

**Finance/Audit Committee**  
**March 29, 2017**  
**Burns Hall 3<sup>rd</sup> Floor Board Room**  
**Meeting Minutes**

**Members Present:** Ron Branscum, Laura Favorite, Grant Fowler, Chris Rogers

**Members Absent:** Mark Lundy

**Guests:** Dr. Evelyn Jorgenson, Debi Buckley, Tim McGinn, Gulizar Baggson, Rai Starr, Lindsay Robinson

**Introduction of new committee Chair**

Dr. Evelyn Jorgenson introduced Mr. Ron Branscum, the newly appointed chair of the committee. Mr. Branscum is a member of the Board of Trustees and has been a resident of Northwest Arkansas for 21 years.

**Standard Reports**

- **Budget to Actual**  
Ms. Baggson explained that total operating revenues for the period ending February, 2017 increased 2.3% and expenditures decreased 5.8% compared to February 2016.
- **Cash Flow Status**  
Ms. Starr shared a graph of cash flows and projections for fiscal years 2013 – 2017.
  - Cash flow position is strong and improving each year.
  - Expenses continue to be controlled well.
  - Tuition revenue has increased due to improving student retention efforts.
- **Summary of Accounts Receivable**  
Ms. Robinson reviewed the accounts receivable report with the group.
  - Receivables are lower this year compared to February 2016.
  - Successful collection efforts utilizing TouchNet have resulted in fewer balance write offs.

**Fiscal Year 2018 Budget Development**

- Ms. Baggson and Ms. Buckley presented information concerning fiscal year 2018 budget development.
  1. Requests from employees were heard and completed.
    - Faculty additions
    - Faculty step increases
    - One-time merit awards
    - Graphic design labs
  2. Budget revenue sources and expenditures were reviewed.
    - Total fiscal year 2017 budget revenues were \$40,656,704.

- Total fiscal year 2017 expenditures were \$38,694,307.
- 3. Sacubo membership allows the College to access benchmark studies of public two-year Colleges.
  - Tuition and fees, costs, and assets per full-time equivalency student.
- Revenue per full-time equivalency student is the six lowest among 22 Arkansas two-year Colleges.
- Proposed salary increases for FY 2018.
  - 4. Faculty step increase of 3%.
  - 5. Part-time faculty increase of \$15 per credit hour.
  - 6. Non-classified increase of 3%.
  - 7. Classified increase of 3%.
- Employee turnover rates are higher than average due to lower salaries.
- Actual 2017 student semester credit hours were 2.1% higher than 2016 hours.
- Tuition rates for FY 2018 are expected to remain unchanged from FY 2017.
- An expenditure budget will be built after meeting with the Board of Trustees.

The meeting was adjourned at 10:17 a.m.

Recorded by Todd Glass