

**MINUTES OF THE BOARD OF REGENTS
FINANCE COMMITTEE MEETING
GALVESTON COMMUNITY COLLEGE DISTRICT
4015 Avenue Q
Galveston, Texas 77550
Room M-202 – Moody Hall
January 10, 2024
4:45 p.m.**

At the Board of Regents Finance Committee Meeting of the Galveston Community College District, duly held on Wednesday, January 11, 2023, in Room M-202 of Moody Hall, commencing at 4:45 p.m., the following Finance Committee members were present: Mr. Fred D. Raschke, Chairperson, Mr. Garrik Addison, Mr. Mike Hughes and Ms. Mary Longoria. Mr. Armin Cantini was excused. Other Regents attending all or part of the meeting were: Ms. Karen F. Flowers, Dr. Norman Hoffman, and Ms. Carolyn L. Sunseri. Mr. Raymond Lewis, Jr. was excused.

Staff present included Dr. W. Myles Shelton, President, Dr. Conrad Breitbach, Ms. Breanne Loreface, and Mr. M. Jeff Engbrock. Also present were Ms. Ana Gallardo and Mr. Arif Wakani with Carr, Riggs & Ingram (CRI), LLC.

- I. **CALL TO ORDER:** Chairperson Fred D. Raschke opened the meeting at 4:45 p.m. in Room M-202 of Moody Hall and determined a quorum was present.
- II. **CERTIFICATION OF POSTING NOTICE OF FINANCE COMMITTEE MEETING:** Dr. Shelton confirmed that the notice of the Finance Committee meeting had been properly posted on January 5, 2024.
- III. **CONSIDER APPROVAL OF MINUTES FROM JANUARY 11, 2023 MEETING:** A reading of the minutes for the January 11, 2023 meeting was waived. Mr. Hughes moved to approve the minutes as presented; Ms. Longoria seconded. The motion passed unanimously.
- IV. **CITIZENS DESIRING TO APPEAR BEFORE THE COMMITTEE ON AGENDA ITEMS:** There were no citizens present desiring to appear before the Committee.
- V. **REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022, AND REQUIRED COMMUNICATIONS LETTER:** Board members received copies of the preliminary draft Financial Statements and Single Audit Reports for the Years Ended August 31, 2023 and 2022, and the Required Communications for review with the auditors. Ms. Ana Gallardo, the College's lead auditor, introduced Mr. Arif Wakani who summarized the audit results. Mr. Wakani stated that it was a standard year, however, there was a GASB 96 that had to be implemented. It required subscription-based technology to be capitalized. Other changes from last year include the ending of HEERF funding, and the increase in interest rates that the College received.

V. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022, AND REQUIRED COMMUNICATIONS LETTER: *(Continued)*

Mr. Wakani pointed out the *Emphasis of Matter* note included on the Independent Auditors Report. He continued by going over the Statement of Net Position, Statements of Revenues, Expenses, and Changes in Net Position Schedule and the details of any changes from the previous year. Cash flow was not reviewed in depth as it was similar to prior years. Mr. Wakani pointed out the new note on page 39 related to the Subscription-Based Assets and Liabilities and on page 41 the note related to Implementation of New GASB Pronouncement and Prior Period Adjustment. Also pointed out was note 6-Capital Assets, and Notes 7 and 8, also reflecting the new subscription-based liabilities. He ended by saying that the financials are consistent with last year.

Mr. Wakani also discussed the single audit report. There were no findings reported. Mr. Wakani pointed out the Schedule of Expenditures of Federal Awards, the Notes to Schedule of Expenditures of Federal Awards, and the Schedule of Findings and Questioned Costs for the Committee to review.

Ms. Gallardo reviewed the required communications document. She stated it is a summary that will identify if there were any issues or concerns. There were no issues, or accounting principles identified this year. The purpose of the audit is not to identify fraud; however, none was identified. She outlined the audit journal entries listed in the required communication letter, all provided by Mr. Engbrock and his team during the audit. The auditors did not find any audit adjustments. Mr. Wakani explained the details of these journal entries and their need to the Committee. He further explained the Uncorrected Audit Adjustments presented in the communications letter.

VI. ADJOURNMENT TO CLOSED MEETING IN ROOM M-220: Mr. Raschke noted that the Finance Committee, as authorized by Government Code, Section 551, reserves the right to enter into a closed meeting under the following provision of the Act: Section 551.074, Personnel Matters, to evaluate staff relating to the audit. The Committee adjourned to the closed meeting in Room M-202 at 5:09 p.m.

VII. RECONVENE FINANCE COMMITTEE MEETING (OPEN MEETING) IN ROOM M-220: Chairperson Raschke reconvened the Finance Committee Meeting (Open Meeting) at 5:12 p.m. in Room M-202.

VIII. DETERMINE COMMITTEE RECOMMENDATION TO BOARD OF REGENTS REGARDING FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2023 AND 2022, AND REQUIRED COMMUNICATIONS LETTER: After review and discussion of the financial audit, Mr. Hughes moved to recommend to the Board of Regents the acceptance of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2023 and 2022, and the Required Communications Letter; Ms. Longoria seconded. The motion passed unanimously.

IX. ADJOURNMENT: There being no further business to come before the Finance Committee, the meeting adjourned at 5:18 p.m.

Breanne Lorefice, Clerk

APPROVED AS CORRECT:

Fred D. Raschke, Chairperson