

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 3:00 p.m. on October 27, 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

Members physically present: Mr. David Shockey, and Mr. Jim Endress

Members virtually present: Dr. Steve Jennings, and Mr. Blake Musser

Members absent: None

Also physically present: Ms. Chris Kuberski, President; Mr. Pete Fink, Director of ITS; and, Ms. Terri Grimes, Board Secretary

Also virtually present: Ms. Jill Janssen, Vice President of Administrative Services; and, Mr. Dan Rowe, Wipfli, LLC

PUBLIC COMMENTS

There were no public comments.

GENERAL DISCUSSION OF FY20 AUDIT PROCESS

Mr. Rowe reported that the FY20 annual audit is 99 percent complete, and he plans on issuing the final draft next week. The delay is due to the need to also audit the TRIO and Student Support Services grants this year because funding is now over the \$750,000 threshold. He reviewed the purpose of the audit and noted that once again the College received an unmodified or "clean" opinion. Mr. Rowe noted that the College's net position, which is the College's assets minus liabilities, is \$22,202,000. He pointed out that Other Post-Employment Benefits (OPEB) of \$9,131,131 is for retirees on the State's College Insurance Program (CIP). This is an obligation that is required to be reported in the audit, and the College is responsible for 50 percent, while the State is responsible for the rest. Currently, the College contributes .5 percent or \$50,000 per year. Mr. Rowe noted that there were no new General Accounting Standards Board (GASB) statements, and they have been deferred at least a year or more due to COVID-19. The SURS pension liability at the State level is \$28 billion, of which the College's portion is \$65 million. At this point, the State is liable for 100 percent of the SURS pension liability. In FY20, the change in all fund types funds balance amounted to \$4.1 million, while the change in net position amounted to \$903,553. Mr. Rowe stated that the Adult Education and Family Literacy grant received a "clean" opinion. The notes on page 102 will be updated, and the notes on pages 103-104 will show that the College will be in compliance on those grants. The Illinois Community College Board (ICCB) audit also

received a "clean" opinion. Mr. Rowe referred to page 112, stating that the audit of the federal awards was mainly for financial aid and the Pell grants. As mentioned earlier, because the TRIO grant was over the \$750,000 threshold, it required an additional audit.

Mr. Rowe referred to the communication letter and again noted that there were no new GASB statements. In addition, existing policies did not change during the year. The accounting estimates listed in the audit include the allowance for doubtful accounts, fixed assets and depreciation, the SURS pension actuarial values, and CIP. There were no difficulties encountered with management, and no uncorrected misstatements in the audit. There were six adjusting journal entries made, which were the result of accounts payable for two projects in process, but there was nothing unusual from prior years. The final draft of the audit should be issued next week. If there is a finding, it could take a week or two but it has been three to four years since the College had a finding. Dr. Jennings asked a question regarding fraud, and Mr. Rowe explained that fraud is not the main purpose of the audit, but the audit provides a reasonable assurance that the numbers are accurate and misstatements are identified.

CLOSED SESSION

Mr. Rowe indicated that there was no need for a Closed Session. He reported that, as part of the audit, an unpredictability test was done tracing scholarships from the Foundation office to the students' accounts, and there were no findings.

OLD BUSINESS

It was noted that the Illinois Community College Board (ICCB) deadline for submission of the audit was changed to December, but the internal goal is to complete the audit close to October 15. There was no additional old business.

NEW BUSINESS

There was no new business. Mr. Shockey expressed his thanks to Mr. Rowe.

ADJOURNMENT

Dr. Jennings moved and Mr. Musser seconded the motion to adjourn the meeting of the Audit & Finance Committee. At 3:23 p.m., there being no further business, the Committee Chair declared the motion carried and the meeting adjourned.

Respectfully submitted,



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