



**ELGIN COMMUNITY COLLEGE
ILLINOIS COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

SINGLE AUDIT REPORT

For the Year Ended June 30, 2021



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DISTRICT NUMBER 509
ELGIN, ILLINOIS
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Elgin Community College - Illinois Community College District No. 509 (the College) as of and for the year ended June 30, 2021, and the related notes to financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 13, 2021. The financial statements of Elgin Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Elgin Community College Foundation.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sikich LLP

Naperville, Illinois
October 13, 2021

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees
Elgin Community College
District Number 509
Elgin, Illinois

Report on Compliance for Each Major Federal Program

We have audited Elgin Community College, Illinois Community College District 509’s (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College’s major federal programs for the year ended June 30, 2021. The College’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the College’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on Each Major Federal Program

In our opinion, Elgin Community College, Illinois Community College District 509 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The College's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College as of and for the year ended June 30, 2021 and the related notes to financial statements, which collectively comprise of the College's basic financial statements and have issued our report thereon dated October 13, 2021 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
October 13, 2021

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

GRANTOR	Federal Assistance Listing Number	Expenditures
MAJOR PROGRAMS		
U.S. Department of Education		
Direct Programs		
Student Financial Aid Cluster		
PELL Grant	84.063	\$ 8,137,739
PELL Administrative Allowance	84.063	12,625
		<u>8,150,364</u>
SEOG Grant	84.007	455,981
SEOG Administrative Allowance	84.007	3,370
		<u>459,351</u>
College Work Study	84.033	51,675
College Work Study Administrative Allowance	84.033	3,422
		<u>55,097</u>
Federal Direct Loans	84.268	1,646,396
Total Student Financial Aid Cluster		<u>10,311,208</u>
TRIO Cluster		
Student Support Services	84.042A	77,651
Student Support Services	84.042A	230,505
Student Support Services - ESL	84.042A	59,985
Student Support Services - ESL	84.042A	189,234
		<u>557,375</u>
Upward Bound	84.047A	104,325
Upward Bound	84.047A	231,922
Upward Bound II	84.047A	30,086
Upward Bound II	84.047A	231,922
		<u>598,255</u>
Talent Search Grant	84.044A	61,103
Talent Search Grant	84.044A	238,858
		<u>299,961</u>
Total TRIO Cluster		<u>1,455,591</u>
COVID-19 Higher Education Emergency Relief (CARES)- Student Portion	84.425E	702,359
COVID-19 Higher Education Emergency Relief -(CRRSAA) Student Portion	84.425E	2,094,416
		<u>2,796,775</u>
COVID-19 Higher Education Emergency Relief Fund (CARES)- Institutional Portion	84.425F	1,462,478
COVID-19 Higher Education Emergency Relief Fund (CRRSAA) - Institutional Portion	84.425F	4,064,157
		<u>5,526,635</u>
COVID-19 Higher Education Emergency Relief Fund- Minority Serving Institutions (MSIs)	84.425L	264,937
Total Higher Education Emergency Relief Funds		<u>8,588,347</u>

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2021

GRANTOR	Federal Assistance Listing Number	Expenditures
MAJOR PROGRAMS (Continued)		
U.S. Department of Education (Continued)		
Direct Programs (Continued)		
Passed Through Illinois Community College Board		
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	\$ 346,505
Total Education Relief Funds		<u>8,934,852</u>
Total U.S. Department of Education (Major)		<u>20,701,651</u>
Total Major Programs		<u>20,701,651</u>
NONMAJOR PROGRAMS		
U.S. Department of Education		
ICAPS Strengthen Inst. Pathways	84.031A	73,330
ICAPS Strengthen Inst. Pathways	84.031A	285,147
		<u>358,477</u>
CCAMPIS: Childcare for Pell Eligible Student Parents	84.335A	<u>81,810</u>
Passed Through Illinois Community College Board		
Federal Adult Education	84.002A	532,638
EL/Civics Program	84.002A	<u>80,000</u>
Total Passed Through Illinois Community College Board		<u>612,638</u>
Perkins Post Secondary	84.048	<u>664,370</u>
Total U.S. Department of Education		<u>1,717,295</u>
U.S. Department of Labor		
WIOA Cluster		
Passed Through County of Kane		
WIOA Job Readiness	12.258	7,355
Passed Through Kane County Department of Employment & Education		
LWIB 5 Youth Services - WIA	17.259	361,747
Passed Through Workforce Development Council of Northern Cook County		
LWIB 8 Youth Services - Youth Out of School	17.259	<u>269,916</u>
Total WIOA Cluster		<u>639,018</u>
Total U.S. Department of Labor		<u>639,018</u>
Small Business Administration		
Passed through the Illinois Department of Commerce and Economic Opportunity		
Small Business Development Center	59.037	23,460
Small Business Development Center	59.037	26,890
COVID-19 Small Business Development Center	59.037	<u>1,045</u>
Total Small Business Administration		<u>51,395</u>

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2021

GRANTOR	Federal Assistance Listing Number	Expenditures
NONMAJOR PROGRAMS (Continued)		
U.S. Department of Veterans Affairs		
Post 9/11 GI Bill	64.027	\$ 203,302
Total U.S. Department of Veteran Affairs		<u>203,302</u>
Total Nonmajor Programs		<u>2,611,010</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 23,312,661</u></u>

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

Note A - Significant Accounting Policies

The accompanying schedule of expenditures of federal awards has been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). It is a summary of the activity of the College's federal awards program prepared on the accrual basis of accounting. Accordingly, expenditures are recognized when the liability has been incurred and revenues are recognized when the qualifying expenditure has been incurred.

Note B - Federal Loan Program

For the year ended June 30, 2021, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,646,396.

Note C - Other Information

The College did not receive any federal insurance or federal noncash assistance and did not provide any amounts to subrecipients.

The College did not elect to use the 10% de minimis indirect cost rate.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2021

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

2021-001 Incorrect Direct Loans Disbursement Amount - Student Financial Aid Cluster Assistance Listing Number 84.007, 84.033, 84.063, 84.268, Grant Period - Year Ended June 30, 2021

Criteria: According to 34 CFR 685.203 an eligible independent student in their second year of school can borrow up to \$4,500 in Subsidized Direct Loans and \$6,000 in Unsubsidized Direct Loans.

Condition: During our student file testing we noted one student out of forty was disbursed the incorrect Direct Loan amount. Based on the student's enrollment status and need this student was eligible for \$4,500 in Subsidized Loans and \$750 in Unsubsidized Loans; however, the College awarded the student \$2,250 in Subsidized loans and \$3,000 in Unsubsidized loans which resulted in an under award of \$2,250 in Subsidized Loans and an over award of \$2,250 in Unsubsidized Loans. We consider this error in awarding to be an instance of noncompliance of the Eligibility Compliance Requirement.

Sample					Population from which the Sample was drawn	
Sample Description	Related Compliance Requirement	OPEID	Students Receiving Loans (#)	Loans Disbursed (\$)	Students Receiving Loans (#)	Loans Disbursed (\$)
Eligibility Sample	Eligibility	00167500	19	\$ 88,339	439	\$ 1,646,396

Finding Number	Related Compliance Audit Requirement	Student Identifier	OPEID	Loans Disbursed (\$)	Subsidized Loan Under-payment (\$)	Unsubsidized Loan Over-payment (\$)
2020-001	Eligibility	40	00167500	\$ 5,250	\$ 2,250	\$ 2,250

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

**2021-001 Incorrect Direct Loans Disbursement Amount - Student Financial Aid Cluster
CFDA 84.007, 84.033, 84.063, 84.268, Grant Period - Year Ended June 30, 2021
(Continued)**

Statistical sampling was not used when making sample selections.

Questioned Costs: \$0

Effect: A student was under awarded Subsidized Direct Loans in the amount of \$2,250 and over awarded Unsubsidized Direct loans in the amount of \$2,250.

Cause: The College's internal controls did not identify the fact that the student was under awarded Subsidized Direct Loans in the amount of \$2,250 and over awarded Unsubsidized Direct loans in the amount of \$2,250.

Recommendation: We recommend the College closely monitor all students who receive direct loans and verify that they receive the proper amount of Subsidized and Unsubsidized Direct Loans.

Views of Responsible Officials: Management agrees with this finding and response is included in Corrective Action Plan.

**2021-002 HEERF Reporting - Higher Education Relief Funds Assistance Listing Number
84.425E, 84.425F, 84.425C, Grant Period - Year Ended June 30, 2021**

Criteria: A College receiving funds under Section 18004 of the Act must submit, in a time and manner required by the Department of Education, a report to the Department of Education describing the use of funds distributed from Higher Education Emergency Relief Fund (HEERF) Grants. Further, Colleges that received HEERF I 18004(a)(1) Student Aid Portion award to publicly post the required seven reporting items on their website, as an initial report under Section 18004(e) of CARES Act, no later than thirty days after award, and update that information every forty-five days thereafter. On August 31, 2020, the Department of Education decreased the frequency of reporting after the initial thirty-day period from every forty-five days thereafter to ten days after the end of every calendar quarter. An College must publicly post Quarterly Budget and Expenditure Reporting forms within 10 days of every quarter to satisfy the quarterly Institutional Portion reporting requirements.

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509
ELGIN, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2021

Section III - Federal Award Findings and Questioned Costs (Continued)

2021-002 HEERF Reporting - Higher Education Relief Funds Assistance Listing Number 84.425E, 84.425F, 84.425C, Grant Period - Year Ended June 30, 2021 (Continued)

Condition: The College failed to post public records for the September 30, 2020 and December 31, 2020, quarterly reporting periods in a timely manner. We consider this to be an instance of non-compliance relating to the Reporting Compliance Requirement.

Effect: The result is that the College did not post the required information to their website in a timely fashion.

Cause: The condition was an administrative oversight.

Recommendation: We recommend the College increase controls over reporting.

Views of Responsible Officials: Management agrees with the Single Audit finding and a response is included in the Corrective Action Plan.

Section IV - Prior Year Audit Findings

None

ELGIN COMMUNITY COLLEGE

Corrective Action Plan

For the Year Ended June 30, 2021

**2021-001 Incorrect Direct Loans Disbursement Amount - Student Financial Aid Cluster
CFDA 84.007, 84.033, 84.063, 84.268, Grant Period - Year Ended June 30, 2021**Condition Found

During our student file testing we noted one student out of forty was disbursed the incorrect Direct Loan amount. Based on the student's enrollment status and need this student was eligible for \$4,500 in Subsidized Loans and \$750 in Unsubsidized Loans; however, the College awarded the student \$2,250 in Subsidized loans and \$3,000 in Unsubsidized loans which resulted in an under award of \$2,250 in Subsidized Loans and an over award of \$2,250 in Unsubsidized Loans. We consider this error in awarding to be an instance of noncompliance of the Eligibility Compliance Requirement.

Corrective Action Plan

The Financial Aid Staff (FAS) originally awarded the correct subsidized and unsubsidized loan amounts when the loan was certified for 2020-2021. Because the student dropped fall classes on August 31, 2020, the FAS canceled the student's loan for the fall, 2020 term. On September 1, 2020, the student requested that the FAS cancel her spring, 2021 financial aid as well. On February 10, 2021, the student requested that the FAS reinstate her spring, 2021 financial aid including her subsidized and unsubsidized loan.

The Federal Student Aid Handbook states that if a student's enrollment status changes after the loan has been disbursed then no recalculation is required. However; no loan funds were disbursed in the fall, so a recalculation of subsidized eligibility and unsubsidized eligibility should have been reevaluated for a spring only loan.

After the audit review and subsequent finding, we adjusted her loan amounts for spring, 2021, on July 13, 2021 in Colleague and updated the U.S. Department of Education's Common Origination and Disbursement system.

The FAS were provided documentation from the Federal Student Aid Handbook that addresses when a recalculation of direct loans is required. A discussion was had with all FAS during the weekly staff meeting and questions were addressed. The Financial Aid Policies & Procedures Manual was updated to ensure compliance.

Responsible Person for Corrective Action Plan

Amy S. Perrin

Implementation Date of Corrective Action Plan

June 30, 2021



ELGIN COMMUNITY COLLEGE

Corrective Action Plan

For the Year Ended June 30, 2021

**2021-002 HEERF Reporting - Higher Education Relief Funds Assistance Listing
Number 84.425E, 84.425F, 84.425C, Grant Period - Year Ended June 30, 2021**Condition Found

The College failed to post public records for the September 30, 2020 and December 31, 2020, quarterly reporting periods in a timely manner. We consider this to be an instance of non-compliance relating to the Reporting Compliance Requirement.

Corrective Action Plan

The College received funds from the Higher Education Emergency Relief Fund (HEERF) beginning in May of 2020. All institutions that received HEERF funds must adhere to the reporting requirements set forth by the U.S. Department of Education (ED).

As delayed guidance and information was released by ED regarding the complex quarterly reporting requirements for student funds, institutional funds, and the annual performance reporting requirements, the College failed to post the required institutional funds quarterly report by the published deadline.

It is understood that reports are due quarterly and must be posted on the institution's website no later than 10 days after the calendar quarter: January 10, April 10, July 10 and October 10. The College has created a procedure to aide in the timely reporting of all grant reports, including HEERF, moving forward.

Responsible Person for Corrective Action Plan

Julie Wons, Managing Director of Accounting and Grant Compliance

Implementation Date of Corrective Action Plan

June 30, 2021