

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

CALL TO ORDER

A meeting of the Audit Committee of the Board of Illinois Community College District No. 519 was called to order by Mr. Doug Block, Committee Chair, at 1:35 p.m. on June 2, 2010 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

Committee members present: Mr. Steve Kroeger, Mrs. Diane Gallagher (departed 2:13 p.m.), Mr. Doug Block, Mr. Jim Endress

Committee members absent: None

Guests present: Mr. Greg Dunham and Mr. Dan Rowe, Lindgren, Callihan, Van Osdol & Co., Ltd.

Staff present: Dr. Joe Kanosky, President (departed 2:05 p.m.; returned 2:19 p.m.); Ms. Jill Janssen, Vice President of Administrative Services (departed 2:05 p.m.); and Ms. Terri Grimes, Board Secretary

REVIEW OF AUDIT ARRANGEMENTS

Mr. Rowe reviewed the audit arrangements. He noted that, although the College audit and Foundation audit are not shared formally by his firm, the Foundation is a component unit of the College and we, therefore, have a right to request a copy of their audit. He noted that, as part of the audit, the auditors will provide an opinion on the schedule of expenditures of federal awards, Illinois Community College Board State grants, and "various combining statements, individual fund statements, and supporting schedules." This year the Workforce Investment Act funds will also undergo a separate audit, in addition to the annual audit performed by the Department of Commerce and Economic Opportunity.

NON-ATTEST SERVICES

Mr. Rowe noted they do not issue an opinion on the effectiveness of the internal control structure, but provide reasonable assurance that the transactions are accurately reflected.

GENERAL OVERVIEW

Mr. Rowe provided an overview of the audit process, stating that on June 28 they will begin by reviewing financial aid, internal controls, and the inventory of the bookstore. The main audit will begin on July 19. This year the Audit Committee will not need to authorize submission of the audit

to the Illinois Community College Board (ICCB) in order to meet the October 15 deadline because the October regular meeting is October 12, prior to the deadline.

Mr. Dunham said the College needs to be aware of implications of placing advertising banners or contracting with specific vendors for exclusive use of products. For example, some educational facilities contract with a specific soda vendor for exclusive use of their vending machines in return for a substantial donation to the facility. Mr. Dunham cautioned that money raised from these types of transactions must be recorded as income.

CLOSED SESSION

Mr. Kroeger 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; and, probable, imminent, or pending litigation, pursuant to the Open Meetings Act. The roll call on the motion was as follows:

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

At 2:05 p.m., the Chairperson declared the motion carried and the meeting in Closed Session.

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

AYES: Block, Endress, Kroeger
NAYS: None

At 2:19 p.m., the Chairperson declared the motion carried and the Closed Session ended.

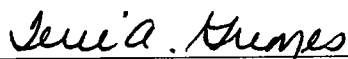
NEW BUSINESS

Mr. Kroeger inquired about funds which are invested in the Illinois Fund, noting that we need to be diligent about our collateral and what we have for investment. He will discuss this with Ms. Janssen.

ADJOURNMENT

Mr. Endress moved and Mr. Kroeger seconded the motion to adjourn the meeting of the Audit Committee. At 2:26 p.m., the Chairperson declared the motion carried and the meeting adjourned.

Respectfully submitted,



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