AUDIT COMMITTEE MEETING
BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT NO. 519
Counties of Stephenson, Ogle, Jo Daviess and Carroll

CALL TO ORDER

A meeting of the Audit Committee of the Board of Illinois Community College District No. 519 was called to order by Mrs. Diane Gallagher, Committee Chairperson, at 2:00 p.m. on September 23, 2014, in the Robert J. Rimington Board Room in the Highland Community College Student/Conference Center, 2998 West Pearl City Road, Freeport, Illinois in said district.

ROLL CALL

Committee members present: Mrs. Diane Gallagher, Mr. David Shockey, Mr. Jim Endress, and Dr. Steve Jennings

Committee members absent: None

Board members present: Mr. Rob Urish (arrived 2:54 p.m.)

Guests present: Mr. Greg Dunham and Mr. Dan Rowe, Wipfli

Staff present: Dr. Joe Kanosky, President and CEO (departed 2:30 p.m.; returned 2:54 p.m.); Ms. Jill Janssen, Vice President of Administrative Services (departed 2:30 p.m.; returned 2:54 p.m.); Ms. Terri Grimes, Board Secretary

PUBLIC COMMENTS

There were no public comments.

REVIEW AND DISCUSSION OF FY’14 AUDIT REPORT

Mr. Rowe reviewed the FY’14 annual audit, noting that there were some cosmetic changes that would be made in the audit due to the Foundation audit not being completed at this point. The Foundation’s financial statements are audited separately but are included in summary form in the College’s audit.

Once again the College received an “unmodified” or “clean” opinion on all the audits, including the Illinois Community College Board Career and Technical Education-Program Improvement and State Adult Education and Family Literacy Grants, credit hour grants, and student financial aid. “Unmodified” is the new term for “unqualified”.
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Dr. Kanosky noted that page 82, item #14, shows our per capita cost, which is $524.62. The College may charge up to one-third of that cost per credit hour.

Mr. Rowe reported that there were two adjusting entries this year. There were no difficulties encountered in performing and completing the audit and no disagreements with management during the course of the audit.

Mrs. Gallagher stated that she has been led to believe at some of the meetings she has attended that students are not taking out student loans. Ms. Janssen replied that students take them out here, and we have to provide the loans to them. She also noted that the Board will vote later today on a recommendation to approve a contract with a company to help lower our student loan default rate. If the rate is at 30 percent for three years, the College would be put on a “watch list.” Our default rate has been about 25 percent for the last three years.

**CLOSED SESSION**

Mr. Shockey moved and Dr. Jennings seconded the motion to move into Closed Session for the purpose of a meeting between internal or external auditors and the governmental audit committees, finance committees, and their equivalents, when the discussion involves internal control weaknesses, identification of potential fraud risk areas, known or suspected frauds, and fraud interviews conducted in accordance with generally accepted auditing standards of the United States of America, pursuant to the Open Meetings Act. The roll call on the motion was as follows:

**AYES:** Shockey, Endress, Jennings, Gallagher  
**NAYS:** None

At 2:30 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Mr. Endress moved and Dr. Jennings seconded the motion to end the Closed Session. The roll call on the motion was as follows:

**AYES:** Endress, Jennings, Gallagher, Shockey  
**NAYS:** None

At 2:54 p.m., the Chairperson declared the motion carried and the Closed Session ended.

**ACTION**

A. **Acceptance of FY’14 Audit for Submission to the Illinois Community College Board**  
Mr. Shockey moved and Mrs. Gallagher seconded the motion to accept the FY’14 audit for submission to the Illinois Community College Board. The roll call on the motion was as follows:
AYES: Jennings, Gallagher, Shockey, Endress
NAYS: None

Whereupon the Chairperson declared the motion carried.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Mr. Endress moved and Mr. Shockey seconded the motion to adjourn the meeting of the Audit Committee. At 2:55 p.m., there being no further business, the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,

[Signature]

Terri A. Grimes, Board Secretary
Illinois Community College District No. 519