

**STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
COMPLIANCE EXAMINATION**

For the Two Years Ended June 30, 2016

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ILLINOIS COMMUNITY COLLEGE BOARD
COMPLIANCE EXAMINATION
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BOARD OFFICIALS

Executive Director	Dr. Karen Hunter Anderson
Chief of Staff	Ellen Andres
Legislative and External Affairs Liaison	Matt Berry
Deputy Director for Academic Affairs	Brian Durham
Senior Director for Education Technology	Todd Jorns
Senior Director for Research and Policy Studies	Nathan Wilson
Deputy Director for Student Services and Technology	Jeff Newell
Deputy Director for Adult Education and Workforce	Jennifer Foster

The Board's offices are located at:

401 East Capitol Avenue
Springfield, Illinois 62701

James R. Thompson Center
100 West Randolph Street, Suite 2-010
Chicago, Illinois 60601

Trenton Education Center
520 East Broadway
Trenton, Illinois 62293

Adult Educational Regional Office - Southern Region
Southern Illinois Collegiate Common Market
3213 South Park Avenue
Herrin, Illinois 62948

Lazaro Lopez, Ed.D.
Chairman



Karen Hunter Anderson, Ph.D.
Executive Director

MANAGEMENT ASSERTION LETTER

April 28, 2017

Honorable Frank J. Mautino
Auditor General
State of Illinois
740 East Ash Street
Springfield, Illinois 62703

Auditor General Mautino:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois, Illinois Community College Board. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the State of Illinois, Illinois Community College Board's compliance with the following assertions during the two-year period ended June 30, 2016. Based on this evaluation, we assert that during the years ended June 30, 2016, and June 30, 2015, the State of Illinois, Illinois Community College Board has materially complied with the assertions below.

- A. The State of Illinois, Illinois Community College Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Illinois Community College Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The State of Illinois, Illinois Community College Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Illinois Community College Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

ILLINOIS COMMUNITY COLLEGE BOARD

401 East Capitol Avenue • Springfield, Illinois 62701 • (217) 785-0123 • www.iccb.org

Yours truly,

State of Illinois, Illinois Community College Board

SIGNED ORIGINAL ON FILE

Karen Hunter Anderson, Ph.D., Executive Director

SIGNED ORIGINAL ON FILE

Ellen Andres, Chief of Staff

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
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COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a qualified opinion on compliance and identifies material weaknesses in internal control over compliance.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	9	7
Repeated findings	5	5
Prior recommendations implemented or not repeated	2	5

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2016-001	10	Property Control Weaknesses	Material Weakness and Material Noncompliance
2016-002	15	Weaknesses in State CTE Grant Distributions	Material Weakness and Material Noncompliance
2016-003	17	Noncompliance with Highway Construction Careers Training Program Grant Agreements	Material Weakness and Material Noncompliance

2016-004	20	Noncompliance with the State Prompt Payment Act	Material Weakness and Material Noncompliance
2016-005	22	Inadequate Controls over Receipts and Refunds	Significant Deficiency and Noncompliance
2016-006	25	Failure to Enforce Reporting Requirements	Significant Deficiency and Noncompliance
2016-007	27	Inadequate Controls over Initiating and Monitoring Grants	Significant Deficiency and Noncompliance
2016-008	29	Inadequate Controls over GAAP Reporting	Significant Deficiency and Noncompliance
2016-009	32	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	36	Noncompliance with the P-20 Longitudinal Education Data System Act
B	36	Inadequate Controls over Agency Workforce Reports

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with Board personnel at an exit conference on April 27, 2017.

Attending were:

Illinois Community College Board

Dr. Karen Hunter Anderson, Executive Director
 Ellen Andres, Chief of Staff
 Sarah Robinson, Director of Finance and Operations

Office of the Auditor General

Janis Van Durme, Audit Manager
 Megan Green, Audit Supervisor
 Heath Woodcock, Auditor
 Christian Cortes, Auditor

The responses to the recommendations were provided by Sarah Robinson in correspondence dated April 28, 2017.

SPRINGFIELD OFFICE:

ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046
FAX: 217/785-8222 • TTY: 888/261-2887
FRAUD HOTLINE: 1-855-217-1895



CHICAGO OFFICE:

MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006
FRAUD HOTLINE: 1-855-217-1895

OFFICE OF THE AUDITOR GENERAL
FRANK J. MAUTINO

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable Frank J. Mautino
Auditor General
State of Illinois

Compliance

We have examined the State of Illinois, Illinois Community College Board's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the two years ended June 30, 2016. The management of the State of Illinois, Illinois Community College Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Illinois Community College Board's compliance based on our examination.

- A. The State of Illinois, Illinois Community College Board has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The State of Illinois, Illinois Community College Board has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The State of Illinois, Illinois Community College Board has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the State of Illinois, Illinois Community College Board are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the State of Illinois, Illinois Community College Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Illinois Community College Board's compliance with specified requirements.

As described in items 2016-001 and 2016-004 in the accompanying schedule of findings, the State of Illinois, Illinois Community College Board did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations. Further, as described in items 2016-002 and 2016-003 in the accompanying schedule of findings, the State of Illinois, Illinois Community College Board did not comply with requirements regarding obligating, expending, receiving, and using public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use. Compliance with such requirements is necessary, in our opinion, for the State of Illinois, Illinois Community College Board to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, the State of Illinois, Illinois Community College Board complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2016. However, the results of our procedures disclosed other instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as items 2016-005 through 2016-009.

Internal Control

Management of the State of Illinois, Illinois Community College Board is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the State of Illinois, Illinois Community College Board's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the State of Illinois, Illinois Community College Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of Illinois, Illinois Community College Board's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2016-001 through 2016-004 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2016-005 through 2016-009 to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter.

The State of Illinois, Illinois Community College Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois, Illinois Community College Board's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

Our examination was conducted for the purpose of forming an opinion on compliance with the requirements listed in the first paragraph of this report. The accompanying supplementary information for the years ended June 30, 2016, and June 30, 2015, in Schedules 1 through 10 and the Analysis of Operations Section is presented for purposes of additional analysis. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 10. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2014, accompanying supplementary information in Schedules 3 through 7, Schedule 9, Schedule 10, and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, and the State of Illinois, Illinois Community College Board's membership and management, and is not intended to be and should not be used by anyone other than these specified parties.

SIGNED ORIGINAL ON FILE

JANE S. CLARK, CPA
Assistant Director of Financial and Compliance Audits

Springfield, Illinois
April 28, 2017

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2016

2016-001. **FINDING** (Property Control Weaknesses)

The Illinois Community College Board (Board) failed to exercise adequate control over its State property and equipment.

The auditors noted several deficiencies and weaknesses within the Board's property control processes, as noted below:

Segregation of Duties

During testing, the auditors identified one employee had the authority to perform the following parts of the equipment transaction cycle:

- **Custody** by maintaining the equipment records;
- **Recordkeeping** by updating and maintaining equipment records and preparing the Board's quarterly Agency Report of State Property (Form C-15) reports; and,
- **Reconciliation** by performing annual physical inventory to ensure the validity of the Board's equipment records.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation and funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Property Reporting

- The Board did not maintain supporting documentation for additions and deletions reported on any of its seven quarterly Form C-15 reports filed with the Office of the State Comptroller on or before March 31, 2016. Further, this condition precluded the Board submitting a permanent record of its property to the Department of Central Management Services (CMS).

The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires the Board to maintain current property records, including cost, acquisition date, date placed in service, a short description of asset, location, and tag number. Further, the State Property Control Act (30 ILCS 605/6.02) requires the Board to annually submit its permanent listing of property to CMS.

- The Board improperly reported transfers of surplus property to CMS in the fourth quarter of Fiscal Year 2016, totaling \$217,085, as deletions.

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SAMS (Procedure 29.20.10) states transfers reflect items that have been moved between agencies, while deletions do not include items transferred-out.

- The auditors were unable to reconcile the Board's equipment expenditures reported on the State Comptroller's Object Expense/Expenditures by Quarter Report (SA02) to the equipment reported on both the Board's quarterly Form C-15s and property listing.

SAMS (Procedure 07.30.20) notes "the effectiveness of any accounting and financial information system is very much dependent on the accuracy of data submitted and the confidence of its users that the system handled that data properly. Agency reconciliation is the primary control that insures these requirements are being satisfied." Good internal controls over property reporting include ensuring the Board's additions reported on its Form C-15s and property listing reconcile with expenditures reported on the SA02 report.

- The Board did not maintain supporting documentation for when equipment items were added to its property listing.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Board to adjust its property records within 30 days of acquiring equipment items. In order to show compliance, the Board must establish and maintain a system of internal fiscal and administrative controls documenting the receipt date of items and when those items are recorded on the property listing.

- The Board did not retain its property listing as of June 30, 2016. As a result, the auditors could not test the Board's property at year-end.

The State Records Act (Act) (5 ILCS 160/9) requires the Board to establish and maintain an active, continuing program for the economical and efficient management of its records, including providing for effective controls over the creation, maintenance, and use of records.

Property Testing

During testing of 101 equipment items, the following problems were noted:

- One (1%) item was not included in the Board's property listing.
- 43 (43%) items, totaling \$78,589, were located in a different geographical location than reported on the Board's property listing.

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For the Two Years Ended June 30, 2016

- Four (4%) items, totaling \$804, did not have a location listed on the Board's property listing.
- One (1%) item, totaling \$201, had a physical description that did not match the Board's property records.

SAMS (Procedure 29.10.10) requires the Board to maintain current property records, including cost, acquisition date, date placed in service, a short description of asset, location, and tag number. In addition, the Code (44 Ill. Admin. Code 5010.230) requires the Board to correctly enter each item's identification number, location code number, description, date of purchase, purchase price, object code, and voucher number on its property listing.

- Four (4%) items, totaling \$1,024, were identified as obsolete.

The Code (44 Ill. Admin. Code 5010.600) defines transferable equipment as State-owned equipment which is no longer needed and/or is not useful to the Board. Further, the Code (44 Ill. Admin. Code 5010.620) requires the Board to regularly survey its inventory to identify transferable equipment and report it to the Property Control Division at CMS.

In addition, SAMS (Procedure 03.60.20) states inventory items that are obsolete, damaged, or no longer useable should be identified, and if necessary removed, from the Board's inventory records.

- Three (3%) items, totaling \$3,423, could not be located.

The State Property Control Act (30 ILCS 605/4) requires the Board to be accountable for the supervision, control, and inventory of its property. Further, the State Property Control Act (30 ILCS 605/6.02) requires the Board to maintain a permanent record of all items of property under its jurisdiction and control.

- One (1%) item, totaling \$998, was not listed on the Board's annual certification of inventory submitted to CMS.

The Code (44 Ill. Admin. Code 5010.460) requires the Board to take an annual physical inventory of State equipment in its possession and provide the Property Control Division at CMS a listing of all equipment items valued in excess of \$500.

- One (1%) item, totaling \$1,262, had a property tag that did not trace to the property tag number on the Board's property listing;

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- One (1%) item, totaling \$94, did not have a property tag.

The Code (44 Ill. Admin. Code 5010.210(a)) requires the Board to mark each piece of State-owned equipment in its possession to indicate it is State property. Further, when equipment consists of several pieces which are likely to be used separately, the Code (44 Ill. Admin. Code 5010.210(c)(3)) notes each piece should be marked in such a manner that the identification number is not easily removed.

Expenditure Control

During testing of nine equipment and electronic data processing vouchers, the auditors noted the following:

- Three of nine (33%) vouchers tested, totaling \$14,203, were for modular office equipment that was not added to the Board's property records or included in the Board's annual certification of inventory submitted to CMS.
- One of nine (11%) vouchers tested, totaling \$5,900, contained \$5,450 in computer equipment items that were not assigned a tag number.
- One of nine (11%) vouchers tested, totaling \$1,120, contained \$1,120 in computer equipment items were not added to the Board's property listing or assigned a tag number.

SAMS (Procedure 29.10.10) requires the Board to maintain current property records, including cost, acquisition date, date placed in service, a short description of asset, location, and tag number. Further, the State Property Control Act (30 ILCS 605/6.02) requires the Board to annually submit its permanent listing of property to CMS.

Additionally, the Code (44 Ill. Admin. Code 5010.210(a)) requires the Board to mark each piece of State-owned equipment in its possession to indicate it is State property. Further, when equipment consists of several pieces which are likely to be used separately, the Code (44 Ill. Admin. Code 5010.210(c)(3)) notes each piece should be marked in such a manner that the identification number is not easily removed.

- One of nine (11%) vouchers tested, totaling \$7,102, was for an advance payment of equipment and the required advance payment certifications were not included on the face of the voucher.

The State Finance Act (30 ILCS 105/9.05) requires vouchers submitted for an

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For the Two Years Ended June 30, 2016

advance payment to the vendor by the State Comptroller must state the goods or services were procured pursuant to a formal, written contract where the terms of the agreement require advance payment or state it was not possible to enter into a formal written contract.

Board officials stated the errors above were caused by staff turnover.

Failure to limit the ability of one person to have the authority to perform all functions of a transaction increases the likelihood a loss from errors or irregularities could occur and would not be found in the normal course of employees carrying out their assigned duties. In addition, inaccurate property records and reports reduces the reliability of Statewide asset information. (Finding Code No. 2016-001, 2014-001, 12-1, 10-1, 08-2)

RECOMMENDATION

We recommend the Board take action to strengthen its controls over the recording and reporting of its State property and equipment to provide assurance the Board is in compliance with applicable State laws and regulations. Further, the Board should review its personnel involved with its property control process to ensure no single person has incompatible duties, including authorization, custody, recordkeeping, and reconciliation.

BOARD RESPONSE

The Board concurs with the finding. The Board is in the process of a full update/overhaul of the inventory system, procedures, and data. We will assign staff accordingly and make it a priority to submit reports timely.

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2016-002. **FINDING** (Weaknesses in State CTE Grant Distributions)

The Illinois Community College Board (Board) did not maintain adequate controls over the State's Career and Technical Education (CTE) Formula Grant distributions to community college districts.

The CTE Formula Grant is based on occupational credit hours. As the CTE Formula Grant is a State grant and there is not a required grant allocation formula required by statute, the Board has discretion for how it distributes the funds. During Fiscal Year 2015, the allocation methodology used by the Board was equal to the higher of the most recent year's credit hours or the past three year's average credit hours.

The auditors requested and obtained support from the Board for the Board's allocation of distributions for a sample of nine CTE Formula Grants, totaling \$2,921,887. After reviewing and recalculating the Board's support for the allocation methodology stated above, the auditors noted that the Board appeared to have overpaid \$49,980 to eight (89%) of the community college districts' CTE Formula Grants tested. When the auditors inquired of the Board as to what caused the overpayment, Board management stated the allocations were based off alternative data which the Board did not retain. Since the Board did not retain the original support used to calculate the distributions, the auditors could not determine if the CTE Formula Grant funds were ultimately allocated and distributed properly.

The Board distributed a total of \$14,035,492 to community college districts during Fiscal Year 2015. The Board did not distribute any State CTE Formula Grants during Fiscal Year 2016 as a result of the Statewide budget impasse.

The State Records Act (5 ILCS 160/9) requires the Board's Executive Director to establish and maintain an active, continuing program for the economical and efficient management of the records of the Board, including providing for effective controls over the creation, maintenance, and use of records.

Additionally, the Fiscal Internal Control and Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are used efficiently, effectively, and in compliance with applicable law.

Board officials stated this was the result of using different versions of the reports used to calculate the formula that the Board did not retain.

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Due to the failure to maintain and provide complete and adequate documentation supporting the Board's allocated distribution of State CTE Formula Grant funds, the Board was unable to demonstrate compliance with its own allocation methodology. Further, by not maintaining accurate supporting documentation, the auditors were unable to verify community colleges received complete and accurate CTE Formula Grant distributions. (Finding Code No. 2016-002)

RECOMMENDATION

We recommend the Board implement controls to ensure complete and accurate documentation is maintained to support its distribution of State CTE Formula Grant funds. Additionally, if any overpayments were made, we recommend the Board recoup overpayments to community colleges.

BOARD RESPONSE

The Board concurs with the finding.

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For the Two Years Ended June 30, 2016

- 2016-003. **FINDING** (Noncompliance with Highway Construction Careers Training Program Grant Agreements)

The Illinois Community College Board (Board) did not comply with the terms and conditions of its Highway Construction Careers Training Program (HCCTP) grant agreements.

In collaboration with the Federal Highway Administration, in an intergovernmental agreement between the Board and the Department of Transportation (IDOT), the HCCTP was initiated in an effort to increase access to highway construction jobs for minorities, women, and disadvantaged individuals. The HCCTP emphasizes life-long learning and provides opportunities for further education and assistance to improve employability in the State's highway construction industry. The program is administered by the Board and is implemented through twelve selected community colleges throughout the state. Each community college holds one to five training sessions per year in which individuals receive intensive training in highway construction-related skills, such as mathematics for the trades, job site readiness, carpentry, concrete flatwork, blueprint reading orientation, introduction to tools, forklift operation, and OSHA 10 or 30 certification. Each community college provides its graduates with assistance in obtaining placement in highway construction trade unions, apprenticeship programs, and/or with IDOT highway construction contractors. Funds for the HCCTP grant are allocated to colleges, selected by IDOT, that want to offer the program. The program is operated as outlined in the Intergovernmental Agreement Amendment between IDOT and the Board. These grants are distributed to the colleges on an expenditure reimbursement basis.

During Fiscal Year 2015, the Board distributed \$5,356,202 in HCCTP grants to the selected community colleges. During Fiscal Year 2016, the Board distributed \$5,347,900 in HCCTP grants to the selected community colleges.

During testing of the HCCTP grant agreements, the auditors noted the following:

- For 4 of 6 (67%) agreements tested, the grantees did not submit written quarterly progress reports to the Board by the 15th day of the month following the end of the quarter. The auditors noted the reports were either submitted between 44 to 175 days late or not submitted at all.

According to HCCTP grant agreements (*Attachment A – Scope of Work for FY15*), grantees are required to submit written quarterly progress reports to the Board by the 15th day of the month following the end of the quarter. This is a narrative

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report that details the implementation of planned activities and success in reaching the goals and timetables for items specified in the scope of work.

- For six of six (100%) agreements tested, the grantees did not provide to the Board nor did the Board enforce the submission of certain required documentation as outlined in the HCCTP grant agreements (*Attachment A – Scope of Work*). Specifically, the grantees did not provide:
 - copies of press releases, publications, or promotional materials;
 - copies of curriculum used for the training program;
 - copies of other detailed information of all field training activities;
 - support that the Board’s Program Coordinator was on each of the grantees’ HCCTP Advisory Committee; and,
 - student attendance records to support stipends earned.
- For two of six (33%) agreements tested, the Board reimbursed the grantees for expenses that were not eligible for reimbursement. The total overpayment of \$226 consisted of \$215 in overpaid stipends to students and \$11 in nonreimbursable taxes and gratuity costs. According to the HCCTP grant agreements (*Attachment A – Scope of Work*), stipend reimbursements for training sessions that exceed 450 hours, unless prior approval is received, are not eligible for reimbursement through the grant. Additionally, tax and gratuity costs on any purchase are not eligible for reimbursement.
- For one of six (17%) agreements tested, the grantee did not submit its final request for payment by July 20, 2016, as required by the grant agreement. The final request for payment was submitted six days late. According to the HCCTP grant agreements (*Terms and Conditions*), the final request for payment must have been submitted no later than July 20, 2016.
- For three of three (100%) agreements tested, the grantees did not redact sensitive information from reimbursement documentation submitted to the Board. The auditors noted several instances of unredacted sensitive information, including employee identification numbers, patient identification numbers, date of births, addresses, phone numbers, taxpayer identification numbers, and social security numbers.

STATE OF ILLINOIS
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SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2016

According to the HCCTP grant agreements (*Attachment A – Scope of Work*), grantees shall redact social security numbers, birth dates, addresses, and other sensitive candidate or trainee and personnel or contractual instructor information from all reimbursement documentation before submission.

Additionally, the State Records Act (5 ILCS 160/9) requires the Board to establish and maintain an active, continuing program for the economical and efficient management of the records of the Board. Such program shall provide for effective controls over the creation, maintenance, and use of records.

Board officials stated the errors were caused by oversight.

Failure to adequately monitor the terms and conditions of the HCCTP grant agreements could result in improper use and payment of grant funds. In addition, failure to maintain supporting documentation represents noncompliance with the State Records Act. (Finding Code No. 2016-003)

RECOMMENDATION

We recommend the Board ensure all reporting requirements are adhered to by its grantees and limit its reimbursement of grantee expenditures to costs allowable under the terms of the grant agreement.

BOARD RESPONSE

The Board concurs with the finding. The work has been reassigned.

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2016-004. **FINDING** (Noncompliance with the State Prompt Payment Act)

The Illinois Community College Board (Board) failed to comply with the State Prompt Payment Act (Act).

During testing, the auditors noted the Board does not calculate and pay interest due to vendors as required by the Act (30 ILCS 540/3-2), unless it is specifically requested by the vendor. As a result, the auditors were unable to determine how much, if any, interest the Board owed to vendors during the examination period.

The auditors were able to determine the Board had \$2,122,869 in expenditures during Fiscal Year 2015 and \$446,068 in expenditures in Fiscal Year 2016 which would have been subject to interest due under the Act if any of the vouchers were not paid within 90 days after the vendor submitted an eligible, proper bill to the Board.

The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Board. In addition, the Act (30 ILCS 540/3-2) states interest from similar warrants shall be accrued until the amount of interest due exceeds \$50. The Code (74 Ill. Admin. Code 900.90) notes the Board must pay accumulated interest of \$50 or more within a reasonable period of time and amounts accumulated between \$5 and \$50 must be requested by the vendor for payment.

As the Board does not calculate interest due under the Act unless specifically requested by the vendor, the Board does not know if it has accumulated any interest due under the Act.

Board officials stated that due to competing priorities and limited resources, Board officials made the decision to not calculate interest due under the Act unless it is specifically requested by the vendor.

Failure to pay required interest payments to vendors represents noncompliance with the Act. (Finding Code No. 2016-004)

RECOMMENDATION

We recommend the Board calculate and pay interest due to vendors as required by the Act and the Code.

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BOARD RESPONSE

The Board agrees that the Prompt Payment Act was not followed; however, the Board does not agree that the finding is a material finding. Board staff has discussed this Act with auditors during previous audit visits, and the finding was not even made immaterial. Since the auditor on site did not make note of the conversations, it is not recognized. The Board believes that the finding should be immaterial, and moved to material if it is not corrected since it has been the same practice used by the Board for more than twenty five years.

AUDITOR'S COMMENT

The Board agrees it did not comply with State law. Materiality is determined by the auditors based on many different factors and can vary from year to year. It is always the responsibility of Board management to identify applicable laws, rules, and regulations and ensure there are controls in place to comply with the aforementioned laws, rules and regulations.

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2016-005. **FINDING** (Inadequate Controls over Receipts and Refunds)

The Illinois Community College Board (Board) did not maintain adequate internal control over its receipts and refunds received during the examination period.

During testing, the auditors noted the following:

- Four of 56 (7%) receipts tested, totaling \$2,254,048, were not recorded properly on the Board's Fiscal Year 2015 receipt records. Specifically, each receipt amount was either entered incorrectly or the receipt spreadsheet contained calculation errors. This caused the Board's Fiscal Year 2015 receipt records to be overstated by \$333,620.

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfer of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

- During review of the Board's supporting schedules of its Fiscal Year 2015 and Fiscal Year 2016 receipt and refund records, the auditors noted the following:
 - Two receipts, totaling \$423, and three refund receipts, totaling \$93,360, were recorded in the incorrect fund.
 - Several typographical and calculation errors were noted. As a result, the Board's supporting schedules for its Fiscal Year 2015 and Fiscal Year 2016 receipt and refund records were understated by \$388,450 and overstated by \$1,097,572, respectively.

The State Records Act (5 ILCS 160/8) requires the Board to make and preserve records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the Board

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to furnish information to protect the legal and financial rights of the State and of persons directly affected by the Board's activities.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfer of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

- Four of 24 (17%) monthly reconciliations from Board records to the Office of the State Comptroller's Monthly Revenue Status Report (SB04) reports were not performed in a timely manner. The Board performed the reconciliations 1 to 162 days after the last day of the subsequent month for which the reconciliation was to be performed.

The Statewide Accounting Management System (SAMS) (Procedure 25.40.20) requires the Board to perform a monthly reconciliation of receipt account balances maintained by the Board with the receipt records maintained by the Office of the State Comptroller.

Board officials stated the reconciliations were not performed timely due to lack of resources and the rest of the issues were due to human error.

Failure to timely reconcile Board receipt records with those reported by the State Comptroller creates an increased risk of not having accurate financial data and could lead to inaccurate financial reporting. Further, inadequate control over receipts and refunds records increases the risk that a theft or loss could occur which would not be detected in a timely manner. (Finding Code No. 2016-005)

RECOMMENDATION

We recommend the Board implement controls and procedures to ensure receipts and refunds are recorded accurately in Board records and reconciliations are performed in a timely manner.

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BOARD RESPONSE

The Board concurs with the finding. The Board uses only reconciled receipt and refund records for financial reporting. The internal log referenced in this finding is for informational purposes only. Staff will work to ensure accurate entries are made to the Board's internal records and that reconciliations are performed timely.

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2016-006. **FINDING** (Failure to Enforce Reporting Requirements)

The Illinois Community College Board (Board) failed to enforce compliance with its rules and regulations over the timely submission of required informational reports and schedules. Informational reports and schedules are required to be prepared by the community college districts and submitted to the Board to provide data necessary to determine funding and to provide assurance funds are being properly utilized. For example, some information gathered from these informational reports and schedules include spring and fall semester enrollment, square footage and acreage information, faculty and staff salary data, annual financial statements, and notice of publication. These reports are due at various times throughout the year.

During testing, the auditors noted the following:

- 48 of 140 (34%) informational reports due in Fiscal Year 2015 were submitted to the Board between one and 160 days late.
- 40 of 132 (30%) informational reports due in Fiscal Year 2016 were submitted to the Board between one and 203 days late. Five of 132 (4%) reports were not received by the end of our fieldwork.

The Illinois Administrative Code (23 Ill. Admin. Code 1501.201) requires complete and accurate reports to be submitted by the community college districts to the Board in accordance with the Board's requirements and on forms prescribed by the Board.

Board officials stated they are waiting for approval by the Joint Committee on Administrative Rules to eliminate some unnecessary reports and to change the due dates of some reports. The Board continues to remind districts of due dates for required reporting.

The Board uses the informational reports to evaluate the effectiveness of grant programs and allocate funds to districts. Failure to receive the informational reports promptly could delay the Board's completion of its own internal summary reports and calculations of formulas used to allocate funds to districts. (Finding Code No. 2016-006, 2014-002, 12-3, 10-5, 08-7, 06-1, 04-1, 02-3, 00-1, 99-1, 98-1, 96-2)

RECOMMENDATION

We recommend the Board review the adequacy of its policies and procedures regarding the submission of required informational reports and schedules. We further

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recommend the Board continue to work with each community college district to ensure required reports are submitted timely.

BOARD RESPONSE

The Board concurs with the finding.

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2016-007. **FINDING** (Inadequate Controls over Initiating and Monitoring Grants)

The Illinois Community College Board (Board) did not exercise adequate controls over initiating and monitoring grant agreements.

During testing, the auditors noted the following:

- For 21 of 24 (88%) agreements tested, the Board and/or the grantee did not sign the agreement prior to the start of the grant period. We noted grant agreements were signed between 3 and 228 days after the beginning of the period covered by the grant agreement.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are used efficiently, effectively, and in compliance with applicable law. In addition, good business practices require the Board and its grantees to sign grant agreements prior to the beginning of the grant period covered by the agreement.

- For 3 of 20 (15%) agreements tested in excess of \$25,000, quarterly reports describing the progress of the program and the expenditure of the related grant funds were not submitted to the Board.

The Illinois Grant Funds Recovery Act (Act) (30 ILCS 705/4) requires grantees to submit quarterly reports describing the progress of the program or project and the current total expenditures of the grant's funds for grants exceeding \$25,000.

- For 2 of 3 (67%) of Race to the Top grant agreements tested, the grantees did not submit their quarterly programmatic and expenditure reports to the Board in a timely manner. The reports were submitted between 2 and 89 days late.

According to the RTTT grant agreements (*Attachment A - Scope of Work of the RTTT grants*), grantees shall submit quarterly and final programmatic and expenditure reports to the Board. During the examination period, the Board established the due date for submitting the reports as the 15th day of the month following the end of the quarter or year.

Board officials stated the grant agreements were not signed timely in most cases because the grant formula determining amounts going to educational providers cannot be calculated in enough time for the agreements to be drafted prior to July 1. In other circumstances the grantees must follow their policy on signing agreements and cannot turn around a grant agreement in less than ten days. In Fiscal

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Year 2016, the Board did not send out grant agreements prior to receiving a budget. In the prior year, Board officials attributed the items noted to conflicting priorities and a lack of a formalized system for receiving reports.

Failure to timely enter into grant agreements and obtain required reports represents noncompliance with the Act and grant agreements and could result in reporting inaccuracies and State resources being used in an inefficient and ineffective manner. (Finding Code No. 2016-007, 2014-003, 12-4)

RECOMMENDATION

We recommend the Board ensure all reporting requirements are adhered to and ensure grant agreements are approved prior to the effective date of the agreement.

BOARD RESPONSE

The Board concurs with the finding; however due to the timing of receiving final appropriations, calculating grants amounts for the educational providers, and the beginning of the new fiscal year, it is not possible to be in compliance with the Act, without annually stopping education services and causing employees to be laid off temporarily. In Fiscal Year 2016, the Board did not send out grant agreements prior to receiving a budget. Based on language in both P.A. 99-0491 and P.A. 99-0524, all ICCB grant agreements allowed for prior expenditures to be charged to the grant.

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2016-008. **FINDING** (Inadequate Controls over GAAP Reporting)

The Illinois Community College Board (Board) did not prepare and submit accurate accounting reports (Generally Accepted Accounting Principles (GAAP) reporting forms) to the Office of the State Comptroller (Comptroller) for Fiscal Year 2016.

During testing, the auditors noted the following:

- The Board inaccurately reported amounts paid to subrecipients on the Interfund Transfers – Grantee Agency (Form SCO-567) for the Career and Technical Education Fund (Fund 772) as \$0, while the Board’s Grants/Contracts Analysis (Form SCO-563c) for the Board’s Adult Education Fund (Fund 692) reported \$13,757,000 paid to subrecipients for the Career and Technical Education Program (CFDA 84.048). The auditor noted the federal funds for this program are passed through the State Board of Education, and therefore, should not have been reported on the Form SCO-563, but should have been reported on the Form SCO-567.
- The Board did not accurately report expenditure and receipt amounts on the Form SCO-567 for the Board’s Contracts and Grants Fund (Fund 339). We noted expenditure amounts were understated by \$82,000 and receipts were understated by \$41,000 when the auditor compared the Form SCO-567 to the Board’s expenditure and receipt records.
- The Board did not accurately report expenditure amounts, receipt amounts, and the amount provided to subrecipients on the Form SCO-567 for the Career and Technical Education Fund (Fund 772). We noted expenditure amounts were understated by \$26,000, receipts were understated by \$593,000, and the amount provided to subrecipients was understated by \$13,553,262 when the auditor compared the Form SCO-567 to the Board’s expenditure and receipt records.
- The Board did not accurately report the expenditure amount, receipt amount, and the amount provided to subrecipients on the Form SCO-563 for the Board’s Adult Education Fund (Fund 692). We noted the expenditure amount was overstated by \$51,000, the receipts were understated by \$40,000, and the amount provided to subrecipients was understated by \$14,000 when the auditor compared the Form SCO-563 to the Board’s expenditure and receipt records.

The Statewide Accounting Management System (SAMS) (Procedure 27.10.10) requires careful examination of financial data during the preparation of GAAP reporting packages. In addition, the Fiscal Control and Internal Auditing Act (30

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ILCS 10/3001) requires the Board to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance revenues, expenditures, and transfers of assets, resources, or funds are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. Per SAMS Procedure 27.20.67, it is important to complete all applicable fields including the amounts provided to subrecipients, which the Code of Federal Regulations (2 C.F.R. §200.93) defines as a non-federal entity which received a subaward from a pass-through entity to carry out part of a federal program.

Board officials stated these issues were due to conflicting guidance on how to prepare the reports and inadvertent error.

The GAAP reporting forms submitted by the Board are used to compile the State's Comprehensive Annual Financial Report and the Schedule of Expenditures of Federal Awards. Failure to provide accurate information to the Comptroller could result in inaccuracies in the Statewide information presented. (Finding Code No. 2016-008, 2014-004, 12-5)

RECOMMENDATION

We recommend the Board implement procedures to ensure complete and accurate information is reported to the Comptroller on the Board's GAAP accounting reports.

BOARD RESPONSE

The Board concurs with the finding. Due to guidance received from the single audit firm, the Board's fund 772 amount paid to subrecipients was incorrectly reported on the SCO-563 instead of on the SCO-567. The Board then received guidance from the Illinois Office of the Comptroller and, after discussions between the Auditor General's Office and Illinois Office of the Comptroller staff, received updated guidance from the Auditor General's Office. The dollars paid to sub-grantees from fund 772 will be reported on the correct form in future GAAP packages. Additionally, the Board will work to ensure accurate receipts and expenditures are reported for all funds in the GAAP package.

AUDITOR'S COMMENT

Any guidance or recommendations provided by outside parties should not replace the Board's due diligence in ensuring GAAP reporting is properly and accurately performed. Ultimately, Board management takes responsibility for the preparation

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and fair presentation of its GAAP reporting. The Board is the party with the most detailed knowledge of its own grant programs and accounting records.

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2016-009. **FINDING** (Inadequate Controls over Personal Services)

The Illinois Community College Board (Board) did not maintain adequate controls over its personal services function.

During testing, the auditors noted the following weaknesses over accrued leave time:

- Seven of 7 (100%) employees tested did not have their employee absence for vacation, floating holiday, or personal time approved prior to taking their absence. Approvals on the Board's Request for Planned Leave Form were granted 1 to 15 days after the absence.
- One of seven (14%) employees tested had Request for Planned Leave Forms that did not contain the date the form was approved by the employee's supervisor. Therefore, the auditors were unable to determine if the leave time was approved timely.

The Board's Employee Guidebook (Guidebook) states, except in emergency situations, vacation, personal, and floating holiday requests must be approved by the employee's supervisor prior to the employee taking the requested time off. In addition, good internal controls require the Board to ensure attendance and payroll records are adequately documented and reconciled to ensure proper payroll expenditures. No emergency situations were documented in the supporting documents provided by the Board and reviewed by the auditors.

- Six of 7 (86%) employees tested did not turn in their sick time forms and/or did not obtain approval for sick leave taken within a reasonable amount of time after the time was taken. The auditors considered any leave slips turned in after three business days or more and approved after seven or more business days after the employee's return as late. The auditors noted the Board employees turned in sick time forms after their absence two to 31 days late and approvals were granted one to 41 days late.

The Board's Request for Planned Leave Form states the form should be completed upon return from sick leave if the leave occurred unexpectedly. In addition, good internal controls include ensuring attendance and payroll records are adequately documented and approved timely.

- One of seven (14%) employees tested had the use of compensatory time that was not preapproved. Additionally, we noted the Board does not have a policy to dictate the use and approval of compensatory time that has been earned by

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employees.

Good internal controls include establishing policies and procedures for all personnel transactions, including requiring preapproval for situations where preapproval can be obtained.

In addition, the auditors noted the following weaknesses over employee timesheets:

- Five of 7 (71%) employees tested did not have their semi-monthly timesheet timely signed by the employee and/or their supervisor. The auditors considered timesheets signed more than five business days after the end of the reporting period as late. The auditor noted the timesheets were signed one to 43 days late.
- One of seven (14%) employees tested did not have supervisor approval documented on one semi-monthly timesheet.
- One of seven (14%) employees tested had a timesheet that did not have employee signature and/or date. Therefore, the auditor was unable to determine if the timesheet was submitted within five business days after the reporting period.

The Board's Guidebook requires that staff time reports be signed by both employee and supervisor and submitted each pay period.

- One of seven (14%) employees tested had a timesheet date of approved sick time that did not agree to the employee's sick leave slip submitted.

Good internal controls require agencies to ensure attendance and payroll records are adequately documented and reconciled to ensure proper payroll expenditures.

Additionally, the auditors noted the following weakness over performance evaluations:

- Seven of 12 (58%) performance evaluations for employees tested were not completed timely by the Board. The employee evaluations were completed 2 to 96 days late. In addition, 3 of 12 (25%) employees in our sample did not receive either a probationary evaluation or an annual evaluation during the two-year examination period. The auditors considered evaluations performed over 30 days after the end of the evaluation period to be untimely.

The Board's Guidebook requires performance evaluations to be conducted for new personnel after the first six months of employment and yearly, in June, thereafter. In addition, good business practices require employee evaluations to be performed

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For the Two Years Ended June 30, 2016

to communicate to employee's strengths and weaknesses in meeting their job responsibilities.

Additionally, the auditors noted the following payroll deduction weakness:

- One of seven (14%) employees tested did not have a Federal/Illinois W-4 Employee's Withholding Exemption Certificate (Form C-25) in the employee's personnel file.

The Statewide Accounting Management System (SAMS) (Procedure 23.20.05) requires the Board to have on file a properly completed Form C-25 for all active employees.

Finally, the auditors noted the following weakness over posting of required notices:

- The Board's Trenton office did not conspicuously display a notice of State employee protection under the Whistle Blower Protection Article of the State Officials and Employees Ethics Act (Act).

The Whistle Blower Protection Article of the Act (5 ILCS 430/15-40) requires the Board to conspicuously display notices of State employee protection under the Act.

Board officials stated the errors above were caused by competing priorities.

Allowing employees paid leave without providing the required approvals could result in payments to individuals not entitled to the benefit and represents noncompliance with the Board's Guidebook. In addition, failure to properly complete, timely sign and date, and document supervisor approval of employee timesheets represents noncompliance with the Board's Guidebook. Further, performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as foundations for salary adjustments, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. Failure to maintain State and federal withholding support could result in payroll deductions not reflecting current authorizations and represents noncompliance with SAMS. Failure to have policies in place regarding the use of earned compensation time could result in employee abuse of compensation time. Lastly, failure to display notices of protection under the Whistle Blower Protection Article of the Act represents noncompliance with the Act and does not promote the protection available to employees under the Act. (Finding Code No. 2016-009, 2014-005, 12-9, 10-4, 08-5, 06-2)

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RECOMMENDATION

We recommend the Board review and approve leave time and complete and review timesheets in accordance with the Board's Guidebook. Further, we recommend the Board develop a policy dictating the use and approval of compensation time that has been earned by employees. In addition, we recommend the Board perform performance appraisals timely for all employees and maintain a system of record keeping to ensure personnel files contain supporting documentation for all payroll deductions. Lastly, we recommend the Board conspicuously display a notice of State employee protection under the Whistle Blower Protection Article of the Act in the Board's Trenton office.

BOARD RESPONSE

The Board concurs with the finding. The Board has already updated and implemented new procedures regarding timesheets and leave forms. Additionally, the Board will work to ensure timely evaluations are completed.

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PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2016

A. **FINDING** (Noncompliance with the P-20 Longitudinal Education Data System Act)

During the prior examination, the Illinois Community College Board (Board) did not expand the longitudinal education data system to establish a data warehouse by June 30, 2013, as mandated by the P-20 Longitudinal Education Data System Act (Act) (105 ILCS 13/15). (Finding Code No. 2014-006)

During the current examination, the auditor's testing indicated the Board expanded the longitudinal data system and established a data warehouse as mandated by the Act.

B. **FINDING** (Inadequate Controls over Agency Workforce Reports)

During the prior examination, the Board did not publish complete and accurate information on its Fiscal Year 2012 and Fiscal Year 2013 Agency Workforce Reports submitted to the Office to the Governor and the Office of the Secretary of State. (Finding Code No. 2014-007)

During the current examination, the auditors' testing indicated the Board improved its controls over Agency Workforce Reports. The auditors did note smaller, immaterial conditions of noncompliance, which will be reported in the Board's *Report of Immaterial Findings*.

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COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2016

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis:
 - Schedule of Appropriations, Expenditures, and Lapsed Balances - Fiscal Year 2016
 - Schedule of Appropriations, Expenditures, and Lapsed Balances - Fiscal Year 2015
 - Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts and Reconciliation of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Description of State Grant Programs
 - Schedule of Grant Awards

- Analysis of Operations (Not Examined):
 - Board Functions and Planning Program (Not Examined)
 - Budget Impasse Disclosures (Not Examined)
 - Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Not Examined)
 - Interest Costs on Fiscal Year 2016 Invoices (Not Examined)
 - Average Number of Employees (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the accountants have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2016, and June 30, 2015, accompanying supplementary information in Schedules 1 through 10. However, the accountants do not express an opinion on the supplementary information. The accountant's report also states that they have not applied procedures to the Analysis of Operations Section, and accordingly, they do not express an opinion or provide any assurance on it.

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net After Transfers)	Expenditures Through 6/30/16	Lapse Period Expenditures 07/01 - 08/31/16	Total Expenditures	Balances Lapsed
Public Acts 099-0491, 099-0502, and 099-0524 and Court-Ordered Expenditures					
APPROPRIATED FUNDS					
GENERAL REVENUE FUND - 001					
Personal Services	\$	1,094,315	-	\$ 1,094,315	
State Contributions to Social Security		15,198	-	15,198	
Electronic Data Processing		199,438	-	199,438	
Career and Technical Education Activities		222,588	-	222,588	
Costs Associated with Administering GED Tests		44,768	-	44,768	
Illinois Longitudinal Data System		199,758	-	199,758	
Subtotal - Fund 001	\$	<u>1,776,065</u>	-	\$ <u>1,776,065</u>	
EDUCATION ASSISTANCE FUND - 007					
Grant Lump Sum	\$	74,142,300	-	\$ 74,142,300	-
Subtotal - Fund 007	\$	<u>74,142,300</u>	-	\$ <u>74,142,300</u>	-
ICCB INSTRUCTIONAL DEVELOPMENT AND ENHANCEMENT APPLICATIONS REVOLVING FUND - 070					
Costs Associated with Maintaining and Updating Instructional Technology	\$	-	64,795	\$ 64,795	235,205
Subtotal - Fund 070	\$	-	<u>64,795</u>	\$ <u>64,795</u>	<u>235,205</u>
HIGH SCHOOL EQUIVALENCY TESTING FUND - 161					
Costs Associated with Administering GED Tests	\$	-	206,225	\$ 206,225	793,775
Subtotal - Fund 161	\$	-	<u>206,225</u>	\$ <u>206,225</u>	<u>793,775</u>

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SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

	Expenditure Authority (Net After Transfers)	Expenditures Through 6/30/16	Lapse Period Expenditures 07/01 - 08/31/16	Total Expenditures	Balances Lapsed
Public Acts 099-0491, 099-0502, and 099-0524 and Court-Ordered Expenditures					
<u>ICCB CONTRACTS AND GRANTS FUND - 339</u>					
Contracts and Grants	\$ 10,000,000	\$ 139,993	\$ 870,910	\$ 1,010,903	\$ 8,989,097
Subtotal - Fund 339	<u>\$ 10,000,000</u>	<u>\$ 139,993</u>	<u>\$ 870,910</u>	<u>\$ 1,010,903</u>	<u>\$ 8,989,097</u>
<u>ICCB FEDERAL TRUST FUND - 350</u>					
Ordinary and Contingent Expenses	\$ 480,000	-	\$ 130,968	\$ 130,968	\$ 349,032
Subtotal - Fund 350	<u>\$ 480,000</u>	<u>-</u>	<u>\$ 130,968</u>	<u>\$ 130,968</u>	<u>\$ 349,032</u>
<u>ICCB ADULT EDUCATION FUND - 692</u>					
Adult Education and Literacy Activities Administration	\$ 24,500,000	\$ 623,828	-	\$ 623,828	
Adult Education and Literacy Providers	\$ 24,500,000	15,615,637	6,549,088	22,164,725	\$ 2,335,275
Subtotal - Fund 692	<u>\$ 24,500,000</u>	<u>\$ 16,239,465</u>	<u>\$ 6,549,088</u>	<u>\$ 22,788,553</u>	<u>\$ 2,335,275</u>
<u>CAREER AND TECHNICAL EDUCATION FUND - 772</u>					
Career and Technical Education Programs	\$ 18,500,000	\$ 7,476,257	\$ 8,034,656	\$ 15,510,913	\$ 2,989,087
Subtotal - Fund 772	<u>\$ 18,500,000</u>	<u>\$ 7,476,257</u>	<u>\$ 8,034,656</u>	<u>\$ 15,510,913</u>	<u>\$ 2,989,087</u>
TOTAL - ALL APPROPRIATED FUNDS	<u>\$ 128,922,300</u>	<u>\$ 99,774,080</u>	<u>\$ 15,856,642</u>	<u>\$ 115,630,722</u>	<u>\$ 15,691,471</u>

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2016

For the Fourteen Months Ended August 31, 2016

Public Acts 099-0491, 099-0502, and 099-0524 and Court-Ordered Expenditures	Expenditure Authority (Net After Transfers)	Expenditures Through 6/30/16	Lapse Period Expenditures 07/01 - 08/31/16	Total Expenditures	Balances Lapsed
<u>NON-APPROPRIATED FUND</u>					
<u>ICCB FEDERAL TRUST FUND - 350</u>					
Refund	\$ 1,000	-	-	\$ 1,000	
Subtotal - Fund 350	<u>\$ 1,000</u>	<u>-</u>	<u>-</u>	<u>\$ 1,000</u>	
TOTAL - ALL NON-APPROPRIATED FUNDS	<u>\$ 1,000</u>	<u>-</u>	<u>-</u>	<u>\$ 1,000</u>	
GRAND TOTAL - ALL FUNDS	<u>\$ 99,775,080</u>	<u>\$ 15,856,642</u>	<u>\$ 115,631,722</u>		

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and have been reconciled to the Board's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

Note 3: During Fiscal Year 2016, the Board operated without enacted appropriations until Public Act 099-0491, Public Act 099-0502, and Public Act 099-0524 were signed into law on December 7, 2015, April 25, 2016, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Mungler* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Board never received enacted personal services appropriations for Fund 001 and Fund 692, the Board was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal services costs during Fiscal Year 2016. Further, the Board incurred non-payroll obligations within Fund 001, Fund 339, and Fund 692, which the Board was unable to pay until the passage of Public Act 099-0491, Public Act 099-0502, and Public Act 099-0524.

Note 4: Public Act 099-0524 authorized the Board to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 71 includes information from Board management about the number of invoices and the total dollar amount of invoices held by the Board to be submitted against its Fiscal Year 2017 appropriations.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 07/01 - 08/31/15	Total Expenditures	Balances Lapsed
Public Acts 098-0675, 098-0678, and 099-0001					
<u>APPROPRIATED FUNDS</u>					
<u>GENERAL REVENUE FUND - 001</u>					
Personal Services	\$ 1,152,300	\$ 1,148,212	\$ 677	\$ 1,148,889	\$ 3,411
State Contributions to Social Security	16,000	15,922	9	15,931	69
Contractual Services	293,300	226,668	2,850	229,518	63,782
Travel	45,600	36,310	8,558	44,868	732
Commodities	4,900	3,358	764	4,122	778
Printing	5,900	1,750	(233)	1,517	4,383
Equipment	3,900	3,900	-	3,900	-
Electronic Data Processing	389,500	320,638	37,993	358,631	30,869
Telecommunications	23,200	14,177	2,749	16,926	6,274
Operation of Automotive Equipment	3,300	2,158	165	2,323	977
Grants for Educational Purposes on Bridge Programs	6,794,400	6,551,426	200,000	6,751,426	42,974
Small College Grants	537,600	546,983	(9,382)	537,601	(1)
Performance Funding Grants	351,900	-	-	-	351,900
Educational Facility in East St. Louis	1,457,900	1,414,544	43,356	1,457,900	-
Providers for Adult Education and Literacy	16,026,200	16,026,200	(25,791)	16,000,409	25,791
Providers for Performance-Based Awards	10,701,600	10,701,600	(868)	10,700,732	868
Recipients of Public Assistance	5,546,200	5,546,200	(5,418)	5,540,782	5,418
Career and Technical Education Activities	17,569,400	17,536,263	1,190	17,537,453	31,947
City Colleges of Chicago for Educational-Related Expenses	13,762,200	13,762,200	-	13,762,200	-
Scholarships to Graduates of the Lincoln Challenge Program	60,200	37,946	-	37,946	22,254
Costs Associated with Administering GED Tests	958,000	936,930	12,240	949,170	8,830
Illinois Veterans' Reimbursement Grants	1,259,300	1,012,356	214,891	1,227,247	32,053
Transitioning High School Students Grant	391,000	391,000	-	391,000	-
Illinois Longitudinal Data System	488,800	257,714	2,237	259,951	228,849
Licensed Practical Nurse and Registered Nurse Preparation	500,000	500,000	-	500,000	-
Subtotal - Fund 001	<u>\$ 78,342,600</u>	<u>\$ 76,994,455</u>	<u>\$ 485,987</u>	<u>\$ 77,480,442</u>	<u>\$ 862,158</u>

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 07/01 - 08/31/15	Total Expenditures	Balances Lapsed
<u>Public Acts 098-0675, 098-0678, and 099-0001</u>					
<u>EDUCATION ASSISTANCE FUND - 007</u>					
Base Operating Grants	\$ 186,968,300	\$ 186,968,300	\$ -	\$ 186,968,300	\$ -
Equalization Grants	73,870,500	73,870,499	1	73,870,500	-
Subtotal - Fund 007	<u>\$ 260,838,800</u>	<u>\$ 260,838,799</u>	<u>1</u>	<u>\$ 260,838,800</u>	<u>\$ -</u>
<u>ICCB INSTRUCTIONAL DEVELOPMENT AND ENHANCEMENT APPLICATIONS REVOLVING FUND - 070</u>					
Costs Associated with Maintaining and Updating Instructional Technology	\$ 300,000	\$ 134,940	\$ 16,150	\$ 151,090	\$ 148,910
Subtotal - Fund 070	<u>\$ 300,000</u>	<u>\$ 134,940</u>	<u>\$ 16,150</u>	<u>\$ 151,090</u>	<u>\$ 148,910</u>
<u>HIGH SCHOOL EQUIVALENCY TESTING FUND - 161</u>					
Costs Associated with Administering GED Tests	\$ 1,000,000	\$ 223,997	-	\$ 223,997	\$ 776,003
Subtotal - Fund 161	<u>\$ 1,000,000</u>	<u>\$ 223,997</u>	<u>-</u>	<u>\$ 223,997</u>	<u>\$ 776,003</u>
<u>ICCB CONTRACTS AND GRANTS FUND - 0339</u>					
Contracts and Grants	\$ 10,000,000	\$ 3,607,935	\$ 2,714,648	\$ 6,322,583	\$ 3,677,417
Subtotal - Fund 339	<u>\$ 10,000,000</u>	<u>\$ 3,607,935</u>	<u>\$ 2,714,648</u>	<u>\$ 6,322,583</u>	<u>\$ 3,677,417</u>
<u>ICCB FEDERAL TRUST FUND - 350</u>					
Ordinary and Contingent Expenses	\$ 480,000	\$ 121,979	\$ 2,795	\$ 124,774	\$ 355,226
Subtotal - Fund 350	<u>\$ 480,000</u>	<u>\$ 121,979</u>	<u>\$ 2,795</u>	<u>\$ 124,774</u>	<u>\$ 355,226</u>
<u>ICCB ADULT EDUCATION FUND - 692</u>					
Adult Education and Literacy Activities Administration	\$ 1,250,000	\$ 750,848	\$ 39,371	\$ 790,219	\$ 459,781
Adult Education and Literacy Providers	23,250,000	14,667,368	4,294,375	18,961,743	4,288,257
Subtotal - Fund 692	<u>\$ 24,500,000</u>	<u>\$ 15,418,216</u>	<u>\$ 4,333,746</u>	<u>\$ 19,751,962</u>	<u>\$ 4,748,038</u>

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Appropriations for Fiscal Year 2015

For the Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through 6/30/15	Lapse Period Expenditures 07/01 - 08/31/15	Total Expenditures	Balances Lapsed
<u>Public Acts 098-0675, 098-0678, and 099-0001</u>					
<u>CAREER AND TECHNICAL EDUCATION FUND - 772</u>					
Career and Technical Education Programs	\$ 18,500,000	\$ 9,778,941	\$ 6,649,155	\$ 16,428,096	\$ 2,071,904
Subtotal - Fund 772	<u>\$ 18,500,000</u>	<u>\$ 9,778,941</u>	<u>\$ 6,649,155</u>	<u>\$ 16,428,096</u>	<u>\$ 2,071,904</u>
<u>BUILD ILLINOIS BOND FUND - 971</u>					
Remodeling Facilities in Compliance with the Americans with Disabilities Act	\$ 314,597	-	-	-	\$ 314,597
Subtotal - Fund 971	<u>\$ 314,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 314,597</u>
GRAND TOTAL - ALL FUNDS	<u>\$ 394,275,997</u>	<u>\$ 367,119,262</u>	<u>\$ 14,202,482</u>	<u>\$ 381,321,744</u>	<u>\$ 12,954,253</u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of August 31, 2015, and have been reconciled to the Board's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

Note 3: On March 26, 2015, Public Act 099-0001 was signed into law, which reduced the Board's General Revenue Fund appropriation from \$78,986,600 to \$78,342,600.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0491	P.A. 098-0675	P.A. 098-0033
	P.A. 099-0502	P.A. 098-0678	P.A. 098-0035
	P.A. 099-0524	P.A. 099-0001	P.A. 098-0050
	Court-Ordered Expenditures		
APPROPRIATED FUNDS			
General Revenue Fund - 001			
Appropriations (Net After Transfers)		\$ 78,342,600	\$ 77,302,000
Expenditures			
Personal Services	\$ 1,094,315	\$ 1,148,889	\$ 1,060,043
State Contributions to Social Security	15,198	15,931	14,006
Contractual Services	-	229,518	261,247
Travel	-	44,868	35,262
Commodities	-	4,122	1,435
Printing	-	1,517	1,417
Equipment	-	3,900	-
Electronic Data Processing	199,438	358,631	335,620
Telecommunications	-	16,926	18,671
Operation of Automotive Equipment	-	2,323	2,533
Grants for Educational Purposes or Bridge Programs	-	6,751,426	6,174,998
Educational Facility in East St. Louis	-	1,457,900	1,232,420
Small College Grants	-	537,601	550,000
Performance Funding Grants	-	-	360,000
Providers for Adult Education and Literacy	-	16,000,409	16,011,767
Providers for Performance-Based Awards	-	10,700,732	10,701,600
Recipients of Public Assistance	-	5,540,782	5,546,200
Career and Technical Education Activities	222,588	17,537,453	16,752,169
City Colleges of Chicago for Educational-Related Expenses	-	13,762,200	14,079,000
Scholarships to Graduates of the Lincoln Challenge Program	-	37,946	40,954
Costs Associated with Administering GED Tests	44,768	949,170	638,489
Illinois Veterans' Reimbursement Grants	-	1,227,247	750,000
Transitioning High School Student Grants	-	391,000	400,000
Illinois Longitudinal Data System	199,758	259,951	-
Licensed Practical Nurse and Registered Nurse Preparation	-	500,000	500,000
Total Expenditures	\$ 1,776,065	\$ 77,480,442	\$ 75,467,831
Lapsed Balances		\$ 862,158	\$ 1,834,169

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0491	P.A. 098-0675	P.A. 098-0033
	P.A. 099-0502	P.A. 098-0678	P.A. 098-0035
	P.A. 099-0524	P.A. 099-0001	P.A. 098-0050
	Court-Ordered Expenditures		
Education Assistance Fund - 007			
Appropriations (Net After Transfers)	\$ 74,142,300	\$ 260,838,800	\$ 266,842,700
Expenditures			
Grant Lump Sum	\$ 74,142,300	\$ -	\$ -
Base Operating Grants	-	186,968,300	191,271,900
Equalization Grants	-	73,870,500	75,570,800
Total Expenditures	\$ 74,142,300	\$ 260,838,800	\$ 266,842,700
Lapsed Balances	\$ -	\$ -	\$ -
ICCB Instructional Development and Enhancement Applications Revolving Fund - 070			
Appropriations (Net After Transfers)	\$ 300,000	\$ 300,000	\$ 300,000
Expenditures			
Costs Associated with Maintaining and Updating Instructional Technology	\$ 64,795	\$ 151,090	\$ 107,450
Total Expenditures	\$ 64,795	\$ 151,090	\$ 107,450
Lapsed Balances	\$ 235,205	\$ 148,910	\$ 192,550
High School Equivalency Testing Fund - 161			
Appropriations (Net After Transfers)	\$ 1,000,000	\$ 1,000,000	\$ 750,000
Expenditures			
Costs Associated with Administering GED Tests	\$ 206,225	\$ 223,997	\$ 478,656
Total Expenditures	\$ 206,225	\$ 223,997	\$ 478,656
Lapsed Balances	\$ 793,775	\$ 776,003	\$ 271,344
ICCB Contracts and Grants Fund - 339			
Appropriations (Net After Transfers)	\$ 10,000,000	\$ 10,000,000	\$ 5,725,000
Expenditures			
Contracts and Grants	\$ 1,010,903	\$ 6,322,583	\$ 5,400,254
Total Expenditures	\$ 1,010,903	\$ 6,322,583	\$ 5,400,254
Lapsed Balances	\$ 8,989,097	\$ 3,677,417	\$ 324,746

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0491	P.A. 098-0675	P.A. 098-0033
	P.A. 099-0502	P.A. 098-0678	P.A. 098-0035
	P.A. 099-0524	P.A. 099-0001	P.A. 098-0050
	Court-Ordered Expenditures		
ICCB Federal Trust Fund - 350			
Appropriations (Net After Transfers)	\$ 480,000	\$ 480,000	\$ 450,000
Expenditures			
Ordinary and Contingent Expenses	\$ 130,968	\$ 124,774	\$ 190,309
Total Expenditures	\$ 130,968	\$ 124,774	\$ 190,309
Lapsed Balances	\$ 349,032	\$ 355,226	\$ 259,691
ICCB Adult Education Fund - 692			
Appropriations (Net After Transfers)	\$ 24,500,000	\$ 24,500,000	\$ 24,500,000
Expenditures			
Adult Education and Literacy Activities Administration	\$ 623,828	\$ 790,219	\$ 689,063
Adult Education and Literacy Providers	22,164,725	18,961,743	18,384,292
Total Expenditures	\$ 22,788,553	\$ 19,751,962	\$ 19,073,355
Lapsed Balances	\$ 2,335,275	\$ 4,748,038	\$ 5,426,645
Career and Technical Education Fund - 772			
Appropriations (Net After Transfers)	\$ 18,500,000	\$ 18,500,000	\$ 18,500,000
Expenditures			
Career and Technical Education Programs	\$ 15,510,913	\$ 16,428,096	\$ 15,050,430
Total Expenditures	\$ 15,510,913	\$ 16,428,096	\$ 15,050,430
Lapsed Balances	\$ 2,989,087	\$ 2,071,904	\$ 3,449,570
Build Illinois Bond Fund - 971			
Appropriations (Net After Transfers)	\$ -	\$ 314,597	\$ 314,597
Expenditures			
Remodeling Facilities in Compliance with the Americans with Disabilities Act	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -
Reappropriations	\$ -	\$ -	\$ 314,597
Lapsed Balances	\$ -	\$ 314,597	\$ -

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Fiscal Year Ended June 30,

	Fiscal Year		
	2016	2015	2014
	P.A. 099-0491	P.A. 098-0675	P.A. 098-0033
	P.A. 099-0502	P.A. 098-0678	P.A. 098-0035
	P.A. 099-0524	P.A. 099-0001	P.A. 098-0050
	Court-Ordered Expenditures		
<u>TOTAL - APPROPRIATED FUNDS</u>			
Total Appropriations	\$ 128,922,300	\$ 394,275,997	\$ 394,684,297
Total Appropriated Expenditures	\$ 115,630,722	\$ 381,321,744	\$ 382,610,985
Reappropriated Balances	\$ -	\$ -	\$ 314,597
Lapsed Balances	\$ 15,691,471	\$ 13,268,850	\$ 12,073,312
NON-APPROPRIATED FUND			
ICCB Federal Trust Fund - 350			
Expenditures			
Refund	\$ 1,000	\$ -	\$ -
Total Non-Appropriated Expenditures	\$ 1,000	\$ -	\$ -
GRAND TOTAL - ALL FUNDS	115,631,722	381,321,744	382,610,985

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2016, and August 31, 2015, and have been reconciled to the Board's records.

Note 2: Expenditure amounts are vouchers approved for payment by the Board and submitted to the State Comptroller for payment to the vendor.

Note 3: On March 26, 2015, Public Act 09-0001 was signed into law, which reduced the Board's General Revenue Fund appropriation from \$78,986,600 to \$78,342,600.

Note 4: During Fiscal Year 2016, the Board operated without enacted appropriations until Public Act 099-0491, Public Act 099-0502, and Public Act 099-0524 were signed into law on December 7, 2015, April 25, 2016, and June 30, 2016, respectively. During the impasse, the Circuit Court of St. Clair County in *AFSCME Council 31 v. Munger* (15 CH 475) ordered the State Comptroller, in the absence of enacted annual appropriations, to "draw and issue warrants accomplishing payment of wages [for all State employees] at their normal rates of pay." As the Board never received enacted personal services appropriations for Fund 001 and Fund 692, the Board was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal services costs during Fiscal Year 2016. Further, the Board incurred non-payroll obligations within Fund 001, Fund 339, and Fund 692, which the Board was unable to pay until the passage of Public Act 099-0491, Public Act 099-0502, and Public Act 099-0524.

Note 5: Public Act 099-0524 authorized the Board to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 71 includes information from Board management about the number of invoices and the total dollar amount of invoices held by the Board to be submitted against its Fiscal Year 2017 appropriations.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2016

	<u>Equipment</u>
Balance at July 1, 2014	\$1,545,412
Additions	16,201
Deletions	(222,132)
Net Transfers	<u>-</u>
Balance at June 30, 2015	<u>\$1,339,481</u>
Balance at July 1, 2015	\$1,339,481
Additions	-
Deletions	(438,459)
Net Transfers	<u>-</u>
Balance at June 30, 2016	<u>\$ 901,022</u>

Note: The above schedule has been derived from the Agency Report of State Property (Form C-15) reports submitted by the Board to the Office of the State Comptroller. This schedule could not be reconciled to the Board's property records (see Finding 2016-001).

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30,

	2016	2015	2014
General Revenue Fund - 001			
Miscellaneous	\$ 391,662	\$ -	\$ -
Prior Year Refunds	89,411	43,626	242,595
Total cash receipts per Board Records	<u>481,073</u>	<u>43,626</u>	<u>242,595</u>
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	15
Total cash receipts per State Comptroller's Records	<u>\$ 481,073</u>	<u>\$ 43,626</u>	<u>\$ 242,610</u>
Education Assistance Fund - 007			
Prior Year Refunds	\$ -	\$ 59,836	\$ -
Total cash receipts per Board Records	-	59,836	-
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ -</u>	<u>\$ 59,836</u>	<u>\$ -</u>
ICCB Instructional Development and Enhancement Applications Revolving Fund - 070			
Grant Allocations from Other States	\$ 78,370	\$ 139,190	\$ 108,100
Total cash receipts per Board Records	78,370	139,190	108,100
Less: In transit at End of Year	-	-	1,000
Plus: In transit at Beginning of Year	-	1,000	250
Total cash receipts per State Comptroller's Records	<u>\$ 78,370</u>	<u>\$ 140,190</u>	<u>\$ 107,350</u>
High School Equivalency Testing Fund - 161			
Grant Allocations from the State Board of Education	\$ 50,707	\$ 36,320	\$ 276,318
Sangamon County	-	109,053	-
Prior Year Refunds	34,307	-	-
Total cash receipts per Board Records	<u>85,014</u>	<u>145,373</u>	<u>276,318</u>
Less: In transit at End of Year	-	1,483	-
Plus: In transit at Beginning of Year	1,483	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 86,497</u>	<u>\$ 143,890</u>	<u>\$ 276,318</u>

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30,

	2016	2015	2014
ICCB Contracts and Grants Fund - 339			
Grant Allocations from the Department of Transportation	\$ 1,739,812	\$ 4,699,949	\$ 2,874,337
Grant Allocations from the Department of Commerce and Economic Opportunity	-	201,440	148,917
Grant Allocations from Other Organizations or Individuals	1,031,652	1,374,064	1,455,661
Prior Year Refunds	8,418	66,409	-
Total cash receipts per Board Records	<u>2,779,882</u>	<u>6,341,862</u>	<u>4,478,915</u>
Less: In transit at End of Year	-	59,338	6,592
Plus: In transit at Beginning of Year	59,338	6,592	10,034
Total cash receipts per State Comptroller's Records	<u><u>\$ 2,839,220</u></u>	<u><u>\$ 6,289,116</u></u>	<u><u>\$ 4,482,357</u></u>
ICCB Federal Trust Fund - 350			
Indirect Cost Reimbursements	\$ 255,146	\$ 187,358	\$ 235,915
Total cash receipts per Board	<u>255,146</u>	<u>187,358</u>	<u>235,915</u>
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u><u>\$ 255,146</u></u>	<u><u>\$ 187,358</u></u>	<u><u>\$ 235,915</u></u>
ICCB Adult Education Fund - 692			
Grant Allocations from the U.S. Department of Education	\$ 20,228,206	\$ 19,271,916	\$ 19,039,392
Prior Year Refunds	<u>152,703</u>	<u>62,601</u>	<u>21,537</u>
Total cash receipts per Board	<u>20,380,909</u>	<u>19,334,517</u>	<u>19,060,929</u>
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u><u>\$ 20,380,909</u></u>	<u><u>\$ 19,334,517</u></u>	<u><u>\$ 19,060,929</u></u>
Career and Technical Education Fund (CTE) - 772			
Transfers from the State Board of Education	\$ 13,965,727	\$ 15,017,890	\$ 16,410,518
Prior Year Refunds	<u>69,133</u>	<u>168,490</u>	<u>90,670</u>
Total cash receipts per Board Records	<u>14,034,860</u>	<u>15,186,380</u>	<u>16,501,188</u>
Less: In transit at End of Year	-	-	-
Plus: In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u><u>\$ 14,034,860</u></u>	<u><u>\$ 15,186,380</u></u>	<u><u>\$ 16,501,188</u></u>

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF
CASH RECEIPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**

For the Fiscal Year Ended June 30,

	<u>2016</u>	<u>2015</u>	<u>2014</u>
GRAND TOTAL - ALL FUNDS			
Total cash receipts per Board Records	\$ 38,095,254	\$ 41,438,142	\$ 40,903,960
Less: In transit at End of Year	-	60,821	7,592
Plus: In transit at Beginning of Year	60,821	7,592	10,299
Total cash receipts per State Comptroller's Records - All Funds	<u>\$ 38,156,075</u>	<u>\$ 41,384,913</u>	<u>\$ 40,906,667</u>

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015

General Revenue Fund (001)

Contractual Services, Travel, Commodities, Printing, Equipment, Telecommunications, Operation of Automotive Equipment, Grants for Educational Purposes or Bridge Programs, Educational Facility in East St. Louis, Small College Grants, Performance Funding Grants, Providers for Adult Education and Literacy, Providers for Performance-Based Awards, Recipients of Public Assistance, City Colleges of Chicago for Educational-Related Expenses, Scholarships to Graduates of the Lincoln Challenge Program, Illinois Veterans' Reimbursement Grants, Licensed Practical Nurse and Registered Nurse Preparation, and Transitioning High School Student Grants

The decrease was due to the budget impasse and no appropriation being issued to the Board in Fiscal Year 2016 for these line items.

Electronic Data Processing, Career and Technical Education Activities, Costs Associated with Administering GED Tests, and Illinois Longitudinal Data System

The decrease was due to the budget impasse. The only expenditure authority the Board had for these appropriation line items during Fiscal Year 2016 was for court-ordered payroll.

Education Assistance Fund (007)

Grant Lump Sum, Base Operating Grants, and Equalization Grants

The difference was due to changes in the format by which the General Assembly provided the Board's annual Education Assistance Fund appropriations in Fiscal Year 2015 and Fiscal Year 2016. In Fiscal Year 2015, the General Assembly broke out the grant expenses into Base Operating Grants and Equalization Grants. In Fiscal Year 2016, the lump sum format allocated all of the grants into one lump sum appropriation line item.

ICCB Instructional Development and Enhancement Applications Revolving Fund (070)

Costs Associated with Maintaining and Updating Instructional Technology

The decrease was due to a decrease in sales of GED Illinois Online licenses. Any funds received for licenses are held in this fund until they are disbursed to the Western Illinois University. In Fiscal Year 2016, fewer licenses were sold. Therefore, this fund had fewer receipts, which decreased the expenditures disbursed to the Western Illinois University. These expenditures are expected to fluctuate.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2016 AND 2015 (CONTINUED)

ICCB Contracts and Grants Fund (339)

Contracts and Grants

The decrease was due to the Board receiving the Fiscal Year 2016 appropriation on June 30, 2016, which was too late in the fiscal year for the Board to implement new contracts and grants. The Board did, however, pay payroll and operational expenditures from this fund, consistent with prior years.

ICCB Adult Education Fund (692)

Adult Education and Literacy Activities Administration

The decrease was due to the budget impasse. The only expenditure authority the Board had for Adult Education and Literacy Activities Administration during Fiscal Year 2016 was for court-ordered payroll.

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014

General Revenue Fund (001)

Performance Funding Grants

The decrease was due to a request from the Governor's Office that no money be expended from the Performance Funding Grants appropriation line item during Fiscal Year 2015.

Costs Associated with Administering GED Tests

The increase was due to an additional grant being provided in Fiscal Year 2015 to subsidize the cost of GED tests in Illinois. This grant was not provided in Fiscal Year 2014.

Illinois Veterans' Reimbursement Grant

The increase was due to an increase in funding for the grant during Fiscal Year 2015. In Fiscal Year 2014, the grant was given to 11 colleges as opposed to 19 colleges in Fiscal Year 2015.

Illinois Longitudinal Data System

The increase was due to the program being appropriated directly to the Board by the State in Fiscal Year 2015. During Fiscal Year 2014, the program was funded through the State Board of Education by a grant accounted for in the ICCB Contracts and Grants Fund.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2015 AND 2014 (CONTINUED)

ICCB Instructional Development and Enhancement Applications Revolving Fund (070)

Costs Associated with Maintaining and Updating Instructional Technology

The increase was due to an increase in sales of GED Illinois Online licenses. Any funds received are held in this fund and then disbursed to the Western Illinois University. In Fiscal Year 2015, more licenses were sold. Therefore, this fund had more receipts, which increased the expenditures disbursed to the Western Illinois University. These expenditures are expected to fluctuate.

High School Equivalency Testing Fund (161)

Costs Associated with Administering GED Tests

The decrease was due to part of the costs being paid from the General Revenue Fund in Fiscal Year 2015. During Fiscal Year 2014, all program costs were paid from the High School Equivalency Testing Fund.

ICCB Federal Trust Fund (350)

Ordinary and Contingent Expenses

The decrease was due to fewer salary expenses as a result of an employee terminating employment with the Board during Fiscal Year 2015.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2016 AND 2015

General Revenue Fund – 001

Miscellaneous

The increase was due to the Board receiving funds a grantee owed for several prior years which were all paid in Fiscal Year 2016.

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2016 refunds increased compared to Fiscal Year 2015 refunds.

Education Assistance Fund – 007

Prior Year Refunds

The decrease was due to an incorrect submission of credit hours by one college in Fiscal Year 2015. The refund of a portion of the base operating grant was only due in Fiscal Year 2015.

ICCB Instructional Development and Enhancement Applications Revolving Fund – 070

Grant Allocations from Other States

The decrease was due to the decrease in the number of licenses sold for the GED program. The number of licenses sold is expected to fluctuate between fiscal years.

High School Equivalency Testing Fund – 161

Sangamon County

The decrease was due to a refund of grant funds received from Sangamon County Regional Office of Education in Fiscal Year 2015. This transaction was not repeated in Fiscal Year 2016.

Prior Year Refunds

Refund amounts vary by year and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2016 refunds decreased compared to Fiscal Year 2015 refunds.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2016 AND 2015 (continued)

ICCB Contracts and Grants Fund – 339

Grant Allocations from the Department of Transportation

The decrease was due to a lack of Fiscal Year 2016 grants due to the budget impasse. All receipts received for this line item during Fiscal Year 2016 were for Fiscal Year 2015 grants that were received during the Fiscal Year 2015 Lapse Period.

Grant Allocations from the Department of Commerce and Economic Opportunity

The decrease was due to the grant with the Department of Commerce and Economic Opportunity ending in Fiscal Year 2015.

Grant Allocations from Other Organizations or Individuals

The decrease was due to fewer expenditures requiring reimbursement from grantees.

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2016 refunds decreased compared to Fiscal Year 2015 refunds.

ICCB Federal Trust Fund – 350

Indirect Cost Reimbursements

The increase was due to an increase in the Board's indirect cost recovery rate.

ICCB Adult Education Fund – 692

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2016 refunds increased compared to Fiscal Year 2015 refunds.

Career and Technical Education Fund – 772

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2016 refunds decreased compared to Fiscal Year 2015 refunds.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2015 AND 2014

General Revenue Fund – 001

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2015 refunds decreased compared to Fiscal Year 2014 refunds.

Education Assistance Fund – 007

Prior Year Refunds

The increase was due to an incorrect submission of credit hours by one college in Fiscal Year 2015. The refund of a portion of the base operating grant was only due in Fiscal Year 2015.

ICCB Instructional Development and Enhancement Applications Revolving Fund – 070

Grant Allocations from Other States

The increase was due to the increase in the number of licenses sold for the GED program. The number of licenses sold is expected to fluctuate between fiscal years.

High School Equivalency Testing Fund – 161

Grant Allocations from the State Board of Education

Prior to this examination period, this fund received GED testing fees and transcript request fees, which varied based on the number of students who the GED test. During Fiscal Year 2014, the responsibilities of administering the GED testing were transferred to a private vendor. As a result, the Board now only receives transcript request fees in this fund. Therefore, the total amount receipts decreased during Fiscal Year 2015 as compared to Fiscal Year 2014.

Sangamon County

The increase was due to a refund of grant funds received from Sangamon County Regional Office of Education in Fiscal Year 2015.

ICCB Contracts and Grants Fund – 339

Grant Allocations from the Department of Transportation

The increase was due to the Board receiving increased grant funding from the Department of Transportation compared to Fiscal Year 2014 funding.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2016

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2015 AND 2014 (continued)

ICCB Contracts and Grants Fund – 339 (continued)

Grant Allocations from the Department of Commerce and Economic Opportunity

The increase was due to the Board receiving an increase in grant funding in Fiscal Year 2015. Receipt variances are largely due to the timing and amount of several different grants.

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2015 refunds increased compared to Fiscal Year 2014 refunds.

ICCB Federal Trust Fund – 350

Indirect Cost Reimbursements

The decrease was due to a fluctuation in refunds based on grantee activity.

ICCB Adult Education Fund – 692

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2015 refunds increased compared to Fiscal Year 2014 refunds.

Career and Technical Education Fund – 772

Prior Year Refunds

Refund amounts vary by year, by college, and number of students served. These refunds are expected to fluctuate between fiscal years, and as a result, Fiscal Year 2015 refunds increased compared to Fiscal Year 2014 refunds.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

FISCAL YEAR 2016

ICCB Instructional Development and Enhancement Applications Revolving Fund (070)

Costs Associated with Maintaining and Updating Instructional Technology

The significant spending during the Lapse Period is primarily due to the Board processing invoices received during Fiscal Year 2016 after the passage of Public Act 099-0524 on June 30, 2016.

High School Equivalency Testing Fund (161)

Costs Associated with Administering GED Tests

The significant spending during the Lapse Period is primarily due to the Board processing invoices received during Fiscal Year 2016 after the passage of Public Act 099-0524 on June 30, 2016.

ICCB Contracts and Grants Fund (339)

Contracts and Grants

The significant spending during the Lapse Period is primarily due to the Board processing invoices received during Fiscal Year 2016 after the passage of Public Act 099-0524 on June 30, 2016.

ICCB Federal Trust Fund (350)

Ordinary and Contingent Expenses

The significant spending during the Lapse Period is primarily due to the Board processing invoices received during Fiscal Year 2016 after the passage of Public Act 099-0524 on June 30, 2016.

ICCB Adult Education Fund (692)

Adult Education and Literacy Providers

The Board received requests for payment from providers for Adult Education and Literacy Programs late in the fiscal year that were not processed until the Lapse Period.

Career and Technical Education Fund (CTE) (772)

Career and Technical Education Programs

The Board received requests for payment from providers for Career and Technical Education Programs late in the fiscal year that were not processed until the Lapse Period.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2016

FISCAL YEAR 2015

ICCB Contracts and Grants Fund (339)

Contracts and Grants

The Board received requests for payment from providers late in the fiscal year that were not processed until the Lapse Period.

ICCB Adult Education Fund (692)

Adult Education and Literacy Providers

The Board received requests for payment from providers for Adult Education and Literacy Programs late in the fiscal year that were not processed until the Lapse Period.

Career and Technical Education Fund (772)

Career and Technical Education Programs

The Board received requests for payment from providers for Career and Technical Education Programs late in the fiscal year that were not processed until the Lapse Period.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
DESCRIPTION OF STATE GRANT PROGRAMS
For the Two Years Ended June 30, 2016

1. Unrestricted Grants to Colleges

Base Operating Grants

These grants are allocated to all of the districts based upon credit hour enrollment in six funding categories: Baccalaureate, Business, Technical, Health, Remedial, and Adult Basic Education (ABE)/Adult Secondary Education (ASE). The hours utilized for the grant amounts to each district are the greater of the:

- Average of the past three fiscal years, which for Fiscal Year 2016 were Fiscal Years 2014, 2013, and 2012; or,
- Actual credit hours from two fiscal years ago, which for Fiscal Year 2016 was Fiscal Year 2014.

The total hours in each funding category are multiplied by the grant rate in each category to arrive at the total credit hour grant for each district. The rate utilized is the past completed fiscal year (Fiscal Year 2014 for the Fiscal Year 2016 grants) net instructional weighted unit cost, less non-Board revenues. If necessary to arrive at the total appropriated grant amount, a rate adjustment amount is added to the grant rate.

Small College Grants

These grants are distributed to the districts with less than 2,500 non-correctional, full-time equivalent (FTE) students. A non-correctional student is a student that is not being educated in a facility operated by the Department of Corrections. An FTE student is one that carries a course load of 15 hours per semester, or 30 hours per year. The districts must submit their annual enrollment data by August 1 of each year. The allocation of the appropriation is made based on the number of districts that qualify divided by the total appropriated grant amount. Districts with less than 2,000 FTE, have less than \$850 million equalized assessed valuation (EAV), and qualify for an equalization grant received an additional amount from the grant, as these districts have fewer discretionary dollars and a greater percentage of their budget allocated to fixed costs than do larger districts.

Equalization Grants

These grants are the State's attempt to reduce the inequality throughout the State of the local property tax revenues available per student. The purpose of the these grants are to distribute grants to districts that have lower than average property tax revenues available to them for funding. The formula is mostly based on the equalized assessed value (EAV) threshold per full-time equivalent (FTE) student and is calculated as follows:

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
DESCRIPTION OF STATE GRANT PROGRAMS
For the Two Years Ended June 30, 2016

- The lesser of the 2013 statewide EAV or two year average of 2012 and 2013 is divided by the Fiscal Year 2014, in-district and chargeback (a student who is enrolled in a college outside of the student's district due to curriculum choices) FTE students. This calculation equals the EAV per FTE.
- The EAV per FTE is then multiplied by the Statewide weighted average actual tax rate. The total is the EAV threshold per FTE.
- Then, the corporate personal property replacement tax revenue (CPPRT) threshold per FTE student is calculated by dividing the lesser of the Fiscal Year 2013 net operating CPPRT revenue or the two year average by the fiscal year in-district and chargeback FTE students.
- The EAV threshold per FTE student is added to the CPPRT threshold per FTE student, and then multiplied by any necessary threshold proration to arrive at the Fiscal Year 2015 equalization threshold.
- The district's local tax revenue per FTE student is subtracted from the equalization threshold, and then multiplied by the district's FTE students. Only amounts greater than zero are utilized for the grant. If the district has an amount greater than zero prior to any proration factor being used and the proration factor causes it to become less than zero, the district will receive the minimum grant, which is \$50,000.

Illinois Veterans' Grants

These grants assist districts in offsetting the mandated tuition and fee waiver for veterans enrolling at community colleges. The Board covers the underfunded claims from the Illinois Student Assistance Commission (ISAC). Each semester the Board received a report from ISAC showing tuition waivers given by each college for veterans.

City Colleges of Chicago Grant

This grant is to offset the financial losses incurred by the City Colleges of Chicago due to the equalization formula.

2. Statewide Initiative and Other Grants

East St. Louis Higher Education Center

These funds are awarded to the Southern Illinois Collegiate Common Market to cover the operating expenses necessary to provide adult education and post-secondary courses to the residents of the now defunct Metropolitan Community College District.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
DESCRIPTION OF STATE GRANT PROGRAMS
For the Two Years Ended June 30, 2016

Lincoln's Challenge Grants

These funds are granted to colleges to provide scholarships to graduates of the Lincoln's Challenge Program to continue their education at one of the State's community colleges. The scholarship is limited to \$1,000 per student per semester for the fall and spring semesters and \$500 for the summer semester. Scholarships are given based on the Illinois Administrative Code (23 Ill. Admin. Code 1501.520).

Rock Valley College High School Transitions Grant

This grant is given to Rock Valley College to fund programs for high school students in transitioning to college.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF GRANT AWARDS
For the Two Years Ended June 30, 2016

Fiscal Year 2016 Total Grants to Colleges

	Base Operating Grants	Small College Grants	Equalization Grants	Illinois Veterans' Grants	Additional Designated Grants	Total
						Unrestricted Grants
Black Hawk	\$ 1,051,469	\$ -	\$ 50,000	\$ -	\$ -	\$ 1,101,469
Chicago	10,653,563	-	-	-	3,717,300	14,370,863
Danville	433,152	-	479,657	-	-	912,809
DuPage	3,501,271	-	-	-	-	3,501,271
Elgin	1,401,245	-	-	-	-	1,401,245
Harper	1,992,338	-	-	-	-	1,992,338
Heartland	697,222	-	-	-	-	697,222
Highland	328,855	-	50,000	-	-	378,855
Illinois Central	1,384,737	-	50,000	-	-	1,434,737
Illinois Eastern	1,206,013	-	3,343,080	-	-	4,549,093
Illinois Valley	561,896	-	50,000	-	-	611,896
Joliet	2,139,220	-	-	-	-	2,139,220
Kankakee	736,762	-	179,151	-	-	915,913
Kaskaskia	868,321	-	2,871,905	-	-	3,740,226
Kishwaukee	595,046	-	513,525	-	-	1,108,571
Lake County	2,180,192	-	-	-	-	2,180,192
Lake Land	1,745,075	-	1,382,884	-	-	3,127,959
Lewis & Clark	883,031	-	50,000	-	-	933,031
Lincoln Land	996,863	-	50,000	-	-	1,046,863
John A. Logan	989,001	-	3,015,467	-	-	4,004,468
McHenry	841,645	-	-	-	-	841,645
Moraine Valley	2,132,951	-	50,000	-	-	2,182,951
Morton	531,292	-	857,969	-	-	1,389,261
Oakton	1,390,786	-	-	-	-	1,390,786
Parkland	1,205,540	-	50,000	-	-	1,255,540
Prairie State	690,195	-	50,000	-	-	740,195
Rend Lake	702,262	-	2,951,345	-	-	3,653,607
Richland	509,550	-	50,000	-	-	559,550
Rock Valley	1,138,100	-	50,000	-	-	1,188,100
Carl Sandburg	357,937	-	50,000	-	-	407,937
Sauk Valley	342,541	-	50,000	-	-	392,541
Shawnee	433,589	-	1,809,317	-	-	2,242,906
South Suburban	688,949	-	50,000	-	-	738,949
Southeastern	323,754	-	1,675,700	-	-	1,999,454
Southwestern	1,614,361	-	50,000	-	-	1,664,361
Spoon River	233,654	-	50,000	-	-	283,654
Triton	1,262,019	-	-	-	-	1,262,019
Waubonsee	1,406,631	-	50,000	-	-	1,456,631
John Wood	293,972	-	50,000	-	-	343,972
Totals	\$ 50,445,000	\$ -	\$ 19,980,000	\$ -	\$ 3,717,300	\$ 74,142,300
Rounding	-	-	-	-	-	-
Total						
Appropriation	\$ 50,445,000	\$ -	\$ 19,980,000	\$ -	\$ 3,717,300	\$ 74,142,300

Note: This schedule includes normal reoccurring grants and does not include all discretionary grants.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF GRANT AWARDS
For the Two Years Ended June 30, 2016

Fiscal Year 2015 Total Grants to Colleges

	Base Operating Grants	Small College Grants	Equalization Grants	Illinois Veterans' Grants	Additional Designated Grants	Total
						Unrestricted Grants
Black Hawk	\$ 3,831,110	\$ -	\$ 3,310,857	\$ 44,200	\$ 285,000	\$ 7,471,167
Chicago	40,944,584	-	-	-	14,287,200	55,231,784
Danville	1,612,336	48,884	2,216,884	-	-	3,878,104
DuPage	11,985,679	-	-	-	-	11,985,679
Elgin	5,123,420	-	-	-	-	5,123,420
Harper	6,864,993	-	-	-	-	6,864,993
Heartland	2,251,760	-	-	-	-	2,251,760
Highland	1,255,196	48,884	258,622	-	-	1,562,702
Illinois Central	5,243,865	-	806,638	84,400	550,000	6,684,903
Illinois Eastern	5,688,660	-	6,571,247	44,200	-	12,304,107
Illinois Valley	2,183,805	-	48,876	87,200	300,000	2,619,881
Joliet	7,448,835	-	-	-	-	7,448,835
Kankakee	3,059,901	-	3,520,995	65,700	-	6,646,596
Kaskaskia	3,083,060	-	5,913,974	-	-	8,997,034
Kishwaukee	2,008,030	-	2,891,714	70,800	-	4,970,544
Lake County	8,098,451	-	-	-	-	8,098,451
Lake Land	5,727,902	-	5,423,091	-	-	11,150,993
Lewis & Clark	3,188,088	-	2,635,046	64,400	-	5,887,534
Lincoln Land	3,413,262	-	48,876	66,500	-	3,528,638
John A. Logan	3,834,673	-	7,198,380	53,400	-	11,086,453
McHenry	2,665,892	-	-	-	-	2,665,892
Moraine Valley	7,328,437	-	2,500,450	-	-	9,828,887
Morton	1,718,422	-	3,300,285	-	-	5,018,707
Oakton	5,120,856	-	-	-	-	5,120,856
Parkland	4,482,340	-	274,051	55,500	-	4,811,891
Prairie State	2,297,088	-	955,723	84,400	-	3,337,211
Rend Lake	3,013,124	-	5,296,120	-	-	8,309,244
Richland	1,897,889	48,884	75,345	66,500	-	2,088,618
Rock Valley	3,950,888	-	2,416,983	-	391,000	6,758,871
Carl Sandburg	1,502,423	48,884	547,979	70,800	-	2,170,086
Sauk Valley	1,262,731	48,884	658,149	-	-	1,969,764
Shawnee	1,951,047	81,432	3,568,709	-	-	5,601,188
South Suburban	2,910,528	-	2,316,177	44,200	225,000	5,495,905
Southeastern	1,644,573	81,432	2,939,083	78,400	-	4,743,488
Southwestern	5,999,396	-	7,010,514	85,300	-	13,095,210
Spoon River	899,068	81,432	342,669	70,800	-	1,393,969
Triton	5,484,556	-	-	44,200	100,000	5,628,756
Waubonsee	4,852,456	-	48,876	-	-	4,901,332
John Wood	1,138,976	48,884	774,186	78,400	-	2,040,446
Totals	\$ 186,968,300	\$ 537,600	\$ 73,870,499	\$ 1,259,300	\$ 16,138,200	\$ 278,773,899
Rounding	-	-	1	-	-	1
Total						
Appropriation	\$ 186,968,300	\$ 537,600	\$ 73,870,500	\$ 1,259,300	\$ 16,138,200	\$ 278,773,900

Note: This schedule includes normal reoccurring grants and does not include all discretionary grants.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF GRANT AWARDS
For the Two Years Ended June 30, 2016

Fiscal Year 2014 Total Grants to Colleges

	Base Operating Grants	Small College Grants	Equalization Grants	Illinois Veterans' Grants	Additional Designated Grants	Total
						Unrestricted Grants
Black Hawk	\$ 3,780,218	\$ -	\$ 3,264,676	\$ -	\$ 285,000	\$ 7,329,894
Chicago	38,882,204	-	-	-	14,604,000	53,486,204
Danville	1,752,087	50,000	2,359,460	-	-	4,161,547
DuPage	12,251,146	-	-	-	-	12,251,146
Elgin	5,431,825	-	-	-	-	5,431,825
Harper	7,557,398	-	-	-	-	7,557,398
Heartland	2,632,990	-	50,000	-	-	2,682,990
Highland	1,350,258	50,000	399,022	-	-	1,799,280
Illinois Central	5,733,763	-	1,888,102	-	550,000	8,171,865
Illinois Eastern	4,784,056	-	7,230,716	-	-	12,014,772
Illinois Valley	2,362,114	-	50,000	88,700	200,000	2,700,814
Joliet	8,015,914	-	-	-	-	8,015,914
Kankakee	2,977,847	-	3,727,371	67,200	-	6,772,418
Kaskaskia	3,153,984	-	6,021,977	-	-	9,175,961
Kishwaukee	2,213,899	-	2,603,915	-	-	4,817,814
Lake County	8,246,695	-	-	-	-	8,246,695
Lake Land	6,028,959	-	5,748,218	-	-	11,777,177
Lewis & Clark	3,279,121	-	2,951,787	65,900	41,666	6,338,474
Lincoln Land	3,732,564	-	141,129	-	41,666	3,915,359
Logan	3,971,425	-	7,702,797	54,900	-	11,729,122
McHenry	3,168,008	-	-	-	-	3,168,008
Moraine Valley	7,895,615	-	1,138,720	-	50,000	9,084,335
Morton	2,008,465	-	3,056,029	-	-	5,064,494
Oakton	5,314,921	-	-	-	-	5,314,921
Parkland	4,803,847	-	935,653	57,000	-	5,796,500
Prairie State	2,493,904	-	111,076	85,900	-	2,690,880
Rend Lake	2,813,350	-	5,281,754	-	-	8,095,104
Richland	1,953,800	50,000	302,569	-	41,666	2,348,035
Rock Valley	4,296,872	-	1,728,548	-	400,000	6,425,420
Sandburg	1,424,592	50,000	765,110	-	-	2,239,702
Sauk Valley	1,355,519	50,000	914,989	-	-	2,320,508
Shawnee	1,866,682	50,000	3,891,094	-	-	5,807,776
South Suburban	3,207,859	-	1,381,314	45,700	225,000	4,859,873
Southeastern	1,374,587	100,000	2,974,745	-	-	4,449,332
Southwestern	6,299,135	-	7,284,064	86,800	-	13,669,999
Spoon River	944,837	100,000	449,988	72,300	-	1,567,125
Triton	5,663,493	-	50,000	45,700	100,000	5,859,193
Waubensee	4,995,912	-	50,000	-	-	5,045,912
Wood	1,252,035	50,000	1,115,977	79,900	-	2,497,912
Totals	\$ 191,271,900	\$ 550,000	\$ 75,570,800	\$ 750,000	\$ 16,538,998	\$ 284,681,698
Rounding	-	-	-	-	-	-
Total	-	-	-	-	-	-
Appropriation	\$ 191,271,900	\$ 550,000	\$ 75,570,800	\$ 750,000	\$ 16,538,998	\$ 284,681,698

Note: This schedule includes normal reoccurring grants and does not include all discretionary grants.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

The Board was established in 1965 to administer the Public Community College Act (Act) (110 ILCS 805) in order to create a system of community colleges that would be accessible to every resident of Illinois. Today, the Illinois Community College System (System) covers the entire state with 48 community colleges and one multi-community college center in 39 community college districts.

The Board members at June 30, 2016, were as follows:

- Lazaro Lopez, Chair
- Suzanne Morris, Vice Chair
- Terry Bruce
- Guy H. Alongi
- Teresa Garate
- Dustin Heuerman
- Cheryl Hyman
- Nicholas Kachiroubas
- Ann P. Kalayil
- J. Douglas Mraz
- Jake Rendleman
- Stephanie Torres - Student Board Member

Functions

The Board has the following powers and duties as defined by the Act (110 ILCS 805/2-12):

1. Provide Statewide planning for community colleges as institutions of higher education and coordinate the programs, services, and activities of all community colleges in the State so as to encourage and establish a system of locally initiated and administered comprehensive community colleges;
2. Organize and conduct feasibility surveys for new community colleges or for the inclusion of existing institutions as community colleges and the locating of new institutions;
3. Cooperate with the community colleges in continuing studies of student characteristics, admission standards, grading policies, performance of transfer students, qualification, certification of facilities, and any other problems of community college education;

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

4. Enter into contracts with other governmental agencies and eligible providers; to accept federal funds and to plan with other State agencies when appropriate for the allocation of such federal funds for instructional programs and student services including such funds for adult education and adult literacy, vocational and technical education, and retraining as may be allocated by State and federal agencies for the aid of community colleges; and, to receive, receipt for, hold in trust, expend, and administer, for all purposes of the Act, funds and other aid made available by the federal government or by other agencies public or private, subject to appropriation by the General Assembly;
5. Determine efficient and adequate standards for community colleges for the physical plant, heating, lighting, ventilation, sanitation, safety, equipment and supplies, instruction and teaching, curriculum, library, operation, maintenance, administration and supervision, and to grant recognition certificates to community colleges meeting such standards;
6. Determine the standards for establishment of community colleges and the proper location of the site in relation to existing institutions of higher education offering academic, occupational and technical training curricula, possible enrollment, assessed valuation, industrial, business, agricultural, and other conditions reflecting educational needs in the area to be served; however, no community college may be considered as being recognized nor may the establishment of any community college be authorized in any district which shall be deemed inadequate for the maintenance, in accordance with the desirable standards thus determined, of a community college offering the basic subjects of general education and suitable vocational and semiprofessional and technical curricula;
7. Approve or disapprove new units of instruction, research, or public service submitted by the boards of trustees of the respective community college districts of this State. In addition, the Board may discontinue programs which fail to reflect the educational needs of the area being served. The community college district shall be granted 60 days following the Board's staff recommendation and prior to the Board's action to respond to concerns regarding the program in question. If the Board acts to abolish a community college program, the community college district has a right to appeal the decision in accordance with administrative rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act;
8. Participate in, to recommend approval or disapproval, and to assist in the coordination of the programs of community colleges participating in programs of inter-institutional cooperation with other public or nonpublic institutions of higher education. If the Board does not approve a particular cooperative agreement, the community college

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

- district has a right to appeal the decision in accordance with administrative rules promulgated by the Board pursuant to the Illinois Administrative Procedure Act;
9. Establish guidelines regarding sabbatical leaves;
 10. Establish guidelines for the admission into special, appropriate programs conducted or created by the community colleges for elementary and secondary school dropouts who have received truant status from the school districts of this State in compliance with the School Code (105 ILCS 5/26-14);
 11. Conduct a study of community college teacher education courses to determine how the community college system can increase its participation in the preparation of elementary and secondary teachers;
 12. Create and participate in the conduct and operation of any corporation, joint venture, partnership, association, or other organizational entity that has the power (a) to acquire land, buildings, and other capital equipment for the use and benefit of the community colleges or their students; (b) to accept gifts and make grants for the use and benefit of the community colleges or their students; (c) to aid in the instruction and education of students of community colleges; and, (d) to promote activities to acquaint members of the community with the facilities of the various community colleges;
 13. Ensure the effective teaching of adults and to prepare them for success in employment and lifelong learning by administering a network of providers, programs, and services to provide adult basic education, adult secondary and high school equivalency testing education, English as a second language, and any other instruction designed to prepare adult students to function successfully in society and to experience success in post secondary education and the world of work; and,
 14. Supervise the administration of adult education and adult literacy programs, to establish the standards for such courses of instruction and supervise the administration thereof, to contract with other State and local agencies and eligible providers, for the purpose of promoting and establishing classes for instruction under these programs, to contract with other State and local agencies to accept and expend appropriations for educational purposes to reimburse local eligible providers for the cost of these programs, and to establish an advisory council consisting of all categories of eligible providers, agency partners, and other stakeholders to identify, deliberate, and make recommendations to the Board on adult education policy and priorities.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
BOARD FUNCTIONS AND PLANNING PROGRAM
(NOT EXAMINED)
For the Two Years Ended June 30, 2016

Planning Program

The Board coordinated a Strategic Plan (Plan) entitled “Promise for Illinois Revisited” for the System in 2001, which was last evaluated in 2006. The Plan is a product of discussions with thousands of individuals which occurred across the State with community, business, and labor leaders, executive branch and legislative leaders, workforce and economic development entities, educational partners, and representatives from all groups within the community college system.

The Plan includes the following six pledges, which serve as representations by the Board as items of action:

1. Emphasize high quality in all programs, services, and operations;
2. Deliver affordable and accessible learning opportunities for all residents of the State;
3. Address workforce and economic development needs with flexible, responsive, and progressive programs and services;
4. Offer rigorous courses, programs, and services designed to enable students to transition from one learning environment and level to another;
5. Enhance adult education and literacy programs necessary for individuals and families to have high-quality standards of living in the State; and,
6. Provide programs and services to assist students succeed in their educational endeavors.

STATE OF ILLINOIS
 ILLINOIS COMMUNITY COLLEGE BOARD
BUDGET IMPASSE DISCLOSURES
(NOT EXAMINED)
 For the Two Years Ended June 30, 2016

Payment of Fiscal Year 2016 Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized the Board to pay Fiscal Year 2016 costs using the Board's Fiscal Year 2017 appropriations for non-payroll expenditures. The following chart shows the Board's plan to expend its Fiscal Year 2017 appropriations to cover its Fiscal Year 2016 costs:

OUTSTANDING FISCAL YEAR 2016 INVOICES

Fund #	Fund Name	Number	Dollar Value
007	Education Assistance Fund	229	\$352,787
640	Fund for the Advancement of Education	43	458,505
		272	\$811,292

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
(NOT EXAMINED)**
For the Two Years Ended June 30, 2016

Transactions Involving the Illinois Finance Authority

The Board and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2016.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

Vendor Payment Program (VPP)

In 2011, the State of Illinois (State) created the voluntary VPP in response to delays in payments for goods and services provided by the State's vendors arising from the State's cash flow deficit. The Department of Central Management Services (CMS) approved third party financing entities to act as "qualified purchasers" of accounts receivable from "participating vendors" who had submitted invoices which had not been paid by the State.

A participating vendor's accounts receivable is eligible for the VPP if it is from an invoice unpaid by the State that is (1) not for medical assistance payments (2) where 90 days have passed since the proper bill date, which is (3) entitled to interest under the State Prompt Payment Act (Act) (30 ILCS 540) and (4) free of any liens or encumbrances. Under the terms of an agreement between a qualified purchaser and the participating vendor, the participating vendor receives payment for 90% of the receivable balance. The participating vendor, in turn, assigns its rights to the interest due under the Act to the qualified purchaser. When the State Comptroller ultimately pays the invoice, the participating vendor receives the remaining 10% due (less any offsets).

Notably, while CMS approved the qualified purchasers and provided information to vendors about VPP, neither CMS nor the State are parties to the assignment agreements.

During Fiscal Year 2015 and Fiscal Year 2016, none of the Board's vendors participated in the Vendor Payment Program (VPP).

Vendor Support Initiative Program (VSI)

During Fiscal Year 2016, the State created the voluntary VSI as an alternative to the VPP for cases where the Board lacked an enacted appropriation or other legal expenditure authority to present invoices to the State Comptroller for payment. The VSI operated similarly to the VPP, although the Board was required to determine a participating vendor's invoice (1) would have met the requirements of the VPP and (2) provided the proper bill date of invoice prior to the qualified purchaser and participating vendor entering into an agreement where the participating

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS
(NOT EXAMINED)**

For the Two Years Ended June 30, 2016

vendor received payment for 90% of the receivable balance. The participating vendor, in turn, assigned its rights to the interest due under the Act to the qualified purchaser. After the State Comptroller ultimately paid/pays the invoice after the Board receives/received appropriations or other legal expenditure authority to pay the invoice, the participating vendor receives/received the remaining 10% due (less any offsets).

During Fiscal Year 2016, the Agency had one vendor participate in VSI for 26 invoices, totaling \$1,573. A summary of the amount of transactions by qualified purchaser follows:

**TRANSACTIONS BY QUALIFIED
PURCHASER**

Qualified Purchaser	Total
A	\$1,573

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
INTEREST COSTS ON FISCAL YEAR 2016 INVOICES
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

Prompt Payment Interest Costs

The Board does not intend to calculate prompt payment interest due to vendors under the State Prompt Payment (Act) (30 ILCS 540), unless it is specifically requested by the vendor (see Finding 2016-004). The Act (30 ILCS 540/3-2) and the Illinois Administrative Code (74 Ill. Admin. Code 900.100) require interest to be paid under a daily simple interest rate of .033% (1% over a 30-day period) for every day elapsed following the 90th day after a vendor submits an eligible proper bill to the Board. When the Board does calculate prompt payment interest due to vendors under the Act, the Board uses the vendor's proper bill date through the date the State Comptroller issues a warrant to the vendor, regardless of when and if an enacted appropriation existed during Fiscal Year 2016.

STATE OF ILLINOIS
 ILLINOIS COMMUNITY COLLEGE BOARD
AVERAGE NUMBER OF EMPLOYEES
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

The following table, prepared from Board records, presents the average number of employees, by function, for the Fiscal Year Ended June 30,

<u>Division</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Executive	8	8	9
Academic Affairs and Workforce Development	11	13	10
Adult Education and Institutional Support	16	15	15
System Finances and Office Operations	9	11	10
 Total Average Full-Time Employees	 <u>44</u>	 <u>47</u>	 <u>44</u>

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SERVICE EFFORTS AND ACCOMPLISHMENTS
(NOT EXAMINED)

For the Two Years Ended June 30, 2016

The Board is the Statewide coordinating board for the Illinois Community College System (System). Its mission is to administer the Public Community College Act (110 ILCS 805) in a manner that maximizes the ability of community college districts to serve their communities, to promote System-wide cooperation, and to accommodate State initiatives that are appropriate for community colleges.

As an integral part of the State's system of higher education, community colleges are committed to providing high-quality, accessible, and cost effective educational opportunities for the individuals and the communities they serve. The System covers the entire state with 48 colleges and one multi-community college center in 39 districts. Community colleges serve nearly one million residents each year in credit and noncredit courses.

<u>Output Indicators</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fall Term Headcount Enrollment:			
System Total	316,155	336,102	351,570
Twelve-Month Unduplicated Headcount:			
All Students Enrolled for Credit, Occupational, and Vocational Programs	620,191	659,712	691,536
All Students Enrolled in Non-Credit Courses	182,375	193,812	202,417
Percentage of College Students Seeking a Degree or Certificate	53%	54%	54%
Pre-Baccalaureate Degree Completions by Race/Ethnicity:			
African American	10,283	9,842	9,156
Latino	10,036	8,813	8,260
White	44,554	44,337	45,010
All Other	6,914	6,820	6,610
Pre-Baccalaureate Degree Completions by Gender:			
Male	33,077	32,106	30,711
Female	38,710	37,706	38,325