

North Central Kansas Technical College Board of Trustees
REGULAR MEETING AGENDA – BOARD RETREAT
FHSU – Robbins Center, Dreiling Board Room – Hays, KS
Tuesday, November 29, 2022

The Culinary Arts Department provided the snacks for the meeting. President Burks ask for the students to introduce themselves and tell where they are from. Instructor Wilma Powers was also introduced.

Members in attendance were: Carolyn Finney, Bob Becker, Lance Smith, Justin Rexroat, Don Miller, Dale Montgomery.

Members not in attendance: Glennys Doan.

Others in attendance: President Eric Burks, VP Corey Isbell, VP Diana Baumann, and Lois Hanel, Board Clerk.

President Carolyn Finney asked for a motion to approve the Consent Agenda. She asked if there were any changes or corrections to the minutes. Dale Montgomery made a motion to approve the agenda. Lance Smith seconded. Motion carried.

This action approves the minutes from the October 17th Regular meeting. Also approved with this motion was the hire for the Administrative Assistant for the Hays campus and Retirement of the Agricultural Equipment Technology Instructor Doug Cox effective May 16th, 2023. Doug has been with the school since September 27, 2004.

Audit Report by Kim Pearson, Kennedy F Cole & Company. Auditor Pearson said the Unmodified Audit Report shows the best report available as the results of an audit as of June 30th. This speaks highly of the College and its staff. Which means, in their opinion, the financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles. The new audit standard affecting auditors' report are emphasizes the auditors' opinion by placing this near the beginning of the report. Expands narrative to describe management's responsibility of the financial statements. Expands narrative to describe management's responsibility of the financial statements. Also expands narrative to describe the auditors' responsibilities regarding the conduct of performing the audit.

Assets and Liabilities Summary. The increase in cash balances equated to a little over \$1 million from \$3,949,119 to \$5,059,345. Another new auditing standard is related to the reporting of operating leases. A liability will be reported on the balance sheet for the present value of the lease payments the College is committed to for future years. An offsetting account will be included as a capital asset as a right to use the leased property. No anticipated affect should be present with the net revenues and expenses of the College. However, the Management Discussion and analysis section which covers a three-year period will not have these two items included in that third-year comparison table.

General Discussion. The Management Discussion and Analysis (which is shown before the financial statements) provides summarized three-year financial data for further comparisons to prior years.

The footnote disclosures are similar in nature to prior year disclosures. However, there is some expansion of the lease disclosure. For the financial statement audit, we are currently working on completion of disclosures, lease reporting requirements and inclusion of the Endowment Association. We will have a full draft of the College audit completed when this information is incorporated into the audit package. The Federal Compliance Audit (Single Audit) included testing compliance on two major programs this year – Student Financial Aid and the HEERF awards as those expenditures and lost revenue claims exceeded the minimum threshold of \$750,000 to be considered a major program for this purpose. The lost revenue calculation came up to \$538,474 which was a large part of the increase in cash for the year. Our opinion on the major programs is an unmodified opinion that the College is in material compliance with federal requirements. In addition, we did not report on any findings from the results of our student financial aid file testing and other areas of financial aid. We will provide recommended adjusting entries to management once we have a complete draft available. Many of the journal entries are primarily due to year-end accrual adjustments. However, we had quite a few more adjusting entries than in prior years. We have had an exit meeting with certain staff in the business department to go over our recommendations and believe that most of these entries will not be necessary for the next year. The deficiency disclosed regarding internal control over financial reporting was considered to be a significant deficiency, which is a similar finding as in prior years and is normal to be included in an audit for an entity of this size. College staff in all departments were very helpful during our audit procedures. We encountered no difficulties with staff or management in performing our audit procedures. Even with the changes in several positions, we were still able to obtain the necessary documentation and answers to our inquiries from College staff. We would like to thank the College staff and management for their efforts. If anyone has questions throughout the year, please feel free to contact us.

Overall Findings. Nothing more was needed and there was nothing unusual. Although staff changes made it different, they were very helpful. Next year 75% of all Journal entries will be put in by the College. President Burks thanked Auditor Pearson for his assistance. At this time Auditor Pearson left the meeting.

Building Design-Hays Campus. President Burks asked to table this topic until later. President Finney tabled this item.

Financial Report, VP Baumann. **Income and Expenditures** for the General Fund. Areas covered were: State Appropriations, Shop Revenue, Miscellaneous Revenue, Salaries and Benefits, Equipment Rentals, Repair & Maintenance, Professional Services, Supplies and Shop expenses. This fund is \$22,008.03 under budget.

Income and Expenses for the Enterprise Fund. Areas covered were: Food Service, Dorms, Bookstore, Student Union and Student Activities. This fund is \$178,908.32 under budget.

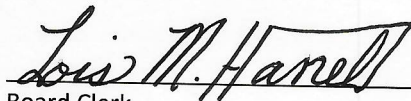
Payment of goods and services for October 2022 \$927,089.68. President Finney asked if anyone had any questions. President asked for a motion to accept the Financial Report as presented. Don Miller made a motion to accept the Financial Report for the period ending October 31, 2022 as presented. Bob Becker Seconded. Motion carried.

Sunflower Bank Account 2024. VP Baumann presented a request to change the names on the Sunflower Bank Account ending in 2024. She requested to add her name (Diana Baumann) to the account and leave President Burks name on the account. The names to be removed from the

account are: Kelly Roberts, Sandra Gottschalk and Brandi Zimmer. Once this change has been completed, VP Baumann would like to open a new Construction account and move \$25,000 into the new account. The new account will have President Burks and VP Baumann's names on it. VP Baumann said will be able to use the bank statement for proof of movement of money in and out of this account. President Finney asked for discussion. Bob Miller made a motion to change names on the account ending in 2024 and to open a new account. Justin Rexroat seconded. Motion carried.

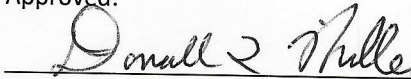
Having completed all items on the agenda, President Finney as for a motion to adjourn the meeting. Don Miller made a motion to adjourn the meeting. Justin Rexroat seconded. Motion carried.

Meeting adjourned at 3:21 p.m.



Board Clerk

Approved:



Board Chair/Vice Chair