

**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 11, 2015
4:30 p.m.**

At the Board of Regents Finance Committee Meeting of the Galveston Community College District, duly held on Wednesday, November 11, 2015, in Room M-202 of Moody Hall, commencing at 4:30 p.m., the following Finance Committee members were present: Mr. Fred D. Raschke, Chairperson, Mr. Michael B. Hughes, Mr. Carl E. Kelly, Mr. Raymond Lewis, Jr., and Mr. Carroll Sunseri. Other Regents attending the meeting were: Mr. Armin Cantini, Board Chairperson, Mr. George F. Black, and Mr. Florentino “Tino” F. Gonzalez.

Staff present included Dr. W. Myles Shelton, President, Ms. Carla Biggers, Mr. M. Jeffrey Engbrock, and Dr. Gaynelle Hayes. Also present were Ms. Leslie Berardo, 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 4:30 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 6, 2015.
- III. **CONSIDER APPROVAL OF MINUTES FROM AUGUST 10, 2015 MEETING:** A reading of the minutes for the August 10, 2015 meeting was waived. Mr. Lewis moved to approve the minutes as presented; Mr. Kelly seconded. The motion passed unanimously.
- IV. **REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014:** Ms. Leslie Berardo, the College’s auditor, began by announcing her retirement from the firm and then introduced Ms. Gallardo and Mr. Wakani. She and Ms. Gallardo noted several changes with the adoption of the Governmental Accounting Standards Board (GASB) Statement No. 68 that were applied to the report to account for the College’s unfunded pension liability through the Teacher Retirement System of Texas (TRS). Ms. Gallardo explained those changes in detail. The amount of net pension liability for 2015 equals \$3,147,643. Ms. Berardo then provided copies of and reviewed the required communications and results of the audit. Included for the first time was a State of Texas single audit because the College exceeded the \$500,000 threshold for grant awards. Ms. Berardo explained three adjusting journal entries that were made after the close of the fiscal year. She noted other GASB statements that have been issued that will affect reporting for fiscal years ending August 31, 2016, 2017, and 2018. Also explained was the impact of changes in audit requirements for federal awards that will be effective for the 2016 audit.

IV. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2015 AND 2014: (Continued)

The preliminary draft of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2015 and 2014 was presented to the Finance Committee. The College's net position as of August 31, 2015, was \$29,095,270, a decrease of \$1,122,540. Ms. Berardo highlighted significant changes. She reported that the firm has issued an unmodified (unqualified) audit opinion for both the financial statements and the state and federal grant awards. The College is compliant and there were no findings related to internal controls over financial reporting; therefore, no Management Letter was issued. Additionally, a cost evaluation was conducted on the College's use of ADP for payroll and an assessment on Information Technology that was clean.

V. ADJOURNMENT TO CLOSED/EXECUTIVE SESSION IN ROOM M-202: Mr. Raschke 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 5:00 p.m.

VI. RECONVENE FINANCE COMMITTEE MEETING (OPEN MEETING) IN ROOM M-202: Chairperson Raschke reconvened the Finance Committee Meeting (Open Meeting) at 5:08 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, 2015 AND 2014: After review and discussion of the financial audit, Mr. Lewis moved to recommend acceptance of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2015 and 2014; Mr. Kelly seconded. The motion passed unanimously.

VIII. ADJOURNMENT: There being no further business to come before the Finance Committee, the meeting adjourned at 5:09 p.m.

Carla D. Biggers, Clerk

APPROVED AS CORRECT:

Fred D. Raschke, Chairperson