

**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 2, 2011
5:30 p.m.**

At the Board of Regents Finance Committee Meeting of the Galveston Community College District, duly held on Wednesday, November 2, 2011, in Room M-202 of Moody Hall, commencing at 5:30 p.m., the following Finance Committee members were present: Mr. George F. Black, Chairman, Mr. Armin Cantini, Paul J. Cunningham, M.D., and Mr. Carroll Sunseri. Other Regents attending the meeting were Mr. Carl E. Kelly and Mr. Raymond Lewis, Jr.

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

- I. CALL TO ORDER:** Chairman George F. Black opened the meeting at 5:30 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 October 28, 2011.
- III. CONSIDER APPROVAL OF MINUTES FROM JANUARY 24, 2011 MEETING:**
A reading of the minutes was waived. Mr. Cantini moved to approve the minutes as presented; Dr. Cunningham seconded. The motion passed unanimously.
- IV. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2011 AND 2010:** The preliminary draft of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2011 and 2010, which included the Management's Discussion and Analysis, were presented to the Finance Committee. There were no material findings of the financial statements and required supplemental schedules prepared by staff. Ms. Berardo reviewed the required communications and significant audit findings. She explained how changes in the Governmental Accounting Standards Board (GASB) regulations affected this year's reporting and made note of major changes in the financial statements with corresponding footnotes. The total net assets as of August 31, 2011, were \$25,245,508, an increase of \$1,795,505. Note 4 – Deposits and Investments, of the financial statements indicates that the College had invested slightly more than 50 percent of its investment portfolio with LOGIC (Local Government Investment Cooperative), which does not comply with Board policy. It has been discussed with staff and a plan is in place to address this matter. Since student financial aid (federal awards) is the

IV. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2011 AND 2010: *(Continued)*

College's largest program, it was audited in-depth. Ms. Berardo reported that the firm has issued an unqualified audit opinion for both the financial statements and the federal awards. The College is compliant and that there were no findings related to internal controls over financial reporting. Mr. Ron Crumedy, Director of Financial Aid, and his staff were complimented by the auditor. Mr. Engbrock and Mr. William Vaughn, Accountant, were also commended. The final report will be presented to the Board of Regents at the Regular Board Meeting on Wednesday, November 9, 2011. Mr. Black congratulated Dr. Shelton, Mr. Engbrock, and the Business Office staff for receiving an unqualified opinion on the audit.

V. ADJOURNMENT TO CLOSED/EXECUTIVE SESSION IN ROOM M-202: Mr. Black 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 5:55 p.m.

VI. RECONVENE FINANCE COMMITTEE MEETING (OPEN MEETING) IN ROOM M-202: Chairman Black reconvened the Finance Committee Meeting (Open Meeting) at 6:05 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, 2011 AND 2010: After review and discussion of the financial audit, Mr. Sunseri moved to recommend acceptance of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2011 and 2010; Dr. Cunningham seconded. The motion passed unanimously.

VIII. ADJOURNMENT: There being no further business to come before the Finance Committee, the meeting adjourned at 6:08 p.m.

Carla D. Biggers, Clerk

APPROVED AS CORRECT:

George F. Black, Chairman