Dr. Susan Finn, Board Chair, called the meeting to order. Ms. Terri Gehr, Sr. V.P. for Business and Administrative Services, introduced Ms. Aletha Shipley, Director of Business Affairs and Ann Helfrich, Sr. Accountant. She also introduced John Parms and Tim Grant, representatives from the auditing firm Parms & Company, LLC.

(1) **Auditors’ Reports**

Mr. Tim Grant and Mr. John Parms reviewed the results of the firm’s audit. The auditors explained that Columbus State Community College received an unqualified opinion on the college’s financial statements, an unqualified opinion on compliance and no material internal control weaknesses related to federal awards programs, and an unqualified opinion on the financial statements of the Development Foundation.

It was reported that there were a number of recommendations to the Board in their management letter as follows:

(1) Implementation of best practices procedures in the area of risk assessments and monitoring;
(2) The college address issues halting reimbursements of outstanding receivables from the OBOR associated with capital appropriations;
(3) The Board Committee of the Whole establish their own internal audit committee policies and procedures using the ACIPA guidelines for governmental entities.
There was discussion concerning the new auditing standard, SAS112, which goes into effect Fiscal 2007 which will impact the process by which the auditors will communicate with the college in the future on its financial reporting process.

There was also discussion on the value of the FedEx jet donation made to the Development Foundation and contributed to the college.

Ms. Gehr, the college’s chief financial officer and Board Treasurer, will look at all of these areas and give recommendations to the Board for process changes. Ms. Gehr also indicated that the college’s Controller has the expertise in auditing and risk management and has begun the necessary assessments in these areas.

The college is requesting that the Board of Trustees accept, as presented, the Reports of the Independent Auditors as of June 30, 2006, for the college and the Development Foundation as prepared by Parms & Company, LLC.

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

(2) **Revised Operating Budget for FY-2007**

Ms. Gehr gave the highlights of the revisions to the budget for FY-2007. Total revenues are projected to be $117,781,117, an increase of 2.8%. Two factors for the increase in revenue were that the college experienced some enrollment growth which increased tuition, and the Board of Regents approved our subsidy allocations in November. She also noted that the college’s investments are doing better than originally budgeted.

The increases on the expenditure side are related to the cost of doing business. The cost of the ERI program was close to $5 million and we should realize savings of approximately $1.6 million this year. Therefore, it was proposed that the savings be budgeted to go back into where we paid for the program which is the unrestricted dollars.

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

(3) **Approval for Additional Faculty Positions**

Given the course offerings at various locations and the increase in enrollment, six new faculty positions are requested for Autumn Quarter 2007 in order to maintain the ratio of full-time to part-time at 40/60 and to also support the areas that have been experiencing more growth.
The total annual cost of these positions will be $234,576 for salary, $66,480 for benefits, $18,000 for equipment, and $6,600 for computers and $3,000 for other costs totaling $334,656.

**POSITION COSTS**

<table>
<thead>
<tr>
<th>Position</th>
<th>Cost</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary:</td>
<td>$39,096 (base) per faculty member</td>
<td>($234,576)</td>
</tr>
<tr>
<td>Benefits:</td>
<td>$11,080 per faculty member</td>
<td>($66,480)</td>
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<tr>
<td>One time health benefits</td>
<td>$500 per faculty member</td>
<td>($3,000)</td>
</tr>
<tr>
<td>Equipment:</td>
<td>$3,000 per faculty member for furniture</td>
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<tr>
<td></td>
<td>$1,100 per faculty member for computer</td>
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</tr>
<tr>
<td>Other:</td>
<td>$1,000 per faculty member for conferences</td>
<td>($6,000)</td>
</tr>
<tr>
<td>Total:</td>
<td>$55,776</td>
<td>($334,656)</td>
</tr>
</tbody>
</table>

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 information only.

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

(5) **Refinancing Outstanding General Receipts Bonds Issued in 1997**

Due to the current interest rate, the market provides the college an opportunity to save $45,000 to $50,000 per year for an approximate net savings of $385,000 over the duration of the bonds. The 1997 Bonds are eligible for optional redemption on December 1, 2007.

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

(6) **Financial Statements**

The financial statements reflect information already discussed in the revised budget information, so no further explanation was needed.
The college is requesting that the financial statements as of and for the six months ended December 31, 2006, be accepted as presented.

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

There being no further business to come before the Committee, the meeting was adjourned at 1:27 p.m..