

**ILLINOIS EASTERN COMMUNITY COLLEGES
DISTRICT #529**

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2020



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**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2020**

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	4
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	5
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	7



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Illinois Eastern Community Colleges District #529
Olney, Illinois

Report on Compliance for Each Major Federal Program

We have audited Illinois Eastern Community Colleges District #529's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Illinois Eastern Community Colleges District #529's major federal programs for the year ended June 30, 2020. Illinois Eastern Community Colleges District #529's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Illinois Eastern Community Colleges District #529'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). These 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 Illinois Eastern Community Colleges District #529'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 Illinois Eastern Community Colleges District #529's compliance.

Opinion on Each Major Federal Program

In our opinion, Illinois Eastern Community Colleges District #529 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, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major federal program is not modified with respect to this matter.

Illinois Eastern Community Colleges District #529's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Illinois Eastern Community Colleges District #529'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 Illinois Eastern Community Colleges District #529 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 Illinois Eastern Community Colleges District #529'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 Illinois Eastern Community Colleges District #529'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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

Illinois Eastern Community Colleges District #529's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Illinois Eastern Community Colleges District #529's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 aggregate discretely presented component units of Illinois Eastern Community Colleges District #529 as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Illinois Eastern Community Colleges District #529's basic financial statements. We issued our report thereon dated November 10, 2020, which contained unmodified opinions 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 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.



CliftonLarsonAllen LLP

Peoria, Illinois
March 23, 2021

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Education				
Direct Programs:				
Student Financial Assistance Cluster:				
Federal PELL Grant Program	84.063*		\$ -	\$ 4,957,471
Federal Supplementary Education Opportunity Grants	84.007*		-	235,252
Federal Work-Study Program	84.033*		-	343,153
Federal Direct Student Loans	84.268*		-	1,939,150
Total Student Financial Assistance Cluster			-	7,475,026
TRIO Cluster:				
Upward Bound	84.047*		-	880,387
Student Support Services	84.042*		-	326,068
Total TRIO Cluster			-	1,206,455
Higher Education Emergency Relief Fund (HEERF):				
HEERF Student Aid Portion	84.425E*		-	996,242
HEERF Institutional Portion	84.425F*		-	252,798
			-	1,249,040
Title III	84.031		-	604,328
Total U.S. Department of Education Direct Programs			-	10,534,849
Pass-Through Programs From the Illinois Community College Board:				
Perkins-Postsecondary/Adult	84.048	CTE52920	-	253,600
CTE Leadership Improvement Grant	84.048	CTE-LEAD52919	-	48,857
Total ICCB Cluster			-	302,457
Federal Adult Education - Basic	84.002	520019	-	113,306
Total Pass-Through Programs From Illinois Community College Board			-	415,763
Total U.S. Department of Education			-	10,950,612
U.S. Department of Labor				
Pass-Through Program From Illinois Department of Natural Resources				
Annual Refresher Training	17.600	MST20IECC	-	24,327
Pass-Through Program From Illinois Manufacturing Association				
Illinois Advanced Apprenticeship Consortium American Apprenticeship Initiative	17.268		-	7,500
Total U.S. Department of Labor			-	31,827
U.S. Department of Commerce				
EDA: Enhancing the Career and Technical Education Program	11.300		-	250,656
Total U.S. Department of Commerce			-	250,656
U.S. Department of Health and Human Services				
Pass-Through Program From Project Child				
Quality Improvement Grant	93.596		-	5,040
Total U.S. Department of Health and Human Services			-	5,040
TOTAL FEDERAL AWARDS			\$ -	\$ 11,238,135

* Major Program

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Illinois Eastern Community Colleges District #529 (the District) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of operations of the District, it is not intended to and does not present the net position, revenues, expenses, and changes in net position, or cash flows of the District.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principals contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements.

As of and during the year ended June 30, 2020, the District did not receive any noncash federal assistance, federal insurance, or loan guarantees.

NOTE 3 INDIRECT COST RATE

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 ADULT EDUCATION FEDERAL GRANT

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Program Grantor's or Award Number	Amount	Beginning Fund Balance July 1, 2019	Revenues	Expenditures	Ending Fund Balance June 30, 2020
U.S. Department of Education: Pass-Through Illinois Community College Board Adult Education State Grant: Federal Basic	84.002	5290020	\$ 113,306	\$ -	\$ 113,306	\$ 113,306	\$ -

ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2020

NOTE 5 DIRECT LOAN PROGRAMS

During the fiscal year ended June 30, 2020, students and their parents were awarded \$1,939,150 of federally guaranteed loans under the Federal Direct Student Loan Program (programs include Stafford Loans, Parents' Loans for Undergraduate Students, and Unsubsidized Stafford Loans).

The District is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances relating to these loan programs are not included in the District's basic financial statements.

NOTE 6 BACKGROUND INFORMATION ON GRANT ACTIVITY

Restricted Adult Education Grants/Federal CFDA #84.002

Federal Basic. Grant awarded to Adult Education and Family Literacy providers to assist adults in becoming literate and obtain the knowledge and skills necessary for employment and self-sufficiency; to assist adults who are parents in obtaining the educational skills necessary to become full partners in the educational development of their children; and to assist adults in completing a secondary school education.

Career and Technical Education - Basic Grants to State (Perkins)/Federal CFDA #84.048

Grant awarded to community colleges as a result of the Carl D. Perkins Vocational and Technical Education Act of 1998 (Perkins III). This grant is intended to help accomplish the new vision of vocational and technical education for the 21st century. The central goals of this new vision are improving student achievement and preparing students for postsecondary education, further learning, and careers. The grant allows community colleges to focus on those programs and student populations they feel will allow for the greatest improvement in overall performance while assuring success for all students in career and technical education programs.

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020**

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> </u> yes	<u> X </u> none reported
Noncompliance material to financial statements noted?	<u> </u> yes	<u> X </u> no

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	<u> X </u> yes	<u> </u> none reported

Type of auditors' report issued on compliance for major programs? Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) X yes no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.063, 84.007, 84.033, 84.268	Student Financial Assistance Cluster
84.047, 84.042	TRIO Cluster
84.425E, 84.425F	Higher Education Emergency Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? yes X no

**ILLINOIS EASTERN COMMUNITY COLLEGES DISTRICT #529
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2020**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

2020-001

Federal agency: U.S. Department of Education

Federal program title: Student Financial Assistance Program

CFDA Number: Pell (84.063)

Pass-Through Agency: N/A

Pass-Through Number(s): N/A

Award Period: July 1, 2019 – June 30, 2020

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

Criteria or specific requirement: The Code of Federal Regulations, 34 CFR 690.62 states the Pell grant for an academic year is based upon the payment and disbursement schedule published by the Secretary for each award year. The payment schedules take into account the cost of attendance, the student's EFC and the enrollment status of the student.

Condition: One of forty students tested was under-awarded Pell funding.

Questioned costs: None.

Context: An incorrect computation of the student's eligibility resulted in an under-award.

Cause: The District incorrectly identified a course as repeated and not eligible for Pell in error. The course was not originally funded with Federal funds.

Effect: The student was under-awarded Pell funds.

Repeat Finding: No

Recommendation: We recommend that a review is implemented which compares enrolled credits to the Pell award to ensure all Pell funds are awarded at proper amounts.

Views of responsible officials: Student was made whole prior to end of Fall 2020 term when under award was discovered. The District has developed a reconciliation report to check standard and repeat hours to ensure proper award of aid.