

MINUTES of the FINANCE & RESOURCES COMMITTEE
of the BOARD OF TRUSTEES of VICTORIA COLLEGE
November 18, 2019

√ V. Bland Proctor	Dr. Daniel Cano
√ Luis A. Guerra	√ Catherine McHaney
√ John Zacek	√ Dr. Josie Rivera
	Ron Walker

STAFF

√ Dr. David Hinds	√ Jennifer Yancey
Mary Ann Rodriguez	

MEDIA

Guests: Keith Blundell, Tracey Bergstrom, Cindy Buchholz, Dr. Edrel Stoneham and Amado Sanchez, Account Manager and Carlos Arizpe, Lead Auditor with Cascos & Associates, PC

The Finance & Resources Committee of the Victoria College Board of Trustees met Monday, November 18, 2019 at 3:00 p.m. in the Executive Conference Room – 102A of the Academic Building.

A. Call to Order:

1. Mr. Luis Guerra called the meeting to order at 3:01 p.m. and announced that a quorum of board members was present
2. Dr. David Hinds certified that the agenda had been properly posted per Texas statute.

B. Citizen Communication:

1. The Public was invited to address the board. No public comments at this time.

C. Discussions:

1. Discuss August 31, 2019 Financial Statements

Keith Blundell presented the financial statements for fiscal year-end August 2019, reminding members these were unaudited statements. He discussed the Statement of Net Assets as compared to the same time last year, noting most balances are comparable. He noted cash and investments are \$13.496 million, an increase of \$1.2 million over 2018. Excess cash continues to be invested in TexPool. There are no long-term investments. He pointed out that the final payment on the 2010 tuition revenue bonds was made in August. Additionally, he noted that there has been a change in the calculation for the Optional Retirement Employee Benefits (OPEB-GASB 75) calculation. Previously, only retirees' benefits were included. The State now requires the calculation to take active employees into consideration. This changes the impact on total net position. The combined effect from GASB 75 and GASB 68 is a negative \$33.767 million.

Mr. Blundell then reviewed the Statement of Revenue, Expenses and Net Assets for the unrestricted, federal/state/local, auxiliary and debt service funds, budget adjustments and the Gonzales and other project funds. He compared current year actual to 2018 actual and explained any differences. State appropriations and ad valorem are at 100% and 102% of budget, respectively. Total revenue is at 96%

of budget and 95% compared 2018. Total expenses ended at 100% of budget for the fiscal year. Net decrease in net assets is \$2,716,445. The majority of the decrease is the result of the recorded GASB expense of \$1.4 million and the \$2 million transfer of designated funds to the project fund. A summary of the statements will be presented to the full board for consideration at the 4:00 meeting.

Mr. Blundell then presented a reconciliation between the August financial statements and the audited financial report noting audit adjustments.

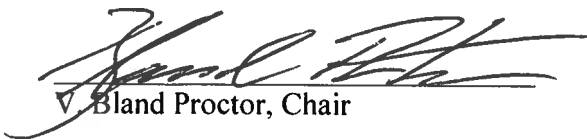
2. Discuss the 2018-2019 Audited Financial Statements

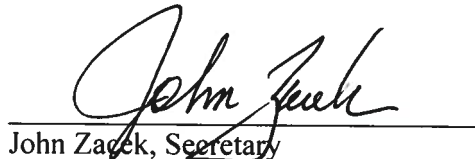
Mr. Blundell introduced Amado Sanchez, Account Manager and Carlos Arizpe, Lead Auditor with Cascos & Associates, PC to present the Annual Financial Report. Mr. Sanchez noted that the intent of the audit is to issue an opinion on the fairness of the financials, while the College is responsible for financial statement preparation. The College again received an Unmodified Opinion, which is the most favorable opinion that can be issued. No material weaknesses were identified in compliance, management or internal controls and no finding or questioned costs in federal or state programs were found during the review and testing. He then reviewed the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position noting variances from the prior year statements. All were comparable to the prior year. Mr. Sanchez noted that the College has approximately 81 days of operating reserves which is well in line with the recommended 60-90 days. Mr. Sanchez expressed his appreciation to the college staff for their work and assistance before and during the review, noting that a substantial amount of work is performed to assist the auditors in completing the schedules and perform testing. Mr. Blundell also expressed his appreciation to the staff, specifically Director of Finance Tracey Bergstrom. The report will be presented to the full board for consideration at the 4:00 meeting.

3. Discuss Card Replacement Fee of \$5 per card

Mr. Blundell discussed a proposed new student fee for student ID replacement cards. Prior to moving to its new student center, UHV issued student ID cards to VC and UHV students, mainly as library cards. Now, the VC Payments Office and the Allied Health Division Office are issuing VC student ID cards to students enrolled in certain programs. The first card is issued free of charge. The proposed fee is for any replacement cards to offset the expense of reissuing. If approved, the \$5 fee would become effective August 1, 2020. The item will be presented to the full board for consideration at the 4:00 meeting.

There being no further business, the committee meeting adjourned at 3:53 p.m.


Bland Proctor, Chair


John Zacek, Secretary