

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
AUDIT CONFERENCE AND FINANCE COMMITTEE MEETING
December 2, 2019

A meeting of the Finance Committee was held in the President's Office conference room, Administration Hall, on the Owens Community College Toledo Campus.

Call to Order – Ed Nagle called the meeting to order at 3:00 p.m., and directed the record to show the meeting of the Finance Committee was held in accordance with the Ohio Revised Code and the policies of the Board of Trustees.

Roll Call – Roll Call was taken, and the following committee members were present: Ed Nagle, and Rita Russell (2). Board Chair Diana Talmage and Vice Chair Mary Beth Hammond were also in attendance.

AUDIT CONFERENCE

Mr. Nagle announced an audit conference with Clark Schaefer Hackett in accordance with Ohio Revised Code Section 121.22(D)(2), and Ms. Russell made a motion to enter into the audit conference, which was seconded by Mr. Nagle. Roll Call: Ed Nagle, yea; and, Rita Russell, yea (2).

Upon return from the audit conference, roll call was taken and the following members were present: Trustees Nagle and Russell (2). The auditors departed.

Approval of Minutes – The minutes of the September 30, 2019 meeting were sent in advance and hearing no corrections, Mr. Nagle declared the minutes approved.

TREASURER'S REPORT

OCTOBER - FISCAL YEAR 2020 FINANCIAL STATEMENTS

Jeff Ganues, Vice President of Business Affairs, Chief Financial Officer and Treasurer, commented on the financial statements for the period ending, October 31, 2019. He commented that page 2 reflects the recognition of summer semester and fall semester tuition revenue at 100 percent. The projection for spring semester tuition revenue is not included in the bottom line at this time. He commented on not meeting the projection for fall semester tuition revenue by (\$171,517). In response to Mr. Nagle's question if summer semester enrollment (tuition revenue exceeded projection) had an impact on fall semester enrollment, Amy Giordano, Vice President, Enrollment Management and Student Services, commented, yes, as Student Services conducted intentional marketing for summer semester for the continuing student population. Ms. Russell observed that the actual tuition revenue for both semesters netted out as a gain. Denise Smith, Provost/Vice President, Academic Affairs, commented that summer enrollment has a positive impact on the College's completion rates, due to the continuous enrollment of students. In response to Ms. Russell, Mr. Ganues affirmed that summer semester students take less credit hours, which means less technical fee revenue.

Mr. Ganues commented on the financial dashboards (pages 3-4). The reserve requirements are compliant, per the Financial Standards Policy. He noted that the fall semester tuition revenue is trending down due to timing of deferred revenue. He also commented that total revenue is trending down due to SSI, sales (end of sublease), and a potential coding issue on a contract.

Mr. Ganues reviewed the financial walkthrough (page 5), and he noted that tuition is now reflected by term to help identify projection trends with respect to areas of student enrollment, credit hours, tuition rate increase or student drops due to non-payment. President Robinson commented that CCP enrollment is in the 18 percent range that works well for the College budget. Mr. Nagle made a suggestion to include the “After Depreciation” amounts into the financial walkthrough, which Mr. Ganues will explore.

Mr. Ganues reviewed the statement of net position (page 13), and he noted that accounts receivable are up due to state capital accounts receivable on the books, and FY 2019 \$357,000 write-off, state deferred revenue not owed. Deferred revenue is based on 15 weeks (not 16 weeks) and will work its way out. Mr. Ganues closed the report by noting that the bank reconciliations (page 14) are available for review.

YEAR-TO-DATE FINANCIAL WALKTHROUGH

Mr. Ganues reviewed the comparison of the financial walkthrough for Fiscal Years 2018 and 2019.

OTHER

College Credit Plus Rate Adjustment Proposal – Ms. Giordano provided a brief background of CCP rates at the floor rate since inception. She noted that there is stability in the marketplace, and there will be a recommendation to the full Board of Trustees for an increase of rates based on delivery method for the 2020-2021 academic year. The proposed rates are, as follows:

- \$140 per credit hour rate: college course delivered on the college campus
- \$80 per credit hour rate: college course delivered on-line
- \$80 per credit hour rate: college course delivered at the district high school and taught by credentialed college faculty
- Default floor amount (\$41.64) per credit hour rate: college course delivered at the district school and taught by credentialed district school faculty

Mr. Ganues provided an estimate of \$352,000 increase to the bottom line. Ms. Giordano commented that the proposed increase will align with other public institutions in the region, and the proposal will place the College in a better financial footprint for the product by the delivery method.

Dana Center Construction Local Funds Update – Mr. Ganues provided an updated increase in project cost due to the addition of essential items in the scope of the project. He commented that construction bids are due in a couple of weeks, and the project cost estimate for local funds will be updated based on those bids. In response to Ms. Russell on the funding for the overage, Mr. Ganues commented on the College investment of local funds and the capital campaign, which President Robinson commented on the progress of the capital campaign.

Ms. Russell had to leave the meeting at 4:08 p.m.; no quorum.

Mr. Nagle commented on the College’s investments and resources for construction and deferred maintenance projects. Mr. Nagle noted that a deferred maintenance update will be provided, under the Treasurer’s Report for the next Finance Committee meeting, January 28, 2020. Mr. Ganues commented that he will also provide an update on the Dana Center construction costs, after the bids are received.

ATTEST

Patricia M. Jezak
Secretary to the Board of Trustees

Approved 1-28-2020