

MEMORANDUM

To: Banking Committee
From: Board Office
Subject: External Audit Report – Quad-Cities Graduate Study Center
Date: December 4, 2003

Recommended Action:

Receive the Quad-Cities Graduate Study Center audit report for the fiscal year ended June 30, 2003.

Executive Summary:

Doyle & Keenan, PC of Davenport, Iowa, conducted an audit of the Quad-Cities Graduate Study Center to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The audit report concluded that the financial statements presented fairly, in all material respects, the financial position of the Quad-Cities Graduate Center as of June 30, 2003 and 2002, and changes in its net assets and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

There were no reported findings.

Background and Analysis:

The Quad-Cities Graduate Center is one of three regional study centers that receives state appropriations through the Regents and serves residents of Iowa who are geographically distant from the Regent campuses.

The combined statement of revenues, expenditures, and changes in fund balance for the year ended June 30, 2003, was reported as follows:

| | |
|----------------------|----------------|
| Revenues | \$435,756 |
| Expenditures | <u>453,971</u> |
| Change in Net Assets | (\$18,215) |

The Quad-Cities Graduate Center received \$250,000 (60.8%) of its total revenue from the State of Illinois and \$161,173 (39.2%) from State of Iowa appropriations.