

OWENS COMMUNITY COLLEGE
BOARD OF TRUSTEES
FINANCE COMMITTEE AUDIT CONFERENCE/MEETING
November 17, 2016

An audit conference/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 – Trustee Tom Uhler called the meeting to order at 3:00 p.m., and directed the record to show the audit conference/meeting of the Finance Committee was held in accordance with the Ohio Revised Code Section 121.22, Ohio Revised Code Chapter 3358, and the policies of the Board of Trustees.

Roll Call – Roll Call was taken, and the following committee members were present: Mary Beth Hammond, Dee Talmage and Tom Uhler (3). Board Chair Ed Nagle was in attendance.

AUDIT CONFERENCE

Mr. Uhler announced an audit conference with Clark Schaefer Hackett in accordance with Ohio Revised Code Section 121.22(D)(2), and Ms. Hammond made a motion to enter into the audit conference, which was seconded by Ms. Talmage. Roll Call: Mary Beth Hammond, yea; Dee Talmage, yea; and, Tom Uhler, yea (3).

Upon return from the audit conference, roll call was taken and the following members were present: Trustees Hammond, Talmage and Uhler (3). Board Chair Ed Nagle was in attendance.

Approval of Minutes – The minutes of the October 20, 2016 meeting were sent in advance and hearing no corrections, Trustee Uhler declared the minutes approved.

TREASURER RECOMMENDATION

RESOLUTION 2016-11-17-01

WHEREAS, in accordance with the 3358:11-1-02 Bylaws of the Board of Trustees of Owens State Community College, the President recommends the appointment of the Treasurer, and;

BE IT HEREBY RESOLVED, the President recommends the appointment of Jeffrey Ganues, CPA, Interim CFO/Controller as the Treasurer, and the Board of Trustees Finance Committee endorses the appointment for an effective date of November 17, 2016;

Ms. Talmage made a motion for the Finance Committee to endorse the President's recommendation for the Treasurer's appointment, and to move the recommendation forward to the full Board of Trustees, December 6, 2016, which was seconded by Ms. Hammond. Following a voice vote, the motion was adopted.

REPORT OF THE INTERIM CFO

Monthly Financial Statements – Mr. Ganues commented on financial statements for the period ending October 31, 2016, and he noted it was a quiet month with no significant change from the prior month's position. He commented on the October projected year-end FY 2017 net gain, \$3 million, which continues to exceed the budgeted projected net gain, \$2.4 million. He noted that there was a \$20,000 swing for minor contractual items adjusted in the budget.

He commented on the projected total FY 2017 revenue, which included in other revenue, is the ProMedica sublease revenue. The netting affect is no change in the bottom line. There is no change to tuition revenue for fall, due to nearing the end of the semester, and there is no projected tuition revenue for spring at this time. Later today, Mr. Ganues will meet with Student Services and Institutional Research on enrollment projections for Spring Semester 2017 with respect to actuals, targets and goals. He noted that since Institutional Research utilization of the enrollment predictor scenario building, Institutional Research has been within three percent of the projected targets.

Mr. Ganues commented on the FY 2017 expenditures, below the October FY 2016 expenditures by \$2 million due to salaries and benefits.

In response to Mr. Nagle with respect to bringing the FY 2017 projected operating (loss) after depreciation, (\$914,584), toward a break/even point, Mr. Ganues responded on the role of the contingencies.

On the FY 2017 Statement of Net Position (balance sheet) for the period ending October 31, 2016, Mr. Ganues commented on the continued improvement of the cash/investment position, as compared to June 30, 2016, up by \$6.2 million. He noted the peak revenue point was in October for the fiscal year, and he expressed the hope of a \$14 million projected cash flow at year-end. Mr. Ganues commented on the continuing need to build reserves in accordance with the Financial Standards policy. Mr. Ganues commented on the difference of accounts receivable, as compared to October 2015, due to the timing of the spring semester billings, which were released on November 1, 2016, after the Board's action of the non-general fees. Mr. Ganues commented on making payments to reduce the long-term liabilities, currently at \$1 million, in order to prepare for a payment in 2017 for the loan with the Ohio Air Quality Development Authority (energy conservation). Mr. Ganues commented that the October 2016 net assets, unrestricted, reflect an increase of \$5.5 million from October 2015.

Other/Good of the Order – Mr. Uhler commented on attending the Chancellor's November 14 annual trustees conference with Trustee Hammond, and he noted that the community colleges have three different rates based on location of instruction for the College Credit Plus program. Ms. Giordano commented on the College Credit Plus recommendations for the December 6 regular meeting of the Board of Trustees to a) provide for a tuition waiver for unfunded Ohio non-public high school or home-schooled students who are eligible to participate in the College Credit Plus program for academic year 2017-2018, and to set the default/floor rates/terms of the College Credit Plus agreements for 2017-2018 academic year.

Ms. Hammond commented on an Owens administrator to attend the annual trustees conference for the relevancy of the topics, and she would like to have more dialogue in the future on the Chancellor's topics with the full Board.

Dr. Robinson commented on the pathways for the transfer of credit and the OACC's partnership with the Western Governors University. Mr. Uhler commented that the annual conference did not address military transfer assurance guides.

In closing, Mr. Uhler thanked the staff of Business Affairs and Student Services for their responsibilities with the annual audit.

Adjournment – As there was no further business to discuss, Mr. Uhler declared the meeting adjourned at 4:25 p.m.

ATTEST

Patricia Jezak

Secretary to the Board of Trustees

Approved 5-30-17