

**MINUTES OF THE BOARD OF REGENTS
FINANCE COMMITTEE MEETING
GALVESTON COMMUNITY COLLEGE DISTRICT
4015 Avenue Q
Galveston, Texas 77550
Room M-202 – Moody Hall
November 14, 2012
4:30 p.m.**

At the Galveston Community College District Board of Regents Finance Committee Meeting, duly held on Wednesday, November 14, 2012, in Room M-202 of Moody Hall, commencing at 4:30 p.m., the following Finance Committee members were present: Mr. Armin Cantini, Chairperson, Mrs. Barbara K. Crews, and Mr. Carroll Sunseri. Mr. George F. Black, Board Chairperson, also attended the meeting.

Faculty and staff present included Dr. W. Myles Shelton, President, Ms. Carla Biggers, and Mr. M. Jeffrey Engbrock. Also present was the College's auditor, Ms. Leslie Berardo, with Gainer, Donnelly & Desroches, LLP.

- I. CALL TO ORDER:** Chairperson Armin Cantini opened the meeting at 4:36 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 November 9, 2012.
- III. CONSIDER APPROVAL OF MINUTES FROM NOVEMBER 2, 2011 MEETING:** A reading of the minutes for the November 2, 2011 meeting was waived. Mr. Sunseri moved to approve the minutes as distributed; Mrs. Crews seconded. The motion passed unanimously.
- IV. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011:** The preliminary draft of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2012 and 2011, which included Management's Discussion and Analysis, were presented to the Finance Committee. Ms. Berardo began by noting a numbering error in the footnotes due to the addition of a required Governmental Accounting Standards Board (GASB) footnote. This will be corrected in the final report submitted to the Board. Ms. Berardo reviewed the required communications and findings of the audit. The total net assets as of August 31, 2012 were \$27,274,357, an increase of \$2,028,849. She paid special attention to a footnote relating to a \$200,000 shortfall for the Teachers Retirement System. This shortfall is due to a six percent reduction in state funding that the community colleges were mandated to make up. Since this issue has not been settled between the State of Texas and the community colleges, it has to be recorded as a contingent liability by all Texas community colleges. Ms. Berardo complimented Business Office staff members, Mr. Jeff Engbrock and Mr. Bill Vaughan, and noted that

IV. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011: (Continued)

there were no adjusting entries needed. Ms. Berardo highlighted significant changes reported on the financial statements from the previous fiscal year. She reported that the firm has issued an unqualified audit opinion for both the financial statements and the federal awards. The College is compliant and there were no findings related to internal controls over financial reporting. Ms. Berardo also stated that the College District has qualified as a low-risk auditee since there were no findings for the past two fiscal years.

V. ADJOURNMENT TO CLOSED/EXECUTIVE SESSION IN ROOM M-202:

Mr. Cantini noted that the Finance Committee, as authorized by Government Code, Section 551.074, Personnel Matters, reserves the right to enter into a closed/executive session under the provision of the Act. The Board adjourned to the closed/executive session in Room M-202 at 4:47 p.m.

VI. RECONVENE FINANCE COMMITTEE MEETING (OPEN MEETING) IN ROOM M-202: Chairperson Cantini reconvened the Finance Committee Meeting (Open Meeting) at 4:52 p.m. in Room M-202.

VII. DETERMINE RECOMMENDATION TO BOARD OF REGENTS REGARDING FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2012 AND 2011: Following a review and discussion of the financial audit and a recap of the meeting by Mr. Cantini, Mrs. Crews moved to recommend acceptance of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2012 and 2011; Mr. Sunseri seconded. The motion passed unanimously.

VIII. ADJOURNMENT: There being no further business to come before the Finance Committee, the meeting adjourned at 4:54 p.m.

Carla D. Biggers, Clerk

APPROVED AS CORRECT:

Armin Cantini, Chairperson