underdistributions for 2022. Subtract lines 3h and 4b from line 1. For result greater than zero, explain in Part VI. See instructions.		
7	Excess distributions carryover to 2023. Add lines 3j and 4c.		
8	Breakdown of line 7:		
a	Excess from 2018		
b	Excess from 2019		
c	Excess from 2020		
d	Excess from 2021		
e	Excess from 2022		

Schedule A (Form 990) 2022

Part VI

Supplemental Information. Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; Part III, line 12; Part IV, Section A, lines 1, 2, 3b, 3c, 4b, 4c, 5a, 6, 9a, 9b, 9c, 11a, 11b, and 11c; Part IV, Section B, lines 1 and 2; Part IV, Section C, line 1; Part IV, Section D, lines 2 and 3; Part IV, Section E, lines 1c, 2a, 2b, 3a, and 3b; Part V, line 1; Part V, Section B, line 1e; Part V, Section D, lines 5, 6, and 8; and Part V, Section E, lines 2, 5, and 6. Also complete this part for any additional information. (See instructions.)

Multiple horizontal lines for supplemental information.

Schedule B
(Form 990)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

Attach to Form 990 or Form 990-PF.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note: Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** \$5,000; or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h; or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I (entering "N/A" in column (b) instead of the contributor name and address), II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Don't complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year \$ _____

Caution: An organization that isn't covered by the General Rule and/or the Special Rules doesn't file Schedule B (Form 990), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it doesn't meet the filing requirements of Schedule B (Form 990).

Name of organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	<hr/> <hr/> <hr/>	\$ 102,521.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	<hr/> <hr/> <hr/>	\$ 101,407.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
	<hr/> <hr/> <hr/>	\$	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (See instructions.)	(d) Date received
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	
		\$ _____	

Name of organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this info. once.) \$ _____
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	

SCHEDULE D (Form 990)

Department of the Treasury Internal Revenue Service

Supplemental Financial Statements

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization: MIDWESTERN HIGHER EDUCATION COMPACT; Employer identification number: 38-3011476

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate value of contributions, grants, and end of year, and two Yes/No questions regarding donor property and grant fund usage.

Part II Conservation Easements. Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose(s) of conservation easements, a table for lines 2a-2d (Total number, acreage, certified historic structures, acquired after 2006), and questions about monitoring, expenses, and reporting requirements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting art and historical treasures, and a table for revenue and assets included in Form 990.

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule D (Form 990) 2022

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):
- a Public exhibition
 - b Scholarly research
 - c Preservation for future generations
 - d Loan or exchange program
 - e Other _____
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- | | Amount |
|---------------------------------|--------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds. Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment _____%
 - b Permanent endowment _____%
 - c Term endowment _____%
- The percentages on lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- | | Yes | No |
|---|--------|----|
| (i) Unrelated organizations | 3a(i) | |
| (ii) Related organizations | 3a(ii) | |
| b If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R? <input type="checkbox"/> | 3b | |
- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		375,877.	275,260.	100,617.
d Equipment		513,830.	511,686.	2,144.
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				102,761.

Part VII Investments - Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 12.)		

Part VIII Investments - Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
Total. (Col. (b) must equal Form 990, Part X, col. (B) line 13.)		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.)	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) LEASE LIABILITIES	265,543.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.)	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII ...

Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements	1	8,521,915.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains (losses) on investments	2a	
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	8,521,915.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total revenue. Add lines 3 and 4c . (This must equal Form 990, Part I, line 12.)	5	8,521,915.

Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.

Complete if the organization answered "Yes" on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements	1	3,974,756.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIII.)	2d	
e	Add lines 2a through 2d	2e	0.
3	Subtract line 2e from line 1	3	3,974,756.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIII.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c . (This must equal Form 990, Part I, line 18.)	5	3,974,756.

Part XIII Supplemental Information.

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

PART X, LINE 2:

THE COMPACT QUALIFIES AS A TAX-EXEMPT ORGANIZATION UNDER SECTION 501(C)(3)

AND IS NOT A PRIVATE FOUNDATION UNDER SECTION 509(A) OF THE INTERNAL

REVENUE CODE. THE COMPACT IS ANNUALLY REQUIRED TO FILE A RETURN OF

ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) WITH THE IRS. IN ADDITION,

THE COMPACT IS SUBJECT TO INCOME TAX ON NET INCOME THAT IS DERIVED FROM

BUSINESS ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE. THE COMPACT

HAS DETERMINED IT IS NOT SUBJECT TO UNRELATED BUSINESS INCOME TAX AND HAS

NOT FILED AN EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN (FORM 990T)

WITH THE IRS.

THE COMPACT BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS

Part XIII Supplemental Information (continued)

TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE

ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS.

THE COMPACT WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED

TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH

INTEREST AND PENALTIES ARE INCURRED.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
Attach to Form 990.
Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (such as maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, and officers, including the CEO/Executive Director, regarding the items checked on line 1a?

3 Indicate which, if any, of the following the organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- | | |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee | <input type="checkbox"/> Written employment contract |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study |
| <input type="checkbox"/> Form 990 of other organizations | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

4 During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in or receive payment from a supplemental nonqualified retirement plan?
- c** Participate in or receive payment from an equity-based compensation arrangement?
- If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 5a or 5b, describe in Part III.

6 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization?
- b** Any related organization?
- If "Yes" on line 6a or 6b, describe in Part III.

7 For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described on lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported on Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
1b		
2	X	
4a		X
4b		X
4c		X
5a		X
5b		X
6a		X
6b		X
7	X	
8		X
9		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2022

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that aren't listed on Form 990, Part VII.

Note: The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2 and/or 1099-MISC and/or 1099-NEC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) SUSAN HEEGAARD PRESIDENT	(i)	243,577.	7,500.	13,349.	40,192.	72,763.	377,381.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(2) ROBERT TREMBACH CHIEF OPERATING OFFICER	(i)	158,984.	4,000.	600.	40,234.	64,008.	267,826.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(3) JENNIFER PARKS VICE PRESIDENT	(i)	136,629.	4,000.	360.	28,303.	47,177.	216,469.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(4) JENNIFER DAHLQUIST VICE PRESIDENT	(i)	147,616.	4,000.	182.	12,633.	36,135.	200,566.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
(5) MARY ROBERSON SENIOR DIRECTOR	(i)	103,021.	4,000.	161.	21,034.	35,170.	163,386.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
Attach to Form 990 or Form 990-EZ.
Go to www.irs.gov/Form990 for the latest information.

OMB No. 1545-0047

2022

Open to Public
Inspection

Name of the organization

MIDWESTERN HIGHER EDUCATION COMPACT

Employer identification number

38-3011476

FORM 990, PART I, LINE 1, DESCRIPTION OF ORGANIZATION MISSION:

AND COST-SHARING OPPORTUNITIES. THROUGH THESE EFFORTS IT WORKS TO

ENSURE STRONG, EQUITABLE POSTSECONDARY EDUCATIONAL OPPORTUNITIES AND

OUTCOMES FOR ALL.

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

COMPREHENSIVE HEALTH INSURANCE SOLUTIONS CREATED IN RESPONSE TO BOTH

INCREASING COST AND CONCERN FOR STUDENT HEALTH. 25 CAMPUSES OFFERED

MHECARE HEALTH INSURANCE SOLUTIONS IN FY 2023.

MIDWEST STUDENT EXCHANGE PROGRAM:

A MULTI-STATE TUITION RECIPROCITY PROGRAM THAT MAKES ATTENDING

OUT-OF-STATE COLLEGES AND UNIVERSITIES MORE AFFORDABLE FOR NON-RESIDENT

STUDENTS.

- 5,828 STUDENTS ENROLLED IN THE MIDWEST STUDENT EXCHANGE PROGRAM IN 8

OF THE COMPACT STATES (INDIANA, KANSAS, MINNESOTA, MISSOURI, NEBRASKA,

NORTH DAKOTA, OHIO, AND WISCONSIN) DURING FY23.

- MSEP STUDENTS SAVED OVER \$44 MILLION IN FY23, BRINGING THE TOTAL

PROGRAM SAVINGS TO \$891 MILLION SINCE 1994.

- ON AVERAGE, STUDENTS IN MSEP TYPICALLY REALIZE SAVING BETWEEN \$500

AND \$5,000 ANNUALLY.

- 1 REPORT WAS PRODUCED AS PART OF A PROGRAM ASSESSMENT.

MIDWESTERN STATE AUTHORIZATION RECIPROCITY AGREEMENT:

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
---	--

A VOLUNTARY AGREEMENT AMONG STATES THAT ESTABLISHES NATIONWIDE
STANDARDS FOR THE OFFERING OF POSTSECONDARY DISTANCE EDUCATION COURSES
AND PROGRAMS. M-SARA SAVED INSTITUTIONS AN ESTIMATED \$36,285,255 IN FY
2023.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

MHEC CONTINUED EXPANSION OF THE GRADUATE CREDIT QUEST, A WEB-BASED
PLATFORM FOR TEACHERS TO SEARCH FOR GRADUATE COURSE WORK WITHIN THEIR
CONTENT AREAS THAT LEAD TO REQUIRED CREDENTIALING FOR TEACHING DUAL OR
CONCURRENT CREDIT CLASSES. THE PLATFORM PROVIDES INFORMATION ABOUT DUAL
CREDIT AND CONCURRENT ENROLLMENT POLICIES AND PRACTICES FOR ALL 12 MHEC
MEMBER STATES. IT ALSO SERVES AS A REPOSITORY OF RESEARCH PUBLICATIONS,
PROFESSIONAL PAPERS, AND MEDIA RELEASES ON THE SUBJECT OF
DUAL/CONCURRENT CREDIT. THE PLATFORM WAS ENHANCED IN 2022 WITH SPECIFIC
COMMUNICATIONS AND PATHWAY TRACKING CAPACITIES THAT FURTHER ENABLE
TEACHERS TO ACCELERATE THEIR EFFORTS TO COMPLY WITH CREDENTIALING
REQUIREMENTS. NOW THE PLATFORM ENABLES OVER 28 REGIONAL GRADUATE
SCHOOLS TO BUILD AWARENESS AMONG TEACHERS ABOUT ROUGHLY 1,500 UNIQUE
COURSE OFFERINGS, WITHIN MULTIPLE ACADEMIC DISCIPLINES, AND PROVIDING
ACCESS TO SPECIFIC ENROLLMENT PROCESSES, DELIVERY MODALITIES, AND MORE.

CAMPUS COORDINATORS FOR DUAL OR CONCURRENT CREDIT TEACHERS CAN NOW
COMMUNICATE WITH PARTNERED TEACHERS ABOUT THEIR SPECIFIC PROGRESS
TOWARD CREDENTIALING AND TEACHERS CAN HAVE CONFIDENCE THAT SELECTED
COURSES WILL COUNT TOWARD CREDENTIALING. THE PLATFORM HOSTS COLLEGES
AND UNIVERSITIES FROM 8 OF THE 12 MHEC MEMBER STATES. TEACHER USER
COUNTS (OF 187CURRENT USERS) HAVE CONTINUED TO GROW, AND COORDINATOR

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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COUNTS (33) ARE RISING. AS DIRECT OUTREACH TO 28 UNIVERSITY USERS) ARE IMPLEMENTED. FORMAL OUTREACH AND COMMUNICATIONS EFFORTS INCLUDED USER SURVEYS TO BOTH UNIVERSITY ADMINISTRATORS (33) AND TEACHERS (263). SEVERAL INSIGHTS AND USER PERCEPTIONS WERE RECEIVED AND ASSESSED FOR FURTHER ACTION IN 2024.

CONCURRENT ENROLLMENT IS A RESEARCH PRIORITY FOR MHEC DURING ITS CURRENT STRATEGIC PLAN. IN FY24 MHEC WILL PRODUCE BETWEEN THREE AND FOUR RESEARCH REPORTS PERTAINING TO CONCURRENT ENROLLMENT ISSUES: TRENDS AND PATTERNS IN STATE LEVEL DATA COLLECTION, USE OF OPEN EDUCATIONAL RESOURCES IN DUAL AND CONCURRENT ENROLLMENT SETTINGS, AN UPDATED VERSION OF THE 2017 MHEC RESEARCH REPORT SUMMARIZING EXISTING RESEARCH ON OPTIMAL LEVELS OF TEACHER TRAINING AND PREPARATION, AND AN UPDATED VERSION OF THE 2019 RESEARCH REPORT SUMMARIZING HOW STATES AND ACCREDITORS DEFINE THE QUALIFICATIONS NECESSARY FOR HIGH SCHOOL TEACHERS TO TEACH CONCURRENT ENROLLMENT COURSES.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS: TECHNOLOGY COMMUNITY CONDUCTING A COMPETITIVE SOURCING PROCESS THAT LEVERAGES THE POTENTIAL PURCHASING POWER OF THE 12 MHEC MEMBER STATES. TECHNOLOGY CONTRACTS SAVED ENTITIES IN THE MHEC REGION NEARLY \$32 MILLION IN FY2023. IN SOME CASES, THE COMPACT'S COST SAVINGS INITIATIVES MAY BE UTILIZED BY CITY, COUNTY, AND STATE GOVERNMENT AS WELL AS NONPROFIT ORGANIZATIONS.

FORM 990, PART III, LINE 4D, OTHER PROGRAM SERVICES: RESEARCH:

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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MHEC RESEARCH INFORMS INSTITUTIONAL AND STATE EFFORTS IN IMPROVING

POSTSECONDARY POLICIES, PRACTICES, AND OUTCOMES IN SEVERAL WAYS: (A)

MAINTAINING A NATIONAL REPOSITORY OF EXPERTISE, KNOWLEDGE AND BEST

PRACTICES FOR GUIDING POLICY AND PRACTICE; (B) CONDUCTING APPLIED

RESEARCH AND ANALYSIS ON CRITICAL TOPICS IN HIGHER EDUCATION; (C)

DEVELOPING INNOVATIVE APPROACHES TO IMPROVE EDUCATIONAL OPPORTUNITY AND

EFFECTIVENESS; AND (D) PROVIDING PUBLIC OUTREACH AND SERVICE TO

INSTITUTIONS AND GOVERNMENTS. AMONG ITS CORE OUTPUTS, MHEC RESEARCH

MAINTAINS AN ONLINE DASHBOARD OF EDUCATIONAL PERFORMANCE INDICATORS AND

PRODUCES TIMELY BRIEFS, REPORTS, AND TECHNICAL PAPERS IN THE MOST

CRITICAL AREAS FOR FACILITATING PROGRESS TOWARDS STATE EDUCATIONAL

ATTAINMENT GOALS, INCLUDING COLLEGE READINESS; AFFORDABILITY AND

FINANCE; STUDENT SUCCESS; AND PERFORMANCE, VALUE, AND ACCOUNTABILITY AS

WELL AS OTHER TOPICS OF IMPORTANCE TO MIDWESTERN STATES. 23

PUBLICATIONS WERE RELEASED IN FY23.

EXPENSES \$ 818,266. INCLUDING GRANTS OF \$ 0. REVENUE \$ 0.

FORM 990, PART VI, SECTION A, LINE 6:

COMPACT MEMBERS: THE MEMBERS OF THE COMPACT ARE THE 12 MIDWESTERN STATES

IDENTIFIED IN THE COMPACT STATUTE: ILLINOIS, INDIANA, IOWA, KANSAS,

MICHIGAN, MINNESOTA, MISSOURI, NEBRASKA, NORTH DAKOTA, OHIO, SOUTH DAKOTA,

AND WISCONSIN. TO BECOME A MEMBER, THE STATES MUST ENACT THE COMPACT

STATUTE. ONCE ENACTED, THE APPOINTING AUTHORITIES IN EACH OF THE COMPACTING

STATES SHALL FORWARD THE NAMES OF THEIR APPOINTEES TO THE COMPACT STAFF.

THE COMPACT STAFF SHALL PROMPTLY ADVISE THE APPROPRIATE APPOINTING

AUTHORITIES OF THE NEED TO APPOINT NEW COMMISSION MEMBERS UPON THE

EXPIRATION OF DESIGNATED TERMS.

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
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AFFILIATE MEMBERS: STATES NOT ELIGIBLE TO BECOME A PARTY TO THE COMPACT

AND/OR CANADIAN PROVINCES MAY BECOME AFFILIATE MEMBERS WHEN MUTUAL

INTERESTS EXIST AND WHEN IT WOULD BENEFIT THE COMPACT TO ENTER INTO SUCH

ARRANGEMENTS.

ASSOCIATE MEMBERS: ENTITIES NOT ELIGIBLE TO BECOME MEMBERS OF THE COMPACT

MAY BE AFFORDED STATUS AS ASSOCIATES OF THE COMMISSION IN ACCORDANCE WITH

THE POLICIES AND PROCEDURES APPROVED BY THE COMMISSION.

FORM 990, PART VI, SECTION A, LINE 7A:

EACH COMPACT MEMBER MAY APPOINT FIVE RESIDENT MEMBERS OF EACH STATE TO THE

COMMISSION AS FOLLOWS: THE GOVERNOR OR THE GOVERNOR'S DESIGNEE WHO SHALL

SERVE DURING THE TENURE OF OFFICE OF THE GOVERNOR; TWO LEGISLATORS, ONE

FROM EACH HOUSE (EXCEPT NEBRASKA, WHICH MAY APPOINT TWO LEGISLATORS FROM

ITS UNICAMERAL LEGISLATURE), APPOINTED BY THE APPROPRIATE APPOINTING

AUTHORITY IN EACH HOUSE OF THE LEGISLATURE; AND TWO OTHER AT-LARGE MEMBERS,

AT LEAST ONE OF WHOM SHALL BE SELECTED FROM THE FIELD OF HIGHER EDUCATION.

THE AT-LARGE MEMBERS SHALL BE APPOINTED IN A MANNER PROVIDED BY THE LAWS OF

THE APPOINTING STATE. ALL VACANCIES SHALL BE FILLED IN ACCORDANCE WITH THE

LAWS OF THE APPOINTED STATES.

FORM 990, PART VI, SECTION B, LINE 11B:

A DRAFT RETURN IS REVIEWED BY THE PRESIDENT, CHIEF OPERATING OFFICER,

CONTRACT CHIEF FINANCIAL OFFICER AND DIRECTOR OF FINANCE AND

ADMINISTRATION. THE DRAFT IS THEN FORWARDED TO A FINANCE AND AUDIT

COMMITTEE FOR THEIR REVIEW. ONCE APPROVED IT IS THEN FORWARDED TO THE

ORGANIZATION'S OFFICERS FOR THEIR APPROVAL.

Name of the organization MIDWESTERN HIGHER EDUCATION COMPACT	Employer identification number 38-3011476
---	--

FORM 990, PART VI, SECTION B, LINE 12C:

THE CONFLICT OF INTEREST POLICY COVERS THE GOVERNING BOARD AND OFFICERS.

ANNUAL STATEMENTS ARE REVIEWED BY THE DIRECTOR OF COMMUNICATIONS AND

MARKETING. IF A CONFLICT WAS KNOWN, THAT INDIVIDUAL WOULD BE REQUIRED TO

REFRAIN FROM VOTING ON THE MATTER.

FORM 990, PART VI, SECTION B, LINE 15A:

COMPENSATION FOR THE PRESIDENT IS RECOMMENDED BY THE EXECUTIVE COMMITTEE.

THE EXECUTIVE COMMITTEE USES COMPARABILITY DATA FOR SIMILAR ORGANIZATIONS.

THE FINAL DETERMINATION AND DISCUSSION IS DOCUMENTED IN THE MINUTES AT THE

FULL BOARD MEETING IN JUNE. THIS PROCESS IS DONE ON AN ANNUAL BASIS.

COMPENSATION FOR OTHER OFFICERS IS DETERMINED BY THE PRESIDENT ON AN ANNUAL

BASIS.

FORM 990, PART VI, SECTION C, LINE 19:

GOVERNING DOCUMENTS ARE CURRENTLY AVAILABLE ON THE COMPACT'S WEBSITE.

FINANCIAL STATEMENTS AND THE CONFLICT OF INTEREST POLICY ARE MADE AVAILABLE

UPON REQUEST.

FORM 990, PART VI, SECTION A, LINE 1A:

THE EXECUTIVE COMMITTEE HAS AUTHORITY TO ACT ON BEHALF OF THE BOARD.

THE EXECUTIVE COMMITTEE IS MADE UP OF COMMISSIONERS CHOSEN BY THE BOARD

OF COMMISSIONERS. TWO EXECUTIVE BOARD MEMBERS ARE CHOSEN FROM EACH

STATE GIVING THE STATES EQUAL REPRESENTATION AND EQUAL AUTHORITY AND

VOTES.

**SCHEDULE R
(Form 990)**

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships
Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
Attach to Form 990.

Go to www.irs.gov/Form990 for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization <p align="center">MIDWESTERN HIGHER EDUCATION COMPACT</p>	Employer identification number <p align="center">38-3011476</p>
---	--

Part I Identification of Disregarded Entities. Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No

Part V Transactions With Related Organizations. Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note: Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

- a** Receipt of **(i)** interest, **(ii)** annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity
- b** Gift, grant, or capital contribution to related organization(s)
- c** Gift, grant, or capital contribution from related organization(s)
- d** Loans or loan guarantees to or for related organization(s)
- e** Loans or loan guarantees by related organization(s)

- f** Dividends from related organization(s)
- g** Sale of assets to related organization(s)
- h** Purchase of assets from related organization(s)
- i** Exchange of assets with related organization(s)
- j** Lease of facilities, equipment, or other assets to related organization(s)

- k** Lease of facilities, equipment, or other assets from related organization(s)
- l** Performance of services or membership or fundraising solicitations for related organization(s)
- m** Performance of services or membership or fundraising solicitations by related organization(s)
- n** Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)
- o** Sharing of paid employees with related organization(s)

- p** Reimbursement paid to related organization(s) for expenses
- q** Reimbursement paid by related organization(s) for expenses

- r** Other transfer of cash or property to related organization(s)
- s** Other transfer of cash or property from related organization(s)

	Yes	No
1a		X
1b		X
1c		X
1d		X
1e		X
1f		X
1g		X
1h		X
1i		X
1j		X
1k		X
1l		X
1m		X
1n		X
1o	X	
1p		X
1q		X
1r		X
1s		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VII Supplemental Information

Provide additional information for responses to questions on Schedule R. See instructions.

PART IV, IDENTIFICATION OF RELATED ORGANIZATIONS TAXABLE AS CORP OR TRUST:

NAME, ADDRESS, AND EIN OF RELATED ORGANIZATION:

STONE ARCH INSURANCE COMPANY C/O MARSH MANAGEMENT SERVICES

INC.

EIN: 87-1115817

463 MOUNTAIN VIEW DRIVE, SUITE 300

COLCHESTER, VT 05446

DIRECT CONTROLLING ENTITY: MIDWESTERN HIGHER EDUCATION COMPACT

Application for Automatic Extension of Time To File an Exempt Organization Return

Department of the Treasury
Internal Revenue Service

▶ **File a separate application for each return.**
▶ **Go to www.irs.gov/Form8868 for the latest information.**

Electronic filing (e-file). You can electronically file Form 8868 to request a 6-month automatic extension of time to file any of the forms listed below with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, for which an extension request must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit www.irs.gov/e-file-providers/e-file-for-charities-and-non-profits.

Automatic 6-Month Extension of Time. Only submit original (no copies needed).

All corporations required to file an income tax return other than Form 990-T (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization or other filer, see instructions. MIDWESTERN HIGHER EDUCATION COMPACT	Taxpayer identification number (TIN) 38-3011476
File by the due date for filing your return. See instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. 105 FIFTH AVENUE SOUTH, SUITE 450	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. MINNEAPOLIS, MN 55401	

Enter the Return Code for the return that this application is for (file a separate application for each return) 0 1

Application Is For	Return Code	Application Is For	Return Code
Form 990 or Form 990-EZ	01	Form 1041-A	08
Form 4720 (individual)	03	Form 4720 (other than individual)	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12
Form 990-T (corporation)	07		

ERIN FRAHM

- The books are in the care of ▶ 105 FIFTH AVENUE SOUTH, SUITE 450 - MINNEAPOLIS, MN 55401

Telephone No. ▶ 612-677-2766

Fax No. ▶ _____

- If the organization does not have an office or place of business in the United States, check this box
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box . If it is for part of the group, check this box and attach a list with the names and TINs of all members the extension is for.

1 I request an automatic 6-month extension of time until MAY 15, 2024, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ calendar year _____ or
- ▶ tax year beginning JUL 1, 2022, and ending JUN 30, 2023.

2 If the tax year entered in line 1 is for less than 12 months, check reason: Initial return Final return Change in accounting period

3a If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$	0.
b If this application is for Forms 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$	0.
c Balance due. Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$	0.

Caution: If you are going to make an electronic funds withdrawal (direct debit) with this Form 8868, see Form 8453-TE and Form 8879-TE for payment instructions.

LHA **For Privacy Act and Paperwork Reduction Act Notice, see instructions.**

Form **8868** (Rev. 1-2022)

MAIL TO: DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
OGDEN, UT 84201-0045



2023-2024

ANNUAL REPORT

to the Member States

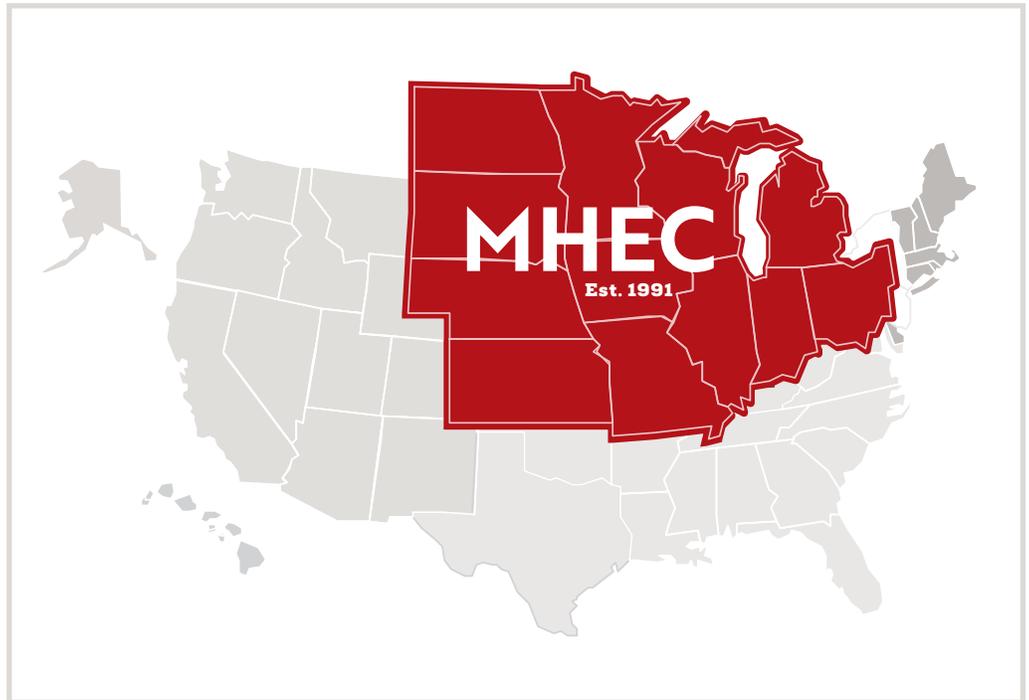


MIDWESTERN HIGHER EDUCATION COMPACT

The Midwestern Higher Education Compact (MHEC) strengthens postsecondary education in its 12 member states through cost-savings initiatives and collaborative solutions informed by research and the expertise of regional leaders. One of four regional higher education compacts in the United States, MHEC:

- Advances innovation, efficiency and effectiveness by piloting solutions to pressing issues and conducting research to produce actionable ideas.
- Develops collaborative solutions to regional problems and leverages opportunities to make the Midwest region stronger.
- Drives significant cost savings and helps solve key business problems in higher education through programs and contracts.

MHEC was established in the early 1990s through the enactment of legislation recommended by the Midwestern Legislative Conference of The Council of State Governments and is funded by member state commitments, program income, and foundation grants. MHEC's contracts, research, programs and convenings are available to all public and private nonprofit institutions of higher education in the Midwest.



MEMBER STATES

Illinois

Indiana

Iowa

Kansas

Michigan

Minnesota

Missouri

Nebraska

North Dakota

Ohio

South Dakota

Wisconsin

COMING TOGETHER TO STRENGTHEN HIGHER EDUCATION

Greetings,

As we reflect upon the past year, we extend our gratitude to our commissioners, committee members, advisory groups, and partner organizations from our 12 member states who worked alongside MHEC in 2023-2024 to drive progress.

MHEC is a unique organization where higher education leaders, policymakers, and other midwestern leaders — regardless of differences — come together to develop and share ways to strengthen postsecondary education. The breadth and depth of experience of our members is one of our greatest strengths, and we are grateful for what each of you contributes to this work.

We are pleased to share this annual report summarizing our efforts and accomplishments over the past year. In 2023/24, we:

- Secured a second round of funding from the Hewlett Foundation to continue our leadership in expanding open educational resources, which bring innovation and savings to students and higher education institutions.
- Responded to the issues related to the rollout of the new FAFSA by hosting a Midwestern summit and follow-up engagement convenings that ensured our states have the support they need on this topic.
- Supported states as they respond to the tremendous demand for concurrent enrollment.
- Initiated a review of the Midwest Student Exchange Program to understand how it might better support tuition reciprocity in our region and help institutions advance enrollment goals.

MHEC continues to drive cost savings and business solutions.

- We saw significant utilization and revenue growth with our technology contracts, which help institutions and states save time and money.
- Our student health solutions contracts continue to grow.
- We launched a feasibility study to explore opportunities to best serve risk management needs of our states and higher education institutions.

In the coming year, we know that artificial intelligence, college affordability, declining enrollment, and workforce alignment with higher education will be on MHEC's agenda as we embark upon a new strategic planning process.

The engagement of our commissioners, higher education experts, policymakers, and economic leaders is critical as we address these many issues and opportunities. Thank you for your commitment to MHEC as we continue to develop collaborative solutions, drive cost savings, and advance innovation and efficiency in higher education.

Sincerely,



Susan G. Heegaard
MHEC President



Barbara W. Ballard, Ph.D.
MHEC Chair, 2023-2024
Minority Caucus Chair, Kansas House of Representatives

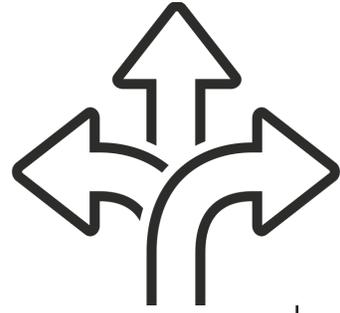


SUSAN G. HEEGAARD



BARBARA BALLARD

2023-2024 BY THE NUMBERS



TOTAL SAVINGS

\$99.2M

MHEC-RELATED SAVINGS FOR STATES, INSTITUTIONS, STUDENTS, AND FAMILIES

\$32.2M

FOR STATES AND INSTITUTIONS THROUGH MHEC TECHNOLOGY CONTRACTS

\$37.1M

FOR HIGHER ED INSTITUTIONS THROUGH MIDWESTERN STATE RECIPROCITY AGREEMENTS

\$29.8M

FOR STUDENTS AND FAMILIES THROUGH THE MIDWEST STUDENT EXCHANGE



+10.8%

Increase in usage of MHEC technology contracts

+7.5%

Increase in usage of MHEC student health contracts



1,500+

Leaders engaged by MHEC to help states navigate new professional licensure compliance changes

STRATEGIC PRIORITIES: HIGHLIGHTS OF 2023-2024

The Midwestern Higher Education Compact focused its work this past year in three strategic priority areas.

#1 INCUBATE

Advance innovation, efficiency & effectiveness

- » Led regionally and nationally in expanding use and utility of open educational resources (OER); convened summit; published best practices guide.
- » Conducted data and technology assessment to improve data quality, automation, accessibility, workflow, and management.
- » Completed staff role audit and hired three new staff to position organization for growth.
- » Expanded commissioner participation in key committees.

#2: LAUNCH

Develop collaborative solutions to regional problems and opportunities

- » Convened states and higher education institutions to help them navigate timely and critical issues facing higher education.
- » Guided states through FAFSA challenges through FAFSA Summit and continued convenings.
- » Advocated and amplified the needs of the region in national State Authorization Reciprocity Agreements (SARA) policy revisions.
- » Helped states navigate new professional licensure compliance changes, engaging 1500+ leaders in learning webinars and state-specific support sessions.
- » Convened group to assess the Midwest Student Exchange Program (MSEP) to support tuition reciprocity in our region and help institutions advance enrollment goals.



STRATEGIC PRIORITIES: HIGHLIGHTS OF 2023-2024

#3: SAVE

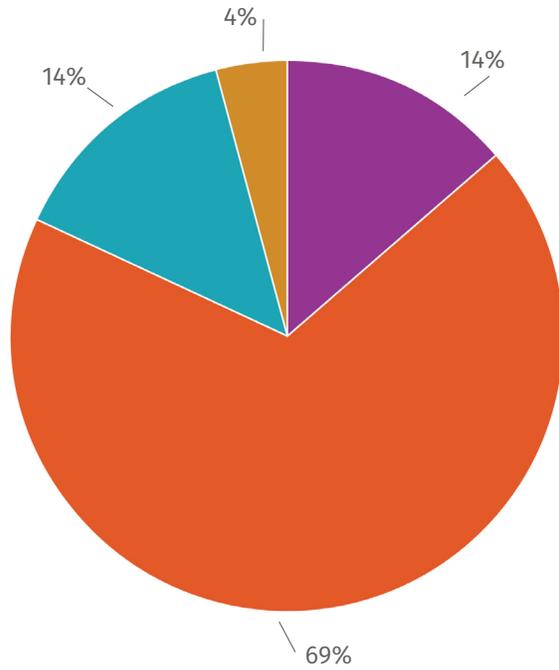
Drive cost savings & business solutions

- » Drove \$69 million in savings for states and institutions through contracts and distance education reciprocity agreements, plus \$30 million for students and families through the Midwest Student Exchange Program.
- » Expanded understanding and utilization of technology contracts that helped states and institutions and states save time and collectively \$32 million.
- » Embarked on captive feasibility study to explore opportunities to best serve risk management needs of our states and higher education institutions.
- » Audited student health programs to better meet the needs of higher education; expanded use of student health insurance contracts.



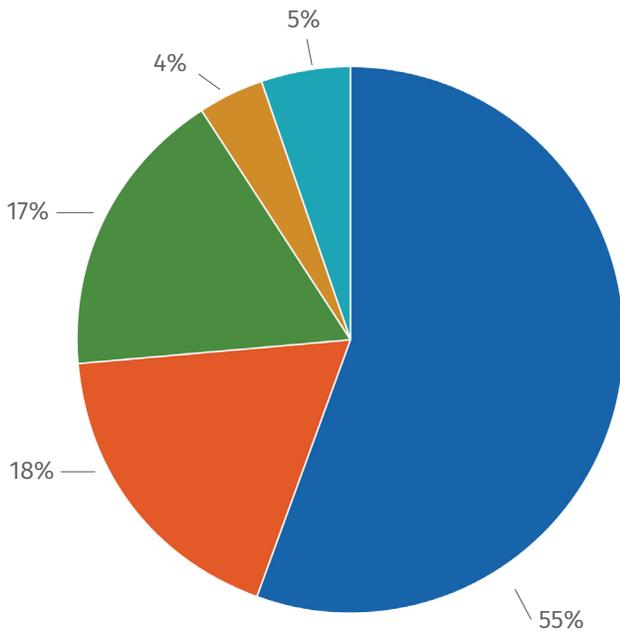
MHEC FINANCIALS FY24

FY24 REVENUE



FY24 REVENUE	
State Commitments	\$1,380,000
Contracts	\$6,834,276
Programs	\$1,349,947
Other Income	\$355,225
TOTAL	\$9,929,448

FY24 EXPENSES



FY24 EXPENSES	
Salaries & Benefits	\$2,422,744
Contracted Fees	\$828,014
Convening	\$800,352
Rent & Leases	\$169,027
General Expenses	\$235,723
TOTAL	\$4,475,860

2023-24 MHEC COMMISSIONERS

ILLINOIS

Dr. Maureen Banks, Board Member,
Illinois Community College Board
3/24/2023 to 3/24/2027

The Hon. Michael Halpin, Senator,
Illinois General Assembly
3/21/2023 to 1/2/2025

Pranav Kothari, Board Chair,
Illinois Board of Higher Education
3/15/2023 to 1/1/2027

The Hon. Katie Stuart, Representative,
Illinois General Assembly
1/25/2023 - 1/2/2025

INDIANA

The Hon. Bob Behning, Representative,
Indiana General Assembly
7/1/2024 to 6/30/2026

The Hon. Spencer Deery, Senator,
Indiana General Assembly
2/23/2024 to 6/30/2025

Dr. Charles Johnson, President,
Vincennes University
9/9/2024 – 6/30/2025

Dr. Dottie King, President and CEO,
Independent Colleges of Indiana
4/12/2024 – 2/28/2028

Dr. Ronald S. Rochon, President,
University of Southern Indiana
7/1/2021 - 6/30/2025

Dr. Ken Sauer, Senior Advisor to the
Commissioner, Indiana Commission
for Higher Education; Indiana
Governor's Designee
3/27/2017 - APOG

IOWA

The Hon. Jacob Bossman, Representative,
Iowa Legislature
5/3/2023- 1/12/2025

Ms. Joanna Hofer, Past Board Chair,
Iowa Association of Community
College Trustees
7/1/2023 – 7/1/2025

Ms. Olivia M.A. Madison,
Iowa Governor's Designee
5/1/2023 – 4/30/2025, APOG

Ms. Greta Rouse, Regent,
Iowa Board of Regents
5/11/2023 - 4/30/2027

The Hon. Cindy Winckler, Senator,
Iowa Legislature
2/10/2023 - 1/12/2025

Commissioner Alternates

Mr. Andrew Baumert, Vice President for
Marketing and Outreach, Iowa Association
of Independent Colleges and Universities
2/13/2020 - 1/1/2024

Mr. Timothy Fitzgibbon,
Iowa Governor's Designee
5/1/2023- 4/30/2025, APOG

Dr. David Ford, Bureau Chief, Iowa College
Aid-Iowa Department of Education
3/28/2024 – 7/1/2025

The Hon. Sharon Steckman,
Representative, Iowa Legislature
5/11/2023 - 1/12/2025

The Hon. Jeff Taylor, Senator,
Iowa Legislature
1/22/2023 - 1/12/2025

KANSAS

The Hon. Barbara Ballard, Representative,
Kansas Legislature
7/1/2023 – 6/30/2025

The Hon. Molly Baumgardner, Senator,
Kansas Legislature
7/1/2023 – 6/30/2025

Dr. Blake Flanders, President and CEO,
Kansas Board of Regents
9/15/2022 - 6/30/2026

Dr. Cynthia Lane, Board Member,
Kansas Board of Regents
9/15/2022- 9/20/2023

Mr. Aaron A. Otto, KS Governor's Designee
7/5/2019 - APOG

Mr. Wint Winter, Board Member,
Kansas Board of Regents
9/20/2023 – 6/30/2026

Commissioner Alternates

The Hon. Marci Francisco, Senator,
Kansas Legislature
7/1/2023 – 6/30/2025

The Hon. Ken Rahjes, Representative,
Kansas Legislature
7/1/2023 – 6/30/2025

MICHIGAN

The Hon. Carol Glanville, Representative,
Michigan Legislature
1/1/2023 - 12/31/2024

Dr. Daniel J. Hurley, Chief Executive Officer,
Michigan Association of State Universities
5/9/2024 – 3/18/2025

Ms. Brandy M. Johnson, President,
Michigan Community College Association
5/9/2024 – 3/18/2027

The Hon. Sean McCann, Senator,
Michigan Legislature
4/10/2023 - 1/8/2025

Ms. Emma Young, Policy Analyst to the
Governor, State of Michigan;
Michigan Governor's Designee
5/9/2024 - APOG

Commissioner Alternate

Dr. David L. Eisler, Former President,
Ferris State University
3/26/2021 - 3/18/2025

MINNESOTA

Dr. Rachel Croson, Executive Vice President
and Provost, University of Minnesota
9/1/2023 to 1/6/2025

The Hon. Omar Fateh, Senator,
Minnesota Legislature
2/10/2023 - 1/7/2025

Dr. Devinder Malhotra, Chancellor,
Minnesota State
3/3/2021 – 6/30/2024

Mr. Dennis Olson, Commissioner,
Minnesota Office of Higher Education;
Minnesota Governor's Designee
2/17/2023 – 1/4/2027; APOG

Dr. Scott Olson, Chancellor,
Minnesota State
9/1/2023 – 1/6/2025

The Hon. Gene Pelowski, Jr., Representative,
Minnesota Legislature
1/31/2023 - 1/7/2025

Commissioner Alternate

Mr. Paul Cerkvenik, President,
Minnesota Private College Council
12/8/2014

APOG = At Pleasure of the Governor

2023-24 MHEC COMMISSIONERS

MISSOURI

The Hon. Brad Christ, Representative,
Missouri General Assembly
7/23/2024 – 7/1/2026

The Hon. Karla Eslinger, Senator,
Missouri General Assembly
5/11/2023 – 5/6/2024

Ms. Samantha Dickey, Assistant Commissioner
for Postsecondary Policy, Missouri
Department of Higher Education &
Workforce Development; Missouri
Governor's Designee
7/17/2023 – APOG

Mr. David Pearce, Executive Director for
Government Relations, University of
Central Missouri
10/5/2022 – 1/1/2026

Dr. Susan Thomas, President,
Truman State University
6/3/2019 to 1/1/2021

The Hon. Curtis Trent, Senator, Missouri
General Assembly
5/6/2024 – 12/31/2024

NEBRASKA

Mr. Matthew Blomstedt, Associate Vice
President for Government Relations,
University of Nebraska System
10/3/2024 – 1/1/2027

The Hon. John Cavanaugh, Senator,
Nebraska Legislature
1/11/2023 – 1/1/2025

Dr. Deborah Frison, Member, Coordinating
Commission for Postsecondary Education
1/2/2023 – 1/1/2027

Mr. Chris Kabourek, Sr VP for Business &
Finance | CFO, University of Nebraska
System
10/16/2023 – 10/1/2024

Mr. Grant Latimer, Policy Advisor to Governor
Jim Pillen, State of Nebraska; Nebraska
Governor's Designee
10/16/2023 – APOG

Mr. Heath Mello, Vice President for External
Relations, University of Nebraska System
1/2/2023 – 10/16/2023

The Hon. Lynne Walz, Senator,
Nebraska Legislature
1/11/2023 – 1/1/2025

Commissioner Alternates

Dr. Michael Baumgartner, Executive Director,
Coordinating Commission for
Postsecondary Education
9/3/2014

Dr. Paul Turman, Chancellor,
Nebraska State College System
4/23/2024 – 7/1/2028

NORTH DAKOTA

The Hon. Kyle Davison, Senator,
North Dakota Legislative Assembly
8/1/2023 – 7/23/2025

Tim Flakoll, North Dakota Governor's
Designee
12/15/2016 – APOG

Dr. Mark Hagerott, Chancellor,
North Dakota University System
7/1/2023 – 6/30/2027

Mr. Tim Mihalick, President, State Board
of Higher Education
7/21/2021 – 6/30/2025

The Hon. Brandy Pyle, Representative,
North Dakota Legislative Assembly
8/1/2023 – 7/31/2025

OHIO

Mr. Gary Cates, Senior Vice Chancellor,
Ohio Department of Higher Education
1/9/2023 – 1/8/2027

The Hon. Jerry Cirino, Senator,
Ohio Legislature
1/17/2023 – 12/31/2024

Mr. Mike Duffey, Chancellor,
Ohio Department of Higher Education
Ohio Governor's Designee
1/29/2021 – APOG

Mr. Jack Hershey
3/3/2021 to 1/8/2025

The Hon. Tom Young, Representative,
Ohio Legislature
2/28/2023 – 1/1/2025

SOUTH DAKOTA

Dr. Michael Cartney, President Emeritus,
Lake Area Technical Institute
1/3/2021 – 12/31/2024

The Hon. Steve Kolbeck, Senator,
South Dakota Legislature
3/27/2023 – 12/31/2024

Mr. Nathan Lukkes, Executive Director and
CEO, South Dakota Board of Regents
7/1/2022 – 6/30/2026

Mr. Larry J. Tidemann, South Dakota
Governor's Designee
1/11/2019 – APOG

The Hon. Tyler Tordsen, Representative,
South Dakota Legislature
3/27/2023 – 12/31/2024

Commissioner Alternates

The Hon. Erin Healy, Representative,
South Dakota Legislature
3/27/2023 – 12/31/2024

The Hon. Reynold Nesiba, Senator,
South Dakota Legislature
3/27/2023 – 12/31/2024

WISCONSIN

The Hon. Joan Ballweg, Senator,
Wisconsin State Legislature
1/30/2023 – 1/6/2025

Dr. Eric Fulcomer, President,
Wisconsin Association of Independent
Colleges and Universities
7/1/2023 – 7/1/2027

Dr. Connie Hutchison, Executive Secretary,
State of Wisconsin Higher Educational
Aids Board
7/13/2021 – 3/13/2024

The Hon. David Murphy, Representative,
Wisconsin State Legislature
4/17/2024 – 6/30/2025

Julie Underwood, Professor Emeritus,
University of Wisconsin-Madison
Wisconsin Governor's Designee
4/2/2019 – APOG

Commissioner Alternates

Dr. Morna K. Foy, President,
Wisconsin Technical College System
3/11/2013 – 9/9/2024

Ms. Layla Merrifield, President,
Wisconsin Technical College System
9/17/2024 – 8/31/2028

Mr. Sean P. Nelson, Vice President of Finance,
University of Wisconsin System
2/6/2018 – 9/9/2024

Mr. Christopher Patton, Interim Vice
President for University Relations,
University of Wisconsin System
2/6/2018 – 9/9/2024

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MHEC brings together midwestern states to develop and support best practices, collaborative efforts, and cost-sharing opportunities. Through these efforts it works to ensure strong, equitable postsecondary educational opportunities and outcomes for all.



MIDWESTERN HIGHER EDUCATION COMPACT
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VISIT MHEC'S WEBSITE AT MHEC.ORG