

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. Doug Block, Committee Chair, at 3:40 p.m. on Tuesday, September 29, 2009 in the Robert J. Rimington Board Room of the Student/Conference Center, 2998 West Pearl City Road, Freeport, Illinois in said district.

ROLL CALL

The following members were present: Mr. Steve Kroeger, Mrs. Diane Gallagher, and Mr. Doug Block.

The following members were absent: Mr. Jim Endress.

The following guests were present: Mr. Dan Rowe and Mr. Greg Dunham, Lindgren, Callihan, Van Osdol and Co., Ltd.

Also present: Dr. Joe Kanosky, President; Ms. Jill Janssen, Vice President of Administrative Services; and Ms. Terri Grimes, Board Secretary.

PUBLIC COMMENTS

There were no public comments.

DISCUSSION OF FY'09 AUDIT REPORT

Mr. Rowe announced that the purpose of the meeting was to meet the Illinois Community College Board October 15, 2009 deadline for submission of the FY'09 audit. Mr. Rowe reported that once again the College will be receiving an unqualified opinion or "clean opinion."

Each year the auditors audit financial aid. This year they also audited Upward Bound and the Student Support Services grants. Mr. Rowe stated that during the audit, they found that near the end of the fiscal year, a gift card had been purchased at Book World in the amount of \$2,500 so that future purchases for the Upward Bound program could be made. He noted that gift cards are not an allowable purchase with federal funds because of the loss of control of the ability to track the dollars. Mr. Rowe stated that this is an isolated instance, but will be noted as a finding in the audit. Ms. Janssen will meet with Ms. Janet Grebener, Director of Upward Bound, to advise her of this finding so this does not happen again in the future. Mr. Dunham noted that it is likely the federal government will not allow reimbursement for the gift card and will require that the money be paid back.

Mr. Dunham stated that Ms. Janssen does a wonderful job and that the lack of turnover in the accounting department is also good. He attributed this to Ms. Janssen's auditing background and experience, as well as the fact that she previously worked for Lindgren, Callihan, Van Osdol & Co. so she understands the importance of having backup information available. Any recommendations made by Mr. Dunham and his staff have been implemented.

Mr. Rowe reported that during the first meeting of the Audit Committee, a question had been raised regarding security of the inventory in the auto body and auto mechanics areas. During the audit, they conducted a test of the supplies accounts in these areas and everything checked out.

Mr. Rowe stated that the statement previously in the financials relating to the Challenge Grant funds has been removed. This statement was a concern of Attorney Ole Pace when he reviewed the Memorandum of Understanding between the Foundation and the College. Mr. Dunham noted that the State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), which gives the Foundation a little more leeway on spending formerly restricted dollars.

APPROVAL OF FY'09 AUDIT FOR SUBMISSION TO THE ILLINOIS COMMUNITY COLLEGE BOARD

Mrs. Gallagher moved and Mr. Kroeger seconded the motion to approve the FY'09 audit for submission to the Illinois Community College Board by the October 15, 2009 deadline. The roll call on the motion was as follows:

AYES: Gallagher, Block, Kroeger
NAYES: None


Whereupon the Chairperson declared the motion carried.

NEW BUSINESS

There was no new business.

ADJOURNMENT

Mr. Kroeger moved and Mrs. Gallagher seconded the motion to adjourn the meeting of the Audit Committee. At 4:32 p.m., the vote being unanimous, Mr. Block declared the meeting adjourned.



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