

**BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

**EXTEND AUDIT SERVICES AGREEMENT
DELOITTE & TOUCHE LLP
OFFICE OF FINANCE**

(Amend Board Report No. 26171 Adopted 5-13-04, 26520 Adopted 1-6-05, 27022 Adopted 11-3-05,
27080 Adopted 12-8-05, 27684 Adopted 11-9-06, 27836 Adopted 02-08-07, and 27889 Adopted 03-
07-07)

REPORTS

THE CHANCELLOR

that on May 13, 2004, the Board of Trustees approved a professional services agreement in the amount of \$495,000 annually (Board Report 26171) with Deloitte & Touche LLP to provide external auditing services at the end of each fiscal year from 2004 until 2006 for the District. The approved contract term was July 1, 2004 through June 30, 2007. These auditing services include:

- Audit of the basic financial statements in accordance with generally accepted auditing standards contained in Government Auditing Standards (as amended) issued by the Comptroller General of the United States;
- Supplemental schedules to the audited financial statements that are required by the Illinois Community College Board; (Uniform Financial Statements and Certified Chargeback Reimbursement, Balance Sheets and Statement of Revenues and Expenses and Changes in Net Assets)
- Audit of the City Colleges of Chicago Foundation including preparation of Form 990 for both Federal and State filing requirements;
- Financial report and audit of the City Colleges' Enrollment Report and application form submitted to the State of Illinois Board of Higher Education in accordance with the "Illinois Financial Assistance Act for Nonpublic Institutions of Higher Learning;"
- Audit of Federal grants, contracts, and student financial aid under OMB Circular A-133;
- Online reporting required by the U.S. Department of Education (DOE);
- Audits of specific grants and financial statements as required by the grantor agencies including: Chicago Public Schools, Illinois Department of Health and Human Services, Illinois Community College Board, Illinois Board of Trustees of Community College District No. 508 Higher Education, and Illinois State Board of Education;
- Audit of WYCC Channel 20 including the State of Illinois Arts Council grant and attestation procedures related to WYCC's certification regarding their compliance with the Corporation for Public Broadcasting Financial Reporting Guidelines governing the amounts reported as Non-Federal Financial Support; and
- Issuance of a Management letter.

that Board Report 26520 approved on January 6, 2005 amended the agreement to increase the contract amount by \$17,000 for FY 2004 audit services (comprised of \$10,000 for additional work on WYCC Channel 20 and the ICCB Early Leavers Grant and \$7,000 for out-of-pocket expense); Board Report 27022 approved on November 3, 2005 increased the contract amount by \$196,000 for additional hours needed to complete the FY2004 Annual Audit resulting in a total contract amount of \$708,000 for FY 2004 audit services; and

that Board Report 27080 dated December 8, 2005 revised fees for the FY 2005 Annual Audit as follows: \$677,070 for services, \$15,000 for out-of-pocket-

expenses and \$33,900 for performance of treasury agreed upon procedures as required by the District's Investment Policy for a total amount of \$725,970; The audit services for FY 2005 include all of the services listed for FY 2004 plus the treasury agreed upon procedures; and

that Board Report 27684 dated November 9, 2006 revised fees for the FY 2006 Annual Audit as follows: \$654,000 for services, and \$14,000 for out-of-pocket expenses, for a total amount of \$654,000; Board Report 27836 dated February 8, 2007 approved an additional amount of \$58,950 for fees for 400 extra hours of service rendered increasing the FY 2006 total audit services fees to \$712,950; and

that Board Report 27889 dated March 7, 2007 approved additional fees of \$33,900 for the performance of treasury agreed upon procedures as required by the District's Investment Policy increasing the total FY 2006 audit services fees to \$746,850 and to approve the extension of audit services by Deloitte & Touché LLP to June 30, 2008 to perform the FY2007 Annual Audit and the Treasury Agreed Upon Procedures in an amount not to exceed \$697,400 and authorize the Chairman to execute any documents pertaining to this amendment; and

that there is a need to amend the FY 2006 audit services fees to include additional fees of \$30,015 for the two hundred extra hours performed on the identification of a major program and audit of the TRIO programs, increasing the total FY 2006 audit service fees to \$776,865; and

that the Office of M/WBE Contract Compliance has reviewed the above contractual amendment and since Deloitte & Touché LLP has been approved by the Board under a previous professional services agreement, therefore, it continues to be in compliance with our Board approved Participation Plan.

RECOMMENDS

THE CHANCELLOR

that the Board of Trustees approve the additional fees of \$30,015 for two hundred extra hours performed on the identification of a major program and audit of the TRIO programs increasing the total FY 2006 audit services fees to \$776,865 and authorize the Chairman to execute any documents pertaining to this amendment.

FINANCIAL

FY 2007 - Not to exceed \$30,015-Audit Fund 04001 0010105 00082 01000
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Respectfully submitted,

Wayne D. Watson
Chancellor

November 6, 2007 – Office of Finance- District Office