

EAST TENNESSEE STATE UNIVERSITY
BOARD OF TRUSTEES
AUDIT COMMITTEE

MINUTES

February 21, 2025
Johnson City, Tennessee

The East Tennessee State University Board of Trustees' Audit Committee met on Friday, February 21, 2025, at 11:12 a.m. in the East Tennessee Room of the D.P. Culp Student Center.

I. Call to Order

Committee Chair Melissa Steagall-Jones called the meeting to order at 11:12 a.m.

II. Roll Call

Board Secretary Dr. Adam Green conducted the roll call. The following committee members were physically present:

Committee Chair Melissa Steagall-Jones
Trustee Dorothy Grisham
Trustee Dr. Linda Latimer
Trustee Tony Treadway

Other Trustees present were Janet Ayers, Steve DeCarlo, Dr. Steph Frye-Clark, and Trent White.

III. Approval of the Committee Minutes from November 15, 2024

The minutes from the November 15, 2024, meeting of the Audit Committee were approved as submitted with Trustee Tony Treadway making the motion and Trustee Dorothy Grisham seconding the motion. The motion passed unanimously.

IV. Audits Performed November 2024 through January 2025

Ms. Becky Lewis, Director of Internal Audit, reported on two audits that were completed between November 2024 and January 2025. The first was for Auxiliary Enterprises, including student housing, parking services, postal services, and the Center for Physical Activity. She indicated that with the exception of a few minor discrepancies, there were no material weaknesses and no findings. The second was the annual financial statement audit of WETS-FM, as required by the Corporation for Public Broadcasting. Ms. Lewis said the audit concluded that the financial statements fairly present the financial position of the station as of June 30, 2024, and an unqualified opinion was issued.

Ms. Lewis then presented an audits heat map, which showed no areas of concern.

V. Recommendation Log Status as of January 31, 2025

Ms. Lewis briefly reviewed the log, which includes the status of all prior audit recommendations. Her office continues to perform follow-up reviews to make sure that prior audit recommendations have been addressed. She reported that her office has completed follow-ups for four prior recommendations and that the departments involved have implemented additional controls and procedures to help improve operations.

VI. Review of Audited Financial Statements from the Comptroller of the Treasury

Ms. Christy Graham, Chief Financial Officer, reported on the results of the audit of financial statements for the year ending June 30, 2024. She told the committee that the opinions on the financial statements are unmodified. There were no audit findings, and the previous audit finding was resolved. She said this was the first time since 2019 that the university had no audit findings. Ms. Graham recognized her staff for their work in achieving these results.

Some of the highlights of the audit report were:

- An increase year-over-year in capital assets and total assets, as reflected in the balance sheet
- A reduction in total liabilities
- An increase in net position year-over-year
- An increase in operating expenses primarily due to a 7.7 percent increase in salaries, wages, and benefits
- A slight decrease in scholarships due to the change in scholarship structure for out-of-state students
- A reduction in bond debt

VII. Annual Public Safety and Clery Report Update

Mr. Jeremy Ross, Chief Operating Officer, introduced Mr. Jeff Blanton, ETSU's Associate Vice President for Administration and Director of Emergency Management. Mr. Blanton briefly summarized the contents of the Clery Report, noting that all major crimes have gone down across campus. He attributed that decrease to partnerships with local law enforcement agencies and first responders and with the entire campus community. Among those partnerships is one involving the ETSU Department of Criminal Justice and Criminology, the ETSU College of Business and Technology, local law enforcement, the Bureau of Alcohol, Tobacco, Firearms, and Explosives, and the Tennessee Bureau of Investigation, which has resulted in the creation of a National Integrated Ballistic Information Network on the ETSU campus. Mr. Blanton indicated that it is the first such unit on a U.S. college campus.

Mr. Ross then introduced Michelle Jones, Deputy Chief of the Morristown Police Department and Chair of the Tennessee Law Enforcement Accreditation Program, and Morristown Police Chief Roger Overholt, with the program's Professional Standards Committee. They announced the recent successful accreditation of the ETSU Department of Public Safety, as a result of a complete assessment that occurred in December of 2024, with no compliance issues.

VIII. Other Business

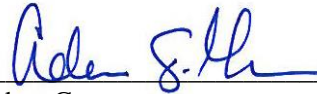
There was no other business to come before the committee.

IX. Executive Session to Discuss Active Audits, Enterprise Risk Management, and Review University Risks and Related Internal Controls

The committee adjourned at 11:42 a.m. to go into executive session.

X. Adjournment

Respectfully submitted,



Adam Green

Secretary of the Board of Trustees

Approved by the Board of Trustees at its May 23, 2025 meeting.