

BOARD OF TRUSTEES MEETING
Thursday, February 20, 2020
Groundbreaking Ceremony for
Equine Arena – 5:00 pm
(Parking Lot Across from NR)
Committee Meetings – 5:30 pm
Regular Meeting – 6:00 pm
President's Suite – JL 146

- **Call to Order (5 min)** Chairman Johnson
- **Roll Call** Mrs. Cunningham
- **Approve Minutes from December 19, 2019, Meeting and Special Board Minutes from January 28, 2020, Meeting** Chairman Johnson

- **Executive Session (15 min)** Chairman Johnson
- **President's Report (15 min)** Dr. Young
- **Academic Affairs Report (10 min)** Trustees Mitchell / Fischer
Dr. Davis
 - Update from Vice President
 - Presentation – School of Health and Safety
 - Pass Rates for Nursing and PTA – Anne Loochtan
 - 88 Tactical / Hocking College – Lea Wandling
- **Finance and Personnel Report (5 min)** Trustees Mike Brooks/
Jeanie Addington / Mark Fuller
 - Update from Executive Director Finance / Treasurer
 - Motion to Approve Revised Operating Budget
 - Motion to Accept Audit Report
- **Facilities Committee Report (5 min)** Trustee Budzik/Trustee Dean/
Mr. Daubenmire
 - Update on Projects
- **Community Relations and Student Experience Report (5 min)** Trustee Johnson / Stuart Brooks /
Leon Forte' and Ms. Hagerott
 - Update from Vice President
 - Presentation: Applying Entrepreneurial Methodologies
To Transform Traditional Student Services into a Student
Development Model
- **Chairman's Report (10 min)** Chairman Johnson
- **New Business (5 min)** Chairman Johnson
- **Adjournment** Chairman Johnson
 - **Event Schedule**
 - State of the College – March 24, 2020, at 5:30 pm at The Lodge
 - Next Meeting – April 9, 2020 – 5:30 pm Committees – 6:00 pm Board Meeting
 - The Gala – April 25, 2020, at 5:00 pm
 - Graduation May 9, 2020

Our Mission

We serve as a pathway to prosperity, teaching and inspiring all who seek to learn, growing careers and changing lives.

February 20, 2020

The regular meeting of the Hocking College Board of Trustees was held Thursday, February 20, 2020, at Hocking College, JL 147, President's Suite, Nelsonville, OH 45764.

Administrators attending: Dr. Betty Young, President; Mr. Jeff Daubenmire, Chief-of-Staff; Dr. Myriah Davis, Vice President of Academic Affairs and Workforce Development; Ms. Jacqueline Hagerott, Vice President of Student Affairs and Campus Relations/Ombudsman/Title IX; Mr. Tim Brunicardi, Executive Director of Marketing, Public and Community Relations; Mark Fuller, Executive Director, Finance / Treasurer; Steve Wilson, CIO Information Technology; Anne Loochtan, Dean, School of Health and Safety; Dan Kelley, Dean, School of Natural Resources; and Ryan Rieder, Dean, School of Arts, Business and Sciences.

Additional attendees: Staff, Bargaining Units Representatives, and media

CALL TO ORDER

Chairman Johnson called the meeting to order at 5:58 pm

ROLL CALL

Sheree Cunningham, Board Secretary, called the roll:

Board members present: Trustees Mike Brooks, Mike Budzik, Mark Dean, Dan Fischer, Ben Mitchell and Chairman Johnson

Board members absent: Trustees Jeanie Addington, Stuart Brooks, and Leon Forte'.

Members present constitute quorum.

APPROVAL OF MINUTES

Chairman Johnson asked if there were any changes to the minutes from the December 19, 2019, regular meeting and the January 28, 2020, special meeting. A motion was made by Trustee Dan Fischer and seconded by Trustee Ben Mitchell to approve the December 19, 2019, and the January 28, 2020, Board of Trustees minutes. The motion was unanimously approved.

EXECUTIVE SESSION

Chairman requested a motion to adjourn into Executive Session:

In pursuant to Ohio Revised Code 121.22 (G) (2) to consider the purchase or sale or lease of real or personal property.

The Executive Session invitation may include:

Dr. Betty Young
Mr. Jeff Daubenmire

A motion was made by Trustee Mike Budzik and seconded by Trustee Ben Mitchell to go into Executive Session.

On a roll call vote:

Voting Yes: Trustees Mike Brooks, Mike Budzik, Daniel Fischer, Ben Mitchell and Chairman Johnson.

The Board adjourned to Executive Session at 6:01 pm.

RETURN TO REGULAR SESSION

Chairman Johnson announced the return to regular session at 6:18 pm.

PRESIDENT'S REPORT

Dr. Young reported on the following:

- Marsh Book of the Year Award – Congratulations to Dr. Dan Kelley as the winner of the Marsh Book of the Year Award for Earth Sciences. The book is "In the Footsteps of Darwin: Geoheritage, Geotourism and Conservation in the Galapagos Islands. Dr. Kelley traveled to London, England to receive the award.
- American Culinary Federation Award – Congratulations to Chef Vincenzo Sclama for receiving the President's Award by the American Culinary Federation. Two of Hocking College's students received awards. They are: Dylan Piekarski for Baking and Rachel Smith for Culinary.
- Dave Dodson Lifetime Achievement Award – Congratulations to Rick Best, Program Manager of Fire Science who received the Dave Dodson Lifetime Achievement Award from the Fire Department Safety Officers Association.
- Career Fair – Photo courtesy of Debbie Arnold was shared with the Board. The picture was of a number of employers who were former alumni who attended the Career Fair held here on February 18, 2020. There were approximately 90 employers who attended this year's Career Fair.
- Celebrity Golf Outing – Dr. Young reported there will be a Hocking College Celebrity Golf Outing scheduled for May 29, 2020, at the Hocking Hills Golf Club. The announcer from OSU's athletic events will be present, along with other guests. The golf outing is a fundraiser that will go towards our athletic programs. Dr. Young commented it should be a fun event.
- Fall 2019 Police Academy – On January 28, 2020, all 13 students from the Fall Police Academy class passed the state exam. These same students all passed their state physical fitness requirements on their first attempt this past November 2019.

- Hocking College Police Department – On February 10, 2020, the Hocking College Police Department received Final Certification from the Ohio Collaborative Law Enforcement Agency for the Use of Force, Recruitment and Hiring, Group 1RC1-Use of Force, Group 1RC1-Recruitment and Hiring. Congratulations to Chief Tims and her staff.
- Nature Center Construction – Dr. Young shared a picture of students working at the Nature Center. Students were hanging drywall, learning about electricity, etc. These students are getting experience and if hired by the carpenters' union could be hired in as a third year apprentice. The Nature Center will house regional snakes, turtles, etc. There will be a fish tank, interactive experiences for folks, and a store which will have Hocking College product.
- Buy-A-Brick Campaign for the Nature Center – Individuals will have an opportunity to buy-a-brick as a fundraiser for the Nature Center. Options for buying-a-brick are: 4x8 brick with three lines of print for \$100.00 or an 8x8 brick with six lines of print for \$200.00.
- Medical Laboratory Technician (MLT) – Second Year Students – The MLT second year students visited the Ohio Department of Health Laboratory in Reynoldsburg, Ohio during fall semester. Students toured the laboratory and spoke with Medical Laboratory Scientists about the various testing that takes place in the lab. Students had the opportunity to learn about how the state lab works together with the Center for Disease Control (CDC) to monitor and study outbreaks.
- Hocking College – School of Health and Safety – Employees from the School of Health and Safety visited Rocky Boots Warehouse and provided blood pressure screening on January 23, 2020. Dr. Young commented we like to get out in the community to provide a service and let the community know what we have to offer.
- Nursing Accreditation – Hocking College's Nursing Program received a three-year accreditation from the State of Ohio Board Nursing. Congratulations to our Nursing staff and faculty.
- Dental Hygiene – February 3, 2020, the Dental Hygiene students started seeing patients. Dr. Young was the first patient. There are 18 students. Dr. Young stated she is really proud of the leadership by Dr. Loochtan and her staff. She commented these type positions are hard to fill. Hocking College was lucky to have hired a local person to fill the Program Manager. We were also lucky to have hired an adjunct who then moved into a permanent position.
- Simulation Lab – Dr. Young reported the PN II Nursing students are using the simulation lab for the first time.
- 88 Tactical Operations Academy – Dr. Young asked Lea Wandling, Associate Dean of Public Safety Services, to report. Lea reported Hocking College and 88 Tactical have an agreement in which 88 Tactical will offer 12 credit hours towards a degree and then Hocking College will work with the students to obtain their Associate Degree in Technical Studies. She explained when they graduate from 88 Tactical they will have four (4) instruction certificates. Then Lea will work with them to build the remainder of their degree. Ms. Wandling commented they have had a lot of interest and are receiving calls all over the

- US. The training ground for 88 Tactical is in Nebraska. A brief clip was shown of the training grounds in Nebraska.
- Star Brick Brewing – Dr. Young reported on Thursdays and Fridays they will be serving two different beers at The Lodge from 5:00 pm until 7:00 pm. The students from the Fermentation Sciences Program created the following two beers: Hocking River Red and Star Brick IPA. These products are also served at Rhapsody. The beer tap handles were created by our ceramics department.
 - Archery – The Archery Team did very well at the Lancaster Classic, in Lancaster, PA. The team received, gold, silver, and bronze medals. Dr. Young commented that this year they will be traveling to North Dakota and California for their competitions, which is very expensive, but she fully supports this program as well as all the athletes here at the College.
 - Letters of Thanks – Dr. Young shared a letter from a former student who before she came to Hocking College had been told she was a "lost cause" and that she was "taking the spot of some student who actually cared." She specifically named the following instructors who encouraged and welcomed her. They are: Dave Swanson, Ron Cass, Dave Helon, Scott Kreps, Lynn Holtzman, Julie Gee, and Sayre Flannigan. This student is now working in Ireland at a seal rehabilitation center. Her education started at Hocking College in the Eco Program and then she moved into the Wildlife Resources program.

ACADEMIC AFFAIRS REPORT

Dr. Davis reported on the following:

- Physical Therapy Assistant Program (PTA) – Dr. Davis asked Dr. Loochtan to give an update on the PTA program. Dr. Loochtan stated that the PTA program was placed on probation. She commented not only does the College need to be accredited by HLC, there are 17 other accrediting bodies that the College has to remain current. Dr. Loochtan then asked Dr. Mary Ann Simon, Program Director, and Terry Hill, Faculty to give a review of the changes in the program. Some of these changes are: Adding extra courses with more seat time with Dr. Simon and Mr. Hill; keeping in contact with students during their clinical rotations in the work field, and in the summer they meet with the students to study. Students also have to pass practice exams before they graduate. This will make them ready to take their boards. Dr. Young commented that the first group was not happy with the changes, but 11 of 12 students passed their board. They were then grateful for the changes. Dr. Young commented she could not be more proud of this group.
- Higher Learning Commission (HLC) – Dr. Davis reported the focused visit on February 10, 2020, went very well. She commented this visit was focused on procedures and that the exit interviews went very well. Since this was a focused visit they did not ask to meet with Trustees.

FINANCE AND PERSONNEL REPORT

Trustee Mike Brooks asked Mark Fuller to give the finance report. Mr. Fuller presented the following:

➤ Revised Operating Budget for Fiscal Year 2020

Background: The Board approved a budget for Fiscal Year 2020 in June 2019. Several revisions to this budget are proposed as outlined in the attached "Proposed Budget Adjustments FY 2020". The revisions reduce budgeted revenues and expenses by \$693 thousand each, and reallocate budgeted expenses between expense categories.

Recommendation: The Board of Trustees approve the motion to adopt the FY 2020 revised budget.

Organizational/Administrative Impact: The revised budget will allow the college to effectively manage its day-to-day business activities.

Fiscal Impact: The revised budget proposes reductions in both operating revenues and operating expenses by \$693 thousand. The reduction in expenses do not impact strategic reserves, with \$1.0 million in strategic reserve transfers remaining in the budget. The attached "Proposed Budget Adjustments FY 2020" provides additional explanation of the proposed budget adjustments.

Motion – A motion was made by Trustee Ben Mitchell and seconded by Trustee Dan Fischer to approve the revised operating budget for Fiscal Year 2020. The motion was unanimously approved.

➤ Audited Financial Statements for FY 2019 – Hocking College's FY 2019 financial statements have been audited by Millhuff-Stang, CPA, Inc.

Recommendation: The Board of Trustees approve the motion to accept the FY 2019 audited financial statements.

Organizational/Administrative Impact: The annual audit is a necessary part of the college's ongoing operations.

Fiscal Impact: The audit confirms the College's financial statements to be a fair and accurate representation of the College's financial position. Additional details regarding the audit are attached in "Summary of FY 2019 Audit"

Motion: A motion was made by Trustee Mike Brooks and seconded by Trustee Dan Fischer to accept the FY 2019 audited financial statements. The motion was unanimously approved.

FACILITIES COMMITTEE REPORT

- Trustee Budzik reported they just attended the groundbreaking for the Equine Arena. He stated the pad should be completed within the next 5 to 6 weeks with a completion date by September 1, 2020. The Lodge also has a target completion date of November, 1, 2020. Trustee Budzik commented a lot of good things are happening here. Mr. Daubenmire commented that failure is not

an option for The Lodge as we have our first conference scheduled there for the first of November. He then gave an update for the Welcome Center, the Police Department and Shaw Lab which will house the music program. Mr. Daubenmire stated he is very excited about these projects and commented most are self-performing which is great for the students and the institution.

- Perry County Campus Lease Agreement – The College has been approached about leasing space to an external entity at its Perry County Campus.

Recommendation: It is recommended that the Board of Trustees authorize the President to negotiate lease terms for the Perry County facility.

Organizational/Administrative Impact: The Perry facility serves as a campus presence for the College, and this agreement will expand the community related services for The Perry County area.

Fiscal Impact: The fiscal impact is yet to be determined, but would be favorable to the College in generating revenue to offset facility costs.

Motion – A motion was made by Trustee Mike Budzik and seconded by Trustee Dan Fischer to authorize the President of Hocking College to negotiate lease terms for the Perry County facility. The motion was seconded and approved.

COMMUNITY RELATIONS AND STUDENT EXPERIENCE REPORT

Jacqueline Hagerott gave a presentation on “Applying Entrepreneurial Methodologies to Transform Student Services into a Student Development Model.” The Student Development Model changes the focus of providing services for students’ during their college experience to one that provides students with opportunities for growth and development. The model will bridge the gap between campus and career and empower students to thrive and advance resulting in life long success.

Ms. Hagerott stated that Hocking College has transformed traditional student services to provide students with opportunities to learn and develop personal and professional skills. This includes: student employment, pathways to prosperity – first year experience course, and the judicial process. She gave details on each of these areas.

Opportunity House – Ms. Hagerott then turned over the presentation to Dr. Young to give details about the Opportunity House. Dr. Young stated that the idea of the Opportunity House came when the College had to send a student home. The student had been in the foster program, but now had nowhere to go. This student’s mother was in prison and her father lived out of his van. Dr. Young stated there had to be a better way. So, they created the opportunity house with a house parent which is a way for these students to have adult supervision.

The program is voluntary, but they have to commit to making a change. There is a curfew of 10:00 pm during the weeknights. If the student goes home, they have to be back by 6:00 pm Sunday evening. All technical devices are turned over at 10:00 pm that night and then returned at 8:00 am the next morning. Dr. Young commented that the House Parent has dogs which are therapy dogs and stated this has been a positive experience. The house parent is a trainer in the therapy animal program. One day a week they fix a dinner together which anyone can attend.

Dr. Young stated there are currently two students in the house. The one student has been making changes and appears to be a different student. If everything goes well, he will be returning to the dorms soon. The Foundation purchased the house for the College. Dr. Young stated there has been an outpouring from the community for furniture to outfit the house. She stated at the end of the semester they would like to invite individuals to a BBQ at the house and let the students tell their story. The Governor has asked to provide him information on this opportunity.

CHAIRMAN'S REPORT – Chairman Johnson referred to an article regarding “Hocking College reports spring enrollment increase due to College Credit Plus” (CCP) students and asked Dr. Young to give an update. Dr. Young gave the history of CCP and stated it was initially geared toward students who would be going on to College. Most of these students are local. The program has saved parents over \$1 million. Chairman Johnson commented this is real money that is spent in our communities and most importantly saves on student debt. Dr. Young commented that two years ago, the number of students taking CCP classes was not very good. She stated that the College is working with students to go into our programs with specific career pathways. There has been a hold up in funding in some of the pathways, for example heavy equipment. Dr. Young stated that Trimble High School wanted a pathway for heavy equipment, but the fees are expensive and can cost up to \$700 for a course. The College could not offer these classes without getting paid the fees. ODHE has stated that alternative funding such as employer sponsored or tech prep or 21 century money can be used for these fees. This will give the schools the funding to be able to offer these classes. Trimble will be our first class for the heavy equipment program. Students going through this pathway will have the opportunity to receive an associate's degree and possibly be hired by Local 18 as a third year apprentice. Dr. Young reported that graduations rates are up, retention is up and the student defaults are going down in the right direction.

Chairman Johnson commented that in today's climate having a balanced budget and increased enrollment is not normal. He likes that the College is not satisfied with status quo. He stated that nationally you are seeing income level of students continue to decline and the family incomes are less. Trustee Budzik commented that people do not understand the costs at the university level. Hocking College has the best bargain around. Trustee Mike Brooks asked if are marketing to local schools. Dr. Young stated yes they are marketing the programs and the all-inclusive pricing. She commented that parents can't get over the all-inclusive pricing. This will be an advantage for Hocking. It is a positive sign. Dr. Young stated currently we have 1800 students that take CCP classes. Most of these classes are taught at the

high schools, but we teach several on campus as well. Dr. Young reported that we will be launching driver's education in the fall. There are several students who come to us who do not have a driver's license. She stated we are building relationships which is good for the College as well as communities.


NEW BUSINESS – None

ANNOUNCEMENT – Trustee Mike Budzik invited everyone to the Wild Game Dinner scheduled for March 14, 2020, at the Logan Conference Center. Doors open at 4:00 pm with dinner served promptly at 6:00 pm

NEXT MEETING – The next meeting is scheduled for April 9, 2020, at The Lodge.

ADJOURNMENT

There being no further business to conduct, a motion was made to adjourn by Trustee Dan Fischer and seconded by Trustee Mike Brooks. The motion was unanimously approved. The Board adjourned at 7:28 pm.



Tom Johnson, Chair

Sheree Cunningham, Board Secretary



**Hocking College
Board of Trustees Action**

Date: February 20, 2020

Submitted by: Mark Fuller

SUBJECT:

Revised operating budget for Fiscal Year 2020

BACKGROUND:

The Board approved a budget for Fiscal Year 2020 in June 2019. Several revisions to this budget are proposed as outlined in the attached "Proposed Budget Adjustments FY 2020".

The revisions reduce budgeted revenues and expenses by \$693 thousand each, and reallocate budgeted expenses between expense categories.

RECOMMENDATION:

The Board of Trustees approve the motion to adopt the FY 2020 revised budget.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

The revised budget will allow the college to effectively manage its day-to-day business activities.

FISCAL IMPACT

The revised budget proposes reductions in both operating revenues and operating expenses by \$693 thousand. The reduction in expenses do not impact strategic reserves, with \$1.0 million in strategic reserve transfers remaining in the budget. The attached "Proposed Budget Adjustments FY 2020" provides additional explanation of the proposed budget adjustments.



Motion to approve the revised operating budget for Fiscal Year 2020.

Adopted: 2/20/2020

Approved: [Signature]
Tom Johnson, Chair

Proposed Budget Adjustments FY 2020 January 29, 2020

In June 2019, Hocking College adopted a budget for Fiscal Year 2020. The purpose of this document is to outline proposed updates to the Fiscal Year 2020 Budget.

Revenue:

The budget specified \$29.9 million in operating revenues. The college anticipates meeting budgeted revenues for Tuition & Fees, Auxiliaries, and Other Operating Income. However, the college does anticipate State Appropriations (SSI) to be \$0.7 million short of budgeted levels.

The shortfall is due largely to the Completed FTE portion of the SSI calculation which generates a score by weighting course completions by funding tier. Colleges receive a proportionate share of the budget based on their score. The college had a 5.9% decrease in its funding from this portion of the SSI calculation. The college did, however, hold relatively steady with regards to the other components of the SSI calculation (Success Points and Completions).

OPERATING REVENUE (IN THOUSANDS)

REVENUE CATEGORY	APPROVED BUDGET	PROPOSED BUDGET	CHANGE
STATE APPROP. (SSI)	\$ 12,530	\$ 11,837	\$ (693)
TUITION & FEES	15,682	15,682	0
OTHER OPERATING	279	279	0
AUXILIARY REVENUE	1,415	1,415	0
TOTAL	\$ 29,906	\$ 29,213	\$ (693)

Expense:

The budget designated \$29.9 million in operating expenses, including \$1.0 million in transfers to strategic reserves. The college proposes reducing operating expenses by a total of \$0.7 million to offset reduced revenue. The reduction in operating revenue will be largely funded through contingency funds, equipment capital outlays, and salary expense. Reductions in budgeted salary expense is the result of prudent staffing management—including repositioning job duties after voluntary turnover and hiring individuals who can improve the efficiency of the organization.

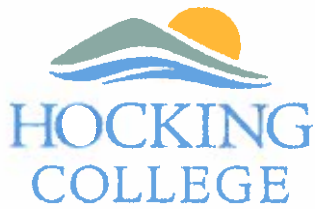
In addition to reducing overall expense, the college proposes shifts in various expenses. In summary, the proposed changes to budgeted expenses are as follows:

- Bad Debt, increase budget from \$100 thousand to \$600 thousand. The Seat Ready strategy has been effective. The student receivable from Autumn 2019 is \$655,000. The student receivable from Autumn 2018 was \$1,144,000—equating to a reduction of 43%. That said, the college ages its accounts receivable for 5 years prior to writing off. This means that the write off amount in a given year is most heavily driven by activity five years prior.
- Contingency, decrease budget from \$700 thousand to \$302 thousand. This reduction helps meet needs in other areas while keeping a healthy amount of contingencies for the remaining months of the fiscal year.
- Contingency-Union, decrease budget from \$600 thousand to \$100 thousand.

- Course Materials, increase budget from \$1.46 million to \$2.13 million. This change corrects estimates for course materials and textbooks as part of the switch to all-inclusive pricing. The college's revenues from collection of academic & course fees is on pace to exceed budget by \$650 thousand. The net impact of these two items offset.
- Marketing, increase budget from \$100 thousand to \$160 thousand. This change reflects the college's decision to engage in a TV marketing campaign designed to increase the visibility and the enrollment of Hocking College.
- New Equipment, decrease budget from \$539 thousand to \$339 thousand. This change reflects the college deferring the purchase of certain equipment items to a later time.
- Salaries, decrease budget from \$12.6 million to \$12.1 million. This decrease reflects prudent staffing management—including repositioning job duties after voluntary turnover and hiring individuals who can improve the efficiency of the organization.
- Supplies, from \$935 thousand to \$1.01 million.
- Transfers, from \$400 thousand to \$0. This change reflects that such transfers have been determined as unnecessary transfers to auxiliary operations.

OPERATING EXPENSE (IN THOUSANDS)

EXPENSE CATEGORY	APPROVED BUDGET	PROPOSED BUDGET	CHANGE
BAD DEBT	\$ 100	\$ 600	\$ 500
BENEFITS	4,123	4,123	0
CONTINGENCY	700	303	(397)
CONTINGENCY -UNION	600	100	(500)
COURSE MATERIALS	1,458	2,132	674
DEBT SERVICE	157	157	0
DUES & MEMBERSHIPS	152	152	0
EQUIPMENT REPAIR	115	115	0
IND. CONTRACTOR	465	465	0
INSURANCE	371	371	0
LEGAL & ACCOUNTING	246	246	0
MARKETING	100	160	60
NEW EQUIPMENT	539	339	(200)
OTHER EXPENSES	359	359	0
OUTSOURCED TEACH	380	380	0
POSTAGE	40	40	0
RENTALS & LEASES	159	159	0
SALARIES	12,592	12,092	(500)
SERVICE & MAINT. CONTRACTS	2,402	2,402	0
STUDENT PAYROLL	800	800	0
SCHOLARSHIPS	370	370	0
SUPPLIES	935	1,005	70
STRATEGIC RESERVES	1,000	1,000	0
TRANSFERS	400	0	(400)
TRAVEL & DEVELOP	350	350	0
UTILITIES	985	985	0
TOTAL	\$ 29,906	\$ 29,213	\$ (693)



**Hocking College
Board of Trustees Action**

Date: February 20, 2020

Submitted by: Mark Fuller

SUBJECT:

Audited financial statements for FY 2019

BACKGROUND:

Hocking College's FY 2019 financial statements have been audited by Millhuff-Stang, CPA, Inc.

RECOMMENDATION:

The Board of Trustees approve the motion to accept the FY 2019 audited financial statements.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT

The annual audit is a necessary part of the college's ongoing operations.

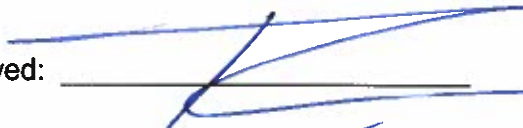
FISCAL IMPACT

The audit confirms the college's financial statements to be a fair and accurate representation of the College's financial position. Additional details regarding the audit are attached in "Summary of FY 2019 Audit"



Motion to accept the FY 2019 audited financial statements.

Adopted: 2/20/2020

Approved: 
Tom Johnson, Chair

Summary of FY 2019 Audit February 5, 2020

Millhuff-Stang has completed the FY 2019 Audit. A copy of the audit, financial statements, and management letter are attached.

The audit confirms the college's financial statements to be a fair and accurate representation of the College's financial position. The audit confirms the financial statements are prepared in accordance to generally accepted accounting principles (GAAP).

The management letter includes recommendations to the college. None of the recommendations are considered material in nature and are thus not included in the audit opinion letter. Of the recommendations made, most had already been implemented prior to the start of the audit.

Audit

The audit confirms the college's financial statements to be a fair and accurate representation of the College's financial position. The audit confirms the financial statements are prepared in accordance to generally accepted accounting principles (GAAP).

Financial Statements

Financial statements are prepared in accordance to Governmental Accounting Standard Board (GASB) standards. The financial statements are required to be presented in this way. As the financial statements are presented in accordance to GASB standards, the following should be kept in mind –

- Pension Liability and Other Post-Employment Benefits (OPEB) entries are included within the financial statements. These items have had a significant positive impact on the college's financial position in the past few years. The college has effectively no ability to control these actuarial calculations.
- State appropriations such as SSI are not considered operating revenues for purposes of these financial statements, but rather these are classified as financing activities. State appropriations are included, however, in the college's operating budget.

Highlights from the financial statements include the following:

- Total Assets of the College increased from \$92.6 million to \$95.1 million in 2019 from 2018. The increase in assets is largely the result of increased current assets which moved from \$23.3 million to \$26.0 million. The increase in current assets can be attributed to increases in accounts receivable and OPEB assets. (Page 4)
- Total Liabilities of the College decreased from \$68.0 million to \$59.8 million. The decrease in liabilities was largely influenced by the pension liability, which decreased by \$5.9 million. (Page 4)
- Operating revenues for the year totaled \$18.7 million, a decrease of \$2.6 million from 2018. The reduction in revenue was largely a result of a combination in decreased revenue from student tuition and fees (\$1.1 million) and Federal grants (\$1.1 million). (Page 4)
- Cash ended the year at \$10.5 million in 2019, an increase from \$10.4 million as of 2018. (Page 7)
- Capital Assets remained basically stable, decreasing by \$0.2 million during 2019. The college had depreciation of \$2.3 million during 2019. (Page 8)

- Long Term Debt decreased by \$0.6 million during 2019, ending the year at \$18.9 million as the college continues to make scheduled bond payments. (Page 8)

Management Letter

The management letter includes the following recommendations to the college. None of these recommendations are considered material in nature and are thus not included in the audit opinion letter. The following is an overview of the recommendations and the status of the recommendation.

1. Prior encumbrance of funds – Hocking College is required to have a treasurer’s certification that funds are available to fulfil a contract. The college has a contract review process which requires signature of treasurer to confirm available funds.
2. Timely payments – In 2018, Hocking College made a debt payment one day after its due date. A month end close process has been implemented to ensure that all required tasks in a month are completed.
3. Cash Controls – Reconcilements completed during tenure of previous treasurer could not be confirmed as reviewed. All reconcilements under tenure of current treasurer are reviewed.
4. Purchasing Card Controls – Procedures in place during FY 2019 required a Cardholder Agreement in file for those with purchasing cards, two of which were found to be missing. Procedures for purchasing cards have been completely revamped at the start of FY 2020, including procedures to ensure that when a purchasing card is checked out, that appropriate documentation is in file at time of check out.
5. Fraud reporting forms – Hocking College is required to keep proof that they have provided new employees with procedures to report suspected fraud. A single employee was found to have had this form missing. HR is aware of the requirement is being diligent to ensure that all new employees have this form in file.
6. SEFA & Financial Reporting – Immaterial errors were made during the compilation process of the financial statements. The consulting CPA has been made aware. The college’s fiscal office has gained further insights into these requirements and will be able to better monitor the compilation of the financial statements going forward.
7. Logical Access Controls – Certain password controls were recommended by the auditors but have not been implemented due to computer hardware constraints. Hardware replacement is anticipated to be completed by the end of March 2020, which will allow the college to update password controls.



**Hocking College
Board of Trustees Action**

Date: 2/20/2020
Submitted by: Jeff Daubenmire

SUBJECT:

Perry County Campus Lease Agreement

BACKGROUND:

The College has been approached about leasing space to an external entity at its Perry County Campus.

RECOMMENDATION:

It is recommended that the Board of Trustees authorize the President to negotiate lease terms for the Perry County facility.

ORGANIZATIONAL/ADMINISTRATIVE IMPACT:

The Perry facility serves as a campus presence for the College, and this agreement will expand the community related services for The Perry County area.

FISCAL IMPACT:


The fiscal impact is yet to be determined, but would be favorable to the College in generating revenue to offset facility costs.

COMMENTS:



Motion to authorize the President of Hocking College to negotiate lease terms for the Perry County facility.

Adopted: 2/20/2020

Approved: 
Tom Johnson, Chairman