

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, 2023 and the related notes to financial statements, which collectively comprise of the College's basic financial statements and have issued our report thereon dated January 17, 2024, 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
January 17, 2024

**ELGIN COMMUNITY COLLEGE
DISTRICT NUMBER 509**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2023

	Federal Assistance Listing Number	Expenditures
GRANTOR		
U.S. Department of Education		
Direct Programs		
Student Financial Aid Cluster		
Federal PELL Grant Program	84.063*	\$ 8,373,064
Federal PELL Grant Program- Admin Allowance	84.063*	12,685
		8,385,749
Federal Supplemental Educational Opportunity Grants	84.007*	263,192
Federal Work-Study Program	84.033*	153,267
Federal Direct Student Loans	84.268*	1,479,794
Total Student Financial Aid Cluster		10,282,002
COVID-19 Higher Education Emergency Relief Fund (ARPA) Student Portion	84.425E*	506,403
COVID-19 Higher Education Emergency Relief Fund (ARPA) - Institutional Portion	84.425F*	4,575,626
COVID-19 Higher Education Emergency Relief Fun (CRRSAA)- Minority Serving Institutions (MSIs)	84.425L*	550,955
COVID-19 Higher Education Emergency Relief Fun (ARPA)- Minority Serving Institutions (MSIs)	84.425L*	945,246
		1,496,201
Total Higher Education Emergency Relief Funds		6,578,230
Passed Through Illinois Community College Board		
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C*	34,758
Total Education Relief Funds		6,612,988
TRIO Cluster		
Student Support Services	84.042A	104,882
Student Support Services	84.042A	486,522
Student Support Services - ESL	84.042A	51,074
Student Support Services - ESL	84.042A	247,135
		889,613
Upward Bound	84.047A	115,816
Upward Bound	84.047A	193,605
Upward Bound II	84.047A	68,784
Upward Bound II	84.047A	211,864
		590,069
TRIO Cluster (Continued)		
Talent Search Program	84.044A	30,689
Talent Search Program	84.044A	252,897
		283,586
Total TRIO Cluster		1,763,268
Higher Education Institutional Aid	84.031A	101,935
Child Care Access Means Parent in School Program	84.335A	90,412

**ELGIN COMMUNITY COLLEGE
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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

For the Year Ended June 30, 2023

	<u>Federal Assistance Listing Number</u>	<u>Expenditures</u>
GRANTOR (Continued)		
U.S. Department of Education (Continued)		
Passed Through Illinois Community College Board		
Adult Education-Basic Grants to States	84.002*	\$ 675,285
Adult Education-Basic Grants to States (EL/Civics Program)	84.002*	<u>85,000</u>
Total Adult Education- Basic Grants to States		<u>760,285</u>
Passed Through Illinois Community College Board		
Career and Technical Education-Basic Grants to States	84.048	<u>609,423</u>
Total U.S. Department of Education		<u>20,220,313</u>
U.S. Department of Labor		
WIOA Cluster		
Passed Through Kane County Department of Employment & Education		
WIOA Youth Activities	17.259	308,636
Passed Through Workforce Development Council of Northern Cook County		
WIOA Youth Activities	17.259	<u>288,979</u>
Total WIOA Cluster		<u>597,615</u>
Total U.S. Department of Labor		<u>597,615</u>
Small Business Administration		
Passed through the Illinois Department of Commerce and Economic Opportunity		
Small Business Development Center	59.037	35,933
COVID-19 Small Business Development Center	59.037	<u>21,650</u>
Total Small Business Administration		<u>57,583</u>
U.S. Department of Veterans Affairs		
Post 9/11 Veterans Educational Assistance	64.027	<u>133,960</u>
Total U.S. Department of Veteran Affairs		<u>133,960</u>
U.S. Department of Health and Human Services		
Passed through ICCB		
Child Care and Development Block Grant	93.575	<u>382,284</u>
Total U.S. Department of Health and Human Services		<u>382,284</u>
U.S. Department of Justice		
Bulletproof Vest Partnership Program	16.607	<u>757</u>
		<u>757</u>
U.S. Department of Treasury		
Passed through Illinois Community College Board		
COVID-19 Coronavirus State and Local Recovery Funds	21.027	<u>220,000</u>
		<u>220,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u><u>\$ 21,612,512</u></u>

* denotes major program

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

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2023

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, 2023, the College acted as a pass-through agency for Federal Direct Loans (subsidized and unsubsidized) to students in the amount of \$1,479,794.

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
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ELGIN, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2023

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/Adult
 Education- Basic Grants to States 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 84.002 84.425E, 84.425F, 84.425L, 84.425C	Student Financial Aid Program Cluster Adult Education- Basic Grants to States Higher Education Emergency Relief Funds/ Governor's Emergency Education Relief Funds

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

Auditee qualified as low-risk auditee? yes no

**ELGIN COMMUNITY COLLEGE
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ELGIN, ILLINOIS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

For the Year Ended June 30, 2023

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Prior Year Audit Findings

None