MINUTES

Present:
William J. Dolan, Vice Chair
Michael E. Flowers, Board
Dr. Val Moeller, President
Hamid Danesh, V.P.
Terri Gehr, Sr. V.P.
Theresa Lister, Ex Officio Staff
Paulette Fortea, Assistant to the President

Poe Timmons, Board
Michael C. Keller, Board
Dr. Deborah Coleman, V.P.
Will Kopp, V.P.
Tim Wagner, V.P.
Amy Brubaker, Acting Ex Officio Faculty

Guests: Tim Grant and Marshall Tosi, Auditors, Parms & Company, LLC
Aletha Shipley & Ann Helfrich, Business and Administrative Services

Mr. William Dolan, Board Vice Chair, called the meeting to order at 12:25 p.m. Ms. Terri Gehr, Sr. V.P. for Business and Administrative Services, and CFO, introduced Ms. Aletha Shipley, Director of Business Services and Controller, and Ann Helfrich, Sr. Accountant. She also introduced Marshall Tosi and Tim Grant, representatives from the auditing firm Parms & Company, LLC.

(1) Auditor’s Report

The audit for the year ended June 30, 2008, was conducted by the college’s independent auditors, Parms & Company, LLC, copies of which were distributed to the Committee of the Whole in advance of the meeting for review. Tim Grant, one of the audit partners, gave an overview of the audit process and the work product which included the audit of the 2007 and 2008 financial statements of the college and the Development Foundation as a component unit for which a separate report is issued. They also provided an electronic filing of a special procedure report with the Office of Budget Management as part of the reporting package for the State of Ohio. A Management Letter was provided as well as an electronic filing with the Auditor of State.

It was noted that their report opinions on the college are clean, unqualified opinions as well as the report on internal controls; and there were no weaknesses or compliance issues noted. Mr. Grant made special mention of the fact that, in future years, they will attempt to capture in-kind activity as a comparative for the Development Foundation. Beginning in 2009, those dollars will be reported as revenue and also as an expense. Mr. Grant will be meeting with Matt Kelly to discuss these issues. He also noted that it is important that an independent valuation of the services from the Taste The Future events
The Committee was also informed that there were two GASB Statements applicable during 2008, but they did not have a significant impact on the financial statement relating to note disclosures for both the Pension and other post-employment benefits provided through the Public Employees’ Retirement System. Some amounts relating to how much was contributed to PERS need to be included in the disclosures.

There were no audit adjustments, but there were four passed adjustments totaling $159,374 which fell under their threshold of $600,000 and were not deemed significant audit adjustments. Mr. Grants also advised that there was a change this year on how Pell revenues were reported which relates to the reclassification from operating revenues to non-operating revenue.

The Management Letter comments for this year were a result of the change to the new risk-based auditing requirements which are meant to enhance the college’s internal controls.

(2) Allocation of Net Income for the Fiscal Year Ended June 30, 2008

The president reminded the Committee that in 2007, the Board established principles on how the college should allocate net income at the end of the fiscal year in order to achieve various priorities. Therefore, this Board action is a proposal for how the college would like to allocate the net income, as well as summarize what has been allocated in the past. Dr. Moeller asked Ms. Teri Gehr, CFO and Sr. V.P. to give more detail on the proposal.

Ms. Gehr directed the Committee’s attention to one of the meeting hand-outs outlining the allocations that have been made. She stated that the Board at the November 2007 meeting approved some Resource Planning Principles that served as a guide in planning their budget and use of resources. Now that the net income amount has been confirmed for the general fund, this proposal for the allocation of funds is being submitted to the Board for consideration in the amount of $10,045,259 as follows:

<table>
<thead>
<tr>
<th>New or Additional Allocation</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget/Tuition Stabilization</td>
<td>$2,500,000</td>
</tr>
<tr>
<td>Delaware Campus Operations</td>
<td>2,500,000</td>
</tr>
<tr>
<td>Energy Efficiency/Sustainability</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Health Care Self-Insurance Escrow</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Health Care HSA Incentive</td>
<td>1,295,259</td>
</tr>
<tr>
<td>PERFORMS</td>
<td>250,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$10,045,259</strong></td>
</tr>
</tbody>
</table>
The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(3) Revised Fiscal Year 2009 Operating Budget

Ms. Gehr outlined the proposed revised Fiscal Year 2009 Operating Budget for both the general fund and the auxiliary fund. She stated that the college has been spared a cut on its largest subsidy line-item which is the state instructional subsidy which is larger than what was put into the budget. However, the college did take cuts on the Access Challenge and Jobs Challenge subsidies recently by 5.75%. Due to higher than anticipated enrollment last year, tuition income will be higher than proposed. Total revenues are anticipated to be approximately 4% higher than budgeted. She also pointed out that the Child Development Center has done well this year in building its enrollment and minimizing the subsidy that comes from the balance of the fund.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(4) Personnel Information Items

There was no discussion of the personnel information items; they are presented to the Board for informational purposes only.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

(5) Financial Statements as of December 31, 2008

Ms. Gehr reported on the college’s financial statements as of and for the six months ended, December 31, 2008. A copy of which was distributed in advance to the Committee for review.

The Committee of the Whole agreed to refer this item to the Board of Trustees for approval.

There being no further items to come before the Committee, the meeting was adjourned at 1:08 p.m.