



BOARD OF TRUSTEES
JAMES A. RHODES STATE COLLEGE
519th Meeting Minutes
February 20, 2024

The Rhodes State College (RSC) Board of Trustees met on Tuesday, February 20, 2024 at 4:30 pm in the Keese Hall Board Room, Cabinet and Faculty Association President were present in the room, all other guest via Zoom a virtual platform.

CALL TO ORDER AND QUORUM

The meeting was called to order by Mr. Butch Kirk, Chair. Members present were Dr. Ann Pohl, Mr. Sam Bassitt, Ms. Jane Krites, Mr. Robert Sielschott and Dr. Wilfred Ellis. Ms. Jessica Cunningham joined virtually.

APPROVAL OF MINUTES FOR THE BOARD MEETING OF JANUARY 16, 2024

Chair Kirk called for the approval of the January 16, 2024 Board Meeting minutes. Dr. Ann Pohl moved to approve the minutes from January 16, 2024, seconded by Mr. Sam Bassitt. Chair Kirk asked for a Roll Call vote: Mr. Butch Kirk, Mr. Sam Bassitt, Dr. Wilfred Ellis, Mr. Robert Sielschott, Dr. Ann Pohl, Ms. Jane Krites and Ms. Jessica Cunningham were present and voted yes.

STATEMENT OF FINANCIAL CONDITIONS (unaudited)

Notes to the Financial Statements

General Overview

These financial statements were prepared in the format of our annual financial report. Many estimates are utilized when preparing the financial statements, while some presented amounts are not able to be estimated at all, so they are held constant throughout the year until information is available to update them.

Areas where estimates have the highest impact include accounts receivable, accounts payable, compensated absences, and deferred revenue on the Statement of Net Position, as well as tuition and fee revenue, scholarship expense, depreciation, and net position on the Statement of Revenues, Expenses, and Changes in Net Position.

The College follows the "business-type activities" reporting requirements of GASB Statement No. 35 (as amended). The financial statement presentation required by GASB Statement No. 35 is intended to provide a comprehensive, entity-wide perspective of the College's assets, deferred outflows of resources, liabilities, net position, revenues, expenses, changes in net position, and cash flows. For financial reporting purposes, GASB Statement 35 defines business-type activities as those financed in whole or in part by fees charged to external parties for goods or services. Accordingly, these financial statements have been presented using the economic resources measurement focus and on the accrual basis of accounting. Revenues are recognized when earned. Expenses are recognized when incurred. Interfund receivables and payables have been eliminated in the Statement of Net Position.

Statement of Net Position

A- Total Current Assets

Current assets comprise two significant components: cash and accounts receivable. Cash decreased by approximately \$2.6M from January 31, 2023. This has been due to paying off vendors for completing the Borra Center for Health Sciences.

Accounts receivable has been an ongoing discussion with our audit firm, FORVIS. In the past, Rhodes has not written off accounts receivable by GASB principles. Auditors approved writing off old receivables, dramatically changing our FY24 beginning balance. Over \$2.5M in receivables were written off, all over ten years old.

B - Total Noncurrent Asset

For Rhodes, noncurrent assets are typically comprised of capital assets. The College also has an OPEB asset instead of a liability, though that asset has decreased substantially since our fiscal year 2022 audit. Again, the College has zero control over the OPEB asset/liability or the corresponding deferred inflows and outflows. These accounts are actuarial valuations done on the State level, with our proportionate share of the State liability being presented on our financial statements.

C - Total Current Liabilities

Total current liabilities consist of deferred revenue, accounts payable, the current portion of our bonds payable (the amounts due over the next 12 months), and accrued liabilities. Accrued liabilities are payroll liabilities that are owed at the statement date. The majority of our employees are paid every month, with a small portion of employees paid on a biweekly basis.

Deferred revenue consists of deferred tuition revenue and grants revenue. The most significant portion of deferred revenue is student tuition, primarily for spring tuition revenue for students who have had fees assessed but the fees have not been earned. Deferred grant revenue consists of forward-funded grants (we have the cash), but the grant funds have not been expended to date.

D - Total Noncurrent Liabilities

Noncurrent liabilities include loans payable, compensated absences, deferred revenue, and net pension liability. The net pension liability and the corresponding deferred inflows and outflows is another actuarial valuation for which Rhodes has zero control. The net pension liability was substantially increased during FY23. The January financial statement presents the amounts from the FY23 final financial statement.

Loans payable consist of the capital bonds from Huntington and Chase Bank. Compensated absences consist of the value of our employee's annual leave as of the statement date. Deferred revenue in this section is the revenue pledged by the City of Lima, which will be recognized over some time, starting in the calendar year 2024.

E - Unrestricted Net Position

Unrestricted Net Position is essential for the HLC Composite Financial Index and Ohio Senate Bill 6 calculations. The College has been in a negative unrestricted net position since implementing GASB 68 and 75. Both HLC and SB6 remove the effects and changes in pension (GASB 68) and OPEB (GASB 75), as well as look at financial results with pension and OPEB. Due to the nature of pension and OPEB, HLC and SB6 focus on unrestricted net position without pension and OPEB included. Some months, unrestricted net position moves into a positive; however, this will not remain the case through the entire fiscal year.

Statement of Revenues, Expenses, and Changes in Net Position

A-Total Operating Revenues

The largest portion of operating revenue is tuition and fees, net of scholarship allowance. Other components include federal grants, state grants, sales and services, and other operating revenues. Tuition and fees show a decrease from prior years. This is due to moving to proper revenue recognition in FY24 and having a more accurate scholarship allowance.

Sales and Services include the revenue of the YMCA Child Care Center and dental hygiene clinic. Other operating revenue is miscellaneous revenue from rental space, commissions, and indirect cost reimbursements.

Total operating expenses remained relatively flat in the first six months of fiscal 2024 compared to the same time frame of fiscal year 2023.

B - Total Operating Expenses

Operating expenses are the regular day-to-day expenses to run the operations of the College. They are broken out into categories by College function and include expenses such as salaries and wages, employee benefits, supplies, services, utilities, telecommunications, maintenance, and non-capitalized equipment. Scholarship expenses and depreciation expenses are also included.

C - Net Nonoperating Revenue

Nonoperating revenues are non-exchange revenues as defined by GASB. This includes State appropriations, Pell Grants, federal Cares funding, gifts, investment income, and interest expense.

D - Capital Appropriations

This income is for when we expend our capital appropriation funding. We have not expended any capital funding thus far but have several projects over the next six months.

E - Net Increase (Decrease) in Net Position

This notes whether we have seen a gain or loss from our total operations. We have seen a slight gain in our operations in the first six months of fiscal year 2024.

Mr. Adkins provided an overview of the financial condition.

PRESIDENT'S REPORT (Information)

Dr. Melissa Green provided the Board of Trustees with a summary of the January 2024 President's Report. Information on National, State, and Local Collaborations was provided; including, congratulations to Ms. Nora Beerline, Program Coordinator, Associate Professor, Humanities, Technology and Liberal Studies, for being selected to serve as a peer reviewer for the Open and Standard Pathways for the Higher Learning Commission (HLC). Institutional updates included a presentation by Dr. Brendan Greaney regarding the Spring 2024 Enrollment Report.

FACULTY ASSOCIATION PRESIDENT'S UPDATE

Ms. Jill Hay, RSC Faculty Association (RSCFA) President stated she and Mr. Jacob King (RSCFA President-elect) continue to meet and work with Dr. Spiers and Dr. Mason-Guffey, and continue to participate in College Senate activities and meetings. In addition, the RSCFA met for an open discussion on February 7, 2024. The faculty discussed their thoughts and insights for the College and provided information from taskforce and committee meetings.

CONSIDERATION OF APPROVAL OF PERSONNEL ACTIONS

Resolution No. 2024-30

Resolved, upon recommendation of the President and with the concurrence of the Executive Staff, that the following personnel actions be approved:

- a. Faculty/Staff Appointments – February 20, 2024

Dr. Melissa Green asked the Board for consideration of approval for Resolution No. 2024-30 (Consideration of Approval of Personnel Actions). Dr. Ann Pohl moved to approve Resolution No. 2024-30, seconded by Ms. Jessica Cunningham. Chair Kirk asked for a Roll Call vote: Mr. Butch Kirk, Mr. Sam Bassitt, Dr. Wilfred Ellis, Mr. Robert Sielschott, Dr. Ann Pohl, Ms. Jane Krites and Ms. Jessica Cunningham were present and voted yes.

CONSIDERATION OF APPROVAL FOR PURCHASES OVER \$50,000 FOR ORACLE CLOUD SERVICE FEES

Resolution No. 2024 - 31

Resolved, upon the recommendation of the President, with the concurrence of the Vice President for Finance and Administrative Services, that approval be given for the following purchases of services:

The licensing agreement for Oracle Cloud Service Fees totaling \$75,000.00.

Purchase:	Oracle Database, Licenses, and Support
Single Source:	Mythics, Inc.
Amount:	\$75,000.00
Source of Funds:	Institutional Funds

OVERVIEW:

Oracle Cloud Services hosts the College's administrative application software (Banner). This request is for the fees associated with hosting Banner with Oracle.

History of Annual Cost of Maintenance Renewals, now Cloud Service Fees:

2024-2025	\$75,000.00	0.0%
2023-2024	\$75,000.00	-12.72%
2022-2023	\$85,931.37	4.00%
2021-2022	\$82,626.32	4.00%
2020-2021	\$79,448.38	4.26%
2019-2020	\$76,202.11	4.00%
2018-2019	\$73,271.26	4.00%
2017-2018	\$70,453.15	2.91%
2016-2017	\$68,401.16	2.91%
2015-2016	\$66,408.85	1.73%
2014-2015	\$65,257.70	

Attachment:

- None

Dr. Melissa Green asked the Board for consideration of approval for Resolution No. 2024-31 (Consideration of Approval for Purchases Over \$50,000 for Oracle Cloud Service Fees). Mr. Sam Bassitt moved to approve Resolution No. 2024-31, seconded by Ms. Jane Krites. Chair Kirk asked for a Roll Call vote: Mr. Butch Kirk, Mr. Sam Bassitt, Dr. Wilfred Ellis, Mr. Robert Sielschott, Dr. Ann Pohl, Ms. Jane Krites and Ms. Jessica Cunningham were present and voted yes.

Mr. Adkins provided an overview of the Oracle Cloud Service.

ADJOURNMENT

Chair Kirk asked for a motion to adjourn the Board meeting. Dr. Ann Pohl moved to adjourn the Board meeting, seconded by Mr. Robert Sielschott. Chair Kirk asked for a Roll Call vote: Mr. Butch Kirk, Mr. Sam Bassitt, Dr. Wilfred Ellis, Mr. Robert Sielschott, Dr. Ann Pohl, Ms. Jane Krites and Ms. Jessica Cunningham were present and voted yes.

Approved Meeting Minutes of February 20, 2024



Mr. Everett "Butch" S. Kirk III
Chair

Pamela Mooneyhan, Recording Secretary