

**NOTICE OF FINANCE COMMITTEE MEETING
GALVESTON COMMUNITY COLLEGE DISTRICT
BOARD OF REGENTS**

In compliance with the Open Meetings Act, Texas Government Code, Section 551.041, notice is hereby given that a Finance Committee Meeting of the Galveston Community College District Board of Regents will be held on **Wednesday, November 17, 2021**, at 4:00 PM in Room M-220 Galveston College, 4015 Avenue Q, Galveston, Texas 77550.

- AGENDA -

- I. **Call to Order**
- II. Certification of Posting Notice of Finance Committee Meeting
- III. Consider Approval of Minutes from December 9, 2020 Meeting *(Action Item)* 2
- IV. Citizens Desiring to Appear Before the Committee on Agenda Items
(Please complete a request card prior to the start of the meeting. The Committee Chairperson may limit the time of appearance before the Committee to three minutes.)
- V. Review and Discuss Financial Statements and Single Audit Reports for the Years Ended August 31, 2021 and 2020, and Required Communications Letter *(Carr, Riggs & Ingram, LLC)*
- VI. Adjournment to Closed Meeting in Room M-220: The Board of Regents Finance Committee, as authorized by the Open Meetings Act, Texas Government Code, Chapter 551, reserves the right to enter into a closed meeting under the following provision of the Act: Section 551.074, Personnel Matters, to evaluate staff relating to the audit
- VII. **Reconvene Finance Committee Meeting (Open Meeting) in Room M-220**
- VIII. Determine Committee Recommendation to Board of Regents Regarding Acceptance of Financial Statements and Single Audit Reports for the Years Ended August 31, 2021 and 2020, and Required Communications Letter *(Action Item)*
- IX. Update on Possible Sale of Revenue Bonds for the New Nursing Health Sciences Education Center Project *(PFM Financial Advisors LLC)*
- X. Adjournment

The notice for this meeting was posted on November 12, 2021, in compliance with the Texas Open Meetings Act.

W. Myles Shelton, Ed.D., President

**MINUTES OF THE BOARD OF REGENTS
FINANCE COMMITTEE MEETING
GALVESTON COMMUNITY COLLEGE DISTRICT
4015 Avenue Q
Galveston, Texas 77550
Room M-220 – Moody Hall
December 9, 2020
4:30 p.m.**

At the Board of Regents Finance Committee Meeting of the Galveston Community College District, duly held on Wednesday, December 9, 2020, in Room M-220 of Moody Hall, commencing at 4:30 p.m., the following Finance Committee members were present: Mr. Fred D. Raschke, Chairperson, Mr. Armin Cantini, and Mr. Carroll G. Sunseri. Other Regents attending all or part of the meeting were: Ms. Karen F. Flowers, Mr. Michael B. Hughes, Mr. Raymond Lewis, Jr., Ms. Mary R. Longoria, and Ms. Rebecca Trout Unbehagen.

Faculty and staff present included Dr. W. Myles Shelton, President, Mr. Michael Berberich, Ms. Carla Biggers, Ms. L. Janene Davison, Mr. M. Jeff Engbrock, Ms. Carol Langston, Dr. Cissy Matthews, Mr. Paul Mendoza, Dr. Van Patterson, and Mr. Jason Smith. Also present were Ms. Ana Gallardo and Mr. Arif Wakani with Carr, Riggs & Ingram (CRI), LLC.

- I. **CALL TO ORDER:** Chairperson Fred D. Raschke opened the meeting at 4:30 p.m. in Room M-220 of Moody Hall and determined a quorum was present.
- II. **CERTIFICATION OF POSTING NOTICE OF FINANCE COMMITTEE MEETING:** Dr. Shelton confirmed that the notice of the Finance Committee meeting had been properly posted on December 4, 2020.
- III. **CONSIDER APPROVAL OF MINUTES FROM NOVEMBER 13, 2019 MEETING:** A reading of the minutes for the November 13, 2019 meeting was waived. Mr. Sunseri moved to approve the minutes as presented; Mr. Cantini seconded. The motion passed unanimously.
- IV. **CITIZENS DESIRING TO APPEAR BEFORE THE COMMITTEE ON AGENDA ITEMS:** There were no citizens present desiring to appear before the Committee.
- V. **REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019, AND REQUIRED COMMUNICATIONS LETTER:** Board members received copies of the preliminary draft Financial Statements and Single Audit Reports for the Years Ended August 31, 2020 and 2019, and the Required Communications for review with the auditors. Ms. Ana Gallardo, the College's lead auditor, began her presentation by reviewing the Required Communications document which did not disclose any material deficiencies with the audit or management while performing the audit. Year-end audit adjustments were also noted. Copies of the management representation letter and internal control findings were included.

V. REVIEW AND DISCUSS FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019, AND REQUIRED COMMUNICATIONS LETTER: (Continued)

Mr. Arif Wakani summarized the audit results. He said there were two major occurrences that impacted the statements this year: COVID-19 CARES Act grant funding and the completion of the student housing project. The firm issued an unmodified audit opinion for both the financial statements and selected federal grant awards (student financial aid and CARES Act: Higher Education Emergency Relief Fund – student aid and institutional). There were no material weaknesses or significant deficiencies in internal controls for the financial statements nor the federal awards. The Statements of Net Position schedule and the Statements of Revenues, Expenses, and Changes in Net Position schedule were reviewed in detail with explanations of significant changes. The total net position for 2020 was \$29,933,487. There was a net position increase of \$4,332,393 as of August 31, 2020. Note 16 – Commitments and Contingencies was added to the previous year’s notes addressing COVID-19. Mr. Wakani referred to the Schedule of Expenditures of Federal Awards with accompanying notes. Statistical schedules required by the Coordinating Board were reported.

VI. ADJOURNMENT TO CLOSED MEETING IN ROOM M-220: Mr. Raschke noted that the Finance Committee, as authorized by Government Code, Section 551, reserves the right to enter into a closed meeting under the following provision of the Act: Section 551.074, Personnel Matters, to evaluate staff relating to the audit. The Committee adjourned to the closed meeting in Room M-220 at 4:50 p.m.

VII. RECONVENE FINANCE COMMITTEE MEETING (OPEN MEETING) IN ROOM M-220: Chairperson Raschke reconvened the Finance Committee Meeting (Open Meeting) at 4:57 p.m. in Room M-220. He said the auditors were very complimentary of Comptroller/CFO Jeff Engbrock and Business Office staff members Ms. Regina King and Ms. Valerie Guidry, and others who were involved. On behalf of the Finance Committee, Mr. Raschke applauded Mr. Engbrock and his staff for their hard work due to circumstances related to COVID-19 and a hurricane.

VIII. DETERMINE COMMITTEE RECOMMENDATION TO BOARD OF REGENTS REGARDING FINANCIAL STATEMENTS AND SINGLE AUDIT REPORTS FOR THE YEARS ENDED AUGUST 31, 2020 AND 2019, AND REQUIRED COMMUNICATIONS LETTER: After review and discussion of the financial audit, Mr. Sunseri moved to recommend to the Board of Regents the acceptance of the Financial Statements and Single Audit Reports for the Years Ended August 31, 2020 and 2019, and the Required Communications Letter. Mr. Raschke added that the College’s net position as of August 31, 2020, was reported at \$29,933,487, an increase of \$4,332,393. Funds are still set aside and recorded as a liability to account for the application of various GASB statements mandating the accounting and financial reporting of pension liability and post-employment benefits other than pensions. Mr. Cantini seconded, and the motion passed unanimously.

IX. REVIEW AND DISCUSS THE COLLEGE'S CONTRACTED SERVICES:

Dr. Shelton provided a handout of contracted services budgeted by the College for 2020-21 in response to a previous request by the Regents. They were categorized by major contracts (over \$100,000), software/software as a service, and other contracted services. Major contracts include: campus security, property appraisals, information technology (IT), food service, copier lease and printer services. These contracts total \$1,267,587. It does not include the contract with Texas Book Company since it shows up as a net in the Auxiliary Fund revenue budget. Software/software as a service totals \$856,952 and other contracts equal \$381,450. The total for all contracted services is over \$2.5 million. A detailed breakdown of the IT department and building maintenance contracted services was given. He noted that many of the contracts are a result of decisions made over time of how a service will be provided and not whether it should be done (i.e. security). Dr. Shelton said that each contracted service will be evaluated during the budget process next spring to determine if there are possible cost savings or more efficient ways of doing things. Mr. Raschke thanked Dr. Shelton and staff for compiling this information and confirmed that the new Director of Facilities has been charged to look at what we are doing and decide if a job can be done in house.

X. ADJOURNMENT: There being no further business to come before the Finance Committee, the meeting adjourned at 5:11 p.m.

Carla D. Biggers, Clerk

APPROVED AS CORRECT:

Fred D. Raschke, Chairperson