

**BOARD OF TRUSTEES AUDIT COMMITTEE MEETING
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL**

**District Office
1601 South Lamar Street
Lower Level, Room 007
Dallas, TX 75215
Tuesday, July 7, 2009
3:00 PM**

AGENDA

1. Certification of posting of notice of meeting Wright Lassiter

2. Statement from the presiding officer concerning compliance with the Open Meetings Act:

Persons who address the board are reminded that the board may not take formal action on matters that are not part of the meeting agenda, and, may not discuss or deliberate on any topic that is not specifically named in the agenda that was posted 72 hours in advance of the meeting today.

For any non-agenda topic that is introduced during this meeting, there are only three permissible responses: 1) to provide a factual answer to a question, 2) to cite specific Board of Trustees policy relevant to the topic, or 3) to place the topic on the agenda of a subsequent meeting.

3. Approval of PFM Asset Management LLC (PFMAM) for investment officer training Ed DesPlas
Committee Action: Motion to recommend approval by the Board of Trustees at its regular meeting on July 7, 2009

4. 3rd Quarter Financial Report Ed DesPlas
Committee action: Motion to recommend presentation to the Board of Trustees at its regular meeting on July 7, 2009, as provided by Board Policy CDA (LOCAL)

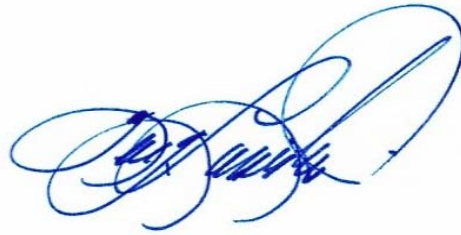
5. 3rd Quarter Report from Internal Audit Rafael Godinez
Committee action: Review as required by Board Policy CDC (LOCAL)

6. Report of Chancellor's Travel Kathryn Tucker

7. Adjournment

**CERTIFICATION OF POSTING OF NOTICE JULY 7, 2009
AUDIT COMMITTEE MEETING OF THE
DALLAS COUNTY COMMUNITY COLLEGE DISTRICT
AND RICHLAND COLLEGIATE HIGH SCHOOL
BOARD OF TRUSTEES**

I, Wright L. Lassiter, Jr., Secretary of the Board of Trustees of the Dallas County Community College District, do certify that a copy of this notice was posted on the 2nd day of July, 2009, in a place convenient to the public in the District Office Administration Building, and a copy of this notice was provided on the 2nd day of July, 2009, to John F. Warren, County Clerk of Dallas County, Texas, and the notice was posted on the bulletin board at the George Allen Sr. Courts Building, all as required by the Texas Government Code, §551.054.

A handwritten signature in blue ink, appearing to read "Wright L. Lassiter, Jr.", is written over a horizontal line.

Wright L. Lassiter, Jr., Secretary

FINANCIAL REPORT NO. 3

Approval of PFM Asset Management LLC (PFMAM) for investment officer training

It is recommended that PFM Asset Management LLC (PFMAM) be approved for authorized investment officer training.

Background

Gov't Code 2256.007(d) states that an investment officer "...may receive training from any independent source approved by the Board." The following information is provided to assist the Board in determining acceptance of PFM Asset Management LLC for investment officer training.

PFM Asset Management LLC (PFMAM) provides investment training for governmental and not-for-profit organizations, corporations, pension funds and other institutions. PFMAM has been offering Investment Training in Texas for eight years and throughout the United States for over 20 years. Their team of professionals has the knowledge and resources to satisfy state statutes. PFMAM is familiar with Texas PFIA laws and requirements. Recently added to their staff is Girard Miller, author of the Government Finance Officers Association's (GFOA) "Investing Public Funds." PFMAM is also certified by the Texas State Board of Public Accountancy to give CPE credits.

PFIA training topics covered by PFMAM include but are not limited to the following: Total Return, Market Volatility, Duration, Realized vs. Unrealized Gains/Losses, Portfolio Risks, Sector Analysis, Yield Curve Analysis, Common Security Types, Asset/Liability Matching, Impact of Economic News on Markets, Performance Measurement and Performance Benchmarks.

PFMAM does not charge for its training so there is no financial impact to the District.

INFORMATIVE REPORT NO. 4

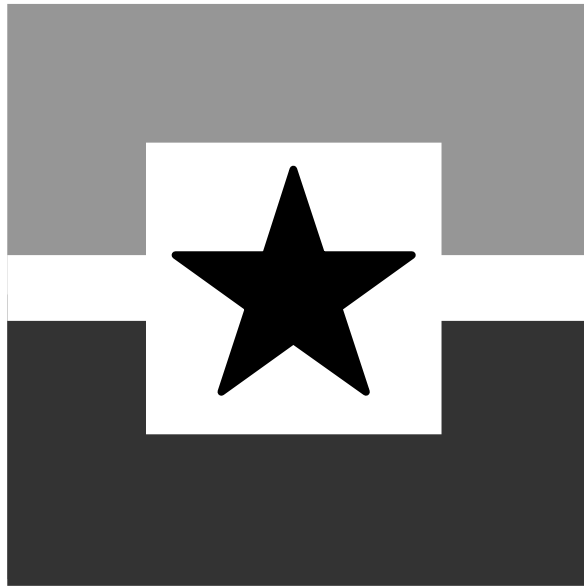
Presentation of 3rd Quarter Financial Statements

The 3rd quarter financial statements are presented as provided by Board Policy CDA (Local) which states: *Periodic financial reports shall be submitted to the Board outlining the progress of the budget to that date and reporting on the status of all District funds and District accounts.*

Background

The 3rd quarter financial statements are typical for this phase of the annual financial cycle.

DALLAS COUNTY COMMUNITY COLLEGE DISTRICT



Financial Statements

As of May 31, 2009

**Dallas County Community College District
3rd Quarter Financial Report
Executive Summary**

There have been no significant changes or transactions affecting the financial position of the District for the period September 1, 2008 through May 31, 2009, with the exception of the issuance of \$211.9 million in Series 2008 General Obligation Bonds in September 2008. A brief analysis of each of the primary statements follows.

Balance Sheet

The schedule *Combined Balance Sheet* presents the unaudited Combined Balance Sheet by fund group as of May 31, 2009. The assets of the District continue to consist primarily of cash, investments, and plant assets (approximately 96.7% of total assets). Cash, cash equivalents, and investments decreased approximately \$89.9 million (28.1%) from May 31, 2008. This decrease is primarily due to payment of construction expenditures related to the voter-approved capital improvement projects. Cash and cash equivalents balances for the Plant Funds show an overdraft due to the timing of the 2009 General Obligation Bond issue sale, which was received on June 4, 2009. Receivables increased approximately \$2.5 million (22.3%) from May 31, 2008. This increase is primarily due to an increase in student tuition receivables and an increase in Federal grant receivables. Inventories and other assets increased approximately \$0.2 million (2.6%) from May 31, 2008. This increase is primarily due to the increase in investment interest receivable for securities in the investment portfolio and bond issuance costs for the 2008 General Obligation Bonds, combined with a decrease in prepaid expenditures related to deposits for reserves. Property, plant and equipment increased approximately \$101.9 million (28.8%) from May 31, 2008. This increase is primarily related to the capitalization of assets for major repairs and rehabilitation projects, construction projects and other capital equipment expenditures, net of asset disposals and depreciation. Total combined assets have increased from May 2008 by about \$14.7 million (2.1%). The District's Combined Assets, Liabilities and Fund Balances are depicted graphically in Figures 1-2.

District assets are funded approximately 48.4% by fund balances, and 51.6% by liabilities. Isolating the effects of interfund payables, total liabilities of the District have increased about \$86.6 million (31.1%) when compared to May 2008. This increase is mainly attributable to the issuance of the \$211.9 million of General Obligation Bonds.

Schedule of Fund Balances

The *Schedule of Fund Balances* presents the total fund balances of the District by fund and by type (i.e. Restricted, Designated, etc.). The largest components of fund balance are the investment in plant assets (\$138.0 million, 40.2%) and current operating funds (\$179.5 million, 52.3%). Total current fund balances increased by approximately \$43.3 million (27.5%) for the year to date. The change in fund balance is cyclical in nature over the course of the fiscal year. The components of the fund balances are depicted graphically in Figure 3.

Statement of Current Funds Revenues, Expenditures, and Other Changes

The results of operations for the current funds are summarized in the *Combined Current Funds Revenues, Expenditures and Transfers* table. This table presents a comparison for the third quarter ended May 31, 2009, 2008 and 2007.

Current revenues have increased from the same period in the prior year. Unrestricted state appropriations to date increased approximately \$9.3 million (14.6%) from May 2008 as a result of payments from the state being paid in advance of the scheduled time until vetoed funds for insurance benefits can be restored by the legislature. Total tuition and charges have increased approximately \$8.9 million (12.8%) from May 2008 primarily due to an enrollment increase and a tuition increase that became effective in Spring 2009. Ad valorem tax revenue in the current funds increased approximately \$5.6 million (4.7%) from May 2008 primarily due to an increase in property valuation. Investment revenue decreased approximately \$2.1 million (32.6%) from May 2008 as a result of decreased interest rates in the District's investment portfolio. Contracts and grants revenue increased approximately \$8.2 million (21.5%) from May 2008 as a result of increased Federal financial aid from the Department of Education. Auxiliary Enterprises revenue decreased approximately \$0.2 million (4.4%) from May 2008 as a result of a decrease in external support revenue. The District's Current Unrestricted Revenues are depicted graphically in Figure 4.

Current unrestricted funds expenditures are relatively unchanged from those from the same period in the prior year reflecting mainly the cost of living increase. Institutional Support grew proportionately larger than other expenditures due to IT purchases. Current Unrestricted Expenditures are shown in Figure 5.

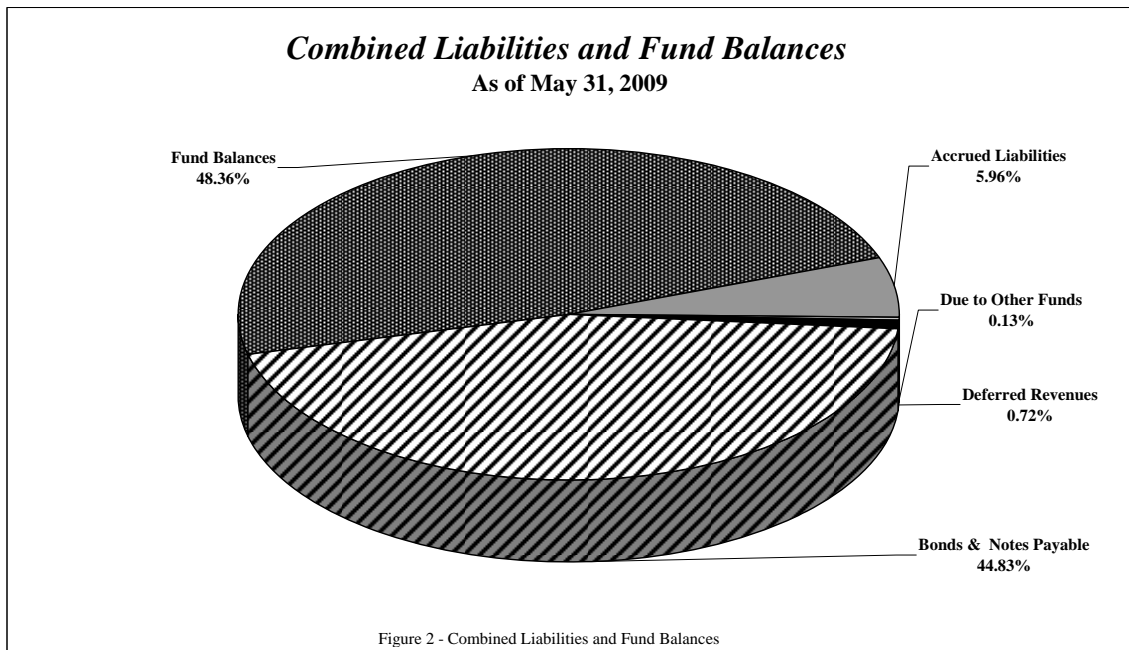
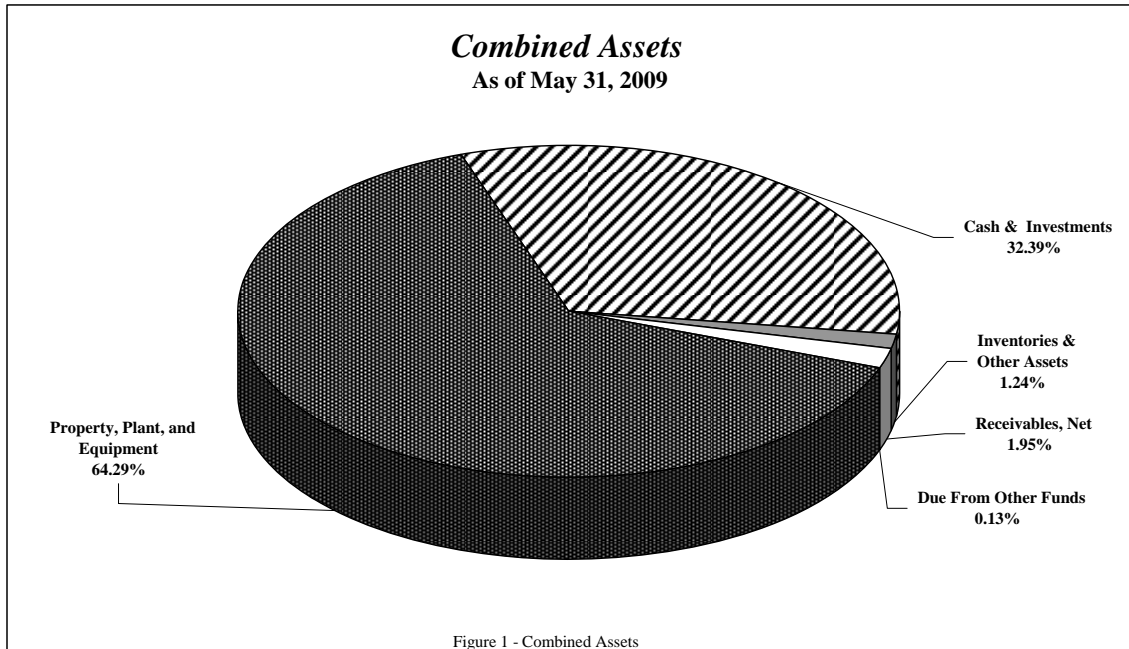
Restricted expenditures are approximately \$9.1 million (23.6%) ahead of those from the same period in the prior year primarily due to corresponding increases in expenditures resulting from the increased revenues for financial aid described above.

In summary, the net difference between total expenditures and transfers and total revenues results in an increase to fund balance of approximately \$43.3 million for the first nine months of the 2008-09 fiscal year. This change is due primarily to the increase in tuition revenues and taxes.

Note: See Glossary for fund groups, functional areas and financial terms at the end of the report.

*Dallas County Community College District
Combined Balance Sheet (Unaudited)
May 31, 2009
With Comparative Totals (000's)*

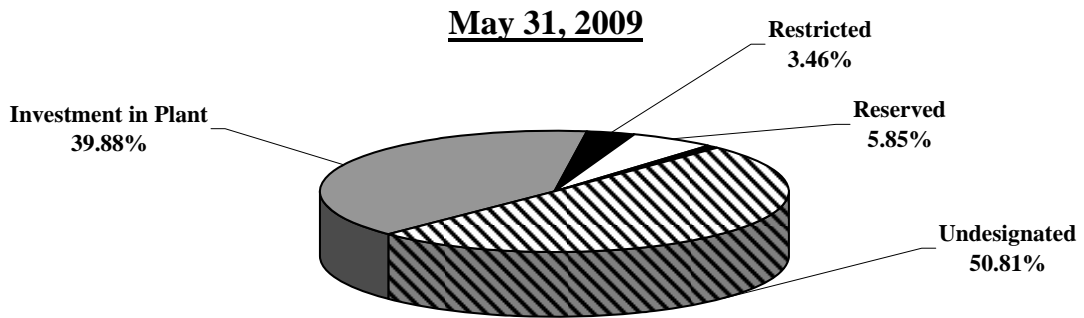
	<i>Current Funds</i>	<i>Plant Funds</i>	<i>Loan and Agency Funds</i>	<i>Quasi- Endowment Fund</i>	<i>Total Current Year</i>	<i>Total As Of 08/31/08</i>	<i>Total May 2008</i>
<u>ASSETS:</u>							
Cash and Cash Equivalents	\$45,489	(\$13,432)	\$2,048	\$998	\$35,103	\$108,906	\$149,144
Receivables, Net	13,450	140	22	200	13,812	28,668	11,298
Inventories and Other Assets	6,254	2,538			8,792	5,495	8,573
Due From Other Funds		933		6	939	2,545	952
Investments	169,045	21,050		4,389	194,484	149,606	170,338
Property, Plant, and Equipment		455,727			455,727	466,381	353,825
TOTAL ASSETS	\$234,238	\$466,956	\$2,070	\$5,593	\$708,857	\$761,601	\$694,130
<u>LIABILITIES:</u>							
Accounts Payable and Accrued Liabilities	\$29,301	\$12,860	\$107		\$42,268	\$53,882	25,598
Due to Other Funds	938		1		939	2,545	952
Deposits and Deferred Revenues	3,453		1,499	133	5,085	29,817	4,451
Notes Payable					-	51	103
Bonds Payable		317,745			317,745	248,355	248,355
TOTAL LIABILITIES	\$33,692	\$330,605	\$1,607	\$133	\$366,037	\$334,650	\$279,459
<u>FUND BALANCES:</u>							
<u>Current Funds:</u>							
Operating	\$179,461				\$179,461	\$138,622	\$165,446
Auxiliary	20,617				20,617	18,480	18,997
Restricted	-				-	-	-
Richland Collegiate High School	468				468	181	541
<u>Plant Funds:</u>							
Unexpended		(13,145)			(13,145)	22,973	10,968
Retirement of Indebtedness		11,514			11,514	3,541	5,465
Investment in Plant		137,982			137,982	237,335	207,218
Loan Fund			463		463	469	475
Quasi-Endowment Fund				5,460	5,460	5,350	5,561
TOTAL FUND BALANCES	\$200,546	\$136,351	\$463	\$5,460	\$342,820	\$426,951	\$414,671
TOTAL LIABILITIES & FUND BALANCES	\$234,238	\$466,956	\$2,070	\$5,593	\$708,857	\$761,601	\$694,130



Dallas County Community College District
Schedule of Fund Balances (Unaudited)
May 31, 2009
With Comparative Totals (000's)

	<i>Unrestricted</i>			<i>Restricted</i>		<i>Net Investment in Plant</i>	<i>Total-Current Month</i>	<i>Fiscal Year Ending 08/31/08</i>	<i>Net Change Increase/ (Decrease)</i>
	<i>Reserved</i>	<i>Designated</i>	<i>Undesignated</i>	<i>Debt Service</i>	<i>Other</i>				
<i>FUND BALANCES:</i>									
<i>Current Funds:</i>									
Operating	\$18,698	\$4,484	\$156,279				\$179,461	\$138,622	\$40,839
Auxiliary	1,539	2	19,076				20,617	18,480	2,137
Restricted							-	-	-
Richland Collegiate High School	3		465				468	181	287
<i>Subtotal:</i>	20,240	4,486	175,820				200,546	157,283	43,263
<i>Plant Funds:</i>									
Unexpended		(13,145)					(13,145)	22,973	(36,118)
Retirement of Indebtedness				11,514			11,514	3,541	7,973
Investment in Plant						137,982	137,982	237,335	(99,353)
Loan Fund					463		463	469	(6)
Quasi-Endowment Fund		5,460					5,460	5,350	110
TOTAL FUND BALANCES	\$20,240	(\$3,199)	\$175,820	\$11,514	\$463	\$137,982	\$342,820	\$426,951	(\$84,131)

Fund Balances by Type - All Funds



Fund Balances by Fund Group - All Funds

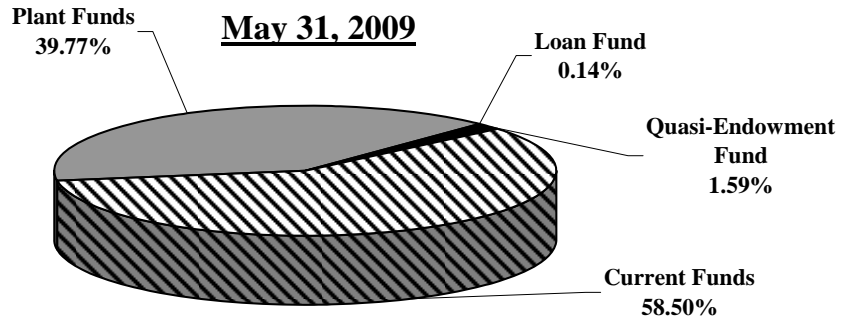
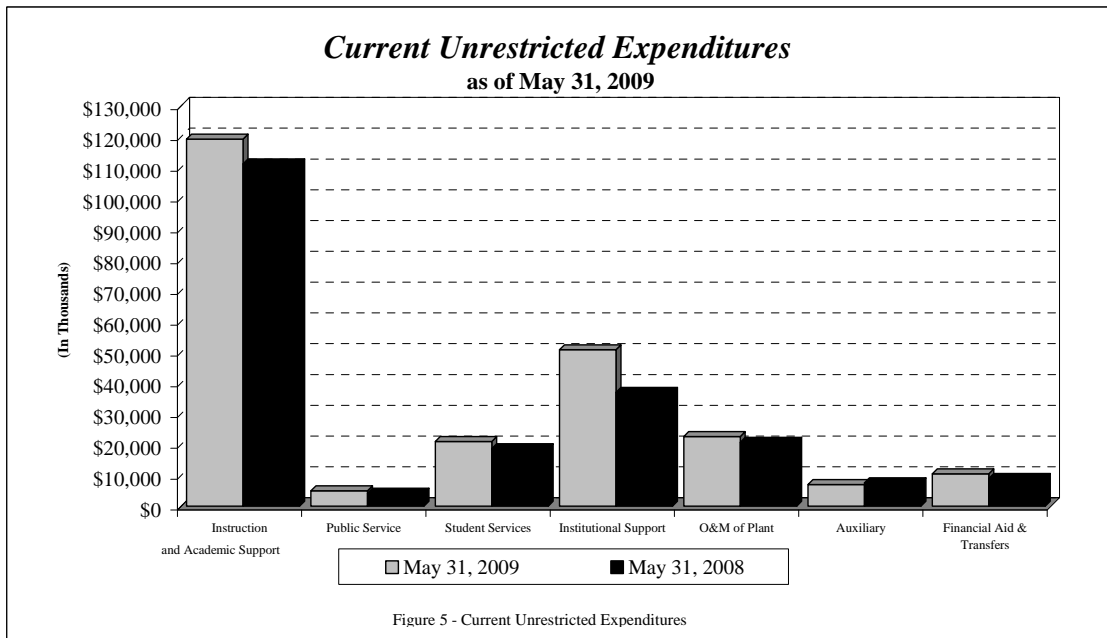
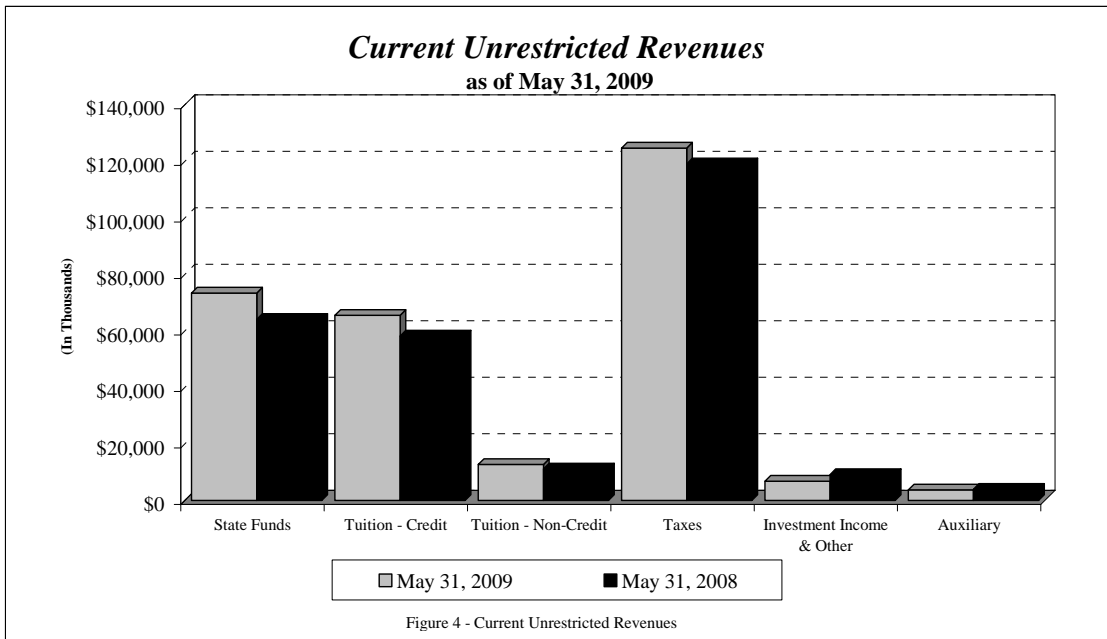


Figure 3 - Fund Balances By Type & Fund Group

*Dallas County Community College District
 Combined Current Funds Revenues, Expenditures, and Transfers (Unaudited)
 For the Nine Months Ending May 31, 2009
 With Comparative Totals (000's)*

	<i>Operating</i>	<i>Auxiliary</i>	<i>Restricted</i>	<i>RCBS</i>	<i>Total Current Year</i>	<i>Total May 2008</i>	<i>Total May 2007</i>
<u>REVENUES:</u>							
State Appropriations	\$73,346		\$9,933	\$1,573	\$84,852	\$84,823	\$79,213
Tuition & Charges - Credit	65,447				65,447	58,137	55,766
Tuition & Charges - Non-Credit	12,679				12,679	11,114	10,394
Total Tuition & Charges	78,126				78,126	69,251	66,160
Ad Valorem Taxes	124,633				124,633	119,017	111,268
Investment Income	4,014	346		12	4,372	6,487	6,788
Contracts & Grants	932	1	45,619		46,552	38,313	35,765
Other	1,470				1,470	1,437	1,230
Auxiliary Enterprises		3,710			3,710	3,882	4,116
TOTAL REVENUES	\$282,521	\$4,057	\$55,552	\$1,585	\$343,715	\$323,210	\$304,540
<u>EXPENDITURES:</u>							
Instruction and Academic Support	\$119,242		\$12,254	\$607	\$132,103	\$130,588	\$125,957
Public Service	5,063		4,417	122	9,602	7,850	7,744
Student Services	21,018		5,464	197	26,679	24,332	23,010
Institutional Support	50,832		5,933	372	57,137	44,443	41,458
Operation and Maintenance of Plant	22,643				22,643	20,791	19,631
Financial Aid	5,391		29,946		35,337	28,492	27,310
Auxiliary Enterprises		7,073			7,073	7,623	7,551
Mandatory Transfers	(5,122)		2,062		(3,060)	(2,321)	(2,117)
TOTAL EXPENDITURES & MANDATORY TRANSFERS	\$229,311	\$7,073	\$55,952	\$1,298	\$293,634	\$266,440	\$254,778
<i>Other Transfers and Additions, net</i>	(12,371)	5,153	400		(6,818)	(10,489)	(6,476)
NET INCR/(DECR) in FUND BALANCE	\$40,839	\$2,137	-	\$287	\$43,263	\$46,281	\$43,286



GLOSSARY

FUND GROUPS

Current funds: Funds available for current operating and maintenance purposes as well as those restricted by donors and other outside agencies for specific operating purposes. Current funds are segregated into separately balanced fund groups.

Unrestricted current funds: Funds that have no limitation or stipulations placed on them by external agencies or donors. The funds are used for carrying out the primary purpose of the District, i.e., educational, student services, extension, administration and maintenance of facilities.

Fund 08 – Richland Collegiate High School

Fund 11 – general unrestricted funds

Fund 14 – unrestricted fund used to track services charged back to locations

Fund 16 – unrestricted fund used to track non-capital projects funded by the District for the locations

Auxiliary enterprises: Funds for activities that serve students, faculty, or staff for charges that are directly related to, although not necessarily equal to, the cost of the service. Examples are food services and bookstores. The state of Texas expects auxiliary enterprises to be self-supporting on a perpetual basis. Fund 12

Restricted current funds: Funds available for current purposes but with restrictions from outside agencies or persons. Revenues are reported only to the extent of expenditures for the current year.

Fund 13 – restricted funds

Fund 17 – restricted funds related to program income

Plant funds: Plant funds are divided into three separately balanced fund groups.

Unexpended: Funds for the construction, rehabilitation, and acquisition of physical properties for institutional purposes.

Fund 45 – general unexpended plant fund

Fund 40 – GO Bond projects

Fund 91 – 2003 Maintenance Tax Note projects

Fund 92 – 2004 Maintenance Tax Note projects

Retirement of indebtedness: Funds accumulated to meet debt service charges and the retirement of indebtedness. Fund 46

Investment in plant: Funds already expended for plant properties. Physical properties are stated at cost at the date of acquisition or fair market value at the date of donation for gifts. Depreciation on physical plant and equipment is recorded. Fund 47

Loan funds: Funds available for loan to students. Fund 34

Agency funds: Funds held by the District as custodial or fiscal agent for students, faculty members, and/or others. Fund 24

Quasi-endowment and similar funds: Funds subject to certain Board-designated restrictions. Fund 58

FUNCTIONAL AREAS OF EXPENDITURES

Instruction: Salaries, wages, supplies, travel, office furniture, equipment and other expenses for the operation of general academic and technical/vocational instructional departments.

Public service: All costs of activities designed primarily to serve the general public, including correspondence courses, adult study courses, public lectures, workshops, institutes, and similar activities.

Academic support: Library – Salaries, wages, library materials (including books, journals, audiovisual media, computer-based information, manuscripts and other information sources), binding costs, equipment and other operating costs of the library. Also, Instructional Administration Expense – Salaries, wages, supplies, travel, equipment and other operating expense of the offices of academic deans or directors of major teaching department groupings.

Student services: Salaries, wages and all other costs associated with admissions and registration, student financial services (including financial aid), student recruitment and retention, testing and guidance, career placement services and other student services.

Institutional support: Salaries, wages and all other costs for the governance of the institution, executive direction and control, business and fiscal management, campus security, administrative data processing, central support services, purchasing and other general institutional activities.

Operation and maintenance of plant: Salaries, wages, supplies, travel, equipment, services and other operating expenses for physical plant administration services, building maintenance, custodial services, grounds maintenance, utilities and major repairs and rehabilitation of buildings and facilities.

Staff benefits: Premiums and costs toward staff benefit programs for employees. Examples of authorized staff benefits are group insurance premiums, workers' compensation insurance, Medicare, retirement contributions and parking stipends. For reporting purposes, staff benefits are allocated over the functional areas based on salaries.

Scholarships and fellowships: Expenditures for student financial aid including waivers, scholarships, and state and federal financial assistance.

Auxiliary enterprises: Expenditures related to bookstore, food service, intercollegiate athletics, and Center for Educational Telecommunications operations.

OTHER FINANCIAL TERMS

Audit of financial statements: Generally the expression of an opinion by the auditor that the financial statements present fairly in accord with certain standards, in all material respects the financial position of the organization being audited. It is not a determination of the presence or absence of fraud or deliberate misrepresentation.

Fraud: A false representation of a matter of fact that should have been disclosed, which deceives another so that he/she acts upon it to his/her injury.

GAAP: Generally accepted accounting principles. Rules, conventions, standards, and procedures that are widely accepted among accountants. GAAP doctrine is established by a combination of authoritative standards set by policy boards such as the Governmental Accounting Standards Board (GASB), an independent, self-regulating organization, and accounting practices developed over time that have become universally accepted as appropriate.

GASB 31: A pronouncement by the Governmental Accounting Standards Board that provided for dissolution of distinct differences between book and market values. It caused there to be a “mark to market” on a regular basis, with recognition of gains or losses contemporaneously by booking an unrealized gain or loss.

GASB 34 and 35: Pronouncements by the Governmental Accounting Standards Board that were implemented beginning with the August 31, 2002 audited financial statements. Implementation of the pronouncements changed wording of the auditor's opinion, added a management's discussion and analysis section, reformatted financial statement line items, presented a single consolidated funds column, added a cash flow statement, and made various changes to the footnotes.

Internal control: The system of business procedures that limits and may prevent access of individuals to misappropriate the funds of an organization. One example is a separation of duties between execution and recording of transactions.

Management letter: A letter, generally issued by external auditors, pointing out various findings that were noted in connection with the audit engagement. Often these items involve observed weaknesses in internal control.

Materiality: A state of relative importance. Strict adherence to any accounting principle is not required when the lack of adherence does not produce an error or misstatement sufficiently large as to influence a financial statement reader's judgment of a given situation.

OMB Circular A-133: The U.S. Office of Management and Budget's pronouncement that established the process of auditing all government grants of a specified threshold size, to be included in the regular annual audit of the grantee.

Repurchase agreement: Agreement between a seller and a buyer, usually of agency or treasury securities, where the seller agrees to repurchase the securities at an agreed upon price and date. A “flex-repo” allows periodic draws against the overall value without a complete repurchase of all principal values.

Unrealized gain or loss: The amount of difference between market value and book value of securities recorded on the financial records of an entity. The amount is an unrealized gain if market value is higher than book value. If the market value is lower than the book value, an unrealized loss is recorded. The amount is unrealized until such time as the security or asset is actually sold by the investor, at which time the amount of difference between market and book values is realized. A security held to maturity will not ever realize a gain or loss.

TO: Audit Committee of the Board of Trustees

FROM: Rafael J. Godinez, CPA

DATE: June 4, 2009

RE: Quarterly Summary of Activities
For the 3rd Quarter Ended May 31, 2009

The following is a summary of activities by the DCCCD Internal Audit Department since the Audit Committee meeting of April 21, 2009.

AUDITS COMPLETED – Reports Issued

- Bookstore Contract

The purpose of the audit was to ensure compliance with terms and conditions outlined in the contract between the District and Follett Higher Education Group. The current contract with Follett was effective February 2007 and will remain in effect until 2015. Terms of the contract are for new textbooks to be priced at list or a 22% profit margin. Used books have a maximum price not to exceed 78% of the new textbook price. The contract also addresses trade books, cost of packaging and returns, and buybacks. A random sample of 40 transactions was selected for testing and review of appropriate documentation and support with original invoices. All seven Follett locations were included in the testing. No exceptions were noted.

- Rising Star Program

The purpose of the audit was to determine that student applications were complete as to applicable information, students met the requirements for acceptance into the program, and funds were awarded in accordance with program guidelines. Out of approximately 5,100 students participating in the program during FY 2006 through 2008, of which 1,792 were receiving Rising Star funding of approximately \$2.5 million, a sample of 28 students was randomly selected for testing. For 12 of the 28, the original application could not be located either at the District office or in the record retention center at DSC. Therefore, we could not verify eligibility for those students who received Rising Star funds. Management is making an effort to ensure that all participant files are located. As of 2009, all applications for Rising Star will be handled at the college level instead of the District. We believe this will result in enhanced controls over the records.

- Supplemental Tuition – Repeated Courses

The purpose of the audit was to ensure compliance with District policy of charging additional tuition to students who take the same course three or more times. The additional tuition of \$50 per credit hour, effective fall 2005, was implemented to compensate for the elimination of state funding for these courses. For fiscal year 2008, the supplemental tuition totaled \$1,097,600 for credit courses and \$18,600 for non-credit courses. During the course of the audit we encountered several students taking non-credit courses for a third time that were not correctly charged the additional tuition. Management is aware of this discrepancy and is working on modifications to the system programs.

- Criminal Background Checks

The purpose of the audit was to ensure compliance with District policy requiring background checks on employees who handle currency, have access to credit card numbers, work in security sensitive areas, or employees who routinely come in contact with minors. This later category continues to be a concern at all of the colleges with the exception of Richland College. We reviewed the records for 60 faculty and staff at Richland with no exceptions noted. Richland does background checks on all employees. For the other six colleges, we reviewed the files for 218 faculty and staff identified as routinely coming in contact with minors and found no background checks on 92 individuals or 42%. Clearly, more emphasis needs to be placed on ensuring compliance with Board policy on obtaining background checks for individuals who work with minor age children.

- Tuition Waivers

The purpose of the audit was to determine the adequacy of controls pertaining to the assignment of exemption from tuition under various waiver requirements as per state regulations or District policies. For fiscal year 2008, a total of 3,381 students' tuition amounting to \$1,285,200 was waived under sixteen different waiver classifications. The audit highlighted two areas of concern. For the Blind/Deaf waiver, we found seven students at five colleges where the documentation required per the Education Code was obtained for the files. For the Company Pays Advalorem waiver, we found 21 students at five colleges whose tuition was improperly waived. Board policy FBB (Local) allows for in District rates for *“employees of a business subject to advalorem taxation in Dallas County if the business pays the tuition directly to the College District.”*

The students found during the audit paid the tuition themselves and were granted the waiver for the reduced rate.

AUDITS IN PROGRESS

The following audits are currently in progress:

- Construction Costs
- Travel Expenses
- Physical Inventory

OTHER

This year's Control Self-Assessment survey was completed as of April 24th. The program consisted entirely of information and data security related issues. Preliminary results indicate the need for general training on rules, regulations and procedures to ensure the safeguarding and security of employee and student information.

A preliminary planning meeting was held with the audit team from Grant Thornton to update them on District developments since the end of the last audit and to review the work and timing of this year's financial statement and A-133 audits.

The State Auditor's Office conducted its fieldwork on the biannual enrollment audit of the District. Four of the seven colleges were included in the testing this year. Preliminary indications are that no exceptions were noted. Congratulations go to Jamie Templeton and Vickie Magee for their assistance to the SAO auditors ensuring a trouble free audit.

cc Wright Lassiter
Ed DesPlas