



**BOARD OF TRUSTEES  
Regular Monthly Meeting**

**Wednesday, May 22, 2024 – 11:00 a.m.  
Conference Center (E126AB)**

**Zoom Option:**

<https://frederick-edu.zoom.us/j/87049338454?pwd=WFBscmptNVBrU0k0WnR0aEhUN0JPZz09>

**Call-in Option:**

**Phone Number: 301-715-8592 | Meeting ID: 870 4933 8454 | Passcode: 954846**

**1. Call to Order**

**2. Approval of Minutes: April 11, 2024 (Board Retreat)  
April 17, 2024 (Regular Meeting)**

**3. Board & CEO Comments**

**4. Consent Agenda**

- \* A. Approval of Piggyback Contract with Amazon Services, Piggyback of Prince William County, Virginia, Public Schools Contract R-TC-17006 for an Online Marketplace

**5. Information/Discussion Items**

- \* A. Fiscal Year-to-Date Financial Report through the Quarter Ending March 31, 2024
- \* B. Review of Draft Board-CEO Delegation Policy – Global Statement
- \* C. Review of Draft Board-CEO Delegation Policy – President Succession
- \* D. Review of Draft Board-CEO Delegation Policy – President Compensation
- \* E. Review of Draft Executive Limitations Policy – Asset Protection
- \* F. Review of Draft Executive Limitations Policy – Investments
- \* G. Review of Draft Executive Limitations Policy – Compensation and Benefits
- \* H. Review of Draft Governance Process Policy – Handling Alleged Policy Violations

## 6. Action Items

- A. Appointment of Board Nominating Committee
- \* B. Approval of Governance Process Policy – Governing Style
- \* C. Approval of Governance Process Policy – Investment in Governance
- \* D. Approval of Governance Process Policy – Board Expenses
- \* E. Approval of Governance Process Policy – Special Rules of Order
- \* F. Approval of Governance Process Policy – Handling Operational Complaints
- \* G. Approval of FY 2025 Auxiliary Enterprise Budgets

## 7. Closed Session

The Board of Trustees will hold a public vote to meet in closed session in accordance with the Maryland Open Meetings Act, Section 3-305(b)(1) to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of an appointee, employee, or official over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals; and Section 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter. The topics are: to discuss the evaluation of the President; and review and approval of closed session minutes from April 17, 2024 pursuant to Section 3-306(c)(3)(ii) of the General Provisions Article of the Maryland Annotated Code.

## 8. Adjournment

### NEXT MEETINGS:

**Tuesday – June 4, 2024**

- **4:30 p.m. – Regular Monthly FCC Board Meeting  
(rescheduled from June 12)**

**Tuesday – July 9, 2024**

- **9:00 a.m. – Board Retreat**

*Under the ADA and Section 504, Frederick Community College (FCC) makes every effort to accommodate individuals with disabilities for College-sponsored events and programs. For FCC employees needing accommodations, including interpreting, please email [humanresources@frederick.edu](mailto:humanresources@frederick.edu). For students and others with accommodation needs or questions, please call 301-846-2408, or to request sign language interpreter services, please email [Interpreting@frederick.edu](mailto:Interpreting@frederick.edu). Sign language interpreters will not be automatically provided for College-sponsored events without a request for services. Requests must be made at least five workdays before a scheduled event to guarantee accommodations.*

\*Backup documentation is available for this agenda item in the meeting packet.

**BOARD OF TRUSTEES  
FREDERICK COMMUNITY COLLEGE**

**April 11, 2024**

**Board Retreat**

**Chris T. Matthews Board Room (A201)**

**Attending In Person:**

**Trustees Carolyn Kimberlin, Chair; Tom Lynch, Vice Chair; Theodore Luck; Dr. William Reid; and Myrna Whitworth. Trustee Dr. John Molesworth was unable to attend. Also present were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Avis Boyd, Chief of Staff to the President; Edmund O’Meally, PK Law, College legal counsel; and Kari Melvin, Recording Secretary.**

**Participating Virtually:**

**Trustee Tracey McPherson and Dr. Daniel Phelan, Facilitator.**

**Board Chair Kimberlin convened the retreat at 9:02 a.m.**

**Development of Board Policies – The Board reviewed further proposed revisions to Access to Education, which was previously discussed at the March 9, 2024 board retreat and March 20, 2024 board meeting. The final version will be submitted for approval at the April 17, 2024 regular meeting.**

**Dr. Phelan led the discussion and development of the following policies: Governing Style, Investment in Governance, Board Expenses, Special Rules of Order, Handling Operational Complaints, and Handling Alleged Policy Violations. Mr. O’Meally was asked to make further revisions to Handling Alleged Policy Violations, which will be reviewed at the May 11 board retreat. The other draft policies will be reviewed at the April 17, 2024 regular meeting.**

**The retreat adjourned at 11:34 a.m.**

**Dr. Annesa Payne Cheek  
Secretary/Treasurer**

**Prepared by Kari Melvin  
Office of the President  
Frederick Community College**

**BOARD OF TRUSTEES  
FREDERICK COMMUNITY COLLEGE**

**April 17, 2024  
Regular Meeting**

The Board of Trustees of Frederick Community College met in regular session on Wednesday, April 17, 2024 in the Conference Center (E126AB). A virtual option to participate was provided. Participating in person were: Trustees Carolyn Kimberlin, Chair; Tom Lynch, Vice Chair; Theodore Luck; Tracey McPherson; Dr. John Molesworth; and Dr. William Reid.

Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Janice Spiegel, Special Projects Manager/Budget Office Frederick County Government; Edmund O'Meally, PK Law, College legal counsel; Jerry Boyd, Special Assistant to the President for Institutional Effectiveness; Dr. Bridgette Cofield, Vice President (VP) for Talent and Culture; Dr. Anne Davis, Provost and VP for Teaching, Learning and Student Success; Dr. Chiquita Howard-Bostic, VP of Diversity, Equity, Inclusion and Belonging; Dr. Barbara Larson, Interim VP for Finance and Administration; Deborah Powell, Executive Director for the Office of Institutional Advancement and the FCC Foundation; Dr. Benita Rashaw, Interim VP for Student Affairs; Dr. Molly Carlson, Associate Vice President (AVP)/Dean for Continuing Education and Workforce Development; Dr. Renee Davis, AVP, Center for Teaching and Learning; Dr. Vell Lyles, AVP for Strategic Enrollment and Innovation; Nichole Pollard, AVP for Student and Financial Support Services; Amy Stake, AVP for Finance; Dr. Sandy McCombe Waller, AVP for Academic Affairs and Dean of Health, Business, Technology & Science; Dr. Brian Stipelman, AVP for Academic Affairs and Dean of Liberal Arts; Michael Anderson, Director of Career and Academic Planning Services; Dr. Matthew

**Paushter, Director for Dual Enrollment and High School Partnerships; Lewis Godwin, Chief of Operations; Diana Oliver, Human Resources Manager; Pamela Murphy, Labor Relations Specialist; Esther Slack-Metellus, Support Staff Association (SSA) Executive; Theresa Dorsey, Administrative Coordinator, President's Office; Kari Melvin, Recording Secretary; and other guests.**

**Participating virtually were Trustee Myrna Whitworth; Avis Boyd, Chief of Staff to the President; Chris Kielt, Interim Chief Information Officer; Dr. Daniel Phelan, Consultant; Fred Hockenberry, Executive Director of Auxiliaries, Procurement and Special Projects; Dr. Kevin Martin, Administrative Staff Association (ASA) Executive; and other guests.**

#### **CALL TO ORDER**

**The meeting was called to order by Chair Kimberlin at 4:30 p.m.**

#### **APPROVAL OF MINUTES**

**Chair Kimberlin called for approval of the minutes of the March 9, 2024 board retreat.**

***On a motion made by Vice Chair Lynch, the Board unanimously approved the March 9, 2024 board retreat minutes, as presented.***

**Chair Kimberlin called for approval of the minutes of the March 20, 2024 regular meeting.**

***On a motion made by Vice Chair Lynch, the Board unanimously approved the March 20, 2024 regular meeting minutes, as presented.***

#### **BOARD & CEO COMMENTS**

**President Cheek acknowledged new Senior Leaders on her team. Dr. Chiquita Howard-Bostic joined FCC as the Vice President of Diversity, Equity, Inclusion and**

Belonging, and Chris Kielt began serving as the Interim Chief Information Officer, both on April 1, 2024. Trustees welcomed the new Senior Leaders and wished them well.

### **INFORMATION/DISCUSSION ITEMS**

**Review of Draft Policies** – Trustees reviewed and discussed the following draft policies:

- **Governance Process Policy – Governing Style**
- **Governance Process Policy – Investment in Governance**
- **Governance Process Policy – Board Expenses**
- **Governance Process Policy – Special Rules of Order**
- **Governance Process Policy – Handling Operational Complaints**

Edits were identified for Governing Style, Investment in Governance, and Special Rules of Order. The final versions will be presented for approval at the May 22, 2024 Board meeting.

### **ACTION ITEMS**

**Approval of Renewal of FY 2025 Group Health/RX, Dental, and Vision Insurance to Aetna and Employer/Employee Contributions** – Aetna has been the provider for FCC's healthcare benefit plan since July 1, 2021. This year, the College partnered with PSA Insurance & Financial Services, an insurance brokerage and risk management firm, to help facilitate the annual insurance renewal process and negotiate premium increases. PSA successfully negotiated an increase of 16.6% for the group health/RX plan (Aetna initially proposed an increase of 38.2%) and an increase of 3% for the dental plan (Aetna initially proposed an increase of 17%). There was no proposed rate increase for the vision plan. The College will continue to offer two health insurance plans, a high deductible plan and an in-network plan. For the high deductible plan, the College contributes \$1,500 for employee

only coverage and \$3,000 for family coverage to the employee's Health Savings Account (HSA). For FY 2025, the annual cost to the College (including employer contributions to the HSA and the employee opt-out incentive) is estimated to be \$5,947,497 compared to the FY 2024 estimate of \$5,062,342, which represents an increase of \$885,155 or 17%. For employees who do not elect the FCC health insurance coverage, the College pays an opt-out incentive of \$3,600 per year to full-time employees and \$1,800 per year to part-time employees. The premiums for the health/RX, dental, and vision insurance plans with Aetna including the employer and employee contributions were provided to Trustees in their meeting packet.

*On a motion made by Trustee Luck, the Board unanimously approved the Aetna group health/RX, dental, and vision insurance proposal for FY 2025, including the opt-out incentive and the employer/employee contributions, as presented.*

**Approval of Executive Limitations Policy – Access to Education** – The Board considered this policy.

*On a motion made by Trustee Luck, the Board unanimously approved the Executive Limitations Policy – Access to Education, as presented.*

**Approval of Governance Process Policy – Board Job Contributions** – The Board considered this policy.

*Trustee Reid moved for approval of the Governance Process Policy – Board Job Contributions, as presented. Vice Chair Lynch moved to amend approval with the revision to add commas after “The Board may” and “at its discretion” in Sections 6.1 and 6.2. The Board accepted the amendment and unanimously approved the Governance Process Policy – Board Job Contributions, as revised.*

**Approval of Governance Process Policy – Board Linkage with Ownership** – The

Board considered this policy.

*On a motion made by Trustee Molesworth, the Board unanimously approved the Governance Process Policy – Board Linkage with Ownership, as presented.*

**Approval of Governance Process Policy – Board Linkage with External Organizations** – The Board considered this policy.

*On a motion made by Trustee Molesworth, the Board unanimously approved the Governance Process Policy – Board Linkage with External Organizations, as presented.*

**Approval of Governance Process Policy – Board Planning Cycle and Agenda Control** – The Board considered this policy.

*On a motion made by Trustee Whitworth, the Board unanimously approved the Governance Process Policy – Board Planning Cycle and Agenda Control, as presented.*

**CLOSED SESSION**

*At 5:07 p.m., the motion was made by Vice Chair Lynch to convene in closed session and unanimously approved by the Board.*

This action was taken in accordance with Maryland’s Open Meetings Act, Section 3-305(b)(7) to consult with counsel to obtain legal advice; Section 3-305(b)(9) to conduct collective bargaining negotiations or consider matters that relate to the negotiations; and Section 3-305(b)(13) to comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter. Attending in person were: Trustees Carolyn Kimberlin, Chair; Tom Lynch, Vice Chair; Theodore Luck; Tracey McPherson; Dr. John Molesworth; and Dr. William Reid. Also attending in person were President Dr. Annesa Payne Cheek, Secretary/Treasurer of the Board; Edmund O’Meally, PK Law, College legal counsel; Dr. Bridgette Cofield, VP



for Talent and Culture; Dr. Anne Davis, Provost and VP for Teaching, Learning and Student Success; Dr. Barbara Larson, Interim VP for Finance and Administration; Pamela Murphy, Labor Relations Specialist; and Kari Melvin, Recording Secretary.

Participating virtually were Trustee Myrna Whitworth and Avis Boyd, Chief of Staff to the President.

The Board reviewed closed session minutes from March 9, 2024 and March 20, 2024.

*On a motion made by Vice Chair Lynch, the March 9, 2024 closed session minutes were approved 6-0-1, with Trustee Whitworth abstaining.*

*On a motion made by Trustee Reid, the March 20, 2024 closed session minutes were approved 6-0-1, with Trustee Whitworth abstaining.*

The Board obtained legal advice on matters related to collective bargaining strategy and potential positions. No action was taken.

*The meeting adjourned at 5:40 p.m.*

#### **NEXT MEETING**

The next regular meeting of the Board will be held on Wednesday, May 22, 2024.

**Dr. Annesa Payne Cheek**  
**Secretary/Treasurer**

Prepared by Kari Melvin  
Office of the President  
Frederick Community College



**To:** Dr. Annesa Payne Cheek, President  
Frederick Community College Board of Trustees

**From:** Dr. Barbara Larson, Interim VP for Finance and Administration

**Date:** May 22, 2024

**Subject: Consent Item**  
Piggyback Contract with Amazon Services, Piggyback of Prince William County, Virginia, Public Schools Contract R-TC-17006 for an Online Marketplace

## **OVERVIEW**

Amazon Services, LLC is an on-line marketplace that sells a vast selection of commodities. It provides a convenient, one-stop shopping experience to College departments. Piggybacking the Prince William County Public Schools contract will establish Amazon Services, LLC as Frederick Community College's preferred on-line marketplace for essential non-office supply purchases.

The Board of Trustees delegates authority to the President to approve any procurement up to \$100,000. Procurements over \$100,000 must be approved by the Board of Trustees.

## **ANALYSIS**

- The College has been using Amazon to purchase non-office supplies for many years due to its diverse product offerings, fast delivery, easy price comparison, and streamlined purchasing process.
- Numerous departments use Amazon to source commodities such as electro-mechanical and computer components.
- Unexpected shutdowns, supply chain issues and local product scarcity have contributed to an increased use of Amazon.
- In early 2024, it was discovered that our Amazon purchasing had exceeded the \$100K procurement threshold. The College has since evaluated its internal controls to ensure for better monitoring.
- An option to piggyback on the Prince William County, Virginia Schools Amazon Services contract was identified. This arrangement will allow the College to leverage their existing contract with Amazon, thereby ensuring compliance with procurement regulations while continuing to access the products needed by our institution.
- This piggyback contract also provides a dedicated sales representative for optimal response and service, and a variety of reporting tools to help the College track and manage the account.

The recommended piggyback contract is set to run through December 31, 2025. This timeframe provides stability and continuity in our procurement processes.

**RECOMMENDATION**

Recommend approval of piggyback contract with Amazon Services, Piggyback of Prince William County, Virginia, Public Schools Contract R-TC-17006 for an Online Marketplace.

**ATTACHMENT(S)**

No attachments



**To:** Dr. Annesa Payne Cheek, President  
Frederick Community College Board of Trustees

**From:** Barbara Larson, Interim Vice President for Finance and Administration

**Date:** May 22, 2024

**Subject:** **Information/Discussion Item**  
Fiscal year-to-date Financial Report through the quarter ending March 31, 2024

## **OVERVIEW**

Frederick Community College's fiscal year-to-date financial reports are prepared and distributed to the Board of Trustees on a quarterly basis. Attached is the fiscal year-to-date financial report, which provides preliminary financial statements through the quarter ending March 31, 2024, for your information and review.

## **ANALYSIS**

Current Unrestricted Fund (Operating Budget)

Presented is a draft of the FY 2024 Year-To-Date Financial Statements through the quarter ending March 31, 2024.

### *Revenues*

- With 75% of the fiscal year expired, 98% of budgeted revenues have been received. This is due, in part, to Fall semester tuition and Spring semester tuition having exceeded budgeted revenues by more than \$1.8 million combined. As of March 31<sup>st</sup>, Summer 2024 enrollment had not begun, but there will be additional Summer tuition revenue in FY 2025.
- Enrollment growth has also positively affected fee revenue. Fees collected through March 31, 2024, exceeded the same period last year by 10%.
- Continuing Education tuition and fee revenues are up year over year by 6%, and total Continuing Education revenue is expected to exceed the budgeted amount of \$1,506,291 by the end of the fiscal year.
- The majority of anticipated County and State revenue has been recorded for the fiscal year, so year-to-date State Aid is at 99% of budget, and year-to-date County revenue is at 98% of budget.
- Interest rates remain high and the College's investment income through March 31, 2024, is nearly double earnings for the first nine months of last fiscal year.

- With three-quarters of the fiscal year expired, actual contract revenue has exceeded budgeted revenue by \$328,502. This is primarily due to the ongoing Federal Emergency Management Agency (FEMA) Independent Study contract. This international program supports a wide range of individuals earning academic credentials in emergency management and public safety-sector roles, such as firefighters, emergency managers, police officers, public works employees, and more.

### *Expenses*

With 75% of the fiscal year expired, total expenses represent 68% of the adopted annual budget.

- Through March 2024, all functional areas are spending at rates that exceed the prior year to date. Increases are primarily attributable to enrollment growth and to higher salaries and wages as cost-of-living adjustments totaling 5% were approved last year. In Instruction, in addition to wage increases, there has been a higher reliance on adjunct faculty and clinical instructors to meet student demand.
- As noted above, despite higher year-over-year spending, total expenses represent 68% of the budget, with 75% of the year expired. A significant factor contributing to savings is full-time position vacancies. When positions are vacant, the College experiences savings in salaries or wages as well as in associated fringe benefit costs.
- Other factors driving operating expense increases include credit card fees, as higher enrollments have resulted in more tuition payments accepted via credit card payments (up \$41,000 or 20% over the prior year to date) as well as electricity costs, up \$119,000 or 29% over the same time a year ago.
- It should be noted that scholarships and transfers, primarily transfers to support college operations from consolidated service fees, are accomplished at the start of the fiscal year. Therefore, Scholarships and Transfers expenses are 105% spent with a quarter of the fiscal year remaining. The higher than budgeted transfer expenditure is the result of several factors. Additional Student Activity Fee revenue was received due to higher enrollments, and fee revenue is then transferred to the student activity budget. Also, only \$300,000 was originally budgeted as a transfer (subsidy) from the Operating Budget for Dining Services. As Auxiliary Service budgets were established, it was determined that a higher subsidy of \$365,123 was needed.

### *Fund Balance*

- Revenue exceeds expenses by \$20.1 million for this fiscal year to date, March 31, 2024, due to higher than anticipated enrollment and other revenue sources exceeding budget, and expenses that are favorable to budget.

## **Auxiliaries**

Overall, Auxiliary Enterprises that include the bookstore, the Carl and Norma Miller Children's Center, and dining services recorded a combined net income loss of \$271,932 as of March 31, 2024. However, revenues in all three auxiliary units exceeded revenues for the same period a year ago. It is also noteworthy that each Auxiliary Enterprise contributes back to the College for indirect costs. In Fiscal Year 2023, with the assistance of the College's auditors, a formula was developed to determine indirect costs for each Auxiliary unit. The amount is based on services provided to the unit by the College for items such as utilities, custodial and security services, and other overhead services, and is allocated based on the square footage of space provided to the auxiliary service.

### *Bookstore*

- Total revenues increased by 20% over the prior year to date. The report includes a College subsidy of \$60,534, but the revenue trend is positive even if the subsidy were not considered. Cost of goods sold decreased by 9% over the same period, from \$716,179 last year to \$648,864 through March 2024.
- Operating expenses more than doubled over the same period last year. This is primarily due to salary and benefit increases and Contracted Services, which include credit card fees. Smaller credit card transactions for things like convenience items resulted in higher cost per transaction to the Bookstore but represented significant service to our students.
- Digital Subscription is a new expense line item this fiscal year. The College provides Frederick County Public School (FCPS) dual enrolled students digital materials for their courses through a third-party provider called Slingshot. Formerly, the cost of traditional texts for dual enrolled students was recorded under Cost of Goods Sold. This expense to date of \$160,504 will be fully reimbursed by FCPS with an expected commission of 10% from Slingshot to the Bookstore on these purchases.
- As of March 31, 2024, net income is (\$63,180), compared to net income of \$37,580 a year ago. However, the Bookstore's transfer back to the College in Indirect Costs, a recognition of services provided to the bookstore by the College, increased to \$60,750, compared to just \$4,388 for the same period last year.

### *Children's Center*

At 75% of the year expired, the Children's Center financials reflect increased activity. Just as the College's student enrollment has increased, the Children's Center is serving more children than in the prior year.

- Total revenue increased 30% over the prior year to date, with revenue increases for most categories of children served. The increase also includes the College subsidy of \$85,626 for the first nine months of the fiscal year.
- Classroom expenses nearly doubled when compared to the same period a year ago. This is primarily the result of the implementation of the compensation and classification study, increasing pay and adding benefits for full-time teachers and aides.
- A portion of the prior year to date Classroom Expenses were funded using HEERF grant.

*Dining Services*

- The College subsidy of \$220,946 is shown among Dining Services revenues through March 31, 2024. Without the subsidy, operating revenues are up nearly \$180,000 compared to the prior year, with substantial increases in café and catering sales.
- Operating expenses increased 9% over the prior year to date.
- At this time, Dining Services is at break even, compared to a net loss of \$259,661 a year ago. Although the analysis includes a subsidy from the College to Dining Services, the subsidy amount is running behind budget, with 61% of the subsidy paid with 75% of the fiscal year expired.
- As is the case with the other Auxiliary enterprises, Dining Services also contributes back to the College for Indirect Costs. The contribution to date is \$63,749.

*Balance Sheet*

- Cash and cash investments are at \$48.1 million indicating a strong liquid position. The available cash complies with the Board's Financial Conditions and Activities policy requiring 16.6% of Adopted Expenditures available as operating fund balance reserves.
- Accounts Receivable (AR) overall increased by \$640K. This net increase is a combination of an increase in AR Students for those registered for the spring semester on payment plans, a decrease in Governmental AR due to payments received from the State and County for Capital Improvement Projects (CIP), and an increase in AR Other for FCPS dual enrollment students for the spring semester.
- Current liabilities decreased by \$3.9 million primarily due to decreases in unearned revenue and accounts payable.
- The College continues to maintain very little long-term liabilities with current outstanding bond debt of \$4,931,902.
- The net position as of March 31, 2024 is \$134.7 million, which includes the quarter-ended revenues over expenses. This will fluctuate as the funds are used to operate in the coming months.

The College is financially strong. Continuing to be mindful of spending and hiring patterns will ensure we remain so.

**RECOMMENDATION**

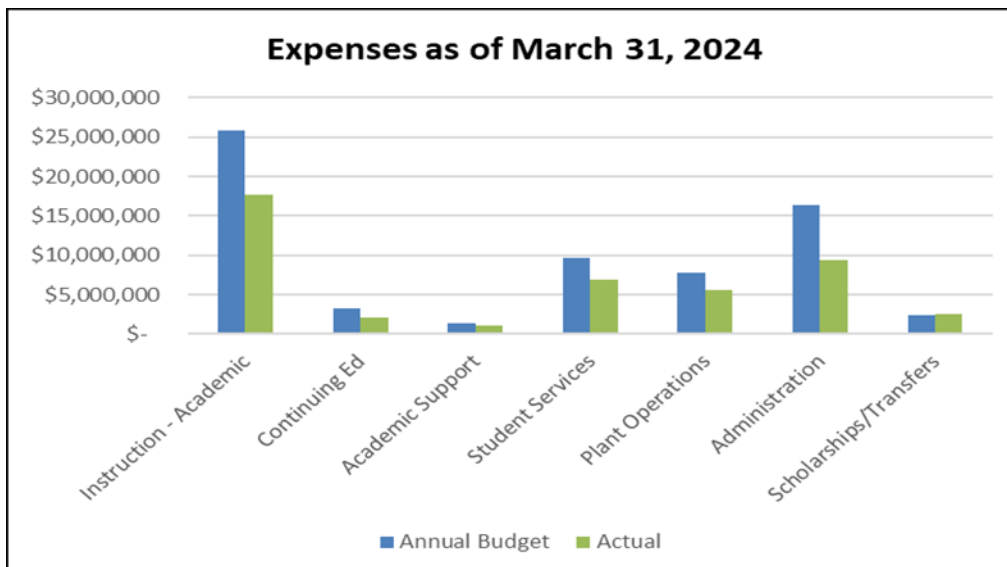
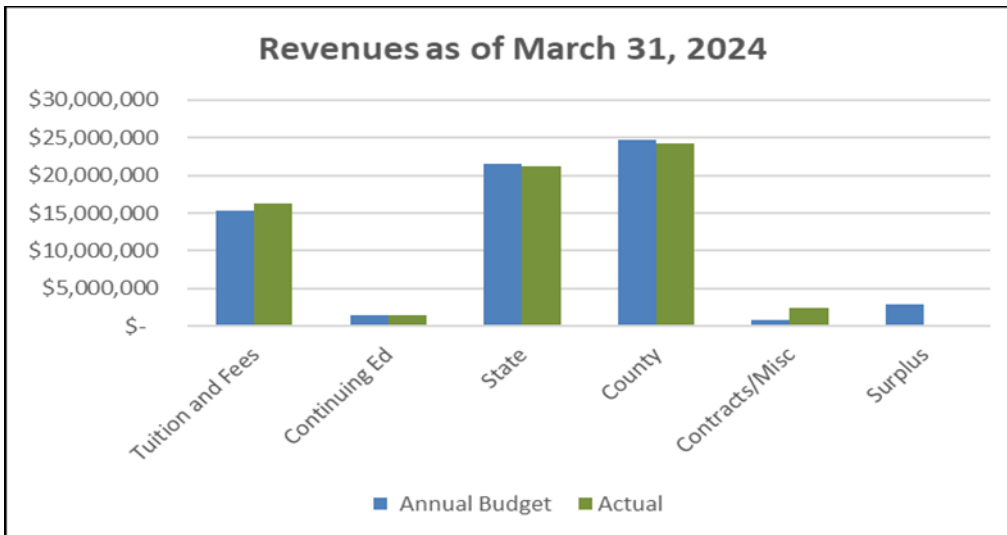
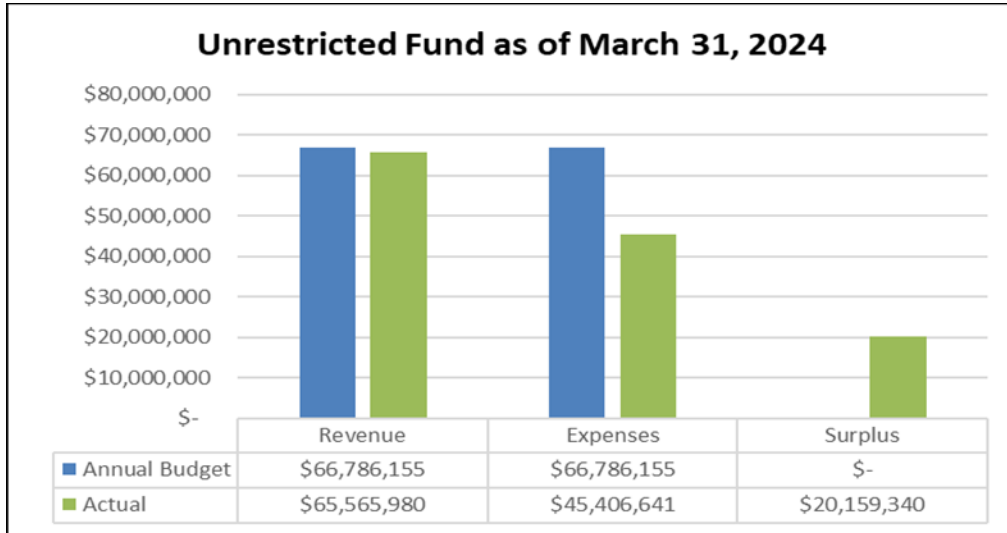
This item is provided for information only. No action required.

**FREDERICK COMMUNITY COLLEGE  
FINANCIAL REPORT**

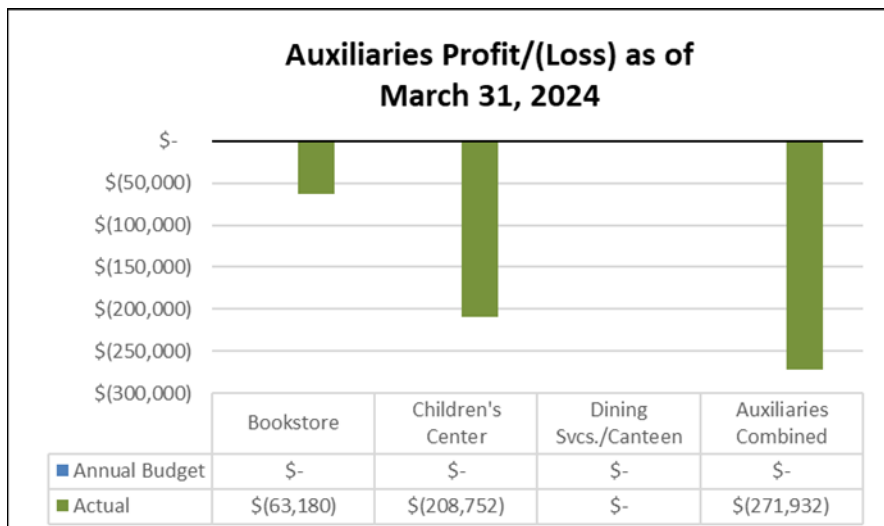
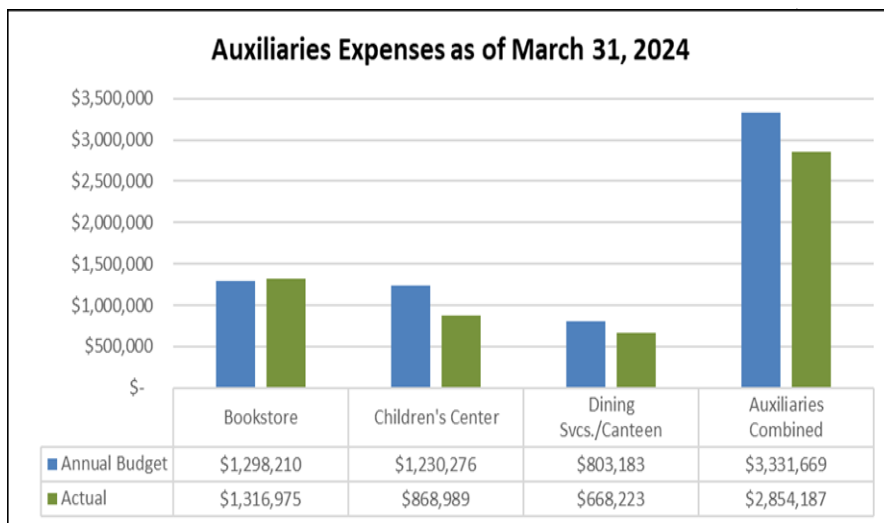
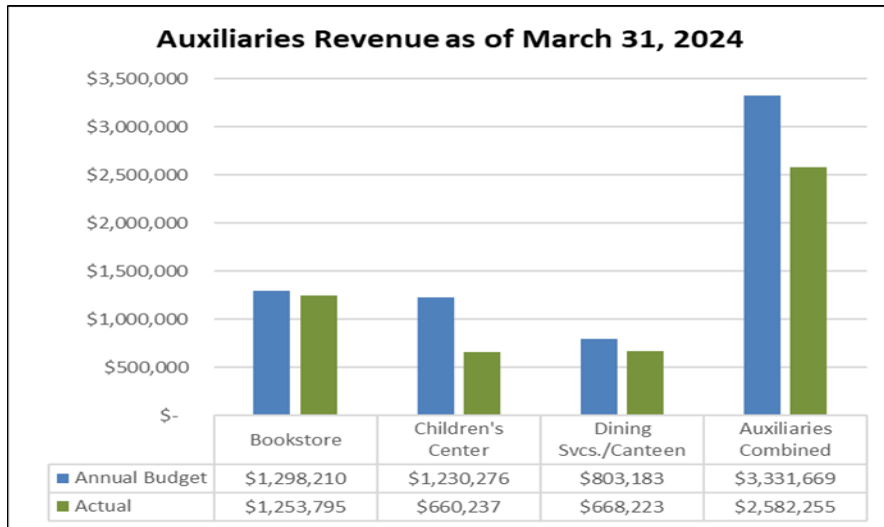
**Fiscal year-to-date through March 31, 2024**



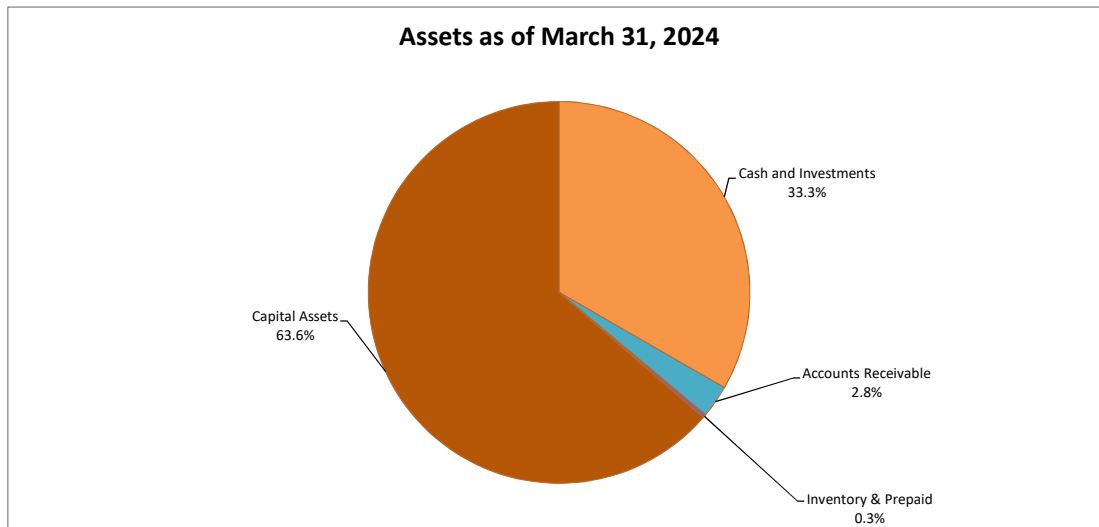
**FREDERICK COMMUNITY COLLEGE  
FINANCIAL STATEMENT ANALYSIS AS OF MARCH 31, 2024  
75% OF THE FISCAL YEAR EXPIRED**



**FREDERICK COMMUNITY COLLEGE  
FINANCIAL STATEMENT ANALYSIS AS OF MARCH 31, 2024  
75% OF THE FISCAL YEAR EXPIRED**  
(Expenses Include Cost of Goods Sold and College Contribution)  
(Any variances due to rounding)

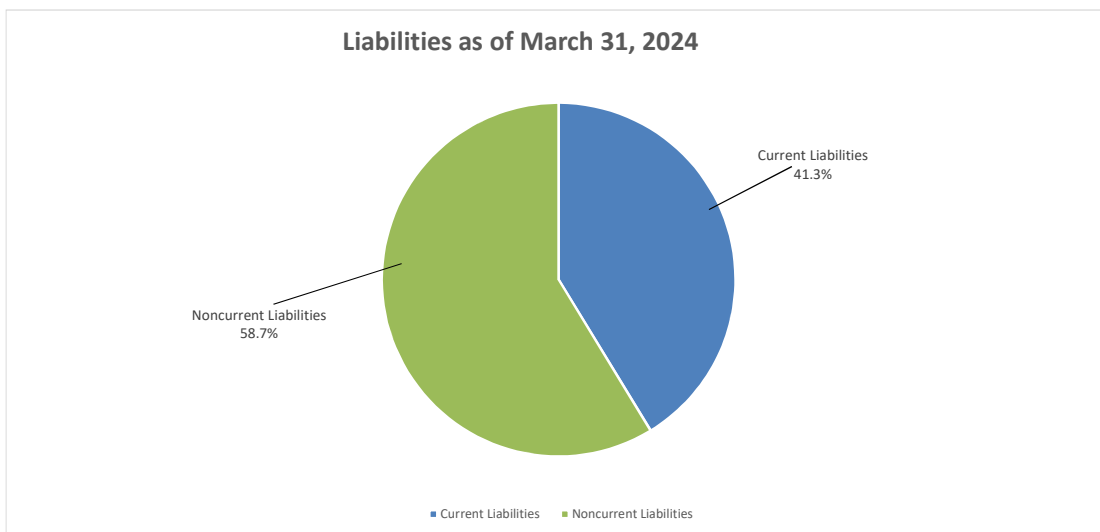


## FREDERICK COMMUNITY COLLEGE FINANCIAL STATEMENT ANALYSIS AS OF MARCH 31, 2024 75% OF THE FISCAL YEAR EXPIRED



**Assets:**

|                      |    |                   |
|----------------------|----|-------------------|
| Cash and Investments | \$ | 48,138,734        |
| Accounts Receivable  | \$ | 3,988,965         |
| Inventory & Prepaid  | \$ | 427,295           |
| Capital Assets       | \$ | <u>91,942,841</u> |
|                      | \$ | 144,497,835       |



**Liabilities and Net Position:**

|                        |    |                    |
|------------------------|----|--------------------|
| Current Liabilities    | \$ | 4,025,363          |
| Noncurrent Liabilities | \$ | 5,722,809          |
| Net Position           | \$ | <u>134,749,663</u> |
|                        | \$ | 144,497,835        |

| <b>Financial Ratios as of March 31, 2024</b> |                                      |      |  |
|--|--------------------------------------|------|--|
| Current Ratio                                | (current assets/current liabilities) | 13.1 | A ratio > 1 indicates liquidity is sufficient to meet current obligations.   |
| Debt Ratio                                   | (liabilities/assets)                 | 0.07 | A low debt ratio (< .5) indicates conservative financing. The College finances most of its assets from net assets (similar to equity). |

**FREDERICK COMMUNITY COLLEGE**  
**STATEMENTS OF REVENUE, EXPENSES AND TRANSFERS**  
**CURRENT UNRESTRICTED FUND - EDUCATIONAL AND GENERAL**  
**FOR THE PERIOD MARCH 31, 2024**  
**75% OF THE FISCAL YEAR EXPIRED**

|                                     | FY23<br>PYTD ACTUAL  | FY24<br>YTD ACTUAL   | ACTUALS TO<br>ACTUALS VARIANCE | FY24<br>BUDGET       | (OVER)/UNDER<br>BUDGET | ACTUAL %<br>OF<br>BUDGET |
|-------------------------------------|----------------------|----------------------|--------------------------------|----------------------|------------------------|--------------------------|
| <b>Revenue</b>                      |                      |                      |                                |                      |                        |                          |
| Tuition and Fees                    |                      |                      |                                |                      |                        |                          |
| Fall Tuition                        | \$ 5,955,949         | \$ 6,681,306         | 112%                           | \$ 5,630,573         | \$ (1,050,733)         | 119%                     |
| Spring Tuition                      | 5,808,865            | 6,243,909            | 107%                           | 5,440,129            | (803,780)              | 115%                     |
| Summer Tuition                      | 724,592              | 602,057              | 83%                            | 1,562,462            | 960,405                | 39%                      |
| Fees                                | 2,529,750            | 2,771,925            | 110%                           | 2,629,434            | (142,491)              | 105%                     |
| Total Academic                      | 15,019,157           | 16,299,198           | 109%                           | 15,262,598           | (1,036,600)            | 107%                     |
| Continuing Education                | 1,360,235            | 1,440,233            | 106%                           | 1,506,291            | 66,058                 | 96%                      |
| <b>Total Tuition and Fees</b>       | <b>16,379,392</b>    | <b>17,739,430</b>    | <b>108%</b>                    | <b>16,768,889</b>    | <b>(970,541)</b>       | <b>106%</b>              |
| State Aid                           | 19,026,294           | 21,191,961           | 111%                           | 21,499,828           | 307,867                | 99%                      |
| County Revenue                      | 22,376,502           | 24,255,452           | 108%                           | 24,735,845           | 480,393                | 98%                      |
| Investment Income                   | 522,645              | 974,925              | 187%                           | 50,000               | (924,925)              | 1950%                    |
| Miscellaneous Income                | 1,321,544            | 390,460              | 30%                            | 175,111              | (215,349)              | 223%                     |
| Contract Revenue                    | 769,918              | 828,502              | 108%                           | 500,000              | (328,502)              | 166%                     |
| Indirect Cost Recovery              | 62,613               | 185,250              | 296%                           | 150,527              | (34,723)               | 123%                     |
| Budgeted Surplus*                   | -                    | -                    | -                              | 2,905,955            | 2,905,955              | 0%                       |
| <b>Total Revenue</b>                | <b>\$ 60,458,908</b> | <b>\$ 65,565,980</b> | <b>108%</b>                    | <b>\$ 66,786,155</b> | <b>\$ 1,220,175</b>    | <b>98%</b>               |
| <b>Expenses and Transfers</b>       |                      |                      |                                |                      |                        |                          |
| Instruction                         |                      |                      |                                |                      |                        |                          |
| Academic                            | \$ 16,421,316        | \$ 17,618,417        | 107%                           | \$ 25,784,766        | 8,166,349              | 68%                      |
| Continuing Education                | 2,111,023            | 2,160,461            | 102%                           | 3,321,814            | 1,161,353              | 65%                      |
| Total Instruction                   | 18,532,339           | 19,778,878           | 107%                           | 29,106,580           | 9,327,702              | 68%                      |
| Academic Support                    | 915,369              | 1,054,634            | 115%                           | 1,384,290            | 329,656                | 76%                      |
| Student Services                    | 5,892,579            | 6,968,555            | 118%                           | 9,710,893            | 2,742,338              | 72%                      |
| Plant Operation and Maintenance     | 4,650,990            | 5,663,491            | 122%                           | 7,763,195            | 2,099,704              | 73%                      |
| Administration                      | 8,347,121            | 9,383,897            | 112%                           | 16,377,991           | 6,994,094              | 57%                      |
| Scholarships and Transfers          | 2,354,057            | 2,557,186            | 109%                           | 2,443,206            | (113,980)              | 105%                     |
| <b>Total Expenses and Transfers</b> | <b>\$ 40,692,454</b> | <b>\$ 45,406,641</b> | <b>112%</b>                    | <b>\$ 66,786,155</b> | <b>\$ 21,379,514</b>   | <b>68%</b>               |
| <b>Fund Balance</b>                 | <b>\$ 19,766,454</b> | <b>\$ 20,159,340</b> | <b>102%</b>                    | <b>\$ -</b>          | <b>\$ (20,159,340)</b> |                          |

\* Per the Financial Conditions and Activities policy number EL-4, section 5.1, the President shall not allow a combined operating fund balance reserve to be less than the Government Finance Officers Association recommended minimum of 16.6% (two months) of annual operating expenses. For FY 2024, this amounts to \$11,086,502.

**FREDERICK COMMUNITY COLLEGE  
BOOKSTORE  
FINANCIAL REPORT FOR THE PERIOD ENDING MARCH 31, 2024  
75% OF THE FISCAL YEAR EXPIRED**

|                                    | <b>FY23 PYTD<br/>ACTUAL</b> | <b>FY24 YTD ACTUAL</b> | <b>ACTUALS TO<br/>ACTUALS<br/>VARIANCE</b> | <b>FY24 BUDGET</b> | <b>(OVER)/UNDER<br/>BUDGET</b> | <b>ACTUAL % OF<br/>BUDGET</b> |
|------------------------------------|-----------------------------|------------------------|--|--------------------|--------------------------------|-------------------------------|
| <b>Revenue</b>                     |                             |                        |  |                    |                                |                               |
| Books                              | \$ 718,986                  | \$ 741,270             | 103%                                       | \$ 750,000         | \$ 8,730                       | 99%                           |
| Supplies                           | 164,096                     | 152,573                | 93%  | 200,000            | 47,427                         | 76%                           |
| Clothing                           | 82,313                      | 55,838                 | 68%  | 144,000            | 88,162                         | 39%                           |
| Convenience                        | 33,446                      | 51,964                 | 155%                                       | 60,000             | 8,036                          | 87%                           |
| Gift                               | 40,085                      | 24,798                 | 62%  | 58,000             | 33,202                         | 43%                           |
| Non Merchandise                    | 1,068                       | 575                    | 54%  | 2,500              | 1,925                          | 23%                           |
| Commissions - Books/gifts          | 2,115                       | 1,640                  | 78%  | 3,000              | 1,360                          | 55%                           |
| Dual Enrollment-Slingshot          | -                           | 164,603                | -  | -                  | (164,603)                      | -                             |
| College Subsidy                    | -                           | 60,534                 | -  | 80,710             | 20,176                         | 75%                           |
| <b>Total Revenue</b>               | <b>1,042,110</b>            | <b>1,253,795</b>       | <b>120%</b>                                | <b>1,298,210</b>   | <b>44,415</b>                  | <b>97%</b>                    |
| <b>Cost of Goods Sold</b>          | <b>716,179</b>              | <b>648,864</b>         | <b>91%</b>                                 | <b>784,660</b>     | <b>135,796</b>                 | <b>83%</b>                    |
| <b>Gross Profit</b>                | <b>325,931</b>              | <b>604,931</b>         | <b>186%</b>                                | <b>513,550</b>     | <b>(91,381)</b>                | <b>118%</b>                   |
| <b>Operating Expenses</b>          |                             |                        |  |                    |                                |                               |
| <b>Compensation</b>                |                             |                        |  |                    |                                |                               |
| Admin/Support Staff Compensation   | 150,666                     | 156,783                | 104%                                       | 210,000            | 53,217                         | 75%                           |
| Auxiliary PT                       | 25,761                      | 38,756                 | 150%                                       | 72,000             | 33,244                         | 54%                           |
| Benefits                           | 53,703                      | 64,356                 | 120%                                       | 77,000             | 12,644                         | 84%                           |
| <b>Total Compensation</b>          | <b>230,130</b>              | <b>259,895</b>         | <b>113%</b>                                | <b>359,000</b>     | <b>99,105</b>                  | <b>72%</b>                    |
| Contracted Services                | 23,279                      | 47,093                 | 202%                                       | 27,000             | (20,093)                       | 174%                          |
| Advertising                        | -                           | -                      | -  | 5,000              | 5,000                          | 0%                            |
| Supplies                           | 7,219                       | 3,771                  | 52%  | 7,500              | 3,729                          | 50%                           |
| Digital Subscription               | -                           | 113,029                | -  | -                  | (113,029)                      | -                             |
| Shipping and Postage               | 45                          | 556                    | 1228%                                      | 50                 | (506)                          | 1113%                         |
| Telecommunications                 | 411                         | 415                    | 101%                                       | 500                | 85                             | 83%                           |
| Software                           | 15,449                      | 17,379                 | 112%                                       | 19,000             | 1,621                          | 91%                           |
| Travel/Professional Development    | 5,531                       | 2,832                  | 51%  | 10,000             | 7,168                          | 28%                           |
| Dual Enrollment-Slingshot          | -                           | 160,504                | -  | -                  | (160,504)                      | -                             |
| Other Expenses                     | 24                          | 11                     | 44%  | -                  | (11)                           | -                             |
| Deferred Maintenance               | 1,875                       | 1,875                  | 100%                                       | 2,500              | 625                            | 75%                           |
| Depreciation                       | -                           | -                      | -  | 2,000              | 2,000                          | 0%                            |
| <b>Total Operating Expenses</b>    | <b>283,964</b>              | <b>607,361</b>         | <b>214%</b>                                | <b>432,550</b>     | <b>(174,811)</b>               | <b>140%</b>                   |
| <b>Operating Profit (Loss)</b>     | <b>\$ 41,967</b>            | <b>\$ (2,430)</b>      | <b>-6%</b>                                 | <b>\$ 81,000</b>   | <b>\$ 83,430</b>               | <b>-3%</b>                    |
| Indirect Cost Transfer             | 4,388                       | 60,750                 | 1385%                                      | 81,000             | 20,250                         | 75%                           |
| <b>Total College Contribution</b>  | <b>4,388</b>                | <b>60,750</b>          | <b>1385%</b>                               | <b>81,000</b>      | <b>20,250</b>                  | <b>75%</b>                    |
| <b>Net Income (Loss)</b>           | <b>\$ 37,580</b>            | <b>\$ (63,180)</b>     | <b>-168%</b>                               | <b>\$ -</b>        | <b>\$ 63,180</b>               | <b>-</b>                      |
| <b>Gross Profit %</b>              | <b>31.3%</b>                | <b>48.2%</b>           |  | <b>39.6%</b>       |                                |                               |
| <b>Operating Expense % Revenue</b> | <b>27.2%</b>                | <b>48.4%</b>           |  | <b>33.3%</b>       |                                |                               |
| <b>Net Income % Revenue</b>        | <b>3.6%</b>                 | <b>-5.0%</b>           |  | <b>0.0%</b>        |                                |                               |

**FREDERICK COMMUNITY COLLEGE**  
**THE CARL & NORMA MILLER CHILDREN'S CENTER**  
**FINANCIAL REPORT FOR THE PERIOD ENDING MARCH 31, 2024**  
**75% OF THE FISCAL YEAR EXPIRED**

|                                    | <b>FY23 PYTD<br/>ACTUAL</b> | <b>FY24 YTD<br/>ACTUAL</b> | <b>ACTUALS TO<br/>ACTUALS<br/>VARIANCE</b> | <b>FY24 BUDGET</b> | <b>(OVER)/UNDER<br/>BUDGET</b> | <b>ACTUAL % OF<br/>BUDGET</b> |
|------------------------------------|-----------------------------|----------------------------|--|--------------------|--------------------------------|-------------------------------|
| <b>Revenue</b>                     |                             |                            |  |                    |                                |                               |
| Infants/Toddler                    | \$ 93,975                   | \$ 103,939                 | 111%                                       | \$ 181,000         | \$ 77,061                      | 57%                           |
| Two-Year Olds                      | 83,574                      | 97,371                     | 117%                                       | 141,000            | 43,629                         | 69%                           |
| Three-Year Olds                    | 68,160                      | 65,203                     | 96%  | 214,000            | 148,798                        | 30%                           |
| Four-Year Olds                     | 47,223                      | 65,135                     | 138%                                       | 214,000            | 148,866                        | 30%                           |
| Preschool/Pre-K/Kindergarten       | 79,384                      | 82,363                     | 104%                                       | 225,000            | 142,638                        | 37%                           |
| Summer Camp                        | -                           | 2,879                      | -  | -                  | (2,879)                        | -                             |
| Head Start                         | -                           | -                          | -  | 8,250              | 8,250                          | 0%                            |
| Other                              | 30,440                      | 28,671                     | 94%  | -                  | (28,671)                       | -                             |
| Excels/Vouchers                    | -                           | 13,500                     | -  | 15,000             | 1,500                          | 90%                           |
| County Contribution                | 104,113                     | 115,552                    | 111%                                       | 130,000            | 14,449                         | 89%                           |
| College Subsidy                    | -                           | 85,626                     | -  | 102,026            | 16,400                         | 84%                           |
| <b>Total Revenue</b>               | <b>506,869</b>              | <b>660,237</b>             | <b>130%</b>                                | <b>1,230,276</b>   | <b>570,039</b>                 | <b>54%</b>                    |
| <b>Classroom Expense</b>           |                             |                            |  |                    |                                |                               |
| Auxiliary FT Teacher Compensation  | 210,483                     | 397,063                    | 189%                                       | 575,500            | 178,437                        | 69%                           |
| Auxiliary FT & PT Teacher Benefits | 86,318                      | 157,457                    | 182%                                       | 150,000            | (7,457)                        | 105%                          |
| Auxiliary PT Teacher Compensation  | 29,855                      | 76,243                     | 255%                                       | 126,000            | 49,757                         | 61%                           |
| <b>Total Classroom Expenses</b>    | <b>326,655</b>              | <b>630,763</b>             | <b>193%</b>                                | <b>851,500</b>     | <b>220,737</b>                 | <b>74%</b>                    |
| <b>Gross Profit</b>                | <b>180,214</b>              | <b>29,474</b>              | <b>16%</b>                                 | <b>378,776</b>     | <b>349,302</b>                 | <b>8%</b>                     |
| <b>Operating Expenses</b>          |                             |                            |  |                    |                                |                               |
| <b>Compensation</b>                |                             |                            |  |                    |                                |                               |
| Admin/Support Staff Compensation   | 111,493                     | 105,659                    | 95%  | 157,000            | 51,341                         | 67%                           |
| Benefits                           | 38,356                      | 37,487                     | 98%  | 66,586             | 29,099                         | 56%                           |
| <b>Total Compensation</b>          | <b>149,850</b>              | <b>143,145</b>             | <b>96%</b>                                 | <b>223,586</b>     | <b>80,441</b>                  | <b>64%</b>                    |
| Contracted Services                | 7,121                       | 6,018                      | 85%  | 24,000             | 17,982                         | 25%                           |
| Advertising                        | -                           | -                          | -  | 5,000              | 5,000                          | 0%                            |
| Supplies                           | 13,322                      | 20,553                     | 154%                                       | 29,000             | 8,447                          | 71%                           |
| Telecommunications                 | 411                         | 415                        | 101%                                       | 600                | 185                            | 69%                           |
| Shipping and Postage               | 18                          | 65                         | 365%                                       | 90                 | 25                             | 72%                           |
| Professional Dues                  | 750                         | 2,554                      | 341%                                       | 2,500              | (54)                           | 102%                          |
| Course Costs/Field Trips           | 1,623                       | 2,850                      | 176%                                       | 7,000              | 4,150                          | 41%                           |
| Software                           | 2,490                       | -                          | 0%   | 3,500              | 3,500                          | 0%                            |
| Deferred Maintenance               | 1,875                       | 1,875                      | 100%                                       | 2,500              | 625                            | 75%                           |
| <b>Total Operating Expenses</b>    | <b>177,460</b>              | <b>177,476</b>             | <b>100%</b>                                | <b>297,776</b>     | <b>120,300</b>                 | <b>60%</b>                    |
| <b>Operating Profit (Loss)</b>     | <b>2,754</b>                | <b>(148,002)</b>           | <b>-5375%</b>                              | <b>81,000</b>      | <b>229,002</b>                 | <b>-183%</b>                  |
| <b>College Contribution</b>        |                             |                            |  |                    |                                |                               |
| Indirect Cost Transfer             | 56,250                      | 60,750                     | 108%                                       | 81,000             | 20,250                         | 75%                           |
| <b>Total College Contribution</b>  | <b>56,250</b>               | <b>60,750</b>              | <b>108%</b>                                | <b>81,000</b>      | <b>20,250</b>                  | <b>75%</b>                    |
| <b>Net Income (Loss)</b>           | <b>(53,496)</b>             | <b>(208,752)</b>           | <b>390%</b>                                | <b>-</b>           | <b>208,752</b>                 | <b>-</b>                      |
| <b>Gross Profit %</b>              | <b>35.6%</b>                | <b>4.5%</b>                |  | <b>30.8%</b>       |                                |                               |
| <b>Operating Expense % Revenue</b> | <b>35.0%</b>                | <b>26.9%</b>               |  | <b>24.2%</b>       |                                |                               |
| <b>Net income % Revenue</b>        | <b>-10.6%</b>               | <b>-31.6%</b>              |  | <b>0.0%</b>        |                                |                               |

**FREDERICK COMMUNITY COLLEGE**  
**DINING SERVICES**  
**FINANCIAL REPORT FOR THE PERIOD ENDING MARCH 31, 2024**  
**75% OF THE FISCAL YEAR EXPIRED**

|  | FY23 PYTD<br>ACTUAL | FY24 YTD<br>ACTUAL | ACTUALS TO<br>ACTUALS<br>VARIANCE | FY24 Budget       | (OVER)/UNDER<br>BUDGET | ACTUAL<br>% OF<br>BUDGET |
|--|---------------------|--------------------|-----------------------------------|-------------------|------------------------|--------------------------|
| <b>Canteen Revenue</b>                   |                     |                    |                                   |                   |                        |                          |
| Café Sales                               | \$ 141,946          | \$ 250,027         | 176%                              | \$ 175,560        | \$ (74,467)            | 142%                     |
| Coffee Shop Sales                        |                     | \$ -               | -                                 | 112,500           | 112,500                | 0%                       |
| Catering Sales                           | 119,777             | \$ 182,244         | 152%                              | 120,000           | (62,244)               | 152%                     |
| <b>College Revenue</b>                   |                     |                    |                                   |                   |                        |                          |
| Vending                                  | 5,588               | \$ 15,006          | 269%                              | 30,000            | 14,994                 | 50%                      |
| College Subsidy                          |                     | \$ 220,946         | -                                 | 365,123           | 144,177                | 61%                      |
| <b>Total Revenue</b>                     | <b>267,311</b>      | <b>668,223</b>     | <b>250%</b>                       | <b>803,183</b>    | <b>134,960</b>         | <b>83%</b>               |
| <b>Canteen Cost of Goods Sold (COGS)</b> |                     |                    |                                   |                   |                        |                          |
| Cougar Café & Catering                   | 164,186             | \$ 212,175         | 129%                              | 168,469           | (43,706)               | 126%                     |
| Coffee Shop                              | -                   | \$ -               | -                                 | 50,625            | 50,625                 | 0%                       |
| <b>Subtotal COGS</b>                     | <b>164,186</b>      | <b>212,175</b>     | <b>129%</b>                       | <b>219,094</b>    | <b>6,919</b>           | <b>97%</b>               |
| <b>Gross Profit</b>                      | <b>103,125</b>      | <b>456,048</b>     | <b>442%</b>                       | <b>584,089</b>    | <b>128,041</b>         | <b>78%</b>               |
| <b>Canteen Operating Expenses</b>        |                     |                    |                                   |                   |                        |                          |
| Compensation                             | 264,161             | \$ 301,661         | 114%                              | 364,369           | 62,708                 | 83%                      |
| <b>Other Canteen Expenses</b>            |                     |                    |                                   |                   |                        |                          |
| Business Expenses                        | 60,836              | \$ 52,752          | 87%                               | 75,262            | 22,510                 | 70%                      |
| <b>College Expenses</b>                  |                     |                    |                                   |                   |                        |                          |
| Contracted Services                      | 2,958               | \$ 3,055           | 103%                              | 15,000            | 11,945                 | 20%                      |
| Equipment Repair                         |                     | \$ -               | -                                 | 5,000             | 5,000                  | 0%                       |
| <b>Total Operating Expenses</b>          | <b>327,955</b>      | <b>357,469</b>     | <b>109%</b>                       | <b>459,631</b>    | <b>102,162</b>         | <b>78%</b>               |
| <b>Operating Profit (Loss)</b>           | <b>\$ (224,831)</b> | <b>\$ 98,579</b>   | <b>-44%</b>                       | <b>\$ 124,458</b> | <b>\$ 25,879</b>       | <b>79%</b>               |
| <b>Contract Fees</b>                     |                     |                    |                                   |                   |                        |                          |
| Management Fee                           | 22,500              | \$ 22,500          | 100%                              | 30,000            | 7,500                  | 75%                      |
| Admin Fee                                | 12,330              | \$ 12,330          | 100%                              | 9,458             | (2,872)                | 130%                     |
| <b>Total Fees</b>                        | <b>34,830</b>       | <b>34,830</b>      | <b>100%</b>                       | <b>39,458</b>     | <b>4,628</b>           | <b>88%</b>               |
| <b>College Contribution</b>              |                     |                    |                                   |                   |                        |                          |
| Indirect Cost Transfer                   | -                   | \$ 63,749          | -                                 | 85,000            | 21,251                 | 75%                      |
| <b>Total College Contribution</b>        | <b>-</b>            | <b>63,749</b>      | <b>-</b>                          | <b>85,000</b>     | <b>21,251</b>          | <b>75%</b>               |
| <b>Net Income/(Loss)</b>                 | <b>\$ (259,661)</b> | <b>\$ (0)</b>      | <b>0%</b>                         | <b>\$ -</b>       | <b>\$ 0</b>            | <b>-</b>                 |
| <b>Gross Profit %</b>                    | <b>38.6%</b>        | <b>68.2%</b>       |                                   | <b>72.7%</b>      |                        |                          |
| <b>Operating Expense % Revenue</b>       | <b>122.7%</b>       | <b>53.5%</b>       |                                   | <b>57.2%</b>      |                        |                          |
| <b>Net Income % Revenue</b>              | <b>-97.1%</b>       | <b>0.0%</b>        |                                   | <b>0.0%</b>       |                        |                          |

**FREDERICK COMMUNITY COLLEGE**  
**BALANCE SHEET - ALL FUNDS**  
**AS OF MARCH 31, 2024**  
**75% OF THE FISCAL YEAR EXPIRED**

|   | PRIOR<br>FYE          | FY24<br>ACTUAL        | CHANGE               | %<br>CHANGE |
|---|-----------------------|-----------------------|----------------------|-------------|
| <b>Assets</b>                                   |                       |                       |                      |             |
| <b>Current Assets</b>                           |                       |                       |                      |             |
| Cash  | \$ 726,139            | \$ 14,202,481         | \$ 13,476,342        | 1856%       |
| Investments                                     | 30,053,082            | 33,936,253            | 3,883,171            | 13%         |
| Total cash and investments                      | 30,779,221            | 48,138,734            | 17,359,513           | 56%         |
| Accounts Receivable                             |                       |                       |                      |             |
| Students, net of allowance                      | 315,053               | 753,834               | 438,781              | 139%        |
| Governmental                                    | 2,631,591             | 1,153,286             | (1,478,305)          | -56%        |
| Other   | 402,742               | 2,081,845             | 1,679,103            | 417%        |
| Total accounts receivable                       | 3,349,386             | 3,988,965             | 639,579              | 19%         |
| Prepaid expenses                                | 568,611               | 202,931               | (365,680)            | -64%        |
| Inventory                                       | 205,513               | 224,364               | 18,851               | 9%          |
| Total Current Assets                            | 34,902,731            | 52,554,994            | 17,652,263           | 51%         |
| <b>Noncurrent Assets</b>                        |                       |                       |                      |             |
| Capital assets, net of accumulated depreciation | 95,135,028            | 91,942,841            | (3,192,187)          | -3%         |
| Total Noncurrent Assets                         | 95,135,028            | 91,942,841            | (3,192,187)          | -3%         |
| <b>Total Assets</b>                             | <b>\$ 130,037,759</b> | <b>\$ 144,497,835</b> | <b>\$ 14,460,076</b> | <b>11%</b>  |
| <b>Liabilities and Net Position</b>             |                       |                       |                      |             |
| <b>Liabilities</b>                              |                       |                       |                      |             |
| <b>Current Liabilities</b>                      |                       |                       |                      |             |
| Accrued salaries                                | \$ 957,072            | \$ 256,393            | \$ (700,679)         | -73%        |
| Accounts payable                                | 1,775,866             | 210,075               | (1,565,791)          | -88%        |
| Accrued liabilities                             | 618,239               | 600,174               | (18,065)             | -3%         |
| Accrued leave                                   | 1,883,269             | 1,883,269             | -                    | 0%          |
| Bond payable                                    | 320,000               | 320,000               | -                    | 0%          |
| SBITA payable                                   | 345,015               | 345,015               | -                    | 0%          |
| Unearned revenue                                | 1,741,629             | 159,423               | (1,582,206)          | -91%        |
| Deposits held for others                        | 250,643               | 251,014               | 371                  | 0%          |
| Total Current Liabilities                       | 7,891,733             | 4,025,363             | (3,866,370)          | -49%        |
| <b>Noncurrent Liabilities</b>                   |                       |                       |                      |             |
| Bond payable, net of discount                   | 4,931,902             | 4,931,902             | -                    | 0%          |
| SBITA payable                                   | 761,737               | 761,737               | -                    | 0%          |
| Accrued leave                                   | 29,170                | 29,170                | -                    | 0%          |
| Total Noncurrent Liabilities                    | 5,722,809             | 5,722,809             | -                    | 0%          |
| <b>Total Liabilities</b>                        | <b>13,614,542</b>     | <b>9,748,172</b>      | <b>(3,866,370)</b>   | <b>-28%</b> |
| <b>Net Position</b>                             |                       |                       |                      |             |
| Net Position Prior Year Balance (per audit)     | 110,951,037           | 116,423,217           | 5,472,180            | 5%          |
| Net Income (Loss) - All funds                   | 5,472,180             | 18,326,446            | 12,854,266           | 235%        |
| <b>Total Net Position</b>                       | <b>116,423,217</b>    | <b>134,749,663</b>    | <b>18,326,446</b>    | <b>16%</b>  |
| <b>Total Liabilities and Net Position</b>       | <b>\$ 130,037,759</b> | <b>\$ 144,497,835</b> | <b>\$ 14,460,076</b> | <b>11%</b>  |





## **FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Board-CEO Delegation

**Policy Title:** Global Statement

**Policy Number:** BCD-0

**Date Adopted:** XX.XX.XX

**Version:** 1.0

**Date Last Reviewed:** XX.XX.XX

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The Board's sole official connection to the operational organization, its achievements and conduct will be through a chief executive officer, titled President & CEO, hereinafter "President."

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| XX                    | 1.0            | First release following Policy Governance consulting work. | President                |

DRAFT



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Board-CEO Delegation

**Policy Title:** President Succession

**Policy Number:** BCD-X

**Date Adopted:** XX.XX.XX

**Version:** 1.0

**Date Last Reviewed:** XX.XX.XX

**Responsible Party:** President's Office

**Reviewing Committee:** Board of Trustees

In its role of assuring organizational performance and continuity, the Board shall act in the event of the President's absence to ensure consistent leadership for the management of the organization and, if necessary, an orderly transition in President succession.

### Short- and Long-Term Absences

1. The Board considers a short-term absence to be one which is longer than one month and less than six months in which it is expected that the President will return to their position once the event that precipitated the absence is resolved. Any absence longer than six months constitutes a long-term absence.
  - 1.1. For a short-term absence, the President will designate to the Board up to two College executive staff members, one of whom the Board shall choose to assume temporary (i.e., Acting President) leadership of the operation of the organization. The Acting President, to the extent feasible, will have a full suspension of their normal duties during this temporary period.
2. For a long-term absence, the Board will meet as soon as feasible at a special or regular meeting to appoint an Acting President.
  - 2.1. The Acting President will have the same authority and accountability as the President. Furthermore, if the Acting President is a member of the College executive staff, they will have a suspension of their normal duties to the fullest extent possible.
3. The Board will determine if it wishes to amend its Executive Limitations in areas of significant organizational risk or increase the frequency of monitoring for any policy or any part of any policy for the period of the President's absence.

4. In addition to monitoring Acting President performance through the normal cycle of monitoring reports, the Board will provide a summative performance assessment of the Acting President at agreed upon intervals.
5. The Board will determine compensation for the Acting President appointment.
6. Immediately upon the appointment of the Acting President, the Board Chair, in collaboration with the newly appointed Acting President, will notify the Senior Leadership Team, College employees, the FCC Foundation, Inc. Board of Directors, and key civic and organizational leaders of the appointment. Appropriate and timely notice shall also be provided to the entire College community.

### **Return from Absence**

1. The Board and President shall mutually decide upon the schedule for return to the position.
2. Upon the President's return, and as is deemed appropriate by the President and the Board Chair, the President may maintain a reduced schedule for a set period of time with the commitment of working towards full-time schedule.
3. If either the short- or long-term absence entails a medical or other event that the College is unable to reasonably accommodate, the Board shall determine the anticipated return to service and/or the inability to do so and the period of time that it is prudent to continue with the Acting President appointment.
4. If the President notifies the Board that the absence will be permanent, the Board Chair, with input and direction from Trustees, will develop a plan for recruitment and selection of a new Permanent President.
  - 4.1. The Board reserves the right to relieve the Acting President (allowing them to return to their position and normal duties) in favor of appointing an Interim President (i.e., internal employee, external consultant, or other external hire) until a Permanent President is selected.
5. Service as Acting or Interim President shall not preclude an individual from being considered by the Board for permanent appointment as College President.
6. Regardless of the process used, the Board will approve the person to be appointed Interim and/or Permanent President.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| XX                    | 1.0            | First release following Policy Governance consulting work. | President                |

DRAFT



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Board-CEO Delegation

**Policy Title:** President Compensation

**Policy Number:** BCD-X

**Date Adopted:** XX.XX.XX

**Version:** 1.0

**Date Last Reviewed:** XX.XX.XX

**Responsible Party:** President's Office

**Reviewing Committee:** Board of Trustees

The President's compensation will be decided by the Board as a whole and based on organizational performance and executive market conditions.

1. The President's performance is synonymous with organizational performance as revealed by the President's monitoring reports in accordance with Board policy.
2. "Total compensation" encompasses the entire range of salary, benefits, and all other forms of compensation.
3. Total compensation is to be competitive with similar performance within the marketplace while placing some portion of the President's total compensation at risk by tying it to Ends achievement and compliance with Executive Limitations policies. The executive marketplace to be considered is institutions of higher learning of comparable size, challenges and complexities.
  - 3.1. If the President is fully compliant with Ends and Executive Limitations, their total compensation will be set at market value in the marketplace identified above. Market Value will be determined utilizing a compensation analysis conducted by an outside third party experienced in executive compensation. The Chair may establish an ad hoc committee to work with the outside third party and gather additional information to provide options and their implications to the full Board for its consideration and decision.
  - 3.2. The Board may award a bonus to the President when the Board has determined the President has substantially achieved Ends and complied with Executive Limitations.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| XX                    | 1.0            | First release following Policy Governance consulting work. | President                |

DRAFT



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Executive Limitations

**Policy Title:** Asset Protection

**Policy Number:** EL-X

**Date Adopted:** XX.XX.XX

**Version:** 1.0

**Date Last Reviewed:** XX.XX.XX

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The President shall not allow College assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, without limiting the scope of the preceding statement by the following list, the President shall not:

1. Permit the organization to have inadequate insurance against property, casualty, and cyber (i.e., data) losses.
  - 1.1. Fail to ensure that the organization obtains appropriate and adequate levels of insurance to protect its property and operations against scope of perils, and
  - 1.2. Permit the organization to insure its property and operations with inadequate valuation.
    - 1.2.1. Permit insurance of all buildings and contents to be at less than the cost to replace buildings and contents, with an adequate and appropriate blanket limit of all buildings and contents.
    - 1.2.2. Permit the College to have inadequate insurance for theft, disappearance or destruction of money, and securities inside or outside the premises.
  - 1.3. Permit the organization to have inadequate privacy/cyber insurance.
2. Permit the Board members, College employees, and other individuals engaged in activities on behalf of the organization, or the organization itself, to have inadequate liability insurance. Directors and Officers liability protection shall be obtained with adequate limits given institutional risks.



3. Permit individuals traveling out of the United States, on behalf of the College, to have inadequate travel accident insurance.
4. Allow the College to have inadequate insurance for theft and crime coverage.
5. Unnecessarily expose the organization, its Board members or College employees to claims of liability.
  - 5.1. Allow any material contracts or material internal human resource documents to be executed with inadequate review by qualified legal counsel.
6. Fail to ensure that the companies chosen to provide insurance coverage are highly rated, well regarded and known for fair claims practices.
7. Compromise the independence of the Board's audit or other external monitoring or advice.
8. Receive, process, or disburse funds under controls which are insufficient to meet audit standards or inadequate, by industry standards, to detect and prevent fraud.
9. Make any purchases that do not result in appropriate level of quality, after-purchase service, and value for dollar, or do not provide opportunity for fair competition.
  - 9.1. Make any purchase wherein normally prudent protection has not been evaluated against conflict of interest.
  - 9.2. Make any purchase that fails to follow the College's published guidelines and applicable State procurement guidelines for price and quality competition based on price thresholds, unless considered a 'sole-source.' Orders shall not be split to avoid procurement requirements or required competition among vendors.
10. Endanger the organization's public image, credibility, or its ability to accomplish Board Ends.
  - 10.1. Allow non-adherence to guidelines required for required institutional and secondary program accreditation.
  - 10.2. Accept gifts or grants which obligate the College to make future expenditures or encumber future decision-making or take future actions other than those that are reasonably required by the gift or grant.
  - 10.3. Publicly position the College in support of, or opposition to, any known political organization, or candidate for public office.
  - 10.4. Develop or continue collaborative relationships with organizations whose principles or practices are incompatible with those of the College.
  - 10.5. Allow relationships with the Ownership and/or stakeholders to be inconsistent with the productive cooperation necessary to the achievement of Ends.

11. Change the organization's name or substantially alter its identity in the community.
12. Create or purchase any subsidiary corporation.

DRAFT

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| XX                    | 1.0            | First release following Policy Governance consulting work. | President                |

DRAFT



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Executive Limitations

**Policy Title:** Investments

**Policy Number:** EL-X

**Date Adopted:** XX.XX.XX

**Version:** 1.0

**Date Last Reviewed:** XX.XX.XX

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The President shall not permit investments that are inconsistent with federal, state or local laws, nor to be managed in a way that is inconsistent with the primary investment objectives of capital preservation and reasonably assured revenue growth.

Further, without limiting the scope of the above statement by the following list, the President shall not:

1. Permit investments to be managed without the active involvement of well-qualified investment advisors with a proven track record, and who are independent of any investment fund.
  - 1.1. Permit the advisor to take title to any assets.
  - 1.2. Permit the advisor to withdraw any funds from the accounts except to cover payment of previously agreed-to fees, or at the specific direction of the College's Chief Financial Officer or President.
2. Permit investments that are insufficiently liquid to meet the organization's anticipated expenditures without incurring penalties.
3. Permit borrowing money for the sole purposes of investment.
4. Permit the investment of cash accounts (or operating capital) in anything other than those which comply with the applicable sections of the State Finance and Procurement Article of the Maryland Code.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| XX                    | 1.0            | First release following Policy Governance consulting work. | President                |

DRAFT



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Executive Limitations

**Policy Title:** Compensation and Benefits

**Policy Number:** EL-X

**Date Adopted:** XX.XX.XX

**Version:** 1.0

**Date Last Reviewed:** XX.XX.XX

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

With respect to employment, compensation and benefits for employees, consultants, independent contractors and volunteers, the President shall not cause or allow jeopardy to the College's fiscal integrity or public image.

Further, without limiting the scope of the above statement by the following list, the President shall not:

1. Change their own compensation and benefits.
2. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed or from the approved budget.
  - 2.1. Establish or change compensation and benefits that deviate from the current collective bargaining agreement(s).
3. Create obligations over a longer term than revenues can be safely projected.
4. Promise or imply permanent or guaranteed employment.
  - 4.1. No College employee, except for the College President or their official designee, is permitted to extend an offer of employment to any candidate or non-employee.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| XX                    | 1.0            | First release following Policy Governance consulting work. | President                |

DRAFT



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Governance Process

**Policy Title:** Handling Alleged Policy Violations

**Policy Number:** GP-X

**Date Adopted:** XX.XX.XX

**Version:** 1.0

**Date Last Reviewed:** XX.XX.XX

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

*NOTE: For the purposes of this policy, Board policy violation is defined as the willful and intentional neglect of the policy as interpreted or actions taken or decisions made that are known, or reasonably should be known, to be in violation of policy. Board policy violation should not be confused with the level of policy compliance (full, partial, non-compliance).*

The Board has the responsibility to monitor the President's performance on a regular basis. If there is a reasonable appearance of a Board Ends or Executive Limitations policy violation, even though a particular policy is not scheduled for monitoring, the Board may request a monitoring report at any time.

1. Conditions which may trigger a request for an off-cycle (12-month lookback) monitoring may include:
  - 1.1. One or more Trustees receive complaints or become aware of a pattern of similar instances that, taken together, raise questions about Board policy violations.
  - 1.2. A single incident or complaint is of a nature or severity that, regardless of how it is resolved, gives rise to a serious question of Board policy violation.
2. If either of the above conditions exist:
  - 2.1. The Trustee shall inform the Board Chair of the situation. If the alleged situation presents a potential material level of risk to the College, the procedure outlined in Paragraph 3 shall be followed. If the alleged situation does not present a potential material level of risk to the College, the Board Chair shall promptly inform the President.



- 2.2. The Board shall direct the President to submit an off-cycle monitoring report for the Board's review. The Board shall review the report to determine whether the President violated Board policy.
  - 2.3. If it is determined that the President did not violate Board policy, the matter shall be concluded by the Board. If the matter came to the attention of the Board by a complaint, the Board Chair shall communicate the decision to the complainant.
  - 2.4. If a Trustee believes that a policy amendment should be made to prevent a similar situation from recurring, the Board member should ask the Board Chair to put the item on the next agenda.
    - 2.4.1. If the Board makes changes to the policy or determines that a new policy is required, The Board will take the steps necessary to amend an existing policy or create a new policy. Once the Board completes its work, the President will be asked to create a new interpretation. The Board will assess whether the interpretation falls within any reasonable interpretation of the policy. Once consensus is achieved as to the interpretation, the monitoring reporting shall return to its normal cycle.
  - 2.5. If it is determined that the President violated or is violating Board policy, the Board, with or without the assistance of counsel, in the Board's discretion, shall determine the degree of seriousness of the issue and address the President regarding performance in a closed session.
3. If the alleged situation presents a material level of risk to the College, the Board Chair and Vice Chair shall meet with legal counsel to review the alleged situation and to determine whether a special meeting of the Board should be called. If it is determined that a special meeting of the Board should be called to address the alleged situation, the Board Chair shall inform the President and call a special meeting of the Board as soon as practical. At the special meeting the Board shall determine if (a) it needs to seek separate outside legal counsel, (b) engage an external, qualified, independent third party, or (c) take such other actions as the Board deems appropriate and warranted.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| XX                    | 1.0            | First release following Policy Governance consulting work. | President                |

DRAFT



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Governance Process

**Policy Title:** Governing Style

**Policy Number:** GP-8

**Date Adopted:** 5.22.2024

**Version:** 1.0

**Date Last Reviewed:** 5.22.2024

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The Frederick Community College Board of Trustees will govern lawfully, with an emphasis on outward vision, a commitment to obtaining Ownership input, the encouragement of diversity of viewpoints, strategic leadership, clear distinction of Board and President roles, collective decision-making, and a proactive, future-focus. This means the Board will not be preoccupied with the present or past, or with internal, administrative, or operational detail. The Board, however, should always remain cognizant of and educate new members about present and past milestones to ensure that lessons of the past are not lost as they may and should impact future planning and vision.

1. The Board will cultivate a sense of group responsibility. The Board shall be responsible for excellence in governing. The Board will initiate policy, not merely react to President initiatives. The Board will use the expertise of individual Trustees, and the President to enhance the ability of the Board, as a body, to make policy, rather than to substitute their individual judgments for the group's values.
2. The Board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the Owners' values and perspectives. The Board's major policy focus will be on the intended long-term results to be produced for all stakeholders in the organization, including employees, students and the community the Board serves, and not on the administrative or operational means of attaining those results.
3. Each Trustee shall exercise self-discipline that is needed in order to govern with excellence. Self-discipline will apply to matters such as attendance, preparation for meetings, policy-making principles, respect of roles, Board behavior, regular self-evaluation, and ensuring the continuity of governance capability. Although the Board can change its governance process policies at any time, it will scrupulously observe those policies currently in force.

4. The Board will not allow any Trustee of the Board to hinder or be an excuse for not fulfilling Board obligations.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| 5.22.2024             | 1.0            | First release following Policy Governance consulting work. | President                |



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Governance Process

**Policy Title:** Investment in Governance

**Policy Number:** GP-9

**Date Adopted:** 5.22.2024

**Version:** 1.0

**Date Last Reviewed:** 5.22.2024

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

Consistent with its commitment to excellence in Policy Governance, the Frederick Community College Board of Trustees will invest in its governance capacity.

1. All new and existing Trustees shall be provided with training and access to information that clearly details the role of the Board and the Board's expectations of a Trustee, including the Policy Governance methodology, and provided a copy of Board policies.
2. Board skills, methods, and support will be sufficient to ensure governing with excellence.
  - 2.1. New Trustees shall receive a complete orientation to ensure familiarity with the organization's history, issues and structure and the Board's governance process.
  - 2.2. Trustees shall have ongoing opportunities for and be encouraged to pursue continued education to enhance their Policy Governance capabilities.
  - 2.3. Outreach mechanisms will be used as needed to ensure the Board's ability to listen to Owners' viewpoints and values.
  - 2.4. Outside monitoring assistance will be arranged and available as needed so that the Board can exercise sufficient control over organizational performance. This includes, but is not limited to, access to professional assistance as deemed necessary, including accounting experts capable to conduct a fiscal audit.
3. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior governance capability.
  - 3.1. The Board, in consultation with executive leadership, and as part of the institution's annual budgeting process, shall establish an annual budget for its own governance

and related functions, which shall include funds for Board meeting costs; Board education and orientation; costs of a fiscal audit, legal counsel, and any other outside monitoring assistance required; and costs of methods such as focus groups, surveys and opinion analyses to ensure the Board's ability to listen to Owner viewpoints and values, professional development, travel, etc. The Board shall be accountable for the use of this budget.

4. The Board will use its governance means policies (Governance Process Policy) as measurable standards against which the Board's performance can be evaluated.
  - 4.1. The Board will evaluate and discuss the Board's process and performance at each meeting.
  - 4.2. Under the leadership of the Board Chair, the Board will conduct self-evaluation on an ongoing basis and, at least annually, a self-evaluation with such facilitation as may be deemed appropriate. As a result of this evaluation, the Board will establish a governance action plan for improving any identified areas.
    - 4.2.1. The Board will regularly monitor its adherence to its Governance Process and Board-CEO Delegation policies. Upon the choice of the Board, policy adherence or compliance may be monitored at any time. However, at minimum, the Board will undertake such self-monitoring and evaluation according to an established schedule.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| 5.22.2024             | 1.0            | First release following Policy Governance consulting work. | President                |





## **FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Governance Process

**Policy Title:** Board Expenses

**Policy Number:** GP-10

**Date Adopted:** 5.22.2024

**Version:** 1.0

**Date Last Reviewed:** 5.22.2024

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

As provided by §16-407(c) of the Education Article, Maryland Annotated Code, each member of the Board is entitled to \$500 a year for expenses. Additionally, Board members may be reimbursed for reasonable, necessary, and approved expenses incurred while traveling on official College business per College administrative policy. This may include, but is not limited to, conferences and professional development activities.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| 5.22.2024             | 1.0            | First release following Policy Governance consulting work. | President                |



## FCC BOARD OF TRUSTEES POLICY

**Policy Type:** Governance Process

**Policy Title:** Special Rules of Order

**Policy Number:** GP-11

**Date Adopted:** 5.22.2024

**Version:** 1.0

**Date Last Reviewed:** 5.22.2024

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

The Frederick Community College Board of Trustees meetings will be conducted in an orderly, effective process, led and defined by the Board Chair/Chief Governance Officer (CGO).

1. All legal requirements and by-law obligations respecting Board meetings must be satisfied.
2. Board meetings shall be called to order at the time specified in the meeting notice and upon satisfaction of a quorum.
3. Trustees will not present an item for action or discussion at a Board meeting if it is not on the agenda, unless otherwise approved by a majority vote of the Board and if permitted by law.
4. Meeting order and decorum shall be maintained, and all members shall be treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
5. Trustees must keep their comments relevant to the issue under consideration.
6. Board meetings will be conducted at a level of informality considered appropriate by the Board Chair.
7. Board decisions will be made based on consensus to the extent possible.
  - 7.1. Where consensus is not possible or where required by law whether or not consensus exists (for instance, procurement decisions), proposals that the Board take action, or decide a particular matter, shall be made by main motion of a Trustee, discussed,

and then voted on. Motions do not require a second to proceed to discussion and subsequent vote.

- 7.2. To the same extent as any Board member, the Chair may make motions, engage in debate, and vote on any matter to be decided.
- 7.3. A main motion may be amended only once.
- 7.4. A motion to refer to a committee, postpone, or table may be made regarding a pending main motion. If carried, it shall set the main motion (the initial proposal) aside accordingly.
8. Trustees may speak to a pending motion on as many occasions and at such length as the Chair may reasonably allow.
9. A vote on a motion shall be taken when the discussion ends; however, any Trustee may, during debate, move for an immediate vote (close debate) which, if carried, shall end the discussion, and the vote on the main motion shall then be taken.
10. A decision to discontinue the Board's use of Policy Governance can occur only by a supermajority (i.e., Two-thirds) vote of the entire Board (i.e., Five members of the Board).
11. Board decisions about policies and revisions to policies will be considered first by the Board members assigned for pre-review of the policies, with the second reading occurring during the actual Board meeting. If approved, it has immediate effect, unless the Policy, by its terms, has an implementation or transition schedule or a deferred effective date.
12. A motion to adjourn a Board meeting may be offered by any Trustee, or, on the conclusion of all business, the Chair may declare adjournment of the meeting.
13. When the Board is to develop further rules of order, it will consider Robert's Rules of Order for Small Boards & Assemblies as a resource guide.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| 5.22.2024             | 1.0            | First release following Policy Governance consulting work. | President                |



## **FCC BOARD OF TRUSTEES POLICY**

**Policy Type:** Governance Process

**Policy Title:** Handling Operational Complaints

**Policy Number:** GP-12

**Date Adopted:** 5.22.2024

**Version:** 1.0

**Date Last Reviewed:** 5.22.2024

**Office Responsible:** President's Office

**Reviewing Committee:** Board of Trustees

To ensure that the Frederick Community College Board of Trustees fulfills its accountability to the Ownership, but does not interfere in matters it has delegated to the President, the following process shall be followed in the case of a Trustee receiving a complaint from any individual regarding an operational matter.

1. The Trustee shall not offer any evaluative comments or solutions to the individual bringing the concern.
2. The Trustee will direct the complainant to the Office of the President.
3. The Trustee shall inform the President of the complaint and complainant. The President will follow up with the Trustee regarding the outcome of the matter with the individual.
4. If the Trustee believes the complaint rises to the level of a Board policy violation, the Trustee will follow the Board's policy on Handling Alleged Policy Violations.

| <b>Date Of Change</b> | <b>Version</b> | <b>Description of Change</b>                               | <b>Responsible Party</b> |
|-----------------------|----------------|--|--------------------------|
| 5.22.2024             | 1.0            | First release following Policy Governance consulting work. | President                |



**To:** Dr. Annesa Payne Cheek, President  
Frederick Community College Board of Trustees

**From:** Barbara Larson, Interim Vice President for Finance & Administration

**Date:** May 22, 2024

**Subject: Action Item**  
Approval of Fiscal Year (FY) 2025 Auxiliary Enterprise Budgets

## **OVERVIEW**

Within higher education, an auxiliary enterprise is an entity that exists predominantly to furnish goods or services to students, faculty or staff, and on occasion, to members of the public. Revenues classified in auxiliary services are generally those derived directly from the operation of the enterprise. In traditional, four-year institutions, auxiliary enterprise functions often include residence halls, intercollegiate athletics, and parking operations, in addition to bookstores and dining services.

Auxiliary enterprises are to be self-supporting. However, external forces have made it increasingly difficult for auxiliary enterprises, particularly those at community colleges, to be self-sustaining. In general, community colleges do not have residence halls and student meal (board) plans. College bookstores, often a profit center even for community colleges, have faced increasing competition from online retailers. Also, throughout higher education, the COVID pandemic took a toll on auxiliary enterprises as most rely on on-campus activity to sustain operations.

Frederick Community College Auxiliary Enterprises include the bookstore, The Carl & Norma Miller Children's Center, and dining services (managed by Canteen). These business-type activities generate revenue from sales and provide services to the College. Students and employees benefit from these services; however, the College provides a subsidy to balance the Auxiliary Enterprises budgets.

Each of the auxiliary budgets also includes a contribution to the College that represents the indirect expenses incurred for related plant/facilities, administrative and personnel costs. For FY 2025, the College used a formula provided by its auditing firm to calculate indirect costs.



**ANALYSIS**

The Bookstore's FY 2025 proposed budget reflects a 23.9% increase in revenue compared to the FY 2024 adopted budget. The largest factor contributing to the increase is revenue from a digital materials product called Slingshot, which serves dual enrolled students. Slingshot delivers digital content to dual enrolled students on their first day of class and offers a more convenient way for Frederick County Public Schools (FCPS) to acquire course materials for their students. The increase in expenditures accounts for the bookstore's cost for the Slingshot product. Contracted Services reflects increased merchant credit card fees, which can be attributed to an increase in credit card transactions due to enrollment growth. For FY 2025, the Bookstore would be running at a deficit were it not for the College subsidy of \$99,500.

The Children's Center's FY 2025 budget is based on full enrollment of 80 students with no rate increases. However, the college subsidy to the Children's Center for FY 2025 is projected to be \$490,710, a substantial increase over the current year subsidy of \$102,026. The reason for this increase is two-fold:

- First, Frederick County provided \$250,000 to the Children's Center over a two-year period (FY 2023 and FY 2024.) This direct County assistance will be fully expended during FY 2024 (\$130,000).
- Second, during Summer 2025, the Center will undergo a substantial Heating, Ventilation, and Air Conditioning (HVAC) renovation. This renovation will necessitate a temporary closure of the Center between Spring and Fall 2025. The projected lost revenue due to the closure is \$248,000. During the closure, Personnel costs will continue to be incurred. Staff will participate in Professional development activities and will be reassigned to other areas of the College.

For FY 2025, the Childcare Center would be running at a deficit were it not for the College subsidy of \$490,710.

During FY 2025, the College will be entering year three (3) of a three-year contract (July 2022 through June 2025) with Canteen, a subsidiary of Compass Group USA, Inc. for Dining Services. The contract includes two (2) one (1) year renewal options. The College expected subsidizing this operation through FY 2025 with year four of the contract being a break-even/profit share year. Although Dining Services currently requires a subsidy from the College, FY 2025 shows improvement, with a decline in College subsidy of more than \$80,000. Increased enrollment and activity on campus has resulted in increased Cougar Café and catering sales. Cost of Goods Sold is also projected to increase in FY 2025, but by less than the anticipated revenue increase.

Despite the improvement in the required subsidy, it should be noted that financial projections from Canteen at the outset of the contract, showed a more positive trajectory, with subsidy from the College declining each year. The original estimate for FY 2025 was a College payment of approximately \$64,000, whereas the projected budgeted subsidy next year is \$284,458. During the first year of the contract, the College was not fully reopened from Covid, and since that time, the consumer price index shows that food costs have risen at a rate of 10.8% from 2022 to 2023, with an additional 4.2% increase from 2023 to March 2024. Although we are now fully out of the pandemic, work and instructional patterns have changed, with more online course sections and teleworking options for employees.

For FY 2025, Dining Services would be running at a deficit were it not for the College subsidy of \$284,458.

In summary, the three auxiliary services budgets combined will require a College subsidy of \$874,688 in FY 2025, compared to a budgeted subsidy in the current year of \$546,859.

### **RECOMMENDATION**

Recommend approval of the FY 2025 Auxiliary Enterprise budgets, as presented.

### **ATTACHMENT**

FY 2025 Auxiliary Enterprise Budget

**FREDERICK COMMUNITY COLLEGE  
BOOKSTORE  
PROPOSED FY 2025 BUDGET**

|                                    | FY 2024<br>APPROVED<br>BUDGET | FY 2024<br>ACTUALS<br>FORECAST | FY 2025<br>PROPOSED<br>BUDGET | Budget FY24 to FY25 |              |
|------------------------------------|-------------------------------|--------------------------------|-------------------------------|---------------------|--------------|
|                                    |                               |                                |                               | \$ Change           | % Change     |
| <b>Revenue</b>                     |                               |                                |                               |                     |              |
| Books                              | \$ 750,000                    | \$ 988,360                     | \$ 925,000                    | \$ 175,000          | 23.3%        |
| Supplies                           | 200,000                       | 203,431                        | 200,000                       | -                   | 0.0%         |
| Clothing                           | 144,000                       | 74,451                         | 82,000                        | (62,000)            | -43.1%       |
| Convenience                        | 60,000                        | 69,285                         | 70,000                        | 10,000              | 16.7%        |
| Gift                               | 58,000                        | 33,064                         | 27,000                        | (31,000)            | -53.4%       |
| Non-Merchandise                    | 2,500                         | 767                            | 2,500                         | -                   | 0.0%         |
| Commissions - Books/gifts          | 3,000                         | 2,187                          | 3,000                         | -                   | 0.0%         |
| Dual Enrollment-Slingshot          | -                             | 190,000                        | 200,000                       | 200,000             |              |
| College Subsidy                    | 80,710                        | 80,712                         | 99,500                        | -                   | 23.3%        |
| <b>Total Revenue</b>               | <b>\$ 1,298,210</b>           | <b>\$ 1,642,257</b>            | <b>\$ 1,609,000</b>           | <b>\$ 310,790</b>   | <b>23.9%</b> |
| <b>Cost of Goods Sold (COGS)</b>   | <b>\$ 784,660</b>             | <b>\$ 865,152</b>              | <b>\$ 740,000</b>             | <b>\$ (44,660)</b>  | <b>-5.7%</b> |
| <b>Gross Profit</b>                | <b>\$ 513,550</b>             | <b>\$ 777,105</b>              | <b>\$ 869,000</b>             | <b>\$ 355,450</b>   | <b>69.2%</b> |
| <b>Operating Expenses</b>          |                               |                                |                               |                     |              |
| Compensation                       | \$ 210,000                    | \$ 209,044                     | \$ 215,000                    | \$ 5,000            | 2.4%         |
| Admin/Support Staff Compensation   | 72,000                        | 51,675                         | 75,000                        | 3,000               | 4.2%         |
| Auxiliary PT                       | 77,000                        | 70,771                         | 79,000                        | 2,000               | 2.6%         |
| Benefits                           | <b>359,000</b>                | <b>331,490</b>                 | <b>369,000</b>                | <b>\$ 10,000</b>    | <b>2.8%</b>  |
| Sub-total Compensation             |                               |                                |                               |                     |              |
| Other Expenses                     | \$ 27,000                     | \$ 52,291                      | \$ 75,000                     | \$ 48,000           | 177.8%       |
| Contracted Services                | 5,000                         | -                              | 2,500                         | (2,500)             | -50.0%       |
| Advertising                        | 7,500                         | 5,028                          | 7,500                         | -                   | 0.0%         |
| Supplies                           |                               | 150,705                        | 100,000                       | 100,000             |              |
| Digital Subscription               | 50                            | 741                            | 1,000                         | 950                 | 1900.0%      |
| Shipping and Postage               | 500                           | 553                            | 500                           | -                   | 0.0%         |
| Telecommunications                 | 19,000                        | 19,000                         | 20,000                        | 1,000               | 5.3%         |
| Software                           | 10,000                        | 3,776                          | 10,000                        | -                   | 0.0%         |
| Travel/Professional Development    |                               | 185,000                        | 180,000                       | 180,000             |              |
| Dual Enrollment - Slingshot        | -                             | 15                             | -                             | -                   |              |
| Other Expenses                     | 2,500                         | 2,500                          | 2,500                         | -                   | 0.0%         |
| Deferred Maintenance               | 2,000                         | -                              | -                             | (2,000)             | -100.0%      |
| Depreciation                       |                               |                                |                               |                     |              |
| <b>Total Operating Expenses</b>    | <b>\$ 432,550</b>             | <b>\$ 751,099</b>              | <b>\$ 768,000</b>             | <b>\$ 335,450</b>   | <b>77.6%</b> |
| <b>Operating Profit (Loss)</b>     | <b>\$ 81,000</b>              | <b>\$ 26,006</b>               | <b>\$ 101,000</b>             | <b>\$ 20,000</b>    | <b>24.7%</b> |
| <b>College Contribution</b>        |                               |                                |                               |                     |              |
| Indirect Cost Transfer             | \$ 81,000                     | \$ 81,000                      | \$ 101,000                    | \$ 20,000           | 24.7%        |
| <b>Total College Contribution</b>  | <b>\$ 81,000</b>              | <b>\$ 81,000</b>               | <b>\$ 101,000</b>             | <b>\$ 20,000</b>    | <b>24.7%</b> |
| <b>Net Income (Loss)</b>           | <b>\$ -</b>                   | <b>\$ (54,994)</b>             | <b>\$ -</b>                   | <b>\$ -</b>         |              |
| <b>Gross Profit %</b>              | <b>39.6%</b>                  | <b>47.3%</b>                   | <b>54.0%</b>                  |                     |              |
| <b>Operating Expense % Revenue</b> | <b>33.3%</b>                  | <b>45.7%</b>                   | <b>47.7%</b>                  |                     |              |
| <b>Net Income % Revenue</b>        | <b>0.0%</b>                   | <b>-3.3%</b>                   | <b>0.0%</b>                   |                     |              |

**FREDERICK COMMUNITY COLLEGE  
THE CARL & NORMA MILLER CHILDREN'S CENTER  
PROPOSED FY 2025 BUDGET**

|                                    | FY2024<br>APPROVED<br>BUDGET | FY 2024<br>ACTUALS<br>FORECAST | FY 2025<br>PROPOSED<br>BUDGET | Budget FY23 to FY24 |               |
|------------------------------------|------------------------------|--------------------------------|-------------------------------|---------------------|---------------|
|                                    |                              |                                |                               | \$ Change           | % Change      |
| <b>Revenue</b>                     |                              |                                |                               |                     |               |
| Infants/Toddler                    | \$ 181,000                   | \$ 145,310                     | \$ 122,808                    | \$ (58,192)         | -32.2%        |
| Two-Year Olds                      | 141,000                      | 133,728                        | 96,424                        | (44,576)            | -31.6%        |
| Three-Year Olds                    | 214,000                      | 112,975                        | 145,010                       | (68,990)            | -32.2%        |
| Four-Year Olds                     | 214,000                      | 103,673                        | 136,204                       | (77,796)            | -36.4%        |
| Preschool/Pre-K                    | 225,000                      | 110,455                        | 157,930                       | (67,070)            | -29.8%        |
| Summer Camp                        | -                            | 3,839                          | -                             | -                   |               |
| Head Start                         | 8,250                        | -                              | 7,500                         | (750)               | -9.1%         |
| Other                              | -                            | 38,228                         | 40,000                        | 40,000              |               |
| Excels/Vouchers                    | 15,000                       | 18,000                         | 15,000                        | -                   | 0.0%          |
| County Contribution                | 130,000                      | 130,000                        | -                             | (130,000)           | 100.0%        |
| College Subsidy                    | 102,026                      | 102,026                        | 490,710                       | 388,684             | 381.0%        |
| <b>Subtotal</b>                    | <b>\$ 1,230,276</b>          | <b>\$ 898,234</b>              | <b>\$ 1,211,586</b>           | <b>\$ 388,684</b>   | <b>381.0%</b> |
| <b>Classroom Expense</b>           |                              |                                |                               |                     |               |
| Auxiliary FT Teacher Compensation  | \$ 575,500                   | \$ 510,253                     | \$ 544,170                    | \$ (31,330)         | -5.4%         |
| Auxiliary FT & PT Teacher Benefits | 150,000                      | 209,943                        | 210,000                       | 60,000              | 40.0%         |
| Auxiliary PT Teacher Compensation  | 126,000                      | 94,668                         | 93,267                        | (32,734)            | -26.0%        |
| <b>Total Classroom Expenses</b>    | <b>\$ 851,500</b>            | <b>\$ 814,864</b>              | <b>\$ 847,436</b>             | <b>\$ (32,734)</b>  | <b>-26.0%</b> |
| <b>Gross Profit</b>                | <b>\$ 378,776</b>            | <b>\$ 83,370</b>               | <b>\$ 364,150</b>             | <b>\$ (4,064)</b>   | <b>-0.5%</b>  |
| <b>Operating Expenses</b>          |                              |                                |                               |                     |               |
| <b>Compensation</b>                |                              |                                |                               |                     |               |
| Admin/Support Staff Compensation   | \$ 157,000                   | \$ 150,000                     | \$ 161,000                    | \$ 4,000            | 2.5%          |
| Benefits                           | 66,586                       | 49,983                         | 68,000                        | 1,414               | 2.1%          |
| <b>Total Compensation</b>          | <b>\$ 223,586</b>            | <b>\$ 199,983</b>              | <b>\$ 229,000</b>             | <b>\$ 1,414</b>     | <b>2.1%</b>   |
| Contracted Services                | \$ 24,000                    | \$ 8,024                       | \$ 10,000                     | \$ (14,000)         | -58.3%        |
| Advertising                        | 5,000                        | -                              | -                             | (5,000)             | -100.0%       |
| Supplies                           | 29,000                       | 27,404                         | 15,000                        | (14,000)            | -48.3%        |
| Telecommunications                 | 600                          | 553                            | 600                           | -                   | 0.0%          |
| Shipping and Postage               | 90                           | 87                             | 50                            | (40)                | -44.4%        |
| Professional Dues                  | 2,500                        | 2,554                          | 2,500                         | -                   | 0.0%          |
| Course Costs/Field Trips           | 7,000                        | 3,800                          | 5,000                         | (2,000)             | 100.0%        |
| Software                           | 3,500                        | -                              | 3,500                         | -                   | 0.0%          |
| Deferred Maintenance               | 2,500                        | 2,500                          | 2,500                         | -                   | 0.0%          |
| <b>Total Operating Expenses</b>    | <b>\$ 297,776</b>            | <b>\$ 244,905</b>              | <b>\$ 268,150</b>             | <b>\$ -</b>         | <b>-9.9%</b>  |
| <b>Operating Profit (Loss)</b>     | <b>\$ 81,000</b>             | <b>\$ (161,535)</b>            | <b>\$ 96,000</b>              | <b>\$ -</b>         | <b>18.5%</b>  |
| <b>College Contribution</b>        |                              |                                |                               |                     |               |
| Indirect Cost Transfer             | \$ 81,000                    | \$ 81,000                      | \$ 96,000                     | \$ 15,000           | 18.5%         |
| <b>Total College Contribution</b>  | <b>\$ 81,000</b>             | <b>\$ 81,000</b>               | <b>\$ 96,000</b>              | <b>\$ 15,000</b>    | <b>18.5%</b>  |
| <b>Net Income (Loss)</b>           | <b>\$ -</b>                  | <b>\$ (242,535)</b>            | <b>\$ (0)</b>                 | <b>\$ (0)</b>       |               |
| <b>Gross Profit %</b>              | <b>30.8%</b>                 | <b>9.3%</b>                    | <b>30.1%</b>                  |                     |               |
| <b>Operating Expense % Revenue</b> | <b>24.2%</b>                 | <b>27.3%</b>                   | <b>22.1%</b>                  |                     |               |
| <b>Net Income % Revenue</b>        | <b>0.0%</b>                  | <b>-27.0%</b>                  | <b>0.0%</b>                   |                     |               |

**FREDERICK COMMUNITY COLLEGE  
DINING SERVICES  
PROPOSED FY 2025 BUDGET**

|  | FY 2024           | FY 2024           | FY 2025           | Budget FY24 to FY25 |              |
|--|-------------------|-------------------|-------------------|---------------------|--------------|
|  | Approved BUDGET   | ACTUALS FORECAST  | PROPOSED BUDGET   | \$ Change           | % Change     |
| <b>Canteen Revenue</b>                   |                   |                   |                   |                     |              |
| Cougar Café                              |                   |                   |                   |                     |              |
| Catering                                 |                   |                   |                   |                     |              |
| Coffee Shop                              | \$ 175,560        | \$ 325,000        | \$ 370,000        | \$ 194,440          | 110.8%       |
| <b>College Revenue</b>                   | 120,000           | 217,500           | 230,000           | 110,000             | 91.7%        |
| Vending                                  | 112,500           |                   |                   | (112,500)           | -100.0%      |
| Commission                               | 30,000            | 16,021            | 20,000            | (10,000)            | -33.3%       |
| College Subsidy                          | 365,123           | 297,910           | 284,458           | (80,665)            | -22.1%       |
| <b>Subtotal</b>                          | <b>\$ 803,183</b> | <b>\$ 856,431</b> | <b>\$ 904,458</b> | <b>\$ 101,275</b>   | <b>12.6%</b> |
| <b>Canteen Cost of Goods Sold (COGS)</b> |                   |                   |                   |                     |              |
| Cougar Cafe/Catering                     | 168,469           | \$ 282,900        | 295,000           | \$ 126,531          | 75.1%        |
| Coffee Shop                              | 50,625            |                   |                   | (50,625)            | 100.0%       |
| <b>Subtotal COGS</b>                     | <b>\$ 219,094</b> | <b>\$ 282,900</b> | <b>\$ 295,000</b> | <b>\$ 75,906</b>    | <b>34.6%</b> |
| <b>Gross Profit</b>                      | <b>\$ 584,089</b> | <b>\$ 573,531</b> | <b>\$ 609,458</b> | <b>\$ 25,369</b>    | <b>4.3%</b>  |
| <b>Canteen Operating Expenses</b>        |                   |                   |                   |                     |              |
| Compensation                             | \$ 364,369        | \$ 380,000        | \$ 390,000        | \$ 25,631           | 7.0%         |
| Sub-total Compensation                   | <b>\$ 364,369</b> | <b>\$ 380,000</b> | <b>\$ 390,000</b> | <b>\$ 25,631</b>    | <b>7.0%</b>  |
| <b>Other Canteen Expenses</b>            |                   |                   |                   |                     |              |
| Business Expenses                        | 75,262            | \$ 65,000         | 75,000            | \$ (262)            | -0.3%        |
| <b>Other College Expenses</b>            |                   |                   |                   |                     |              |
| Contracted Services                      | 15,000            | \$ 4,073          | 15,000            | -                   | 0.0%         |
| Equipment Repair                         | 5,000             |                   |                   | (5,000)             | -100.0%      |
| <b>Total Operating Expenses</b>          | <b>\$ 459,631</b> | <b>\$ 449,073</b> | <b>\$ 480,000</b> | <b>\$ 20,369</b>    | <b>4.4%</b>  |
| <b>Operating Profit (Loss)</b>           | <b>\$ 124,458</b> | <b>\$ 124,458</b> | <b>\$ 129,458</b> | <b>\$ 5,000</b>     | <b>4.0%</b>  |
| <b>Contract Fees</b>                     |                   |                   |                   |                     |              |
| Management Fees                          | \$ 30,000         | \$ 30,000         | \$ 30,000         | \$ -                | 0.0%         |
| Administrative Fees                      | 9,458             | \$ 9,458          | 9,458             |                     | 0.0%         |
| <b>Total Fees</b>                        | <b>\$ 39,458</b>  | <b>\$ 39,458</b>  | <b>\$ 39,458</b>  | <b>\$ -</b>         | <b>0.0%</b>  |
| <b>College Contribution</b>              |                   |                   |                   |                     |              |
| Indirect Cost Transfer                   | \$ 85,000         | \$ 85,000         | \$ 90,000         | \$ 5,000            | 5.9%         |
| <b>Total College Contribution</b>        | <b>\$ 85,000</b>  | <b>\$ 85,000</b>  | <b>\$ 90,000</b>  | <b>\$ 5,000</b>     | <b>-</b>     |
| <b>Net Income (Loss)</b>                 | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>       | <b>\$ -</b>         |              |
| <b>Gross Profit %</b>                    | <b>72.7%</b>      | <b>67.0%</b>      | <b>67.4%</b>      |                     |              |
| <b>Operating Expense % Revenue</b>       | <b>57.2%</b>      | <b>52.4%</b>      | <b>53.1%</b>      |                     |              |
| <b>Net Income % Revenue</b>              | <b>0.0%</b>       | <b>0.0%</b>       | <b>0.0%</b>       |                     |              |