

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

For the Two Years Ended June 30, 2018

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

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**BOARD OFFICIALS**

Executive Director (12/01/18 – Present)	Dr. Brian Durham
Executive Director (07/01/16 – 11/30/18)	Dr. Karen Hunter Anderson
Deputy Executive Director (02/01/19 – Present)	Jennifer Foster
Chief of Staff (02/01/19 – Present)	Matt Berry
Chief of Staff (07/01/16 – 01/31/19)	Ellen Andres
Deputy Director for Academic Affairs and Institutional Effectiveness (02/16/19 – Present)	Nathan Wilson
Deputy Director for Academic Affairs (12/01/18 – 02/15/19)	Vacant
Deputy Director for Academic Affairs (07/01/16 – 11/30/18)	Dr. Brian Durham
Deputy Director for Adult Education, Workforce, and CTE (02/01/19 – Present)	Vacant
Deputy Director for Adult Education and Workforce (07/01/16 – 01/31/19)	Jennifer Foster
Deputy Director for Finance and Administration (06/10/19 – Present)	Jennifer Franklin
Deputy Director for Technology (02/16/19 – Present)	Jeff Newell
Deputy Director for Student Services and Technology (07/01/16 – 02/15/19)	Jeff Newell
Deputy Director for Legislative and External Affairs (07/01/16 – 01/31/19)	Matt Berry
Associate Deputy Director for Research and Policy Studies (07/01/16 – 02/15/19)	Nathan Wilson

The Board's offices are located at:

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Springfield, Illinois 62701

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

Southern Illinois Collegiate Common Market  
3213 South Park Avenue  
Herrin, Illinois 62948



STATE COMPLIANCE EXAMINATION

MANAGEMENT ASSERTION LETTER

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

February 6, 2020

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 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 Illinois Community College Board's compliance with the following assertions during the two year period ended June 30, 2018. Based on this evaluation, we assert that during the years ended June 30, 2018, and June 30, 2017, the Illinois Community College Board has materially complied with the assertions below.

- A. The 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 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 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 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.



*Lazaro Lopez, Ed.D.*  
*Chairman*

*Brian Durham, Ed.D.*  
*Executive Director*

Illinois Community College Board

Yours truly,

Illinois Community College Board

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Brian Durham, Ed.D., Executive Director

**SIGNED ORIGINAL ON FILE**

\_\_\_\_\_  
Matt Berry, Chief of Staff

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**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 Report</u>	<u>Prior Report</u>
Findings	7	9
Repeated findings	6	5
Prior recommendations implemented or not repeated	3	2

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)			
2018-001	10	Property Control Weaknesses	Material Weakness and Material Noncompliance
2018-002	13	Inadequate Controls over Initiating and Monitoring Grants	Material Weakness and Material Noncompliance
2018-003	17	Inadequate Controls over Receipts	Significant Deficiency and Noncompliance
2018-004	19	Failure to Enforce Reporting Requirements	Significant Deficiency and Noncompliance
2018-005	21	Inadequate Controls over Voucher Processing	Significant Deficiency and Noncompliance

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2018-006	23	Inadequate Controls over GAAP Reporting	Significant Deficiency and Noncompliance
2018-007	25	Inadequate Controls over Personal Services	Significant Deficiency and Noncompliance

PRIOR FINDINGS NOT REPEATED

A	27	Weaknesses in State CTE Formula Grant Distributions
B	27	Noncompliance with Highway Construction Careers Training Program Grant Agreements
C	27	Noncompliance with the State Prompt Payment Act

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with Board personnel at an exit conference on February 3, 2020.

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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, 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, 2018. The management of the State of Illinois, Community College Board is responsible for compliance with these requirements. Our responsibility is to express an opinion on the State of Illinois, Community College Board's compliance based on our examination.

- A. The State of 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, 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, 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, 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the State of Illinois, Community College Board complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the State of Illinois, Community College Board complied with the specified requirements listed above. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the State of Illinois, Community College Board's compliance with specified requirements.

Our examination disclosed the following material noncompliance with the compliance requirements listed in the first paragraph of this report during the two years ended June 30, 2018. As described in item 2018-001 in the accompanying schedule of findings, the State of 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 item 2018-002 in the accompanying schedule of findings, the State of 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, Community College Board to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the material noncompliance described in the preceding paragraph, the State of 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, 2018. 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 2018-003 through 2018-007.

The State of Illinois, Community College Board's responses to the findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Community College Board's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

### **Internal Control**

Management of the State of 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, 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, Community College Board's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State of 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 have not been identified. However, as discussed below, we did identify 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 2018-001 and 2018-002 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 2018-003 through 2018-007 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, Community College Board's responses to the internal control findings identified in our examination are described in the accompanying schedule of findings. The State of Illinois, Community College Board's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

## **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, 2018, and June 30, 2017, in Schedules 1 through 5 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, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. We have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2016, accompanying supplementary information in Schedules 3 through 5 and in the Analysis of Operations Section and, accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

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JANE CLARK, CPA  
Director of Financial and Compliance Audits

Springfield, Illinois  
February 6, 2020

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-001. **FINDING** (Property Control Weaknesses)

The Illinois Community College Board (Board) did not exercise adequate control over its State property and equipment.

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

Property Reporting

- The Board did not maintain adequate supporting documentation for additions reported on the *Agency Report of State Property* (Form C-15) filed with the Office of the State Comptroller (State Comptroller) for the quarter ended March 31, 2017. We identified \$80,218 in discrepancies between the Form C-15 and the Board's records of property additions.

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.

- During reconciliation of the Form C-15s to the State Comptroller's *Object Expense/Expenditures Report* (SA02), we identified \$6,817 in equipment expenditures that were not recorded on the Board's property listing or reported on the Form C-15s.

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 properly delete a vehicle totaling \$14,900 from its property records. The vehicle was disposed of on April 2, 2018, and was still recorded on the Board's property listing as of June 30, 2018. Additionally, the Board did not record the disposition date or the correct cost of the vehicle on its listing of equipment deletions, resulting in a discrepancy of \$8,820.

SAMS (Procedure 29.10.10) requires the Board to maintain current property records, including the cost, acquisition date, location, description of asset, date of disposition, and authorization of disposition.

STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-001. **FINDING** (Property Control Weaknesses) – Continued

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.400) requires the Board to adjust its property records within 30 days of deleting equipment items.

- The Board did not complete and file an *Accounting for Leases-Lessee Form* (Form SCO-560) for capital assets totaling \$22,645 leased in Fiscal Year 2018.

SAMS (Procedure 27.20.60) notes the Form SCO-560 is used by the State Comptroller to calculate the appropriate cost the Board should record the leased asset at in its property control records, which is reflected on the Board's quarterly Form C-15 reports and annual *Capital Assets Summary Report* (Form SCO-538) filed with the State Comptroller as part of preparing the State's Comprehensive Annual Financial Report. This form is required for all new lease agreements over \$5,000.

Property Testing

During testing of 120 equipment items, we noted the following:

- 13 (11%) items, totaling \$10,863, were located in a different geographical location than reported on the Board's property listing.
- Three (3%) items were not included in the Board's property listing.

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 the 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.

- One (1%) item 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.

- During property testing, we identified 26 items, totaling \$150,882, as obsolete.

STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-001. **FINDING** (Property Control Weaknesses) – Continued

The Code (44 Ill. Adm. Code 5010.600) defines transferable equipment as State-owned equipment which is no longer needed and/or is not useful to the Board. In addition, SAMS (Procedure 03.60.20) states that inventory items that are obsolete, damaged, or no longer useable should be identified and, if necessary, removed from the Board's inventory records.

During the prior examination, Board officials attributed the exceptions to staff turnover. During the current examination, Board officials indicated the exceptions above were caused by staff turnover and human error.

Failure to exercise adequate control over property and maintain accurate property control records increases the potential for fraud and possible loss or theft of State property, reduces the reliability of Statewide property information, and represents noncompliance with State laws and regulations. (Finding Code No. 2018-001, 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.

**BOARD RESPONSE**

The Board concurs with the finding. Staff have drafted procedures for asset control and reporting and provided additional training to new staff. In addition, the Board is testing an asset database to enhance internal controls over monitoring and reporting of State property.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-002. **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.

We selected a sample of eight of the Board’s grant programs active during Fiscal Year 2017 and Fiscal Year 2018 to test. These eight grant programs resulted in 42 grant agreements between the Board and various entities. During our testing, we noted the following weaknesses:

- For 24 of 42 (57%) grant agreements tested, the agreements were not signed prior to the start of the grant period. The grants were signed between 19 and 398 days late. In addition, we noted the Board did not date three (7%) agreements and did not provide a copy signed by the Board for one (2%) grant agreement.
- For 8 of 8 (100%) grant programs tested, the grantees either did not provide required documentation to the Board, required documentation did not meet the timeframes and/or specifications outlined in the grant agreement, or documentation was not retained by the Board to demonstrate the required documentation was received and met all related requirements. It is the Board’s responsibility to enforce the submission of all required documentation and maintain adequate record-keeping over its grant programs.

Grant Name & Purpose of Grant	Required Documentation Noted as Deficient
<p><b>Highway Construction Careers Training Program (HCCTP) Grant</b></p> <p>Purpose: to increase access to highway construction jobs for minorities, women, and disadvantaged individuals</p>	<ul style="list-style-type: none"> <li>• HCCTP trainee data</li> <li>• quarterly progress reports submitted by the 15<sup>th</sup> day of the month following the end of the quarter</li> <li>• weekly program updates</li> <li>• documentation of the creation of an advisory committee that meets at least twice a year</li> <li>• close-out financial and performance reports submitted within 60 days following the end of the grant period</li> </ul>
<p><b>Construction Business Development Center (CBDC) Grant</b></p> <p>Purpose: for salaries for Construction Business Development Specialists</p>	<ul style="list-style-type: none"> <li>• reimbursement requests submitted on or before the 10<sup>th</sup> of each month</li> <li>• close-out financial and performance reports submitted within 60 days following the end of the grant period</li> </ul>

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For the Two Years Ended June 30, 2018

2018-002. **FINDING** (Inadequate Controls over Initiating and Monitoring Grants) -  
Continued

Grant Name & Purpose of Grant	Required Documentation Noted as Deficient
<p><b>Career and Technical Education Licensed Practical Nurse Grant</b></p> <p>Purpose: to provide funding for Licensed Practical Nursing Assistant Programs</p>	<ul style="list-style-type: none"> <li>• quarterly progress reports submitted within 30 days following the end of the quarter</li> <li>• financial close-out reports submitted within 60 days following the end of the grant period</li> <li>• documentation of the establishment of two Licensed Practical Nurse and three Certified Nursing Assistant programs</li> </ul>
<p><b>East St. Louis Grant</b></p> <p>Purpose: to support initiatives and opportunities to residents of East St. Louis and the surrounding area</p>	<ul style="list-style-type: none"> <li>• quarterly financial and performance reports submitted within 30 days following the end of the quarter</li> <li>• close-out financial and performance reports submitted within 60 days following the end of the grant period</li> </ul>
<p><b>Alternative Schools Network Grant</b></p> <p>Purpose: to provide funding for the Re-Enrolled Student Project, which is designed to re-enroll out-of-school students between the ages of 14 and 21</p>	<ul style="list-style-type: none"> <li>• quarterly financial and performance reports and close-out financial and performance reports, submitted in accordance with the timetable outlined in the grant agreement</li> </ul>
<p><b>Department of Corrections Program Improvement Grant</b></p> <p>Purpose: to provide funding for Career and Technical Education programs for individuals incarcerated in Department of Corrections facilities</p>	<ul style="list-style-type: none"> <li>• quarterly financial and performance reports submitted within 30 days following the end of the quarter</li> <li>• close-out performance report submitted within 60 days following the end of the grant period</li> <li>• support for payment requests</li> </ul>

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For the Two Years Ended June 30, 2018

2018-002. **FINDING** (Inadequate Controls over Initiating and Monitoring Grants) -  
Continued

Grant Name & Purpose of Grant	Required Documentation Noted as Deficient
<p><b>Early School Leavers Transition Project Grant</b></p> <p>Purpose: to help at-risk students become reoriented and motivated to complete their education by allowing students to participate in adult education instruction as well as career and work training activities</p>	<ul style="list-style-type: none"> <li>• quarterly financial and performance reports, containing a certification statement, submitted within 30 days following the end of the quarter</li> <li>• close-out financial and performance reports submitted within 60 days following the end of the grant period</li> <li>• support for payment requests</li> </ul>
<p><b>Gates Project Grant</b></p> <p>Purpose: for the grantee to perform a statistical analysis of the Board's Centralized Data System to examine early leading indicators of undergraduate success</p>	<ul style="list-style-type: none"> <li>• support indicating quarterly progress reports were submitted within 30 days following the end of the quarter</li> </ul>

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.

In addition, 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.

During the prior examination, Board officials indicated the errors were caused by oversight. During the current examination, Board officials indicated the exceptions above were caused by staff turnover, competing priorities, and inability to stop providing educational expenses while waiting for signatures on grant agreements.

Failure to adequately monitor the terms and conditions of 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. 2018-002, 2016-007, 2014-003, 12-4)

STATE OF ILLINOIS  
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**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-002. **FINDING** (Inadequate Controls over Initiating and Monitoring Grants) -  
Continued

**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.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-003. **FINDING** (Inadequate Controls over Receipts)

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

During testing, we noted the following:

- For 2 of 60 (3%) receipts tested, totaling \$45,538, the Board did not record the correct deposit instrument type on the *Receipt Deposit Transmittal Form* (Form C-64).
- For 9 of 60 (15%) receipts tested, totaling \$22,659, the Board did not use the proper revenue subsource number on the Form C-64.

The Statewide Accounting Management System (SAMS) (Procedure 25.20.10) requires the Board to indicate on Form C-64 the type of instrument and to code receipts with revenue source numbers based on the type of receipt received.

- For 8 of 60 (13%) receipts tested, totaling \$10,159, the Board did not have proper controls in place to obtain, maintain, and verify the receipt amounts deposited by the Cook County GED Office.

The State Records Act (5 ILCS 160/8) states the head of the Board shall cause to be made 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.

The State Officers and Employees Money Disposition Act (30 ILCS 230/2) states the Board shall keep in proper books a detailed itemized account of all moneys received for or on behalf of the State, showing the date of the receipt, the payor, and the amount.

- One of 24 (4%) monthly reconciliations from Board records to the *Monthly Revenue Status Report* (SB04) prepared by the Office of the State Comptroller (State Comptroller) was not performed in a timely manner. The Board performed the reconciliation 26 days late.

SAMS (Procedure 25.24.20) requires the Board to perform a monthly reconciliation of receipt account balances maintained by the Board with the receipt records maintained by the State Comptroller. Such a reconciliation must be completed within 60 days of the month end.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-003. **FINDING** (Inadequate Controls over Receipts) – Continued

During the prior examination, Board officials indicated the issues were due to human error. During the current examination, Board officials indicated the noted exceptions were due to a lack of resources and human error.

Inadequate controls over receipts increases the risk that theft or loss could occur which would not be detected in a timely manner. Further, 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. (Finding Code No. 2018-003, 2016-005)

**RECOMMENDATION**

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

**BOARD RESPONSE**

The Board concurs with the finding. Staff will work to ensure accurate recording of receipts and timely reconciliations.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-004. **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, we noted the following:

- 15 of 168 (9%) informational reports due in Fiscal Year 2017 were submitted to the Board between 1 and 71 days late.
- 31 of 168 (18%) informational reports due in Fiscal Year 2018 were submitted to the Board between 1 and 57 days late.

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.

During the prior examination, Board officials indicated they were waiting for approval by the Joint Committee on Administrative Rules (JCAR) to eliminate some unnecessary reports and to change the due dates of some reports. The Board also indicated it continues to remind community college districts of due dates for required reporting. During the current examination, Board officials stated JCAR approved updates to the Board's administrative rules on December 18, 2017, resulting in improvements in compliance with reporting requirements. The Board also stated the late submissions were due to the community college districts being unresponsive to the requests for submittal.

The Board uses the informational reports to evaluate the effectiveness of grant programs and prepare for future budgets. Failure to receive the informational reports promptly could delay the Board's completion of its own internal summary reports and budget preparation. (Finding Code No. 2018-004, 2016-006, 2014-002, 12-3, 10-5, 08-7, 06-1, 04-1, 02-3, 00-1, 99-1, 98-1, 96-2)

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-004. **FINDING** (Failure to Enforce Reporting Requirements) – Continued

**RECOMMENDATION**

We 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.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-005. **FINDING** (Inadequate Controls over Voucher Processing)

The Illinois Community College Board (Board) did not exercise adequate controls over voucher processing. In addition, the Board did not perform reconciliations of their records to the Office of the State Comptroller's (State Comptroller) *Monthly Appropriation Status Report* (SB01) in a timely manner.

During testing, we noted the following:

- Seven of 60 (12%) vouchers tested, totaling \$177,413, were approved for payment between 7 and 138 days late.

The Illinois Administrative Code (Code) (74 Ill. Admin. Code 900.700) requires the Board to review a bill and either deny the bill in whole or in part, ask for more information necessary to review the bill, or approve the bill in whole or in part, within 30 days after physically receiving the bill.

- The Board failed to process vouchers to pay vendors' required interest, totaling \$27,099, for seven of 60 (12%) vouchers tested, totaling \$218,239.

The State Prompt Payment Act (Act) (30 ILCS 540/3-2(2)) requires the Board to automatically pay interest penalties required by this section amounting to \$50 or more to the appropriate vendor. The Act also states interest due to a vendor that amounts to greater than \$5 and less than \$50 shall not be paid but shall be accrued until all interest due to the vendor exceeds \$50, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time.

In addition, we noted the Board did not complete 2 of 31 (6%) expenditure reconciliations to the SB01 Report prepared by the State Comptroller. The Board performed the reconciliations 1 to 9 days late.

The Statewide Accounting Management System (SAMS) (Procedure 11.40.20) requires the Board to perform a monthly reconciliation of unexpended budget authority balances maintained by the Board with the records maintained by the State Comptroller. Such a reconciliation must be completed within 60 days of the month end.

Board officials indicated the exceptions noted above were due to oversight and staff error.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-005. **FINDING** (Inadequate Controls over Voucher Processing) – Continued

Failure to approve vouchers for payment within 30 days represents noncompliance with the Code. Failure to pay interest penalties represents noncompliance with the Act. Failure to timely reconcile Board records with those reported by the State Comptroller creates an increased risk of not having accurate financial data needed to make spending decisions and could lead to inaccurate financial reporting. Further, it increases the risk that a theft or loss could occur which would not be detected in a timely manner. (Finding Code No. 2018-005)

**RECOMMENDATION**

We recommend the Board implement controls and procedures to ensure expenditures are approved timely. In addition, we recommend the Board calculate and pay interest due to vendors as required by the Act. Lastly, we recommend the Board implement controls and procedures to ensure reconciliations are completed and performed in a timely manner.

**BOARD RESPONSE**

The Board concurs with the finding. The Board has implemented procedures to ensure expenditures are reviewed and approved or denied if unauthorized or inaccurate in a timely manner. In addition, staff review invoices on a periodic basis to determine applicable interest due to vendors as required by the Act and will work to ensure reconciliations are completed timely.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-006. **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 (State Comptroller) for Fiscal Year 2018.

During testing, we noted the following:

- The Board did not report a federally funded grant received from the Illinois State Board of Education on the *Interfund Transfers - Grantee Agency Form* (Form SCO-567) for the Board's Contracts and Grants Fund (Fund 339). As a result, expenditure amounts totaling \$15,000 and refund to grantor amounts totaling \$14,000 were not reported.
- The Board did not accurately report the expenditure amount on the *Interfund Transfers – Grantor Agency Form* (Form SCO-568) in the Board's Contracts and Grants Fund (Fund 339). We noted the expenditure amount was understated by \$14,000 when the auditor compared the Form SCO-568 to the Board's expenditure records.
- The Board did not accurately report the expenditure amount on the *Grant Analysis Form* (Form SCO-563) for the Board's Adult Education Fund (Fund 692). We noted the expenditure amount was understated by \$25,000 when the auditor compared the Form SCO-563 to the Board's expenditure records.
- The Board inaccurately reported a Catalog of Federal Domestic Assistance (CFDA) number on a grant agreement which did not match the CFDA name reported on the agreement. This resulted in the grant's CFDA number being incorrectly reported on the Form SCO-568 in the Board's Adult Education Fund (Fund 692).
- The Board incorrectly reported a privately funded grant on the Form SCO-568 in the Board's Contracts and Grants Fund (Fund 339) as a federal grant.
- The subrecipient total reported on Form SCO-563 in the Board's Adult Education Fund (Fund 692) did not trace to the Board's expenditure records. The subrecipient total was overstated by \$288,000.
- The subrecipient total reported on Form SCO-567 in the Board's Career and Technical Education Fund (Fund 772) did not trace to the Board's expenditure records. The subrecipient total was overstated by \$30,000.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-006. **FINDING** (Inadequate Controls over GAAP Reporting) – Continued

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 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.

During the prior examination, Board officials indicated these issues were due to conflicting guidance on how to prepare the reports and inadvertent error. During the current examination, Board officials indicated these issues were due to 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 State Comptroller could result in inaccuracies in the Statewide information presented. (Finding Code No. 2018-006, 2016-008, 2014-004, 12-5)

**RECOMMENDATION**

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

**BOARD RESPONSE**

The Board concurs with the finding. Staff will work with the agency-contracted accounting firm to ensure accurate information is reported to the State Comptroller on the Board's GAAP reporting forms.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-007. **FINDING** (Inadequate Controls over Personal Services)

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

During testing, we noted the following weaknesses:

- The Board's Herrin 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.

- Nine of 14 (64%) performance evaluations or probationary evaluations for employees tested were not completed by the Board during the examination period.

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

- One of 7 (14%) employees tested did not have a *Federal/Illinois W-4 Employee's Withholding Allowance Certificate* (Form C-25) in his or her 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.

Board officials indicated, as they did during the prior examination, that the errors above were caused by competing priorities.

Failure to display notices of State employee 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. 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. Lastly, failure to maintain State and Federal withholding support could result in payroll deductions not reflecting current authorizations. (Finding Code No. 2018-007, 2016-009, 2014-005, 12-9, 10-4, 08-5, 06-2)

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF FINDINGS**  
For the Two Years Ended June 30, 2018

2018-007. **FINDING** (Inadequate Controls over Personal Services) – Continued

**RECOMMENDATION**

We recommend the Board conspicuously display notices of State employee protection under the Whistle Blower Protection Article of the Act at all Board locations. 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.

**BOARD RESPONSE**

The Board concurs with the finding. The Board has already implemented a procedure to track personnel appraisals and reminders are issued to supervisory staff prior to the due date. In addition, staff have updated all required posters at each of the office locations.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**PRIOR FINDINGS NOT REPEATED**  
For the Two Years Ended June 30, 2018

A. **FINDING** (Weaknesses in State CTE Grant Distributions)

During the prior examination, 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.

During the current examination, our testing did not note any instances of misallocations of the State's CTE Formula Grant distributions to community college districts. (Finding Code No. 2016-002)

B. **FINDING** (Noncompliance with Highway Construction Careers Training Program Grant Agreements)

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

During the current examination, our sample testing indicated the Board made improvements in its compliance with HCCTP grant agreements; however, exceptions were noted which are reported in Finding 2018-002. (Finding Code No. 2016-003)

C. **FINDING** (Noncompliance with the State Prompt Payment Act)

During the prior examination, the Illinois Community College Board (Board) failed to comply with the State Prompt Payment Act (Act). The Board did not calculate and pay interest due to vendors as required by the Act unless it was specifically requested by the vendor.

During the current examination, we noted the Board began to calculate and pay interest under the Act regardless of whether it was requested by the vendor. However, our sample testing disclosed instances where interest was not calculated and paid as required. These exceptions are reported in Finding 2018-006. (Finding Code No. 2016-004)

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
COMPLIANCE EXAMINATION  
For the Two Years Ended June 30, 2018

**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 2018
  - Schedule of Appropriations, Expenditures, and Lapsed Balances - Fiscal Year 2017
  - 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 Operations (Not Examined):
  - Board Functions and Planning Program (Not Examined)
  - Analysis of Significant Variations in Expenditures (Not Examined)
  - Analysis of Significant Variations in Receipts (Not Examined)
  - Analysis of Significant Lapse Period Spending (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 2017 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, 2018, and June 30, 2017, accompanying supplementary information in Schedules 1 through 5. 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.

Schedule 1

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

	Appropriations (Net of Transfers)	Lapse Period		Total	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Acts 100-0021 and 100-0586 FISCAL YEAR 2018	\$ 1,142,100	\$ 1,110,349	\$ -	\$ 1,110,349	\$ 31,751
	21,900	17,951	-	17,951	3,949
Contractual Services	355,000	276,108	4,384	280,492	74,508
Travel	34,700	21,780	4,871	26,651	8,049
Commodities	4,400	2,786	853	3,639	761
Printing	5,300	50	1,005	1,055	4,245
Equipment	3,500	2,056	58	2,114	1,386
Electronic Data Processing	380,600	365,734	8,135	373,869	6,731
Telecommunications	69,120	13,423	55,697	69,120	-
Operation of Auto Equipment	3,000	1,547	380	1,927	1,073
Costs Associated with Administering GED Tests	828,480	315,453	984	316,437	512,043
Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation	500,000	500,000	-	500,000	-
Illinois Longitudinal Data System	439,900	430,311	4,608	434,919	4,981
Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs	6,794,400	6,794,230	-	6,794,230	170
Scholarships to Graduates of the Lincoln's Challenge Program	60,200	-	-	-	60,200
City Colleges of Chicago for Educational-Related Expenses	12,386,000	12,386,000	-	12,386,000	-
Small College Grants	537,600	537,600	-	537,600	-
Performance Funding Grants	351,900	-	351,900	351,900	-
Illinois Veterans' Reimbursement Grants	1,328,800	1,318,350	-	1,318,350	10,450
Educational Facility in East St. Louis	1,457,900	675,028	459,650	1,134,678	323,222
Career and Technical Education Activities	17,569,400	17,421,811	(176,642)	17,245,169	324,231
Providers for Adult Education and Literacy	21,572,400	21,401,833	(90,412)	21,311,421	260,979
Providers for Performance-Based Awards	10,701,600	10,398,850	(10,384)	10,388,466	313,134
Subtotal - Fund 001	\$ 76,548,200	\$ 73,991,250	\$ 615,087	\$ 74,606,337	\$ 1,941,863

APPROPRIATED FUNDS

GENERAL REVENUE FUND - 001

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Acts 100-0021 and 100-0586 FISCAL YEAR 2018					
<u>EDUCATION ASSISTANCE FUND - 007</u>					
Base Operating Grants	\$ 64,771,500	\$ 64,606,979	\$ -	\$ 64,606,979	\$ 164,521
Equalization Grants	66,483,500	66,281,416	-	66,281,416	202,084
Subtotal - Fund 007	\$ 131,255,000	\$ 130,888,395	-	\$ 130,888,395	\$ 366,605
<u>ICCB INSTRUCTIONAL DEVELOPMENT AND ENHANCEMENT APPLICATIONS REVOLVING FUND - 070</u>					
Costs Associated with Maintaining and Updating Instructional Technology	\$ 300,000	\$ 500	-	\$ 500	\$ 299,500
Subtotal - Fund 070	\$ 300,000	\$ 500	-	\$ 500	\$ 299,500
<u>HIGH SCHOOL EQUIVALENCY TESTING FUND - 161</u>					
Costs Associated with Administering GED Tests	\$ 500,000	\$ 96,820	\$ 2,743	\$ 99,563	\$ 400,437
Subtotal - Fund 161	\$ 500,000	\$ 96,820	\$ 2,743	\$ 99,563	\$ 400,437
<u>ICCB CONTRACTS AND GRANTS FUND - 339</u>					
Contracts and Grants	\$ 12,500,000	\$ 458,855	\$ 105,660	\$ 564,515	\$ 11,935,485
Subtotal - Fund 339	\$ 12,500,000	\$ 458,855	\$ 105,660	\$ 564,515	\$ 11,935,485
<u>ICCB FEDERAL TRUST FUND - 350</u>					
Ordinary and Contingent Expenses	\$ 525,000	\$ 276,321	\$ 3,295	\$ 279,616	\$ 245,384
Subtotal - Fund 350	\$ 525,000	\$ 276,321	\$ 3,295	\$ 279,616	\$ 245,384

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Appropriations for Fiscal Year 2018

For the Fifteen Months Ended September 30, 2018

	Appropriations (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Acts 100-0021 and 100-0586 FISCAL YEAR 2018					
<u>ICCB ADULT EDUCATION FUND - 692</u>					
Adult Education and Literacy Activities Administration	\$ 1,250,000	\$ 843,002	\$ 30,079	\$ 873,081	\$ 376,919
Adult Education and Literacy Providers	23,250,000	11,218,659	6,169,623	17,388,282	5,861,718
Subtotal - Fund 692	<u>\$ 24,500,000</u>	<u>\$ 12,061,661</u>	<u>\$ 6,199,702</u>	<u>\$ 18,261,363</u>	<u>\$ 6,238,637</u>
<u>CAREER AND TECHNICAL EDUCATION FUND - 772</u>					
Career and Technical Education Activities	\$ 18,500,000	\$ 7,702,390	\$ 7,653,809	\$ 15,356,199	\$ 3,143,801
Subtotal - Fund 772	<u>\$ 18,500,000</u>	<u>\$ 7,702,390</u>	<u>\$ 7,653,809</u>	<u>\$ 15,356,199</u>	<u>\$ 3,143,801</u>
<u>PERSONAL PROPERTY TAX REPLACEMENT FUND - 802</u>					
Base Operating Grants	\$ 103,500,000	\$ 103,500,000	\$ -	\$ 103,500,000	\$ -
Subtotal - Fund 802	<u>\$ 103,500,000</u>	<u>\$ 103,500,000</u>	<u>\$ -</u>	<u>\$ 103,500,000</u>	<u>\$ -</u>
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<u><u>\$ 368,128,200</u></u>	<u><u>\$ 328,976,192</u></u>	<u><u>\$ 14,580,296</u></u>	<u><u>\$ 343,556,488</u></u>	<u><u>\$ 24,571,712</u></u>

Note 1: Appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and have been reconciled to Board 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: Approximate lapse period expenditures do not include interest payments approved for payment by the Board and submitted to the Comptroller after September.

Note 4: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 59 includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Acts 099-0524, 100-0021, and Court-Ordered Expenditures FISCAL YEAR 2017		\$ 1,149,016	\$ 777	\$ 1,149,793	
		18,801	11	18,812	
		224,558	-	224,558	
		75,740	-	75,740	
		222,700	-	222,700	
	\$ 244,400	222,178	-	222,178	\$ 22,222
	958,000	-	442	442	957,558
	129,900	-	-	-	129,900
	123,765,500	-	123,506,875	123,506,875	258,625
	537,600	-	537,600	537,600	-
	351,900	-	351,900	351,900	-
	629,600	-	629,600	629,600	-
	657,900	-	-	-	657,900
Subtotal - Fund 001	\$ 127,274,800	\$ 1,912,993	\$ 125,027,205	\$ 126,940,198	\$ 2,026,205

APPROPRIATED FUNDS

GENERAL REVENUE FUND - 001

Personal Services					
State Contributions to Social Security					
Electronic Data Processing					
Costs Associated with Administering GED Tests					
Career and Technical Education Activities					
Illinois Longitudinal Data System					
Costs Associated with Administering GED Tests					
Operational Expenses					
Base Operating and Equalization Grants					
Small College Grants					
Performance Funding Grants					
Illinois Veterans' Reimbursement Grants					
Educational Facility in East St. Louis					
Subtotal - Fund 001					

EDUCATION ASSISTANCE FUND - 007

Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation	\$ 1,000,000	\$ 500,000	\$ 500,000	\$ 1,000,000	\$ -
Career and Technical Education Activities	17,569,400	-	17,519,400	17,519,400	50,000
Adult Education and Literacy Activities	51,500,000	19,043,231	31,705,320	50,748,551	751,449
Illinois Longitudinal Data System	244,400	-	5,966	5,966	238,434
Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs	6,794,400	-	2,800,000	2,800,000	3,994,400
Scholarships to Graduates of the Lincoln's Challenge Program	60,000	-	1,000	1,000	59,000

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Acts 099-0524, 100-0021, and Court-Ordered Expenditures FISCAL YEAR 2017					
<u>EDUCATION ASSISTANCE FUND - 007 (Continued)</u>					
Base Operating and Equalization Grants	36,310,500	-	36,310,500	36,310,500	-
Illinois Veterans' Reimbursement Grants	629,700	-	629,700	629,700	-
Operational Expenses, Grants, and Programs not Including Personal Services	3,758,000	2,750,098	236,841	2,986,939	771,061
Subtotal - Fund 007	\$ 117,866,400	\$ 22,293,329	\$ 89,708,727	\$ 112,002,056	\$ 5,864,344
<u>ICCB INSTRUCTIONAL DEVELOPMENT AND ENHANCEMENT APPLICATIONS REVOLVING FUND - 070</u>					
Costs Associated with Maintaining and Updating Instructional Technology	\$ 300,000	\$ 7,535	\$ 2,670	\$ 10,205	\$ 289,795
Subtotal - Fund 070	\$ 300,000	\$ 7,535	\$ 2,670	\$ 10,205	\$ 289,795
<u>HIGH SCHOOL EQUIVALENCY TESTING FUND - 161</u>					
Costs Associated with Administering GED Tests	\$ 1,000,000	\$ 156,149	\$ 6,978	\$ 163,127	\$ 836,873
Subtotal - Fund 161	\$ 1,000,000	\$ 156,149	\$ 6,978	\$ 163,127	\$ 836,873
<u>ICCB CONTRACTS AND GRANTS FUND - 339</u>					
Contracts and Grants	\$ 12,500,000	\$ 6,074,858	\$ 1,762,797	\$ 7,837,655	\$ 4,662,345
Subtotal - Fund 339	\$ 12,500,000	\$ 6,074,858	\$ 1,762,797	\$ 7,837,655	\$ 4,662,345

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Acts 099-0524, 100-0021, and Court-Ordered Expenditures FISCAL YEAR 2017	\$ 525,000	\$ 50,743	\$ 4,750	\$ 55,493	\$ 469,507
	\$ 525,000	\$ 50,743	\$ 4,750	\$ 55,493	\$ 469,507
<u>ICCB FEDERAL TRUST FUND - 350</u>					
Ordinary and Contingent Expenses	\$ 525,000	\$ 50,743	\$ 4,750	\$ 55,493	\$ 469,507
Subtotal - Fund 350	\$ 525,000	\$ 50,743	\$ 4,750	\$ 55,493	\$ 469,507
<u>FUND FOR THE ADVANCEMENT OF EDUCATION - 640</u>					
Costs Associated with Administering GED Tests	\$ 958,000	\$ 676,631	\$ 24,544	\$ 701,175	\$ 256,825
Adult Education and Literacy Activities	13,048,000	12,779,902	-	12,779,902	268,098
Career and Technical Education Activities	17,569,400	17,329,479	(1,421)	17,328,058	241,342
Base Operating and Equalization Grants	17,425,000	17,425,000	-	17,425,000	-
Subtotal - Fund 640	\$ 49,000,400	\$ 48,211,012	\$ 23,123	\$ 48,234,135	\$ 766,265
<u>BUDGET STABILIZATION FUND - 686</u>					
Ordinary and Contingent Expenses not Including Personal Services	\$ 250,000	\$ 28,068	-	\$ 28,068	\$ 221,932
Subtotal - Fund 686	\$ 250,000	\$ 28,068	-	\$ 28,068	\$ 221,932
<u>ICCB ADULT EDUCATION FUND - 692</u>					
Adult Education and Literacy Activities Administration	\$ 1,250,000	\$ 1,033,165	\$ (4,998)	\$ 1,028,167	\$ 221,833
Adult Education and Literacy Providers	23,250,000	12,469,342	8,292,687	20,762,029	2,487,971
Subtotal - Fund 692	\$ 24,500,000	\$ 13,502,507	\$ 8,287,689	\$ 21,790,196	\$ 2,709,804
<u>CAREER AND TECHNICAL EDUCATION FUND - 772</u>					
Career and Technical Education Activities	\$ 18,500,000	\$ 8,775,091	\$ 7,849,584	\$ 16,624,675	\$ 1,875,325
Subtotal - Fund 772	\$ 18,500,000	\$ 8,775,091	\$ 7,849,584	\$ 16,624,675	\$ 1,875,325

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
Expenditure Authority for Fiscal Year 2017

For the Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Lapse Period		Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
		Expenditures Through June 30	Expenditures July 1 to September 30		
Public Acts 099-0524, 100-0021, and Court-Ordered Expenditures FISCAL YEAR 2017	\$ 97,100,000	\$ 97,100,000	-	\$ 97,100,000	\$ -
	\$ 97,100,000	\$ 97,100,000	-	\$ 97,100,000	\$ -
<b>TOTAL - ALL APPROPRIATED FUNDS</b>	<b>\$ 448,816,600</b>	<b>\$ 198,112,285</b>	<b>\$ 232,673,523</b>	<b>\$ 430,785,808</b>	<b>\$ 19,722,395</b>

PERSONAL PROPERTY TAX REPLACEMENT FUND - 802

Base Operating and Equalization Grants  
Subtotal - Fund 802

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2017, and have been reconciled to Board 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: 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, the Board was able to submit vouchers to pay its employees in full without a maximum expenditure limit for personal service costs during Fiscal Year 2017.
- Note 4: Public Act 099-0524 authorizes 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 59 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 appropriation.
- Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 59 includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

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		
	2018	2017	2016
			Public Act 099-0491
		Public Act 099-0524	Public Act 099-0502
		Public Act 100-0021	Public Act 099-0524
	Public Act 100-0021	& Court-Ordered	& Court-Ordered
	Public Act 100-0586	Expenditures	Expenditures
<b>APPROPRIATED FUNDS</b>			
<b>General Revenue Fund - 001</b>			
Appropriations (Net of Transfers)	\$ 76,548,200	\$ 127,274,800	
Expenditures			
Personal Services	\$ 1,110,349	\$ 1,149,793	\$ 1,094,315
State Contributions to Social Security	17,951	18,812	15,198
Contractual Services	280,492	-	-
Travel	26,651	-	-
Commodities	3,639	-	-
Printing	1,055	-	-
Equipment	2,114	-	-
Electronic Data Processing	373,869	224,558	199,438
Telecommunications	69,120	-	-
Operation of Auto Equipment	1,927	-	-
Costs Associated with Administering GED Tests (Court-Ordered Payroll)	-	75,740	44,768
Career and Technical Education Activities	17,245,169	222,700	222,588
Illinois Longitudinal Data System	434,919	222,178	199,758
Costs Associated with Administering GED Tests	316,437	442	-
Operational Expenses	-	-	-
Base Operating and Equalization Grants	-	123,506,875	-
Small College Grants	537,600	537,600	-
Performance Funding Grants	351,900	351,900	-
Illinois Veterans' Reimbursement Grants	1,318,350	629,600	-
Educational Facility in East St. Louis	1,134,678	-	-
Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation	500,000	-	-
Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs	6,794,230	-	-
Scholarships to Graduates of the Lincoln's Challenge Program	-	-	-
City Colleges of Chicago for Educational-Related Expenses	12,386,000	-	-
Providers for Adult Education and Literacy	21,311,421	-	-
Providers for Performance-Based Awards	10,388,466	-	-
Total Expenditures - Fund 001	\$ 74,606,337	\$ 126,940,198	\$ 1,776,065
Lapsed Balances	\$ 1,941,863	\$ 2,026,205	

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		
	2018	2017	2016
		Public Act 099-0524 Public Act 100-0021 & Court-Ordered Expenditures	Public Act 099-0491 Public Act 099-0502 Public Act 099-0524 & Court-Ordered Expenditures
<b>Education Assistance Fund - 007</b>			
Appropriations (Net of Transfers)	\$ 131,255,000	\$ 117,866,400	\$ 74,142,300
Expenditures			
Base Operating Grants	\$ 64,606,979	\$ -	\$ -
Equalization Grants	66,281,416	-	-
Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation	-	1,000,000	-
Career and Technical Education Activities	-	17,519,400	-
Adult Education and Literacy Activities	-	50,748,551	-
Illinois Longitudinal Data System	-	5,966	-
Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs	-	2,800,000	-
Scholarships to Graduates of the Lincoln's Challenge Program	-	1,000	-
Base Operating and Equalization Grants	-	36,310,500	-
Illinois Veterans' Reimbursement Grants	-	629,700	-
Operational Expenses, Grants, and Programs not Including Personal Services	-	2,986,939	-
Grant Lump Sum	-	-	74,142,300
Total Expenditures - Fund 007	\$ 130,888,395	\$ 112,002,056	\$ 74,142,300
Lapsed Balances	\$ 366,605	\$ 5,864,344	\$ -
<b>ICCB Instructional Development and Enhancement Applications Revolving Fund - 070</b>			
Appropriations (Net of Transfers)	\$ 300,000	\$ 300,000	\$ 300,000
Expenditures			
Costs Associated with Maintaining and Updating Instructional Technology	\$ 500	\$ 10,205	\$ 64,795
Lapsed Balances	\$ 299,500	\$ 289,795	\$ 235,205
<b>High School Equivalency Testing Fund - 161</b>			
Appropriations (Net of Transfers)	\$ 500,000	\$ 1,000,000	\$ 1,000,000
Expenditures			
Costs Associated with Administering GED Tests	\$ 99,563	\$ 163,127	\$ 206,225
Lapsed Balances	\$ 400,437	\$ 836,873	\$ 793,775
<b>ICCB Contracts and Grants Fund - 339</b>			
Appropriations (Net of Transfers)	\$ 12,500,000	\$ 12,500,000	\$ 10,000,000
Expenditures			
Contracts and Grants	\$ 564,515	\$ 7,837,655	\$ 1,010,903
Lapsed Balances	\$ 11,935,485	\$ 4,662,345	\$ 8,989,097

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		
	2018	2017	2016
	Public Act 100-0021 Public Act 100-0586	Public Act 099-0524 Public Act 100-0021 & Court-Ordered Expenditures	Public Act 099-0491 Public Act 099-0502 Public Act 099-0524 & Court-Ordered Expenditures
<b>ICCB Federal Trust Fund - 350</b>			
Appropriations (Net of Transfers)	\$ 525,000	\$ 525,000	\$ 480,000
Expenditures			
Ordinary and Contingent Expenses	\$ 279,616	\$ 55,493	\$ 130,968
Lapsed Balances	\$ 245,384	\$ 469,507	\$ 349,032
<b>Fund for the Advancement of Education - 640</b>			
Appropriations (Net of Transfers)	\$ -	\$ 49,000,400	\$ -
Expenditures			
Costs Associated with Administering GED Tests	\$ -	\$ 701,175	\$ -
Adult Education and Literacy Activities	-	12,779,902	-
Career and Technical Education Activities	-	17,328,058	-
Base Operating and Equalization Grants	-	17,425,000	-
Total Expenditures - Fund 640	\$ -	\$ 48,234,135	\$ -
Lapsed Balances	\$ -	\$ 766,265	\$ -
<b>Budget Stabilization Fund - 686</b>			
Appropriations (Net of Transfers)	\$ -	\$ 250,000	\$ -
Expenditures			
Ordinary and Contingent Expenses not Including Personal Services	\$ -	\$ 28,068	\$ -
Lapsed Balances	\$ -	\$ 221,932	\$ -
<b>ICCB Adult Education Fund - 692</b>			
Appropriations (Net of Transfers)	\$ 24,500,000	\$ 24,500,000	\$ 24,500,000
Expenditures			
Adult Education and Literacy Activities Administration	\$ 873,081	\$ 1,028,167	\$ 623,828
Adult Education and Literacy Providers	17,388,282	20,762,029	22,164,725
Total Expenditures - Fund 692	\$ 18,261,363	\$ 21,790,196	\$ 22,788,553
Lapsed Balances	\$ 6,238,637	\$ 2,709,804	\$ 2,335,275
<b>Career and Technical Education Fund - 772</b>			
Appropriations (Net of Transfers)	\$ 18,500,000	\$ 18,500,000	\$ 18,500,000
Expenditures			
Career and Technical Education Activities	\$ 15,356,199	\$ 16,624,675	\$ 15,510,913
Lapsed Balances	\$ 3,143,801	\$ 1,875,325	\$ 2,989,087

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		
	2018	2017	2016
			Public Act 099-0491
		Public Act 099-0524	Public Act 099-0502
	Public Act 100-0021	Public Act 100-0021	Public Act 099-0524
	Public Act 100-0586	& Court-Ordered Expenditures	& Court-Ordered Expenditures
<b>Personal Property Tax Replacement Fund - 802</b>			
Appropriations (Net of Transfers)	\$ 103,500,000	\$ 97,100,000	\$ -
Expenditures			
Base Operating Grants	\$ 103,500,000	\$ -	\$ -
Base Operating and Equalization Grants	-	97,100,000	-
Total Expenditures - Fund 802	\$ 103,500,000	\$ 97,100,000	\$ -
Lapsed Balances	\$ -	\$ -	\$ -
<b>TOTAL - APPROPRIATED FUNDS</b>			
Total Appropriations	\$ 368,128,200	\$ 448,816,600	\$ 128,922,300
Total Expenditures	\$ 343,556,488	\$ 430,785,808	\$ 115,630,722
Lapsed Balances	\$ 24,571,712	\$ 19,722,395	\$ 15,691,471
<b>NON-APPROPRIATED FUND</b>			
<b>ICCB Federal Trust Fund - 350</b>			
Expenditures			
Refund	\$ -	\$ -	\$ 1,000
<b>GRAND TOTAL - ALL FUNDS</b>			
Total Expenditures	\$ 343,556,488	\$ 430,785,808	\$ 115,631,722

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller's records as of September 30, 2018, and September 30, 2017, and have been reconciled to Board 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: Fiscal Year 2018 approximate lapse period expenditures do not include interest payments approved for payment by the Board and submitted to the State Comptroller after September 2018.

Note 4: 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 in Fiscal Year 2017, 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 2017.

Note 5: Public Act 099-0524 authorizes 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 59 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.

Note 6: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the Board to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The Analysis of Operations section of this report at page 59 includes information from Board management about the number of invoices and the total dollar amount of invoices from Fiscal Year 2016 and Fiscal Year 2017 held by the Board to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SCHEDULE OF CHANGES IN STATE PROPERTY**  
For the Two Years Ended June 30, 2018

	<u>Equipment</u>
Balance at July 1, 2016	\$ 901,022
Additions	107,671
Deletions	-
Net Transfers	<u>(122,737)</u>
Balance at June 30, 2017	<u>\$ 885,956</u>
Balance at July 1, 2017	\$ 885,956
Additions	20,130
Deletions	-
Net Transfers	<u>-</u>
Balance at June 30, 2018	<u>\$ 906,086</u>

Note 1: The above schedule has been derived from the *Agency Reports of State Property* (Form C-15) submitted by the Board to the Office of the State Comptroller, which have been reconciled to the Board's property records.

Note 2: During testing of the Board's property records, several deficiencies were noted, which are described in Finding 2018-001.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF  
CASH RECIEPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Fiscal Year Ended June 30,

	2018	2017	2016
<b>General Revenue Fund - 001</b>			
Miscellaneous	\$ 3,296	\$ 603	\$ 391,662
Prior Year Refunds	56,162	2,464	89,411
Total cash receipts per Board	59,458	3,067	481,073
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 59,458</u>	<u>\$ 3,067</u>	<u>\$ 481,073</u>
<b>Education Assistance Fund - 007</b>			
Prior Year Refunds	\$ 1,033,401	\$ -	\$ -
Total cash receipts per Board	1,033,401	-	-
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 1,033,401</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ICCB Instructional Development and Enhancement Applications Revolving Fund - 070</b>			
Grant Allocations from Other States	\$ 2,960	\$ 6,070	\$ 78,370
Total cash receipts per Board	2,960	6,070	78,370
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 2,960</u>	<u>\$ 6,070</u>	<u>\$ 78,370</u>
<b>High School Equivalency Testing Fund - 161</b>			
Grant Allocations from the State Board of Education	\$ 62,333	\$ 61,164	\$ 50,707
Prior Year Refunds	-	68,544	34,307
Total cash receipts per Board	62,333	129,708	85,014
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	1,483
Total cash receipts per State Comptroller's Records	<u>\$ 62,333</u>	<u>\$ 129,708</u>	<u>\$ 86,497</u>
<b>ICCB Contracts and Grants Fund - 339</b>			
Grant Allocations from the Department of Transportation	\$ 1,612,152	\$ 2,525,311	\$ 1,739,812
Grant Allocations from the State Toll Highway Authority	82,342	607,401	467,847
Grant Allocations from the State Board of Education	248,269	10,079	422,200
Grant Allocations from the Board of Higher Education	10,000	3,000,000	-
Grant Allocations from Other Organizations or Individuals	214,750	23,500	141,605
Prior Year Refunds	66	102	8,418
Total cash receipts per Board	2,167,579	6,166,393	2,779,882
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	59,338
Total cash receipts per State Comptroller's Records	<u>\$ 2,167,579</u>	<u>\$ 6,166,393</u>	<u>\$ 2,839,220</u>

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**COMPARATIVE SCHEDULE OF CASH RECEIPTS AND RECONCILIATION OF  
CASH RECIEPTS TO DEPOSITS REMITTED TO THE STATE COMPTROLLER**  
For the Fiscal Year Ended June 30,

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>ICCB Federal Trust Fund - 350</b>			
Indirect Cost Reimbursements	\$ 251,220	\$ 310,462	\$ 255,146
Total cash receipts per Board	251,220	310,462	255,146
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 251,220</u>	<u>\$ 310,462</u>	<u>\$ 255,146</u>
<b>Fund for the Advancement of Education - 640</b>			
Prior Year Refunds	\$ 119,631	\$ -	\$ -
Total cash receipts per Board	119,631	-	-
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 119,631</u>	<u>\$ -</u>	<u>\$ -</u>
<b>ICCB Adult Education Fund - 692</b>			
Grant Allocations from U.S. Department of Education	\$ 20,870,114	\$ 20,008,021	\$ 20,228,206
Prior Year Refunds	12,496	81,276	152,703
Total cash receipts per Board	20,882,610	20,089,297	20,380,909
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 20,882,610</u>	<u>\$ 20,089,297</u>	<u>\$ 20,380,909</u>
<b>Career and Technical Education Fund - 772</b>			
Transfers from the State Board of Education	\$ 15,206,095	\$ 16,338,053	\$ 13,965,727
Prior Year Refunds	268,392	184,053	69,133
Total cash receipts per Board	15,474,487	16,522,106	14,034,860
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	-
Total cash receipts per State Comptroller's Records	<u>\$ 15,474,487</u>	<u>\$ 16,522,106</u>	<u>\$ 14,034,860</u>
<b>GRAND TOTAL - ALL FUNDS</b>			
Total cash receipts per Board	\$ 40,053,679	\$ 43,227,103	\$ 38,095,254
Less - In transit at End of Year	-	-	-
Plus - In transit at Beginning of Year	-	-	60,821
Total cash receipts per State Comptroller's Records - All Funds	<u>\$ 40,053,679</u>	<u>\$ 43,227,103</u>	<u>\$ 38,156,075</u>

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**BOARD FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

The Community College Board (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, 2018, were as follows:

- Lazaro Lopez, Chair
- Terry Bruce, Vice Chair
- James L. Ayers
- John Bambenek
- Teresa Garate
- Dustin Heurman
- Nicholas Kachiroubas
- Suzanne Morris
- J. Douglas Mraz
- Paige Ponder
- Oscar Sanchez - 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 and certification of facilities, and any other problems of community college education;
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

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**BOARD FUNCTIONS AND PLANNING PROGRAM**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

- 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 this 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 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;

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(NOT EXAMINED)

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.

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(NOT EXAMINED)

**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 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 Illinois; and,
6. Provide programs and services to assist students succeed in their educational endeavors.

STATE OF ILLINOIS  
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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017**

**General Revenue Fund – 001**

Contractual Services, Travel, Electronic Data Processing, Telecommunications, Costs Associated with Administering GED Tests, Career and Technical Education Activities, Illinois Longitudinal Data System, Illinois Veterans’ Reimbursement Grants, Educational Facility in East St. Louis, Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation, Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs, City Colleges of Chicago for Educational-Related Expenses, Providers for Adult Education and Literacy, and Providers for Performance-Based Awards

The increases in these line items were due to differences in the way the Board was appropriated funds in Fiscal Year 2017 as compared to Fiscal Year 2018. In Fiscal Year 2017, the Board received appropriations for operational expenses primarily out of the Education Assistance Fund. In Fiscal Year 2018, the Board received operational expenditure appropriations out of the General Revenue Fund.

Base Operating and Equalization Grants

The decrease in this line item was due to differences in the way the Board was appropriated funds in Fiscal Year 2017 as compared to Fiscal Year 2018. The Board received appropriations for this line item from the General Revenue Fund in Fiscal Year 2017, and from the Education Assistance Fund and Personal Property Tax Replacement Fund in Fiscal Year 2018.

**Education Assistance Fund – 007**

Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation, Career and Technical Education Activities, Adult Education and Literacy Activities, Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs, Base Operating and Equalization Grants, Illinois Veterans’ Reimbursement Grants, Operational Expenses, Grants, and Programs not Including Personal Services

The decreases in these line items were due to differences in the way the Board was appropriated funds in Fiscal Year 2017 as compared to Fiscal Year 2018. In Fiscal Year 2017, the Board received appropriations for operational expenses primarily out of the Education Assistance Fund. In Fiscal Year 2018, the Board received these operational expenditure appropriations out of the General Revenue Fund.

Base Operating and Equalization Grants

The decrease in this line item was due to differences in the way the Board was appropriated funds in Fiscal Year 2017 as compared to Fiscal Year 2018. The Board received appropriations for this line item from the General Revenue Fund in Fiscal Year 2017, and from the Education Assistance Fund and Personal Property Tax Replacement Fund in Fiscal Year 2018.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2018 AND 2017 (Continued)**

**High School Equivalency Testing Fund - 161**

Cost Associated with Administering GED Tests

The decrease was due to only having two Full-Time Equivalents (FTE) being paid from this line item in Fiscal Year 2018. During Fiscal Year 2017, three FTEs were paid from this line item.

**ICCB Contracts and Grants Fund – 339**

Contracts and Grants

The decrease was due to the Board receiving the Highway Construction Career Training Program grant from the Illinois Department of Transportation and an emergency grant from the Illinois Board of Higher Education in Fiscal Year 2017. Neither of these grants were received again in Fiscal Year 2018.

**ICCB Federal Trust Fund – 350**

Ordinary and Contingent Expenses

The increase was due to three FTEs being paid from this line item in Fiscal Year 2018. In Fiscal Year 2017, no FTEs were paid from this line item.

**Budget Stabilization Fund – 686**

Ordinary and Contingent Expenses not Including Personal Services

The decrease was due to the Board not receiving appropriations from the Budget Stabilization Fund during Fiscal Year 2018. The Board utilized the General Revenue Fund to pay for its ordinary and contingent expenses during Fiscal Year 2018.

**Personal Property Tax Replacement Fund – 802**

Base Operating Grants and Base Operating and Equalization Grants

The Board received appropriations under different line items for Base Operating Grants and Equalization Grants in Fiscal Year 2017 and Fiscal Year 2018. Overall expenditures for Base Operating Grants and Equalization Grants did not significantly change.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
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(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016**

**General Revenue Fund – 001**

Costs Associated with Administering GED Tests

The increase was due to one FTE being paid from this line item in Fiscal Year 2017. In Fiscal Year 2016, only 0.5 FTE was paid from this line item.

Based Operating and Equalization Grants, Small College Grants, Performance Funding Grants, and Illinois Veterans' Reimbursements Grant

The increase in these line items was due to differences in the way the Board was appropriated funds in Fiscal Year 2016 as compared to Fiscal Year 2017. The Board received appropriations for these line items from the Education Assistance Fund in Fiscal Year 2016, and from the General Revenue Fund in Fiscal Year 2017.

**Education Assistance Fund – 007**

Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation, Career and Technical Education Activities, Adult Education and Literacy Activities, Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs, and Base Operating and Equalization Grants, Illinois Veterans' Reimbursement Grants, Operational Expenses, and Grants and Programs not Including Personal Services

The increase in these line items was due to differences in the way the Board was appropriated funds in Fiscal Year 2016 as compared to Fiscal Year 2017. The Board received appropriations for these line items from the General Revenue Fund in Fiscal Year 2016, and from the Education Assistance Fund in Fiscal Year 2017.

Grant Lump Sum

The decrease was due to the Education Assistance Fund being appropriated as one lump sum appropriation during Fiscal Year 2016. In Fiscal Year 2017, the Education Assistance Fund appropriations were broken out into multiple line items.

**ICCB Instructional Development and Enhancement Applications Revolving Fund – 070**

Costs Associated with Maintaining and Updating Instructional Technology

The decrease was due a change in the Board's agreement with Western Illinois University. In Fiscal Year 2016, funds received for GED Illinois Online Licenses were held in this Fund until the Board disbursed them to Western Illinois University. During Fiscal Year 2017, the agreement was revised so that funds from the sale of GED Illinois Online Licenses went directly to Western Illinois University instead of passing through the Board.

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(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016 (Continued)**

**High School Equivalency Testing Fund – 161**

Costs Associated with Administering GED Tests

The decrease was due to the Board decreasing its spending out of this Fund due to the continual decrease in revenue derived from testing fees and the unpredictability of revenue earned in transcript fees.

**ICCB Contracts and Grants Fund – 339**

Contracts and Grants

The increase was due to the Board receiving additional Highway Construction Career Training Program grant funds from the Illinois Department of Transportation during Fiscal Year 2017. In addition, in Fiscal Year 2017, the Board received an emergency grant from the Illinois Board of Higher Education in the amount of \$3 million. In Fiscal Year 2016, due to the budget impasse, the Board did not receive appropriations until the end of the fiscal year, so the Board was limited on how much they could expend.

**ICCB Federal Trust Fund – 350**

Ordinary and Contingent Expenses

The decrease was due to no FTEs being paid from this line item in Fiscal Year 2017. In Fiscal Year 2016, two FTEs were paid from this line item.

**Fund for the Advancement of Education – 640**

Costs Associated with Administering GED Tests, Adult Education and Literacy Activities, Career and Technical Education Activities, and Base Operating and Equalization Grants.

The increase was due to these line items being appropriated from the General Revenue Fund in Fiscal Year 2016. In Fiscal Year 2016, the Board did not receive any appropriations from the Fund for the Advancement of Education.

**Budget Stabilization Fund – 686**

Ordinary and Contingent Expenses not Including Personal Services

The increase was due to the Board not receiving any appropriation from the Budget Stabilization Fund during Fiscal Year 2016.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2017 AND 2016 (Continued)**

**ICCB Adult Education Fund – 692**

Adult Education and Literacy Activities Administration

The increase was due to the budget impasse in Fiscal Year 2016. In Fiscal Year 2016, the Board did not receive an appropriation for this line item, so expenditures were limited to court-ordered payroll expenditures. In Fiscal Year 2017, the Board received an appropriation for this line item.

**Personal Property Tax Replacement Fund – 802**

Base Operating and Equalization Grants

The increase was due to the Board receiving appropriations for Base Operating and Equalization Grants in the General Revenue Fund rather than the Personal Property Tax Replacement Fund during Fiscal Year 2016.

STATE OF ILLINOIS  
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**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Fiscal Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017**

**General Revenue Fund – 001**

Prior Year Refunds

The increase was due to the State Adult Education grants being appropriated from the General Revenue Fund, Education Assistance Fund, and the Fund for the Advancement of Education during Fiscal Year 2017. However, due to the budget impasse, grants were not issued until the Lapse Period of Fiscal Year 2017, so the Board extended the end date of the grants to December 31, 2018. Therefore, grantees received Fiscal Year 2018 funding at the same time as Fiscal Year 2017, and could not spend all the funding before the grants ended. In result, the Board experienced an increase in refunds in Fiscal Year 2018 compared to Fiscal Year 2017.

**Education Assistance Fund – 007**

Prior Year Refunds

The increase was due to the State Adult Education grants being appropriated from the General Revenue Fund, Education Assistance Fund, and the Fund for the Advancement of Education during Fiscal Year 2017. However, due to the budget impasse, grants were not issued until the Lapse Period of Fiscal Year 2017, so the Board extended the end date of the grants to December 31, 2018. Therefore, grantees received Fiscal Year 2018 funding at the same time as Fiscal Year 2017, and could not spend all the funding before the grants ended. In result, the Board experienced an increase in refunds in Fiscal Year 2018 compared to Fiscal Year 2017.

**High School Equivalency Testing Fund – 161**

Prior Year Refunds

The decrease was due to a grant being issued for the operation of the Cook County High School Equivalency Office (Office) during Fiscal Year 2016 and refunds from this grant were received in Fiscal Year 2017. In Fiscal Year 2017, the Board took over operations of the Office and did not issue any grants. Therefore, no refunds were received in Fiscal Year 2018.

**ICCB Contracts and Grants Fund – 339**

Grant Allocation from the Department of Transportation

Grant revenues from the Illinois Department of Transportation (IDOT) are received dependent on the Board's receipt of payment requests from grantees. Timing of these payments are related to timing of receipt of requests. The decrease was due to fewer requests being received in Fiscal Year 2018 compared to Fiscal Year 2017.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Fiscal Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017 (Continued)**

**ICCB Contracts and Grants Fund – 339 (Continued)**

Grant Allocations from the State Toll Highway Authority

The decrease was due to the grant ending in Fiscal Year 2018. The Board pays grantees after receiving payment requests (on a reimbursement basis) for their grants. Once the Board receives payment requests, the Board requests payment from the State Toll Highway Authority.

Grant Allocations from the State Board of Education

The increase was due to the Board, in November of Fiscal Year 2017, receiving and issuing the Bridging the Gap grant. The grant was later extended into Fiscal Year 2018, which was when the Board received most of their payment requests from the grantees. The Board, then received payment from the State Board of Education after receiving such payment requests.

Grant Allocations from the Board of Higher Education

The decrease was due to the Board receiving an emergency allocation of \$3 million during Fiscal Year 2017 to assist the community college districts who were experiencing difficulties due to the budget impasse.

Grant Allocations from Other Organizations or Individuals

The increase was due to the Board receiving private grants from the National Governors Association, Board of Higher Education, Advance Career and Technical Education, and the Research Foundation of CUNY in Fiscal Year 2018. In Fiscal Year 2017, the Board only received funding for Illinois Community Colleges Online (ILCCO).

**Fund for the Advancement of Education – 640**

Prior Year Refunds

The increase was due to the State Adult Education grants being appropriated from the General Revenue Fund, Education Assistance Fund, and the Fund for the Advancement of Education during Fiscal Year 2017. However, due to the budget impasse, grants were not issued until the Lapse Period of Fiscal Year 2017, so the Board extended the end date of the grants to December 31, 2018. Therefore, grantees received Fiscal Year 2018 funding at the same time as Fiscal Year 2017, and could not spend all the funding before the grants ended. In result, the Board experienced an increase in refunds in Fiscal Year 2018 compared to Fiscal Year 2017.

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ILLINOIS COMMUNITY COLLEGE BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Fiscal Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2018 AND 2017 (Continued)**

**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 2018 refunds decreased compared to Fiscal Year 2017 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 2018 refunds increased compared to Fiscal Year 2017 refunds.

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016**

**General Revenue Fund – 001**

Miscellaneous

The decrease was due to the Board receiving funds a grantee owed for several prior years which were all paid in Fiscal Year 2016. No such refunds were received in Fiscal Year 2017.

Prior Year Refunds

The decrease was due to the budget impasse during Fiscal Year 2017, which resulted in Adult Education grants being issued late and extended into Fiscal Year 2018. Therefore, refunds for these Fiscal Year 2017 grants were not processed until Fiscal Year 2018. The Fiscal Year 2016 refunds were for Fiscal Year 2015 State Adult Education grants. Prior year refunds are typical for these grants, as grantees do not always spend their entire grant amount.

**ICCB Instructional Development and Enhancement Applications Revolving Fund – 070**

Grant Allocations from Other States

The decrease was due to a change in the agreement between the Board and Western Illinois University (WIU). During Fiscal Year 2016, all revenues collected from the sale of GED Illinois Online licenses was received by the Board and then passed to WIU. During Fiscal Year 2017, the agreement was revised so that revenues went directly to WIU instead of passing through the Board.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Fiscal Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016 (Continued)**

**High School Equivalency Testing Fund – 161**

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 2017 refunds increased compared to Fiscal Year 2016 refunds.

**ICCB Contracts and Grants Fund – 339**

Grant Allocation from the Department of Transportation

Grant revenues from IDOT are received dependent on the Board's receipt of payment requests from grantees. Timing of these payments are related to timing of receipt of requests. The increase was due to more requests being received in Fiscal Year 2017 compared to Fiscal Year 2016.

Grant Allocations from the State Toll Highway Authority

The increase was due to the Board receiving more requests from grantees for payment (on a reimbursement basis) for their grants in Fiscal Year 2017. Once the Board receives payment requests, the Board requests payment from the State Toll Highway Authority.

Grant Allocations from the State Board of Education

The decrease was due to the Board receiving two grants from the State Board of Education (Race to the Top and Bridging the Gap) in Fiscal Year 2016. Both grants ended in Fiscal Year 2016. In November of Fiscal Year 2017, the Board only received the Bridging the Gap grant.

Grant Allocations from the Board of Higher Education

The increase was due to the Board receiving an emergency allocation of \$3 million during Fiscal Year 2017 to assist the community college districts who were experiencing difficulties due to the budget impasse.

Grant Allocations from Other Organizations or Individuals

The decrease was due to Board receiving private grants from Accelerating Opportunity and Illinois Manufacturing Excellence Center in Fiscal Year 2016. Both programs ended in Fiscal Year 2016. In Fiscal Year 2017, the Board only received funding for ILCCO.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS**  
For the Two Fiscal Years Ended June 30, 2018

(NOT EXAMINED)

**ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2017 AND 2016 (Continued)**

**ICCB Federal Trust Fund – 350**

Indirect Cost Reimbursements

The increase was due to the budget impasse, which resulted in lower administrative expenditures in Fiscal Year 2016. Therefore, the Board made fewer reimbursements during Fiscal Year 2016 compared to Fiscal Year 2017.

**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 2017 refunds decreased compared to Fiscal Year 2016 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 2017 refunds increased compared to Fiscal Year 2016 refunds.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

**FISCAL YEAR 2018**

**General Revenue Fund – 001**

Telecommunications

The significant spending during the Lapse Period is primarily due to the installation of a Voice over Internet Protocol (VOIP) telecommunications system near the end of Fiscal Year 2018. The Board received and processed the related invoices during the Lapse Period.

Performance Funding Grants

The significant spending during the Lapse Period is primarily due to the Board not having the required data to run the allocation formula to determine the Board's expenditures under the Performance Funding grants until the end of the fiscal year.

Educational Facility in East St. Louis

The significant spending during the Lapse Period is primarily due to a contract not being signed until June 29, 2018. Once signed, the major expenditures in association with the contract were made and processed during the Lapse Period.

**ICCB Adult Education Fund – 692**

Adult Education and Literacy Providers

The Board received and processed requests for payment from providers for Adult Education and Literacy Programs during the Lapse Period. Timing of expenditures is dependent on payment request submissions by providers.

**Career and Technical Education Fund – 772**

Career and Technical Education Activities

The Board received and processed requests for payment from grantees for Career and Technical Education Programs during the Lapse Period. Timing of expenditures is dependent on payment request submissions by grantees.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

**FISCAL YEAR 2017**

**General Revenue Fund – 001**

Base Operating and Equalization Grants, Small College Grants, Performance Funding Grants, and Illinois Veterans' Reimbursement Grants

The significant spending during the Lapse Period is primarily due to the Board processing grant payments to providers for Fiscal Year 2017 after the passage of Public Act 100-0021 on July 6, 2017.

**Education Assistance Fund – 007**

Career and Technical Education Licensed Practical Nurse and Registered Nurse Preparation, Career and Technical Education Activities, Adult Education and Literacy Activities, Grants to Alternative Schools Network and Payment of Grants to Other Providers for Educational Purposes or Bridge Programs, Base Operating and Equalization Grants, and Illinois Veterans' Reimbursement Grants

The significant spending during the Lapse Period is primarily due to the Board processing invoices and grant payments to providers for Fiscal Year 2017 after the passage of Public Act 100-0021 on July 6, 2017.

**ICCB Contracts and Grants Fund – 339**

Contracts and Grants

The Board received and processed requests for payment from providers during the Lapse Period. Timing of expenditures is dependent on payment request submissions by providers.

**ICCB Adult Education Fund – 692**

Adult Education and Literacy Providers

The Board received and processed requests for payment from providers for Adult Education and Literacy Programs during the Lapse Period. Timing of expenditures is dependent on payment request submissions by providers.

**Career and Technical Education Fund – 772**

Career and Technical Education Activities

The Board received and processed requests for payment from grantees for Career and Technical Education Programs during the Lapse Period. Timing of expenditures is dependent on payment request submissions by grantees.

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**BUDGET IMPASSE DISCLOSURES**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

Payment of Prior Year 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. In addition, Article 998 of Public Act 100-0021 authorized the Board to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the Board's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The following chart shows the Board's payments of its prior period costs using future appropriations:

FISCAL YEAR 2016 INVOICES

Fund #	Fund Name	Paid From Fiscal Year 2017 Appropriations		Paid From Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	0	\$ -	0	\$ -
007	Education Assistance Fund	235	337,243	0	-
161	High School Equivalency Testing Fund	2	191	0	-
339	ICCB Contracts and Grants Fund	26	252,615	0	-
350	ICCB Federal Trust Fund	2	252	0	-
640	Fund for the Advancement of Education	60	309,148	0	-
692	ICCB Adult Education Fund	3	4,232	0	-
772	Career and Technical Education Fund	6	120,899	0	-
		334	\$ 1,024,580	0	\$ -

FISCAL YEAR 2017 INVOICES

Fund #	Fund Name	Paid From Fiscal Year 2017 Appropriations		Paid From Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	418	\$ 126,940,198	2	\$ 10,145
007	Education Assistance Fund	729	111,664,813	0	-
161	High School Equivalency Testing Fund	132	162,936	0	-
339	ICCB Contracts and Grants Fund	356	7,585,040	1	36,210
350	ICCB Federal Trust Fund	29	55,241	1	8,500
640	Fund for the Advancement of Education	218	47,924,987	0	-
692	ICCB Adult Education Fund	839	21,785,964	0	-
772	Career and Technical Education Fund	476	16,503,776	3	15,195
		3,197	\$ 332,622,955	7	\$ 70,050

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND  
PROGRAMS TO ADDRESS UNTIMELY PAYMENTS TO VENDORS**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

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 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the Board's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2017.

STATE OF ILLINOIS  
 ILLINOIS COMMUNITY COLLEGE BOARD  
**INTEREST COSTS ON FISCAL YEAR 2017 INVOICES**  
 For the Two Years Ended June 30, 2018

(NOT EXAMINED)

Prompt Payment Interest Costs

The Board plans to calculate prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540) using 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 2017. 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 90<sup>th</sup> day after a vendor submits an eligible proper bill to the Board. The following chart shows the Board's prompt payment interest incurred related to Fiscal Year 2017 invoices, calculated on the accrual basis of accounting, through June 30, 2017, by fund:

Fund #	Fund Name	Invoices	Vendors	Dollar Value
007	Education Assistance Fund	3	2	\$ 14
161	High School Equivalency Testing Fund	1	1	22
339	ICCB Contracts and Grants Fund	3	2	107
350	ICCB Federal Trust Fund	2	2	27
640	Fund for the Advancement of Education	22	10	10,878
692	ICCB Adult Education Fund	2	2	509
		<u>33</u>	<u>19</u>	<u>\$ 11,557</u>

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**AVERAGE NUMBER OF EMPLOYEES**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

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>2018</u>	<u>2017</u>	<u>2016</u>
Executive	11	11	8
Academic Affairs and Workforce Development	9	10	11
Adult Education and Institutional Support	14	15	16
System Finances and Office Operations	11	10	9
Total Average Full-Time Employees	<u>45</u>	<u>46</u>	<u>44</u>

STATE OF ILLINOIS  
ILLINOIS COMMUNITY COLLEGE BOARD  
**SERVICE EFFORTS AND ACCOMPLISHMENTS**  
For the Two Years Ended June 30, 2018

(NOT EXAMINED)

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>2018</u>	<u>2017</u>	<u>2016</u>
Fall Term Headcount Enrollment:			
System Total	293,417	304,173	316,155
Twelve-Month Unduplicated Headcount:			
All Students Enrolled for Credit, Occupational, and Vocational Programs	553,174	597,290	620,191
All Students Enrolled in Non-Credit Courses	167,958	178,103	182,375
Percentage of College Students Seeking a Degree or Certificate	52%	50%	53%
Pre-Baccalaureate Degree Completions by Race/Ethnicity:			
African American	7,728	9,218	10,283
Latino	11,506	11,209	10,036
White	40,472	42,852	44,554
All Other	6,437	7,180	6,914
Pre-Baccalaureate Degree Completions by Gender:			
Male	30,590	32,911	33,077
Female	35,553	37,548	38,710