



**BOARD OF TRUSTEES**  
**JAMES A. RHODES STATE COLLEGE**  
**518<sup>th</sup> Meeting Minutes**  
**January 16, 2024**

The Rhodes State College (RSC) Board of Trustees met on Tuesday, January 16, 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 Dr. Ann Pohl, Vice Chair. Members present were Sam Bassitt, Ms. Jane Krites, Mr. Robert Sielschott and Ms. Jessica Cunningham. Dr. Wilfred Ellis and Mr. Butch Kirk, were absent.

**APPROVAL OF MINUTES FOR THE BOARD MEETING OF December 19, 2024**

Vice Chair Pohl called for the approval of the December 19, 2023 Board Meeting minutes. Ms. Jessica Cunningham moved to approve the minutes from December 19, 2023, seconded by Ms. Jane Krites. The motion was approved by a unanimous voice vote.

**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 purposes of financial reporting, GASB Statement 35 defines business type activities as those that are 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 are made up of two major components, cash and accounts receivable. Cash decreased by approximately \$2.5M from December 31, 2022. This is due to several reasons. First and foremost, we still had a considerable amount of cash in our accounts from the bond issue by Chase Bank. We spent down those funds in the back half of fiscal 2023 to complete the payoff of the

Borra Center for Health Sciences. In addition, this December we paid a significant number of invoices and payroll, while revenue in December is typically quite low.

Accounts receivable has been an ongoing discussion with our audit firm, FORVIS. In the past, Rhodes has not written off accounts receivable in accordance with GASB principles. While there has been an allowance for doubtful accounts calculation, it has not been sufficient. We have presented an accounts receivable management model to FORVIS for approval. When it is approved accounts receivable will drop significantly, as there are receivables included in the current number which are more than ten (10) years old. We will be slowly moving towards a write-off model which eliminates receivables once they become three (3) years old. The three-year period marks when we historically are unable to collect an outstanding receivable.

#### **B – Total Noncurrent Assets**

For Rhodes, noncurrent assets are typically comprised of capital assets. Currently, the College also has an OPEB asset instead of a liability, though that asset has decreased substantially since our fiscal year 2022 audit. To note 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 which are owed at the statement date. The majority of our employees are paid on a monthly basis, with a small portion of employees paid on a biweekly basis. For the purposes of the December financial statements, accrued liabilities are not calculated due to the small amounts which would be due.

Deferred revenue consists of deferred tuition revenue and grants revenue. The largest portion of deferred revenue is student tuition, mostly 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 consist of loans payable, compensated absences, deferred revenue, and the 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 December 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 is to be recognized over a period of time, starting in calendar year 2024.

#### **E – Unrestricted Net Position**

Unrestricted Net Position is an important number for HLC Composite Financial Index and Ohio Senate Bill 6 calculations. The College has been in negative unrestricted net position since the implementation of GASB 68 and 75. Both HLC and SB6 remove the effects and changes in pension (GASB 68) and OPEB (GASB 75), as well as looking at financial results with pension and OPEB. Due to the nature of pension and OPEB, both HLC and SB6 tend to focus on unrestricted net position without pension and OPEB included.

## **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 an increase in the first half of FY24. This is in line with our enrollment increases in both traditional and CCP enrollment. Federal grant revenue shows a decrease, which is due to the closing out of the IREPO grant.

Sales and Services consist of the YMCA Child Care Center revenue and dental hygiene clinic revenue. Other operating revenue is miscellaneous revenue generated 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 normal 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 expense and depreciation expense are also included.

Operating expenses were slightly lower in the first six months of fiscal year 2024 compared to fiscal year 2023. This is mainly due to lower expenses from the IREPO grant closing out.

### **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.

Nonoperating revenues were fairly flat compared to the first half of last year; however, there were some items of note. We fully expended our federal Cares funding this year, which went directly to student grants. We have not received gift income from the foundation so far this year, but payments are scheduled. Interest expense continues to increase as the debt borrowing rates increase nationally.

### **D – Capital Appropriations**

This income is for when we expend our capital appropriation funding. We have not expended any in the first half of the year, 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. Spiers provided the Board of Trustees with information on National, State, and Local Collaborations which was included in the December 2023 President’s Report. Four additional updates were presented including: a presentation by Ms. Ann Best and Ms. Amanda Kuck regarding the Anatomy and Physiology Course Redesign and state initiatives; remarks by Dr. Brendan Greaney & Dr. Jeannette Passmore on TimelyCare (Empowering Student Well-being Through Comprehensive Services); information presented by Mr. Kevin Reeks, Secretary of the Foundation and VP for Institutional Advancement on the RSC

Foundation History, Mission, Leadership and Major Gifts Campaign; and finally an Institutional Effectiveness Report, KPI Update for 2023 given by Dr. Nanette Smith & Ms. Lindsey Balliet.

#### **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. The RSCFA met on January 3, 2024 following the office of Academic Affairs “Winter Warm-Up”. Ms. Hays stated that all the Faculty Association, Shared Governance, and Task Force committees provided updates on their progress at the meeting. An open discussion also was conducted at the end of the RSCFA meeting. In addition, Zoom invitations have been sent for the February, March and April open discussions.

#### **CONSIDERATION OF APPROVAL OF PERSONNEL ACTIONS**

##### **Resolution No. 2024-27**

**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 - January 16, 2024**

Dr. Cynthia Spiers asked the Board for consideration of approval for Resolution No. 2024-27 (Consideration of Approval Purchases of Personnel Actions). Ms. Jessica Cunningham moved to approve Resolution No. 2024-27, seconded by Mr. Sam Bassitt. The motion was approved by a unanimous voice vote.

#### **CONSIDERATION OF APPROVAL FOR PURCHASES OVER \$50,000 FOR A TRUCK FOR THE AGRICULTURE TECHNOLOGY PROGRAM**

##### **Resolution No. 2024 - 28**

**Resolved**, upon the recommendation of the President, and with the concurrence of the Vice President of Finance & Administrative Services, that approval be given for the purchase of a truck for the Agriculture Technology Program, not to exceed \$70,000 in cost.

Purchase:	Gasoline SuperDuty Truck
Source:	Request for Quotation Award
Amount:	Not to exceed \$70,000
Source of Funds:	Talent Ready Grant

##### **Overview:**

The Agriculture Technology program will utilize the truck to support the delivery of education to area high schools and the community related to the attainment of industry recognized credentials in agriculture. The college provides the delivery of education directly to the high schools and also provides the equipment necessary to teach the credentials. The truck will be utilized to haul equipment in an enclosed trailer to the schools.

##### **Attachments:**

- None

Mr. Adkins provided an overview of the truck to be used in the Agriculture Technology program.

Dr. Cynthia Spiers asked the Board for consideration of approval for Resolution No. 2024-28 (Consideration of Approval for Purchases Over \$50,000 for a Truck for the Agriculture Technology Program). Ms. Jessica Cunningham moved to approve Resolution No. 2024-28, seconded by Mr. Sam Bassitt. The motion was approved by a unanimous voice vote.

**CONSIDERATION OF APPROVAL FOR PURCHASES OVER \$50,000 FOR IMPROVED SECURITY CAMERAS FOR THE JAMES J. COUNTRYMAN BUILDING, KEESE HALL, SCIENCE BUILDING, PUBLIC SERVICE BUILDING, AND TECHNICAL EDUCATION LABORATORY**

**Resolution No. 2024 - 29**

**Resolved**, upon the recommendation of the President, and with the concurrence of the Vice President of Finance & Administrative Services, that approval be given for the purchase of improved security cameras for the James J. Countryman Building, Keese Hall, Science Building, Public Service Building, and Technical Education Laboratory for \$149,975.

Purchase:	Cameras and Wiring
Source:	Homeland Technology Group
Amount:	\$149,975
Source of Funds:	Capital Appropriations – Tech Infrastructure Upgrades

**Overview:**

The camera systems currently in place in these buildings are seven to ten years old. The current cameras are made by Hikvision, which is a Chinese government owned company. Effective February 6, 2023, the Federal Communications Commission (FCC), under the John McCain National Defense Authorization Act (NDAA) banned all new product authorizations from this company, as well as other Chinese government owned companies. No new cameras from Hikvision can be installed in any government owned facility. It was recommended any current cameras from Hikvision be replaced as soon as possible. This purchase will replace the 95 Hikvision cameras on our campus with UniView cameras, which provide NDAA-compliant devices.

In addition to moving to a preferred vendor, the new cameras will eliminate technical issues which have plagued our campus security for several years. This will allow security to more clearly see and record activity on campus, improving overall safety. These cameras will be similar to what we have in place at the Borra Center for Health Sciences.

**Attachments:**

- None

Mr. Adkins provided an overview of replacing security cameras in several buildings on campus.

Dr. Cynthia Spiers asked the Board for consideration of approval for Resolution No. 2024-29 (Consideration of Approval for Purchases Over \$50,000 for Improved Security Cameras for the James J. Countryman Building, Keese Hall, Science Building, Public Service Building and Technical education Laboratory). Ms. Jessica Cunningham moved to approve Resolution No. 2024-29, seconded by Mr. Sam Bassitt. The motion was approved by a unanimous voice vote.

## ADJOURNMENT

Vice Chair Pohl asked for a motion to adjourn the Board meeting. Ms. Jessica Cunningham moved to adjourn the Board meeting, seconded by Ms. Jane Krites. The motion was approved by a unanimous voice vote.

Approved Meeting Minutes of January 16, 2024



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Dr. Ann-Marie J. Pohl  
Vice Chair

Pamela Mooneyhan, Recording Secretary