

MINUTES OF THE AUDIT COMMITTEE MEETING
OF THE BOARD OF REGENTS OF THE DEL MAR COLLEGE DISTRICT
February 14, 2006

The Audit Committee of the Board of Regents of the Del Mar College District convened in the Isensee Board Room, Harvin Student Center, Del Mar College East Campus, 101 Baldwin, Corpus Christi, Texas, at 10:30 a.m. on Tuesday, February 14, 2006, with the following present:

From the Committee:

Mr. Trey McCampbell, Chairperson; Mrs. Chris Adler.

From the Board:

Dr. Haysam Dawod (10:52), Mrs. Olga Gonzales, Mr. Gabe Rivas.

From the College:

Dr. Carlos Garcia, College President; Mr. Jose Alaniz, Vice President, Business and Finance; Mr. Jose Rivera, Vice President of Student Development; Mr. John Johnson, Director of Fiscal Services and Staff Facilitator, Ms. Barbara Kimball, Assistant to the Vice President for Business Services; and other administrators, faculty, and staff.

From the Attorney's Office:

Mr. Augustine Rivera (10:52).

Others:

Ms. Brigid Cook, auditing firm of Collier, Johnson & Woods; and other interested citizens.

CALL TO ORDER/QUORUM CALL/MOMENT OF SILENCE

Mr. Trey McCampbell, chairperson of the Committee, called the meeting to order at 10:35 a.m. He noted that the Committee consisted of three members, and that Mr. Bill Martin would not be present at today's meeting. With a quorum present, he requested a moment of silence, followed by the Pledge of Allegiance.

PUBLIC COMMENTS

No one signed up or requested to address the Committee.

PENDING BUSINESS

Status Report on Requested Information:

Mr. John Johnson, Director of Fiscal Services, reported that there were no updates at this time.

ITEMS OF BUSINESS:

(#1) APPROVAL OF MINUTES

Mrs. Chris Adler made a motion, seconded by Mr. McCampbell, to accept the minutes of the Audit Committee meeting of January 10, 2006, as presented and the motion carried.

(#2) PRESENTATION OF DEL MAR COLLEGE FOUNDATION INC. AUDIT FOR FISCAL YEAR

ENDING JUNE 30, 2005

Mrs. Brigid Cook, with the auditing firm of Collier, Johnson & Woods, provided a brief review of the end-of-year audit for Del Mar College Foundation, Inc., and pointed out that the financial statements are the responsibility of the Foundation's management. Mrs. Cook reported that the financial statements present fairly the financial position of the Foundation. She reviewed the Notes to the Financial Statements and a brief discussion ensued on the amounts collected/payable to the College. Mrs. Pat Townsend, Director of Development, explained that the process entailed recording the accounts receivable when a pledge is made, and recoding the accounts payable when the pledge is collected. Mrs. Cook noted that net assets did not have to be recorded as they were included in other assets and not the property of the College.

Mrs. Cook continued her review with the Statement of Activities and Changes in Net Assets which illustrated Support, Revenue and Gains, and Program and Support Expenses. She pointed out that a total of \$287,545 had been paid to the College for scholarships, and \$345,138 had been remitted to the College towards their pledge for the construction of the Center for Early Learning. Mrs. Townsend reviewed the endowment process and explained that the auditors confirm that endowments are being held properly and that the principal is recorded separately. [Dr. Haysam Dawod and Mr. Augustine Rivera arrived.] Mrs. Cook informed the Committee that the Foundation utilizes investment advisors and her role is to make sure the interest is recorded and that gains and losses are allocated. A brief review of the income and expense side of the Foundation was presented. Mrs. Townsend pointed out that funds are raised to support various special projects for the College, and those funds are passed through the Foundation to the College. She pointed out that the expense ratio for operating expenses is less than 1%. College President Carlos Garcia noted that the majority of administrative expenses are the College's expense.

With no further questions, Mrs. Adler expressed appreciation to Mrs. Townsend and members of the Del Mar College Foundation for approving over \$350,000 in scholarships.

(#3) REQUEST FOR QUALIFICATIONS FOR INTERNAL AUDITING SERVICES

The issue was deferred. Mr. McCampbell reported that he would be meeting with Ms. Cook and Mr. John Johnson, Director of Fiscal Services, to provide a draft for the Committee's review.

(#4) CALENDARING

March 2006: standard Audit Committee meeting

With no further business, the meeting adjourned at 11:00 a.m.