

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

CALL TO ORDER

The meeting of the Audit Committee of the Board of Illinois Community College District No. 519 was called to order by Mr. Jim Endress, Committee Chair, at 2:00 p.m. on Tuesday, September 20, 2011, 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

The following members were present: Mrs. Diane Gallagher, Mr. Doug Block, Mr. Jim Endress, and Dr. Steve Jennings

The following members were absent: None

The following trustee was also present: Mr. David Shockey (arrived 2:23 p.m.; departed 2:40 p.m.)

The following guests were present: Mr. Dan Rowe, Wipfli

Also present: Dr. Joe Kanosky, President; Ms. Jill Janssen, Vice President of Administrative Services; Ms. Mary Lloyd, Manager, Accounting (departed 2:40 p.m.); Ms. Andria Cornelius, Coordinator, Accounting (departed 2:40 p.m.); Ms. Lynn Pacey, Accounting Specialist (departed 2:40 p.m.); and Ms. Terri Grimes, Board Secretary.

PUBLIC COMMENTS

There were no public comments.

DISCUSSION OF FY'11 AUDIT REPORT

Mr. Rowe reviewed the preliminary draft of the FY'11 audit, noting that he expects to once again issue an unqualified or "clean" opinion on the financial statements. He also completed an audit on the College's federal awards and expects that opinion to be unqualified as well. He noted that the distribution of the Foundation's numbers between restricted and unrestricted may change on the Foundation's financial statements, but this will not affect the College's financial statements.

Mr. Rowe explained that he is awaiting a decision from a consultant regarding recording of a liability related to retirees being on our health insurance plan. Although the retirees pay the full premium, there is still a liability factor. The liability is calculated based on the expectation that when other employees retire, they will also continue on our health insurance. We may need to record the liability on the financials if the dollar amount is substantial, but this would only be a liability and not cash out. This requirement is a result of GASB 45.

Audit Committee members offered several suggestions for consideration, including keying in on five or six key points each year on which the committee could focus, and letting students know that if they want student clubs and organizations to continue, they need to support the College bookstore. Dr. Jennings suggested that perhaps a message could be sent to the student body reminding them that the bookstore funds many of the clubs on campus. Mr. Endress noted that the College also instituted an activity fee which covers some of the costs associated with clubs and organizations.

Mr. Rowe stated that, as in the past, there were no difficulties encountered with College staff during the audit. He noted that six adjusting entries were made for the year ending. Mrs. Gallagher asked if our per capita cost is something we could use to compare ourselves to other community colleges or if there are other areas that the Audit Committee could look at for comparison purposes. Ms. Janssen reported that the Illinois Community College Board has several reports, including Data and Characteristics and Unit Cost, which we can use to compare ourselves to other community colleges. Dr. Kanosky also explained that the College can legally charge up to one-third of our per capita cost of \$444.13 for tuition, which would be \$148.05 per credit hour.

APPROVAL OF FY'11 AUDIT FOR SUBMISSION TO THE ILLINOIS COMMUNITY COLLEGE BOARD

Mrs. Gallagher moved and Mr. Block seconded the motion to approve the submission of the FY'11 annual audit to the Illinois Community College Board. The roll call on the motion was as follows:

AYES: Block, Endress, Jennings, Gallagher
NAYS: None

Whereupon the Chairperson declared the motion carried.

Mrs. Gallagher suggested that perhaps in future years the audit could be sent electronically to Audit Committee members prior to the meeting so they had a chance to review the audit ahead of time.

CLOSED SESSION

Mr. Block moved and Mrs. Gallagher seconded the motion to move into Closed Session for the purposes of discussing the appointment, employment, compensation, discipline, performance, or dismissal of specific employees, pursuant to the Open Meetings Act, and to return to Open Session for possible action. The roll call on the motion was as follows:

AYES: Endress, Jennings, Gallagher, Block
NAYS: None

At 2:40 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

Mr. Block moved and Mrs. Gallagher seconded the motion to end the Closed Session. The roll call on the motion was as follows:

AYES: Jennings, Gallagher, Block, Endress
NAYS: None

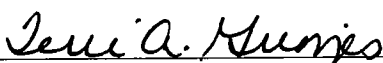
At 2:56 p.m., the Chairperson declared the motion carried and the Closed Session ended.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Dr. Jennings moved and Mrs. Gallagher seconded the motion to adjourn the meeting of the Audit Committee. At 2:57 p.m., the vote being unanimous, Mr. Endress declared the meeting adjourned.



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