

BOARD OF ILLINOIS COMMUNITY COLLEGE DISTRICT #523
Audit Committee Meeting
February 29, 2016

CALL TO ORDER

The Audit Committee meeting of the Board of Illinois Community College District #523, held at Kishwaukee College, Malta, Illinois, was called to order at 3:03 p.m.

Additional Audit Requirements

Due to the VP of Finance and Administration being on administrative leave, we may request additional audit requirements. Mr. Johnson noted that typically when someone in a position such as that of the VP of Finance and Administration leaves an organization the recommendation would be to have a financial audit done. Our fiduciary responsibility is to make sure that we look at everything and have recommendations in place for checks and balances. Sikich will review information and make a recommendation to include a special audit to coincide with our regular audit if needed.

FY 16 Audit Schedule

Ms. Paschal reviewed the proposed audit schedule.

- Pre-audit Planning Meeting – February 29, 2016
- Internal control documentation – April 25, 2016
- Preliminary field work
 - Financial - April 25-28, 2016
 - Grant, April 25 – April 29, 2016
- Inventory Observation
 - Bookstore – June 30, 2016
- Field work (trial balances e-mailed by August 8 Foundation and August 14 (College))
 - August 15-26, 2016
- Reports
 - Rough draft of financial audit, representation letter – August 29, 2016
 - Letter of transmittal, management’s discussion and analysis and statistical information prepared by College – September 5, 2016
 - Deliver draft of financial and compliance audit, including management letter –September 12, 2016
 - Return draft to Sikich with comments – September 19, 2016
 - Deliver draft for Audit Committee (electronic) – September 26, 2016
 - Exit Conference with Audit Committee – September 27, 2016, 2:00 pm; Foundation 3:00 pm
 - Deliver final reports and management letter – October 5, 2016
 - Presentation to the Board - NA

Implementation of new GASB
Pronouncements

Mr. Lantz reviewed the Implementation of new GASB pronouncements.

GASB Statement No. 72, Fair Value Measurement and Application, addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides

Implementation of new GASB
Pronouncements (cont'd)

The statement builds upon the existing framework for financial reports of defined benefit

Implementation of new GASB
Pronouncements

An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant. The requirements of this statement are effective for financial statements for the fiscal year ending June 30, 2017.

GASB Statement No. 80, Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14, amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this statement are effective for financial statements for the fiscal year ending June 30, 2017.

Other Business

None

Adjournment

With no further business coming before the audit committee, Mr. Johnson asked to adjourn the meeting at 4:12 pm. On a motion by Dr. Burke, seconded by Ms. Taylor and on a unanimous vote, the meeting was adjourned.

The next meeting of the audit committee will be scheduled as needed.

Chair, Board of Trustees Audit Committee