

FINANCE COMMITTEE
BOARD OF TRUSTEES
MINUTES

Meeting of September 12, 2017

Finance & Capital Committee members 2017-2018:

Linda Green, Chair

John DeGrace

Wanda Jackson

Edward Powers

The meeting of the Finance Section of the Finance and Capital Committee of the Board of Trustees was called to order by Chair Gardyn on the eleventh floor of the Administrative Tower at approximately 5:40 p.m.

Finance & Capital
Committee members

Present: Jorge Gardyn, Ex-Officio
Linda Green, Chair
John DeGrace

Trustees also
in attendance:

Donna Tuman, appointed ad hoc to the Finance & Capital Committee
Kathy Weiss, Vice Chair, appointed ad hoc to the Finance & Capital Committee
Therese Russell, Student Trustee

Also in attendance:

President Keen
VPs Collins, Conzatti, Murray, Muscarella, Reznik
AVP Friedman-S.
Comptroller Izquierdo
Procurement Director Cappello
Treasurer Hahn
RSM Audit Staff

* Chair Gardyn appointed Trustees Tuman, Weiss and Russell ad hoc to the Finance & Capital Committee for the September 12, 2017 meeting.

VP Reznik advised that the auditors would like to give their presentation at the beginning of the Finance and Capital Committee meeting.

4. Discussion—Fiscal Year 2017 Audit Plan Presentation by Independent Auditors (RSM).

Jen Katz, Partner and Dan Bonnette, Relationship Lead Partner of RSM, led the discussion. Their presentation is the required communication of the planned scope and timing of the audit for the fiscal year ended August 31, 2017. The overview included the identification of the significant audit areas and timelines to be covered in this year's audit process. Jen Katz identified the engagement team's organization chart, advising that members from prior year's audit are returning this year as well as the independent report reviewer.

The highlight of the scope and objective of the audit will be performed with generally accepted auditing standards. This is a two-way communication process—from RSM to the NCC Board of Trustees and the NCC Board of Trustees to RSM. Dan Bonnette advised that if RSM identifies fraud or other significant deficiencies during the audit, RSM will report any fraud to the NCC Board of Trustees immediately. RSM will also look for any feedback from the NCC Board of Trustees. Jen Katz advised that the beginning of the audit process involves looking at internal controls to see what may have changed from the prior year.

The significant audit areas to be identified during this year's audit are: other postemployment benefits (OPEB), compensated absences, net pension asset and liability, revenue recognition and deferral, student accounts receivable and related allowance for uncollectible accounts, salaries and related employee benefit costs and student financial aid and compliance with federal awards requirements. Jen Katz advised that next year's audit (fiscal year 2018) will have a new GASB statement – (75) which will change how things are recorded for OPEB; however, the College had decided to record full liability for OPEB; thus the effect is not expected to be a material impact NCC. She further advised that auditors will arrive at NCC in November and December; fieldwork will be done in January and February with the final wrap up in April and May. The draft audited financial statements for management review are received within one week of receipt of draft financial statements from NCC. The final presentation and issuance of audit reports will be in May, 2018.

RSM contact information was also provided should Board members have any questions or concerns.

AGENDA ITEMS

1. Minutes of the Finance Section of the Finance & Capital Committee meeting of June 27, 2017 were presented for approval. Vice Chair Weiss made a motion, seconded by Trustee Tuman. The minutes were approved.

2. Pending College Procurement Agreement—VP Reznik advised that there are two Pending College Procurement Agreements presented at the September 12, 2017 meeting. Item A (Furman Roth Advertising Agency) was previously presented and approved by the Board of Trustees. VP Murray requested an increase of an additional \$275,000.00. Vice Chair Weiss expressed concern with allocating additional monies to the vendor without first soliciting another advertising agency for comparison purposes. Short discussion followed. VP Murray advised that NCC received a report from Furman Roth last spring. Chair Gardyn advised that from a business perspective, NCC is better dealing with one advertising vendor. Board members asked to see the status report from Furman Roth and inquired whether documentation is available to justify the effectiveness of the Furman Roth advertising.

Dr. Keen advised that NCC will provide data to Board members at the October Finance & Capital Committee meeting.

VP Reznik advised that an RFP was issued and a committee was formed to evaluate vendor proposals at NCC. Item B (Konica Minolta) will provide advanced technology required by NCC and will include a maintenance program to minimize cost. VP Reznik indicated that CIO Lawless is present should Board members have any questions.

Trustee Tuman made a motion, seconded by Student Trustee Russell. The Pending College Procurement Agreements will be recommended to the full Board of Trustees for approval.

J. Comptroller's Report—May, June, July, 2017. Comptroller Izquierdo advised that there are three months of OTPS disbursements and Personal Service Contracts for review with no findings. If there are any questions, he is glad to answer them. Regarding the Accounts Receivable Report as of August 31, 2017, collections are ongoing for old receivables. For fall 2016 and spring 2017 collections are above 95%.

The meeting adjourned at 5:55 p.m.

Respectfully submitted,



Inna Reznik
Vice President Finance