

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE AUDIT CONFERENCE/MEETING
December 3, 2018

A meeting of the Finance Committee was held in the President's Office conference room, Administration Hall, on the Owens Community College Toledo Campus.

Call to Order – Ed Nagle called the meeting to order at 3:00 p.m., and directed the record to show the meeting of the Finance Committee was held in accordance with the Ohio Revised Code and the policies of the Board of Trustees.

Roll Call – Roll Call was taken, and the following committee members were present: Ed Nagle and Rich Rowe (2).

AUDIT CONFERENCE

Mr. Nagle announced an audit conference with Clark Schaefer Hackett in accordance with Ohio Revised Code Section 121.22(D)(2), and Mr. Rowe made a motion to enter into the audit conference, which was seconded by Mr. Nagle. Roll Call: Ed Nagle, yea; and, Rich Rowe, yea (2).

Upon return from the audit conference, roll call was taken and the following members were present: Trustees Nagle and Rowe (2). Vice Chair Mary Beth Hammond was also in attendance. The auditors departed.

Approval of Minutes – The minutes of the November 8, 2018 meeting were sent in advance and hearing no corrections, Mr. Nagle declared the minutes approved.

REPORT OF THE TREASURER

Monthly Financial Statements – Mr. Ganues commented on financial statements for the period ending October, 2018. He commented on an increase of tuition revenue; however 98 percent of tuition and fee revenue for fall semester is recognized at this time. He commented on the change in the contingency/capital line item, which will affect depreciation bottom line but not the expenses; it will be reflected on the balance sheet as a capital asset. In response to a question, he confirmed \$5,000 per unit is a capital expense. Mr. Ganues reviewed the financial report dashboard on page 3, including the red and yellow indicators. He commented that the enrollment and financial teams worked on the end-of-term enrollment projections; the Student Accounts staff completed a targeted outreach to students who owed tuition and there was a fewer number of students who were dropped for non-payment of tuition. In response to a question, Ms. Giordano commented on research of other colleges, which have various timings for student drops for nonpayment of tuition, and she noted that Owens continues to lower the rate of student drops for nonpayment. Mr. Ganues commented on the YTD operating expenses, which was due to the timing of purchases, which should level out. He also commented on budget controls in place for purchasing. He noted that year over year expenses through October is on pace with the prior year. Mr. Ganues commented that lab/course fee revenue is earmarked for lab/course fee expenses. He noted being vigilant of the target for the projected operating gain/(loss) after depreciation. On page 9, he reviewed the trend maintaining for the general, auxiliary and plant fund reserve requirements.

In response to a question from Mr. Nagle on potential capital projects in planning for the next three years, Mr. Ganues commented on a LED project in preliminary exploration to see if it may be funded through energy savings. He also commented on a switchgear project for internet and connectivity, estimated at \$1 million and reviewing potential options for financing.

Mr. Ganues continued his report with reviewing page 11, investments from the general operating account. He reviewed page 13, statement of net position, and he commented on improving the process (without straining the cash flow position) for disbursements of Federal Direct Loans and Pell, which are done after the funds are received from the Federal government, weekly, and reflected in the deposits held for others line item. There have been no concerns from the students and the process change was communicated in advance.

In response to a comment from Mr. Rowe on the product mix of CCP students, President Robinson commented that the College maintains a rate of 13 to 14 percent of CCP student enrollment with respect to balancing the revenue. Ms. Giordano also commented on the continued improvement of the student loan default rate.

Bank Reconciliations – Mr. Ganues commented that the bank reconciliations are available for review, which he noted from page 15 of the financial report.

Good of the Order – Mr. Rowe commented on the improvement of the Foundation’s year-end financials, as audited. Mr. Nagle commended Mr. Ganues and the finance team on the year-end audit.

Adjournment – As there was no further business, the meeting was adjourned at 3:50 p.m.

ATTEST

Patricia M. Jezak
Secretary to the Board of Trustees

Approved 1-22-19