

**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 13, 2019
4:30 p.m.**

At the Board of Regents Finance Committee Meeting of the Galveston Community College District, duly held on Wednesday, November 13, 2019, 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. Armin Cantini, Mr. Carl E. Kelly, and Mr. Carroll G. Sunseri. Other Regents attending all or part of the meeting were: Ms. Karen F. Flowers, Mr. Michael B. Hughes, Mr. Raymond Lewis, Jr., Ms. Mary R. Longoria, and Ms. Rebecca Trout Unbehagen.

Staff present included Dr. W. Myles Shelton, President, Ms. Carla Biggers, Mr. M. Jeff Engbrock, and Dr. Van Patterson. 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 4:30 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 8, 2019.
- III. **CONSIDER APPROVAL OF MINUTES FROM NOVEMBER 13, 2018 MEETING:** A reading of the minutes for the November 13, 2018 meeting was waived. Mr. Sunseri moved to approve the minutes as presented; Mr. Kelly seconded. The motion passed unanimously.
- IV. **CITIZENS DESIRING TO APPEAR BEFORE THE COMMITTEE ON OTHER AGENDA AND NON-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, 2019 AND 2018, AND REQUIRED COMMUNICATIONS LETTER:** Board members received copies of the preliminary draft Financial Statements and Single Audit Reports for the Years Ended August 31, 2019 and 2018, and the Required Communications for review with the auditors. Ms. Ana Gallardo, the College's lead auditor, began her presentation by reviewing the Required Communications document which did not disclose any issues with the audit or management while performing the audit. Mr. Arif Wakani reviewed two internal control findings regarding: (1) a second signature on cash disbursements and (2) reconciling the opening net position to the prior year's audited financial statements. Both included the auditor's suggestion and management's response. Lastly, the Required Communications included a recently issued Governmental Accounting Standards Board (GASB) pronouncement.

V. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018, AND REQUIRED COMMUNICATIONS LETTER: (Continued)

Mr. Wakani summarized the audit results. He reported there were no major changes required as a result of new GASB pronouncements. The College received a new Title V grant that was audited also. The firm issued an unmodified audit opinion for both the financial statements and selected federal grant awards (student financial aid and Title V Modern Strategies for Student Success). The Statements of Net Position schedule and the Statements of Revenues, Expenses, and Changes in Net Position schedule were reviewed in detail with explanations of significant changes. As of August 31, 2019, the total net position for 2019 was \$25,601,094, an increase of \$1,682,926. Mr. Wakani stated that the disclosures in the accompanying notes were standard with the exception of Note 17 – Galveston College Foundation and Related Party Transactions. He summarized the transfer of \$2.32 million from the Foundation to the College for the student housing project. He referred to the Schedule of Expenditures of Federal Awards with accompanying notes. A summary of the auditors' results indicated there were no material weaknesses nor any significant deficiencies identified regarding the financial statements and the federal awards audited. Also, there was no noncompliance material to the financial statements noted.

VI. ADJOURNMENT TO CLOSED MEETING IN ROOM M-202: 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 4:52 p.m.

VII. RECONVENE FINANCE COMMITTEE MEETING (OPEN MEETING) IN ROOM M-202: Chairperson Raschke reconvened the Finance Committee Meeting (Open Meeting) at 4:56 p.m. in Room M-202. He reported that the auditors were very complimentary of Comptroller/CFO Jeff Engbrock and Business Office staff members, in particular Regina King and Valerie Guidry, and the Title V personnel for having the information ready for the audit and for being available to answer questions. On behalf of the Board, Mr. Raschke expressed his appreciation.

VIII. DETERMINE COMMITTEE RECOMMENDATION TO BOARD OF REGENTS REGARDING FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2019 AND 2018, AND REQUIRED COMMUNICATIONS LETTER: After review and discussion of the financial audit, Mr. Sunseri moved to recommend to the Board of Regents the acceptance of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2019 and 2018, and the Required Communications Letter as presented; Mr. Kelly seconded. The motion passed unanimously.

IX. ADJOURNMENT: There being no further business to come before the Finance Committee, the meeting adjourned at 4:57 p.m.

Carla D. Biggers, Clerk

APPROVED AS CORRECT:

Fred D. Raschke, Chairperson