

FINANCE COMMITTEE  
BOARD OF TRUSTEES  
MINUTES

Meeting of June 11, 2019

**Finance & Capital Committee members 2018-2019:**  
**John DeGrace, Chair**

NCC has a net deficit on GAP basis of approximately \$295 million approximately \$10 million increase from prior years. The total operating revenue for F/Y 2018 was approximately \$51 million a decrease from prior years due to the drop in net tuition and fees and a higher amount of scholarship awards.

Operating expenses for F/Y 2018 were approximately \$247 million a decrease from last year from approximately \$282 million. As a result, the operating loss for NCC was approximately \$226 million.

Total expenditures of federal awards were approximately \$49 million which was slightly down from prior years. In summary, RSM did not have any difficulty dealing with management, but found significant deficiency with internal controls not having a College Comptroller, which affected the issuance of the financial statements, federal awards sections deficiencies, non-compliance matters.

The Report to the BOT (updated communication report): certain accounts needed to be corrected. The net impact of results of operation was approximately \$5.2 million. Exhibit A is the Management Representation letter which is a fully executed copy.

RSM will present their audit plan for the next fiscal year at the September, 2019 Finance & Capital Committee meeting.

2. **Minutes** of the Finance section of the Finance & Capital Committee meeting of May 14, 2019 were presented for approval. Trustee Green made a motion, seconded by Trustee Siberon. The minutes were approved.

3.

fined for this discrepancy; our financial aid office has done an excellent job in numerous respects. There was a workshop given by the US Dept. of Education two weeks ago. Financial Aid staff was involved along with a number of other departments. It was a highly successful workshop; the Department of Education did not come because of problems; going forward, NCC is in great shape. Short discussion followed.

Dr. Keen advised that NCC is required to determine that a student receiving federal aid is attending class at the beginning and at different points throughout the semester. If a student registers and drops out, financial aid needs to correct the record. If a student gets to a certain part of the semester and drops out, financial aid needs to correct the record. If a student drops the class towards the end of the semester, financial aid needs to correct the record. The problem NCC encountered is the attendance reporting by the faculty and the way in which grades were assigned to students who dropped out at various times during the semester. NCC has corrected this to the greatest extent and hopes to have solved the problem.

Short discussion followed.

The meeting adjourned at 5:50 p.m.

Respectfully submitted,

Inna Reznik  
Vice President Finance