

**BLOOMINGTON-NORMAL AIRPORT AUTHORITY
AUDIT/FINANCE COMMITTEE MEETING REPORT
MONDAY, August 27, 2018
8:30 p.m.**

Commissioner Kannaday called the meeting to order at 8:30 p.m. Commissioner Hanson, Executive Director Carl Olson, CFO Paulette Hurd, Jim Savio from Sikich and Executive Assistant Lynnette Hindman were present. A quorum was acknowledged.

The Committee approved the meeting report from the February 27, 2018 meeting.

Jim Savio, from Sikich walked the Committee through the audit reports. Sikich issued an unmodified opinion on the audit, no material weaknesses or significant deficiencies or non-compliance found. This is the highest level of assurance that they can provide to the Authority. The Authority's net position decreased slightly. IMRF funded ratio increased almost 10% year over year. There were no adjusting journal entries nor were there any passed adjusting journal entries.

The Passenger Facility Charge Program also was a clean opinion with no material weaknesses or significant deficiencies. The report on compliance was unmodified and there were no audit findings.

The single audit report on the Airport Improvement Program was also a clean opinion with no material weaknesses or significant deficiencies. The report on compliance was also unmodified and there no findings. The Authority qualified as a low risk auditee.

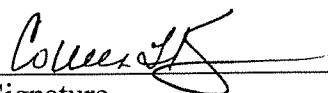
Mr. Savio also discussed upcoming audit changes. The biggest one for the Authority being GASB 75, which will be in 2019. This is related to other post-employment benefits, which is mainly health insurance for retirees. GASB 75 will record a liability on the books for the total OPEB liability. This will not be a big dollar amount for the Authority. GASB 87, which is related to leases, will also affect the Authority, but that won't take effect until 2021.

The Committee thanked Paulette and her team for their hard work on the audit.

A motion was made and seconded to recommend the audit be presented to the full Board for their acceptance, filing and approval. Upon a unanimous vote, the motion carried.

Staff also discussed with the Committee a new surplus property policy. The policy would allow staff to dispose of surplus property, individually or combined, up to a \$20,000 value. Once the property is disposed of, Staff will make a report to the Board. Carl also noted that this was the last year of the 5-year agreement with Sikich for the audit. Carl asked for feedback from the Committee on if they would like to issue an RFP for audit services or stay with Sikich with a new managing partner. The Committee shared some concerns with a new audit firm or managing partner in light that Staff is all new.

There being no other business to come before the Committee the meeting adjourned at 9:15 a.m.


Signature

1-17-19
Date