

**AUDIT & FINANCE 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 & Finance Committee of the Board of Illinois Community College District No. 519 was called to order by Mr. David Shockey, Committee Chair, at 11:31 a.m. on March 11, 2020, 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: Mr. David Shockey, Mr. Jim Endress, Dr. Steve Jennings, and Mr. Blake Musser

Committee members absent: None

Guests present: Mr. Dan Rowe, Wipfli

Also present: Mr. Tim Hood, President; Ms. Chris Kuberski, Executive Vice President; Ms. Jill Janssen, Vice President of Administrative Services; and, Ms. Terri Grimes, Board Secretary

**PUBLIC COMMENTS**

There were no public comments.

**GENERAL DISCUSSION** (Handouts #1 and #2)

Mr. Rowe reviewed the audit engagement letter, noting that information from the HCC Foundation's audit will be included in the College audit. The Foundation's audit is separate from the College's audit and the cost is paid by the Foundation. The audit engagement team will consist of Mr. Rowe, Senior Manager; Mr. Matt Schueler, Audit Partner; Ms. Diane Hielsberg, Manager; Ms. Sarah McKenna, Reviewer; and, Ms. Lauren Dirks, Staff Accountant. Dr. Jennings raised a concern that a corporation cannot sign the engagement letter, and that he would prefer that an individual partner sign the letter. He noted, however, that he is not suggesting that the committee deny Wipfli the opportunity to do the audit. Ms. Janssen reported that other letters from other firms are signed in a similar manner by the firm.

**OVERVIEW OF AUDIT SERVICES FOR FY20**

The College's annual audit will include an audit of federal financial aid, as well as the Illinois Community College Board state grants. The College will need to comply with GASB 84 (fiduciary activities) and GASB 87 (leases) this year. GASB 84 affects student clubs and how they are reported. As the audit proceeds, a determination will be made regarding if they can remain in the enterprise fund. GASB 87 requires that the College show an asset for leases, such as the copy machines and buses.

**OLD BUSINESS**

There was no old business.

**NEW BUSINESS**

Mr. Shockey reminded everyone that currently only committee members review the bills. Mr. Musser stated that one reason behind that method of review was that the full rotation of trustees required a relearning process, and with a smaller rotation, committee members review the bills more frequently. The current process excludes other trustees from reviewing the bills as part of the rotation, but Mr. Endress noted that other trustees could review the bills with a committee member, if they so choose. Ms. Janssen will extend an invitation to the other trustees at the March regular meeting indicating that they could be included in the review of bills with one of the Audit & Finance Committee members. Mr. Shockey noted that Ms. Janssen makes it a pleasure to review bills.

Ms. Janssen reported that she, along with Ms. Mary Lloyd and Ms. Andria Cornelius, met with six groups of employees regarding procurement cards and addressing concerns brought up at the last Audit & Finance Committee meeting. People were open to understanding and following the procurement card process.

Mr. Hood expressed his appreciation to Mr. Rowe, noting that it has been a pleasure to work with him and his team.

Mr. Musser asked about nonpayment of tuition and if an increase in tuition increases people not paying. Ms. Janssen reported that approximately five percent of tuition revenue is bad debt, and most are students who do not earn the financial aid disbursed to them. The Cashier's office and Ms. Ellen Conway did an audit of the amount of funds received through the Illinois Local Debt Recovery system since the College started using the system and it is close to \$100,000. Over time, \$1.3 million has been allowed for doubtful accounts, with some of that amount being really old accounts. Additional new write-offs per year are in the \$50,000 range. The historical information is available because a hold is put on those students' accounts. Ms. Kuberski noted that the default rate for loans continues to decline, which speaks highly of the financial aid staff's efforts to meet with students.

**ADJOURNMENT**

Mr. Musser moved and Mr. Endress seconded the motion to adjourn the meeting of the Audit & Finance Committee. At 12:00 p.m., there being no further business, the Committee Chair declared the motion carried and the meeting adjourned.

Respectfully submitted,



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