

Golden Apple Scholars of Illinois Program

Agreed-Upon Procedures
For the Year Ended June 30, 2015

Performed as Special Assistant Accountants for the
Auditor General, State of Illinois



Golden Apple Scholars of Illinois Program

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Golden Apple Scholars of Illinois Program

Agreed-Upon Procedures Report

Summary

The Commission administers the Golden Apple Scholars of Illinois Program which is managed by the Golden Apple Foundation for Excellence in Teaching (Foundation). The agreed-upon procedures report and accompanying schedule of revenues and expenditures is included herein related to this program.

Summary of Findings

The accountants identified three exceptions related to the Golden Apple Scholars of Illinois Program. The exceptions are described within the agreed-upon procedures report. The exceptions apply only to the Golden Apple Scholars of Illinois Program and are directed to Foundation management.

Exit Conference

In correspondence received from Wendy Funk, Director of Accounting and Finance, on December 16, 2015, the Commission elected to waive a formal exit conference.

In correspondence received from John Chomiak, Chief Financial Officer, on December 16, 2015, the Foundation also waived a formal exit conference.

Independent Accountant's Report on Applying Agreed-Upon Procedures

Honorable William G. Holland
Auditor General
State of Illinois

Mr. Miguel del Valle
Acting Chair of the Governing Board
Illinois Student Assistance Commission

As Special Assistant Accountants for the Auditor General, we have performed each of the procedures enumerated below, which were established by the Office of the Auditor General. The procedures performed were solely to assist the users in evaluating certain financial and other records of the Golden Apple Scholars of Illinois Program (Program) for the year ended June 30, 2015 pursuant to the Higher Education Student Assistance Act (110 ILCS 947/52). The Illinois Student Assistance Commission (Commission) and the Golden Apple Foundation for Excellence in Teaching (Foundation) are responsible for the financial and other records of the Golden Apple Scholars of Illinois Program. These agreed-upon procedures were performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the Office of the Auditor General. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. We confirmed that the Foundation is registered with the Illinois Office of the Attorney General.
2. We obtained evidence that the Commission and the Foundation Boards met during the period July 1, 2014 through June 30, 2015 (FY2015). We observed that minutes were prepared for the following Foundation Board meetings: June 11, 2014, November 4, 2014 and March 23, 2015. We observed that minutes were prepared for the following Commission Board meetings: July 22, 2014, October 16, 2014, December 15, 2014, January 27, 2015 and April 1, 2015. We read the aforementioned meeting minutes.
3. We obtained a listing of participants in the program as of June 30, 2015, provided to us by the Foundation from the Foundation's "FileMaker" database, which is maintained by the Foundation's Program Director, and we abstracted the following Golden Apple Program (Program) data:
 - a. 403 participants received scholarship funding during fiscal year 2015.
 - b. 395 participants were in school as of June 30, 2015.
 - c. 298 participants have completed school and are currently fulfilling their teaching requirement as of June 30, 2015.
 - d. 50 participants have not fulfilled their teaching requirement and are repaying their scholarship to the Foundation as of June 30, 2015.
 - e. \$117,574 was collected by the Foundation during fiscal year 2015 on repayments of scholarships.

4. We obtained and read *23 Illinois Administrative Code Part 2764 Golden Apples Scholar of Illinois Program (Code)* outlining applicant eligibility and statutory limits on scholarship awards. We obtained the total amount of scholarships paid directly by the Commission (see Schedule A Scholarship-ISAC), and we obtained a detailed listing of students awarded scholarships. This information was provided by the Commission's Director of the Department of Program Services. From this listing: We haphazardly selected 25 students who received a scholarship award. For each student selected, we obtained the student's program file from the Foundation, and performed the following:
 - a. Inspected the student's application and other documents pertaining to program eligibility and we observed the applicant's eligibility was supported by copies of the following which were maintained in the file: social security card and personal identification (state identification, driver's license, or passport). No exceptions were noted.
 - b. Inspected the student's "Program Agreement and Promissory Note" and observed the "Program Agreement and Promissory Note" was complete and signed. No exceptions were noted.
 - c. Compared the total amount of the scholarship awarded to the student to the maximum allowable scholarship as outlined in the Code. No exceptions were noted.
 - d. Compared all semester/quarter hours for scholarships awarded to the student and determined the semester/quarter hours awarded did not exceed 8 semesters or 12 quarters of scholarship assistance. No exceptions were noted.
 - e. Confirmed that the program documented that the student met the citizenship requirement. We noted that the program did not document that the student met the citizenship requirement.
5. We obtained a listing of participants in the Program as of June 30, 2015, provided to us by the Foundation from the Foundation's "FileMaker" database, which is maintained by the Foundation's Program Director. This listing contains all students receiving scholarship assistance and indicates the county in which the student resides. The Code requires that 30 percent of students receiving scholarship assistance reside in counties having a population of fewer than 500,000. We recalculated the percentage of students receiving scholarship assistance who reside in such counties. We calculated that 37% of students reside in such counties.
6. The Program Director of the Foundation provided policies and procedures for monitoring the continuing eligibility of prior scholarship recipients towards the fulfillment of their teaching obligation, which we read. We obtained a listing of all scholarship recipients who have graduated from college, which includes recipients who have fulfilled their teaching requirement, and recipients who have not fulfilled their teaching requirement. This listing came from the Foundation's "FileMaker" database. From this listing:
 - a. We haphazardly selected 25 recipients who have fulfilled their teaching obligation. For the selected recipients we inspected:
 - 1) Mentoring site visit notes, which indicated that the recipient began teaching within two years following completion of the postsecondary education degree or certificate program for which the scholarship was awarded. No exceptions were noted.
 - 2) Mentoring site visit notes (verification of employment form) which supported the scholarship recipients' fulfillment of their five-year teaching obligation. No exceptions were noted.
 - b. We haphazardly selected 25 prior scholarship recipients who have not fulfilled their teaching requirement and obtained scholarship repayment history information from the Foundation's "FileMaker" database. Of the 25 recipients selected, 10 made payments during fiscal year 2015. All of the 25 recipients were filed with a collection agency. Of those 25 recipients, additional moneys were collected from 16 recipients subsequent to the end of the fiscal year through December 31, 2015. We observed that interest at a rate of 5% per annum was charged to recipients sampled for loans made subsequent to fiscal year 2010. All of the 25 recipients were charged interest. No exceptions were noted.

7. From the Program Director of the Foundation we obtained and read the policies and procedures for obligating and spending program funds. We obtained the Schedule of Program Revenues and Expenditures for the year ended June 30, 2015 (see Schedule A). We obtained the Foundation's detailed general ledger supporting non-payroll expenditures, and payroll expenditures listed on Schedule A. From the detailed general ledger, we haphazardly selected a sample of 25 non-payroll expenditures, and 25 payroll expenditures.
 - a. We inspected the invoice or other support for the 25 non-payroll expenditures paid by the Foundation and observed:
 - 1) The expenditure was directly related to the Program as evidenced by the description on the invoice's approval form and the activity description within the invoice. Two exceptions were noted where the program purchased prizes in the amount of \$5,395 that were given to Program participants for attending training.
 - 2) The invoice or other support contained required supervisor approval as outlined in the policies and procedures. No exceptions were noted.
 - 3) We reviewed the associated checks to determine if two signatures were included, as required in the policies and procedures. No exceptions were noted.
 - 4) Persons with signature authority did not approve their own expenditures.
 - b. For the selected payroll expenditures we:
 - 1) Recalculated gross pay from pay rate authorizations in the employee's personnel file and time sheets which contained the hours worked. We agreed gross pay to the payroll register. One exception was noted where the gross pay did not equal the number of hours worked times the pay rate due to the inclusion of a \$25,000 bonus.
8. We obtained the Schedule of Revenues and Expenditures for the year ended June 30, 2015 (Schedule A):
 - a. We agreed "Appropriations from the State" and Commission scholarship expenditures (Scholarships – ISAC) to the Commission's general ledger. No exceptions were noted.
 - b. We agreed "Private Funding" revenue and all other expenditures from the Schedule of Revenues and Expenditures to the Foundation's general ledger. No exceptions were noted.
 - c. We compared the Schedule of Revenues and Expenditures to the budget presented with the application for the grant at the beginning of the fiscal year, and computed the amount by which budgeted expenditures were over (under) actual expenditures. We noted that actual expenditures exceeded budgeted expenditures by \$555,011.

We were not engaged to, and did not conduct an audit of the Golden Apple Scholars of Illinois Program's revenues and expenditures for the year ended June 30, 2015, the objective of which would be the expression of an opinion on the accounts and amounts of the Golden Apple Scholars of Illinois Program. Accordingly, we do not express such an opinion. Further, had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Governor, Commission management, and Commission Board and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Schaumburg, Illinois
December 18, 2015

**Schedule A
Golden Apple Scholars of Illinois Program
Schedule of Revenues and Expenditures
for the Year Ending June 30, 2015**

REVENUES

Appropriation from the State	\$6,498,000
Appropriations Lapsed	(\$6,231)
Private Funding	<u>\$318,525</u>
Total Program Revenues	<u>\$6,810,294</u>

EXPENDITURES

Personnel Services (Salaries and Benefits)		
Program Staff Salaries and Benefits	\$1,763,110	
Total Personnel Services (Salaries and Benefits)		\$1,763,110
Summer Institute		
Summer Institute at SXU	\$ 357,285	
Summer Institute at DePaul	561,534	
Summer Institute at Elmhurst College	200,055	
Summer Institute at IMSA	114,829	
Summer Institute at Dominican	68,309	
Summer Institute at EIU	72,570	
Summer Institute at SIU-E	93,119	
Summer Institute at Misericordia	5,060	
CORE Conference at St. Xavier	54,008	
Total Summer Institute		1,526,769
General Summer Institute Expenses		
Outside Consultant	\$ 186,486	
Recognition Reception	33,201	
Total Summer Institute Expenses		219,687
Summer Institute Stipend		
SI Stipend	\$ 996,700	
Total Summer Institute Stipend		996,700
Office Expenses		
Program	\$ 530,940	
Total Office Expenses		530,940

Schedule A (Continued)
Golden Apple Scholars of Illinois Program
Schedule of Revenues and Expenditures
for the Year Ending June 30, 2015

Recruitment & Selection Expenses		
Technology	\$ 26,709	
Recruitment & Placement Activities and Travel	46,712	
Scholars Interview/Selection Process	19,648	
Scholars Program Overview	1,465	
Scholars nomination Brochures	50	
Total Recruitment & Selection Expenses		\$94,584
Mentoring & Advising		
Scholars Meetings Expenses	\$ 6,933	
GATS: Advisement Program for Teaching Scholars	135,630	
Campus Visits and Travel	5,623	
Pizza Dough Campus Meeting Allotment to Colleges	10,480	
Advisory Consultant	153,483	
Total Mentoring & Advising		312,149
Scholarships Paid		
Scholarship-ISAC	\$1,354,169	
Total Scholarships Paid		1,354,169
Total Expenditures		<u>\$6,798,108</u>
Revenues in Excess of Expenditures		<u>\$12,186</u>