

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

**CALL TO ORDER/ROLL CALL**

A meeting of the Audit & Finance Committee of the Board of Illinois Community College District No. 519 was called to order by Mr. Jim Endress, Board Chairperson, 3:04 p.m. on November 26, 2024, 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.

The following members were physically present: Mr. Doug Block, Mr. Jim Endress, and Ms. Mary Kaufman

The following members attended virtually: None

The following members were absent: Mr. Shawn Boldt

Others physically present: Mr. James Rhyne, Trustee; Ms. Chris Kuberski, President; Ms. Jill Janssen, Vice President/CFO, Administrative Services, Board Treasurer; Mr. Pete Fink, Director, ITS; and Ms. Terri Grimes, Board Secretary

Others virtually present: Ms. Mary Lloyd, Manager, Accounting; Ms. Andria Cornelius, Coordinator, Accounting; Mr. Jeremy Bradt, Director, Enrollment & Records; Ms. Sara McKenna, Wipfli, LLC; Dr. Andy Dvorak, Retired Faculty; and “cougars”

**APPOINTMENT OF COMMITTEE CHAIR PRO TEM**

In Mr. Boldt’s absence, Mr. Block moved and Ms. Kaufman seconded the motion to appoint Board Chairperson Mr. Jim Endress as Committee Chair Pro Tem. The roll call on the motion was as follows:

AYES:           Endress, Kaufman, Block  
NAYS:           None

Whereupon the Board Chairperson declared the motion carried.

**PUBLIC COMMENTS**

There were no public comments.

**REVIEW AND DISCUSSION OF FY24 AUDIT REPORT**

Ms. Janssen introduced Ms. Sara McKenna, Senior Manager and lead auditor from Wipfli. The College received a clean “unmodified” opinion on the basic financial statements. The State Adult Education and Family Literacy grants and credit hour data also received clean “unmodified” opinions with no compliance findings, and there were no findings on internal

controls over financial reporting or compliance. In addition, student financial aid was tested and received a clean “unmodified” opinion on direct and material compliance requirements, with one compliance finding related to the student financial aid major program, but it did not lead to a “modified” opinion. She explained that the College was not the only community college that had this finding.

Ms. McKenna reviewed the summary of financial information, noting that net income increased \$3.7 million, and long-term debt decreased due to paying off \$2.4 million on the principal. Federal grants increased \$1.2 million, including an increase in student financial aid of \$400,000, Child Care and Development Fund of \$500,000, and the Congressional Directives grant of \$300,000. All cash and deposits were properly collateralized, and there was a new related party transaction note disclosure that is the result of a Department of Education requirement that all related party transactions be disclosed. There was about \$2.6 million in capital additions, and deferred inflows decreased about \$1 million due to OPEB.

Ms. McKenna reported that, consistent with FY23, the top three revenue sources include local taxes, federal grants, and tuition and fees, while the top three expenses include instruction, institutional support, and operations and maintenance. Credit hours are on track and starting to recover from the loss of 3,500 credit hours over a five-year span, of which about 2,000 have been recovered. Equalized assessed valuation (EAV) has increased every year, with a \$600 million increase since 2019 and a \$300 million increase in the last year. Other highlights of the audit include the College’s legal debt margin is \$59.4 million as of June 30; and, a new GASB will be in effect in FY25 related to compensated absences, with the biggest change being that a liability should be calculated for sick leave that is “more likely than not” to be used regardless if paid out upon separation. She encouraged trustees to review the Schedule of Findings and Questioned Costs on page 128 of the audit. She noted a compliance finding regarding the requirement to report a student’s change in status within 30-60 days of the date of change. The dates on the College records were not the same as what was recorded on the federal website, which was the same at almost all other colleges, so she is unsure if this is something with the data transmission and the federal government website. Ultimately it is the College’s responsibility to make sure the information is correct. She also noted that there is no cost associated with this. Ms. Janssen prepared a response for the finding and a corrective action plan.

Ms. McKenna referred to the management letter, noting that it includes all required communication with the Board. Included in the management letter is a recommendation that the College implement a formal journal entry approval process, and also create a written lease and subscription policy with capitalization thresholds to ensure consistent application in the future. Ms. McKenna provided Ms. Janssen with a template for the policy. Ms. McKenna noted that the consolidated year-end financial report still needs to be submitted to the Illinois data website. This is submitted after the audit is finished. Mr. Endress asked if there were difficulties experienced in getting the information for the College’s audit from the Foundation’s audit, and Ms. McKenna indicated it was later than previous years, so she is unsure if their auditors would be able to move up their field work in the future.

**CLOSED SESSION**

Mr. Block moved and Ms. Kaufman seconded the motion to move into Closed Session for the purpose of a meeting between internal and external auditors and governmental audit committees, finance committees, and their equivalents, under Open Meetings Act exception 2 (c) (29). The roll call on the motion was as follows:

AYES: Endress, Kaufman, Block  
NAYS: None

Whereupon the Committee Chair Pro Tem declared the motion carried.

Mr. Endress explained that the public attendees through Zoom would remain in the meeting, with the video and audio muted, while the Board was in Closed Session. The video stream and meeting would resume after the Closed Session.

At 3:28 p.m., the Committee Chair Pro Tem declared the meeting in Closed Session.

Ms. Block moved and Ms. Kaufman seconded the motion to end the Closed Session. The roll call on the motion was as follows:

AYES: Kaufman, Block, Endress  
NAYS: None

At 3:39 p.m., the Committee Chair Pro Tem declared the motion carried and the Closed Session ended.

**OLD BUSINESS**

There was no old business


**NEW BUSINESS**

There was no new business.

**ADJOURNMENT**

Mr. Block moved and Ms. Kaufman seconded the motion to adjourn the meeting of the Audit & Finance Committee. At 3:40 p.m., the vote being unanimous and there being no further business, the Committee Chair Pro Tem declared the motion carried and the meeting adjourned.

Respectfully submitted,



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