
**Finance and Facilities Committee
also Sitting as the Audit Committee
Minutes**

Trustees Present:

Vince Jones, Chair Paul Stewart
Jessica Gomez Michele Vitali

Trustees Unable to Attend:

Mike Starr

Other Trustees in Attendance:

Rose McClure

University Staff and Faculty Present in person:

Abdy Afjeh, Vice Provost-Research & Academic Affairs
Dina Battaglia, Associate Vice Provost Academic Excellence
Trevor Campbell, KernuttStokes, LLC
Kyle Chapman, Associate Professor-Humanities & Social Sciences
Thom Darrah, Director-Facilities Management Services
Don DaSaro, President-Fiscal Operations Advisory Council
Alicia Dillon, Associate Vice President of Finance & Controller
Ken Fincher, Vice President University Advancement
David Groff, General Counsel & Interim Board Secretary
Pam Grove, Assistant to University General Counsel & Interim Board Secretary
John Harman, Vice President Finance & Administration
Tom Keyser, Dean College of Engineering, Technology & Management
Haley Lyons, KernuttStokes, LLC
Kelsey McCauley, Government Relations
Michelle Meyer, Accounting Services Manager-Business Affairs
Joanna Mott, Provost & VP of Academic Affairs
Nagi Naganathan, President
Adria Paschal, Senior Executive Assistant to the President
Dan Peterson, Dean College of Health, Arts & Sciences
Hope Rogers, KernuttStokes, LLC
Bryan Wada, Information Technology Consultant 2
Mason Wichmann, Student

1. **Call to Order/Roll/Declaration of a Quorum** *Chair Vince Jones*

Chair Jones called the meeting to order at 8:06am. The Board Secretary called roll and a quorum was declared.

2. **Consent Agenda** *Chair Vince Jones*

2.1 **Approve Minutes of the April 7, 2022 Meeting**

No changes voiced. Minutes approved as submitted.

3. **Reports**

3.1 **Fiscal Operations Advisory Council** *FOAC President Don DaSaro*

President DeSaro provided a synopsis of the May 16, 2022 meeting, which focused predominantly on FY 2023 budget goals, budget projections and plans to close anticipated deficits, and tuition settings. FOAC also reviewed the strategic investments for the Facilities Master Plan, the Business Continuity and Disaster Recovery Study, and the Compensation Equity Study.

3.2 **Quarterly Finance, Facilities & Audit Update** *VP John Harman*

VP Harman reviewed the quarterly report, which addressed the FY 2022 budget performance, revenue and enrollment indicators, facilities, equipment, a capital projects update, and invested funds, as well as external and internal audit coordination.

3.3 **FY 2021-22 Internal Audit Update** *Haley Lyons and Trever Campbell, Kernutt Stokes*

Trever Campbell, Hailey Lyons, and Claire Pahlmeyer of **KernuttStokes** (KS) provided a bi-annual Hotline Report. They also advised that Capital Projects Management and Title IX audits are currently under way, with an anticipated completion at the end of fiscal year 2022. The Procurement and Contracting audit and the Fixed Assets & Inventory audits are on hold until current projects are completed. Due to current staffing constraints in the Business Affairs Office (BAO) it has been determined to be impractical to begin auditing this area. KS reported that the 2022/2023 Risk Assessment is underway and nearly completed.

4. **Action Items**

4.1 **Approve 2022-2023 Budget Recommendation to Board** *VP John Harman*

VP Harman reviewed the PowerPoint Presentation included with the agenda packet. He stated that primary sources of funding for Oregon Tech are through the Public University Support Fund (PUSF), the Engineering and Technology Sustaining Fund (ETSF), and the Oregon Renewable Energy Center (OREC). There are also additional funds such as investment earnings, grant cost recovery, clinical revenues, student tuition and fees which makes up about 55% of total funding. VP Harman advised that reliance on considerable forecasting and assumptions, early enrollment projections which drive tuition revenue estimates, uncontrollable medical and retirement costs and long-term organized labor contract commitments are among some of the persistent budget challenges facing Oregon Tech. He stated that Tuition and Fees account for 51% of Oregon Tech's budget, State Allocations account for 45%, and other services account for about 4%. He also said that 68% of our spending is student centric. **Chair Jones** stated that when developing the budget, VP Harman and his team must be agile due to the unknowns when putting

together the budget. For example, having to understand what student enrollment might be, which will affect the funding and the budget. He asked VP Harman how he and his team ensure that they have all information to make the best projections possible for enrollment. **VP Harman** shared that he and his team work closely with Dr. Mott and her team to track enrollment, deposits, and housing numbers, and we also look at trends from previous years. He shared that this year the numbers are encouraging but are not indicating significant growth. However, it is still early, and we may see numbers peak in June and early July. VP Harman stated that we do our best to be as practical and realistic as we can be without being too conservative. We would rather err on the side of conservancy, rather than on the side of being too optimistic.

Trustee Paul Stewart moved to recommend to the full board that the FY 2022-23 all-funds budget as provided be adopted and approved.

Trustee Michelle Vitali seconded the motion. With all trustees present and voting aye, the motion passed unanimously.

5. Discussion Items

5.1 RFP for External Audit Firm *VP John Harman*

VP Harman explained that as an independent public body, Oregon Tech is required to have an annual independent audit of the financial statements for each fiscal year. Additionally, as the recipient of federal funds the Office of Management and budget (OMB) requires an annual compliance audit in accordance with the OMB “Uniform Guidance.” The current independent auditor’s agreement, originating with FYE 2016, expires upon completion of the June 30, 2022 fiscal year end audit. Much of the work for this audit will be performed in the fall of 2022 with the final report expected to be shared with the Board in January 2023. The request for proposal (RFP) will include independent financial audit services, as well as consultative support. Because of the evolving support levels at the University Shared Services (USSE), Oregon Tech will also rely more on the non-attest services of the selected firm to assist in yearend compilation and review procedures in preparation for the work of independent auditors. It is expected that the Agreement for services will be a multi-year agreement.

6. Other Business/New Business *Chair Vince Jones*

None.

7. Adjournment

Chair Jones adjourned the meeting at 9:47am.

Respectfully submitted,



David P. Groff

University General Counsel & Interim Board Secretary