

OWENS COMMUNITY COLLEGE  
BOARD OF TRUSTEES  
FINANCE COMMITTEE MEETING  
October 1, 2021

A meeting of the Finance Committee was held in accordance with the policies of the Board of Trustees, Ohio Revised Code, Section 121.22 and Chapter 3358, in Heritage Hall 123 and by videoconference. A public link to the videoconference was provided on the public meeting notice on the College's website.

**Call to Order** – Jason Johnson called the meeting to order at 8:35 a.m.

**Roll Call** – Roll Call was taken, and the following committee members were present: Jason Johnson, Sherina Ohanian, Rich Rowe (remote), and Rita Russell (remote). (4).

**Approval of Minutes** – The minutes of the May 25, 2021 meeting were sent in advance and hearing no corrections, Mr. Johnson declared the minutes accepted as submitted.

**TREASURER'S REPORT**

Draft FY 2021 Preliminary June Financial Report – Mr. Ganues reviewed the Draft FY 2021 Preliminary June Financial Report, and he noted that it was not final, as the auditors were still in progress of completing the annual fiscal year end audit. In response to Mr. Johnson, Mr. Ganues commented that there were no material findings or changes to-date.

Mr. Ganues noted:

- Total revenue at year-end, up 21 percent from prior month, due to HEERF covering loss of revenue. Original budget was \$2.1 million for Round I; and then Rounds II and III came, \$11.4 million increase. Operational expenses were in line.
- Net gain in position (bottom line), \$7.5 million due to the HEERF one-time federal funds. SB 6 projected score, 5.0, also due to HEERF federal funds.
- Workforce contracted tuition revenue, \$4.2 million, and Workforce contracted charges, \$4.8 million incurred as a payable. The difference will be made up by SSI in a future year.
- Capital appropriation, down by \$2.1 million, due to the delayed state approval of the capital bill. It will roll to FY 2022 with construction in progress.
- Salaries/Benefits expenses, increase by \$3.5 million, due to stipends and health insurance.
- Tuition overall revenue, down by \$2.1 million, due to effect of pandemic; enrollment decrease. Amy Giordano commented that the enrollment will take time to increase through the student pipeline; however, her division is encouraged on enrollment types for Fall 2021; there were fall-to-fall increases in some populations; continuing student deficit was not as great as the new student population.

Mr. Johnson commented on the expenses, and he observed, going forward that the College cannot have expenses increasing and revenue decreasing, every fiscal year. Mr. Ganues agreed. President Somerville commented on the understanding of the HEERF role as a bridge to use as intended for financial solvency and that the College administration is working internally as to how to make those bridges without one-time federal funds.

Mr. Ganues noted the variances on the balance statement, page 11:

- Accounts receivable up at year-end, due to calculation of loss revenue; draw down in July.
- Capital assets down by \$3 million; netted out due to the capital asset write-off and depreciation.
- Accounts payable up at year-end due to skilled trades union check exchange.

Mr. Ganues provided an update on HEERF spending:

- HEERF Rounds I, II, III = \$31 million
- Student portion = \$12 million
- Institutional portion and Title III = \$18.8 million (covered loss of revenue, some payroll and offset improvements in buildings' air quality.)
- Expenses:
  - \$4.3 million, synchronous instructional delivery
  - \$220,000, PPE and signage
  - \$8,596, lab equipment – distance spacing
  - \$4.9 million, loss of revenue in tuition and academic revenue based on a 3-year average.
  - \$46,000, loss of revenue in rental and parking revenues.
  - \$234,432, course development
  - \$484,156, IT equipment and software to enable distance learning
- Overall HEERF revenue, \$17 million; HEERF expenses, \$10 million; with remaining balance to-date: \$7.7 million
- FY 22 HEERF funding will continue to cover synchronous delivery, campus safety, additional instructional and IT equipment, academic resources, faculty/staff development.

Mr. Johnson commented that synchronous delivery is here to stay and how will it be budgeted for in the future without one-time federal funding. Mr. Ganues commented that the College has a practice of including it in the budget. Dr. Denise Smith, Provost/Vice President, Academic Affairs, commented that the administration is learning the students' preferences in synchronous courses over the face-to-face courses and keeping the class schedule balanced with the instructional delivery methods. Mr. Ganues noted that he will continue to provide HEERF updates in future meetings.

Mr. Johnson inquired about early budget development and the potential to condense the process. Mr. Ganues commented on the timeline that begins in October/November with academics; submittals due in December to the next approval levels; budgets submitted to Mr. Ganues/staff in February, and he uses the next two months to meet with budget authorities.

August Financial Report – Mr. Ganues reviewed the August FY 2022 financial report:

- Summer FTE enrollment, down by 12 percent.
- Fall FTE enrollment, reflected a lag in CCP enrollment reporting.
- YTD Wages/fringes, down due to lower enrollment; fewer adjunct faculty, tutors, student workers; and position vacancies.
- Operational expenses/budget, timing issues with contractual payments that will smooth out and continuing to monitor.
- Lab fee revenue, up, due to students taking more labs.
- Contingency, \$532,000, due to grant equipment purchases/timing issue on capitalizing assets.
- SB 6 projection is 5.0, due to HEERF funding. Mr. Ganues noted that when there is no more HEERF funds in the future, there may be a change to the net income.

- Bottom line, no significant change.
- The balance sheet noted accounts receivable are up; accounts payable are up, unearned revenue is down, due to State HEERF in deferred revenue, as it was received in a one-time payment.

Mr. Johnson commented on strategies such as calendarization and cash flow management. Non-payroll expenses, up 17 percent, to assist with monitoring. He noted that the financial report all comes back to the relationship between revenue and expenses.

**Adjournment** – As there was no further business, Mr. Johnson declared the meeting adjourned at 9:23 a.m.

*Approved 11-30-21*