



Notice/Agenda of September 2022 Regular Meeting

**The Board of Trustees
College of the Mainland
Doyle Family Administration Boardroom (A129)
Monday, September 26, 2022
1200 Amburn Road
Texas City, TX 77591**

September 2022 Regular Meeting of the Board of Trustees of College of the Mainland will be held Monday, September 26, 2022, beginning at 1:30 PM in the Doyle Family Administration Boardroom (A129), 1200 Amburn Road, Texas City, Texas 77591.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. The items listed in this notice may be considered in any order at the discretion of the Chair or Board and items listed for closed session discussion may be discussed and/or approved in open session and vice versa as permitted by law.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

1. **Call to Order**
2. **Pledge of Allegiance (American Flag), Texas Pledge & a Moment of Silence**
3. **Roll Call & Determination of Quorum**
4. **Minutes**
 - A. Consideration of and Possible Action to Approve the Full Board Minutes of Monday, August 22, 2022
5. **Comments from the Community**
 - A. Students
 - B. Employees
 - C. Other Citizens
6. **Constituent Leader Activity Reports**
 - A. Faculty Senate - Dr. Elaine Childs
 - B. Student Government Association - Paloma Ayala, SGA President
7. **Consideration of and Possible Action to Adopt Plan 2 for Redistricting Presented by the Administration as the Board's New, Proposed Redistricting Plan**
8. **Internal Audit Report(s)**
 - A. Consideration of and Possible Acceptance of the Internal Audit Report on Purchasing as Presented on September 26, 2022
 - B. Internal Audit Status Report
9. **Policy**
 - A. Consideration of and Possible Action to Approve the Proposed Revisions to COM Local Policy DBA, *Employment Requirements and Restrictions*
10. **Human Resources Items**
 - A. Appointment Nominations

1. Consideration of and Possible Action to Approve the Appointment Nomination of Brian Blackwell to the Position of Admissions/Records Lead Generalist, Admissions & Records Department
2. Consideration of and Possible Action to Approve the Appointment Nomination of Anne Dickens to the Position of Director of Dual Credit, Dual Credit Department
3. Consideration of and Possible Action to Approve the Appointment Nomination of Flor Gonzalez to the Position of Enrollment Coach, Strategic Enrollment Management Department
4. Consideration of and Possible Action to Approve the Appointment Nomination of Ginger Hinckley to the Position of Human Resources Specialist, Human Resources Department
5. Consideration of and Possible Action to Approve the Appointment Nomination of Danielle Kemendo to the Position of CE Allied Health Coordinator, Health Information Management Department
6. Consideration of and Possible Action to Approve the Appointment Nomination of Monica Munante to the Position of Admissions/Records Generalist, Admissions & Records Department
7. Consideration of and Possible Action to Approve the Appointment Nomination of Amanda Newell to the Position of Librarian, Reference & Collection Development, Library Services
8. Consideration of and Possible Action to Approve the Appointment Nomination of Scott Raines to the Position of Enrollment Coach, Strategic Enrollment Management Department
9. Consideration of and Possible Action to Approve the Appointment Nomination of Ariel Scott to the Position of Academic Advisor, Student Success Center
10. Consideration of and Possible Action to Approve the Appointment Nomination of Lindsey Sheridan to the Position of Enrollment Coach, Strategic Enrollment Management Department
- B. Consideration of and Possible Acceptance of the Non-Contractual Hiring Report as Written
11. **Consideration of and Possible Action to Approve the Award of Contract 23-10 for the Purchase of the Glycol Separation Unit Software (GSU) from Puffer/Emerson for a Not-to-Exceed Amount of \$135,000 to be Paid from Title V Grant Funds**
12. **Consideration of and Possible Action on the Approval of the Procurement Method of Utilizing a Request for Competitive Sealed Proposals for the Vice President Suite Renovations**
13. **Consideration of and Possible Action to Renew Contract 18-01 with Whitley Penn for External Audit Services for a Not-to-Exceed Amount of \$478,000 to be Paid from Operating Funds**
14. **Consideration of and Possible Acceptance of the Resolution Adopting the COM Matched Retirement Savings Plan**
15. **Consideration of and Possible Action to Adopt a Maintenance and Operations Tax Rate of .15142/100 and an Interest and Sinking Rate of .1162/100 for a Total Rate of .26762/100 for the 2022 Tax Year**
16. **Financial Report(s)**
 - A. Consideration of and Possible Action to Accept the August 2022 Investment and the August 2022 Financial Reports

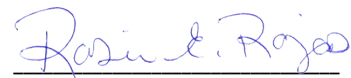
- B. Consideration of and Possible Action to Accept the August 2022 Quarterly Investment Report
- 17. **Consideration and Possible Action to Schedule the March 2023 Board of Trustees Meeting on Wednesday, March 29, 2023**
- 18. **Overview of Continuing Education**
- 19. **Board Report**
- 20. **President's Report**
 - A. Updates
 - B. Reminders/Announcements
 - 1. Board Meetings
 - Special Called BOT Workshop, Thursday, October 6th, 3:00 p.m.
 - October 2022 - Monday, October 24th, 1:30 p.m.
 - December 2022 - Tuesday, December 6th, 1:30 p.m.
 - 2. Fall Graduation
 - a. Saturday, December 10th, Abundant Life
 - C. Resignations and Retirement Report
 - D. Miscellaneous
- 21. **Adjournment to closed or executive session pursuant to Texas Government Code of the Open Meetings Act**
- 22. **Adjourn**

**If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board reserves the right to conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E, including but not limited to the following provisions; 1)Section 551.071-consultation with attorney, 2)Section 551.072-deliberation regarding real property, 3) Section 551.073-deliberation regarding prospective gifts, 4)Section 551.074-deliberation regarding personnel matters, and/or complaints against school personnel, 5)Section 551.082-deliberation regarding student disciplinary matters and/or complaints against personnel. 6)Section 551.087-deliberation regarding economic development negotiations, and/or 7)Section 551.089 – deliberation regarding security devices or security audits. Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.*

The notice for this meeting was posted in compliance with the Texas Open Meeting Act on, Thursday, September 22, 2022, 3:00 P.M.

Administration

President Warren Nichols Ed.D.
Vice President Jerry Fliger, Ph.D.
Vice President Clen Burton, Ph.D.
Vice President Helen Brewer, Ph.D.
Vice President Lisa Watson, Ph.D.



Rosie E. Rojas
Board Clerk



PRESIDENT'S OFFICE

Call to Order

Call to Order on (insert date)
at (insert time)



PRESIDENT'S OFFICE

Pledge of Allegiance to the American Flag
Texas Pledge
Moment of Silence

The Texas State Flag Pledge
"Honor the Texas flag; I pledge
allegiance to thee, Texas, one state under
God, one and indivisible."



College of the Mainland
Board of Trustees
2021-2023

Dr. Bill McGarvey,
Board Chair
808 Buttonwood Dr.
Texas City, TX 77591
409-770-3537
wmcgarvey@gmail.com

Mr. Alan L. Waters,
Board Vice Chair
#1 South Pintail Street
La Marque, TX 77568
409-655-5055
awaters1@com.edu

Mrs. Melissa Skipworth,
Board Secretary
1061 Misty Cliff
Dickinson, TX 77539
281-684-9146
mskipworth@com.edu

Dr. Verna J. Henson,
Trustee
7306 Heron Ln.
Texas City, TX 77591
409-995-0948
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Mr. Kyle L. Dickson,
Trustee
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dickson@murray-lobb.com

Mrs. Dawn King,
Trustee
P.O. Box 1105
Dickinson, TX 77539
832-860-0663
dking4@com.edu

Mr. Don Gartman,
Trustee
2538 Quaker Dr.
Texas City, 77590
409-739-2618
dgartman@com.edu



MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Full Board Minutes

Presented for recommended acceptance to Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: "I move the Board of Trustees approve the Full Board Minutes of August 22, 2022.

PURPOSE

To ensure accuracy of the monthly minutes.

BACKGROUND

Minutes are brought forward every month for approval.

IMPLICATIONS

Financial: N/A

Strategic Goal #1: Strategic Goal #5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

Human Resources: N/A

Attachments

1. Minutes of 8/22/22

**College of the Mainland Board of Trustees
Minutes of Monday, August 22, 2022
1:30 p.m., Doyle Family Administration Building**

Call to Order

Bill McGarvey called the meeting to order at 1:30 p.m.

Pledge of Allegiance (American Flag), Texas Pledge & a Moment of Silence

Roll Call & Determination of Quorum

Roll call indicated that all Trustees were present.

Minutes

Consideration of and Possible Action to Approve the Full Board Minutes of Monday, July 25, 2022

Alan Waters moved for approval of the Full Board Minutes of Monday, July 25, 2022. Verna Henson seconded the motion; all voted in approval.

Comments from the Community

There were no comments this month.

Constituent Leader Activity Reports

Faculty Senate – Dr. Elaine Childs, Faculty Senate President, updated the Board on faculty activities.

Student Government Association – Paloma Ayala, SGA President, updated the Board on student activities.

Elizabeth Urban, Student Life Specialist, updated the Board on Student Life activities.

Consideration of and Possible Action to Approve the Revisions to COM Local Policies CFE; CIA; DHB; ECC; EDA; EGC and the Addition of DHA

Don Gartman moved the Board of Trustees approve the revisions to COM Local Policies CFE; CIA; DHB; ECC; EDA; EGC; and the addition of DHA. Alan Waters seconded the motion; all voted in approval.

Human Resources Items

Appointment Nominations

Consideration of and Possible Action on the Appointment Nomination of Lara Duhon to the Position of Grant Writer, COM Foundation & Resource Development Department

Melissa Skipworth moved the Board of Trustees approve the appointment of Lara Duhon to the position of Grant Writer, COM Foundation & Resource Development Department. Alan Waters seconded the motion; all voted in approval.

Consideration of and Possible Action to Approve the Appointment Nomination of Elizabeth Wilson to the Position of Faculty – Process Technology, Process Technology Department

Don Gartman moved the Board of Trustees approve the appointment of Elizabeth Wilson to the position of Faculty – Process Technology, Process Technology Department. Alan Waters seconded the motion; all voted in approval.

Non-Contractual Hiring Report

Alan Waters moved the Board of Trustees accept the Non-Contractual Positions Hiring Report as written. Verna Henson seconded the motion; all voted in approval.

Consideration of and Possible Action to Adopt the Resolution Calling for the Defeasance and Redemption of Certain Outstanding College of the Mainland Limited Tax General Obligation Bonds; Directing the Redemption of Such Bonds; and Containing Other Matters Related Thereto

Don Gartman moved the Board of Trustees adopt the resolution calling for the defeasance and redemption of

certain outstanding College of the Mainland Limited Tax General Obligation Bonds; directing the redemption of such bonds; and containing other matters related thereto. Alan Waters seconded the motion; all voted in approval.

Consideration of and Possible Action to Adopt the College of the Mainland "Fiscal Analysis and Budget" as Presented by the Administration for the Academic/Fiscal Year 2022-2023

Alan Waters moved the Board of Trustees adopt the College of the Mainland "Fiscal Analysis and Budget" as presented by the Administration for Academic/Fiscal Year 2022-2023. Dawn King seconded the motion; all voted in approval.

Consideration of and Possible Action to Set the Date to Adopt the 2023 Tax Rate on Monday, September 26, 2022

Melissa Skipworth moved the Board of Trustees approve to set the date to adopt the 2023 tax rate on September 26, 2022. Alan Waters seconded the motion; all voted in approval.

Consideration of and Possible Action to Propose a Maintenance and Operations Tax Rate of .15142/100 and an Interest and Sinking Rate of .1162/100 for a Total Rate of .26762/100 for the 2023 Tax Year

Alan Waters moved the Board of Trustees propose a maintenance and operations tax rate of .15142/100 and an interest and sinking rate of .1162/100 for a total rate of .26762/100 for the 2023 tax year. Verna Henson seconded the motion; all voted in approval.

Consideration of and Possible Action to Approve the Renewal of Contract 16-21 for the Ellucian Colleague Annual Maintenance Agreement and Services for an Amount Not-to-Exceed \$466,662 to be Paid from FY 2023 Operating Budget

Alan Waters moved the Board of Trustees approve the renewal of contract 16-21 for the Ellucian Colleague annual maintenance agreement and services for an amount not-to-exceed \$466,662 to be paid from FY23 operating budget. Don Gartman seconded the motion; all voted in approval.

Consideration of and Possible Action to Approve Award of Contract 23-02 for Print Services Not-to-Exceed \$660,000 to be Paid from Operating and Ancillary Funds

Dawn King moved the Board of Trustees approve award of contract 23-02 for print services not-to-exceed \$660,000 to be paid from operating and ancillary funds. Alan Waters seconded the motion; all voted in approval.

Consideration of and Possible Action to Approve Award of Contract 23-06 for the Purchase of Dental Equipment and Supplies in an Amount Not-to-Exceed \$197,500 to be Paid from 2018 Bond Funds and Title V Grant Funds

Alan Waters moved the Board of Trustees approve award of contract 23-06 for the purchase of dental equipment and supplies in an amount not-to-exceed \$197,500 to be paid from 2018 Bond funds and Title V Grant funds. Verna Henson seconded the motion; all voted in approval.

Consideration of and Possible Action to Approve Award of Contract 23-07 in an Amount Not-to-Exceed \$418,700 for the Purchase of Simulator Training Equipment to Support Maritime Industry Contract Training Programs and Students in the Expanded Continuing Education Programs to be Paid from the TRUE Grant

Don Gartman moved the Board of Trustees approve award of contract 23-07 in an amount not-to-exceed \$418,700 to be paid from the TRUE Grant to purchase maritime port operations simulator training equipment. Melissa Skipworth seconded the motion; all voted in approval.

Consideration of and Possible Action to Approve the Lease between COM and JMK5 Texas City, LLC for Educational Facilities to be Located at Mainland City Centre

Alan Waters moved the Board of Trustees approve the lease between COM and JMK5 Texas City, LLC for educational facilities to be located at Mainland City Centre. Don Gartman seconded the motion; all voted in approval. **Note:** Kyle Dickson recused himself from this item.

Consideration of and Possible Action to Accept the Workers' Compensation & Unemployment Insurance Renewal Proposal from TASB Risk Management in the Amount of \$128,622 & \$60,798 Respectively

Don Gartman moved the Board of Trustees accept the Workers' Compensation & Unemployment Insurance Renewal Proposal from TASB Risk Management in the amount of \$128,622 & \$60,798, respectively. Verna Henson seconded the motion; all voted in approval.

Consideration of and Possible Action to Extend Contract 18-07 Awarded to Weaver & Tidwell for Internal Audit Services Not-to-Exceed \$600,000 to be Paid from Operating Funds

Don Gartman moved the Board of Trustees extend contract 18-07 awarded to Weaver & Tidwell for internal audit services not-to-exceed \$600,000 to be paid from operating funds. Alan Waters seconded the motion; all voted in approval.

Consideration of and Possible Action to Approve Award of Contract 23-04 for Turnkey Catering/Food Services Not-to-Exceed \$250,000 to be Paid from Standard Operations and Various Ancillary Funds

Melissa Skipworth moved the Board of Trustees approve award of contract 23-04 for turnkey catering/food services not-to-exceed \$250,000 to be paid from standard operations and various ancillary funds. Verna Henson seconded the motion; all voted in approval.

Consideration of and Possible Action to Renew Contract 20-01 to IQS in an Amount Not-to-Exceed \$988,500 per Year to be Paid from FY 2023 Operating Budget

Alan Waters moved the Board of Trustees renew contract 20-01 to IQS in an amount not-to-exceed \$988,500 per year to be paid from FY 2023 operating budget. Don Gartman seconded the motion; all voted in approval.

Financial Report(s)

Consideration of and Possible Acceptance of the July 2022 Investment and the July 2022 Financial Reports

Melissa Skipworth moved the Board of Trustees accept the July 2022 Investment and Financial Reports. Don Gartman seconded the motion; all voted in approval.

Board Report

Melissa Skipworth – Red, White & Bayou – Dickinson, 12:00 p.m. Saturday. COM will have a table staffed by Continuing Education. Santa Fe Chamber will host a Public Servant Luncheon on Wednesday, September 14th.

Dawn King thanked COM for their generosity to the Dickinson's Softball Association. County Park was without lights and not able to pay for maintenance. Dr. Nichols donated \$2,500 for the lights if it could be matched; \$10,000 was raised.

President's Report

Updates

Enrollment Report – Dr. Helen Brewer updated the BOT on 2022 Fall enrollment.

Reminders/Announcements

Board Meetings

September 2022 – Monday, September 26th, 1:30 p.m.

October 2022 – Monday, October 24th, 1:30 p.m.

December 2022 – Tuesday, December 6th, 1:30 PM

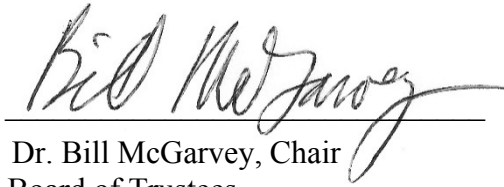
Fall Graduation – Saturday, December 10th

Resignations and Retirement Report – included in the board packet.

Adjournment at 2:37 p.m.

Handwritten signature of Melissa Skipworth in blue ink, written over a horizontal line.

Melissa Skipworth, Secretary
Board of Trustees

Handwritten signature of Dr. Bill McGarvey in black ink, written over a horizontal line.

Dr. Bill McGarvey, Chair
Board of Trustees

Comments from the Community

A citizen desiring to appear before the Board of Trustees shall complete a Public Comment Request Form indicating the topic about which they wish to speak which shall be filed with the Board Clerk ten (10) minutes prior to the start of the meeting. Time allotted each citizen or organization shall be limited to five minutes. The total time for hearing of citizens shall be no more than 60 minutes at any one meeting. Presentation of matters concerning a complaint or charge against a College District employee or officer will be heard in closed session unless the individual who is the subject of the change or complaint requests a public hearing.

We appreciate your concerns. If the matter(s) you raise are not included on the board agenda, state law, specifically the Texas Open Meetings Act, prohibits the Board from discussing, commenting on or taking action on these issues at this board meeting. Thank you.



PRESIDENT'S OFFICE

Constituents Leader Activity Reports

A. Faculty Senate - Dr. Elaine Childs

B. Student Government Association – Paloma Ayala, SGA
President



PRESIDENT'S OFFICE

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation to Adopt Plan 2 for Redistricting

AGENDA ITEM DESCRIPTION:

Consideration and possible action to adopt a new, proposed redistricting plan based on the 2020 U.S. Census, pending public hearing and subsequent final action.

PURPOSE:

To set forth a proposed redistricting plan to address imbalance in single member districts as found in the 2020 U.S. Census.

PROPOSED MOTION:

Suggested motion: *“I move that the Board of Trustees adopt Plan 2 for redistricting presented by the Administration as the Board’s new, proposed redistricting plan.”*

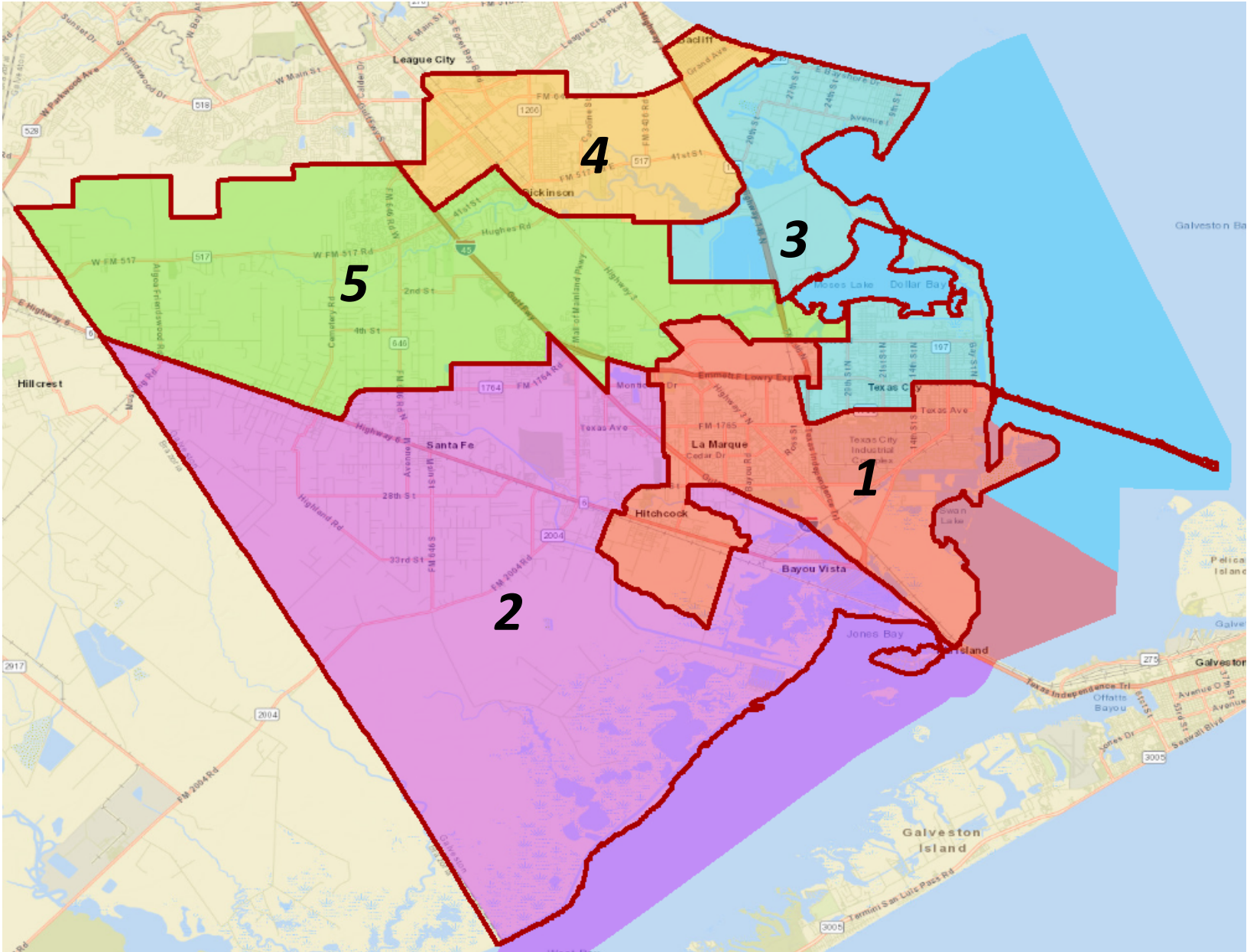
BACKGROUND

As the 2020 U.S. Census indicates that the population of the most populous single-member trustee district (District 5) exceeds the population of the least populous districts (Districts 1 and 3) by more than 10 percent, the Board of Trustees must redistrict to eliminate the imbalance, consistent with the criteria adopted by the Board. At its meeting on July 25, 2022, the Board adopted Plan 1 as its proposed redistricting plan. Subsequently, it was discovered that the plan did not specifically account for the imbalance in District 3. Plan 2 addresses the imbalance between District 5 and both 1 and 3.

ATTACHMENTS:

1. PowerPoint to be presented by the Administration showing population imbalance based on the 2020 Census, along with Plan 2 (new, proposed redistricting plan).

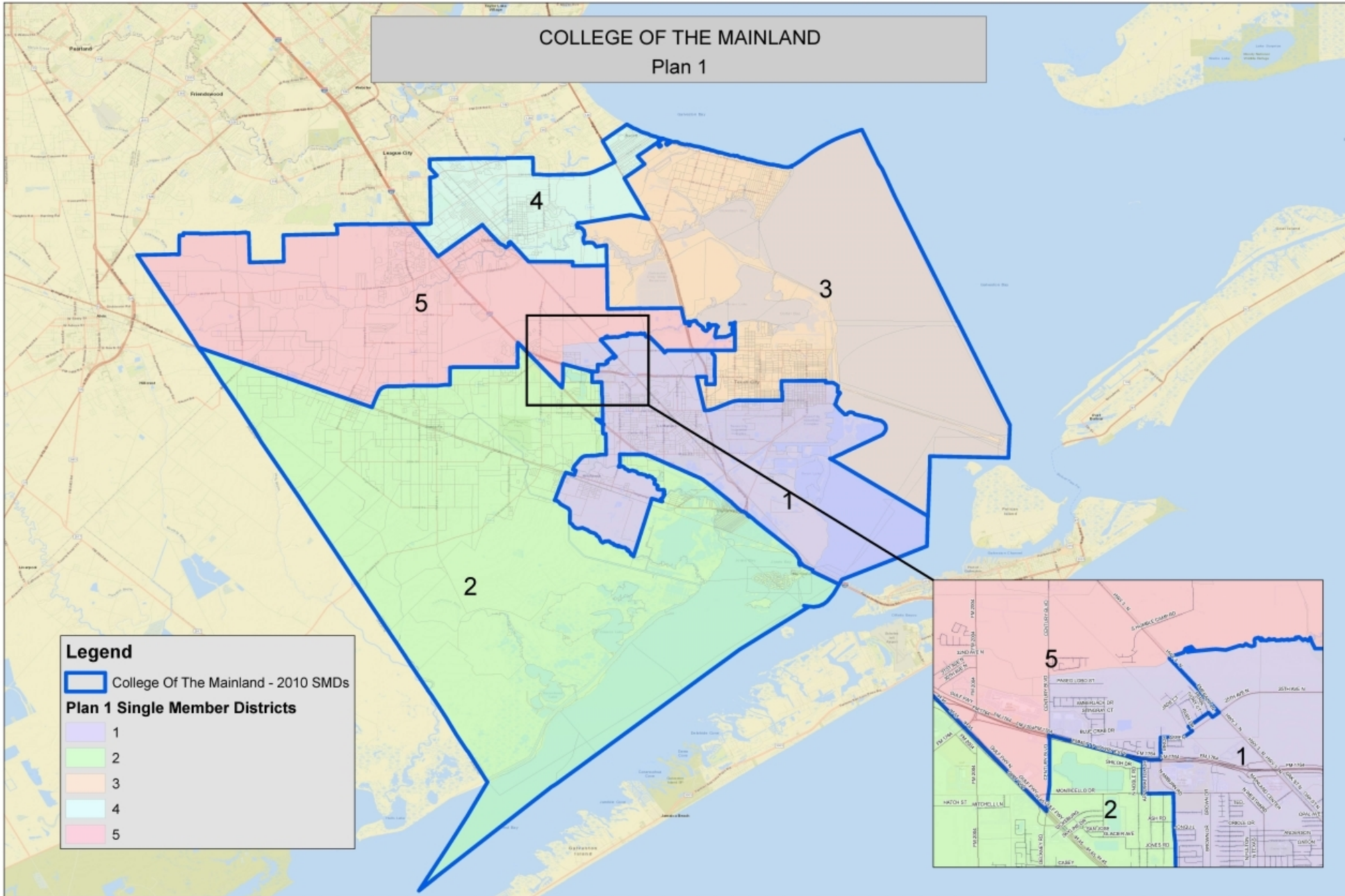
College of the Mainland
2010 Single Member Districts (as shown in Galveston County file)



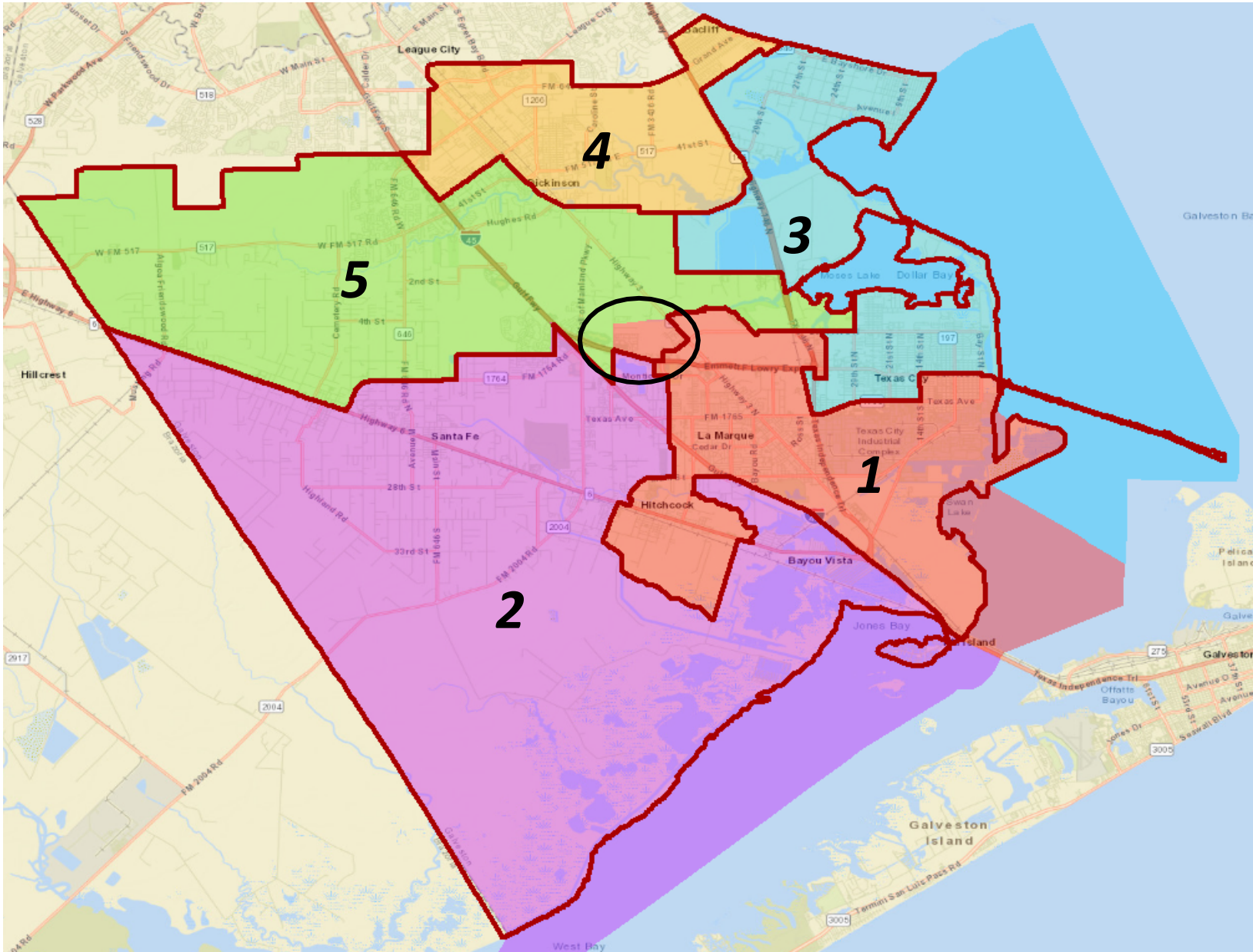
— Current Boundary

College of the Mainland
2010 Single Member Districts with 2020 Census Data

COLLEGE OF THE MAINLAND												
2020 CENSUS TOTALS - CURRENT DISTRICT BOUNDARIES												
Trustee District	TOTAL POPULATION						TOTAL POPULATION PERCENTAGES					
	Anglo	Asian	Black	Hispanic	Other	Total	Anglo	Asian	Black	Hispanic	Other	Total
1	6,924	200	13,090	8,084	1,024	29,322	23.6%	0.7%	44.6%	27.6%	3.5%	100.0%
2	21,850	387	2,996	6,844	1,418	33,495	65.2%	1.2%	8.9%	20.4%	4.2%	100.0%
3	14,614	396	3,530	10,796	1,335	30,671	47.6%	1.3%	11.5%	35.2%	4.4%	100.0%
4	13,861	712	3,445	13,115	1,354	32,487	42.7%	2.2%	10.6%	40.4%	4.2%	100.0%
5	20,568	1,371	4,641	9,594	1,671	37,845	54.3%	3.6%	12.3%	25.4%	4.4%	100.0%
TOTALS	77,817	3,066	27,702	48,433	6,802	163,820	47.5%	1.9%	16.9%	29.6%	4.2%	100.0%
			5 DIST AVG	32,764		29.1% Percent Differential *						
Trustee District	VOTING AGE POPULATION (VAP) PERCENTAGES						CITIZEN VOTING AGE POPULATION (CVAP) PERCENTAGES					
	Anglo	Asian	Black	Hispanic	Other	Total	Anglo	Asian	Black	Hispanic	Other	Total
1	26.4%	0.8%	45.2%	24.7%	3.0%	100.0%	27.9%	0.8%	48.9%	20.4%	2.0%	100%
2	68.1%	1.2%	8.6%	17.9%	4.1%	100.0%	75.2%	1.2%	7.6%	14.8%	1.1%	100%
3	52.5%	1.4%	10.9%	31.4%	3.8%	100.0%	57.4%	1.2%	13.3%	25.8%	2.2%	100%
4	48.0%	2.5%	10.5%	35.1%	3.8%	100.0%	61.9%	3.4%	10.3%	22.9%	1.5%	100%
5	58.0%	3.9%	11.6%	22.5%	3.9%	100.0%	70.7%	3.0%	8.1%	14.8%	3.4%	100%
TOTALS	51.6%	2.1%	16.6%	26.1%	3.7%	100.0%	59.6%	1.9%	16.9%	19.5%	2.1%	100.0%
SOURCE: Total Population and Voting Age Population summarized from 2020 Census PL 94-171 Redistricting Data at the block level.												
Citizen Voting Age Population data was extrapolated from 2020 Block Group Data using the 2015-2019 American Community Survey												



College of the Mainland
Plan 1 with Current Boundaries for SMD 3&4



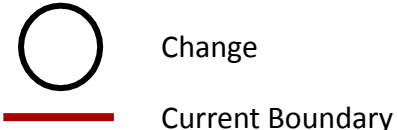
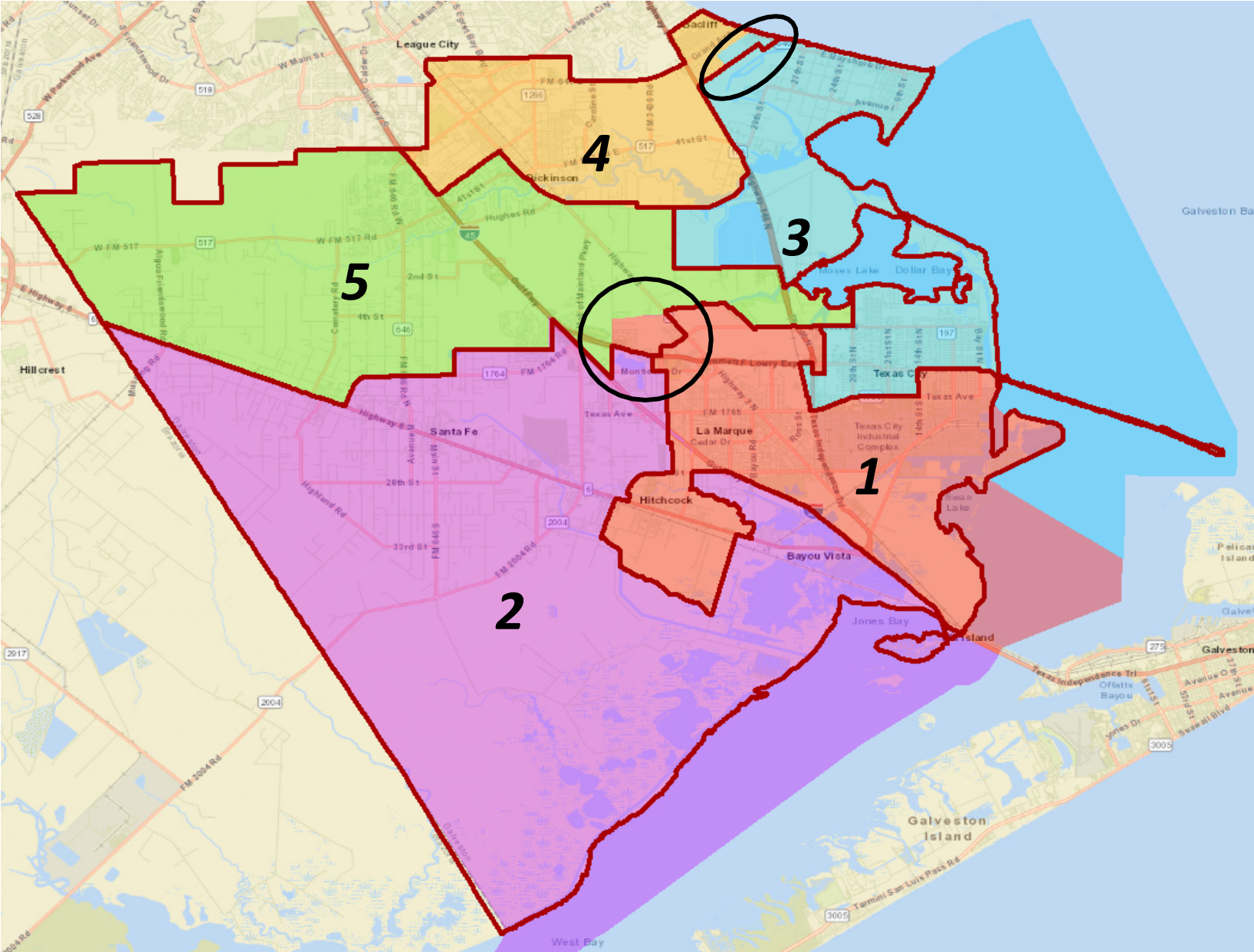
○ Change
— Current Boundary

College of the Mainland
Plan 1, with Current Boundaries for SMD 3&4

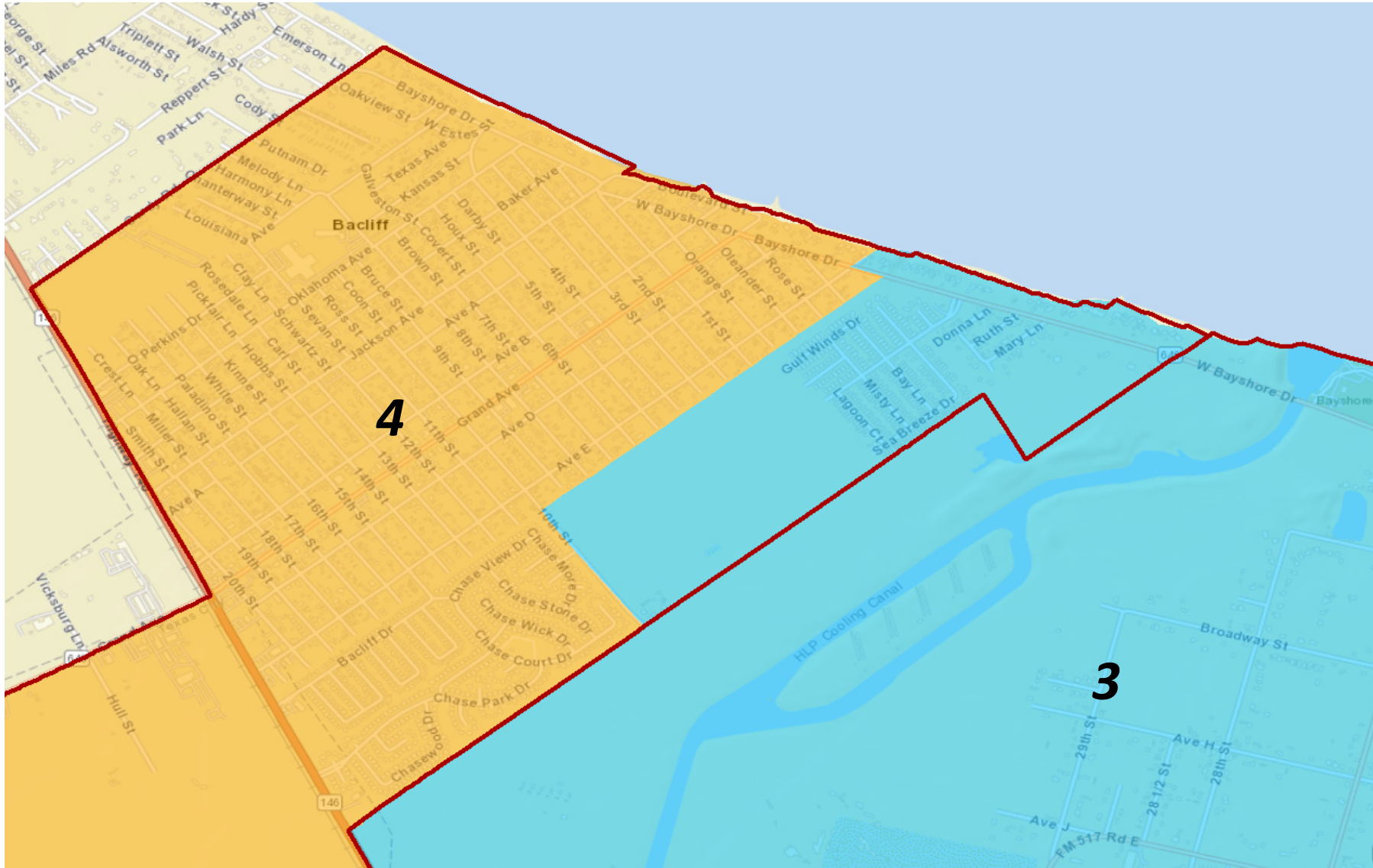
COLLEGE OF THE MAINLAND												
2020 CENSUS TOTALS - PLAN 1 CORRECTED												
Trustee District	TOTAL POPULATION						TOTAL POPULATION PERCENTAGES					
	Anglo	Asian	Black	Hispanic	Other	Total	Anglo	Asian	Black	Hispanic	Other	Total
1	8,362	291	14,007	9,188	1,196	33,044	25.3%	0.9%	42.4%	27.8%	3.6%	100.0%
2	21,850	387	2,996	6,844	1,418	33,495	65.2%	1.2%	8.9%	20.4%	4.2%	100.0%
3	14,614	396	3,530	10,796	1,335	30,671	47.6%	1.3%	11.5%	35.2%	4.4%	100.0%
4	13,861	712	3,445	13,115	1,354	32,487	42.7%	2.2%	10.6%	40.4%	4.2%	100.0%
5	19,130	1,280	3,724	8,490	1,499	34,123	56.1%	3.8%	10.9%	24.9%	4.4%	100.0%
TOTALS	77,817	3,066	27,702	48,433	6,802	163,820	47.5%	1.9%	16.9%	29.6%	4.2%	100.0%
			5 DIST AVG	32,764		11.3% Percent Differential *						
Trustee District	VOTING AGE POPULATION (VAP) PERCENTAGES						CITIZEN VOTING AGE POPULATION (CVAP) PERCENTAGES					
	Anglo	Asian	Black	Hispanic	Other	Total	Anglo	Asian	Black	Hispanic	Other	Total
1	28.2%	1.0%	42.8%	24.9%	3.1%	100.0%	29.8%	0.8%	47.0%	20.3%	2.1%	100%
2	68.1%	1.2%	8.6%	17.9%	4.1%	100.0%	75.2%	1.2%	7.6%	14.8%	1.1%	100%
3	52.5%	1.4%	10.9%	31.4%	3.8%	100.0%	57.4%	1.2%	13.3%	25.8%	2.2%	100%
4	48.0%	2.5%	10.5%	35.1%	3.8%	100.0%	61.9%	3.4%	10.3%	22.9%	1.5%	100%
5	59.6%	4.1%	10.4%	22.0%	3.9%	100.0%	71.2%	3.1%	7.7%	14.6%	3.5%	100%
TOTALS	51.6%	2.1%	16.6%	26.1%	3.7%	100.0%	59.6%	1.9%	16.9%	19.5%	2.1%	100%
SOURCE: Total Population and Voting Age Population summarized from 2020 Census PL 94-171 Redistricting Data at the block level.												
Citizen Voting Age Population data was extrapolated from 2020 Block Group Data using the 2015-2019 American Community Survey												

College of the Mainland

Plan 2

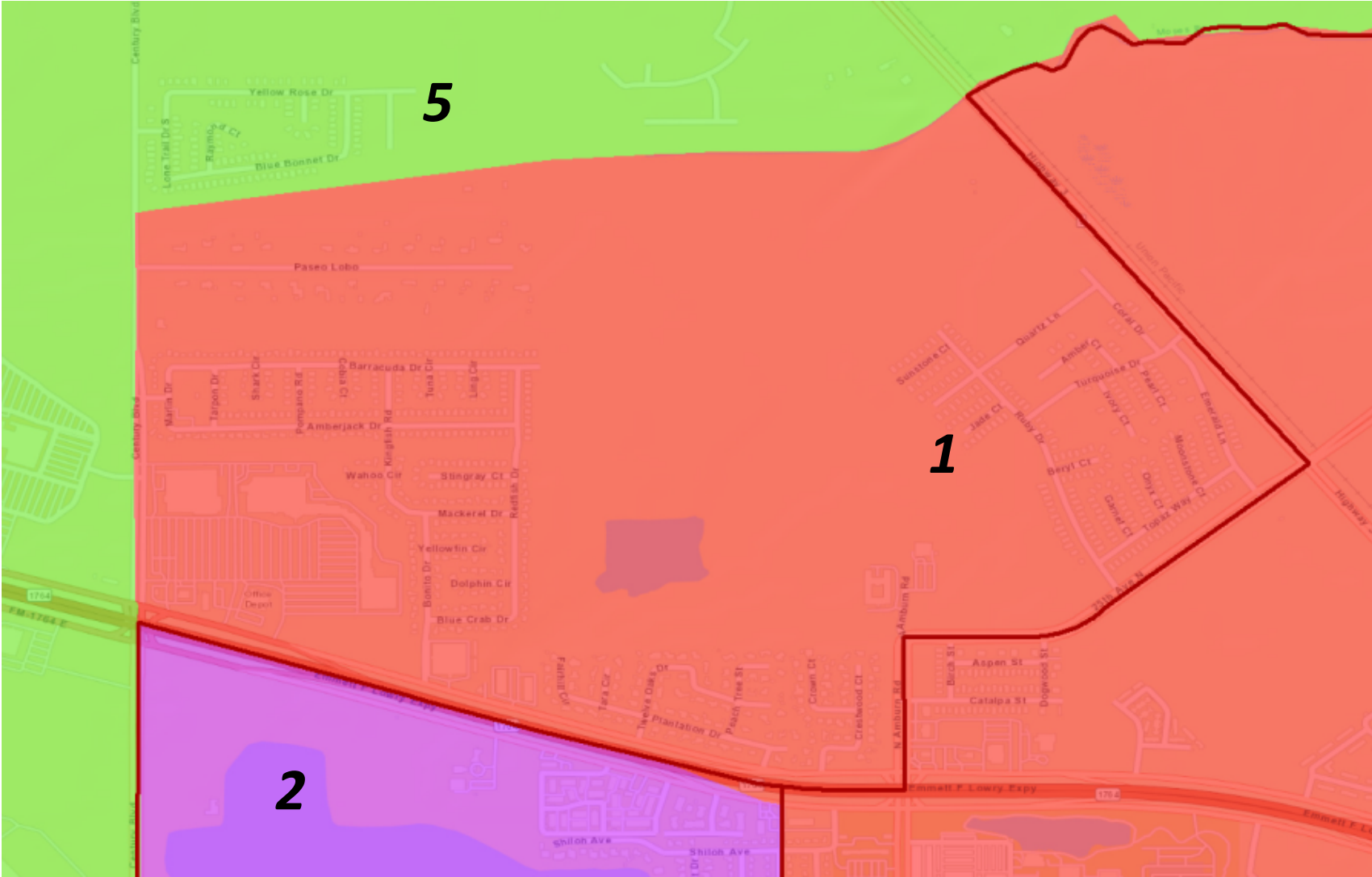


College of the Mainland
Plan 2, Change in Boundary SMD 3&4



— Current Boundary

College of the Mainland
Plan 2, Change in Boundary SMD 1&5 (as in Plan 1)



College of the Mainland
Plan 2

COLLEGE OF THE MAINLAND													
2020 CENSUS TOTALS - PLAN 2													
Trustee District	TOTAL POPULATION						TOTAL POPULATION PERCENTAGES						
	Anglo	Asian	Black	Hispanic	Other	Total	Anglo	Asian	Black	Hispanic	Other	Total	
1	8,362	291	14,007	9,188	1,196	33,044	25.3%	0.9%	42.4%	27.8%	3.6%	100.0%	
2	21,850	387	2,996	6,844	1,418	33,495	65.2%	1.2%	8.9%	20.4%	4.2%	100.0%	
3	15,158	416	3,635	10,997	1,373	31,579	48.0%	1.3%	11.5%	34.8%	4.3%	100.0%	
4	13,317	692	3,340	12,914	1,316	31,579	42.2%	2.2%	10.6%	40.9%	4.2%	100.0%	
5	19,130	1,280	3,724	8,490	1,499	34,123	56.1%	3.8%	10.9%	24.9%	4.4%	100.0%	
TOTALS	77,817	3,066	27,702	48,433	6,802	163,820	47.5%	1.9%	16.9%	29.6%	4.2%	100.0%	
				5 DIST AVG	32,764		8.1% Percent Differential *						
Trustee District	VOTING AGE POPULATION (VAP) PERCENTAGES						CITIZEN VOTING AGE POPULATION (CVAP) PERCENTAGES						
	Anglo	Asian	Black	Hispanic	Other	Total	Anglo	Asian	Black	Hispanic	Other	Total	
1	28.2%	1.0%	42.8%	24.9%	3.1%	100.0%	29.8%	0.8%	47.0%	20.3%	2.1%	100%	
2	68.1%	1.2%	8.6%	17.9%	4.1%	100.0%	75.2%	1.2%	7.6%	14.8%	1.1%	100%	
3	52.9%	1.5%	10.8%	31.1%	3.8%	100.0%	57.6%	1.2%	13.1%	25.8%	2.2%	100%	
4	47.5%	2.5%	10.6%	35.6%	3.8%	100.0%	61.7%	3.5%	10.4%	22.9%	1.5%	100%	
5	59.6%	4.1%	10.4%	22.0%	3.9%	100.0%	71.2%	3.1%	7.7%	14.6%	3.5%	100%	
TOTALS	51.6%	2.1%	16.6%	26.1%	3.7%	100.0%	59.6%	1.9%	16.9%	19.5%	2.1%	100%	
SOURCE: Total Population and Voting Age Population summarized from 2020 Census PL 94-171 Redistricting Data at the block level.													
Citizen Voting Age Population data was extrapolated from 2020 Block Group Data using the 2015-2019 American Community Survey													



MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Internal Audit Report – Purchasing

Presented for recommended acceptance to Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees Accept the Internal Audit Report on Purchasing, as presented on September 26, 2022.”

PURPOSE

To provide the Board of Trustees with information regarding the Purchasing Internal Audit that was performed, including the procedures performed, results, recommendations for improvement, and management responses.

BACKGROUND

Internal Audit Reports are presented to the Board as they become available for discussion and acceptance.

IMPLICATIONS

Financial: N/A

Strategic Goal #1: N/A

Student Services: N/A

Attachments

1. IA #01-22 Internal Audit Report over Purchasing

College of the Mainland

IA #01-2022 Internal Audit over Purchasing

Report Date: March 31, 2022

Issued: June 29, 2022

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Dr. Warren Nichols
President
College of the Mainland
1200 Amburn Road
Texas City, Texas 77591

This report presents the results of the internal audit procedures performed for College of the Mainland (the College) during the period January 18, 2022 through March 31, 2022 relating to the Purchasing processes of the College.

The objectives of the internal audit were to evaluate the design and effectiveness of College of the Mainland's Purchasing processes as follows:

- A. Determine if internal controls are designed to ensure the effective management, administration, and compliance of Purchasing functions and responsibilities.
- B. Ensure that controls over selected critical processes within the Purchasing processes are operating efficiently, effectively, and resulting in consistent and compliant procedures that meet end user needs.
- C. Ensure that user access to view, process, modify and approve purchasing transactions is restricted to appropriate personnel and that access is periodically reviewed.

To accomplish these objectives, we conducted interviews and walkthroughs with personnel responsible for Purchasing processes within the Purchasing, Business Services and Information Technology (IT) Departments. We also examined existing documentation, evaluated internal controls over the processes, and performed specific testing procedures to assess controls. Our coverage period was from August 1, 2020 through November 30, 2021. Procedures were performed virtually due to the global COVID-19 pandemic and were completed on March 31, 2022.

The following report summarizes the findings identified, risks to the organization, recommendations for improvement and management's responses.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Houston, Texas
March 31, 2022

Weaver and Tidwell, L.L.P.
4400 Post Oak Pkwy, Suite 1100 / Houston, Texas 77027
Main: 713.850.8787

CPAs AND ADVISORS | WEAVER.COM

College of the Mainland

Internal Audit Report over Purchasing

March 31, 2022
Issued: June 29, 2022

Background

The Purchasing Department (Department) at College of the Mainland (the College) is responsible for managing the purchasing functions and assisting departments throughout the College in identifying the most efficient and effective purchasing methods within the requirements set forth by the State of Texas. Through the Department's mission, procurement best practices are utilized to obtain the best value in the acquisition of goods and services to support the overall mission and objectives of the College.

The Purchasing Department functions performed include assisting departments in procuring routine and unique items needed for the various academic and operational activities that are performed throughout the year, which include the processing of purchase requisitions, initiating formal and informal purchases, performing vendor selection and awards, contract negotiations and approval, setting up vendors in Colleague, processing purchase orders and conducting vendor monitoring and reporting.

Buyers within the Purchasing Department assist departments with researching purchasing options and ensuring their needs are met so a purchase order can be released to the vendor in a timely manner. Purchasing also provides departments with information on available vendors and contract purchasing sources, such as Cooperative and Interlocal Purchasing Agreements, which are managed and communicated to College purchasers in an effort to leverage purchasing power and reduce overall costs to the College.

Audit Objective and Scope

The audit focused on the centralized and decentralized Purchasing processes performed within the Purchasing Department and throughout the College. We reviewed the procedures in place for appropriate risk and regulatory coverage and compliance to ensure efficient and effective processes. The scope included an evaluation of the processes currently in practice covering the activities within the key areas, including:

- Purchase Initiation and Approval
- Formal Procurement Activities (Bidding and RFPs)
- Informal Procurement Activities, including Interlocal and Cooperative Agreement Purchases
- Sourcing, including Construction Sourcing
- Contract Negotiation and Approval
- Contract and Vendor Monitoring
- Vendor Acceptance, Set-Up, and Maintenance

Our procedures were designed to ensure relevant risks were covered and verified the following:

Purchase Initiation and Approval

- Budgets were verified, including funds encumbered, prior to purchase requisition approval
- Purchases were within buyer limits
- Items requested for purchase were correct and accurate
- Segregation of duties existed in the initiation and approval of purchase requests
- Purchase requisitions were properly approved prior to initiating procurement activities

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Formal Procurement Activities (Bidding and RFPs)

- An appropriate procurement process was used for the type and value of the purchase
- Scope of work descriptions contained specific but not restrictive deliverables and timeframes
- Qualified vendors were identified and notified
- Vendor bids/proposals contained all required documentation
- Conflicts of interest were identified and avoided
- Best value for the College's formal procurements were identified and selected

Informal Procurement Activities, including Interlocal and Cooperative Agreement Purchases

- Small or micro purchases were procured from reputable and approved vendors from the vendor master file
- Vendors used through Interlocal and Cooperative Agreements were qualified to meet College requirements and were procured competitively and appropriately
- Interlocal and Cooperative Agreement purchases were evaluated for best value
- Interlocal and Cooperative Agreement contracts were current and have an appropriate term and duration
- Interlocal and Cooperative contracts were properly reviewed and approved

Sourcing, including Construction Sourcing

- Multiple vendors providing similar products or services were identified, reviewed, and eliminated
- Consolidated purchasing was utilized for similar purchases
- Sole-source and single source purchases were limited and received pre-approval
- Emergency purchases were limited and obtained proper approvals prior to initiation
- Vendors were selected based on defined criteria
- Appropriate evaluators were selected based on the nature of the purchasing
- Responses were evaluated consistently against defined and established criteria

Contract Negotiation and Approval

- Contract provisions to protect the College and limit liability were included in vendor contracts
- Buying agreements and negotiated discounts with vendors were appropriately reviewed and approved by management
- Vendor discounts were effectively communicated to all departments
- College vendors charged competitive market rates
- Contract changes or modifications were approved
- Contract information in Colleague was accurate (i.e. rates, amounts, descriptions, etc.)
- Multiyear contracts were appropriately handled and monitored
- Contract renewals or extensions were properly evaluated and approved
- Contract renewals were initiated before an existing contract expires
- Vendors provided sufficient proof of insurance to cover increases in contract amounts

Contract and Vendor Monitoring

- Aggregate spending with non-contract vendors was monitored
- Serial, sequential or split purchasing were evaluated and detected
- Vendors paid their fees as required by contract terms
- Vendors complied with all terms and conditions of the contract or other purchasing method, including Interlocal and Cooperative contracts
- Purchase reporting to Cooperative contracts, if necessary, was performed timely
- Vendor rebates or reimbursements were received in a timely manner.
- Vendor evaluations were completed and communicated to Purchasing personnel
- Active vendors were periodically reviewed for stability and financial viability

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Vendor Acceptance, Set-Up and Maintenance

- New vendors were properly authorized for entry into the system and the data was entered accurately into the system prior to vendors being utilized
- Access to setup new vendors and modify sensitive vendor information was properly safeguarded
- Changes to the vendor master file were appropriately authorized
- Fictitious or duplicate vendors were prevented
- A complete, accurate and approved list of vendors was maintained
- Inactive and duplicate vendors were removed from the vendor master file timely

The scope of the audit did not include the following Purchasing processes/subprocesses:

- Accounts Payable and Cash Disbursements
- Purchasing Cards
- Construction Management
- Inventory Control
- Mail Operations

Our procedures included interviewing key personnel within the College's Purchasing, Business Office, and Information Technology Departments to gain an understanding of the current processes in place, examining existing documentation, performing walkthroughs and evaluating the internal controls over the process. Our coverage period was from August 1, 2020 through November 30, 2021.

The objectives of this internal audit were as follows:

- A. Determine if internal controls are designed to ensure the effective management, administration, and compliance of Purchasing functions and responsibilities.
- B. Ensure that controls over selected critical processes within the Purchasing processes are operating efficiently, effectively, and resulting in consistent and compliant procedures that meet end user needs.
- C. Ensure that user access to view, process, modify and approve purchasing transactions is restricted to appropriate personnel and that access is periodically reviewed.

Executive Summary

Through our interviews, evaluation of internal control design and testing of transactions, we identified 4 findings. The listing of findings include those items that have been identified and are considered to be non-compliance issues with documented College of the Mainland policies and procedures, rules and regulations required by law, or where there is a lack of procedures or internal controls in place to cover risks to the College. These issues could have significant financial or operational implications.

A summary of our results, by audit objective, is provided in the table below. *See the Appendix for an overview of the Assessment and Risk Ratings.*

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Overall Assessment		Satisfactory
Scope Area	Result	Rating
<p>Objective A: Determine if internal controls are designed to ensure the effective management, administration, and compliance of Purchasing functions and responsibilities.</p>	<p>We identified 50 controls in place in the Purchasing processes. However, there are opportunities to strengthen the processes and control environment including:</p> <ul style="list-style-type: none"> • Pursue the approval for the hiring of an additional full-time resource(s) to assist in managing the current loads of tasks and assisting in the execution of new initiatives. • Update their current Purchasing policies and procedures to include the process of selecting the Evaluation Committees for evaluating formal procurements. • Implement an audit trail in Colleague to monitor and track changes to vendor files and formalize a vendor database maintenance process • Establish and implement a formal vendor performance evaluation process 	<p>Satisfactory</p>
<p>Objective B: Ensure that controls over selected critical processes within the Purchasing processes are operating efficiently, effectively, and resulting in consistent and compliant procedures that meet end user needs.</p>	<p>Controls are in place and are operating effectively, efficiently and resulting in consistent and compliant procedures that meet end user needs.</p>	<p>Strong</p>
<p>Objective C: Ensure that user access to view, process, modify and approve purchasing transactions is restricted to appropriate personnel and that access is periodically reviewed.</p>	<p>Controls are in place and effective in restricting user access.</p>	<p>Strong</p>

Other opportunities for improvement were identified through our interviews, evaluation of internal control design and transactional testing. These observations include those items that are not considered to be non-compliance issues with documented College policies and procedures. These are considered process improvement observations and the intent for the recommendations are to strengthen current College processes and controls. These observations were provided to management separately.

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Conclusion

Based on our evaluation, the Purchasing processes have procedures and controls in place designed to mitigate risks within the significant processes. However, we identified opportunities to strengthen the processes and effectiveness of controls within the Purchasing, Business Office, and IT Departments.

Most significantly, we recommend that the Purchasing Department coordinate with the IT Department and the vendor Banner to configure an audit trail within the Colleague System that allows for the tracking and monitoring of vendor changes. The vendor mast files should also be evaluated on a periodic basis to remove duplicates, inactive or incomplete vendors.

Additionally, the Purchasing Department should establish and implement a formal process to evaluate vendor performance on a routine basis. The vendor performance evaluations should consider vendor performance over the contract term, quality of goods or service, business stability, and financial viability and be evaluated prior to selecting a vendor.

Additionally, we recommend that the Purchasing Department update their current Purchasing policies and procedures to include the process for selecting the Evaluation Committees responsible for evaluating formal procurements that are solicited from multiple vendors. The enhanced policies and procedures should identify the make-up of the committee along with an approval process of the committee prior to evaluating submitted proposals and bids.

Lastly, we recommend that the Purchasing Department pursue the approval for hiring an additional full-time resource(s) to ensure proper capacity to manage procurement volume and allow the Purchasing function to focus on strategic initiatives to modernize the purchasing processes for the College.

**Detailed Procedures Performed, Findings,
Recommendations and Management
Response**

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Detailed Procedures Performed, Findings, Recommendations and Management Response

Our procedures included interviewing key personnel within Purchasing, Business Office, and Information Technology Departments to gain an understanding of the current processes in place, examining existing documentation, evaluating the internal controls over the process, and testing the effectiveness of the controls in place.

Objective A: Design of Internal Controls

Determine if internal controls are designed to ensure the effective management, administration, and compliance of Purchasing functions and responsibilities.

Procedures Performed: We gained an understanding of the current Purchasing processes by conducting interviews and walkthroughs with key personnel within the Purchasing, Business Office, and Information Technology Departments and examined existing documentation to gain an understanding of the current Purchasing processes from purchase initiation and approval, through vendor acceptance, set-up and maintenance. We documented our understanding of the process in a bullet point format, identifying controls over the following critical sub processes:

- Purchase Initiation and Approval
- Formal Procurement Activities (Bidding and RFPs)
- Informal Procurement Activities, including Interlocal and Cooperative Agreement Purchases
- Sourcing, including Construction Sourcing
- Contract Negotiation and Approval
- Contract and Vendor Monitoring
- Vendor Acceptance, Set-Up, and Maintenance

We evaluated whether the identified internal controls are sufficiently designed to comply with College policies and procedures and mitigate the critical risks associated with the Purchasing cycle. We identified any unacceptable risk exposures due to control gaps in the existing control structure as well as opportunities to strengthen the effectiveness and efficiency of the existing procedures. Additionally, we evaluated the existing control design to verify that College processes are designed to ensure compliance with relevant guidance and regulations.

Results: We identified 65 total controls in place (50 unique internal controls) over the significant activities within the Purchasing processes. We identified four areas for improvement that should be made in the processes, policies and procedures.

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Process Area	Control Coverage	Findings
Purchasing Processes		
Purchasing Initiation and Approval	6	Finding 01
Formal Procurement Activities (Bidding and RFPs)	11	-
Informal Procurement Activities, including Interlocal and Cooperative Agreement Purchases	7	-
Sourcing, including Construction Sourcing	8	Finding 02
Contract Negotiation and Approval	20	-
Contract and Vendor Monitoring	3	-
Vendor Acceptance, Set-Up and Maintenance	10	Finding 03, 04
Total	64	

Duplicate Control: The total number of controls identified is 50. However, based on their design, controls address risks in multiple processes. We have mapped the 50 identified controls to the processes in which they mitigate the risks within the processes

Finding 01 – MODERATE – Limited Staff Resources: The current structure, resources and assignment of responsibilities within the College’s Purchasing team are limited and require the Purchasing Director to often perform buyer functions instead of focusing on strategic initiatives to modernize the purchasing processes, such as moving to paperless processes, automation of transactions, and systematic monitoring of purchasing transactions. The limited resources and current construction initiatives has increased workload and the volume of transactions, which requires additional hours and for the Purchasing Director to perform at a lower level. Although construction projects will be declining, the College’s growth and reliance on purchasing of new and modern equipment will be required in the future.

Recommendation: We recommend that the Purchasing Department pursue the approval for the hiring of an additional full-time resource(s) to assist in managing the current loads of tasks and assisting in the execution of new initiatives. Transactional and operational duties currently being performed by the Purchasing Director should be distributed among the new hire and the current Purchasing staff. This new position will help ensure proper capacity to maintain demand and allow the Purchasing Director to carry out the strategic duties of her position to manage and monitor purchasing activity of the College more effectively.

Management’s Response: A request for funding has been submitted to VP of Fiscal Affairs to include in the in the upcoming 22-23 Fiscal Year budget recommendation to the Board of Trustees for approval. A full-time Purchasing Assistant position will be posted upon approval of the new fiscal year budget by the Board.

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Responsible Party: Sonja Blinka, Director of Purchasing
Implementation Date: September 1, 2022

Finding 02 – LOW - Evaluation Committee Selection: The Evaluation Committee selection process for evaluating formal procurements has not been formally defined nor documented within the College's procedural documentation. Although the College does ensure an evaluation committee is selected and includes appropriate personnel to evaluate proposals, the process for selecting the committees to ensure appropriate make-up is not formally defined and documented.

Recommendation: We recommend that the Purchasing Department update their current Purchasing policies and procedures to include the process of selecting the Evaluation Committees for evaluating formal procurements. The procedure should identify the make-up and approval process of the committee prior to evaluating proposals and bids.

Management's Response: The Director of Purchasing contacted other community college Purchasing organizations for a best practice as well as other public purchasing organizations. The procedure will be updated to include details on how evaluation committee members shall be selected based on subject matter experts competencies and other stakeholder interest.

Responsible Party: Sonja Blinka, Director of Purchasing
Implementation Date: December 31, 2022

Finding 03 – MODERATE – Vendor Master File and Audit Trail for Vendors Information Changes: The College does not have an established mechanism to identify and alert on all vendors changes performed. Additionally, there is no audit trail of the changes made to a vendor file. Once vendor information has been edited in Colleague, the system overrides the data and College does not have the ability to evaluate the change for appropriateness.

Furthermore, the College does not have formal and consistent procedures for evaluating, updating, and maintaining the Vendor Master File within Colleague to remove duplicate, inactive or incomplete vendors. Although the College has performed clean-up procedures in the past and during the audit period, the process is not performed consistently on a regularly scheduled basis.

We obtained the vendor database and evaluated the vendor population within Colleague for duplicate and dormant vendor accounts. We identified that 2 of the 1,778 vendors within COM's Vendor Master File were duplicate vendors. Both vendors were originally set up in the system without any reference to an EIN#, resulting in the system not recognizing them and alerting the COM Purchasing staff that they were duplicates.

Recommendation: We recommend that the Purchasing Department coordinate with the IT department to determine if Colleague allows for an audit trail to be turned on to track vendor changes. The audit trail functionality can be leveraged to monitor and track changes made to vendors on a frequent basis through the running and evaluating of change reports. The change reports should be reviewed and validate by the Purchasing Director for appropriateness. The change reports should identify the change made along with user that made the change.

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Additionally, we recommend that the Business Office establish a formal vendor maintenance process to review and analyze the vendor listing annually, which will include identifying and removing vendors that are inactive or duplicate. The vendor maintenance process performed and the results of the analysis should be documented and maintained in the College's records.

Management's Response: The Purchasing department has begun coordinating with IT and the Business Office regarding the possible need to request an update or customize the Colleague software to report out the vendor changes upon request and be reviewed and validated as recommended. Additionally, the Business Office has implemented procedures for the annual review and deactivation of duplicate or inactive vendors. A "Review Vendor List" calendar reminder has been added to the Controller's Calendar for 9/1/22 and 9/5/23, with additional annual dates to be added in the future.

Responsible Party: Sonja Blinka, Director of Purchasing, Trudy Trochesset, Controller, and Ron LeVick, Chief Information Office

Implementation Date: September 1, 2023 (for systematic solution)

Finding 04 – MODERATE - Vendor Performance Monitoring: The College does not have a formal and established process to routinely evaluate vendors, their performance, and to suspend vendors when necessary. Complaints received by the Purchasing Department are typically informally received and are generally themed around misunderstandings or miscommunications and not from a vendor being inadequate or failing to meet the contracts terms and conditions that would result in suspension or disbarment. However, the vendor complaints and any action taken are not formally documented or included in the Colleges records for future review and evaluation.

Recommendation: We recommend that the Purchasing Department establish and implement a formal process to evaluate vendors and their performances on a routine basis. The vendor performance evaluation should be completed by the contract managers and provided to Purchasing on a timely basis, typically during or immediately following completion of the contract terms. The evaluations should be stored centrally within the lonwave Contract Management System and referenced when evaluating vendors for potential purchasing opportunities. The vendor performance evaluation should consider vendor performance over the contract term, quality of goods or service, business stability, and financial viability.

Management's Response: The Purchasing Director and staff has requested the lonwave Contract Management Software programmer to consider a new release to include an upgrade with a vendor rating feature (completed by 6/1/2022). Additional research for a product that serves this purpose is underway with research to be complete after start-up of new fiscal year activities (anticipated completion of 10/30/22). It's possible a new software may need purchased and implemented with approval of budget in a new fiscal year (if purchase required, estimated completion date of 4/30/23). Training among campus users and subject matter experts will also need to occur for full implementation and operation of a system (completion of training 9/1/23 - 10/30/23).

Responsible Party: Sonja Blinka, Purchasing Director, Ron LeVick, Chief Information Officer, Trudy Trochesset, Controller

Implementation Date: November 1, 2023

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Objective B: Effectiveness of Internal Controls

Ensure that controls over selected critical processes within the Purchasing processes are operating efficiently, effectively, and resulting in consistent and compliant procedures that meet end user needs.

1. **Procedures Performed:** We selected a sample of 15 purchase orders during the scope period beginning August 1, 2020 through November 30, 2021. For each selected purchase order, we verified the following:
 - The appropriate method of purchase was selected
 - The purchase requisition was appropriately reviewed and approved prior to being processed
 - The purchase requisition approver is different than the purchase order approver
 - The vendor used is an existing and approved vendor
 - The purchase requisition transaction date precedes that of the purchase order
 - The Purchase Order and Purchase Requisition information agree

Results: No findings identified.

2. **Procedures Performed:** We reviewed a sample of 1 bid from the solicitations population during our scope period August 1, 2020 through November 30, 2021 to verify that the College's formal bid process was followed according to College Policies and Procedures and state and local requirements.

Results: No findings identified.

3. **Procedures Performed:** We selected and reviewed 15 informal purchases made utilizing interlocal and cooperative agreements that occurred from August 1, 2020 through November 30, 2021. For each selected purchase, we verified that an active agreement was in place and utilized for the purchase and the purchase was properly reviewed, approved, and processed.

Results: No findings identified.

4. **Procedures Performed:** We reviewed 6 single source / sole source purchases made during the scope period of August 1, 2020 through November 30, 2021. For each sampled purchased, we verified that sole/single source purchases were appropriate, included supporting documentation, and were properly reviewed, approved, and processed.

Results: No findings identified.

5. **Procedures Performed:** We assessed COM's aggregate spend during the scope period of August 1, 2020 through November 30, 2021 to ensure that vendor spending is effectively monitored for aggregate spend, including budget overages, and that any aggregate spend over \$50k has resulted in appropriate contract/bid opportunities for the purchase type.

Results: No findings identified.

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6. **Procedures Performed:** We obtained and reviewed the purchase orders made during the scope period of August 1, 2020 through November 30, 2021 to identify spending outliers that could indicate possible occurrences of split purchases. Any instances identified were reviewed and validated for compliance.

Results: No findings identified

7. **Procedures Performed:** We selected 6 of the single/sole source purchases made during the scope period of August 1, 2020 through November 30, 2021. For each selected purchase, we verified that the appropriate justification was provided by the department and vendor and was reviewed and approved for the sole/single source designation.

Results: No findings identified.

8. **Procedures Performed:** We reviewed the list of all active vendors from September 1, 2018 to January 2022 (for this test, the scope was expanded through discussions with the Business Office to include the date of last occurrence for the vendor purge) to verify that duplicate, inactive and/or expired vendors have been removed from the vendor master file.

Results: No findings identified.

9. **Procedures Performed:** We sampled 15 new vendors entered into the Colleague system during the scope period of August 1, 2020 through November 30, 2021. For each new vendor, we verified that the new vendors were appropriately and accurately set-up within Colleague.

Results: No findings identified.

Objective C: User Access

Ensure that user access to view, process, modify and approve purchasing transactions is restricted to appropriate personnel and that access is periodically reviewed.

1. **Procedures Performed:** We obtained system generated lists of College of the Mainland personnel with access to the Colleague screens utilized within the Purchasing processes.

We evaluated the level and type of access granted to each College of the Mainland personnel within each application to determine if the access to view or make modifications was reasonable and appropriately restricted based on the user's position and job duties. Additionally, we evaluated whether user access within the applications is formally and periodically reviewed to identify users that should be removed or have their access limited or increased based on their job duties and roles.

Results: No findings identified.

Appendix

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The appendix defines the approach and classifications utilized by Internal Audit to assess the residual risk of the area under review, the priority of the findings identified, and the overall assessment of the procedures performed.

Report Ratings

The report rating encompasses the entire scope of the engagement and expresses the aggregate impact of the exceptions identified during our test work on one or more of the following objectives:

- Operating or program objectives and goals conform with those of the College
- College objectives and goals are being met
- The activity under review is functioning in a manner which ensures:
 - Reliability and integrity of financial and operational information
 - Effectiveness and efficiency of operations and programs
 - Safeguarding of assets
 - Compliance with laws, regulations, policies, procedures and contracts

The following ratings are used to articulate the overall magnitude of the impact on the established criteria:

- | | |
|-----------------------|--|
| Strong | The area under review meets the expected level. No high risk rated findings and only a few moderate or low findings were identified. |
| Satisfactory | The area under review does not consistently meet the expected level. Several findings were identified and require routine efforts to correct, but do not significantly impair the control environment. |
| Unsatisfactory | The area under review is weak and frequently falls below expected levels. Numerous findings were identified that require substantial effort to correct. |

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Risk Ratings

Residual risk is the risk derived from the environment after considering the mitigating effect of internal controls. The area under audit has been assessed from a residual risk level utilizing the following risk management classification system.

High

High risk findings have qualitative factors that include, but are not limited to:

- Events that threaten the College's achievement of strategic objectives or continued existence
- Impact of the finding could be felt outside of the College or beyond a single function or department
- Potential material impact to operations or the College's finances
- Remediation requires significant involvement from senior College management

Moderate

Moderate risk findings have qualitative factors that include, but are not limited to:

- Events that could threaten financial or operational objectives of the College
- Impact could be felt outside of the College or across more than one function of the College
- Noticeable and possibly material impact to the operations or finances of the College
- Remediation efforts that will require the direct involvement of functional leader(s)
- May require senior College management to be updated

Low

Low risk findings have qualitative factors that include, but are not limited to:

- Events that do not directly threaten the College's strategic priorities
- Impact is limited to a single function within the College
- Minimal financial or operational impact to the organization
- Require functional leader(s) to be kept updated, or have other controls that help to mitigate the related risk



Board of Trustees Meeting

Internal Audit Status Report

September 26, 2022



Agenda

- FY2022 Internal Audit Plan Status
- FY2022 Completed Internal Audit
 - Purchasing
- FY2022 In-Progress Internal Audit
 - Academics and Curricular Activities
- Other FY2022 Internal Audit Activities
 - Risk Assessment Update
 - Fraud, Waste, and Abuse Hotline Report
- FY2023 & FY2024 Internal Audit Plans

FY 2022 Internal Audit Plan Status



Audit Area	Category (College-Wide, Instructional and Student Services, Operational, or Administration)	Risk Rating	Summary of Procedures	Status
FY 2022 Planned Internal Audits				
Purchasing	Administration	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's purchasing processes. Activities to be evaluated include purchase orders, bidding process and award, interlocal and cooperative agreement purchasing, contract negotiation and approval, vendor management - selection, and vendor acceptance and set-up.	Completed
Academics and Curricular Activities	Instructional and Student Services	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's academics and curricular activities processes. Activities to be evaluated will include university transfer and core curriculum, curriculum standards and development, AAS programs, certificate programs, on-line courses, community theatre, lab scheduling and lab assistants.	In-Progress
Internal Audit Consulting (as requested)	Other		Internal Audit will perform internal audit consulting, including process evaluations, internal control effectiveness reviews, and/or special projects as requested by Management.	None Requested
FY 2022 Annual Requirements				
Project Management	Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Completed
Risk Assessment Update	Policy Compliance	NA	Update the College-wide risk assessment, risk response plan, and 3-year internal audit plan	Completed
Annual and Quarterly Board Reports	Policy Compliance	NA	Prepare and submit required annual and quarterly reports to the Board of internal audit activities.	Completed

2022 Completed Internal Audit Activity: Purchasing



- The scope of the internal audit included an evaluation of risks and internal controls in place related to College of the Mainland's Purchasing processes, procedures, and compliance with state and local states and regulations. Our procedures included and evaluation of internal controls to ensure effective management, monitoring, and administration of purchasing functions and responsibilities across the College to ensure efficient, effective and timely purchases.
 - **Coverage period:** August 1, 2020 through November 30, 2021
 - **Fieldwork** was executed January 18, 2022 through March 31, 2022

- Key functions, processes, and subprocesses within Purchasing processes reviewed included:
 - Purchasing Initiation and Approval
 - Formal Procurement Activities (Bidding and RFPs)
 - Informal Procurement Activities, including Interlocal and Cooperative Agreement Purchasing
 - Sourcing, including Construction Sourcing
 - Contract Negotiation and Approval
 - Contract and Vendor Monitoring
 - Vendor Acceptance, Set-up, and Maintenance

- The **Exit Meeting** was held on March 31, 2022, and the **Draft Report** was issued on June 2, 2022, and **the Final Report** was issued on June 29, 2022.

Summary Results



The Purchasing Audit was rated overall as Satisfactory, with **1 Satisfactory** and **2 Strong** ratings for the 3 Audit Objectives, and **4** findings identified.

OVERALL ASSESSMENT		Satisfactory
Objective A: Design of Internal Controls		Satisfactory
Objective B: Effectiveness of Internal Controls		STRONG
Objective C: User Access		STRONG

Findings by Risk Rating				
	High	Moderate	Low	Total
Findings	-	3	1	4

Summary Results



Objective A: Determine if internal controls are designed to ensure the effective management, administration, and compliance of Purchasing functions and responsibilities.

Results: We identified 65 total internal controls to be in place over the Purchasing Processes. We identified 4 opportunities for improvement over the processes, policies, and procedures performed within the purchasing processes.

Process Area	Control Coverage	Findings
Purchasing Processes		
Purchasing Initiation and Approval	6	Finding 01
Formal Procurement Activities	11	-
Informal Procurement Activities	7	-
Sourcing, including Construction Sourcing	8	Finding 02
Contract Negotiation and Approval	20	-
Contract and Vendor Monitoring	3	-
Vendor Acceptance, Set-up and Maintenance	10	Finding 03, 04
TOTAL	65	

Summary Results



Objective B: Ensure that controls over selected critical and high-risk processes within the Purchasing processes are operating efficiently, effectively, and resulting in consistent and compliance procedures that meet end user needs.

Results: We determined controls to be well-designed and in place resulting in effective, compliant, and timely purchasing processes performed.

Objective C: Ensure that access to view, process, modify, and approve purchasing transactions is restricted to appropriate personnel and that access is periodically reviewed.

Results: Controls are in place and effective in restricting access and ensuring modifications and approvals by key stakeholders within the key systems and applications utilized within the Purchasing Processes.

Recommendations and Management Responses



We identified **4 recommendations** to assist Management in improving the Purchasing processes. Generally, the recommendations were to:

1. **Pursue** the approval for the **hiring** of an additional full-time resource(s) to assist in managing the current loads of tasks and execution of new initiatives.
2. **Update** current policies and procedures to include the process of **selecting** Evaluation Committees for evaluating formal procurements.
3. **Explore** Colleague capabilities to include an **audit trail** to track vendor changes.
4. **Establish** and **implement** a formal process to **evaluate** vendors and their performance on a routine basis.

Management has responded to the Internal Audit findings by providing detailed **action plans** with **responsible parties** and anticipated **implementation dates**. Management has provided a range of implementation dates from **September 2022** through **November 2023**.

Findings and Management Responses



Finding 01 – MODERATE – Limited Staff Resources: The current structure, resources and assignment of responsibilities within the College’s Purchasing team are limited and require the Purchasing Director to often perform buyer functions instead of focusing on strategic initiatives to modernize the purchasing processes, such as moving to paperless processes, automation of transactions, and systematic monitoring of purchasing transactions. The limited resources and current construction initiatives has increased workload and the volume of transactions, which requires additional hours and for the Purchasing Director to perform at a lower level. Although construction projects will be declining, the College’s growth and reliance on purchasing of new and modern equipment will be required in the future.

Management Actions
<p>Management Response: During the internal audit reporting process, a request for funding was submitted to VP of Fiscal Affairs and included in the in the 22-23 Fiscal Year budget and was approved by the Board of Trustees. A full-time Purchasing Assistant position was posted and filled.</p> <p>Responsible Party: Sonja Blinka, Director of Purchasing Implementation Date: September 2022</p>

Findings and Management Responses



Finding 02 – LOW – Evaluation Committee Selection: The Evaluation Committee selection process for evaluating formal procurements has not been formally defined nor documented within the College's procedural documentation. Although the College does ensure an evaluation committee is selected and includes appropriate personnel to evaluate proposals, the process for selecting the committees to ensure appropriate make-up is not formally defined and documented.

Management Actions
<p>Management Response: The Director of Purchasing contacted other community college Purchasing organizations for a best practice as well as other public purchasing organizations. The procedure will be updated to include details on how evaluation committee members shall be selected based on subject matter experts competencies and other stakeholder interest.</p> <p>Responsible Party: Sonja Blinka, Director of Purchasing Implementation Date: December 2022</p>

Findings and Management Responses



Finding 03 – MODERATE – Vendor Master File and Audit Trail for Vendors Information

Changes: The College does not have an established mechanism to identify and alert on all vendors changes performed. Additionally, there is no audit trail of the changes made to a vendor file. Once vendor information has been edited in Colleague, the system overrides the data and College does not have the ability to evaluate the change for appropriateness.

Furthermore, the College does not have formal and consistent procedures for evaluating, updating, and maintaining the Vendor Master File within Colleague to remove duplicate, inactive or incomplete vendors. Although the College has performed clean-up procedures in the past and during the audit period, the process is not performed consistently on a regularly scheduled basis.

We obtained the vendor database and evaluated the vendor population within Colleague for duplicate and dormant vendor accounts. We identified that 2 of the 1,778 vendors within COM’s Vendor Master File were duplicate vendors. Both vendors were originally set up in the system without any reference to an EIN#, resulting in the system not recognizing them and alerting the COM Purchasing staff that they were duplicates.

Management Actions
<p>Management Response: The Purchasing department has begun coordinating with IT and the Business Office regarding the possible need to request an update or customize the Colleague software to report out the vendor changes upon request and be reviewed and validated as recommended. Additionally, the Business Office has implemented procedures for the annual review and deactivation of duplicate or inactive vendors. A “Review Vendor List” calendar reminder has been added to the Controller’s Calendar for 9/1/22 and 9/5/23, with additional annual dates to be added in the future.</p> <p>Responsible Party: Sonja Blinka, Director of Purchasing, Trudy Trochesset, Controller, and Ron LeVick, Chief Information Office</p> <p>Implementation Date: September 2023 (for systematic solution)</p>

Findings and Management Responses



Finding 04 – MODERATE – Vendor Performance Monitoring: The College does not have a formal and established process to routinely evaluate vendors, their performance, and to suspend vendors when necessary. Complaints received by the Purchasing Department are typically informally received and are generally themed around misunderstandings or miscommunications and not from a vendor being inadequate or failing to meet the contracts terms and conditions that would result in suspension or disbarment. However, the vendor complaints and any action taken are not formally documented or included in the Colleges records for future review and evaluation.

Management Actions
<p>Management Response: The Purchasing Director and staff has requested the lonwave Contract Management Software programmer to consider a new release to include an upgrade with a vendor rating feature (completed by 6/1/2022). Additional research for a product that serves this purpose is underway with research to be complete after start-up of new fiscal year activities (anticipated completion of 10/30/22). It's possible a new software may need purchased and implemented with approval of budget in a new fiscal year (if purchase required, estimated completion date of 4/30/23). Training among campus users and subject matter experts will also need to occur for full implementation and operation of a system (completion of training 9/1/23 - 10/30/23).</p> <p>Responsible Party: Sonja Blinka, Director of Purchasing, Trudy Trochesset, Controller, and Ron LeVick, Chief Information Office</p> <p>Implementation Date: November 2023</p>

2022 Internal Audit Activity In-Progress: Academics and Curricular Activities



- The scope of the internal audit will focus an evaluation of risks and internal controls in place related to College of the Mainland's **Academics and Curricular Activities** processes, policies, procedures and compliance with state statutes and collegiate requirements.

Key functions and subprocesses within Academics and Curricular processes to be reviewed will include:

- Course Substitutions and Course Curriculum
 - Curriculum Standards and Development
 - AA, AS, and AAS Programs
 - Certificate Programs
 - Online Courses
 - Public Service Careers (Credit-side only)
- A **planning meeting** was held on June 8, 2022 to determine the scope, objectives, and criteria for the internal audit.
 - The **Entrance Conference** was held on July 26, 2022
 - **Fieldwork** was conducted July 26, 2022 through September 9, 2022
 - **Reporting** is anticipated to occur in October /November 2022

Other 2022 Internal Audit Activities



Fraud, Waste and Abuse Hotline Report

- The College received **no submissions** to date through the Fraud, Waste, and Abuse hotline.

Remaining FY 2022 Internal Audit Activities

- Annual Internal Audit Report
 - Will be reported to the Board by November 2022

2022 Risk Assessment Update



2022 Risk Assessment Update:

- Risk Assessment update was performed with the Risk Assessment Team on **August 23, 2022** to identify changes in the College's Risk Universe and to consider College internal audit priorities for the FY2023 Internal Audit Plan
- **No adjustments** to the risk ratings of the College's Risk Profile were made based on current College risks from feedback from the Risk Assessment Team and confirmation from Dr. Nichols. Risk ratings were evaluated for the following risk areas:
 - Financial and Fraud
 - Information Technology
 - Operational
 - Students and Programs
 - Reputational
- **No updates** were made to the **46 significant activities** considered for internal audit but feedback was obtained for reprioritizing audits for the 2023 internal audit plan.
- Risk Assessment Update results were reported to the Risk Assessment Team on August 23, 2022.

2022 Risk Assessment Update



The **46 Significant Activities**, and their Risk Ratings, are distributed among 4 Categories as follows:

Significant Activity Category	Risk Ratings by Significant Activities			Totals by Category
	High	Moderate	Low	
College-Wide	-	2	-	2
Instructional and Student Service	8	2	1	11
Operations	8	2	2	12
Administration	8	9	4	21
Totals by Risk Rating	24	15	7	46

2022 Risk Assessment Update



Risk Ranking	Significant Activity/ Process Area	Internal Audit Coverage	Risk Rating	Risk Ranking	Significant Activity/ Process Area	Internal Audit Coverage	Risk Rating
1	Financial Aid	FY2018 IA Plan	4.00	13	Workforce and Community Development (Corporate Programs)	-	3.25
2	Information Security	FY2019 IA Plan	4.00	14	Dual Credit Programs	-	3.25
3	Application Selection / Development	-	3.73	15	Bursar	FY2020 IA Plan	3.23
4	Admissions / Registrar	FY2019 IA Plan	3.65	16	Human Resources Administration	FY2021 IA Plan	3.20
5	Academics and Curricular Activities	FY2022 IA Plan	3.63	17	Law Enforcement and Security	FY2024 IA Plan	3.18
6	Information Technology Services	FY2018 IA Plan	3.63	18	Payroll	FY2023 IA Plan	3.13
7	Database Administration / ERP	FY2024 IA Plan	3.60	19	Accreditation Standards*	-	3.10
8	Cash Management	FY2020 IA Plan	3.58	20	Construction Management*	-	3.33
9	Disaster Recovery / Business Continuity Planning	FY2020 IA Plan	3.50	21	Grounds and Maintenance	-	3.05
10	Purchasing	FY2022 IA Plan	3.38	22	Grant Management	FY2023 IA Plan	3.40
11	Budget and Planning	-	3.35	23	Revenue*	-	2.95
12	Continuing Education	-	3.25	24	Student Services	FY2021 IA Plan	2.90

* Audit areas and risks associated within the activities are evaluated as part of other external and independent reviews and are not included in current internal audit plans

FY23 and FY24 Internal Audit Plans



Following the Risk Assessment Update, the following adjustments were made to the **FY23 and FY24** Internal Audit Plans that were previously presented to the Board due to changes in College risks and internal audit priorities:

FY23 Internal Audit Plan:

- **Selected Audits:**
 - TRIO Programs
 - Payroll

FY24 Internal Audit Plan:

- **Selected Audits:**
 - Database Administration/ERP
 - Law Enforcement and Security

FY23 Internal Audit Plan



Audit Area	Category (College-Wide, Instructional and Student Services, Operational, or Administration)	Risk Rating	Summary of Procedures	Timing
FY 2023 Planned Internal Audits				
TRIO Programs	Administration	High	Internal Audit will include an evaluation of risk and internal controls in place related to the College's TRIO programs. Activities to be evaluated include processes, procedures, and compliance of the TRIO programs and activities provided to eligible students from eligibility determination and application of aid to student service activities provided and compliance reporting.	September/ October 2022
Payroll	Administration	High	Internal Audit will include an evaluation of risk and internal controls in place related to the College's payroll processes. Activities to be evaluated include timekeeping and approval, payroll process, payroll taxes, and timekeeping systems processes.	February / March 2023
Internal Audit Consulting (as requested)	Other		Internal Audit will perform internal audit consulting, including process evaluations, internal control effectiveness reviews, and/or special projects as requested by Management.	TBD
FY 2023 Annual Requirements				
Project Management	Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Ongoing
Risk Assessment	Policy Compliance	NA	Perform a College-wide risk assessment, risk response plan, and 3-year internal audit plan	Ongoing
Annual and Quarterly Board Reports	Policy Compliance	NA	Prepare and submit required annual and quarterly reports to the Board of internal audit activities.	Ongoing

Not Included in the Internal Audit Plan Above:

Management should consider the performance of follow-up procedures for the following internal audits previously performed, either through Internal Audit or selected College Management, to ensure corrective action has occurred to address previous findings.

Internal Audit Follow-Ups				
Follow-up from 2018 - 2022 Audit Plan	10 Prior Internal Audits	High	Internal Audit will perform follow-up procedures on 2018 through 2022 prior Internal Audit findings to ensure corrective action has been taken on the following audits and findings: Financial Aid (6 Findings), Information Technology Services (7 Findings), Admissions and Registrar (10 Findings), Information Security (9 Findings), Bursar/Cash Management (15 Findings), Disaster Recovery/Business Continuity Planning (9 Findings), Human Resources (6 Findings), Student Services (3 Findings), Purchasing (4 Findings), and Academics and Curricular Activities (TBD).	

FY24 Internal Audit Plan



Audit Area	Category (College-Wide, Instructional and Student Services, Operational, or Administration)	Risk Rating	Summary of Procedures	Timing
FY 2024 Planned Internal Audits				
Database Administration / ERP	Operations	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's database administration / ERP processes. Activities to be evaluated include database administration, application management, enterprise systems administration (Ellucian Colleague), software licensing and usage, and monitoring third party providers.	October / November 2023
Law Enforcement and Security	Operations	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's law enforcement and security processes. Activities to be evaluated will include campus police and security, physical security, emergency response activities, training and incident preparation, and TCOLE compliance processes.	February/ March 2024
Internal Audit Consulting (as requested)	Other		Internal Audit will perform internal audit consulting, including process evaluations, internal control effectiveness reviews, and/or special projects as requested by Management.	TBD
FY 2024 Annual Requirements				
Project Management	Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Ongoing
Risk Assessment	Policy Compliance	NA	Perform a College-wide risk assessment, risk response plan, and 3-year internal audit plan	Ongoing
Annual and Quarterly Board Reports	Policy Compliance	NA	Prepare and submit required annual and quarterly reports to the Board of internal audit activities.	Ongoing

Not Included in the Internal Audit Plan Above:

Management should consider the performance of follow-up procedures for the following internal audits previously performed, either through Internal Audit or selected College Management, to ensure corrective action has occurred to address previous findings.

Internal Audit Follow-Ups				
Follow-up from 2018 - 2023 Audit Plan	12 Prior Internal Audits	High	Internal Audit will perform follow-up procedures on 2018 through 2022 prior Internal Audit findings to ensure corrective action has been taken on the following audits and findings: Financial Aid (6 Findings), Information Technology Services (7 Findings), Admissions and Registrar (10 Findings), Information Security (9 Findings), Bursar/Cash Management (15 Findings), Disaster Recovery/Business Continuity Planning (9 Findings), Human Resources (6 Findings), Student Services (3 Findings), Purchasing (4 Findings), Academics and Curricular Activities (TBD), Payroll (TBD), and Grants Management (TBD).	



Questions?

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Board of Trustees Meeting

Internal Audit Status Report

September 26, 2022



Agenda

- FY2022 Internal Audit Plan Status
- FY2022 Completed Internal Audit
 - Purchasing
- FY2022 In-Progress Internal Audit
 - Academics and Curricular Activities
- Other FY2022 Internal Audit Activities
 - Risk Assessment Update
 - Fraud, Waste, and Abuse Hotline Report
- FY2023 & FY2024 Internal Audit Plans

FY 2022 Internal Audit Plan Status



Audit Area	Category (College-Wide, Instructional and Student Services, Operational, or Administration)	Risk Rating	Summary of Procedures	Status
FY 2022 Planned Internal Audits				
Purchasing	Administration	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's purchasing processes. Activities to be evaluated include purchase orders, bidding process and award, interlocal and cooperative agreement purchasing, contract negotiation and approval, vendor management - selection, and vendor acceptance and set-up.	Completed
Academics and Curricular Activities	Instructional and Student Services	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's academics and curricular activities processes. Activities to be evaluated will include university transfer and core curriculum, curriculum standards and development, AAS programs, certificate programs, on-line courses, community theatre, lab scheduling and lab assistants.	In-Progress
Internal Audit Consulting (as requested)	Other		Internal Audit will perform internal audit consulting, including process evaluations, internal control effectiveness reviews, and/or special projects as requested by Management.	None Requested
FY 2022 Annual Requirements				
Project Management	Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Completed
Risk Assessment Update	Policy Compliance	NA	Update the College-wide risk assessment, risk response plan, and 3-year internal audit plan	Completed
Annual and Quarterly Board Reports	Policy Compliance	NA	Prepare and submit required annual and quarterly reports to the Board of internal audit activities.	Completed

2022 Completed Internal Audit Activity: Purchasing



- The scope of the internal audit included an evaluation of risks and internal controls in place related to College of the Mainland's Purchasing processes, procedures, and compliance with state and local states and regulations. Our procedures included and evaluation of internal controls to ensure effective management, monitoring, and administration of purchasing functions and responsibilities across the College to ensure efficient, effective and timely purchases.
 - **Coverage period:** August 1, 2020 through November 30, 2021
 - **Fieldwork** was executed January 18, 2022 through March 31, 2022
- Key functions, processes, and subprocesses within Purchasing processes reviewed included:
 - Purchasing Initiation and Approval
 - Formal Procurement Activities (Bidding and RFPs)
 - Informal Procurement Activities, including Interlocal and Cooperative Agreement Purchasing
 - Sourcing, including Construction Sourcing
 - Contract Negotiation and Approval
 - Contract and Vendor Monitoring
 - Vendor Acceptance, Set-up, and Maintenance
- The **Exit Meeting** was held on March 31, 2022, and the **Draft Report** was issued on June 2, 2022, and **the Final Report** was issued on June 29, 2022.

Summary Results



The Purchasing Audit was rated overall as Satisfactory, with **1 Satisfactory** and **2 Strong** ratings for the 3 Audit Objectives, and **4** findings identified.

OVERALL ASSESSMENT	Satisfactory
Objective A: Design of Internal Controls	Satisfactory
Objective B: Effectiveness of Internal Controls	STRONG
Objective C: User Access	STRONG

Findings by Risk Rating				
	High	Moderate	Low	Total
Findings	-	3	1	4

Summary Results



Objective A: Determine if internal controls are designed to ensure the effective management, administration, and compliance of Purchasing functions and responsibilities.

Results: We identified 65 total internal controls to be in place over the Purchasing Processes. We identified 4 opportunities for improvement over the processes, policies, and procedures performed within the purchasing processes.

Process Area	Control Coverage	Findings
Purchasing Processes		
Purchasing Initiation and Approval	6	Finding 01
Formal Procurement Activities	11	-
Informal Procurement Activities	7	-
Sourcing, including Construction Sourcing	8	Finding 02
Contract Negotiation and Approval	20	-
Contract and Vendor Monitoring	3	-
Vendor Acceptance, Set-up and Maintenance	10	Finding 03, 04
TOTAL	65	

Summary Results



Objective B: Ensure that controls over selected critical and high-risk processes within the Purchasing processes are operating efficiently, effectively, and resulting in consistent and compliance procedures that meet end user needs.

Results: We determined controls to be well-designed and in place resulting in effective, compliant, and timely purchasing processes performed.

Objective C: Ensure that access to view, process, modify, and approve purchasing transactions is restricted to appropriate personnel and that access is periodically reviewed.

Results: Controls are in place and effective in restricting access and ensuring modifications and approvals by key stakeholders within the key systems and applications utilized within the Purchasing Processes.

Recommendations and Management Responses



We identified **4 recommendations** to assist Management in improving the Purchasing processes. Generally, the recommendations were to:

1. **Pursue** the approval for the **hiring** of an additional full-time resource(s) to assist in managing the current loads of tasks and execution of new initiatives.
2. **Update** current policies and procedures to include the process of **selecting** Evaluation Committees for evaluating formal procurements.
3. **Explore** Colleague capabilities to include an **audit trail** to track vendor changes.
4. **Establish** and **implement** a formal process to **evaluate** vendors and their performance on a routine basis.

Management has responded to the Internal Audit findings by providing detailed **action plans** with **responsible parties** and anticipated **implementation dates**. Management has provided a range of implementation dates from **September 2022** through **November 2023**.

Findings and Management Responses



Finding 01 – MODERATE – Limited Staff Resources: The current structure, resources and assignment of responsibilities within the College’s Purchasing team are limited and require the Purchasing Director to often perform buyer functions instead of focusing on strategic initiatives to modernize the purchasing processes, such as moving to paperless processes, automation of transactions, and systematic monitoring of purchasing transactions. The limited resources and current construction initiatives has increased workload and the volume of transactions, which requires additional hours and for the Purchasing Director to perform at a lower level. Although construction projects will be declining, the College’s growth and reliance on purchasing of new and modern equipment will be required in the future.

Management Actions
<p>Management Response: During the internal audit reporting process, a request for funding was submitted to VP of Fiscal Affairs and included in the in the 22-23 Fiscal Year budget and was approved by the Board of Trustees. A full-time Purchasing Assistant position was posted and filled.</p> <p>Responsible Party: Sonja Blinka, Director of Purchasing Implementation Date: September 2022</p>

Findings and Management Responses



Finding 02 – LOW – Evaluation Committee Selection: The Evaluation Committee selection process for evaluating formal procurements has not been formally defined nor documented within the College's procedural documentation. Although the College does ensure an evaluation committee is selected and includes appropriate personnel to evaluate proposals, the process for selecting the committees to ensure appropriate make-up is not formally defined and documented.

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Findings and Management Responses



Finding 03 – MODERATE – Vendor Master File and Audit Trail for Vendors Information

Changes: The College does not have an established mechanism to identify and alert on all vendors changes performed. Additionally, there is no audit trail of the changes made to a vendor file. Once vendor information has been edited in Colleague, the system overrides the data and College does not have the ability to evaluate the change for appropriateness.

Furthermore, the College does not have formal and consistent procedures for evaluating, updating, and maintaining the Vendor Master File within Colleague to remove duplicate, inactive or incomplete vendors. Although the College has performed clean-up procedures in the past and during the audit period, the process is not performed consistently on a regularly scheduled basis.

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Findings and Management Responses



Finding 04 – MODERATE – Vendor Performance Monitoring: The College does not have a formal and established process to routinely evaluate vendors, their performance, and to suspend vendors when necessary. Complaints received by the Purchasing Department are typically informally received and are generally themed around misunderstandings or miscommunications and not from a vendor being inadequate or failing to meet the contracts terms and conditions that would result in suspension or disbarment. However, the vendor complaints and any action taken are not formally documented or included in the Colleges records for future review and evaluation.

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2022 Internal Audit Activity In-Progress: Academics and Curricular Activities



- The scope of the internal audit will focus an evaluation of risks and internal controls in place related to College of the Mainland's **Academics and Curricular Activities** processes, policies, procedures and compliance with state statutes and collegiate requirements.

Key functions and subprocesses within Academics and Curricular processes to be reviewed will include:

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 - The **Entrance Conference** was held on July 26, 2022
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Other 2022 Internal Audit Activities



Fraud, Waste and Abuse Hotline Report

- The College received **no submissions** to date through the Fraud, Waste, and Abuse hotline.

Remaining FY 2022 Internal Audit Activities

- Annual Internal Audit Report
 - Will be reported to the Board by November 2022

2022 Risk Assessment Update



2022 Risk Assessment Update:

- Risk Assessment update was performed with the Risk Assessment Team on **August 23, 2022** to identify changes in the College's Risk Universe and to consider College internal audit priorities for the FY2023 Internal Audit Plan
- **No adjustments** to the risk ratings of the College's Risk Profile were made based on current College risks from feedback from the Risk Assessment Team and confirmation from Dr. Nichols. Risk ratings were evaluated for the following risk areas:
 - Financial and Fraud
 - Information Technology
 - Operational
 - Students and Programs
 - Reputational
- **No updates** were made to the **46 significant activities** considered for internal audit but feedback was obtained for reprioritizing audits for the 2023 internal audit plan.
- Risk Assessment Update results were reported to the Risk Assessment Team on August 23, 2022.

2022 Risk Assessment Update



The **46 Significant Activities**, and their Risk Ratings, are distributed among 4 Categories as follows:

Significant Activity Category	Risk Ratings by Significant Activities			Totals by Category
	High	Moderate	Low	
College-Wide	-	2	-	2
Instructional and Student Service	8	2	1	11
Operations	8	2	2	12
Administration	8	9	4	21
Totals by Risk Rating	24	15	7	46

2022 Risk Assessment Update



Risk Ranking	Significant Activity/ Process Area	Internal Audit Coverage	Risk Rating	Risk Ranking	Significant Activity/ Process Area	Internal Audit Coverage	Risk Rating
1	Financial Aid	FY2018 IA Plan	4.00	13	Workforce and Community Development (Corporate Programs)	-	3.25
2	Information Security	FY2019 IA Plan	4.00	14	Dual Credit Programs	-	3.25
3	Application Selection / Development	-	3.73	15	Bursar	FY2020 IA Plan	3.23
4	Admissions / Registrar	FY2019 IA Plan	3.65	16	Human Resources Administration	FY2021 IA Plan	3.20
5	Academics and Curricular Activities	FY2022 IA Plan	3.63	17	Law Enforcement and Security	FY2024 IA Plan	3.18
6	Information Technology Services	FY2018 IA Plan	3.63	18	Payroll	FY2023 IA Plan	3.13
7	Database Administration / ERP	FY2024 IA Plan	3.60	19	Accreditation Standards*	-	3.10
8	Cash Management	FY2020 IA Plan	3.58	20	Construction Management*	-	3.33
9	Disaster Recovery / Business Continuity Planning	FY2020 IA Plan	3.50	21	Grounds and Maintenance	-	3.05
10	Purchasing	FY2022 IA Plan	3.38	22	Grant Management	FY2023 IA Plan	3.40
11	Budget and Planning	-	3.35	23	Revenue*	-	2.95
12	Continuing Education	-	3.25	24	Student Services	FY2021 IA Plan	2.90

* Audit areas and risks associated within the activities are evaluated as part of other external and independent reviews and are not included in current internal audit plans

FY23 and FY24 Internal Audit Plans



Following the Risk Assessment Update, the following adjustments were made to the **FY23 and FY24** Internal Audit Plans that were previously presented to the Board due to changes in College risks and internal audit priorities:

FY23 Internal Audit Plan:

- **Selected Audits:**
 - TRIO Programs
 - Payroll

FY24 Internal Audit Plan:

- **Selected Audits:**
 - Database Administration/ERP
 - Law Enforcement and Security

FY23 Internal Audit Plan



Audit Area	Category (College-Wide, Instructional and Student Services, Operational, or Administration)	Risk Rating	Summary of Procedures	Timing
FY 2023 Planned Internal Audits				
TRIO Programs	Administration	High	Internal Audit will include an evaluation of risk and internal controls in place related to the College's TRIO programs. Activities to be evaluated include processes, procedures, and compliance of the TRIO programs and activities provided to eligible students from eligibility determination and application of aid to student service activities provided and compliance reporting.	September/ October 2022
Payroll	Administration	High	Internal Audit will include an evaluation of risk and internal controls in place related to the College's payroll processes. Activities to be evaluated include timekeeping and approval, payroll process, payroll taxes, and timekeeping systems processes.	February / March 2023
Internal Audit Consulting (as requested)	Other		Internal Audit will perform internal audit consulting, including process evaluations, internal control effectiveness reviews, and/or special projects as requested by Management.	TBD
FY 2023 Annual Requirements				
Project Management	Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Ongoing
Risk Assessment	Policy Compliance	NA	Perform a College-wide risk assessment, risk response plan, and 3-year internal audit plan	Ongoing
Annual and Quarterly Board Reports	Policy Compliance	NA	Prepare and submit required annual and quarterly reports to the Board of internal audit activities.	Ongoing

Not Included in the Internal Audit Plan Above:

Management should consider the performance of follow-up procedures for the following internal audits previously performed, either through Internal Audit or selected College Management, to ensure corrective action has occurred to address previous findings.

Internal Audit Follow-Ups				
Follow-up from 2018 - 2022 Audit Plan	10 Prior Internal Audits	High	Internal Audit will perform follow-up procedures on 2018 through 2022 prior Internal Audit findings to ensure corrective action has been taken on the following audits and findings: Financial Aid (6 Findings), Information Technology Services (7 Findings), Admissions and Registrar (10 Findings), Information Security (9 Findings), Bursar/Cash Management (15 Findings), Disaster Recovery/Business Continuity Planning (9 Findings), Human Resources (6 Findings), Student Services (3 Findings), Purchasing (4 Findings), and Academics and Curricular Activities (TBD).	

FY24 Internal Audit Plan



Audit Area	Category (College-Wide, Instructional and Student Services, Operational, or Administration)	Risk Rating	Summary of Procedures	Timing
FY 2024 Planned Internal Audits				
Database Administration / ERP	Operations	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's database administration / ERP processes. Activities to be evaluated include database administration, application management, enterprise systems administration (Ellucian Colleague), software licensing and usage, and monitoring third party providers.	October / November 2023
Law Enforcement and Security	Operations	High	Internal Audit will include an evaluation of risks and internal controls in place related to the College's law enforcement and security processes. Activities to be evaluated will include campus police and security, physical security, emergency response activities, training and incident preparation, and TCOLE compliance processes.	February/ March 2024
Internal Audit Consulting (as requested)	Other		Internal Audit will perform internal audit consulting, including process evaluations, internal control effectiveness reviews, and/or special projects as requested by Management.	TBD
FY 2024 Annual Requirements				
Project Management	Project Management	NA	Track overall internal audit procedures, coordinate audit activities, and reporting to management.	Ongoing
Risk Assessment	Policy Compliance	NA	Perform a College-wide risk assessment, risk response plan, and 3-year internal audit plan	Ongoing
Annual and Quarterly Board Reports	Policy Compliance	NA	Prepare and submit required annual and quarterly reports to the Board of internal audit activities.	Ongoing

Not Included in the Internal Audit Plan Above:

Management should consider the performance of follow-up procedures for the following internal audits previously performed, either through Internal Audit or selected College Management, to ensure corrective action has occurred to address previous findings.

Internal Audit Follow-Ups				
Follow-up from 2018 - 2023 Audit Plan	12 Prior Internal Audits	High	Internal Audit will perform follow-up procedures on 2018 through 2022 prior Internal Audit findings to ensure corrective action has been taken on the following audits and findings: Financial Aid (6 Findings), Information Technology Services (7 Findings), Admissions and Registrar (10 Findings), Information Security (9 Findings), Bursar/Cash Management (15 Findings), Disaster Recovery/Business Continuity Planning (9 Findings), Human Resources (6 Findings), Student Services (3 Findings), Purchasing (4 Findings), Academics and Curricular Activities (TBD), Payroll (TBD), and Grants Management (TBD).	



Questions?

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September 2022 Policy Update

PERSONNEL POLICY CHANGE

DBA (LOCAL) Employment Requirements and Restrictions: Credentials and Records.

This policy has been updated consistent with SACSCOC guidelines to eliminate the authority of the Chief Academic Office to make exceptions to required credentials for faculty. In addition, the policy includes references the following exhibits: *Employment Requirements and Credentials, Faculty Teaching Form, and the Statement of Qualification Form.*

OTHER POLICY UPDATES

The Office of the Staff Attorney is available to answer any questions regarding these changes along with any other policy or regulation inquires. Please contact cbrasher1@com.edu for assistance.

For more information and to read the entire texts of these and other policies visit:
<https://pol.tasb.org/Home/Index/497>



MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Approval of COM Local Policy update

Discussion and possible action on the proposed revisions to COM Local Policy DBA, *Employment Requirements and Restrictions*.

Presented and recommended for approval to the Board of Trustees on September 26, 2022.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the revisions to COM Local Policy DBA.

ATTACHMENTS

- 1) DBA (Local)- *Employment Requirements and Restrictions*
- 2) DBA (Exhibit A)- *Credentials and Records*
- 3) DBA (Exhibit B)- *Faculty Teaching Credentials*
- 4) DBA (Exhibit C)- *Statement of Qualifications Form*

EMPLOYMENT REQUIREMENTS AND RESTRICTIONS
CREDENTIALS AND RECORDS

DBA
(LOCAL)

Social Security Number

The College District shall not use an employee's social security number as an employee identifier, except for tax purposes. ~~[see DC].~~ In accordance with law, the College District shall keep an employee's social security number confidential.

Commented [BC1]: I cannot find this statement anywhere in a policy.

Credentials

To qualify for employment and compensation in a position requiring a college degree or credit hours, the College District shall accept only degrees and credits earned at institutions that are recognized by regional accrediting agencies (e.g., Southern Association of Colleges and Schools Commission on Colleges [SACSCOC]), or through accrediting agencies approved by the Council of Higher Education Accreditation (CHEA). Official transcripts shall be required to validate any and all degrees used in the credentialing process.

The chief academic officer shall be responsible for ensuring all faculty members recommended for hire meet the minimum requirements for teaching the courses. [See DBA_(EXHIBIT A)]

The chief human resources officer shall be responsible for ensuring all non-faculty members recommended for hire meet the minimum requirements for employment for the position.

The human resources department shall validate the credentials as a routine part of the employment process. This validation shall be completed prior to candidates being recommended to the College President for hire and taken to the Board for approval.

International Transcripts

Faculty members considered for employment at the College District whose transcripts are from international institutions of higher education shall be required to have their transcripts translated and evaluated for equivalency by a service member of the National Association of Credentials Evaluation Services (NACES).

The applicant shall pay for the cost of the translation and equivalency.

Teaching Qualifications

Faculty members (~~full-time, part-time, or adjunct~~) shall not be allowed to teach until the appropriate "faculty teaching credentials" form has been approved by the chief academic officer. ~~Exceptions may be granted by the chief academic officer as appropriate.~~ [See DBA_(EXHIBIT B)]

Personnel Records

All personnel records shall be kept in the human resources department. The chief human resources officer shall be responsible for ensuring accurate retention and shall be the authorized repository for files.

Employee files shall include, but are not limited to, the following:

College of the Mainland
084503

EMPLOYMENT REQUIREMENTS AND RESTRICTIONS
CREDENTIALS AND RECORDS

DBA
(LOCAL)

1. Employment applications;
2. Official transcripts;
3. Appointment nominations;
4. Personnel action forms;
- ~~5. Oaths of office;~~
- ~~6.5.~~ Applicable employment contracts; and
- ~~7.6.~~ Applicable disciplinary records.

In addition, faculty employee files shall contain a faculty credentials form, and if applicable, a statement of qualifications, ~~and/or tenure letters.~~

Credential Requirements:

a. Faculty teaching general education courses at the undergraduate level: doctorate or master's degree in the teaching discipline or master's degree with a concentration in the teaching discipline (a minimum of 18 graduate semester hours in the teaching discipline).

b. Faculty teaching associate degree courses designed for transfer to a baccalaureate degree: doctorate or master's degree in the teaching discipline or master's degree with a concentration in the teaching discipline (a minimum of 18 graduate semester hours in the teaching discipline).

c. Faculty teaching associate degree courses not designed for transfer to the baccalaureate degree: bachelor's degree in the teaching discipline, or associate's degree and demonstrated competencies in the teaching discipline.

d. Faculty teaching certificate courses: bachelor's degree in the teaching discipline, or associate's degree and demonstrated competencies in the teaching discipline.

e. Faculty alternative credentialing: Faculty may be identified as credentialed based upon the following justifications as documented on statement of qualifications (SOQ) [See DBA (EXHIBIT C)]:

- related work experiences in the field
- professional licensure and certifications
- honors and awards
- continuous documented excellence in teaching
- or other demonstrated competencies and achievements that contribute to effective teaching and student learning outcomes

Applications based on **Alternative Credentialing (AC) Review** must attach appropriate third party documentation to the Credit Faculty Credentials Application. A cover letter (similar to the SAMPLE below) should be prepared by the Dean that provides a rationale for the teaching assignment and a synopsis of the documentation.

Applications based on Alternative Credentialing (AC) Review must be approved by the College Faculty Credentials Oversight Committee prior to the scheduling of any formal teaching assignments.

SAMPLE

Alternative Credentialing (AC) Review Based on Other Documented Qualifications

This applicant does not explicitly meet degree and course work requirements, but has been recommended for a teaching assignment based on an **Alternative Credentialing (AC) Review** of other documented qualifications.

Faculty Applicant: John Q. Artist Teaching

Discipline: Theater EXPLANATION

EMPLOYMENT REQUIREMENTS AND RESTRICTIONS
CREDENTIALS AND RECORDS

Mr. John Q. Artist has, over a period of fifteen years, accumulated extensive professional experience as an actor, director, producer and writer for both stage and screen. He has served as an artistic director and instructor for various repertory companies, community theaters and cultural programs. **Documented evidence on alternative qualifications are provided including:** published reviews on various acting performances from the New York Times and the Chicago Tribune, a letter of reference from the Director's Guild on his work as a director and playwright, published materials on professional contributions to an Interpretive Outreach program sponsored by the New York City Department of Parks and Recreation and other letters of reference on public service theatrical performances.

Signed by Appropriate Dean

Faculty Teaching Credentials (General Education and Transfer Disciplines)

Directions: In accordance with the faculty credentials guidelines of the Southern Association of Colleges and Schools (SACS) and College of the Mainland, this form must be completed and submitted with the Personal Action Form (PAF) or the first adjunct contract.

SACSCOC Comprehensive Standard 6.2.a of the *Principles of Accreditation Guidelines* and COM Minimum Criteria:

Faculty teaching associate degree courses **designed** for transfer to a baccalaureate degree: doctorate or master's degree in the teaching discipline or master's degree with a concentration in the teaching discipline (a minimum of 18 graduate semester hours in the teaching discipline). (refer to the current Faculty Credentialing Manual for discipline specific criteria)

Faculty Member Information:

Name:	
ID #:	

Department Information:

Date:	
Dept. Name:	
Dept. Chair:	

Faculty Member's Educational Institution(s) and Degree(s):

Degree Date	Institution	Degree	Major

Attach a copy of the faculty member's transcripts(s). (Please ensure that Human Resources obtains an "official" copy.)

Faculty Member's Teaching Discipline Information:

Teaching Discipline covered by this form:	
Courses the faculty member will be teaching:	
Minimum Qualifications	<input type="checkbox"/> The faculty member has a Masters or Doctoral degree with a major in the teaching discipline.

	<input type="checkbox"/> The faculty member has a Masters or Doctorate degree with a minimum of 18 graduate semester hours in the teaching discipline. * <input type="checkbox"/> No (SOQ Required) **
--	---

Graduate Coursework:

* If the faculty member's Masters (or Doctoral) Degree is not in the discipline specified on this form, list at least 18 hours of graduate coursework that qualify this faculty member to teach in this discipline (attach a copy of the appropriate transcript):

Course Date	Course Number	Course Name	Hours
			_____ <input type="checkbox"/> Sem hrs or <input type="checkbox"/> Qtr hrs
			_____ <input type="checkbox"/> Sem hrs or <input type="checkbox"/> Qtr hrs
			_____ <input type="checkbox"/> Sem hrs or <input type="checkbox"/> Qtr hrs
			_____ <input type="checkbox"/> Sem hrs or <input type="checkbox"/> Qtr hrs
			_____ <input type="checkbox"/> Sem hrs or <input type="checkbox"/> Qtr hrs
			_____ <input type="checkbox"/> Sem hrs or <input type="checkbox"/> Qtr hrs
			_____ <input type="checkbox"/> Sem hrs or <input type="checkbox"/> Qtr hrs

Total Graduate Hours in Discipline (at least 18 semester hours or 24 quarters): _____

**** If the faculty member does not have 18 graduate hours in the discipline, a Statement of Qualification form (SOQ) is required to justify the qualifications to teach courses in the specified discipline.**

I certify that the appropriate transcript or other documentation verifies that the instructor meets the minimum requirements of SACS.

Approvals:

<i>Department Chair</i>	<i>Date</i>
<i>Dean</i>	<i>Date</i>
<i>Vice President for Instruction</i>	<i>Date</i>



Statement of Qualifications Form (SOQ)

Comprehensive Standard 3.7.1 of the Principles of Accreditation:

The institution employs competent faculty members qualified to accomplish the mission and goals of the institution. When determining acceptable qualifications of its faculty, an institution gives primary consideration to the highest earned degree in the discipline. The institution also considers competence, effectiveness, and capacity, including, as appropriate, undergraduate and graduate degrees, related work experiences in the field, professional licensure and certifications, honors and awards, continuous documented excellence in teaching, or other demonstrated competencies and achievements that contribute to effective teaching and student learning outcomes. For all cases, the institution is responsible for justifying and documenting the qualifications of its faculty.

Directions:

In cases where a potential faculty member does not meet the minimum credentials outlined in the Faculty Credentialing Manual, a Statement of Qualifications Form must be completed by the departmental chairperson and signed by the appropriate instructional dean and vice president for instruction. This process is used to request a credential review and establishes justification as to why an exemption to the faculty credential standards should be granted.

Please provide information that demonstrates the candidate's competencies in the discipline/field. Include licensures, certifications, honors and awards, continuing education, continuous documented excellence in teaching and other demonstrated competencies and achievements that contribute to effective teaching and positive student learning outcomes.). This documentation will be retained in the faculty member's personnel file housed in the Human Resources office.

Faculty Candidate's Name:	Discipline:
Course(s):	Date:

Related Work or Professional Experience:

Dates (MO/YR)	Work or Professional Experience

Relationship of experience to course content and other comments:

--

Licensures and Certifications:

Dates (MO/YR)	Licensure and Certifications

Relationship of licensures and certificates to course content:

--

Honors and Awards:

Dates (MO/YR)	Honors and Awards

Relationship of honors and awards to course content:

--

Teaching Experience:

Dates (MO/YR)	Teaching Experience

Relationship of teaching experience to course content:

--

Other Demonstrated Competencies and Achievements:

Dates (MO/YR)	Demonstrated Competencies and Achievements

Relationship of other demonstrated competencies and achievements to course content:	

Justification Summary

In summary, please describe why an exemption to the faculty credential standards should be granted for this instructor:

I certify that the appropriate transcript or other documentation verifies that the instructor meets the minimum requirements of SACSCOC and COM.

Approvals:

<i>Department Chair</i>	<i>Date</i>
<i>Dean</i>	<i>Date</i>
<i>Vice President for Instruction</i>	<i>Date</i>



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Admissions/Records Lead Generalist (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Brian Blackwell to the position of Admissions/Records Lead Generalist, Admissions & Records Department.”

PURPOSE

The Admissions and Records Lead Generalist is responsible for supporting the Director of Admissions and Records Office in daily operations, management, graduation services, degree audit operations, and maintenance of student records and reporting.

BACKGROUND

This is a replacement position for Dana Gazda.

IMPLICATIONS

Financial: \$58,268 from budget 11-0-0000-4102-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Director of Dual Credit (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: "I move the Board of Trustees approve the appointment of Anne Dickens to the position of Director of Dual Credit, Dual Credit Department."

PURPOSE

The Director provides leadership and coordination for the development, and administration of the high school dual credit program. The Director builds relationships with high schools across College of the Mainland service area to increase dual credit enrollment by assessing the needs of high school students and school districts, coordinating with instruction to provide courses in response to those needs, implementing marketing and promotion strategies to ensure participation, providing admission and registration support services, and overseeing orientation and administrative support for students, parents, and faculty.

BACKGROUND

This is a replacement position for Theresa Jones.

IMPLICATIONS

Financial: \$87,446 from budget 11-0-0000-4133-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Enrollment Coach (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Flor Gonzalez to the position of Enrollment Coach, Strategic Enrollment Management Department.”

PURPOSE

Performs moderately complex work advising students from connection to entry. Responsible for implementing recruitment and enrollment strategies and utilizing a caseload management approach to support students throughout the enrollment process. May provide services for special populations. Three positions are available, pending Board of Trustees approval.

BACKGROUND

This is a replacement position for Carolyn Davies.

IMPLICATIONS

Financial: \$49,321 from budget 11-0-0000-4131-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Human Resources Specialist (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Ginger Hinckley to the position of Human Resources Specialist, Human Resources Department.”

PURPOSE

Working under the direction of the Senior HR Business Partner, this position performs a broad array of activities that include professional development and training data entry into the Colleges Learning Management System (LMS), payroll, applicant tracking portal, Ad Hoc queries and general HR administration.

BACKGROUND

This is a replacement position for Jessika Jungman.

IMPLICATIONS

Financial: \$59,726 from budget 11-0-0000-5113-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – CE Allied Health Coordinator (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Danielle Kemendo to the position of CE Allied Health Coordinator, Health Information Management Department.”

PURPOSE

The Coordinator is responsible for coordinating Allied Health (AH) continuing education (CE) programs, including the coordination and oversight of the American Heart Association Training Center (AHA TC).

BACKGROUND

This is a replacement position for Kiska Sellers.

IMPLICATIONS

Financial: \$62,287 from budget 11-0-0000-1319-5100.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Admissions/Records Generalist (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Monica Munante to the position of Admissions/Records Generalist, Admissions & Records Department.”

PURPOSE

Provides a variety of difficult, technical, complex or specialized records management to the Admissions and Records office.

BACKGROUND

This is a replacement position for Nikki Bleimeyer.

IMPLICATIONS

Financial: \$47,853 from budget 11-0-0000-4102-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Librarian, Reference & Collection Development
(Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Amanda Newell to the position of Librarian, Reference & Collection Development, Library Services.”

PURPOSE

Responsible for performing various professional duties in support of library services for students, faculty and staff.

BACKGROUND

This is a replacement position for Laura Russell.

IMPLICATIONS

Financial: \$57,508 from budget 11-0-0000-3503-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Enrollment Coach (New)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Scott Raines to the position of Enrollment Coach, Strategic Enrollment Management Department.”

PURPOSE

Performs moderately complex work advising students from connection to entry. Responsible for implementing recruitment and enrollment strategies and utilizing a caseload management approach to support students throughout the enrollment process. May provide services for special populations. Three positions are available, pending Board of Trustees approval.

BACKGROUND

This is a new board approved position.

IMPLICATIONS

Financial: \$53,090 from budget 11-0-0000-4131-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Academic Advisor (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Ariel Scott to the position of Academic Advisor, Student Success Center.”

PURPOSE

Interviews and advises students regarding information, procedures and academic requirements of a specific program or major. Assists students in exploring careers, evaluating academic abilities, and setting goals.

BACKGROUND

This is a replacement position for Sarah Sanchez.

IMPLICATIONS

Financial: \$53,183 from budget 11-0-0000-4103-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Enrollment Coach (Replacement)

Presented for recommended approval to the Board of Trustees on September 26, 2022 and forwarded for recommended approval to the Board of Trustees on the same date.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees approve the appointment of Lindsey Sheridan to the position of Enrollment Coach, Strategic Enrollment Management Department.”

PURPOSE

Performs moderately complex work advising students from connection to entry. Responsible for implementing recruitment and enrollment strategies and utilizing a caseload management approach to support students throughout the enrollment process. May provide services for special populations. Three positions are available, pending Board of Trustees approval.

BACKGROUND

This is a replacement position for Kayla Molnar.

IMPLICATIONS

Financial: \$47,781 from budget 11-0-0000-4131-5140.

Strategic Goal 5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

ATTACHMENTS

1. Appointment Nomination



MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Recommendation – Acceptance of Non-Contractual Positions Hiring Report

Presented for recommended acceptance to Board of Trustees on September 26, 2022.

MINUTE ORDER

Motion to be acted upon: “I move the Board of Trustees accept the *Non-Contractual Positions Hiring Report* as written.”

PURPOSE

The *Non-Contractual Positions Hiring Report* is being presented to the Board of Trustees for review and acceptance.

BACKGROUND

Notwithstanding Board policy DC (Local) which states that the Board delegates to the College President final authority to employ and dismiss non-contractual classified employees on an at-will basis, based on recommendations from the staff the persons listed on the attached Non-Contractual Positions Hiring Report is recommended for employment.

IMPLICATIONS

Financial:

Administrative Assistant IV - \$47,923 from budget 11-0-0000-3401-5160
TRIO SSS Academic Advisor - \$48,734 from budget 32-0-3090-4199-5140
Purchasing Assistant - \$46,459 from budget 11-0-0000- 5123-5160
Assistant Professor – English - \$55,951 from budget 11-0-0000-1102-5100
Computer Support Specialist I - \$47,923 from budget 11-0-0000-3516-5160
Office Support Specialist - \$39,701 from budget 11-0-0000-4119-5160
Adult Education Career Navigator - \$47,250 from budget 32-0-4850-1401-5140
Computer Support Specialist I - \$44,973 from budget 11-0-0000-3516-5160

Strategic Goal #5: College of the Mainland will provide services/processes that enhance the integrity/safety/quality of the institution (including physical facilities) and that enhance the quality of the faculty and staff.

Attachments

Non-contractual Positions Hiring Report

	POSITION	DEPARTMENT	CLASS SUMMARY	POSITION STATUS	SELECTED CANDIDATE	SALARY	SALARY RANGE
1	Administrative Assistant IV	Continuing Education	Provides a variety of administrative support duties in relation to the Industrial Workforce Programs within the Continuing Education Department.	Replacement for Andrea Parson	Vivian Tyson	\$47,923	\$39,489 - \$49,361 - \$59,233
2	TRIO SSS Academic Advisor (Grant Funded)	TRIO	The SSS Academic Advisor shall provide sound academic support in assisting to assist students plan their educational careers, learn necessary skills for academic success for program participants, and for connecting students to campus resources and services in support of their goal attainment.	Replacement for Kristen Hatfield	Katia Funes	\$48,734	\$47,781 - \$59,726 - \$71,672
3	Purchasing Assistant	Purchasing	The Purchasing Assistant will provide procurement support through established procedures to all College of the Mainland staff. This position will interface with multiple departments and vendors while assisting the Purchasing staff in coordinating and record keeping of contract documents necessary for compliance with all Federal, State and Local policies and procedures.	New position	Nikki Bleimeyer	\$46,459	\$39,489 - \$49,361 - \$59,233
4	Assistant Professor - English (Temporary)	Humanities	Responsible for providing instruction within the appropriate department/program. Provide scheduled office hours for student consultation.	Full Time Temporary Faculty	James Francis	\$55,951	\$44,331 - \$57,630 - \$70,926
5	Computer Support Specialist I	Information Technology Services	The Computer Support Specialist analyzes computer and network related problems reported by end-users, diagnoses issues and implements the most effective method to resolve an issue; troubleshoots the campus's Local Area Network (LAN), Wide Area Network (WAN), data communications, desktop support and all peripheral equipment.	Replacement for Gavin Raines	Johnathan Verinder	\$47,923	\$39,489 - \$49,361 - \$59,233
6	Office Support Specialist	Student Success Center	Incumbent is responsible for providing administrative and office support for the Student Success Center.	Replacement for Alicia Hernandez	Julie Arenas	\$39,701	\$35,899 - \$44,873 - \$53,848
7	Career Navigator (Grant Funded)	Adult Education	Develops and coordinates college recruitment which includes but is not limited to college enrollment and financial aid assistance. This role includes intensive case management for direction or mentorship of potential students as they are navigated through COM's career pathways model. Meets targeted criteria goals as outlined in the college's strategic plan.	Replacement for Kelli Frederick	Elizabeth Haden	\$47,250	\$43,437 - \$54,297 - \$65,156
8	Computer Support Specialist I	Information Technology Services	The Computer Support Specialist analyzes computer and network related problems reported by end-users, diagnoses issues and implements the most effective method to resolve an issue; troubleshoots the campus's Local Area Network (LAN), Wide Area Network (WAN), data communications, desktop support and all peripheral equipment.	New position	Martin Casarez	\$44,973	\$39,489 - \$49,361 - \$59,233



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Agenda Item for COM Board of Trustees

AGENDA ITEM DESCRIPTION:

Award of Contract 23-10 for Glycol Separation Unit (GSU) Software

FUNDING SOURCE:

To be paid from Title V – Pathways Grant Funds.

PURPOSE:

Provide training in use of leading industry operations and diagnostics software tools utilized by Process Technology workforce partners.

PROPOSED MOTION: *“I move the Board of Trustees approve award of contract 23-10 for the purchase of the Glycol Separation Unit Software (GSU) from Puffer/Emerson for a not-to-exceed amount of \$135,000.00 to be paid from Title V Grant Funds.”*

BACKGROUND:

The Board of Trustees approved award contract 21-16 for Design Build Services to Austin Commercial on December 7, 2021 for the replacement of hardware and equipment to upgrade the previously depreciated Glycol Separation Unit supporting the Process Technology program. The design of the new and improved unit was developed around industry partner standards to provide COM students leading edge training and education to be successful in supporting Process Technology industry partners with the skillsets needed for the evolving workforce needs. While the new design did not disable the unit from running through use of the existing software, the current software has also depreciated over time limiting the training and education to our students to fully serve Process Technology industry. Therefore, it is the recommendation to award the subject contract to Puffer Emerson for a not-to-exceed amount of \$135,000.00 including contingency funds. The Puffer/Emerson software is considered a captive component to the GSU system and proprietary for use in the unit as designed. Based on the above, this contract award recommendation is considered a Sole Source purchase in accordance with regulations of Texas Education Code 44.031.

Software & Peripherals	\$127,519.00
<u>6% Contingency</u>	<u>\$ 7,481.00</u>
NTE Amount:	\$135,000.00

Attachment: Sole Source
Puffer/Emerson Proposal



Sole Source Letter

This letter is to provide notification that Puffer Sweiven is the sole source of Emerson DeltaV equipment in the Texas Gulf Region. Being the regional distributor for such, DeltaV hardware and software are not available for purchase through other avenues.

A handwritten signature in black ink, appearing to read 'Billy Strange', written over a horizontal line.

Billy Strange
Sales Associate
Tel: 281-274-6107
Email: Bill.Strange@Puffer.com



www.emerson.com

Puffer
 4230 Greenbriar Drive
 Stafford, Texas 77477
 Tel: (281)-240-2000
 Fax: (281)-274-6475
www.puffer.com

Reference : College of the Mainland
 Proposal nr. : PUFH2220176_3

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INTRODUCTION

Puffer-Sweiven are pleased to present his proposal to the College of the Mainland to replace their existing PLC Educational System with a new state of the art Emerson DeltaV DCS. This proposal is for a turn-key solution including, hardware, software, and services. Please reach out to the Sales Contacts below for any questions.

PRICE SUMMARY

Item No	Qty	Model Number	Description	Price
Hardware, Software, Guardian Support, and Licensing				\$45,384.00
Software and Licensing				
1	1	VE2101PS0100	ProfessionalPLUS Premium Workstation Software; 100 DST	
2	1	VE3113S00050	Analog Monitor Input 50 DSTs	
3	1	VE3114S00025	Analog Control Output 25 DSTs	
4	1	VE3111S00025	Discrete Monitor Input 25 DSTs	
5	1	VE3112S00025	Discrete Control Output 25 DSTs	
6	1	VE2301R14LTSL39	DeltaV Software Media Pack; v14.LTS; English	
7	1	VE9041S0100	1-Year Guardian Support for One System up to 100 DST	
ProfessionalPlus Server				
8	1	SE2711C04	DeltaV Tower Server; Win Server 2016 Std Emb; Xeon 4112 2.6G CPU; Six 800GB Solid State Drives; RAID 10; 16GB RAM; DVD; 4 Ethernet Ports; Red. Pwr; No Monitor; 5 yr warranty	
9	2	SE2814	24-inch LED Widescreen Monitor - Dell Monitor P2422H; 16:9 Aspect Ratio; 1920x1080 at 60Hz Resolution; VGA/USB/HDMI/DP; 3 yr warranty,	
Operator and Engineering Workstations				
10	2	SE2612C02	DeltaV Tower Dual/Quad Monitor Workstation; Win10 Ent IoT 2016; Intel Xeon Processor W-2123 (4C, 3.6GHz, 5.5M, 120W); External Speakers; Two 500GB SATA Drives; RAID 1; 16GB RAM; DVD; 3 E-net Ports; No Monitor; 5 yr warranty	
11	2	VE2104	Operator Station, Full Span of Control	
12	2	VE2104P01	DeltaV Live Operations Premium Performance Pack	
13	4	SE2814	24-inch LED Widescreen Monitor - Dell Monitor P2422H; 16:9 Aspect Ratio; 1920x1080 at 60Hz Resolution; VGA/USB/HDMI/DP; 3 yr warranty, 1 DP and 1 USB cable included	
Instrument Enclosure				
14	1	PS-CIE	CHARMS Instrument Enclosure.	



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Item No	Qty	Model Number	Description	Price
			(60"H X 36"W X 12"D WITH 24" FLOOR STANDS) GENERAL PURPOSE, NEMA 4X, 304 STAINLESS STEEL, DELTAV 96 IO CHARMS CABINET WITH AC/DC POWER DISTRIBUTION, RED. BULK 24VDC POWER SUPPLIES, CABLE MANAGEMENT, INTERNAL WIRING AND GROUNDING. Price includes design, assembly, non-DeltaV Hardware, and customer witnessed Hardware FAT	
Controller				
15	1	VE3008	MQ Controller	
16	1	VE5009	Enhanced System Power Supply; 24/12 Vdc Input	
17	1	VE3051C0	2-Wide Power/Controller Carrier	
18	1	VE6041F05C2	Smart 6-Port (RJ45) 10/100BASE-TX Switch with two SC 100BASE-FX Multimode Uplink Ports (FP20-6TX2MM-ES); Extended Specs	
CHARMs Hardware				
19	1	SE6505T01	Redundant CIOC2 Assembly with Copper Ethernet (includes redundant pair of CHARM I/O Card 2, CHARM I/O Carrier with Screw Terminals, Copper I/O Ports, a Baseplate Identifier and a Baseplate Separation Wall)	
20	8	SE4601T07	CHARM Baseplate Assembly with Standard CHARM Terminal Blocks (Includes a CHARM Baseplate, a CHARM Address Terminal Block with Screw Terminals, 12 CHARM Standard Terminal Blocks, and a Baseplate Identifier)	
21	1	SE4602	Package of Address Plugs 1 through 8 for CHARM Baseplates	
22	1	SE4604T04	CHARM Baseplate Terminator, Bottom; includes a Baseplate Identifier and a Baseplate Separation Wall	
23	1	SE4606T02	Channel Identifier Labels for CHARM Baseplates; Package of 8	
24	1	SE4605T04	CHARM Baseplate Cables; Set of two; 90-inch (2.2m)	
25	1	SE4603T05	CHARM Baseplate Extender with Cable Connectors, Top; includes a Baseplate Identifier and a Baseplate Separation Wall	
26	1	SE4603T06	CHARM Baseplate Extender with Cable Connectors, Bottom; includes a Baseplate Identifier and a Baseplate Separation Wall	
27	26	SE4303T01	Analog Input CHARM; 4-20 mA; HART	
28	26	SE4303T02	Analog Input CHARM; Thermocouple/mv	
29	8	SE4304T01	Analog Output CHARM; 4-20 mA; HART	
30	10	SE4301T02	Discrete Input CHARM; 24 Vdc Dry Contact; Low-side Sense	
31	10	SE4302T02	Discrete Output CHARM; 24 Vdc; Isolated	
Surcharge				
32	1	ESC	Emerson Hardware Surcharge	
Configuration Services				\$51,320.00
33	1	PS-SERV-CFG	Puffer DeltaV Configuration Services	



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Item No	Qty	Model Number	Description	Price
			Includes defining and mapping all IO points, control logic programming, graphic creation, and software FAT	
Site Services – T&M				\$14,960.00
34	48	PS-SERV-FS	<p>Puffer Field Services to de-terminate existing I/O wiring and re-terminate to CHARMS I/O.</p> <p>Does not include physical demolition of existing hardware or installation of CHARMS Cabinet.</p> <p>Estimate based on 48 hours @ \$170/hr (two technicians over 3 days). To be charged at actual on a time and material basis.</p>	
35	40	PS-CSU	<p>Puffer Commissioning and Startup Services Includes time on site for Personnel Training</p> <p>Estimate based on 40 hours @ \$170/hr. To be charged at actual on a time and material basis.</p>	
Site Support				\$5,380.00
36	1	SSA	SSA (SureService Agreement). This includes an annual preventative maintenance visit as well as some service hours to address any configuration or DeltaV requests.	
Project Total				\$117,044.00

Item No	Qty	Model Number	Description	Price
Optional Redundant Controllers				
35	1	VE3008	MQ Controller	
36	1	VE5009	Enhanced System Power Supply; 24/12 Vdc Input	
37	1	VE3051C0	2-Wide Power/Controller Carrier	
38	1	VE31RED	Controller Redundancy	
Redundant Controller Price Adder				\$2,677.84



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Item No	Qty	Model Number	Description
Optional Quad Monitors			
39	3	VE2104K01	Quad-Monitor Workstation License
40	6	SE2814	24-inch LED Widescreen Monitor - Dell Monitor P2422H; 16:9 Aspect Ratio; 1920x1080 at 60Hz Resolution; VGA/USB/HDMI/DP; 3 yr warranty, 1 DP and 1 USB cable included
			Optional Quad Monitor Price Adder
			3,896.82

Item No	Qty	Model Number	Description	Unit Price	Total Price
Optional Emerson Training Classes					
41	1	EDU-PSS-7018	<p>DeltaV - Hardware & Troubleshooting – 7018</p> <p>This course is recommended for instrumentation and maintenance technicians, managers, and configuration engineers. It provides an overview of the DeltaV Control Network, hardware, and software applications.</p> <p>This 4-day course focuses on the hardware components that make up the DeltaV system. Using a combination of lectures and workshops, you will learn how to use operator and diagnostic tools to identify and locate hardware-related fault conditions.</p>	1,900.00	1,900.00
42	1	EDU-PSS-7009	<p>DeltaV - Using DeltaV Operate - Implementation I – 7009</p> <p>This course is designed for process & process control engineers responsible for obtaining key production data, maintaining, configuring and troubleshooting a DeltaV system.</p> <p>During the 4-1/2 day course, the student will be able to define system capabilities, define nodes, configure continuous and sequential control strategies, create process alarms, operate the system, troubleshoot the system and modify operator displays.</p>	2,000.00	2,000.00

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RACI CHART

					
Project RACI Matrix					
R - Responsible	A - Approve	C - Consult	I - Informed		
				Customer	Puffer
Project Activities					
Project Management					
Produce / update Master schedule		C			R
Develop and manage sub-contracts as required		I			R
Develop and issue status reports		C			R
Manage project staffing		I			R
Manage project budget, invoicing and change order process		A			R
HW FAT Procedure		A			R
Procurement					
Procure DCS/SIS Hardware, Licenses, and cabinet material per agreed BOM		A			R
Procure Installation and Construction equipment (pipes, cable tray, wiring....etc.)		R			I
Design Package					
Demolition and Installation Plan		R			I
Loop Sheets		R			I
Panel/Cabinet Layout Drawings and Design (Electrical power, grounding, power distribution, I/O wiring...etc.)		A			R
System Engineering					
I/O List w/ tag names		R			I
P&ID's		R			I
Network Diagram		R			C
Cause & Effects		R			I
Control Narrative		R			I
Functional Design Specification		R			C
DCS/SIS Configuration		A			R
SW FAT Procedure		A			R
Conduct SW FAT		A			R
Panel/Cabinet Fabrication and Assembly					

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Fabricate and Assemble panels/cabinets per approved drawings for construction	A	R
Internal FAT	I	R
Conduct HW FAT	A	R
On-Site Construction		
Installation supervision	R	I
Install process hook-ups	R	I
Install field cables, conduit etc.	R	I
Install, terminate, and test field power cables as required	R	I
Install, terminate, and test earth cables as required	R	I
Inspect installation of all electrical power, grounding, etc.	A	R
Power-up and comms test of systems	A	R
Inspect system network equipment as required	A	R
Lead corrective action plan development if needed	C	R
Write site acceptance test (SAT) specification	R	C
Review and approve site acceptance test (SAT) specification	R	C
System integration test (SAT) once system and cabling installation have been completed	R	I
Witness installed integrated system test	R	I

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COMMERCIAL TERMS

Progress Payments will be required according to the following schedule:

Progress Billing Milestone Schedule

Payment	Milestone	Payment Due
1	Upon P.O. acknowledgement	50%
4	Upon completion of FAT at Puffer-Sweiven	50%

* Major materials are defined as core DeltaV hardware and panel enclosures.

Milestone Cancellation Schedule

Milestone	Amount Due
Award of contract and prior to drawings submittal	0%
After drawing submittal and prior to order of materials	30%
After order of materials and prior to start of assembly	60%
After start of assembly and prior to start of hardware FAT	90%
After start of hardware FAT	100%

*Values shown in the table above are percentages of total purchase order amount.

- Services quoted as time and material serve as estimates only. The actual time required may vary due to delays in gaining access to the equipment and changes in the scope of work.
- Availability of personnel is dependent on current work load at the time of receipt of purchase order. All service requests will be scheduled as soon as practical once personnel are made available for assignments at sole discretion of Puffer-Sweiven LP.
- All rates are for prime shift hours Monday through Friday, 8:00 AM until 5:00 PM. Purchase orders shall allocate at least four hours minimum time per discipline. After 4 hours, the time increment is one-half hour intervals.
- Monday thru Friday overtime and all day Saturday will be billed at 1.5 times the base rate.
- All hours on Sunday and Puffer Sweiven holidays will be billed at 2.0 times the base rate.
- Travel time to job site will be billed portal to portal at the applicable rates.
- Vehicle mileage charge of \$0.65 per mile will be accessed.
- Other approved expenses will be billed at cost plus 10% for documentation and processing fee.
- “On Hold” time at jobsite or hotel (ex. bad weather, plant evacuations, unsafe working conditions) will be billed at the applicable rates.
- Any required mobilization (deep-water survival, firefighting, first-aid, safety, drug screening, etc...) will be billed at cost plus 10%. Our domestic rates for training are \$175/hr.



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- Time sheets will be signed by the Client representative/supervisor, preferably at the end of each day. Once signed, the time sheet is considered as acceptance of the work performed.
- **All rates are based on acceptance of standard Puffer-Sweiven Terms & Conditions listed below.**

Price Validity : 90 Days
Payment Terms : Net 30 Days
Delivery Terms and Destination : Prepay and Add,
 FCA: Shipping Point
Terms and Conditions of Sale : The Puffer Terms and Conditions of sale – product and control systems will apply for this quotation.

Puffer reserves the right to charge for storage of cabinets should there be an extended period after notification of readiness of FAT created by customer. The fee will include packing/unpacking, shipping, and storage on a per cabinet basis.

PROPOSAL NOTES

Please make purchase orders out to: : Puffer
 4230 Greenbriar Dr.
 Stafford, TX 77477

Information required when placing an order :
 -Ship to Address
 -Bill to Address
 -DeltaV and or AMS System ID (SID)

Sales Contact Information:

Craig Marsh
Puffer
 T 281-785-6564
 Craig.Marsh@puffer.com

Billy Strange
Puffer
 T 281-274-6107 | F 281-274-6475
 Billy.Strange@puffer.com



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MASTER PURCHASE AGREEMENT

This Master Purchase Agreement ("Contract") is entered into, by and between Puffer-Sweiven LP, a Delaware limited partnership, having its principal place of business at 4230 Greenbriar Drive, Stafford, Texas 77477 ("Seller") and the customer for whom a quote for products sold by and/or services rendered by Seller has been accepted ("Customer"). The "Effective Date" of this Agreement shall be the date such quote is accepted by the Customer.

RECITALS

WHEREAS, Customer wishes to engage Seller as an independent contractor to provide it with certain equipment, material and services (collectively, the "Equipment") as set forth herein;

WHEREAS, Seller is willing to provide such Equipment on the terms and conditions set forth in this Contract.

NOW THEREFORE, in consideration of the foregoing premises and the mutual covenants, promises, obligations and agreements contained herein, and other good and valuable consideration, the sufficiency of which are hereby acknowledged, the parties, intending to be bound, agree as follows:

The Equipment provided by Seller shall be provided only upon the following terms and conditions:

1. **CONTRACT TERMS:** The terms and conditions of this Contract are the only terms and conditions applicable to the sale of the Equipment to the Customer. ANY REPRESENTATIONS, PROMISES, WARRANTIES, OR STATEMENTS BY SELLER'S AGENT OR EMPLOYEE THAT DIFFER IN ANY WAY FROM THE TERMS OF THIS CONTRACT SHALL BE GIVEN NO FORCE OR EFFECT. The person accepting or entering into this Contract on behalf of Customer hereby warrants and represents that such person has actual authority to do so and to bind Customer to the terms hereof and that all corporate (or equivalent) action required to accept such Contract by Customer has occurred. Any additional or different terms or conditions set forth in any communications, including without limitation a telephone order, a request for quotation, or purchase order form, from Customer are objected to by Seller and shall not be effective or binding unless expressly assented to in writing by an officer of Seller. All shipments are made pursuant to this Contract. No other terms or additions are acceptable. This Contract is intended as a final and complete expression of the agreement between Seller and Customer.
 - b) A sales confirmation or similar form issued by Seller pursuant to a Customer's purchase order constitutes an expression of acceptance of such purchase order, but such expression of acceptance is expressly conditioned upon Customer's assent to the Contract.
2. **PRICES AND QUOTATIONS:** (a) All prices are F.O.B. Seller's warehouse in Stafford, Texas or such other of Seller's locations as Seller may choose, unless otherwise specified. Except as otherwise provided therein, Seller's prices for the Equipment shall remain in effect for thirty (30) days from the date of Seller's quotation.
 - b) All prices quoted by Seller are subject to any addition which may be necessary to cover any taxes or charges or any applicable increase in same hereafter becoming effective, such as, for example, the payment of any applicable sales, use, excise or other taxes, or import duties, documentation charges, freight, insurance, packing charges, or similar costs or charges.
3. **PAYMENT TERMS:** (a) Subject to the approval of Seller's Credit Department, and unless otherwise agreed in writing, terms of payment are net cash thirty (30) days following the date of invoice.
 - b) All payments shall be made in U.S. currency to Seller at its offices in Stafford, Texas, or as Seller otherwise directs.
 - c) The amount of any invoice shall be deemed to be accurate unless Seller receives written notification from Customer disputing the amount or validity of any such invoice before the payment due date and before payment has been made. Any such notification shall be sent to Seller at P.O. Box 2000, Stafford, Texas 77497-2000, Attn.: Accounts Receivable. Any such notice shall include the invoice number and a description of the alleged error.
 - d) Seller shall have the right, among all other available legal remedies, to terminate this Contract and/or to suspend further deliveries under this or other agreements with Customer if Customer fails to make any payments to Seller when due.
4. **CANCELLATION:** Prior to acceptance of the Equipment, Customer may terminate its order for any or all of the Equipment covered by this Contract, provided that (a) Seller is given reasonable advance written notice of such termination and (b) Seller is paid termination charges which shall include all costs and expenses already incurred or commitments made by Seller in connection with the processing, purchasing, handling and fabrication of the Equipment, and a reasonable profit thereon plus any losses or damages resulting from such cancellation or termination. Seller's determination of such termination charges shall be conclusive.



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5. DELIVERY AND DOCUMENTATION: (a) Customer shall bear the risk of loss for damage to or destruction of the Equipment from the earlier of the time that Seller delivers such Equipment to the carrier or to Customer or Customer's agent. Any claims for loss or damage after risk of loss has passed to Customer shall be filed with the carrier. Customer shall give written notice to Seller of any claim for shortage, error in Equipment shipped or error in charges within thirty (30) days after receipt of Equipment or such claim shall be deemed waived.
- b) Quoted delivery dates are approximate estimates determined at the time of quotation and are subject to revision at any time.
 - c) All shipping dates are approximate and are based upon prompt receipt by Seller of all necessary information from Customer to properly process the order.
 - d) Delivery dates are subject to changes caused by additions to or modifications of the original order agreed to by both Seller and Customer.
 - e) Under no circumstances shall Seller have any liability whatsoever for loss of use or for any indirect or consequential damages as a result of delayed delivery.
 - f) Unless otherwise agreed in writing Seller shall have the option of partial or complete shipment of the Equipment.
 - g) Seller shall provide Customer with such data or documentation, if any, as specified in the quotation. If additional copies of such data or documentation are requested by Customer, Seller will provide such additional copies at Customer's expense. If Customer requests different or non-standard data or documentation, Seller, at its sole option, may provide such different or non-standard data or documentation at Customer's expense.
6. RETURNS: Subject to the terms of this Contract regarding cancellation and warranties, all sales are final. Customer may request to return Equipment by contacting its account salesperson to request a return authorization number. No Equipment will be accepted for return without a valid return authorization number clearly noted on the outside of the shipment. Any return shipments must be made freight prepaid unless Seller has expressly authorized Customer in writing to ship such Equipment to Seller at Seller's expense. Any returns of Equipment authorized by Seller are subject to Seller's standard restocking charges as such are then effective. Seller's current minimum restocking charges are the greater of 20% of the invoiced price or \$50 per item. Special orders or non-stock items are subject to higher restocking charges.
7. INSTALLATION, MAINTENANCE, ETC.: All equipment shall be installed by and at the expense of the Customer. Customer shall be responsible for receiving, storing, installing, starting up and maintaining all Equipment. Customer may request the Seller to provide a quotation for providing services to assist Customer in all or part of these duties.
8. SERVICES: (a) Except for non-warranty repair services, services rendered by Seller, whether with or without charge, are only technical or advisory in nature and are merely incidental to the sale of the Equipment. When any such services are rendered, Customer will retain full responsibility for and full control, custody and supervision of the Equipment and the installation, selection of material therefor, use or operation thereof, and a representative of Customer shall be present with full authority to direct operations.
- b) If Seller furnishes technical or other advice to Customer, whether or not at Customer's request, with respect to Customer's process or equipment, such advice shall be made in good faith, and Customer assumes all risk of such advice and the results thereof.
9. LIMITED WARRANTY AND DISCLAIMER: As set forth herein, different warranties may apply to different categories of Equipment. **AS TO ALL EQUIPMENT, INCLUDING SERVICES, EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, SELLER MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES AS TO MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, NON-INFRINGEMENT OR ANY OTHER MATTER WITH RESPECT TO ANY OF THE EQUIPMENT.** The warranties made in this section are in lieu of any other warranty, express or implied, and are expressly subject to Section 12 and the terms of this Contract. The warranties made in this section are the only warranties made by Seller and can be amended only by a written instrument signed by an officer of Seller.
- b) "Resale Products" shall mean any portion of the Equipment purchased by Seller from a third party for resale. If the Resale Products are subject to the manufacturer's or other third party warranties, Seller hereby assigns to Customer all of Seller's rights and remedies under such warranties to the extent that such rights and remedies are assignable.
 - c) "Puffer Products" shall mean any portion of the Equipment manufactured or fabricated by Seller. Subject to the terms of this Contract, Seller warrants that all Puffer Products will be free from defects in materials or workmanship under normal use and service until

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the expiration of twelve (12) months from the date of shipment by Seller. Puffer Products are prepared solely as a convenience to Customer according to instructions and specifications provided by Customer.

d) "Consumables" shall mean that portion of the Equipment which is depleted or expected to rapidly deteriorate in ordinary use of the Equipment including, without limitation, glass parts and electrodes, membranes, liquid junctions, electrolytes and reagents, o-rings, plastic tubing, etc. Subject to the terms of this Contract, Consumables which do not constitute part of Resale Products are warranted by Seller to be free from defects in material and workmanship under normal use and service for a period of ninety (90) days from the date of shipment by Seller.

e) "UPO Equipment" shall mean unused, previously owned products which are not covered by a manufacturer's warranty on the date of shipment by Seller. Subject to the terms of this Contract, Seller warrants that UPO Equipment shall be free from defects in material and workmanship under normal use and service for a period of twelve (12) months from the date of shipment by Seller.

f) "Used Equipment" shall mean previously sold, used products which may or may not have been refurbished, repaired, modified, reconfigured, or cleaned by Seller or a third party. Used Equipment shall include, but not be limited to, Equipment such as that sold through the ENCORE program. If any portion of the Used Equipment is subject to a third party warranty, Seller hereby assigns to Customer all of Seller's rights and remedies under such warranty to the extent that such rights and remedies are assignable. If any portion of the Used Equipment is not subject to any other warranty as of the date of shipment by Seller, and subject to the terms of this Contract, Seller warrants that such portion of the Used Equipment shall be free from defects in material and workmanship under normal use and service for a period of six (6) months from the date of shipment by Seller.

g) Subject to the terms of this Contract, Seller warrants that any portion of the Equipment consisting of Software will execute the programming instructions provided by Seller for a period of ninety (90) days from the date of shipment. The foregoing warranty shall not apply to any such software which is covered by a third party warranty. If any such portion of the Equipment consisting of Software is subject to the manufacturer's or other third party warranties, Seller hereby assigns to Customer all of Seller's rights and remedies under such warranties to the extent that such rights and remedies are assignable.

h) Subject to the terms of this Contract, Seller guarantees the workmanship in all non-warranty service, including, without limitation, repair and maintenance service, performed by Seller for a period of ninety (90) days from the date of the service.

i) Subject to the terms of this Contract and unless otherwise expressly provided herein, Seller warrants title to all Equipment (other than software) provided under this Contract.

j) Customer must notify Seller in writing of any warranty defects within thirty (30) days after discovery thereof. Failure by Customer to give such written notice within the applicable time period shall be deemed an absolute and unconditional waiver of Customer's claim for such defects. If timely written notice of such defects is given to Seller and Seller concludes that such defects are covered by a warranty made by Seller in this Contract, Seller shall, at its option and as Customer's sole and exclusive remedy hereunder, repair or replace F.O.B. point of manufacture, that portion of the Equipment found by Seller to be defective or reperform any non-conforming services in a commercially reasonable manner. In the event that Seller determines that it is not commercially reasonable to repair or replace any non-conforming Equipment or to reperform any non-conforming services, then Seller may, at its option, accept a return of the Equipment and return the purchase price paid. Customer agrees that Seller shall have no liability for warranty defects alleged to exist in Resale Products; however, Seller agrees to make a reasonable commercial effort, if requested to do so by Customer, to arrange for procurement and shipping of replacement Resale Products, at Customer's expense. Equipment repaired and parts replaced by Seller during the warranty period shall be subject to the warranties made by Seller in this Contract for the remainder of the original warranty period.

k) The warranties made by Seller in this Contract do not apply to replacements or repairs necessitated by inadequate preventative maintenance, or by normal wear or usage, or by fault of Customer, or by unsuitable power sources or by attack or deterioration under unsuitable environmental conditions, or by natural disaster, sabotage, abuse, accident, alteration, misuse, improper installation, modification, repair, storage or handling, or any other cause not the fault of Seller. The warranties made by Seller in this Contract do not apply to (i) any Equipment which has been modified or subjected to unauthorized repair; or (ii) any item which is a component part of the Equipment where such item is furnished by Customer.

l) Seller's obligation to repair or replace defective Equipment, to reperform non-conforming services, or, at Seller's option, to accept a return of the Equipment and return the purchase price paid, constitutes agreed and liquidated damages and the sole remedy for any breach of warranty by Seller. Seller shall have the right to inspect any Equipment claimed to be defective and shall have the right to determine the cause of such claimed defect. All Equipment replaced or repaired by Seller under its warranty shall be replaced or repaired F.O.B. Seller's warehouse, Stafford, Texas, or such other location as Seller may designate.

m) For purposes of this Contract, "date of shipment by Seller" shall mean the earlier of the date that the Equipment is delivered for

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shipment or the date of delivery to Customer if Customer (or Customer's agent) picks up or otherwise takes delivery of the Equipment without shipment by Seller.

10. **CUSTOMER DATA/SPECIFICATIONS:** To the extent that Seller has relied upon any specifications, information, representation of operating conditions or any other data supplied in writing by Customer to Seller in the selection or design of the Equipment or otherwise in connection with this Contract or the preparation of Seller's quotation, and in the event that the actual operating conditions or other conditions differ from those supplied by Customer and relied upon by Seller, ANY WARRANTIES OR OTHER TERMS AND CONDITIONS CONTAINED HEREIN WHICH ARE AFFECTED BY SUCH CONDITIONS SHALL BE NULL AND VOID.

11. **SOFTWARE AND INTELLECTUAL PROPERTY:** Notwithstanding anything herein to the contrary, any third party software (including firmware), whether open source, proprietary or otherwise (collectively, "Software"), that is embedded or included with any Equipment or otherwise provided by Seller is not being sold by Seller hereunder; instead, all such Software shall be separately licensed by Customer from the third party provider of such software and/or its licensors and is subject to all of the license terms and restrictions provided by such party. No Software is being licensed from Seller hereunder, and Customer is solely responsible for obtaining and complying with any applicable third party license terms and restrictions. Any and all materials, work product, writings, designs, formulations, drawings, ideas and/or other intellectual property created by Seller and/or its employees, agents or contractors ("Seller Work Products") shall be the exclusive property of Seller, and all rights, title and interest therein shall belong exclusively to Seller from the time of their creation. Customer and Seller agree that all rights, title and interest, including trademarks, patent rights, copyright interests and other forms of intellectual property, in and to the Seller Work Products, Seller's business methods, Seller's services and all related intellectual property of Seller are and shall remain the exclusive property of Seller.

12. **LIMITATION OF REMEDY AND LIABILITY:** CUSTOMER'S EXCLUSIVE REMEDY SHALL BE FOR DAMAGES, AND SELLER'S TOTAL LIABILITY FOR ANY AND ALL LOSSES AND DAMAGES ARISING OUT OF ANY AND ALL CAUSES WHATSOEVER (WHETHER SUCH CAUSE BE BASED IN CONTRACT, INFRINGEMENT, NEGLIGENCE, STRICT LIABILITY, OTHER TORT OR OTHERWISE) SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE EQUIPMENT AND/OR SERVICES IN RESPECT OF WHICH SUCH CAUSE ARISES OR, AT SELLER'S OPTION, THE REPAIR OR REPLACEMENT OF SUCH EQUIPMENT OR THE REPERFORMANCE OF SUCH SERVICES, AND IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, INDIRECT OR PUNITIVE DAMAGES RESULTING FROM ANY SUCH CAUSE. NOTWITHSTANDING THE FOREGOING, SELLER SHALL NOT BE LIABLE FOR DAMAGES CAUSED BY DELAY IN PERFORMANCE. The term "Consequential Damages" shall include, but not be limited to, loss of anticipated profits, loss of use, loss of revenue and cost of capital. Seller shall not be liable for, and Customer assumes liability for, all personal injury and property damage connected with the handling, transportation, possession, use, further manufacture, or resale of the Equipment. No costs or charges incurred by Customer will be paid by Seller unless authorized in writing in advance by Seller.

13. **EXCUSE OF PERFORMANCE:** (a) Deliveries may be suspended, delayed, or canceled by Seller, without liability to Customer or any other person, in the event of: Act of God, war, riot, fire, explosion, accident, flood, natural disaster, sabotage, equipment or computer failure; acts, omissions, or failures by Seller's suppliers or other third parties; lack of or delays in obtaining adequate fuel, power, raw materials, components, labor, containers, or manufacturing or transportation facilities; compliance with governmental requests, laws, regulations, order or actions; breakage or failure of machinery or apparatus; force majeure; national defense requirements or any other event, whether or not of the class or kind enumerated herein, beyond the reasonable control of Seller; or in the event of labor trouble, strike, lockout or injunction (provided that Seller shall not be required to settle a labor dispute against its own best judgment); which event makes impracticable the manufacture or delivery of a shipment of the Equipment or of a material or component upon which the manufacture of the Equipment is dependent.

b) If Seller determines that its ability to supply the total demand for the Equipment or obtain any or a sufficient quantity of a material or component used directly or indirectly in the manufacture of the Equipment, is hindered, limited or made impracticable, Seller may allocate its available supply of the Equipment or such material or component (without obligation to acquire other supplies of any such Equipment, material, or component) among itself and its purchasers on such basis as Seller determines to be equitable without liability for any failure or delay of performance which may result therefrom.

c) Deliveries suspended or not made by reason of this section shall at Seller's option, either be canceled or the time for delivery shall automatically be extended for a period equal to the suspension period, without liability, but this Contract shall otherwise remain unaffected.

14. **WAIVERS AND RELEASES:** Except as provided in Section 9 and except for the willful misconduct or gross negligence of Seller, its employees or agents, Customer hereby releases Seller, its employees, agents and "controlling persons" (within the meaning of Section 20(a) of the Securities Exchange Act of 1934, as amended) from all liabilities, claims, costs, expenses, losses and damages of any and every kind arising out of or resulting, directly or indirectly, from any defect or failure of the Equipment or any act, omission, error or delay in the performance, or nonperformance of Seller's obligations and duties under this Contract. To the extent, if any, that Seller, its

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employees, agents or "controlling persons" shall have any liability under this Contract, Customer's exclusive remedy shall be as set forth in Section 12. CUSTOMER WAIVES ALL CLAIMS FOR CONSEQUENTIAL DAMAGES AND ALL CLAIMS REGARDING LOSS OF REVENUE, INCOME, PROFIT AND USE OR DAMAGES, WHETHER SAME BE DIRECT, INDIRECT, INCIDENTAL OR CONSEQUENTIAL.

15. GOVERNING LAW, VENUE AND LIMITATIONS: (a) This Contract shall be governed by and construed in accordance with the laws of the State of Texas without regard for its conflict of law provisions.

b) Each of the parties hereto submits irrevocably to the exclusive jurisdiction of the courts of the State of Texas, in Fort Bend County, as regards any claim or matter arising under this Contract.

c) No action or claim, regardless of form, arising out of transactions under this Contract may be brought by either party, more than two years after the cause of action or claim has accrued.

16. TERM AND TERMINATION:

a) Term. The term of this Contract shall commence on the Effective Date and shall continue in force until terminated. Upon the termination of this Contract for any reason, Customer shall immediately pay to Seller all amounts due and outstanding as of the date of such termination or expiration. This Contract shall continue to apply to any outstanding orders as of such termination, which shall continue in effect. Further, all provisions of this Contract that should reasonably be expected to survive, including limitations of liability, shall survive any expiration or termination of this Contract.

b) Termination.

i) For Breach. If either party materially breaches any term or condition of this Contract and fails to cure that breach within thirty (30) days after receiving written notice of the breach, the non-breaching party may terminate this Contract on written notice at any time following the end of such thirty (30) day period.

ii) For Insolvency. Either party may terminate this Contract upon written notice in the event the other party becomes insolvent (i.e., becomes unable to pay its debts in the ordinary course of business as they come due) or makes a general assignment for the benefit of creditors.

17. OTHER TERMS AND CONDITIONS: (a) Customer shall not (by operation of law or otherwise) assign its rights or delegate its performance hereunder without the prior written consent of Seller, and any attempted assignment or delegation by Customer without such consent shall be void. Seller may exercise its rights and perform its obligations under this Contract through subcontractors, contractors and contracted third parties.

b) Seller reserves the right to modify the design of any Equipment without obligations or notifications, and Seller is not obligated to so modify Equipment previously or subsequently sold.

c) Should any clause, sentence or part of this Contract be held invalid, such holding shall in no way affect the validity of the remainder, which shall remain in full effect. Failure to enforce any or all of the provisions of this Contract in a particular instance or instances, shall not constitute a waiver or preclude subsequent enforcement thereof.

d) Beginning on the Effective Date and continuing until one year following the last purchase of products or services hereunder, Customer shall not hire, seek to hire or in any way participate in an attempt to hire any employee of Seller on Customer's own behalf or on behalf of another, and Customer shall not in any other manner attempt to directly or indirectly influence, induce or encourage any employee of Seller to leave the employment of Seller. For purposes of this section, "employee" means any permanent employee, temporary employee, independent contractor, or consultant who was employed by, doing business with, or associated with Seller within six (6) months of the time of the attempted solicitation or hiring.



Minute Order

To: Board of Trustees
From: Dr. Warren Nichols, President Date:
September 26, 2022
Subject: Agenda Item for COM Board of Trustees

AGENDA ITEM DESCRIPTION:

Procurement Method for V.P. Suite Renovations

FUNDING SOURCE:

2018 Bond Funds

PURPOSE

To comply with Government Code 2269.056 for the selection of the procurement method to support the V.P. Suite renovations.

PROPOSED MOTION:

"I move the Board of Trustees Approve the procurement method of utilizing a Request for Competitive Sealed Proposals for the V.P. Suite Renovations"

BACKGROUND

In order to begin the initial phases of the subject project, Government Code 2269.056 requires the Board of Trustees approve a procurement method for an individual project, a series of projects in a bond issue, or for all construction projects by means of a Board action, without delegation to administration. There are three procurement options that can be used when contracting services in support of construction projects. Option 1 is by competitive bidding whereby evaluation criteria is not referenced and contract award is based on price alone. Option 2 is a Request for Competitive Sealed Proposals (RFCSP) when specific evaluation criteria is referenced and contract award is based on a best value analysis of each proposal supported by weighted evaluation criteria. Option 3 is to utilize a Construction-Manager-At Risk whereby the institution must contract with an architect or engineer for design and construction phase services, yet contracts separately with a Construction Manager-At-Risk to serve as the primary general contractor to provide consultation during the design and construction, rehabilitation, alteration, or repair of a facility.

In this case, Option 2 as a Request for Competitive Sealed Proposal process is recommended in the selection of a general contractor. This process includes construction documents, selection criteria and the weighted value for each criterion, estimated budget, project scope, estimated project completion date, and other information for a contractor to respond in accordance with Government Code 2269.251. A recommendation for contract award will be presented to the Board for final approval once proposals are evaluated and negotiations are finalized. The selected general contractor will then coordinate all efforts related to project planning, selection of personnel, and subcontractors to perform the subject project, while managing schedules and cost in tandem with the COM Facilities.



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 26, 2022
Subject: Agenda Item for COM Board of Trustees

AGENDA ITEM DESCRIPTION:

Extension of contract 18-01 for Financial Audit Services.

FUNDING SOURCE:

To be paid from Operating funds (GL 11-0-0000-5107-5330) in an amount not-to-exceed \$478,000.00

PURPOSE

Compliance with annual financial audit requirements set forth in Fiscal Management Section 44.008.

SUGGESTED MOTION: *"I move the Board of Trustees renew contract 18-01 with Whitley Penn for external audit services not-to-exceed \$478,000.00 to be paid from operating funds."*

BACKGROUND:

The Board of Trustees appointed Whitley Penn as the external (financial) auditor in May 2016 in accordance with Board of Trustee By Laws, Article G(3): External Auditor and Internal Auditor. The By Laws permits the selection of an external and internal auditor based on the auditing firm's previous performance, qualifications, and experience. Whitley Penn continues to provide exceptional services supporting the college in maintaining fiscal prudence and compliance as required by the Governmental Accounting Standards Board. Therefore, it is the recommendation of the V.P. of Fiscal Affairs and the President to approve the engagement letter with Whitley Penn for continued auditing services for Fiscal Year 2022 through 2027 in accordance with the regulations set forth in the Texas Education Code 44.008 and Government Code 2254 as a professional service.

IMPLICATIONS

Financial:

Fiscal Year Ending August 31	Audit Fees	Annual Financial Report Prep	Total Fees
2023	\$ 60,500.00	\$ 9,500.00	\$ 70,000.00
2024	\$ 62,000.00	\$ 9,500.00	\$ 71,500.00
2025	\$ 63,500.00	\$ 9,500.00	\$ 73,000.00
2026	\$ 65,000.00	\$ 9,500.00	\$ 74,500.00
2027	\$ 66,500.00	\$ 9,500.00	\$ 76,000.00
		Five Year Subtotal	\$ 365,000.00
		Construction Project Audits	\$ 32,500.00
		20% Contingency	\$ 80,000.00
		Total	\$ 477,500.00

Strategic Goal #6: College of the Mainland will provide services/processes that connect the College to the community in a mutually growth-enhancing cycle.

ATTACHMENTS :

1. Engagement Letter



CPAs and Professional Consultants



College of the Mainland

STATEMENT OF QUALIFICATIONS

FINANCIAL STATEMENT
AUDIT AND CMAR AGREED
UPON PROCEDURES

July 8, 2022

Patrick Simmons, CPA

3737 Buffalo Speedway, Suite 1600

Houston, TX 77098

Patrick.Simmons@whitleypenn.com

713-403-3317 (office)

409-771-5264 (cell)



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Cover Letter

July 8, 2022

College of the Mainland
Sonja Blinka - Director of Purchasing
1200 Amburn Road
Texas City, TX 77591

We are pleased to submit our proposal in response to the College of the Mainland's Request for Qualifications to objectively provide external audit services for the College of the Mainland (the "College"). Our firm welcomes this opportunity to describe our capabilities and to provide evidence of our sincere desire to serve you. We believe that our proposal demonstrates our resources, governmental accounting experience and philosophy of providing superior service to our clients.

Whitley Penn LLP, established in 1983, has become one of the region's most distinguished accounting firms by providing exceptional service that reaches far beyond traditional accounting. The firm has consistently received high marks for its practice and management. This success allows us to bring qualified and experienced personnel to this and all of our governmental engagements. With a dedicated Public Sector team, Whitley Penn is qualified and ready to provide the requested services.

Our public sector team currently serves communities colleges across the State and we are well versed in State Appropriations, Tuition and Fees, Student Financial Aid compliance, HEERF compliance challenges, and overall College operations.

Below is a short list of similar clients that we currently provide financial audit services for:

- Collin County Community College
- Houston Community College System
- Midland College
- Navarro College
- Lee College District
- Odessa College
- San Jacinto College

With this similar experience in mind, we believe that we can provide quality service for the College of the Mainland.

CPE Offered to Governmental Clients

Whitley Penn's Public Sector Team is well known in this industry for their knowledge and experience. As a result, our firm's partners are called upon to present to organizations such as the Texas Association of School Business Officials (TASBO), the Texas Society of CPAs (TXCPA), other CPA firms, the Texas Municipal League (TML), the Government Finance Officers Association of Texas (GFOAT), the Texas Association of Community College Business Officers (TACCBO), and the Texas Association of Community Colleges (TACC).

Whitley Penn also offers this training to our clients in order to provide them with the latest pronouncements, laws and regulations affecting governmental entities. Our CPE is geared to both business/finance staff and board members.

In 2022, we plan to offer two 4-hour CPE sessions, at no cost. The first session was held on April 22, 2022. The 2nd session will be held in September 2022. We plan to cover an array of topics, including OMB, GASB, and State legislative updates.

We appreciate the opportunity to serve the College and we look forward to meeting with you and discussing further how we can work together.

The leading accounting firms of Whitley Penn LLP and Elliott Davis, LLC will join forces and merge to form Elliott Penn LLP effective November 1, 2022. By proactively bringing our firms together, Elliott Penn will leverage the strengths of both firms and will have a larger national presence as a Top 25 firm with a broader market recognition. You will continue to work with the professionals identified in this proposal with additional depth and experience in our team to draw upon as needed. Our commitment to providing excellent client service stands and the impact of this merger adds to the strength of our commitment.

Sincerely,



Patrick Simmons, CPA - Audit Partner

Whitley Penn LLP

3737 Buffalo Speedway, Suite 1600

Houston, TX 77098

Patrick.Simmons@whitleypenn.com

713-403-3317 (office)

409-771-5264 (cell)

Executive Summary

Executive Summary



Our goal is not just to become the College’s auditors but also a year-round resource. We see the external financial statement audit as the first line of defense. We believe that if we partner together to ensure compliance is upheld with federal and state regulations, you can focus on what is most important: **the education of your students.**

Knowledgeable Professionals in Many Fields

Whitley Penn is one of the largest Texas-based, public accounting firms. With 74 partners, eight offices, approximately 700 employees, and an independent membership affiliation with HLB International, the firm is able to offer a deep level of knowledge and know-how. Whitley Penn has been recognized as “One the Top 100 Firms in the U.S.” and “Best of the Best” by *INSIDE Public Accounting* consistently for more than 10 years. The firm’s Public Sector team has extensive experience performing audits and other attestation engagements for school districts, universities, and other large government organizations. Whitley Penn is actively involved with the Texas Association of School Business Officials (TASBO) and our professionals are frequent presenters at TASBO meetings. We are currently the only firm serving on the TASBO/TEA Advisory Committee. In March 2022, Whitley Penn was ranked as the 40th largest firm in the United States.



Experienced Engagement Leadership

Whitley Penn offers four partners and one quality control reviewer, with experience ranging from nine to 45 years who are dedicated to municipalities and other governmental entities. All of our management staff receives annual training in governmental auditing, accounting and financial reporting. Our firm is also in the process of planning for and performing the services you have requested for our existing municipal clients. We have extensive experience in performing management and performance review services for Texas state agencies, for agencies in other states and for local governments in Texas and other states.

Significant Texas Education Institution Experience and Dedicated Public Sector Team

Our proposed audit team members have significant experience in dealing with financial operations and auditing services related to Texas higher education institutions, K-12 education organizations and other governmental entities. Our firm currently serves as auditors and consultants for more than 80 governmental entities. Our partners have been recognized for their expertise and have conducted seminars on various governmental accounting, auditing and financial reporting topics for the Texas Society of CPAs, other CPA firms, the Texas Association of School Business Officials and the Government Finance Officers Association of Texas. We have a dedicated Public Sector group. These individuals work solely on governmental entities year round. Our partners and managers hold the Advanced Single Audit Certificate issued by the AICPA.



Executive Summary

The Whitley Penn Portal

Whether paper or electronic form, confidentiality of information is the utmost importance. Whitley Penn's portal provides a secure, convenient way to transfer data. Some of the benefits of the Whitley Penn portal include:

- Maximum Security for Uploading and Downloading Files of All Sizes
- Ability to Assign Access to Users Within Your Account
- Convenient, Instant Access to Documents
- Multiple Document Organization Tools

Whitley Penn's portal is just one of the many tools in our toolbox that assist us in providing our valued clients with the best service available.

Independence

As auditors, we have a responsibility to maintain independence so that our opinions, conclusions, judgments, and recommendations will be impartial and will be viewed as impartial by knowledgeable third parties. With this responsibility in mind, we confirm that Whitley Penn is independent of the College or any of its component units, including direct and indirect financial interest, as well as relationships of the proposed audit team to employees and Board of Trustee members, as defined by both auditing standards generally accepted in the United States of America and as defined by the Generally Accepted Auditing Standards and the U.S. Government Accountability Office's *Government Auditing Standards*.

Whitley Penn has no related party or conflict of interest matters of concern with the College or any of its components.

Whitley Penn will give the College written notice of any professional relationship entered into during the period of this agreement.

Project Understanding and Management

Project Understanding and Management

What are Generally Accepted Government Auditing Standards?

Generally accepted government auditing standards (GAS) are standards for financial and performance audits of governments, established by the U.S. General Accounting Office (GAO) in its publication *Government Auditing Standards*, commonly referred to as the Yellow Book. These supplemental auditing standards go above and beyond the standards for traditional financial audits which are known as generally accepted auditing standards (GAAS), promulgated by the American Institute of Certified Public Accountants (AICPA) through the Auditing Standards Board.

These enhanced standards are required in the College's audit in accordance with federal guidelines of the Federal Single Audit Act and the U.S. Office of Management and Budget (OMB) Uniform Guidance.

Both GAAS and GAS group audit standards into three main categories; **(1) General Standards; (2) Fieldwork Standards; and (3) Reporting Standards.**

General audit standards address qualifications, independence, due professional care and quality control. The primary differences in the standards concern:

- Qualifications
- Independence
- Quality control

These standards require the audit team receive specific additional training within certain timelines and have adequate knowledge of the government environment.

The standards also specify higher independence criteria and external peer reviews for the audit organization to meet the higher expectations of stakeholders and regulatory community.

Fieldwork standards of GAS attempt to meet the special needs and interests of the public sector by enhanced measures for risk assessment fraud, internal controls, irregularities, illegal acts and other noncompliance. These enhanced standards pay particular attention to how the audit team approaches materiality, noncompliance, safeguarding controls, working papers and audit findings follow-up.

Reporting audit standards go beyond disclosing whether generally accepted accounting standards (GAAP) have been followed, whether disclosures in the financial statements are reasonably adequate, and an expression of opinion by the auditor regarding the fairness of the government's financial statements. Under these enhanced standards, designed to meet the special needs and interests of the public sector, the audit team will communicate with those charged with governance (Board and Management) on matters pertaining to compliance with laws and regulations and on internal controls, including a separate report on federal programs.

Project Understanding and Management

Our firm thoroughly understands the nature of the work to be performed and has developed programs of procedures designed specifically for these engagements. In addition to the heavy involvement of our partners and managers, our staff will have some familiarity with the College's general operating environment due to their extensive experience with higher education clients. A brief overview of the different phases or segments of our audit process is as follows:

The Planning and Risk Assessment Phase

Prior to any fieldwork being performed, strategic planning sessions are held both internally and with the College's staff to identify key audit and operational issues and to establish communications with appropriate firm, College staff and relevant third parties, as well as to determine timing and individual responsibility schedules. Additionally, the audit team will gain an understanding of College's controls and operations surrounding financial activity and develop a plan of action or risk assessment for auditing key areas and account balances.

Fieldwork

Our audit programs for the College will include procedures related to the review and evaluation of internal administrative and accounting control noted above as well as the determination of compliance with finance related legal issues, the evaluation of errors and fraud, statistical sampling and analytical procedures designed to determine reasonableness of costs that can lead toward evaluating efficiency and effectiveness in administrative operations. Throughout the fieldwork process, our partners and staff remain in constant contact and communication with the College's management personnel. When questions or concerns arise in the course of our work, we take steps to assure ourselves that critical information is passed on to the proper level of management through weekly meetings and discussions.

Report Issuance and Closure

Report issuance and exit conferences of an audit are often the most critical portions because it is in this phase that most external communications are discussed. The results of our audit will be reviewed with the appropriate level of management, to include the Board and executive levels of staff, prior to the issuance of a report on internal controls and compliance matters. This review of findings and proposed recommendations with management will lead to a plan of action for College management to make any needed improvements in a manner that is not only theoretically, but practically sound. We find this method of exiting the audit process brings the most value to our higher education clients. We will work with your financial management team in the process of building the College's audit report, to eliminate any unknowns in the financial statement presentation process.

01

Planning

02

Risk Assessment

03

Understanding &
Identifying Key Controls &
Testing Controls

04

Substantive Testing

05

Opinion & Report
Issuance

Project Understanding and Management

What about Sample Sizes and Audit Sampling?

Because it would not be cost effective to test 100 percent of items within an account balance or class of transactions for the purpose of evaluating some characteristic of the balance or class in our tests of controls and compliance with laws and regulations, we sample.

In the course of an audit, we will apply sampling techniques in our substantive testing of account balances and transaction classes if the application of such techniques is deemed more effective and efficient.

The sample sizes and the extent of the use of samples depends on various factors including population size and the inherent risks associated with the account, transaction class, controls, or compliance features. In the planning and fieldwork stages of the audit, we will thoroughly discuss the population sizes, and the risk factors associated with significant financial statement accounts with appropriate financial management personnel. These discussions will include a methodology for selecting a sample as well as an approach for gathering the sample that will be the least intrusive to ongoing financial operations of the College.

Will we use EDP Software in the Engagement?

We utilize CCH's ProSystem fx Engagement, a fully integrated software for trial balances, audit work papers and reporting functions. In fact, all of our audit documentation is maintained through the use of "paperless" working paper software. We will request that the College's staff electronically download certain data from the College's financial management information system for evaluation during the planning and fieldwork phases of the audit. The College, if acceptable, can also provide us with read-only access to financial management information system. We can look up transactions ourselves and reduce the time spent on questions by your team. Our approach to this area is designed to be non-invasive and to reduce the amount of time spent by both our staff and their employees.

Tests of Compliance with Laws and Regulations

This is a type of audit test that is used to determine general statutory compliance and compliance with agreements with state and federal agencies for services provided to eligible recipients. The purpose of tests of compliance with laws and regulations is to determine whether there have been instances of noncompliance that may have a material effect on the financial statements or to provide a basis of reporting on the College's compliance with such laws and regulations. As a result, tests of compliance with laws and regulations are substantive tests accomplished by examining supporting documentation. In a single audit, this type of audit test is frequently applied using audit sampling. We will select a sample of revenue or expenditure transactions and inspect supporting documentation to determine compliance with relevant laws and regulations; e.g., we would select a sample of program expenditures and inspect documentation to determine whether expenditures charged to a federal award were for activities allowed. We find the most efficient approach is usually to conduct these tests simultaneously with substantive tests of transactions; e.g., concurrently with selecting samples of cash receipts or disbursements to test recording accuracy.

Have We Identified Potential Audit Problems?

Our approach to difficult audit issues is immediate communication at the appropriate level of management to include, as appropriate, the Board and Management. We propose scheduled periodic meetings with the College's management personnel to stay abreast with issues that they are facing. As part of our service commitment, we welcome any questions during the year.

Project Understanding and Management

Type and Extent of Analytical Procedures

Our firm uses analytical procedures in audit planning and fieldwork to:

- Enhance our understanding of the College's operations, transactions and events that have occurred since the last audit date.
- Identify areas that may represent specific risks relevant to the audit.
- Provide substantive support for financial information included in the financial reports.

Comparisons of account balances between accounting periods are made and ratio and trend analyses performed to improve our understanding of the client and its operations and possibly identify critical audit areas. For instance, comparing general and special revenue fund expenditures by function and revenue by source for the past five years provides an understanding of the College's operations and may identify a revenue source that requires increased attention in the current audit.

Our preliminary analytical procedures may include a comparison of current account balances in the working trial balance to similar amounts in the prior annual period's financial statements and the current period's budget. However, we feel a thoughtful consideration of expected relationships among account balances and periods by our experienced auditors is far more important than a mechanical comparison. We will not only consider these relationships but compare these based on our knowledge of and experience with similar governmental entities and their operations.

In some cases, analytical procedures can be more effective and efficient than tests of details for achieving particular substantive testing objectives. Normally, analytical procedures call attention to unexpected relationships in financial statement balances. This can be an efficient means of identifying potential misstatements or misclassifications. The appropriate mixture of analytical procedures and tests of details is a matter of professional judgment concerning the expected efficiency and effectiveness of analytical procedures in identifying potential misstatements.

Analytical procedures may be used to identify individually significant items or to identify populations that need to be sampled. In the payroll area, an effective analytical test is to compare current expenditures to the prior period actual and current budget by department and relate to the number of employees by department. In this manner, the auditor may eliminate the need to sample or reduce the population of payroll expenditures considered necessary to sample by confining sampling to departments with significant fluctuations.

Analytical procedures are also applied as an overall review of the financial information in the final stage of the audit. These procedures are designed to assist our staff in assessing the propriety of conclusions reached and in the evaluation of the overall financial statement presentation. While the selected procedures will vary on the circumstances, they will always focus on overall relationships within the financial statements and consider the following matters:

- The adequacy of evidence gathered in response to unusual or unexpected balances identified by analytical procedures applied in the planning stage of the audit.
- Unusual or unexpected balances or relationships not previously identified.

Project Understanding and Management

Determining Laws and Regulations Subject to Audit Test Work

We will design our audit to provide reasonable assurance that the College's financial statements are free of material misstatements resulting from violations of laws and regulations that have a direct and material effect on the determination of financial statement amounts. From the planning phase of the audit, we will seek to obtain an understanding of the possible effects of such laws and regulations on the College's financial statements.

The determination of which laws and regulations that will be subject to audit test work will be determined through a number of inquiry and review procedures such as the following:

- Inquiry with the College personnel, including finance staff and grant administrators.
- Consideration of compliance requirements that have been identified in prior years' audits.
- Review the relevant portions of any directly related agreements, such as those related to grants and debt agreements.
- Review pertinent sections of laws and regulations, including State statutes.
- Review the minutes of meetings of the governing body.
- Inquiry of oversight entities or agencies about applicable compliance requirements.
- Review of Title 2, U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), the Catalog of Federal Domestic Assistance, federal audit guides, and state and local policies and procedures.

In the course of the audit, we will consider performing some or all of the following procedures:

- Consider knowledge about such laws and regulations obtained in prior years' audits.
- Discuss such laws and regulations with the finance staff, legal counsel, or grant administrators.
- Obtain written representation from management concerning the completeness of management's identification of such laws and regulations.

Project Understanding and Management

Determining Laws and Regulations Subject to Audit Test Work (continued)

- Review grant and loan agreements.
- Review minutes of meetings of the Board for the enactment of new policies.
- Read pertinent statutes, regulations, and charter provisions and excerpt significant items for the permanent file section of the work papers.
- If any legal requirements require clarification, we will request a written interpretation from the College’s legal counsel.

Below is an example of the some of the focus areas related to federal, state and local laws and/or policies.

Federal	State	Local
<ul style="list-style-type: none"> • 2 CFR 200 • Procurement • Internal Controls • Employee conflict of interest • 2 CFR 200.327 Vendor Certificates • Individual Grantor Agency Rules and Regulations • CARES Act • Student Financial Aid 	<ul style="list-style-type: none"> • HB 1295 • PFIA • Procurement • Conflict of interest • Nepotism • Texas Grant Management Standards • Individual Grantor Agency Rules and Regulations • Appropriations 	<ul style="list-style-type: none"> • Compensated absences • Procurement • Accounts payable • Human Resources • Worker’s Compensation • Payroll • Fund Balance

Examples of the types of laws and regulations that have a direct and material effect on the determination of amounts in the College’s financial statements follow:

- **Public Funds Investment Act** - We will consider the governmental unit’s compliance with legal and policy provisions for deposits and investments.
- **Procurement** - Competitive bidding laws apply to the procurement process.
- **Appropriations** - Expenditures should not exceed authorized limits.
- **Legal authority for transactions** - Transactions should be properly authorized at execution.
- **Budgetary reporting** - The required and other supplementary information should present an aggregation of the appropriated budgets, as amended, compared to actual results of operations in accordance with State Laws’ local budget provisions.
- **Restrictions on expenditures** - The proceeds of certain governmental revenues are restricted by law as to the purposes for which they may be expended.
- **Taxing and debt limitations** - Governmental units may be subject to laws and regulations that place limits on taxing authority, place ceiling limitations and other issuance criteria on debt, or place limits on the use of debt proceeds.

Project Understanding and Management

Financial Audit Engagement - General Scope Considerations

To meet the requirements of this RFQ, the audit shall be performed in accordance with practices prescribed in the Statements on Auditing Standards issued by the Auditing Standards Board; the Texas Higher Education Coordinating Board's (THECB) Annual Financial Reporting Requirements for Texas Public Community Colleges; Generally Accepted Government Auditing Standards published by the U.S. General Accounting Office with the exception of modifications necessitated by the Appropriations Act; other Texas Statutes or Federal Laws and by the applicable Financial Accounting Standards Board (FASB) and Governmental Accounting Standards Board (GASB) pronouncements prescribed for Colleges and Universities; and the Single Audit Act of 1996. Federal and State compliance test work will be done in accordance with the OMB Uniform Guidance and the Texas Grant Management Standards (TxGMS).

Our audit will be conducted in accordance with the above-mentioned standards and will include tests of the College's accounting records and other procedures we consider necessary to enable us to express an unmodified opinion that the basic financial statements are fairly presented in all material respects, in conformity with generally accepted accounting principles.

A. Evaluation of Internal Control Structure

The management of the College is responsible for establishing and maintaining an internal control structure. The objectives of an internal control structure are to provide management with reasonable, but not absolute assurance that assets are safeguarded against loss, unauthorized use or disposition. In addition, internal controls provide reasonable assurance that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of basic financial statements in accordance with generally accepted accounting principles.

In planning and performing our audit we will consider the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the College's basic financial statements and not to provide assurance on the internal control structure.

We will obtain an understanding of the design of the relevant policies and procedures for the significant areas of the audit and whether they have been placed in operation as well as assess control risk.

Tests of controls may be performed to test the effectiveness of certain policies and procedures which we consider relevant to preventing and detecting errors and irregularities material to the basic financial statements, and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters which have a direct and material effect on the basic financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control structure policies and procedures and, accordingly, no opinion will be expressed.

We will inform the College of any matters involving internal control structure and its operations which we consider to be significant deficiencies under standards established by the AICPA. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

Project Understanding and Management

Financial Audit Engagement - General Scope Considerations (continued)

A. Evaluation of Internal Control Structure (continued)

Compliance with laws, regulations, contracts and grant agreements applicable to the College is the responsibility of management. As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the College's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our audit will not be to provide an opinion on overall compliance with such provisions, and we will not express such an opinion.

B. Substantive Test Work on Account Balances

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories and direct confirmations of receivables, cash, notes and certain other assets and liabilities by correspondence with selected individuals, creditors and financial institutions. Areas which would be covered in our tests would include material accounts in the general ledger such as cash, investments, receivables, taxes, proprietary fund revenues, fixed assets, accounts payable, payroll liabilities, fund balances, and various other revenue and expenditure accounts. We will also request written representations from your attorneys as part of the scope of the work. At the conclusion of our audit, we will also request certain written representations from the College about the financial statements and related matters. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. However, because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us.

We will inform you, however, of any matters of that nature which come to our attention, unless they are clearly inconsequential. Additional work requested or performed related to fraud, errors, irregularities or illegal acts would be above the scope of the audit and would be subject to further discussions with management. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We anticipate that the College employees will prepare all cash and other confirmations and will locate supporting documentation such as invoices, deposits, and other supporting documentation for items selected by us for testing. Account analysis schedules such as the reconciliation of bank statements, investments schedules, capital asset and depreciation schedules, listing of accounts payable at year-end, etc., will be prepared by the College.

C. Preparation of the Annual Financial Report

We understand that we will assist the College in preparing its Annual Report. We will assist you in answering questions or providing guidance to ensure that it meets the requirements. We are committed to helping the staff with the pension and OPEB government-wide entries and related note disclosures. Finally, we will assist the College in preparing and filing the Federal Audit Clearinghouse's Data Collection form within 30 days of the report issuance. If assistance is needed with other portions of the annual report, we will be ready to assist immediately.

We utilize CCH's ProSystem fx Engagement for both our work papers and trial balance. The software allows us to easily make adjustments to one trial balance, which then updates all working papers and the annual financial report schedules.

Project Understanding and Management

Financial Audit Engagement - General Scope Considerations (continued)

D. Periodic Staff Meetings

As part of our annual commitment to the College, senior level firm personnel will be available to meet with the College staff, the Board, periodically during the audit and throughout the year to discuss financial reporting and audit matters. It is our policy to make our partners and managers available throughout the year to the College Board and Management. We would contemplate receiving specific direction as to the College and firm staff involvement in planning sessions with management prior to beginning our work.

Staff Rotation Plans and Multiyear Contract Arrangements

We bring a wealth of understanding of Texas public school financial operations and the specific operating environment. On many of these engagements we have made a strong effort over time to ensure consistency of the staff.

The approach to performing the requested services would not be affected if this were a multiyear contract, except as affected by additional or new industry or federal requirements. We have personnel at the partner level that would be able to assume engagement leadership with a minimum of effort. We would welcome the opportunity to discuss this fully with you. We would work closely with the Board of Trustees and Management to ensure that staff continuity is maintained at the management levels of the project or changed if desired by the Board of Trustees and Management. Continued training will be obtained by our management staff as to relevant technical requirements for requested services.

If it is the Board of Trustees and Management's desire to change the engagement team within the five-year contract period, we can certainly accommodate. Each of our team members can provide a fresh perspective and we are able to do so based on the many different audit teams we can provide.

As noted at the beginning of proposal, we have a dedicated Public Sector group. We recruit, hire and train specifically for our public sector team. As such, our staff have chosen to work with governmental entities and enjoy doing so year-round. This concept has allowed our staff to become experts in this industry and it is one of the main factors that has allowed us to lead the public sector industry in the State of Texas.

Project Understanding and Management

Other Government Entities We Serve

Our partners and managers have extensive experience in preparing and reviewing annual comprehensive financial reports that have been awarded the Government Finance Officers Association’s (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

GFOA Special Review Committee

Audit Partners, Lupe Garcia and Roger Tovar, serve on the GFOA Special Review Committee. This committee is comprised of individuals with expertise in public sector financial reporting.

Current Clients that Receive the Certificate of Achievement for Excellence in Financial Reporting

Current audit clients that prepare an annual comprehensive financial reports and receive the certificate for achievement for excellence in financial reporting are listed below.

Cities

City of Bellaire	City of Galveston	City of La Porte
City of Beaumont	City of Greenville	City of North Richland Hills
City of Conroe	City of Humble	City of Round Rock
City of Friendswood	City of Katy	City of Texas City

Higher Education

Collin Community College	Houston Community College	San Jacinto College
Harris County Department of Education	Navarro College	

School Districts

Aldine ISD	Garland ISD	Mansfield ISD
Alief ISD	Humble ISD	Pasadena ISD
Arlington ISD	Katy ISD	Richardson ISD
Carrollton-Farmers Branch ISD	La Porte ISD	Spring Branch ISD
Cedar Hill ISD	Lamar ISD	Spring ISD
Fort Bend ISD	Leander ISD	
Galena Park ISD	Lewisville ISD	

Other Governments

East Texas Council of Governments	Gulf Coast Water Authority	North Central Texas Council of Governments
Fort Bend County	Houston-Galveston Area Council	
Gulf Coast Authority	Nacogdoches County	

Project Understanding and Management

Proposed Time Schedule

Below is our proposed summary timing schedule for the project in accordance with the College's request. We will establish detailed arrangements with the College's management to formulate and complete the specific timing requirements detailed in the RFQ. We understand that we will be expected to review the detailed audit work plan and schedule with management prior to commencing the audit assignment each year.

Proposed Summary Timing Schedule - Annual Financial Audit

Action	Date
Planning meeting (Whitley Penn provide a list of items needed)	May 2023
Interim fieldwork	June 2023
Year-end Fieldwork	October 2023
AFR Draft Due to College	November 2023
Board Meeting	December 2023
Submission to Federal Audit Clearinghouse	30 Days from Report

Project Understanding and Management

Task/Activity Plan

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Task	Partner	Manager	Senior	Associate	Total Hours
Preliminary Planning	2	2	4	2	10
Interim Fieldwork	6	8	76	76	166
Year-end Fieldwork	8	12	80	80	180
Reporting	5	16	-	2	23
Final Submissions and Board Meetings	3	2	-	-	5
Total Hours	24	40	160	160	384

Preliminary Planning

- PBC List sent out at least one month before start date
- Inquiries of predecessor auditor and review of prior year workpapers
- Meeting with management to discuss changes in funding, internal controls and turnover in critical positions, prior to beginning fieldwork
- Set up meetings with various departments for internal control reviews
- Major federal program determination based on Schedule of Expenditures of Federal Awards (SEFA)
- Kick-off meeting with key individuals
- Sample selections for payroll, nonpayroll, and procurement transactions

Interim Fieldwork

Internal Control Walkthroughs:

- Payroll/Human Resources
- Procurement/Accounts Payable
- Information Technology - We'll begin speaking to the process owners for the following areas:
 - Change management: Monitoring and processing of application changes, database changes, and infrastructure changes
 - Logical security: New hire, terminations, privilege access, password parameters and user access reviews
 - IT Operations: Monitoring of backups, problem/incident monitoring, job schedules and disaster recovery
- Cash and Investments
- Capital assets
- Property taxes
- Long-term debt
- Tuition and other significant revenue sources
- Financial close and reporting

Federal major programs testing for each major program in accordance with OMB Uniform Guidance (2 CFR 200)

- Test of compliance requirements subject to audit per OMB

- Payroll and Nonpayroll transactions
- Cash management
- Financial reporting
- Procurement
- Eligibility requirements
- Program income

Project Understanding and Management

Task/Activity Plan

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Interim Fieldwork (continued)

- Period of availability
- Internal controls surrounding payroll charges, specifically those employees that are split funded
- Matching and Earmarking requirements
- Special Tests and Provisions as required by OMB

Test of Controls

- General Payroll
- General Nonpayroll
- Federal Payroll (Major Programs Only)
- Federal Nonpayroll (Major Programs Only)
- Cash receipts for major revenue sources
- Procurement Test - From Master Bid List and from Expenditure Report by Commodity Type (Local, State and Federal requirements)

Compliance with the Public Funds Investment Act

Nepotism/Conflict of Interest

Inherent risk assessment

Control risk assessments

Fraud inquiries

Inventory observation as of fiscal year-end for material balances.

Capital asset physical observations

Discuss implementation of GASB No. 87 Leases and GASB No.96 SBITAs

Interim Exit Conference

Year-end Planning Procedures

Entrance conference with management to discuss year-end procedures

Complete test of controls and compliance through the end of the fiscal year

Calculation of financial statement and major program materiality

Budget-to-actual comparison

Update risk assessment since interim fieldwork

Related party and nepotism questionnaires to Board members

Review major program determination

Legal representation letters sent to College's legal counsel

Substantive Procedures

- Cash and cash equivalents - confirmations, pledged collateral, and disclosures
- Investments - confirm balances, Weighted Average Maturity and disclosures
- Inventory - Review detail reports for balances
- Due from Other Governments - Subsequent receipts testing
- Deferred charge on refunding - amortization and final balances
- Grant Reconciliation
- Reconciliation of SEFA to the financial statements
- Property tax assessed value confirmation with appraisal district
- Recalculate Levy assessed for the fiscal year
- Verify property tax rates approved by the Board of Trustees
- Analytical and other procedures on significant financial statement amounts as required throughout the audit
- Review and testing of accounts receivable reconciliations for material balances

Project Understanding and Management

Task/Activity Plan

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Year-end Planning Procedures (continued)

- State Comptroller
- Capital Assets
 - Additions
 - Disposals
 - Depreciation expense
 - Reconcile additions per roll forward to the trial balance
- Select local revenue transactions that are above specific scope and vouch support
- Journal entry exam
- Search for unrecorded liabilities
- Accrued wages test and review
- Payroll liability analysis
- Payroll analysis by program/type; review of budgeted payroll costs; consider Board of Trustee approved pay increases
- Pension & OPEB
- Long-term debt roll forward
- Confirm all outstanding debt
- Review EMMA for any additional official statements for the permanent file
- Amortization of all debt-related items
- Self-insurance analysis; verify liability and perform analytics on expenditures and revenues
- Fund balance review for assignments and commitments

State Compliance

Reporting

- SEFA Assurances and Tie Out
- WP will draft the Annual Financial Report
- Federal awards section
- Complete financial statement disclosure checklist
- Complete the Single Audit Report disclosure checklist
- Partner and engagement quality control review
- Audit committee meetings
- Exit conference with management and plan for Board of Trustees meeting presentation

Final Submissions

- Board of Trustees Presentation
- WP will draft the submission to the Federal Audit Clearinghouse Data Collection Form (30 days after report release date)
- Opinion letters

Project Understanding and Management

Estimated Hours

Description	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Estimated fees for financial statement audit and single audit, including assistance with preparation of the AFR	\$60,500	\$62,000	\$63,500	\$65,000	\$66,500
Assistance with preparation of the AFR	\$9,500	\$9,500	\$9,500	\$9,500	\$9,500
Total Annual Proposed Fee	\$70,000	\$71,500	\$73,000	\$74,500	\$76,000

	Hours	Standard Hourly Rate	Proposed Rate	Proposed Fee
Partner	24	\$390	\$300	\$7,200
Manager	40	\$275	\$250	\$10,000
Senior	160	\$220	\$185	\$29,600
Associate	160	\$180	\$145	\$23,200
Total	384			\$70,000

We would expect to remain within any negotiated fee level unless factors considered by us in estimating the fee level change significantly. Should circumstances dictate that material increases in our time requirements are necessary, we would discuss this with management and the Board immediately. We would not bill the College for amounts in excess of our negotiated fees without first discussing the matter and receiving approval from management. Fees for our services are based on our standard hourly rates. These rates vary based on the level of our staff performing services. The final negotiated fee for performing the audit services requested will be based on the time expected to be expended by our staff in doing the work. We would bill the College for our services on a monthly basis as services are performed.

Level of Assistance that will be Expected from Personnel

We expect to arrange all project roles and responsibilities with our staff and the College's staff at the outset of the engagement. We appreciate the College's efforts and will work with you in making sure we can utilize the information already available. We do not want to burden the staff with making requests that require them to "recreate the wheel."

We anticipate that the College's employees will provide us with all necessary information to populate our cash, debt, property taxes, and any other confirmations we may deem necessary. We will also ask for assistance to locate supporting documentation such as invoices and purchase orders (based on our samples), personnel files (based on our samples), deposits, and other supporting documentation for items selected by us for testing. We have our grant reconciliation, State Aid, cash reconciliations, investment reconciliations, and Program Intent Code Spending template. There are some items that we do not have access to and will request that the College provide us with items such as the grant applications, detail general ledger downloaded from the financial software, checks registers for the year, internal audit risk assessment, audit plan, issued reports and Board of Trustees meeting minutes. We encourage use of the Whitley Penn portal for the transfer of electronic files. We will interview the internal audit staff and review their issued reports as part of our risk assessment. However, we do not anticipate needing assistance from internal audit staff to complete our audit procedures.

Project Understanding and Management

Construction Manager at Risk (CMAR) Agreed Upon Procedures

We will evaluate the contract and perform test work to determine:

- Whether costs charged to the project are in accordance with applicable contract provisions and to the proper portion of the contract;
- If payment applications for each major component of the project are properly calculated and are based on actual cost, plus proper provisions for general conditions and contractor fees; and
- Whether allowances accruing to the benefit of the College (owner) are properly calculated and carried forward per the change order.

The agreed upon procedures contemplated are as follows:

Agreed-Upon Procedures to be Performed

1. Obtain a copy of the executed construction contract and major amendments between the District and the Contractor, and change orders, if any. Review the contract with emphasis on the financial sections of the contract, which indicate the allowable costs and guaranteed maximum contract price, as well as amendments establishing maximum charges for general conditions.
2. Review applicable costs, contract changes and change orders, and payment applications submitted by the Contractor to the College. Review the procedures used by the Contractor in tracking the allowance, any contingencies, and estimated costs in excess of actual costs that may be credited to the District in accordance with contract provisions.
3. Review the Contractor's procedures for charging costs to the job and evaluate these procedures for compliance with applicable contract provisions.
4. Review the records maintained by the Contractor's project manager and the job cost summary reports used for tracking project costs by construction group/category.
5. Review Contractor's job cost detail reports from the beginning of the project through the end of the project (the most recent reports available at the time of our review). Review Contractor's job cost detail reports to determine if any charges appear to be questionable.
6. Test a sample of charges in the Contractor's job cost detail reports that were charged to the job. Trace to vendor invoices and/or appropriate supporting documentation to determine appropriateness and proper classification as to the job and category of the charges.
7. Test a sample of payroll charges and determine if the wages, salaries and labor burden are properly supported. We will also select cancelled payroll checks to provide reasonable assurance that the payments were for valid payroll costs.
8. Identify self-performed work and determine whether it was charged in accordance with the contract.
9. Review general conditions and determine whether they were charged in accordance with the contract.
10. Trace Contractor's job cost detail report totals to job cost summary reports. Trace amounts from the job cost summary reports to payment applications-or summary of calculation of payment application.
11. Review Contractor's sub-contract project reports that show payments to sub-contractors. Review selected sub-contractor files and determine if subcontracts were properly executed along with related change orders. Review charges made to job cost detail reports for selected sub-contractors. Obtain sub-contractors cancelled checks for reasonable assurance that payment was made to sub-contractors.
12. Recalculate final contract amounts and calculate amounts per the contract maximum price. Determine if allowances or cost savings are properly calculated and carried forward where applicable.

Project Understanding and Management

Construction Manager at Risk (CMAR) Agreed Upon Procedures (continued)

13. Test a sample of change orders and allowance for expenditure authorizations for use of allowances and owner's contingency.
14. Ensure that the Contractor adhered to the Overhead and Profit and General Conditions included in the change orders.
15. Summarize total expenses by subcontract and agree the total spent to the approved subcontracts.

Below is a list of the various CMAR projects with proposed pricing for each.

Contract Number	Description	Awarded Vendor	Guaranteed Maximum Price	Notes	WP Pricing
22-04	CMAR Math/Science Demo	AAR	\$327,941.50	2018 COM BOND - \$88,016.50 increase approved 4/25/22 BOT, Revised Contract amount from \$239,925.00 to \$327,941.50	\$1,500
21-14	CMAR Math/Science Demo	Turner Construction	\$11,021,654.00	2018 COM BOND - Pre-Con & General Conditions \$27,000.00 + GMP \$10,994,654.00 = Contract total of 11,021,654.00	\$8,000 - \$10,000
21-16	Design Build Firm - Glycall Separation Unit	Austin Commercial	\$2,288,537.00	2018 COM BOND - GMP Approved 12/7/21 (\$2,018,537.00) & Pre-Con & General Conditions Approved 9/27/21 (\$270,000.00) for a total contract amount NTE \$2,288,537.00	\$6,000
20-29	Industrial Careers Building & Police Department CMAR	Austin Commercial	\$42,791,280.00	\$45,000 approved 6/2020 pre-con services only. A GMP approval 10/2020 \$35,855,317.00. Change Order 1 approved 6/2021 \$4,469,864.00 for Math Science Demo Option. Change Order 2 approved 5/2022 \$2,421,099 for Shell Space Build Out.	\$15,000

Qualifications and Experience of Firm

Qualifications and Experience of Firm

Dedication to the Government Industry

As part of our dedication to the state and local government industry, our firm maintains associate memberships in the Texas Association of School Business Officials, the Association of School Business Officials International, the Government Finance Officers Association, the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants. Through these affiliations, we are able to access tremendous resources that allow us to serve our governmental and nonprofit clients at the highest levels. In addition, Whitley Penn was selected to serve on the Texas Education Agency Advisory Committee, which is a joint committee with TASBO. Only one CPA firm was selected and Whitley Penn has the privilege of serving TASBO, TEA, and Texas School Districts.

Members of the AICPA Audit Quality Center

The AICPA's Government Audit Quality Center (the "Center") website publishes the list of members and is updated quite regularly. Whitley Penn can be found under the T-Z section of the firms. Each year, Celina Cereceres, the firm's designated audit quality partner, completes certain continuing professional education and ensures that all team members working on engagements subject to Government Auditing Standards have met the requirements of the College. We have included a copy of our membership listing on page 28.

Peer Review/Quality Control Review

Our firm has completed a peer review performed by a selected firm in accordance with the AICPA's SEC Practice Section requirements. This peer review covered the year ended April 30, 2021, and resulted in a rating of pass (unmodified). The review included engagements performed under the Government Auditing Standards. We perform our internal inspections annually as required by program requirements. The frequency of peer reviews is every third year. We have included a copy of our most recent peer review letter on page 29 of this proposal. Whitley Penn has been a member of the AICPA's Governmental Audit Quality Center for more than 14 years.

Qualifications and Experience of Firm

Value Added Services

We have a risk advisory group that specializes in many areas but we believe they could add value to the College with the following services they provide:

- Reviewing and improving your Information Technology (IT) processes requires the kind of policy and procedure reviews that reinforce a required, certified opinion. We offer the kind of authoritative insight that IT consulting firms can't match. At the same time, we will help you leverage and extend your IT infrastructure cost effectively. Our services encompass:
 - General controls review
 - Fraud detection and analysis
 - Compliance readiness assessments
 - Disaster recovery and business continuity planning
 - Security threats, vulnerabilities, and data breaches have become a top priority for boards and senior executives around the world. The sophistication of attackers and complexity of the threats require organizations to not only implement sound security technologies, but also have robust controls and processes around information security. As a part of its Cyber Defense Initiative, Whitley Penn is committed to helping its clients evaluate the adequacy of the technology, controls, and processes implemented to secure your information assets and provide valuable recommendations for improving your organization's security posture. Our experienced information security professionals have experience advising clients in a variety of information security and privacy areas, including:
 - Vulnerability assessments
 - Penetration Testing
 - Phishing Campaign
 - Cyber Security Risk Assessment
 - This group also offers business process improvement services where neither size, industry nor geography is a limiting factor – we offer business process improvement for a full range of clients.
 - We have experience auditing ERP systems and use of automated scripts for testing security and data integrity. In addition, we have strong relationships with outside specialists that are considered IT and privacy compliance experts serving the government and nonprofit sectors. Our staff members have the experience facilitating control self-assessments to identify risks, design appropriate controls, measure maturity and develop data driven risk and control indicators.

In addition to the risk advisory group's abilities noted above, our own public sector auditors are also certified fraud examiners, certified internal auditors and/or have more than 15 years of experience working in governmental operations as Chief Financial Officers. They are well-versed with governmental entities' operations that can add so much value to the engagement. As such, if awarded, we believe we will be able to assist the College with the "value added" services.

As part of our basic audit services, we will have our expert information technology personnel in our risk advisory group to conduct a general information technology review. By conducting this review, we will be able to identify the risk area in the largest areas of the College such as accounts payable, purchasing, human resources, payroll and PEIMS or TSDS.

Value Added Services

"In addition to the risk advisory group's abilities noted above, our own public sector auditors are also certified fraud examiners, certified internal auditors and/or have over 15 years of experience working in governmental operations as Chief Financial Officers. So they are well-versed with governmental entities' operations that can add so much value to the engagement."

AICPA/GAQC Membership



Governmental Audit Quality Center

Firm/SAO Enrollments as of January 21, 2022

The AICPA Public Peer Report File is available on AICPA website at https://peerreview.aicpa.org/public_file_search.html

<u>Member Firms</u>	<u>City and State</u>	<u>Contact Partner</u>
Whitinger & Company L L C	Muncie, IN	John D. Martin
Whitley Penn LLP	Fort Worth, TX	Celina Cereceres
Whitlock & Company, P.C.	Alcoa, TN	Karen S. Edwards
Whitmire, Robinson & Co., CPA	Newport, AR	Jesse Whitmire
Whittemore, Downen & Ricciardelli, LLP	Queensbury, NY	Colin D. Combs
WI Legislative Audit Bureau	Madison, WI	Lisa D. Kasel
Widmer Roel PC	Fargo, ND	Craig Hashbarger
Wielkotz & Company, LLC	Pompton Lakes, NJ	Matthew Wielkotz
Wiggins & Co., PC	Brigham City, UT	Scott A. Wadman
Wilcox Arredondo & Co.	Canby, OR	Jeremy Gingerich
Wilf & Henderson, P.C.	Texarkana, TX	Kelly Birdwell
Wilke & Associates, LLP	Pittsburgh, PA	Peter E. Fleming
Wilkin & Guttenplan, P.C.	East Brunswick, NJ	Carol D. Iocca
Wilkins Miller, LLC	Mobile, AL	Michael J. Kintz
Wilkinson Hadley King & Co LLP	EL Cajon, CA	Aubrey W. Mann
Will Robinson, CPA, LLC	Carrollton, GA	William M. Robinson
William A. Coombes CPA	Fort Worth, TX	William A. Coombes
William A. Russ, CPA, PC	Gwynn Oak, MD	William Russ
William H. Brewer	Bath, ME	William H. Brewer
William L. Stark and Company	Henderson, NC	Michael C. Averette
William W. Sullivan, Jr., CPA	Austin, TX	William W. Sullivan, Jr
William Washington, CPA	Riviera Beach, FL	William Washington
William White, Sr. CPA	Roanoke, VA	William White
Williams & Company, P.C.	Sioux City, IA	Justin Jacobsma
Williams & Parsons, PC, CPA	Sandpoint, ID	Brad J. Williams

Peer Review Report



CliftonLarsonAllen LLP
CLAconnect.com

REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners of Whitley Penn LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Whitley Penn LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* (including compliance audits under the Single Audit Act), audits of employee benefit plans, audits performed under the Federal Deposit Insurance Corporation Improvement Act (FDICIA), and an examination of a service organization (SOC 1 engagement).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



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Peer Review Report

Whitley Penn LLP
Page 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Whitley Penn LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended April 30, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Whitley Penn LLP has received a peer review rating of *pass*.



CliftonLarsonAllen LLP

Phoenix, Arizona
October 6, 2021

Qualifications and Experience of Personnel

Qualifications and Experience of Personnel

Dedicated Public Sector Team

Partners/Quality Control Reviewer



Celina Cereceres

Guadalupe R. Garcia

Patrick Simmons

Roger Tovar

Tom Pedersen
Reviewer

Managers



Ailene Comple
Makalintal

Andrew Jennett

Brooke Fuller

Dan Hernandez

Josh Rambo

Laura Lynch

Senior Associates



Ariel Zhang

Bryce Richmond

Chinh Cao

Cynthia Guerra

Donald Nguyen

Gustavo Guzman



Joey Killion

Lian Carandang

Stephanie
Dominguez

Qualifications and Experience of Personnel

Proposed Engagement Team

We are committed to providing you with a team who is knowledgeable, enthusiastic and dedicated to providing superior services. Our firm understands the importance of continuity and as such we have the ability to rotate our managers and partners or pull in those staff with specific expertise as needed for our clients, ensuring personalized service. Each client is actively encouraged to call on us at any time the need arises. We are a regional based public accounting firm with this engagement performed by professionals from the Houston office.

College of the Mainland Engagement Team



Patrick Simmons, CPA
Engagement Partner



Celina Cereceres, CPA
CMAR Engagement Partner



Guadalupe Garcia, CPA
Engagement Resource Partner



Tom Pedersen CPA
Engagement Quality Control
Resource Partner



Dan Hernandez, CPA, CIA
Senior Manager



Gustavo Guzman
Senior Associate

All of our staff, including the ones discussed above, are dedicated public sector staff. We do not work on corporate clients nor do we provide taxation services. We spend our time working with governmental entities year-round. In addition, our partners are very involved in fieldwork and will be available to you to discuss any matters whether it relates to your audit or implementation of a future GASB pronouncement.

You will have the partners' and managers' mobile numbers to reach them at any time via phone call or text message. We encourage this type of communication so that we can serve you as expeditiously as possible. You will also have access to all resources throughout the firm if you encounter unusual situations that require the expertise of our tax professionals or any other service line within our firm.

Qualifications and Experience of Personnel

Implementation of Recent GASB Pronouncements

Very few situations can cause undue stress and consternation to the audit and reporting process like unforeseen changes in accounting or auditing standards. These changes, which often seem to affect only the reporting or auditing function, usually end up adding significant burden to the day-to-day activities of the College's staff. We believe that a proactive approach to addressing these changes through dialogue and education helps to smooth out the potential bumps along the way. We will assist and guide the College in the implementation of any new Accounting Standards.

Local Staffing / Local Solutions

Whitley Penn has a dedicated team that will work on this engagement will be performed by professionals from the Houston office. In addition to your engagement team, we also have a dedicated Public Sector group across the State of Texas that will be utilized as resources on your audit. Our staff enjoy working with governmental entities and are able to do so year-round. This concept has allowed our staff to become experts in this industry and it is one of the main factors that has allowed us to lead the public sector industry in the State of Texas.

Our senior and associate pools are unique in that they solely work on public sector engagements throughout the year. In 2013, our firm made a commitment to the public sector industry by hiring and training staff only for public sector engagements. We are very fortunate that we have the ability to draw from all of the resources our firm has in order to deliver excellent service. In addition, we are able to assist other sectors within our firm when it calls for our extensive knowledge in the areas of 2 CFR 200, *Government Auditing Standards*.

Dedication to the Public Sector Industry and Evidence of Teaching/Training Experience

As part of our dedication to higher education, our firm maintains associate memberships in the Texas Association of Community Colleges and Texas Association of Community College Business Officials, the Association of School Business Officials International, the Government Finance Officers Association, the Texas Municipal League, the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants. Through these affiliations, we are able to access tremendous resources that allow us to serve our governmental and nonprofit clients at the highest levels.

Our public sector has chosen to work in this field because they believe in their governments' missions. While our main service to these governments comes in the form of auditing, we also service the public sector by providing education in many settings and also giving back to the public education.



Patrick Simmons, CPA

Engagement Partner

Office: 713-403-3317

Cell: 409-771-5264

Patrick.Simmons@whitleypenn.com

PRACTICE

Audit Services - Public Sector
Licensed to Practice in the State of Texas

EDUCATION

BS in University Studies from Texas A&M University

MS in Accounting from University of Houston - Clear Lake

SIMILAR ENTITIES SERVED:

- Aldine ISD
- Arlington ISD
- College of the Mainland
- Deer Park ISD
- Friendswood ISD
- Galena Park ISD
- Galveston ISD
- Garland ISD
- Hempstead ISD
- Humble ISD
- La Marque ISD
- La Porte ISD
- Lamar Consolidated ISD
- Navarro College
- Pasadena ISD
- Port Arthur ISD
- Richardson ISD
- San Jacinto Community College District
- Sheldon ISD
- Spring Branch ISD
- Texas City ISD

Experience

- More than 9 years of experience in auditing to governmental and non-profit entities
- Extensive knowledge of the Office of Management and Budget (OMB) requirements under Uniform Grant Guidance
- Responsible for preparing, analyzing, maintaining, and reviewing financial statements, records and reports
- Performs audit tasks for governmental and not-for-profit engagements including evaluating the effectiveness of internal controls, performing substantive audit procedures, and providing concise audit results
- Utilizes advanced data analytics to improve the effectiveness of audit procedures and provide valuable results
- Assists clients in the preparation of financial statements including Comprehensive Annual Financial Reports

Professional & Civic Organizations

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TXCPA)



Celina Cereceres, CPA

CMAR Engagement Partner
Public Sector Industry Group Leader

Office: 713-386-1175
Cell: 713-377-3667
Celina.Cereceres@whitleypenn.com

PRACTICE

Audit Services - Public Sector
Licensed to Practice in the State of Texas

EDUCATION

BA and MS in Accounting from the
University of Texas - El Paso

SIMILAR ENTITIES SERVED:

- Aldine ISD
- Alief ISD
- Alvin ISD(CMAR)
- Arlington ISD
- Beaumont ISD
- Collin County Community College
- Friendswood ISD
- Galena Park ISD
- Galveston ISD
- Garland ISD
- Harris County Department of Education
- Highland Park ISD (CMAR)
- Houston ISD
- Humble ISD
- Lancaster ISD
- Leander ISD
- Lewisville ISD
- Mansfield ISD
- New Caney ISD (Internal Control Review)
- Port Arthur ISD
- Richardson ISD
- Sheldon ISD (CMAR)
- Spring Branch ISD
- Spring ISD
- Ysleta ISD

Experience

- More than 21 years of audit public accounting experience focused on clients primarily in the following industries: school districts, nonprofit organizations, community colleges and other large governments administering large amounts of federal and state grant awards
- Earned the AICPA's Advanced Single Audit Certificate
- Responsible for training firm staff in accordance with Generally Accepted Auditing Standards (GAAS), and Governmental Audit Standards (GAS)
- Extensive knowledge with the Office of Management and Budget (OMB) Uniform Grant Guidance
- Designated Audit Quality Partner for the AICPA's Government Audit Quality Center
- Responsible for providing CPE to both employees, clients, and industry professional organizations
- Presenter for June 2021 TACCBO and TACC meetings to discuss HEERF

Professional & Civic Organizations

- Texas Society of Certified Public Accountants (TXCPA)
- American Institute of Certified Public Accountants (AICPA)
- Texas Association of School Business Officials (TASBO)
- Texas Education Agency/TASBO Advisory Committee
- TXCPA School District Conference Planning Committee
- TASBO Accounting/Finance Research Committee
- Bay Area Communities in Schools





Guadalupe Garcia, CPA

Engagement Resource Partner

Office: 713-386-1149

Cell: 832-573-6825

Lupe.Garcia@whitleypenn.com

PRACTICE

Audit Services - Public Sector
Licensed to Practice in the State of Texas

EDUCATION

BBA in Finance from the University of Houston

SIMILAR ENTITIES SERVED:

- Alief ISD
- Carrollton-Farmers Branch ISD
- Cedar Hill ISD
- Clear Creek ISD
- Coldspring-Oakhurst CISD
- Dallas ISD (E-rate)
- Fort Bend ISD
- Galena Park ISD
- Garland ISD
- Harris County Department of Education
- Houston Community College
- Houston ISD
- Houston-Galveston Area Council
- Humble ISD
- Katy ISD
- Lamar CISD
- LaPoynor ISD
- Lee College
- Lone Star College System
- Mansfield ISD
- Navarro College District
- Pasadena ISD
- Pflugerville ISD
- Schreiner University
- Spring Branch ISD
- Spring ISD
- Texas Southern University
- Waller ISD

Experience

- More than 15 years of experience auditing and performing other attest engagements for various governmental entities, including counties, cities, school districts, community colleges, other special-purpose governments, and non-profit organizations school districts, cities, counties, council of governments and other special purpose districts
- Earned the AICPA's Advanced Single Audit Certificate
- Responsible for all aspects of the assurance process including planning, internal control evaluation, risk assessment, fieldwork, and report issuance and engagement closure
- Assist in training staff in accordance with Generally Accepted Accounting Principles (GAAP), Generally Accepted Auditing Standards (GAAS), Government Auditing Standards (GAS) promulgated by the U.S. Government Accountability Office, and the Office of Management and Budget (OMB) requirements under Uniform Grant Guidance
- Perform agreed-upon procedures for school districts related to state compensatory education, leaver data, and PEIMS reporting
- Responsible for preparation and review of Annual Comprehensive Financial Reports that have been awarded the Certificate of Achievement for Excellence in Financial Reporting

Professional & Civic Organizations

- American Institute of Certified Public Accountants (AICPA)
- Texas Society and Houston Chapter of Certified Public Accountants (TXCPA) – Board Member
- Texas Association of School Business Officials (TASBO)
- Government Finance Officers Association of Texas (GFOAT)





Tom Pedersen, CPA

Engagement Quality Control Reviewer

Office: 713-621-1515

Thomas.Pedersen@whitleypenn.com

PRACTICE

Audit Services - Public Sector
Licensed to Practice in the State of Texas

EDUCATION

BBA in Accounting from Stephen F. Austin State University

SIMILAR ENTITIES SERVED:

- Aldine ISD
- Arlington ISD
- Alvin ISD
- Clear Creek ISD
- Deer Park ISD
- Friendswood ISD
- Galena Park ISD
- Humble ISD
- Katy ISD
- Lamar Consolidated ISD
- Leander ISD
- Lewisville ISD
- Manor ISD
- Pasadena ISD
- Sheldon ISD
- Spring Branch ISD
- Texas City ISD

Experience

- More than 45 years experience providing audit services for school districts, county and city governments, banks and community colleges
- Preparation and review of Annual Comprehensive Financial Reports that have been awarded the Certificate of Achievement for Excellence in Financial Reporting
- Awarded the Certificate of Educational Achievement in Governmental Accounting and Auditing by the AICPA

Director of Finance at Texas City

- Directed all accounting and business activities including banking, investments, general insurance, health and welfare benefits, accounting policy development, cash management, utility billing, general ledger, accounts payable, accounts receivable, payroll, purchasing, tax billing, street assessments and management information systems
- Responsible for preparation and management of a multi-million dollar City budget and developing a sound financial plan for the City
- Familiar with the day-to-day operations of running a finance department to include preparing monthly forecast for revenue and expenditures and developing monthly departmental performance measures
- Served as Investment Officer for the City. Established written procedures and internal controls for the operation of the investment program consistent with the Investment Policy. Managed the City's \$25 million investment portfolio. Prepared Investment Reports in accordance with the Public Funds Investment Act

Professional & Civic Organizations

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TXCPA)
- Texas Association of School Business Officials (TASBO)
- Government Finance Officers Association of Texas (GFOAT)



Dan Hernandez, CPA, CIA

Senior Manager

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PRACTICE

Audit Services - Public Sector
Licensed to Practice in the State of Texas

EDUCATION

BS in Accounting from University of Houston - Clear Lake

SIMILAR ENTITIES SERVED:

- Alvin ISD
- Arlington ISD
- Arlington ISD Education Foundation
- Clear Creek ISD
- College of the Mainland
- College of the Mainl
- Deer Park ISD
- Galena Park ISD
- Galveston ISD
- Hitchcock ISD
- Lamar CISD
- Lamar Educational Awards Foundation
- La Marque ISD
- Leander ISD
- Lewisville ISD
- Sheldon ISD
- Spring ISD
- Spring Branch Education Foundation
- Spring Branch ISD
- Texas City ISD
- Texas Southern University

Experience

- More than 32 years of experience in auditing, accounting and internal auditing with municipalities, school districts, counties and special purposes districts
- In-depth knowledge of auditing, accounting, and financial reporting
- Extensive knowledge of Generally Accepted Auditing Standards, Government Auditing Standards, and with the Office of Management and Budget (OMB) Uniform Grant Guidance
- Knowledge of entities receiving federal and state funding and related financial and compliance reporting requirements
- Preparation of Comprehensive Annual Financial Reports which have received Certificate of Achievement for Excellence in Financial Reporting

Professional & Civic Organizations

- American Institute of Certified Public Accountants (AICPA)
- Texas Society of Certified Public Accountants (TXCPA)
- Institute of Internal Auditors (IIA)
- Government Finance Officers Association of Texas (GFOAT)



Gustavo Guzman

Senior Associate

Office: 713-403-3379

Gustavo.Guzman@whitleypenn.com

PRACTICE

Audit Services - Public Sector

EDUCATION

BBA in Accounting from University of Houston - Clear Lake

SIMILAR ENTITIES SERVED:

- Clear Creek ISD
- College of the Mainland
- College of the Mainland Foundation
- DeSoto ISD
- Galveston ISD
- Hobbs Municipal School District
- Pasadena ISD
- Sheldon ISD
- Spring Branch ISD

Experience

- More than three years of experience in auditing, accounting with municipalities, school districts, counties and special purposes districts
- Knowledge of auditing, accounting, and financial reporting
- Knowledge of Generally Accepted Auditing Standards, Government Auditing Standards, and with the Office of Management and Budget (OMB) Uniform Grant Guidance
- Knowledge of entities receiving federal and state funding and related financial and compliance reporting requirements

Qualifications and Experience of Personnel

Continuing Professional Education

The following is a table of continuing education course topics in which the project team has participated or served as instructors in the past four years:

Topic	Simmons	Cereceres	Garcia	Pedersen	Manager	Senior
GASB Update:	Yes*	Yes*	Yes*	Yes	Yes	Yes
<ul style="list-style-type: none"> GASB No. 74 (Financial Reporting for Post-employment Benefit Plans Other Than Pension Plans) GASB No. 75 (Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions) GASB No. 76 (The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments) GASB No. 77, Tax Abatement Disclosures GASB No. 78 Pensions through Certain Multiple-Employer Defined Benefit Pension Plans GASB Statement No. 79, Certain External Investment Pools and Pool Participants GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14 GASB Statement No. 82, Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73 GASB Statements No. 83 through 86 GASB Statement No. 87 – Leases GASB Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Payments GASB Statement No. 89 – Accounting for Interest Cost Incurred before the End of a Construction Period Financial Reporting Model (Through Invitation to Comment Stage) GASB Statement No. 90 – Majority Interests - an amendment of GASB Statement No. 14 and No. 61 GASB 91 – Conduct Debt Obligation GASB 92 – Omnibus GASB 93 – Replacement of Interbank Offered Rates GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements GASB 95 – Postponement of the Effective Dates of Certain Authoritative Guidance GASB 96 – Subscription-Based Information Technology Arrangements GASB No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans 						

Qualifications and Experience of Personnel

Continuing Professional Education

The following is a table of continuing education course topics in which the project team has participated or served as instructors in the past four years:

Topic	Simmons	Cereceres	Garcia	Pedersen	Manager	Senior
Bonds (New issuances, refunding, capital appreciations bonds, etc.)	Yes*	Yes*	Yes*	Yes	Yes	Yes
The 2018 Yellow Book	Yes*	Yes*	Yes*	Yes	Yes	Yes
Child Nutrition Program Compliance	Yes*	Yes*	Yes*	Yes	Yes	Yes
Internal Controls over Federal Programs	Yes*	Yes*	Yes*	Yes	Yes	Yes
State and Federal Program Management	Yes*	Yes*	Yes*	Yes	Yes	Yes
Internal Controls	Yes*	Yes*	Yes*	Yes	Yes	Yes
Subrecipient Monitoring	Yes*	Yes*	Yes*	Yes	Yes	Yes
State Funding Training	Yes*	Yes*	Yes*	Yes	Yes	Yes
Procurement and the Uniform Guidance (EDGAR)	Yes*	Yes*	Yes*	Yes	Yes	Yes
HEERF Funding under the CARES, CRRSA, and ARP Act	Yes*	Yes*	Yes*	Yes	Yes	Yes
OMB 2020 Compliance Supplement	Yes*	Yes*	Yes*	Yes	Yes	Yes
OMB 2020 Compliance Supplement Addendum	Yes*	Yes*	Yes*	Yes	Yes	Yes
OMB 2021 Compliance Supplement	Yes*	Yes*	Yes*	Yes	Yes	Yes
OMB 2021 Compliance Supplement Addendum	Yes*	Yes*	Yes*	Yes	Yes	Yes
OMB 2022 Compliance Supplement Addendum	Yes*	Yes*	Yes*	Yes	Yes	Yes

*Instructor

References

References

As previously mentioned, Whitley Penn has tremendous experience in providing professional services to governmental entities, specifically colleges. Below, we have listed a few of our current clients that have received the services requested by the College. This listing of clients is for the use of the College only in evaluating our proposal and is not to be used for any other purpose.

PROPRIETARY AND CONFIDENTIAL – NOT FOR PUBLIC DISTRIBUTION

Higher Education Institutions	Contact Person	Years of Service	Lead Professional	Services Provided
Houston Community College* 3100 Main St., Ste. 11E11 (MC1134) Houston, TX 77002	Dr. Janet Wormack Sr. Vice Chancellor, Finance and Administration 713-718-5187 Janet.Wormack@hccs.edu	3	Guadalupe R. Garcia	Financial Statement Audit, Single Audit, and Assistance with Preparation of Financial Statements
Lee College* P.O. Box 818 Baytown, TX 77822-0818	Annette Ferguson, CPA Vice President Finance and Administration, Chief Financial Officer 281-425-6887 AFerguson@lee.edu	5	Patrick Simmons	Financial Statement Audit, Single Audit, and Assistance with Preparation of Financial Statements
San Jacinto Community College* 4624 Fairmont Parkway Pasadena, TX 77504	Carin Hutchins Associate Vice Chancellor, Finance 281-998-6109 Carin.Hutchins@sjcd.edu	2	Celina Cereceres	Financial Statement Audit, Single Audit, and Assistance with Preparation of Financial Statements

*Current Client

Frequently Asked Questions

Frequently Asked Questions

Are your fees negotiable?

Yes, our fees are negotiable. Please keep in mind that state law prohibits competitive bidding in connection with obtaining the services of certified public accountants (Chapter 2254, Government Code). Undue emphasis upon price in evaluating proposals from certified public accountants may be construed as having obtained services by competitive bidding, and as a violation of State law.

If I have questions throughout the audit, will you be available to answer them?

Our team is available to you whenever you need us. We provide cell phone and email contact information so that you can always reach us when you have a need. We also understand that increasingly difficult auditing and reporting requirements now defy the “once-a-year visit” by your audit firm. Our commitment to quarterly meetings with the Board and Management is representative of our desire to assure the free flow of communications between the Board, Management and our audit team.

Are you able to provide our staff with training, when needed?

Whitley Penn offers one-on-one training to the management and staff of our clients for everything from general accounting procedures to areas such as grant management (Uniform Guidance), payroll and bank reconciliations, and State Aid Calculations.

Can you help us stay up to date with changes in the industry and new standards?

We are proud of the knowledge base of Whitley Penn’s Public Sector Team. We are well known in this industry for our experience and as a result, our firm’s partners are consistently called upon to present to a variety of organizations. Whitley Penn is also proud to offer this training to our clients. We are proud to offer 8 hours of CPE to our clients in their respective markets.

Our team stays abreast of changes in the school district industry as well as the new accounting standards. We relay this information to our clients in a variety of ways. Some of the best ways to stay “in the know” are to follow our blog, Insights, and to request our monthly e-newsletter (visit our web site for more information: whitleypenn.com).

Are you able to assist us when we have questions about matters un-related to the audit, such as tax compliance issues?

Whitley Penn is a firm of approximately 700 knowledgeable and experienced professionals. Our team has experience with Tax Compliance, Risk Management, Business Process Improvement, Organizational Reviews, Regulatory Matters, and Finance-Related Consulting, in addition to an entire division that specializes in Forensic Services. With Whitley Penn as your firm, you will have access to the knowledge and experience of the entire firm.



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols
Date: September 26, 2022
Subject: COM Matched Retirement Savings Plan

AGENDA ITEM DESCRIPTION:

Discussion and possible action to accept the resolution for the Matched Retirement Savings Plan.

FUNDING SOURCE AND NOT-TO-EXCEED AMOUNT:

Fund 11 Operating account (11-0-0000-9101-5245).

PURPOSE:

To provide employees additional opportunities for retirement savings in line with strategic goal #2 which is employee fulfillment.

SUGGESTED MOTION:

“I move the Board of Trustees accept the resolution adopting the COM Matched Retirement Savings Plan”.

BACKGROUND:

It was brought to Dr. Nichols attention that many people are unprepared for retirement. In an effort to create a culture of saving, we contacted Valic. They have created a savings plan in which the employee would contribute \$50 or more a month, and the college will match \$50 monthly, this will better prepare our employees for retirement.

ATTACHMENTS:

1. Resolution for COM Matched Retirement Savings Plan

Resolution of College of the Mainland Board of Trustees

COM MATCHED RETIREMENT SAVINGS PLAN

September 26, 2022

WHEREAS, on August 22, 2022 the Board of Trustees approved in the 2022-23 budget a \$50 monthly employer matching 403b retirement plan; and

WHEREAS, the Board of Trustees believes adoption of the 403b retirement plan and the employer matching contribution supports COM's goal of employee fulfillment.

BE IT RESOLVED that the Board adopts the COM Matched Retirement Savings Plan (Plan) to cover the college's employees to be effective on September 26, 2022.

BE IT FURTHER RESOLVED that the Vice President for Fiscal Affairs is appointed to serve as the Administrator of the plan and is hereby authorized and directed to execute any legal documents necessary to adopt the plan as presented to the Board of Trustees.

BE IT FURTHER RESOLVED that the Vice President for Fiscal Affairs is authorized and directed to take such actions as may be necessary or advisable in connection with the implementation of the plan.

William McGarvey
Chair of Board of Trustees

ATTEST:

Melissa Skipworth
Secretary of Board of Trustees



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols
Date: September 26, 2022
Subject: Adoption of Tax Rate for 2022

AGENDA ITEM DESCRIPTION:

Discussion and possible action to adopt a Tax Rate for 2022.

FUNDING SOURCE AND NOT-TO-EXCEED AMOUNT:

Not applicable because this is a revenue line item.

PURPOSE:

Per policy CAI (legal), state law requires the Board of Trustees to set a property tax rate each year. The purpose is to set a maintenance and operations tax rate that provides the college with enough revenues to fund the 2022-23 approved budget

SUGGESTED MOTION:

"I move the Board of Trustees adopt a maintenance and operations tax rate of .15142/100 (and an interest and sinking rate of .1162 /100 for a total rate of . 26762/100 for the 2022 tax year."

BACKGROUND:

The tax rate is calculated by the Galveston County Assessor using the Truth in Taxation form. The proposed rate presented for adoption is .15142/100 (0.0015142) of property value for maintenance and operations and .11620/\$100.00 (0.001162) for interest and sinking for a total rate of 0.26762/\$100 (.0026762). A tax notice was published in the Galveston Daily News in August 2022.

ATTACHMENTS:

1. NOTICE OF PUBLIC HEARING ON TAX INCREASE
2. PROPOSED AD VALOREM TAXES FOR 2022
3. RATE CALCULATION WORKSHEET
4. TAX RATE ADOPTION RESOLUTION

Interest and sinking rate sufficient to cover COM's BOT payment obligations and potential defeasance payments.

NOTICE OF PUBLIC HEARING ON TAX INCREASE

A tax rate of \$0.267620 per \$100 valuation has been proposed by the governing body of College of the Mainland.

PROPOSED TAX RATE	\$0.267620 per \$100
NO-NEW-REVENUE TAX RATE	\$0.240947 per \$100
VOTER-APPROVAL TAX RATE	\$0.272916 per \$100

The no-new-revenue tax rate is the tax rate for the 2022 tax year that will raise the same amount of property tax revenue for College of the Mainland from the same properties in both the 2021 tax year and the 2022 tax year. The voter-approval rate is the highest tax rate that College of the Mainland may adopt without holding an election to seek voter approval of the rate.

The proposed tax rate is greater than the no-new-revenue tax rate. This means that College of the Mainland is proposing to increase property taxes for the 2022 tax year.

A public hearing on the proposed tax rate will be held on September 26, 2022 at 1:30 pm at College of the Mainland, Doyle Center Administration Building A129, 1200 Amburn Road, Texas City, Texas 77591.

The proposed tax rate is not greater than the voter-approval tax rate. As a result, College of the Mainland is not required to hold an election at which voters may accept or reject the proposed tax rate. However, you may express your support for or opposition to the proposed tax rate by contacting the members of the Board of College of the Mainland at their offices or by attending the public hearing mentioned above.

YOUR TAXES OWED UNDER ANY OF THE RATES MENTIONED ABOVE CAN BE CALCULATED AS FOLLOWS:

Property tax amount= (tax rate) x (taxable value of your property)/100

FOR the proposal:

Dr. Bill McGarvey
Melissa Sklpworth
Kyle L. Dickson
Dawn King

Alan L. Waters
Dr. Verna J. Henson
Donald G. Gartman

Visit [Texas.gov/PropertyTaxes](https://www.texas.gov/PropertyTaxes) to find a link to your local property tax database on which you can easily access information regarding your property taxes, including information about proposed tax rates and scheduled public hearings of each entity that taxes your property.

The 86th Texas Legislature modified the manner in which the voter-approval tax rate is calculated to limit the rate of growth of property taxes in the state.

The following table compares the taxes imposed on the average residence homestead by College of the Mainland last year to the taxes proposed to be imposed on the average residence homestead by College of the Mainland this year.

	2021	2022	Change
Total tax rate (per \$100 of value)	\$0.267700	\$0.267620	decrease of \$-0.000080, or -0.03%
Average homestead taxable value	\$154,438	\$176,354	increase of \$21,916, or 14.19%
Tax on average homestead	\$413.43	\$471.96	increase of \$58.53, or 14.16%
Total tax levy on all properties	\$35,106,904	\$39,474,804	increase of \$4,367,900, or 12.44%

For assistance with tax calculations, please contact the tax assessor for College of the Mainland at 409-766-2260 or Cheryl.E.Johnson@co.galveston.tx.us, or visit www.galcotax.com for more information.

**College of the Mainland
2022-23 Budget
Proposed ad Valorem Taxes Calendar Year 2023**

	Proposed 2023 M&O Rate	Proposed 2023 I&S Rate	Proposed 2023 Total Rate
Certified adjusted taxable value	14,392,029,357	14,750,319,229	
Tax rate / 100	0.15142	0.1162	0.26762
College Revenues	21,791,979	17,139,871	38,931,850
Sample home value	200,000	200,000	200,000
Less 20% exemption	(40,000)	(40,000)	(40,000)
Taxable value	160,000	160,000	160,000
ad Valorem tax	242.27	185.92	428.19

2022 Tax Rate Calculation Worksheet

Taxing Units Other Than School Districts or Water Districts

Form 50-856

COLLEGE OF THE MAINLAND

409-935-8261

Taxing Unit Name

Phone (area code and number)

1200 Amburn Road, Texas City, Texas 77591

www.com.edu

Taxing Unit's Address, City, State, ZIP Code

Taxing Unit's Website Address

GENERAL INFORMATION: Tax Code Section 26.04(c) requires an officer or employee designated by the governing body to calculate the no-new-revenue (NNR) tax rate and voter-approval tax rate for the taxing unit. These tax rates are expressed in dollars per \$100 of taxable value calculated. The calculation process starts after the chief appraiser delivers to the taxing unit the certified appraisal roll and the estimated values of properties under protest. The designated officer or employee shall certify that the officer or employee has accurately calculated the tax rates and used values shown for the certified appraisal roll or certified estimate. The officer or employee submits the rates to the governing body by Aug. 7 or as soon thereafter as practicable.

School districts do not use this form, but instead use Comptroller Form 50-859 *Tax Rate Calculation Worksheet, School District without Chapter 313 Agreements* or Comptroller Form 50-884 *Tax Rate Calculation Worksheet, School District with Chapter 313 Agreements*.

Water districts as defined under Water Code Section 49.001(1) do not use this form, but instead use Comptroller Form 50-858 *Water District Voter-Approval Tax Rate Worksheet for Low Tax Rate and Developing Districts* or Comptroller Form 50-860 *Developed Water District Voter-Approval Tax Rate Worksheet*.

The Comptroller's office provides this worksheet to assist taxing units in determining tax rates. The information provided in this worksheet is offered as technical assistance and not legal advice. Taxing units should consult legal counsel for interpretations of law regarding tax rate preparation and adoption.

SECTION 1: No-New-Revenue Tax Rate

The NNR tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the NNR tax rate should decrease.

The NNR tax rate for a county is the sum of the NNR tax rates calculated for each type of tax the county levies.

While uncommon, it is possible for a taxing unit to provide an exemption for only maintenance and operations taxes. In this case, the taxing unit will need to calculate the NNR tax rate separately for the maintenance and operations tax and the debt tax, then add the two components together.

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
1.	2021 total taxable value. Enter the amount of 2021 taxable value on the 2021 tax roll today. Include any adjustments since last year's certification; exclude Tax Code Section 25.25(d) one-fourth and one-third over-appraisal corrections from these adjustments. Exclude any property value subject to an appeal under Chapter 42 as of July 25 (will add undisputed value in Line 6). This total includes the taxable value of homesteads with tax ceilings (will deduct in Line 2) and the captured value for tax increment financing (adjustment is made by deducting TIF taxes, as reflected in Line 17). ¹	\$ 14,727,205,933
2.	2021 tax ceilings. Counties, cities and junior college districts. Enter 2021 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2021 or a prior year for homeowners age 65 or older or disabled, use this step. ²	\$ 1,549,955,135
3.	Preliminary 2021 adjusted taxable value. Subtract Line 2 from Line 1.	\$ 13,177,250,798
4.	2021 total adopted tax rate.	\$ 0.267700 /\$100
5.	2021 taxable value lost because court appeals of ARB decisions reduced 2021 appraised value.	
	A. Original 2021 ARB values:	\$ 1,443,782,361
	B. 2021 values resulting from final court decisions:	- \$ 1,327,591,287
	C. 2021 value loss. Subtract B from A. ³	\$ 116,191,074
6.	2021 taxable value subject to an appeal under Chapter 42, as of July 25.	
	A. 2021 ARB certified value:	\$ 0
	B. 2021 disputed value:	- \$ 0
	C. 2021 undisputed value. Subtract B from A. ⁴	\$ 0
7.	2021 Chapter 42 related adjusted values. Add Line 5C and Line 6C.	\$ 116,191,074

¹ Tex. Tax Code § 26.012(14)

² Tex. Tax Code § 26.012(14)

³ Tex. Tax Code § 26.012(13)

⁴ Tex. Tax Code § 26.012(13)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
8.	2021 taxable value, adjusted for actual and potential court-ordered adjustments. Add Line 3 and Line 7.	\$ 13,293,441,872
9.	2021 taxable value of property in territory the taxing unit deannexed after Jan. 1, 2021. Enter the 2021 value of property in deannexed territory. ⁵	\$ 0
10.	2021 taxable value lost because property first qualified for an exemption in 2022. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport, goods-in-transit, temporary disaster exemptions. Note that lowering the amount or percentage of an existing exemption in 2022 does not create a new exemption or reduce taxable value. A. Absolute exemptions. Use 2021 market value:..... \$ 6,127,704 B. Partial exemptions. 2022 exemption amount or 2022 percentage exemption times 2021 value:..... + \$ 152,896,946 C. Value loss. Add A and B. ⁶	\$ 159,024,650
11.	2021 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2022. Use only properties that qualified in 2022 for the first time; do not use properties that qualified in 2021. A. 2021 market value: \$ 1,470,652 B. 2022 productivity or special appraised value: - \$ 5,510 C. Value loss. Subtract B from A. ⁷	\$ 1,465,142
12.	Total adjustments for lost value. Add Lines 9, 10C and 11C.	\$ 160,489,792
13.	2021 captured value of property in a TIF. Enter the total value of 2021 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which 2021 taxes were deposited into the tax increment fund. ⁸ If the taxing unit has no captured appraised value in line 18D, enter 0.	\$ 450,478,315
14.	2021 total value. Subtract Line 12 and Line 13 from Line 8.	\$ 12,682,473,765
15.	Adjusted 2021 total levy. Multiply Line 4 by Line 14 and divide by \$100.	\$ 33,950,982
16.	Taxes refunded for years preceding tax year 2021. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2021. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2021. This line applies only to tax years preceding tax year 2021. ⁹	\$ 726,291
17.	Adjusted 2021 levy with refunds and TIF adjustment. Add Lines 15 and 16. ¹⁰	\$ 34,677,273
18.	Total 2022 taxable value on the 2022 certified appraisal roll today. This value includes only certified values or certified estimate of values and includes the total taxable value of homesteads with tax ceilings (will deduct in Line 20). These homesteads include homeowners age 65 or older or disabled. ¹¹ A. Certified values: \$ 16,604,257,552 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$ _____ C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property:..... - \$ 0 D. Tax increment financing: Deduct the 2022 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2022 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in Line 23 below. ¹² - \$ 662,722,291 E. Total 2022 value. Add A and B, then subtract C and D.	\$ 15,941,535,261

⁵ Tex. Tax Code § 26.012(15)

⁶ Tex. Tax Code § 26.012(15)

⁷ Tex. Tax Code § 26.012(15)

⁸ Tex. Tax Code § 26.03(c)

⁹ Tex. Tax Code § 26.012(13)

¹⁰ Tex. Tax Code § 26.012(13)

¹¹ Tex. Tax Code § 26.012, 26.04(c-2)

¹² Tex. Tax Code § 26.03(c)

Line	No-New-Revenue Tax Rate Worksheet	Amount/Rate
19.	Total value of properties under protest or not included on certified appraisal roll. ¹³	
	A. 2022 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district’s value and the taxpayer’s claimed value, if any, or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value under protest. ¹⁴ \$ <u>550,349,579</u>	
	B. 2022 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included in the appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value of property not on the certified roll. ¹⁵ + \$ <u>0</u>	
	C. Total value under protest or not certified. Add A and B.	\$ <u>550,349,579</u>
20.	2022 tax ceilings. Counties, cities and junior colleges enter 2022 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter 0. If your taxing unit adopted the tax ceiling provision in 2021 or a prior year for homeowners age 65 or older or disabled, use this step. ¹⁶	\$ <u>1,741,565,611</u>
21.	2022 total taxable value. Add Lines 18E and 19C. Subtract Line 20. ¹⁷	\$ <u>14,750,319,229</u>
22.	Total 2022 taxable value of properties in territory annexed after Jan. 1, 2021. Include both real and personal property. Enter the 2022 value of property in territory annexed. ¹⁸	\$ <u>0</u>
23.	Total 2022 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2021. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to exist-ing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after Jan. 1, 2021 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2022. ¹⁹	\$ <u>358,289,872</u>
24.	Total adjustments to the 2022 taxable value. Add Lines 22 and 23.	\$ <u>358,289,872</u>
25.	Adjusted 2022 taxable value. Subtract Line 24 from Line 21.	\$ <u>14,392,029,357</u>
26.	2022 NNR tax rate. Divide Line 17 by Line 25 and multiply by \$100. ²⁰	\$ <u>0.240947</u> /\$100
27.	COUNTIES ONLY. Add together the NNR tax rates for each type of tax the county levies. The total is the 2022 county NNR tax rate. ²¹	\$ _____/\$100

SECTION 2: Voter-Approval Tax Rate

The voter-approval tax rate is the highest tax rate that a taxing unit may adopt without holding an election to seek voter approval of the rate. The voter-approval tax rate is split into two separate rates:

- Maintenance and Operations (M&O) Tax Rate:** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus the applicable percentage allowed by law. This rate accounts for such things as salaries, utilities and day-to-day operations.
- Debt Rate:** The debt rate includes the debt service necessary to pay the taxing unit’s debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue.

The voter-approval tax rate for a county is the sum of the voter-approval tax rates calculated for each type of tax the county levies. In most cases the voter-approval tax rate exceeds the no-new-revenue tax rate, but occasionally decreases in a taxing unit’s debt service will cause the NNR tax rate to be higher than the voter-approval tax rate.

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
28.	2021 M&O tax rate. Enter the 2021 M&O tax rate.	\$ <u>0.165300</u> /\$100
29.	2021 taxable value, adjusted for actual and potential court-ordered adjustments. Enter the amount in Line 8 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>13,293,441,872</u>

¹³ Tex. Tax Code § 26.01(c) and (d)
¹⁴ Tex. Tax Code § 26.01(c)
¹⁵ Tex. Tax Code § 26.01(d)
¹⁶ Tex. Tax Code § 26.012(6)(B)
¹⁷ Tex. Tax Code § 26.012(6)
¹⁸ Tex. Tax Code § 26.012(17)
¹⁹ Tex. Tax Code § 26.012(17)
²⁰ Tex. Tax Code § 26.04(c)
²¹ Tex. Tax Code § 26.04(d)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
30.	Total 2021 M&O levy. Multiply Line 28 by Line 29 and divide by \$100	\$ 21,974,059
31.	<p>Adjusted 2021 levy for calculating NNR M&O rate.</p> <p>A. M&O taxes refunded for years preceding tax year 2021. Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2021. This line applies only to tax years preceding tax year 2021. + \$ 624,651</p> <p>B. 2021 taxes in TIF. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the taxing unit has no 2022 captured appraised value in Line 18D, enter 0. - \$ 806,699</p> <p>C. 2021 transferred function. If discontinuing all of a department, function or activity and transferring it to another taxing unit by written contract, enter the amount spent by the taxing unit discontinuing the function in the 12 months preceding the month of this calculation. If the taxing unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the taxing unit operated the function. The taxing unit discontinuing the function will subtract this amount in D below. The taxing unit receiving the function will add this amount in D below. Other taxing units enter 0. +/- \$ 0</p> <p>D. 2021 M&O levy adjustments. Subtract B from A. For taxing unit with C, subtract if discontinuing function and add if receiving function. \$ -182,048</p> <p>E. Add Line 30 to 31D.</p>	\$ 21,792,011
32.	Adjusted 2022 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 14,392,029,357
33.	2022 NNR M&O rate (unadjusted). Divide Line 31E by Line 32 and multiply by \$100.	\$ 0.151417 /\$100
34.	<p>Rate adjustment for state criminal justice mandate. ²³</p> <p>A. 2022 state criminal justice mandate. Enter the amount spent by a county in the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. \$ 0</p> <p>B. 2021 state criminal justice mandate. Enter the amount spent by a county in the 12 months prior to the previous 12 months providing for the maintenance and operation cost of keeping inmates in county-paid facilities after they have been sentenced. Do not include any state reimbursement received by the county for the same purpose. Enter zero if this is the first time the mandate applies. - \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ 0/\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0/\$100
35.	<p>Rate adjustment for indigent health care expenditures. ²⁴</p> <p>A. 2022 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state assistance received for the same purpose. \$ 0</p> <p>B. 2021 indigent health care expenditures. Enter the amount paid by a taxing unit providing for the maintenance and operation cost of providing indigent health care for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state assistance received for the same purpose. - \$ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ 0.000000/\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ 0/\$100

²² [Reserved for expansion]
²³ Tex. Tax Code § 26.044
²⁴ Tex. Tax Code § 26.0441

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
36.	<p>Rate adjustment for county indigent defense compensation. ²⁵</p> <p>A. 2022 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2021 and ending on June 30, 2022, less any state grants received by the county for the same purpose \$ _____ 0</p> <p>B. 2021 indigent defense compensation expenditures. Enter the amount paid by a county to provide appointed counsel for indigent individuals and fund the operations of a public defender's office under Article 26.044, Code of Criminal Procedure for the period beginning on July 1, 2020 and ending on June 30, 2021, less any state grants received by the county for the same purpose. \$ _____ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ _____ 0/\$100</p> <p>D. Multiply B by 0.05 and divide by Line 32 and multiply by \$100. \$ _____ 0/\$100</p> <p>E. Enter the lesser of C and D. If not applicable, enter 0.</p>	\$ _____ 0/\$100
37.	<p>Rate adjustment for county hospital expenditures. ²⁶</p> <p>A. 2022 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2021 and ending on June 30, 2022. \$ _____ 0</p> <p>B. 2021 eligible county hospital expenditures. Enter the amount paid by the county or municipality to maintain and operate an eligible county hospital for the period beginning on July 1, 2020 and ending on June 30, 2021. \$ _____ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100. \$ _____ 0/\$100</p> <p>D. Multiply B by 0.08 and divide by Line 32 and multiply by \$100. \$ _____ 0/\$100</p> <p>E. Enter the lesser of C and D, if applicable. If not applicable, enter 0.</p>	\$ _____ 0/\$100
38.	<p>Rate adjustment for defunding municipality. This adjustment only applies to a municipality that is considered to be a defunding municipality for the current tax year under Chapter 109, Local Government Code. Chapter 109, Local Government Code only applies to municipalities with a population of more than 250,000 and includes a written determination by the Office of the Governor. See Tax Code 26.0444 for more information.</p> <p>A. Amount appropriated for public safety in 2021. Enter the amount of money appropriated for public safety in the budget adopted by the municipality for the preceding fiscal year \$ _____ 0</p> <p>B. Expenditures for public safety in 2021. Enter the amount of money spent by the municipality for public safety during the preceding fiscal year. \$ _____ 0</p> <p>C. Subtract B from A and divide by Line 32 and multiply by \$100 \$ _____ 0/\$100</p> <p>D. Enter the rate calculated in C. If not applicable, enter 0.</p>	\$ _____ 0/\$100
39.	<p>Adjusted 2022 NNR M&O rate. Add Lines 33, 34D, 35D, 36E, and 37E. Subtract Line 38D.</p>	\$ 0.151417 /\$100
40.	<p>Adjustment for 2021 sales tax specifically to reduce property values. Cities, counties and hospital districts that collected and spent additional sales tax on M&O expenses in 2021 should complete this line. These entities will deduct the sales tax gain rate for 2022 in Section 3. Other taxing units, enter zero.</p> <p>A. Enter the amount of additional sales tax collected and spent on M&O expenses in 2021, if any. Counties must exclude any amount that was spent for economic development grants from the amount of sales tax spent \$ _____ 0</p> <p>B. Divide Line 40A by Line 32 and multiply by \$100 \$ 0.000000 /\$100</p> <p>C. Add Line 40B to Line 39.</p>	\$ 0.151417 /\$100
41.	<p>2022 voter-approval M&O rate. Enter the rate as calculated by the appropriate scenario below.</p> <p>Special Taxing Unit. If the taxing unit qualifies as a special taxing unit, multiply Line 40C by 1.08.</p> <p>- or -</p> <p>Other Taxing Unit. If the taxing unit does not qualify as a special taxing unit, multiply Line 40C by 1.035.</p>	\$ 0.156716 /\$100

²⁵ Tex. Tax Code § 26.0442
²⁶ Tex. Tax Code § 26.0443

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
D41.	<p>Disaster Line 41 (D41): 2022 voter-approval M&O rate for taxing unit affected by disaster declaration. If the taxing unit is located in an area declared a disaster area and at least one person is granted an exemption under Tax Code Section 11.35 for property located in the taxing unit, the governing body may direct the person calculating the voter-approval tax rate to calculate in the manner provided for a special taxing unit. The taxing unit shall continue to calculate the voter-approval tax rate in this manner until the earlier of</p> <p>1) the first year in which total taxable value on the certified appraisal roll exceeds the total taxable value of the tax year in which the disaster occurred, or</p> <p>2) the third tax year after the tax year in which the disaster occurred</p> <p>If the taxing unit qualifies under this scenario, multiply Line 40C by 1.08.²⁷ If the taxing unit does not qualify, do not complete Disaster Line 41 (Line D41).</p>	\$ _____ 0 /\$100
42.	<p>Total 2022 debt to be paid with property taxes and additional sales tax revenue. Debt means the interest and principal that will be paid on debts that:</p> <p>(1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year, and (4) are not classified in the taxing unit’s budget as M&O expenses.</p> <p>A. Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. If the governing body of a taxing unit authorized or agreed to authorize a bond, warrant, certificate of obligation, or other evidence of indebtedness on or after Sept. 1, 2021, verify if it meets the amended definition of debt before including it here.²⁸</p> <p>Enter debt amount \$ <u>16,977,100</u></p> <p>B. Subtract unencumbered fund amount used to reduce total debt. - \$ <u>0</u></p> <p>C. Subtract certified amount spent from sales tax to reduce debt (enter zero if none) - \$ <u>0</u></p> <p>D. Subtract amount paid from other resources - \$ <u>0</u></p> <p>E. Adjusted debt. Subtract B, C and D from A.</p>	\$ <u>16,977,100</u>
43.	Certified 2021 excess debt collections. Enter the amount certified by the collector. ²⁹	\$ <u>0</u>
44.	Adjusted 2022 debt. Subtract Line 43 from Line 42E.	\$ <u>16,977,100</u>
45.	<p>2022 anticipated collection rate.</p> <p>A. Enter the 2022 anticipated collection rate certified by the collector.³⁰ <u>99.05</u> %</p> <p>B. Enter the 2021 actual collection rate. <u>99.49</u> %</p> <p>C. Enter the 2020 actual collection rate. <u>99.05</u> %</p> <p>D. Enter the 2019 actual collection rate. <u>100.06</u> %</p> <p>E. If the anticipated collection rate in A is lower than actual collection rates in B, C and D, enter the lowest collection rate from B, C and D. If the anticipated rate in A is higher than at least one of the rates in the prior three years, enter the rate from A. Note that the rate can be greater than 100%.³¹</p>	<u>99.05</u> %
46.	2022 debt adjusted for collections. Divide Line 44 by Line 45E.	\$ <u>17,139,929</u>
47.	2022 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ <u>14,750,319,229</u>
48.	2022 debt rate. Divide Line 46 by Line 47 and multiply by \$100.	\$ <u>0.116200</u> /\$100
49.	2022 voter-approval tax rate. Add Lines 41 and 48.	\$ <u>0.272916</u> /\$100
D49.	<p>Disaster Line 49 (D49): 2022 voter-approval tax rate for taxing unit affected by disaster declaration. Complete this line if the taxing unit calculated the voter-approval tax rate in the manner provided for a special taxing unit on Line D41. Add Line D41 and 48.</p>	\$ _____ /\$100

²⁷ Tex. Tax Code § 26.042(a)
²⁸ Tex. Tax Code § 26.012(7)
²⁹ Tex. Tax Code § 26.012(10) and 26.04(b)
³⁰ Tex. Tax Code § 26.04(b)
³¹ Tex. Tax Code §§ 26.04(h), (h-1) and (h-2)

Line	Voter-Approval Tax Rate Worksheet	Amount/Rate
50.	COUNTIES ONLY. Add together the voter-approval tax rates for each type of tax the county levies. The total is the 2022 county voter-approval tax rate.	\$ _____ 0 /\$100

SECTION 3: NNR Tax Rate and Voter-Approval Tax Rate Adjustments for Additional Sales Tax to Reduce Property Taxes

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its NNR and voter-approval tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its NNR tax rate and/or voter-approval tax rate because it adopted the additional sales tax.

Line	Additional Sales and Use Tax Worksheet	Amount/Rate
51.	Taxable Sales. For taxing units that adopted the sales tax in November 2021 or May 2022, enter the Comptroller's estimate of taxable sales for the previous four quarters. ³² Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2021, enter 0.	\$ _____ 0
52.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ³³ Taxing units that adopted the sales tax in November 2021 or in May 2022. Multiply the amount on Line 51 by the sales tax rate (.01, .005 or .0025, as applicable) and multiply the result by .95. ³⁴ - or - Taxing units that adopted the sales tax before November 2021. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$ _____ 0
53.	2022 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 14,750,319,229
54.	Sales tax adjustment rate. Divide Line 52 by Line 53 and multiply by \$100.	\$ _____ 0 /\$100
55.	2022 NNR tax rate, unadjusted for sales tax. ³⁵ Enter the rate from Line 26 or 27, as applicable, on the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.240947 /\$100
56.	2022 NNR tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2021 or in May 2022. Subtract Line 54 from Line 55. Skip to Line 57 if you adopted the additional sales tax before November 2021.	\$ 0.240947 /\$100
57.	2022 voter-approval tax rate, unadjusted for sales tax. ³⁶ Enter the rate from Line 49, Line D49 (disaster) or Line 50 (counties) as applicable, of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ 0.272916 /\$100
58.	2022 voter-approval tax rate, adjusted for sales tax. Subtract Line 54 from Line 57.	\$ 0.272916 /\$100

SECTION 4: Voter-Approval Tax Rate Adjustment for Pollution Control

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

Line	Voter-Approval Rate Adjustment for Pollution Control Requirements Worksheet	Amount/Rate
59.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ³⁷ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ³⁸	\$ _____ 0
60.	2022 total taxable value. Enter the amount from Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 14,750,319,229
61.	Additional rate for pollution control. Divide Line 59 by Line 60 and multiply by \$100.	\$ _____ 0 /\$100
62.	2022 voter-approval tax rate, adjusted for pollution control. Add Line 61 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties) or Line 58 (taxing units with the additional sales tax).	\$ 0.272916 /\$100

³² Tex. Tax Code § 26.041(d)

³³ Tex. Tax Code § 26.041(i)

³⁴ Tex. Tax Code § 26.041(d)

³⁵ Tex. Tax Code § 26.04(c)

³⁶ Tex. Tax Code § 26.04(c)

³⁷ Tex. Tax Code § 26.045(d)

³⁸ Tex. Tax Code § 26.045(i)

SECTION 5: Voter-Approval Tax Rate Adjustment for Unused Increment Rate

The unused increment rate is the rate equal to the difference between the adopted tax rate and voter-approval tax rate before the unused increment rate for the prior three years.³⁹ In a year where a taxing unit adopts a rate by applying any portion of the unused increment rate, the unused increment rate for that year would be zero.

The difference between the adopted tax rate and voter-approval tax rate is considered zero in the following scenarios:

- a tax year before 2020;⁴⁰
- a tax year in which the municipality is a defunding municipality, as defined by Tax Code Section 26.0501(a);⁴¹ or
- after Jan. 1, 2022, a tax year in which the comptroller determines that the county implemented a budget reduction or reallocation described by Local Government Code Section 120.002(a) without the required voter approval.⁴²

This section should only be completed by a taxing unit that does not meet the definition of a special taxing unit.⁴³

Line	Unused Increment Rate Worksheet	Amount/Rate
63.	2021 unused increment rate. Subtract the 2021 actual tax rate and the 2021 unused increment rate from the 2021 voter-approval tax rate. If the number is less than zero, enter zero.	\$ _____ 0/\$100
64.	2020 unused increment rate. Subtract the 2020 actual tax rate and the 2020 unused increment rate from the 2020 voter-approval tax rate. If the number is less than zero, enter zero.	\$ _____ 0/\$100
65.	2019 unused increment rate. Subtract the 2019 actual tax rate and the 2019 unused increment rate from the 2019 voter-approval tax rate. If the number is less than zero, enter zero. If the year is prior to 2020, enter zero.	\$ _____ 0/\$100
66.	2022 unused increment rate. Add Lines 63, 64 and 65.	\$ _____ 0/\$100
67.	2022 voter-approval tax rate, adjusted for unused increment rate. Add Line 66 to one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax) or Line 62 (taxing units with pollution control).	\$ _____ 0.272916/\$100

SECTION 6: De Minimis Rate

The de minimis rate is the rate equal to the sum of the no-new-revenue maintenance and operations rate, the rate that will raise \$500,000, and the current debt rate for a taxing unit.⁴⁴

This section should only be completed by a taxing unit that is a municipality of less than 30,000 or a taxing unit that does not meet the definition of a special taxing unit.⁴⁵

Line	De Minimis Rate Worksheet	Amount/Rate
68.	Adjusted 2022 NNR M&O tax rate. Enter the rate from Line 39 of the <i>Voter-Approval Tax Rate Worksheet</i>	\$ _____ 0.151417/\$100
69.	2022 total taxable value. Enter the amount on Line 21 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ _____ 14,750,319,229
70.	Rate necessary to impose \$500,000 in taxes. Divide \$500,000 by Line 69 and multiply by \$100.	\$ _____ 0.003389/\$100
71.	2022 debt rate. Enter the rate from Line 48 of the <i>Voter-Approval Tax Rate Worksheet</i> .	\$ _____ 0.116200/\$100
72.	De minimis rate. Add Lines 68, 70 and 71.	\$ _____ 0.271006/\$100

SECTION 7: Voter-Approval Tax Rate Adjustment for Emergency Revenue Rate

In the tax year after the end of the disaster calculation time period detailed in Tax Code Section 26.042(a), a taxing unit that calculated its voter-approval tax rate in the manner provided for a special taxing unit due to a disaster must calculate its emergency revenue rate and reduce its voter-approval tax rate for that year.⁴⁶

Similarly, if a taxing unit adopted a tax rate that exceeded its voter-approval tax rate, calculated normally, without holding an election to respond to a disaster, as allowed by Tax Code Section 26.042(d), in the prior year, it must also reduce its voter-approval tax rate for the current tax year.⁴⁷

This section will apply to a taxing unit other than a special taxing unit that:

- directed the designated officer or employee to calculate the voter-approval tax rate of the taxing unit in the manner provided for a special taxing unit in the prior year; and
- the current year is the first tax year in which the total taxable value of property taxable by the taxing unit as shown on the appraisal roll for the taxing unit submitted by the assessor for the taxing unit to the governing body exceeds the total taxable value of property taxable by the taxing unit on January 1 of the tax year in which the disaster occurred or the disaster occurred four years ago.

³⁹ Tex. Tax Code § 26.013(a)

⁴⁰ Tex. Tax Code § 26.013(c)

⁴¹ Tex. Tax Code §§ 26.0501(a) and (c)

⁴² Tex. Local Gov't Code § 120.007(d), effective Jan. 1, 2022

⁴³ Tex. Tax Code § 26.063(a)(1)

⁴⁴ Tex. Tax Code § 26.012(8-a)

⁴⁵ Tex. Tax Code § 26.063(a)(1)

⁴⁶ Tex. Tax Code § 26.042(b)

⁴⁷ Tex. Tax Code § 26.042(f)

This section will apply to a taxing unit in a disaster area that adopted a tax rate greater than its voter-approval tax rate without holding an election in the prior year.

Note: This section does not apply if a taxing unit is continuing to calculate its voter-approval tax rate in the manner provided for a special taxing unit because it is still within the disaster calculation time period detailed in Tax Code Section 26.042(a) because it has not met the conditions in Tax Code Section 26.042(a)(1) or (2).

Line	Emergency Revenue Rate Worksheet	Amount/Rate
73.	2021 adopted tax rate. Enter the rate in Line 4 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 0.267700/\$100
74.	Adjusted 2021 voter-approval tax rate. Use the taxing unit’s Tax Rate Calculation Worksheets from the prior year(s) to complete this line. If a disaster occurred in 2021 and the taxing unit calculated its 2021 voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) of the 2021 worksheet due to a disaster, enter the 2021 voter-approval tax rate as calculated using a multiplier of 1.035 from Line 49. - or - If a disaster occurred prior to 2021 for which the taxing unit continued to calculate its voter-approval tax rate using a multiplier of 1.08 on Disaster Line 41 (D41) in 2021, complete the separate <i>Adjusted Voter-Approval Tax Rate for Taxing Units in Disaster Area Calculation Worksheet</i> to recalculate the voter-approval tax rate the taxing unit would have calculated in 2021 if it had generated revenue based on an adopted tax rate using a multiplier of 1.035 in the year(s) following the disaster. ⁴⁸ Enter the final adjusted 2021 voter-approval tax rate from the worksheet. - or - If the taxing unit adopted a tax rate above the 2021 voter-approval tax rate without calculating a disaster tax rate or holding an election due to a disaster, no recalculation is necessary. Enter the voter-approval tax rate from the prior year’s worksheet.	\$ 0/\$100
75.	Increase in 2021 tax rate due to disaster. Subtract Line 74 from Line 73.	\$ 0.267700/\$100
76.	Adjusted 2021 taxable value. Enter the amount in Line 14 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 12,682,473,765
77.	Emergency revenue. Multiply Line 75 by Line 76 and divide by \$100.	\$ 33,950,982
78.	Adjusted 2022 taxable value. Enter the amount in Line 25 of the <i>No-New-Revenue Tax Rate Worksheet</i> .	\$ 14,392,029,357
79.	Emergency revenue rate. Divide Line 77 by Line 78 and multiply by \$100. ⁴⁹	\$ 0/\$100
80.	2022 voter-approval tax rate, adjusted for emergency revenue. Subtract Line 79 from one of the following lines (as applicable): Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (taxing units with the additional sales tax), Line 62 (taxing units with pollution control) or Line 67 (taxing units with the unused increment rate).	\$ 0.272916/\$100

SECTION 8: Total Tax Rate

Indicate the applicable total tax rates as calculated above.

No-new-revenue tax rate.	\$ 0.240947 /\$100
As applicable, enter the 2022 NNR tax rate from: Line 26, Line 27 (counties), or Line 56 (adjusted for sales tax). Indicate the line number used: <u>26</u>	
Voter-approval tax rate.	\$ 0.272916 /\$100
As applicable, enter the 2022 voter-approval tax rate from: Line 49, Line D49 (disaster), Line 50 (counties), Line 58 (adjusted for sales tax), Line 62 (adjusted for pollution control), Line 67 (adjusted for unused increment), or Line 80 (adjusted for emergency revenue). Indicate the line number used: <u>49</u>	
De minimis rate.	\$ 0.271006 /\$100
If applicable, enter the 2022 de minimis rate from Line 72.	

SECTION 9: Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit. By signing below, you certify that you are the designated officer or employee of the taxing unit and have accurately calculated the tax rates using values that are the same as the values shown in the taxing unit’s certified appraisal roll or certified estimate of taxable value, in accordance with requirements in Tax Code.⁵⁰

print here ▶ Cheryl E. Johnson, PCC, CTOP, Galveston County Tax Assessor Collector
 Printed Name of Taxing Unit Representative

sign here ▶ *Cheryl E. Johnson*
 Taxing Unit Representative

August 23, 2022
 Date

⁴⁸ Tex. Tax Code §26.042(c)
⁴⁹ Tex. Tax Code §26.042(b)
⁵⁰ Tex. Tax Code §§ 26.04(c-2) and (d-2)

**RESOLUTION AND ORDER OF THE BOARD OF TRUSTEES
OF COLLEGE OF THE MAINLAND
IN GALVESTON COUNTY, TEXAS FOR THE ADOPTION OF THE TAX RATE AND
LEVYING AD VALOREM TAXES FOR THE YEAR 2022, FOR THE SUPPORT,
MAINTENANCE, AND DEBT SERVICE OF COLLEGE OF THE MAINLAND**

WHEREAS, College of the Mainland has been duly organized in accordance with the laws of the State of Texas; and

WHEREAS, it is necessary that ad valorem taxes be levied for the support, maintenance, and debt service of College of the Mainland for the fiscal year 2021-2022 and tax year 2022; and

WHEREAS, The Galveston County Tax Assessor using the Truth in Taxation form calculated a maintenance and operations rate of \$0.15142, on each one hundred dollars (\$100) of valuation and an interest and sinking rate of .11620 on each one hundred dollars (\$100) of valuation as required by Section 26.04 of the Tax Code; and

WHEREAS, the Board of Trustees of College of the Mainland in Galveston County, Texas, has determined that the amount of money needed by the College District to maintain the same amount of tax revenues for maintenance and operations and an additional amount for interest and sinking, will require a tax levy at the rate of \$0.26762 on each one hundred dollars (\$100) of valuation; and

WHEREAS, the Board of Trustees of College of the Mainland has previously adopted and approved a budget for the 2021-22 fiscal year in compliance with state law; and

WHEREAS, the Board of Trustees of College of the Mainland has complied with all the procedural requirements for the setting of the 2022 ad valorem tax rate as specified by the Tax Code and Education Code,

NOW, THEREFORE BE IT ORDAINED AND ORDERED by the Board of Trustees of COLLEGE OF THE MAINLAND that we do hereby levy or adopt the rate on \$100 evaluation for this community college district for the tax year 2021 as follows:

\$0.15142 for the purpose of maintenance and operation

\$0.11620 for the payment of principal and interest on debt of this college district

\$0.26762 Total tax rate

BE IT FURTHER ORDERED that, upon the adoption of this Resolution and Order, the Secretary of the Board of Trustees of College of the Mainland shall certify a copy of this Resolution and Order and forward to both the Assessor and Collector of Taxes.

This Resolution and Order shall take effect from and immediately upon its adoption.

PASSED, APPROVED AND ADOPTED THIS 26th day of August, 2022.



Melissa Skipworth
Secretary, Board of Trustees



William McGarvey
Board Chairman, Board of Trustees

Monthly Financial Report

Cash Situation

(in millions)

Gross cash balance at the end of month:	\$19.0
Less pending I&S payments:	<u>(\$0)</u>
Net unrestricted cash:	\$19.0
Minimum required cash :	\$7.1
Excess cash above minimum:	\$11.9

Unaudited Operations

Year to Date *(in millions)*

Revenues

Budget:	\$34.5
Actual:	\$36.4

Expense

Budget:	\$34.5
Actual:	\$34.4

(100% Spent at 100% of year)



PRESIDENT'S OFFICE

MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 16, 2022
Subject: Monthly Financial & Investment Reports

AGENDA ITEM DESCRIPTION:

Consideration of and possible acceptance of the August 2022 Investment and Financial Reports.

PURPOSE

To report to the Board of Trustees the year-to-date revenues and expenses for the college, comparison of revenues and expenses to budget, and the college's current cash balance.

FUNDING SOURCE:

N/A

PROPOSED MOTION:

Suggested motion: "I move the Board of Trustees accept the August 2022 Investment Report and the August 2022 Financial Reports."

BACKGROUND

The investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the PFIA under Education Code 51.0032 and Government Code 2256.023.

In accordance with COM policy CDA (LOCAL) – Periodic financial reports shall be submitted to the Board outlining the progress of the budget to that date and reporting on the status of all District funds and District accounts.

ATTACHMENTS

1. August 2022 Investment Discussion & Report
2. August 2022 Revenue & Expense Summary
3. August 2022 Expense by Division Report



INVESTMENT REPORT
For the Month Ended August 2022

Investment discussion:

College of the Mainland earned \$88,713 for the month of August on its short-term investments in TexPool & Logic for a total of \$323,865 investment interest earned fiscal year to date. The College earned an additional \$3, fiscal year to date, from interest-bearing checking accounts. In total, the College earned \$323,868 interest for the fiscal year to date period ending August: TexPool - \$146,613 Logic 20 - \$177,252, and TFB - \$3.

Investments in the TexPool & Logic investment pools remain more profitable than fixed rate certificate of deposits purchased at our depository bank. In addition, the investment pool provides more efficient liquidity than certificates of deposit, which are restricted to specific term lengths. Therefore, all investment funds remain in TexPool, Logic and interest earning checking accounts.

Investment Compliance Statement:

We provide reasonable assurance that the attached listing constitutes all investments currently owned by the College of the Mainland District as of the date indicated and that all these investments and investing procedures conform to the "Public Funds Investment Act" as amended by House Bill 2459 of the 74th Texas Legislature.

Furthermore, these same investments are in compliance with College of the Mainland's investment policy and strategy as adopted by the College of the Mainland's Board of Trustees.

A handwritten signature in blue ink, appearing to read 'Clen Burton', written over a horizontal line.

Clen Burton
Vice President of Fiscal Affairs
College of the Mainland

A handwritten signature in blue ink, appearing to read 'Trudy Trochesset', written over a horizontal line.

Trudy Trochesset
Controller
College of the Mainland



TexPool Investments for August 2022

Investment	COM Fund	Balance Beginning of Month	Increases	Decreases	Interest Earned	Balance End of Month	Average Balance	Annualized Average Interest Rate
Operating	11	\$ 29,625,982	\$ -	\$ 10,740,000	41,460	18,927,443	22,570,546	2.204%
Moody	41	26,687	-	-	49	26,736	26,656	2.208%
Totals		\$ 29,652,669	\$ -	\$ 10,740,000	\$ 41,509	\$ 18,954,178	\$ 22,597,201	

Note: For the above listed investments in TexPool, book value is equivalent to market value.
There was no accrued interest as of August 2022

Logic (Hilltop Securities) Investments for August 2022

Investment	COM Fund	Balance Beginning of Month	Increases	Decreases	Interest Earned	Balance End of Month	Average Balance	Annualized Average Interest Rate
COM Bond 2020	46	\$ 27,262,093	\$ -	\$ 4,021,494	47,203	23,287,802	25,719,334	2.202%
Totals		\$ 27,262,093	\$ -	\$ 4,021,494	\$ 47,203	\$ 23,287,802	\$ 25,719,334	
Totals		\$ 56,914,761	\$ -	\$ 14,761,494	\$ 88,713	\$ 42,241,980	\$ 48,316,535	

Unrestricted Fund (Unaudited)

Summary of Revenue

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Operating revenue						
Tuition-credit	(4,993,213)	(4,127,440)	865,773	121%	(5,045,544)	52,331
Tuition-non-credit	(586,658)	(1,044,100)	(457,442)	56%	(389,839)	(196,818)
Exemptions and waivers	1,348,148	1,108,300	(239,848)	122%	1,534,033	(185,885)
Registration fees	(2,322,968)	(1,789,500)	533,468	130%	(2,406,124)	83,156
Other fees	(156,940)	(137,000)	19,940	115%	(150,220)	(6,721)
Grant revenue	(276,679)	(66,000)	210,679	419%	(438,850)	162,171
Sales and service revenue	(42,623)	(432,400)	(389,777)	10%	(7,804)	(34,818)
Miscellaneous revenue	(172,964)	(109,100)	63,864	159%	(173,788)	825
TPEG transfer in/out	0	202,500	202,500	0%	0	0
<u>Totals for Operating revenue</u>	<u>(7,203,895)</u>	<u>(6,394,740)</u>	<u>809,155</u>	<u>113%</u>	<u>(7,078,136)</u>	<u>(125,759)</u>
Non-operating revenue						
State appropriation-Academic	(6,649,121)	(6,649,121)	0	100%	(6,534,911)	(114,210)
Property tax revenue	(22,044,209)	(22,539,139)	(494,930)	98%	(23,626,866)	1,582,657
Interest revenue	(146,480)	(350,000)	(203,520)	42%	(8,247)	(138,233)
FTZ reimbursement	(357,062)	(350,000)	7,062	102%	(531,472)	174,410
Renew & replace transfer out	0	1,783,000	1,783,000	0%	0	0
<u>Totals for Non-operating revenue</u>	<u>(29,196,872)</u>	<u>(28,105,260)</u>	<u>1,091,612</u>	<u>104%</u>	<u>(30,701,496)</u>	<u>1,504,624</u>
<u>Total Revenue</u>	<u>(36,400,767)</u>	<u>(34,500,000)</u>	<u>1,900,767</u>	<u>106%</u>	<u>(37,779,632)</u>	<u>1,378,865</u>

Unrestricted Fund (Unaudited)

Summary of Expense

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Salary and wages						
Faculty full-time	7,180,533	7,781,351	600,818	92%	7,573,506	(392,973)
Admin full-time	1,634,164	1,587,756	(46,408)	103%	1,616,680	17,484
Professional full-time	7,156,918	7,217,878	60,960	99%	7,054,845	102,073
Classified full-time	2,141,534	3,803,932	1,662,398	56%	80,321	2,061,212
Part-time	3,189,250	3,779,297	590,047	84%	2,741,710	447,540
Salary increase	0	220,000	220,000	0%	0	0
Vacancy savings	0	(3,704,027)	(3,704,027)	0%	0	0
<u>Totals for Salary and wages</u>	<u>21,302,400</u>	<u>20,686,187</u>	<u>(616,213)</u>	<u>103%</u>	<u>19,067,064</u>	<u>2,235,337</u>
Benefits						
Benefits	4,273,934	4,176,934	(97,000)	102%	3,345,049	928,885
<u>Totals for Benefits</u>	<u>4,273,934</u>	<u>4,176,934</u>	<u>(97,000)</u>	<u>102%</u>	<u>3,345,049</u>	<u>928,885</u>
Operating expenses						
Contract services	2,919,785	3,224,115	304,330	91%	2,864,463	55,321
Legal	4,700	9,344	4,644	50%	7,446	(2,746)
Operations	493,374	695,871	202,497	71%	362,033	131,341
Utilities and Rent	1,861,364	1,998,334	136,970	93%	1,502,046	359,318
Postage, printing, and supplies	867,059	1,337,013	469,954	65%	824,217	42,842
Bank fees	89,063	84,400	(4,663)	106%	82,289	6,774
Capital outlay & leases	70,549	61,503	(9,046)	115%	58,087	12,462
Insurance	2,124,630	1,846,069	(278,561)	115%	1,326,308	798,322
Public rel, marketing and advert	203,021	257,729	54,709	79%	192,647	10,374
Misc.	481,057	425,942	(55,115)	113%	414,472	66,584
Reimbursement from Others	(203,442)	(303,442)	(100,000)	67%	0	(203,442)
MTN Payment	0	0	0	0%	337,500	(337,500)

Unrestricted Fund (Unaudited)

Arbitrage Payment	(35,806)	0	35,806	0%	35,806	(71,612)
<u>Totals for Operating expenses</u>	<u>8,875,353</u>	<u>9,636,879</u>	<u>761,526</u>	<u>92%</u>	<u>8,007,314</u>	<u>868,039</u>
<u>Total Expense</u>	<u>34,451,687</u>	<u>34,500,000</u>	<u>48,313</u>	<u>100%</u>	<u>30,419,427</u>	<u>4,032,261</u>

Unrestricted Fund (Unaudited)

Summary of Fund Bal

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Salary and wages						
Faculty full-time	17,488	0	(17,488)	0%	0	17,488
<u>Totals for Salary and wages</u>	<u>17,488</u>	<u>0</u>	<u>(17,488)</u>	<u>0%</u>	<u>0</u>	<u>17,488</u>
Benefits						
Benefits	0	0	0	0%	(32,186)	32,186
Benefits	3,860	0	(3,860)	0%	872,574	(868,714)
<u>Totals for Benefits</u>	<u>3,860</u>	<u>0</u>	<u>(3,860)</u>	<u>0%</u>	<u>840,388</u>	<u>(836,528)</u>
Operating expenses						
Contract services	352,266	0	(352,266)	0%	524,109	(171,843)
Operations	24,256	0	(24,256)	0%	0	24,256
Utilities and Rent	520,135	0	(520,135)	0%	122,463	397,671
Postage, printing, and supplies	492,579	0	(492,579)	0%	735,012	(242,433)
Capital outlay & leases	424,931	0	(424,931)	0%	494,357	(69,426)
Public rel, marketing and advert	78,260	0	(78,260)	0%	0	78,260
Misc.	0	0	0	0%	67,050	(67,050)
<u>Totals for Operating expenses</u>	<u>1,892,427</u>	<u>0</u>	<u>(1,892,427)</u>	<u>0%</u>	<u>1,942,991</u>	<u>(50,564)</u>
<u>Total Fund Bal</u>	<u>1,913,775</u>	<u>0</u>	<u>(1,913,775)</u>	<u>0%</u>	<u>2,783,379</u>	<u>(869,604)</u>

Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
<u>Expense by Division</u>						
<u>Summary for President</u>						
Board of Trustees	716	19,400	18,684	4%	13,104	(12,388)
Campus Police	601,762	753,176	151,414	80%	436,579	165,183
Gen Institution	317,181	294,119	(23,062)	108%	378,951	(61,770)
Information Technology Serv	1,925,978	2,303,299	377,321	84%	1,634,773	291,205
Internal Audit	132,585	150,000	17,415	88%	151,560	(18,975)
OPEAR	399,304	484,556	85,252	82%	464,449	(65,145)
Presidents Office	599,263	625,564	26,301	96%	561,459	37,804
Self Study SACS	13,052	10,500	(2,552)	124%	10,363	2,689
Staff Attorney	174,753	190,060	15,308	92%	144,772	29,981
<u>Totals for President</u>	<u>4,164,594</u>	<u>4,830,675</u>	<u>666,080</u>	<u>86%</u>	<u>3,796,010</u>	<u>368,584</u>
<u>Summary for VP Fiscal Affairs</u>						
Central Mail	80,279	136,099	55,820	59%	38,001	42,279
Custodial Services	257,295	345,568	88,272	74%	160,529	96,766
Facilities	4,295,489	4,183,532	(111,957)	103%	3,461,213	834,276
Financial Services	766,381	931,450	165,069	82%	490,597	275,784
Grounds	110,066	120,570	10,504	91%	81,556	28,509
Human Resources	633,298	727,124	93,826	87%	435,574	197,723
Maintenance Tax Note	0	0	0	0%	337,500	(337,500)
Purchasing	280,157	310,424	30,267	90%	279,814	343
Records Mgmt	19,141	20,952	1,811	91%	15,747	3,394
Reimbursement	(203,442)	(303,442)	(100,000)	67%	0	(203,442)
Salary Savings	0	(3,704,027)	(3,704,027)	0%	0	0
Staff Benefits	876,449	999,449	123,000	88%	(32,186)	908,635
Tax Admin	312,958	232,631	(80,327)	135%	287,938	25,020

Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Utilities	1,053,647	1,125,000	71,353	94%	684,614	369,033
Vehicle Operations	100,279	111,691	11,411	90%	60,906	39,373
VP College & Fin Svcs	200,505	199,335	(1,171)	101%	198,962	1,543
<u>Totals for VP Fiscal Affairs</u>	<u>8,782,502</u>	<u>5,436,354</u>	<u>(3,346,148)</u>	<u>162%</u>	<u>6,500,764</u>	<u>2,281,738</u>
<u>Summary for VP Institutional Advancement</u>						
COM Foundation Dept	105,141	114,591	9,450	92%	36,798	68,343
Marketing and Communications	825,376	896,347	70,971	92%	704,522	120,854
VP Institutional Advancement	583,813	596,935	13,122	98%	620,617	(36,804)
<u>Totals for VP Institutional Advancement</u>	<u>1,514,330</u>	<u>1,607,873</u>	<u>93,543</u>	<u>94%</u>	<u>1,361,937</u>	<u>152,393</u>
<u>Summary for VP Instruction</u>						
Acad Succ Re/Wr	988,023	981,454	(6,569)	101%	964,834	23,189
Accting-Credit	106,564	163,250	56,686	65%	187,424	(80,860)
Adm-C.I.D.T.	42,366	79,843	37,476	53%	12,534	29,833
Adm-Cont Ed	330,628	567,375	236,747	58%	385,354	(54,726)
Adm-Ind Tech	8,488	8,654	166	98%	0	8,488
Adm-Instruct	44,901	81,316	36,416	55%	12,894	32,007
Adm-Perf & Vis Arts	46,429	71,451	25,022	65%	17,867	28,562
Adm-Pub Svc Ed	69,546	81,417	11,871	85%	11,814	57,732
Adm-Science	50,860	18,517	(32,343)	275%	6,817	44,044
Adm-Soc Sci	51,846	83,760	31,914	62%	18,062	33,784
Adult Education	189,904	222,966	33,061	85%	122,312	67,592
Allied Health CE	62,299	363,634	301,335	17%	272,202	(209,903)
Art	258,955	255,154	(3,801)	101%	251,672	7,284
Art Gallery	67,872	59,730	(8,142)	114%	62,840	5,032
Biol & Nutrition	801,610	782,912	(18,698)	102%	735,022	66,587
Bus Tech	0	0	0	0%	25,926	(25,926)
C.I.S.	103,589	105,767	2,179	98%	102,995	593

Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
Chemistry	175,461	276,185	100,723	64%	212,799	(37,337)
Child Develop	77,390	75,543	(1,847)	102%	76,752	638
Cmnty Theater	342,118	316,566	(25,552)	108%	300,858	41,261
Collegiate H.S.-CR	142,622	159,899	17,277	89%	112,528	30,094
Cosmetology	689,725	746,133	56,408	92%	655,093	34,631
Criminal Justice	84,050	90,301	6,251	93%	92,600	(8,550)
Dean Cont Ed	139,612	24,721	(114,891)	565%	722	138,890
Dean Gen Ed	171,077	203,091	32,013	84%	137,251	33,827
Distance Ed	468,773	445,348	(23,425)	105%	442,823	25,950
Drafting	82,213	82,355	141	100%	82,846	(633)
Dual Credit Dept	139,609	177,432	37,823	79%	119,717	19,892
Economics	100,870	93,575	(7,296)	108%	93,321	7,549
EMS-Credit	303,405	303,523	118	100%	306,017	(2,613)
Fire Tech	299,328	306,298	6,970	98%	342,221	(42,893)
Firearms Acad	76,766	44,504	(32,261)	172%	39,593	37,173
Foreign Lang	87,187	73,340	(13,847)	119%	85,833	1,353
Gen Bus-Credit	236,653	158,680	(77,973)	149%	100,988	135,665
Geology	92,645	94,981	2,336	98%	90,708	1,937
Government	403,685	365,510	(38,175)	110%	373,753	29,932
Graphic Arts	131,264	118,427	(12,837)	111%	118,622	12,642
Health and PE Credit	181,405	168,767	(12,638)	107%	179,032	2,372
Health Info Mgmt	215,157	225,372	10,215	95%	185,104	30,054
Hist & Geog	347,186	321,734	(25,451)	108%	340,979	6,207
Humanities	277,375	255,960	(21,414)	108%	256,127	21,248
Instr Tech Department	186,632	263,862	77,231	71%	146,279	40,353
Instr Tech Lab Mgrs	64,593	158,941	94,347	41%	31,814	32,779
Law Enforcement	109,204	123,957	14,753	88%	88,527	20,678
Law Enforcemnt-NonCR	108,833	30,800	(78,033)	353%	78,992	29,841

Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
LC Ctr Admin	3,960	20,877	16,917	19%	5,329	(1,370)
Library	583,520	673,906	90,385	87%	534,312	49,209
Management	20,635	20,874	239	99%	65,008	(44,372)
Massage Therapy	23,220	21,312	(1,908)	109%	0	23,220
Math	904,460	906,290	1,830	100%	813,451	91,009
Medical Assistant	83,515	99,103	15,588	84%	83,964	(449)
Music	333,589	315,541	(18,048)	106%	384,897	(51,308)
Networking	92,751	99,202	6,451	93%	91,396	1,355
Nursing Administration	653,187	456,418	(196,769)	143%	283,758	369,429
Nursing-AD	1,030,600	1,568,825	538,226	66%	1,352,886	(322,286)
Nursing-VN	249,377	261,814	12,437	95%	331,839	(82,462)
Pharmacy Tech	94,777	97,497	2,721	97%	100,973	(6,196)
Philosophy	58,952	25,446	(33,506)	232%	59,062	(109)
Physics	163,878	164,061	183	100%	160,265	3,613
Process Tech	508,190	664,108	155,918	77%	715,407	(207,217)
Prof Develop Acad	2,156	9,000	6,844	24%	0	2,156
Psychology	428,283	399,196	(29,087)	107%	422,481	5,802
Safety-CR	102,614	135,638	33,024	76%	89,665	12,949
Senior Adult Dept	246,915	271,380	24,465	91%	157,426	89,488
Social Science Non CR	43,202	14,245	(28,956)	303%	44,569	(1,367)
Sociology	88,959	80,080	(8,878)	111%	85,231	3,728
Speaking, Reading, Writing	458,658	545,956	87,298	84%	469,520	(10,861)
Theater Arts-Credit	118,721	175,570	56,850	68%	68,114	50,607
Thermal Tech-NonCR	121,810	97,633	(24,177)	125%	100,778	21,032
Virtual College TX	0	0	0	0%	1,120	(1,120)
VP Instruction	441,547	1,155,412	713,865	38%	427,549	13,998
Welding-Cred	514,566	637,649	123,083	81%	493,246	21,320

Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
<u>Totals for VP Instruction</u>	<u>16,330,759</u>	<u>18,550,038</u>	<u>2,219,279</u>	<u>88%</u>	<u>15,624,712</u>	<u>706,047</u>
<u>Summary for VP of Instruction</u>						
Allied Health Admin	10,453	12,438	1,985	84%	0	10,453
CE-CAN Program	42,087	87,696	45,609	48%	0	42,087
CE-CPR	3,280	2,533	(746)	129%	0	3,280
CE-Dental	10,791	17,468	6,677	62%	0	10,791
Nursing - BSN	0	7,545	7,545	0%	0	0
Program Development	139,864	72,750	(67,114)	192%	0	139,864
<u>Totals for VP of Instruction</u>	<u>206,474</u>	<u>200,430</u>	<u>(6,044)</u>	<u>103%</u>	<u>0</u>	<u>206,474</u>
<u>Summary for VP Student Services</u>						
Admissions	298,315	321,001	22,686	93%	248,287	50,028
Advise Center	677,664	708,939	31,275	96%	689,694	(12,030)
Career & Placement	84,444	95,962	11,518	88%	11,600	72,844
Career Svcs	0	0	0	0%	0	0
Counseling	0	0	0	0%	0	0
Enrollment Mgmt	114,892	117,487	2,595	98%	130,059	(15,167)
Facilities & Student Recreat	102,796	116,245	13,449	88%	84,668	18,129
Judicial Affairs	192,262	204,603	12,341	94%	144,248	48,014
Multicultural Department	12,451	12,500	49	100%	2,494	9,958
Recruitment	419,612	523,459	103,847	80%	341,865	77,747
Stu Financial Svcs	498,162	615,603	117,442	81%	438,925	59,237
Stu Organizations	277,333	325,018	47,685	85%	242,453	34,879
Student Graduation	60,272	74,080	13,808	81%	50,601	9,671
Svcs-Disab Students	23,400	42,447	19,047	55%	6,891	16,509
Testing	251,927	256,880	4,953	98%	140,169	111,758
Title V Grant	27	0	(27)	0%	242	(214)
Veteran Affairs	177,157	160,414	(16,743)	110%	167,845	9,312

Unrestricted Fund (Unaudited)

	<u>Current Actual</u>	<u>2021-22 Budget</u>	<u>Budget Remaining</u>	<u>Budget Pct.YTD</u>	<u>Prior Year to Actual</u>	<u>Curr. vs Prior Year to Year</u>
VP Student Services	262,311	299,993	37,682	87%	403,775	(141,464)
<u>Totals for VP Student Services</u>	<u>3,453,027</u>	<u>3,874,630</u>	<u>421,603</u>	<u>89%</u>	<u>3,103,817</u>	<u>349,210</u>
<u>Totals for Expense</u>	<u>34,451,687</u>	<u>34,500,000</u>	<u>48,313</u>	<u>100%</u>	<u>30,387,241</u>	<u>4,064,447</u>
<u>Fund Bal by Division</u>						
<u>Summary for VP Fiscal Affairs</u>						
Fund Balance - Academic Support	14,030	0	(14,030)	0%	8,429	5,601
Fund Balance - Institutional Support	1,194,698	0	(1,194,698)	0%	1,570,859	(376,161)
Fund Balance - Instruction	393,877	0	(393,877)	0%	868,489	(474,612)
Fund Balance - Oper & Maint	88,214	0	(88,214)	0%	84,780	3,434
Fund Balance - Public Service	0	0	0	0%	1,431	(1,431)
Fund Balance - Student Services	222,956	0	(222,956)	0%	281,578	(58,622)
<u>Totals for VP Fiscal Affairs</u>	<u>1,913,775</u>	<u>0</u>	<u>(1,913,775)</u>	<u>0%</u>	<u>2,815,565</u>	<u>(901,790)</u>
<u>Totals for Fund Bal</u>	<u>1,913,775</u>	<u>0</u>	<u>(1,913,775)</u>	<u>0%</u>	<u>2,815,565</u>	<u>(901,790)</u>
<u>Totals for Report</u>	<u>36,365,462</u>	<u>34,500,000</u>	<u>(1,865,462)</u>		<u>33,202,806</u>	<u>3,162,656</u>



MINUTE ORDER

To: Board of Trustees
From: Dr. Warren Nichols, President
Date: September 16, 2022
Subject: Agenda Item for Board of Trustees Meeting

AGENDA ITEM DESCRIPTION:

Consideration of and possible acceptance of the August 2022 Quarterly Investment Report.

PURPOSE

To report to the Board of Trustees the quarterly investments for the college.

FUNDING SOURCE:

N/A

PROPOSED MOTION:

Suggested motion: *“I move the Board of Trustees accept the August 2022 Quarterly Investment Report.”*

BACKGROUND

The investment officer shall prepare and submit to the Board a written report of investment transactions for all funds covered by the PFIA under Education Code 51.0032 and Government Code 2256.023.

In accordance with COM policy CDA (LOCAL) – Periodic financial reports shall be submitted to the Board outlining the progress of the budget to that date and reporting on the status of all District funds and District accounts.

ATTACHMENTS

1. August 2022 Quarterly Investment Report



Quarterly Summary of Investments

Quarter Ending	COM Fund	Type	Beginning Book Balance	Beginning Market Value	Deposits	Withdrawals	Ending Book Balance	Ending Market Value
August 2022	11	TexPool-Operating	\$ 33,957,628	\$ 33,957,628	\$ 108,923	\$ 15,139,107	\$ 18,927,444	\$ 18,927,444
	41	TexPool-Moody	26,631	26,631	105	-	26,736	26,736
	46	Logic Bond 2020	31,695,712	31,695,712	119,341	8,527,250	23,287,803	23,287,803
Total investments all funds for quarter:			<u>\$ 65,679,971</u>	<u>\$ 65,679,971</u>	<u>\$ 228,370</u>	<u>\$ 23,666,357</u>	<u>\$ 42,241,983</u>	<u>\$ 42,241,983</u>

I certify that the attached listing constitutes all investments currently owned by the College of the Mainland District as of the date indicated and all of these investments and investing procedures conform to the "Public Funds Investment Act" as amended by House Bill 2459 of the 74th Texas Legislature. Furthermore, these same investments are in compliance with the College of the Mainland's Investment Policy and Strategy as adopted by the College of the Mainland's Board of Trustees.

Clen Burton
Vice President of Fiscal Affairs

Trudy Trocheset
Controller



March 2023 Board of Trustees Meeting

I move that the March 2023 Board of Trustees Meeting be held on Wednesday, March 29, 2023.



MEMO

To: Board of Trustees

From: Dr. Warren Nichols President

Date: September 26, 2022

Subject: Overview of Continuing Education

Paige Parrish will provide the Board of Trustees with an overview of Continuing Education.



Continuing Education

COM Mission

College of the Mainland is a learning-centered, comprehensive community college dedicated to student success and the intellectual and economic enrichment of the diverse communities we serve.

Continuing Education Mission

College of the Mainland's Continuing Education division provides workforce development training programs, customized contract training for business, and lifelong learning opportunities that are innovative, flexible, and responsive to the needs of the diverse communities we serve.

CE Programing Lifelong Learning

50 PLUS

- Painting
- Cake Decorating
- Saltwater Fishing
- Exercise

Community Education

- Culinary
- Fencing
- Wine Tasting
- Travel

Workforce Development & Training

Entry Programs

HVAC Technician

- Millwright
- Certified Nurse Aide
- Electrical Apprenticeship (IBEW)

Gulf Coast Safety Institute

Beyond the Degree

- Law Enforcement
- Fire Technology
- Cosmetology

Contract Training

Providing Customized Training Solutions for Business and Industry Partners

Marathon, Ashland, Valero, Eastman, and Texas Commission for Environmental Protection (TCEQ)

Trainings

Stack Emission sampling, HAZWOPER, Hazardous Materials, Process Technology, Storage Tanks, and EMS licensure renewal

New Program Development

Incubate programs in I&E

**Prior Learning Assessment Credit
Awarded for Classes**

Financial Performance

Lifelong Learning

Lifelong Learning Program - Financial/Enrollment Summary

	FY 20	FY 21	FY 22
Total Revenues (CE/50Plus/Trips/Extended Travel)	\$37,688	\$15,995	\$99,992
Total Direct Costs (Instructor Salary, Instructional Supplies, Trip Costs)	(\$138,539)	(\$35,872)	(\$92,245)
Net	(\$100,851)	(\$19,877)	\$7,746
Enrollment Duplicated	3409	865	2125

Financial Performance

Workforce and Contract Training

	2019-2020	2020-2021	2021-2022
Gross Income	\$421,685	\$400,220	\$528,559
Unduplicated Headcount	1308	1377	1080
Total Contact Hours for State Funded CE Courses	82,485	57,878	153,112

Continuing Education Workforce and Gulf Coast Safety Institute/Risk Management Data

Continuing Education, Division of Instruction



J. Paige Parrish
Associate Dean



Freddy Sustaita
Director Gulf Coast Safety Institute

Ginger Hinckley

Katy Robles



Lisa Renfro
Program Manager Lifelong Learning

Maegan Guzman

Shelby Brown



Kermit Harris
Program Manager Industrial

Vivian Tyson

Vision

In support of Academic Masterplan - expand into all five industry sectors

- **Aerospace** - Incubating new programs
- **Hospitality & Tourism** - Industry specific certificates, Beyond The Degree training, introductory classes, incubate culinary program
- **Transportation and Logistics** - Maritime, port training, incubate logistics

Gulf Coast Safety Institute

Expand Contract Training

- Industrial Hygiene
- Environmental Health

Pursuing OSHA Training Institute Training Education Center

Establish Gulf Coast Safety Institute as a regional resource for safety training

Growth Challenges

Space

- Existing dedicated space is part of an office in the Technical Vocational Building
- Dedicated classrooms
- Ability to host trainings
- Revenues through events
- Expansion of existing programs
- Staffing

Questions



PRESIDENT'S OFFICE

Board Report

Presenter: Board Chair

A. Miscellaneous Updates



PRESIDENT'S OFFICE

President's Report

Presenter: Dr. Warren Nichols

A. Updates

B. Reminders/Announcements

1. Board Meetings

- a. Special Called BOT Workshop – Thursday, October 6th, 3:00 p.m.
- b. October 2022 – Monday, October 24th, 1:30 p.m.
- c. December 2022 – Tuesday, December 6th, 1:30 p.m.

2. Fall Graduation

- a. Saturday, December 10th, Abundant Life

C. Resignations and Retirement Report

D. Miscellaneous Updates



PRESIDENT'S OFFICE

Resignations & Retirements

Last Name	First Name	Position	Hire Date	Last Date of Work	Termination Reason
Haynes	Justin	Systems Administrator I	04/25/2016	09/09/2022	Resignation
Henderson	Stacey	Faculty – Social/Behavioral Sciences	03/18/2002	12/31/2022	Retirement
Norwood	Alexandra	Computer Lab Assistant I	05/16/2022	09/24/2022	Resignation



PRESIDENT'S OFFICE

Executive Session

If, during the course of the meeting covered by this Notice, the Board should determine that a closed or executive meeting or session of the Board should be held or is required in relation to any items included in this Notice, then such closed or executive meeting or session as authorized by Section 551.001 et seq. of the Texas Government Code (the Open Meetings Act) will be held by the Board at that date, hour and place given in this Notice or as soon after the commencement of the meeting covered by the Notice as the Board may conveniently meet in such closed or executive meeting or session concerning any and all subjects and for any and all purposes permitted by Sections 551.071, inclusive, of the Open Meetings Act, including, but not limited to:

Section 551.071 – For the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.

Section 551.072 – For the purpose of discussing the purchase, exchange, lease or value of real property.

Section 551.073 – For the purpose of considering a negotiated contract for a prospective gift or donation.

Section 551.074 – For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.

Section 551.076 – To consider the deployment, or specific occasions for implementation, of security personnel or devices.

Section 551.082 – For the purpose of considering discipline of a student or to hear a complaint by an employee against another employee if the complaint or charge directly results in a need for a hearing.

Section 551.084 – For the purpose of excluding a witness or witnesses from a hearing during examination of another witness.

Should any final action, final decision, or final vote be required in the opinion of the Board with regard to any matter considered in such closed or executive meeting or session, then such final action, final decision, or final vote shall be at either:

- A. The open meeting covered by this Notice upon the reconvening of the public meeting, or
- B. At a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.