

**North Boone Community Unit School District No. 200**

**Minutes of the Special Meeting of the  
Board of Education**

District Office

6248 North Boone School Road, Poplar Grove, Illinois 61065

Tuesday, February 9, 2016

6:30 p.m.

**CALL TO ORDER AND ROLL CALL**

The Special Meeting of the Board of Education was called to order at 6:30 p.m. by President Matt Ellingson.

Present: President Matt Ellingson, Vice President Joe Haverly, Secretary Tom Moon, Mary Maxey, Ed Mulholland, Brian Reininger and Don Ward.

Absent: *none*

**AUDIENCE TO VISITORS**

*(None)*

**PRESENTATION AND ACCEPTANCE OF 2014-2015 AUDIT REPORT BY  
SIEPERT & CO., LLP**

**A. Audit Report**

Michelle Jahr, CPA and Senior Audit Manager from Siepert & Co., LLP presented a draft audit report. She highlighted several points, remarking bank reconciliations were not performed, and identifying significant deficiencies in reconciliations. Other concerns included accounts payable paying items that were not approved. She stated Julia Saunders will develop a segregation of duties this fiscal year. Ms. Saunders said she would develop a process to collect fees. She also noted we need to ensure checks are mailed by June 30, and are posted to the general ledger. Ms. Jahr stated the audit was very difficult and said she cannot emphasize enough the importance of bank reconciliation. She reminded the Board they have the right to question management. She also stressed the need for internal controls.

Ms. Saunders told the Board they had deficit spent last year. One instance was an error in sending payroll taxes on the 941 form. The bookkeeper sent the entire payroll amount instead of just the taxes. We received a refund check this week in the amount of \$388K for that transaction. Mrs. Saunders said the other \$500K deficit came from the phone system and security system expenditures.

Ms. Jahr said there were 30 pages of journal entries, totaling \$1.3M. Ms. Saunders said she would address posting issues with her staff.

Mr. Haverly asked where this all went wrong and how can we prevent this from happening again. Ms. Jahr said if the Board can't rely on getting information, they shouldn't let the current situation continue.

Ms. Jahr stated that right now, it would be difficult to detect fraud, and recommended going forward, the Board may have to become harsh when requesting information that is not being produced. She said we can learn from this experience, and again stressed the need for internal controls.

Ms. Jahr noted this audit was in draft state and that \$113,194 still needed to be moved out of the Education Fund into Operations and Maintenance.

A motion was made by Mr. Haverly and seconded by Mrs. Maxey to accept the audit report including the transfer of \$113,194 from the Education Fund to the Operations and Maintenance fund.

The motion was carried by unanimous roll call.

#### **ADJOURNMENT**

A motion was made by Mr. Reininger and seconded by Mr. Moon to adjourn at 7:25 p.m.  
The motion was carried by unanimous voice vote.

**PRESIDENT** \_\_\_\_\_ *Matt Ellingson / S /*  
**Matt Ellingson**

**SECRETARY** \_\_\_\_\_ *Thomas Moon / S /*  
**Thomas Moon**

**APPROVED: 2/23/16**