



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

---

**SINGLE AUDIT REPORT**

**For the Year Ended June 30, 2022**



**SIKICH.COM**

**ELGIN COMMUNITY COLLEGE**  
**DISTRICT NUMBER 509**  
**ELGIN, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
Independent Auditor’s Report on Compliance on Internal Control over Financial Reporting and on Compliance on Other Matters Based on Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i> .....	1-2
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance .....	3-5
Schedule of Expenditures of Federal Awards.....	6-7
Notes to Schedule of Expenditures of Federal Awards .....	8
Schedule of Findings and Questioned Costs.....	9-12

1415 W. Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Elgin Community College - Illinois Community College District No. 509 (the College) as of and for the year ended June 30, 2022, and the related notes to financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 5, 2022. The financial statements of Elgin Community College Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Elgin Community College Foundation.

**Report on Internal Control over Financial Reporting**

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

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

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

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Selich LLP*

Naperville, Illinois  
December 5, 2022

1415 W. Diehl Road, Suite 400  
Naperville, IL 60563  
630.566.8400

**SIKICH.COM**

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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Elgin Community College, Illinois Community College District 509's (the College) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2022. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Elgin Community College, Illinois Community College District 509 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility for the Auditor Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College as of and for the year ended June 30, 2022 and the related notes to financial statements, which collectively comprise of the College's basic financial statements and have issued our report thereon dated December 5, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Sikich LLP*

Naperville, Illinois  
December 5, 2022

**ELGIN COMMUNITY COLLEGE  
DISTRICT NUMBER 509**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2022

GRANTOR	Federal Assistance Listing Number	Expenditures
<b>MAJOR PROGRAMS</b>		
U.S. Department of Education		
Direct Programs		
Student Financial Aid Cluster		
PELL Grant	84.063	\$ 7,663,416
PELL Administrative Allowance	84.063	12,405
		<u>7,675,821</u>
SEOG Grant	84.007	366,753
College Work Study	84.033	106,753
Federal Direct Loans	84.268	1,343,432
Total Student Financial Aid Cluster		<u>9,492,759</u>
COVID-19 Higher Education Emergency Relief (CRRSAA)- Student Portion	84.425E	205,943
COVID-19 Higher Education Emergency Relief -(ARPA) Student Portion	84.425E	8,326,238
		<u>8,532,181</u>
COVID-19 Higher Education Emergency Relief Fund (CRRSAA)- Institutional Portion	84.425F	3,567,136
COVID-19 Higher Education Emergency Relief Fund (ARPA) - Institutional Portion	84.425F	4,112,764
		<u>7,679,900</u>
COVID-19 Higher Education Emergency Relief Fund (CARES)- Minority Serving Institutions (MSIs)	84.425L	37,654
COVID-19 Higher Education Emergency Relief Fund (CRRSAA)- Minority Serving Institutions (MSIs)	84.425L	346
		<u>38,000</u>
Total Higher Education Emergency Relief Funds		<u>16,250,081</u>
Passed Through Illinois Community College Board		
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	144,653
Total Education Relief Funds		<u>16,394,734</u>
Total U.S. Department of Education (Major)		<u>25,887,493</u>
Total Major Programs		<u>25,887,493</u>
<b>NONMAJOR PROGRAMS</b>		
U.S. Department of Education		
TRIO Cluster		
Student Support Services	84.042A	18,753
Student Support Services	84.042A	459,582
Student Support Services - ESL	84.042A	20,709
Student Support Services - ESL	84.042A	201,207
		<u>700,251</u>
Upward Bound	84.047A	348,440
Upward Bound	84.047A	51,661
Upward Bound II	84.047A	265,283
Upward Bound II	84.047A	29,500
		<u>694,884</u>



**ELGIN COMMUNITY COLLEGE  
DISTRICT NUMBER 509**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2022

GRANTOR	Federal Assistance Listing Number	Expenditures
<b>NONMAJOR PROGRAMS (Continued)</b>		
U.S. Department of Education (Continued)		
TRIO Cluster (Continued)		
Talent Search Grant	84.044A	\$ 193,162
Talent Search Grant	84.044A	42,918
		<u>236,080</u>
Total TRIO Cluster		<u>1,631,215</u>
ICAPS Strengthen Inst. Pathways	84.031A	259,828
ICAPS Strengthen Inst. Pathways	84.031A	64,217
		<u>324,045</u>
CCAMPIS: Childcare for Pell Eligible Student Parents	84.335A	<u>121,381</u>
Passed Through Illinois Community College Board		
Federal Adult Education	84.002A	496,469
EL/Civics Program	84.002A	85,000
		<u>581,469</u>
Total Passed Through Illinois Community College Board		<u>581,469</u>
Perkins Post Secondary	84.048	<u>590,116</u>
Total U.S. Department of Education		<u>3,248,226</u>
U.S. Department of Labor		
WIOA Cluster		
Passed Through County of Kane		
WIOA Job Readiness	17.258	7,341
Passed Through Kane County Department of Employment & Education		
LWIB 5 Youth Services - WIA	17.259	344,900
Passed Through Workforce Development Council of Northern Cook County		
LWIB 8 Youth Services - Youth Out of School	17.259	<u>280,769</u>
Total WIOA Cluster		<u>633,010</u>
Total U.S. Department of Labor		<u>633,010</u>
Small Business Administration		
Passed through the Illinois Department of Commerce and Economic Opportunity		
Small Business Development Center	59.037	<u>61,388</u>
Total Small Business Administration		<u>61,388</u>
U.S. Department of Veterans Affairs		
Post 9/11 GI Bill	64.027	<u>151,186</u>
Total U.S. Department of Veteran Affairs		<u>151,186</u>
U.S. Department of Health and Human Services		
Early Childhood Access Consortium (ECACE)	93.575	<u>148,753</u>
Total U.S. Department of Health and Human Services		<u>148,753</u>
Total Nonmajor Programs		<u>4,242,563</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<u><u>\$ 30,130,056</u></u>

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2022

---

**Note A - Significant Accounting Policies**

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

**Note B - Federal Loan Program**

For the year ended June 30, 2022, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,343,432.

**Note C - Other Information**

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

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

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the Year Ended June 30, 2022

**Section I - Summary of Auditor's Results**

Financial Statements

Type of auditor's report issued: *unmodified*

Internal control over financial reporting:  
 Material weakness(es) identified?       yes     no

Significant deficiency(ies) identified?       yes     none reported

Noncompliance material to financial statements noted?       yes     no

Federal Awards

Internal Control over major programs:  
 Material weakness(es) identified?       yes     no

Significant deficiency(ies) identified?       yes     none reported

Type of auditor's report issued on compliance  
 for major programs: *unmodified opinion on Student  
 Financial Aid Program Cluster and  
 Higher Education Emergency Relief  
 Funds/Governor's Emergency Education  
 Relief Funds*

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

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.007, 84.033, 84.063, 84.268 84.425E, 84.425F, 84.425L, 84.425C	Student Financial Aid Program Cluster Higher Education Emergency Relief Funds/Governor's Emergency Education Relief Funds

Dollar threshold used to distinguish  
 between Type A and Type B programs:      \$903,902

Auditee qualified as low-risk auditee?       yes     no

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2022

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

None

**Section IV - Prior Year Audit Findings**

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

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

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

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2022

---

**Section IV - Prior Year Audit Findings (Continued)**

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

Statistical sampling was not used when making sample selections.

*Questioned Costs:* \$0

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

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

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

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

Status: The finding has not been repeated for the year ended June 30, 2022.

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

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

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2022

---

**Section IV - Prior Year Audit Findings (Continued)**

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

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

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

*Cause:* The condition was an administrative oversight.

*Recommendation:* We recommend the College increase controls over reporting.

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

*Status:* The finding has not been repeated for the year ended June 30, 2022.