

GOLDEN APPLE SCHOLARS OF ILLINOIS PROGRAM

AGREED-UPON PROCEDURES
For the Year Ended June 30, 2017

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

GOLDEN APPLE SCHOLARS OF ILLINOIS PROGRAM

AGREED-UPON PROCEDURES
Year Ending June 30, 2017

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AGREED-UPON PROCEDURES

Year Ending June 30, 2017

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 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.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Frank J. Mautino
Auditor General
State of Illinois, and

Ms. Kim Savage, Audit Committee Chair and
Mr. Erik Zarnikow, Executive Director
Illinois Student Assistance Commission, and

Mr. Robert Newman
Chair of the Board of Directors
Golden Apple Foundation

As Special Assistant Accountants for the Auditor General, we have performed the procedures enumerated below, which were agreed to by the management of the Illinois Student Assistance Commission, management of the Golden Apple Scholars of Illinois Program, and the Office of the Auditor General, related to Golden Apple Scholars of Illinois Program's (Program) compliance with the Higher Education Student Assistance Act (110ILCS 947/52) during the year ended June 30, 2017. Illinois Student Assistance Commission and management of the Golden Apple Scholars of Illinois Program are responsible for its compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representations regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purposes.

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, 2016 through June 30, 2017 (FY2017). We observed that signed minutes were prepared for the following Foundation Board meetings: December 13, 2016, March 21, 2017, and June 6, 2017. We observed that signed minutes were prepared for the following Commission Board meetings: September 14, 2016, December 1, 2016, and April 12, 2017. We read the aforementioned meeting minutes.
3. We obtained a listing of participants in the program as of June 30, 2017, provided to us by the Foundation from the Foundation's "FileMaker" database, which is maintained by the Foundation's Program Director, and we extracted and summarized the following Golden Apple Program (Program) data:
 - a. 464 participants received scholarship funding during fiscal year 2017.
 - b. 408 participants were in school as of June 30, 2017.
 - c. 422 participants have completed school and are currently fulfilling their teaching requirement as of June 30, 2017.

- d. 79 participants have not fulfilled their teaching requirement and are repaying their scholarship as of June 30, 2017.
 - e. \$213,373 was collected by the Foundation during fiscal year 2017 on repayments of scholarships.
- 4. We obtained and read *23 Illinois Administrative Code Part 2764 Golden Apple Scholars 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 these 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 observed the applicant’s eligibility was supported by copies of the following, which were maintained in the file: social security card and personal information (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 the program files at the Foundation did not include documentation of citizenship. Past policy noted that that citizenship was documented by the student with their respective FAFSA form at the college/university. The Foundation updated its policies so that new scholar applicants now must include citizenship documentation with their application.
- 5. We obtained a listing of participants in the Program as of June 30, 2017, 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 at least 30% 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 30% 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:
 - i. Signed mentoring site visit notes, which indicated that the recipient began teaching within the requisite years by policy following completion of the postsecondary education degree or certificate program for which the scholarship was awarded. No exceptions were noted.
 - ii. Signed 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. We observed that interest at a rate of 5% per annum was charged to recipients sampled for loans made subsequent to fiscal year 2010. 19 of the 25 recipients were charged interest. The remaining 6 recipients were from program years subsequent to fiscal year 2010 but prior to ISAC's administration of the program and thus an interest charge was not required. No exceptions were noted.

7. We obtained and read the policies and procedures for obligating and spending program funds received from the Program Director of the Foundation. We obtained the Schedule of Program Revenues and Expenditures for the year ended June 30, 2017 (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:
 - i. 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. One exception was noted, as a scholar inadvertently expended program funds of \$88. While the scholar reimbursed the Program, documentation of the reimbursement was not available.
 - ii. The invoice or other support contained required supervisor approval as outlined in the policies and procedures. One exception was noted, as a scholar inadvertently expended program funds of \$88. While the scholar reimbursed the Program, documentation of the reimbursement was not available.
 - iii. The associated checks to determine if two signatures were included, as required in the policies and procedures. One exception was noted, as a scholar inadvertently expended program funds of \$88. While the scholar reimbursed the Program, documentation of the reimbursement was not available.
 - iv. Persons with signature authority did not approve their own expenditures. 1 exception was noted, as a scholar inadvertently expended program funds of \$88. While the scholar reimbursed the Program, documentation of the reimbursement was not available.
 - b. For the selected payroll expenditures, we:
 - i. 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. No exceptions were noted.
8. We obtained the Schedule of Revenues and Expenditures for the year ended June 30, 2017 (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 of \$5,164,882 did not exceed the appropriation limit of \$6,647,600 as passed by the State of Illinois General Assembly. The expenditures did exceed the budgeted amount of \$3,338,436 as the budget does not include ISAC-funded scholarships totaling \$1,826,458. When considering the expenditures less the ISAC-funded scholarships, the expenditures of \$3,338,436 did not exceed the budgeted amount.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. 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 Illinois Student Assistance Commission, management of the Golden Apple Scholars of Illinois Program, and the Office of the Auditor General and is not intended to be, and should not be, used by anyone other than the specified parties.

SIGNED ORIGINAL ON FILE

Crowe Horwath LLP

Oak Brook, Illinois
February 22, 2018

Schedule A
Golden Apple Scholars of Illinois Program
Schedule of Revenue and Expenditures
for the Year Ending June 30, 2017

REVENUES

Appropriation from the State	\$ 5,164,894
Private Funding	<u>267,000</u>
Total Program Revenues	<u>\$ 5,431,894</u>

EXPENDITURES

Personnel Services (Salaries and Benefits)	
Program Staff Salaries and Benefits)	\$ 1,580,197
Total Personnel Services (Salaries and Benefits)	\$ 1,580,197
 Summer Institute	
Summer Institute at SXU	208,387
Summer Institute at DePaul	287,043
Summer Institute at Elmhurst College	138,653
Summer Institute at IMSA	58,422
Summer Institute at Dominican	48,945
Summer Institute at EIU	48,237
Summer Institute at SIU-E	68,433
Summer Institute at DePaul (CPS)	177,165
Summer Institute at ISU	86,807
Summer Institute at Misericordia	2,825
CORE Conference at St. Xavier	36,831
Less Room and Board Reimbursed Amount	(381,476)
Total Summer Institute	780,272
 General Summer Institute Expenses	
Outside Consultant	5,060
Communication	74,300
Total Summer Institute Expenses	79,360
 Summer Institute Stipend	
SI Stipend	635,000
Total Summer Institute Stipend	635,000
 Office Expenses	
Program	2,442
Total Office Expenses	2,442

Schedule A
Golden Apple Scholars of Illinois Program
Schedule of Revenue and Expenditures
for the Year Ending June 30, 2017

Recruitment and Selection Expenses

Technology	\$ 20,524
Recruitment and Placement Activities and Travel	12,366
Total Recruitment and Selection Expenses	\$ 32,890

Alumni Relations

Alumni Travel/Meetings	1,090
Alumni Events	1,434
Technology	10,395
Total Alumni Relations	12,919

Scholar Interview/Selection

Technology	37,944
Scholar Meeting/Travel	9,845
Scholars Interview/Selection Process	14,602
Total Recruitment & Selection Expenses	62,391

Mentoring and Advising

Mentoring and Advising Expenses	118,085
Scholars Meeting Expenses	11,243
GATS Contracted Sev - Interns	21,901
GATS Classroom Supplies	1,724
Total Mentoring and Advising	152,953

Scholarships Paid

Scholarship-ISAC	1,826,458
Total Scholarships Paid	1,826,458

Total Expenditures

5,164,882

Revenues in Excess of Expenditures

\$ 267,012