

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

For the Two Years Ended June 30, 2012

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

TABLE OF CONTENTS

| | | Page |
|--|-----------------|-------------|
| Agency Officials | | 1 |
| Management Assertion Letter | | 2 |
| Compliance Report: | | |
| Summary | | 4 |
| Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes | | 6 |
| Schedule of Findings | | |
| Current Findings – State Compliance | | 9 |
| Prior Findings Not Repeated | | 24 |
| Supplementary Information for State Compliance Purposes: | Schedule | Page |
| Summary | | 25 |
| Fiscal Schedules and Analysis | | |
| Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2012 | 1 | 26 |
| Schedule of Appropriations, Expenditures and Lapsed Balances - Fiscal Year 2011 | 2 | 28 |
| Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances | 3 | 30 |
| Schedule of Changes in State Property | 4 | 33 |
| Comparative Schedule of Cash Receipts | 5 | 34 |
| Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller – Fiscal Year 2012 | 6 | 36 |
| Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller – Fiscal Year 2011 | 7 | 37 |
| Analysis of Significant Variations in Expenditures | 8 | 38 |
| Analysis of Significant Variations in Receipts | 9 | 41 |
| Analysis of Significant Lapse Period Spending | 10 | 44 |
| Description of State Grant Programs | 11 | 46 |
| Schedule of Grant Awards | 12 | 50 |
| Analysis of Operations (Not Examined) | | |
| Agency Functions and Planning Program (Not Examined) | | 54 |
| Average Number of Employees (Not Examined) | | 58 |
| Service Efforts and Accomplishments (Not Examined) | | 59 |

AGENCY OFFICIALS

ILLINOIS COMMUNITY COLLEGE BOARD

| | |
|--|---------------------------|
| President/Chief Executive Officer | Mr. Geoffrey Obrzut |
| Vice President for Academic Affairs & Workforce Development | Dr. Elaine Johnson |
| Associate Vice President for External Affairs | Mr. Steve Morse |
| Vice President for Adult Education & Institutional Support | Dr. Karen Hunter-Anderson |
| Chief Operating Officer | Ms. Ellen Andres |

Agency offices are located at:

401 E. Capitol Ave
Springfield, IL 62701

James R. Thompson Center
100 W. Randolph St., Ste. 2-010
Chicago, IL 60601

Adult Education Regional Office—Southern Region
951 Fairfax St.
Carlyle, IL 62231

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

Illinois Community College Board



Alexi Giannoulis
Chairman

Geoffrey S. Obrzut
President/CEO

proudly serving the
Illinois Community College System

January 14, 2003

Honorable William G. Holland
Auditor General
State of Illinois
Iles Park Plaza
740 East Ash
Springfield, IL 62703-3154

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grants 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, 2012. Based on this evaluation, we assert that during the years ended June 30, 2012 and June 30, 2011, 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. The 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.
- E. The money or negotiable securities or similar assets handled by the Illinois Community College Board on behalf of the State or held in trust by the Illinois Community College

401 East Capitol Avenue • Springfield, Illinois 62701-1711 • (217) 785-0123 • www.iccb.state.il.us

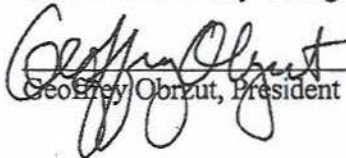
Fax: (217) 524-4981 TDD: (217) 782-5645

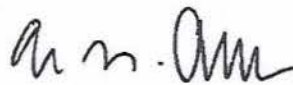
Printed on Recycled Paper

Board have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Illinois Community College Board


Geoffrey Obrzut, President



Ellen Andres, Chief Operating Officer

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.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control Over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

| <u>Number of</u> | <u>Current</u> | <u>Prior</u> |
|--|----------------|--------------|
| Findings | 10 | 6 |
| Repeated findings | 4 | 5 |
| Prior recommendations implemented or not repeated | 2 | 2 |

SCHEDULE OF FINDINGS

| <u>Item No.</u> | <u>Page</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------------------|-------------|---|--|
| FINDINGS (STATE COMPLIANCE) | | | |
| 12-1 | 9 | Property control weakness | Significant Deficiency and Noncompliance |
| 12-2 | 11 | Inaccurate grant calculations used | Significant Deficiency and Noncompliance |
| 12-3 | 13 | State and Federal grant reporting by Illinois community college districts | Significant Deficiency and Noncompliance |
| 12-4 | 15 | Noncompliance with grant agreements | Significant Deficiency and Noncompliance |
| 12-5 | 16 | Inadequate controls over GAAP reporting | Significant Deficiency and Noncompliance |

| | | | |
|------------------------------------|----|---|--|
| 12-6 | 18 | Inadequate controls over receipt ledger and monthly reconciliations | Significant Deficiency and Noncompliance |
| 12-7 | 19 | Inaccurate and incomplete expenditure records | Significant Deficiency and Noncompliance |
| 12-8 | 20 | Noncompliance with Task Force on Inventorying Employment Restrictions Act | Significant Deficiency and Noncompliance |
| 12-9 | 21 | Inadequate controls over personal services | Significant Deficiency and Noncompliance |
| 12-10 | 23 | Failure to comply with the Identity Protection Act | Significant Deficiency and Noncompliance |
| PRIOR FINDINGS NOT REPEATED | | | |
| A | 24 | Inadequate controls over contractual agreements | |
| B | 24 | FCIAA Certifications not filed | |

EXIT CONFERENCE

The Illinois Community College Board waived an exit conference in correspondence dated December 20, 2012. Responses to the findings were provided by the Chief Executive Officer in a letter dated January 11, 2013.

SPRINGFIELD OFFICE:

ILES PARK PLAZA
740 EAST ASH • 62703-3154
PHONE: 217/782-6046

FAX: 217/785-8222 • TTY: 888/261-2887



CHICAGO OFFICE:

MICHAEL A. BILANDIC BLDG. • SUITE S-900
160 NORTH LASALLE • 60601-3103
PHONE: 312/814-4000
FAX: 312/814-4006

OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
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, 2012. 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.
- E. Money or negotiable securities or similar assets handled by the State of Illinois Community College Board on behalf of the State or held in trust by the State of Illinois Community College Board have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, 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; and, accordingly, included examining, on a test basis, evidence about the State of Illinois Community College Board's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides 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.

In our opinion, 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, 2012. However, the results of our procedures disclosed 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 12-1, 12-2, 12-3, 12-4, 12-5, 12-6, 12-7, 12-8, 12-9, and 12-10.

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 as a basis for designing our examination procedures 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 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.

A deficiency in an entity's 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 an entity's internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we

consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying schedule of findings as items 12-1, 12-2, 12-3, 12-4, 12-5, 12-6, 12-7, 12-8, 12-9, and 12-10. A *significant deficiency in an entity's 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.

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 findings identified in our examination are described in the accompanying schedule of findings. We did not examine the State of Illinois State Community College Board's responses and, accordingly, we express no opinion on the responses.

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, 2012 and June 30, 2011 in Schedules 1 through 12 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, 2012 and June 30, 2011 accompanying supplementary information in Schedules 1 through 12. However, we do not express an opinion on the accompanying supplementary information.

We have not applied procedures to the June 30, 2010 accompanying supplementary information in Schedules 3, 4, 5, 8 and 9 and in the Analysis of Operations Section, and accordingly, we do not express an opinion or provide any assurance on it.

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



BRUCE L. BULLARD, CPA

Director of Financial and Compliance Audits

January 14, 2013

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-1. **FINDING** (Property control weakness)

The Illinois Community College Board (Board) did not exercise adequate control over the recording and reporting of its State property and equipment. We noted the following during our testing:

- The Board did not add Fiscal Year 2012 fourth quarter equipment additions to its property control records. We noted additions, totaling \$314,160, were listed separately from the main property control records. We also noted one item received in the second quarter of Fiscal Year 2012, totaling \$434, that was not added to the Board's property control records. The Illinois Administrative Code (Code) (44 Ill. Adm. Code 5010.400) states Agencies shall adjust property records within 30 days of acquisition, change, or deletion of equipment items.
- The Board's property records did not have the correct locations listed for its equipment items. We noted three of 40 (8%) items, totaling \$1,953, were located within the Board; however, the physical locations differed from the locations specified on the Board's property records. Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires an agency to maintain current property information at a summary level, which includes a description of each asset and its location.
- The Board's property records do not indicate both a purchase date and a tagged inventory date. Therefore, auditors were unable to determine if property items were added to the Board's records in a timely manner. The Code (44 Ill. Adm. Code 5010.400) states Agencies shall adjust property records within 30 days of acquisition, change, or deletion of equipment items. In addition, SAMS (Procedure 29.10.10) requires records include acquisition date and date placed in service.
- The Board failed to submit its Agency Report of State Property (C-15 Report) in a timely manner. We noted one of eight (13%) quarterly C-15 reports was submitted seven days late. SAMS (Procedure 29.20.10) requires the C-15 report to be filed on a quarterly basis and be submitted to the Office of the Comptroller no later than the last day of the month following the last day of the quarter.

Board personnel stated the person responsible for equipment retired during the period and the position was vacant causing some of the above issues to go unnoticed. Board personnel also stated the late filing of the C-15 report was due to oversight.

Failure to exercise adequate control over property and equipment and maintain accurate property control records increases the potential for fraud and possible loss or theft of State

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS

For the Two Years Ended June 30, 2012

property. In addition, inaccurate property reporting reduces the reliability of Statewide capital asset information. (Finding Code No. 12-1, 10-1, 08-2)

In addition, during the prior engagement, we noted two of eight C-15 reports prepared by the Board did not accurately reflect the Board's equipment transactions, the Board did not complete and submit the Accounting for Leases-Lessee Form (SCO-560) with the Office of the Comptroller, the Board could not locate property totaling \$391 and the Board used a four digit identification number for its equipment items. During the current engagement, we noted the C-15 reports prepared by the Board accurately reflected the Board's equipment transactions, the Board completed and submitted the SCO-560, the Board was able to locate all property items selected for testing and the Board began using a six digit identification number for new items purchased.

RECOMMENDATION

We recommend the Board strengthen controls over the recording and reporting of its State property and equipment by reviewing its inventory and recordkeeping practices to ensure compliance with statutory and regulatory requirements. We also recommend the Board ensure all equipment is timely recorded on the Board's property records.

BOARD RESPONSE

The Board concurs with the finding. The Board will add a new data element to the inventory records to include date inventory was tagged. The Board will work with staff to develop a process to record equipment location changes when staff trade inventory items/equipment, and the Board will reallocate staff resources to ensure reports are submitted timely.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-2. **FINDING** (Inaccurate grant calculations used)

The Illinois Community College Board (Board) misallocated grants to community college districts paid from the Base Operating Grants.

We noted the Board was appropriated \$198,811,000 for both Fiscal Year 2011 and 2012 for Base Operating Grants. The Board's Base Operating Grant allocation was inaccurate for Fiscal Year 2011. For Fiscal Year 2012, the Board elected to hold Fiscal Year 2012 allocations at the Fiscal Year 2011 amounts; therefore, the Fiscal Year 2012 allocations were incorrect for the same amount as the Fiscal Year 2011 allocations. The Board's Base Operating Grant consists of two components (Square Footage and Credit Hour). Component information is provided by various reports and the respective external audits performed annually at each community college. The Credit Hour component of the grant was calculated incorrectly. Specifically, the Adjusted State Total Unit Cost formula line was incorrect causing the Weighted Cost and Effective Credit Hour rates to be improperly computed. The errors in the formula line caused misallocations to each district resulting in overpayments ranging from \$16 to \$12,615 and underpayments ranging from \$228 to \$6,485. The total dollar appropriation amount distributed for the credit hour grant remained the same.

The Public Community College Act (110 ILCS 805/2-16.02) states except for Fiscal Year 2012, the base operating grants shall be paid based on rates per funded semester credit hour or equivalent calculated by the State Board for funded instructional categories using cost of instruction, enrollment, inflation, and other relevant factors. A portion of the Base Operating Grant shall be allocated on the basis of non-residential gross square footage of space maintained by the district. For Fiscal Year 2012, the allocations for the Base Operating Grants shall be the same as they were in Fiscal Year 2011.

Board personnel stated the error was caused by staff oversight.

Failing to allocate the appropriate funds caused 39 of 39 college districts to be incorrectly funded. (Finding Code No. 12-2, 10-2, 08-3)

RECOMMENDATION

We recommend the Board ensure proper calculations are used in awarding grant amounts for the appropriate college districts.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

BOARD RESPONSE

The Board concurs with the finding. In 2012, the Board and community college system determined this component of the formula is no longer relevant, and it was removed from the formula.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-3. **FINDING** (State and Federal grant reporting by Illinois community college districts)

The Illinois Community College Board (Board) failed to enforce compliance with the Rules and Regulations over the timely submission of required informational reports and schedules. Informational reports and schedules are required to be prepared by the districts/colleges and submitted to the Board to provide data necessary to determine funding and to ensure the funds are being properly utilized. A few examples of the informational reports and schedules include spring and fall semester enrollment surveys, 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. We noted the following during our testing:

- Forty-nine of 135 (36%) informational reports due in Fiscal Year 2011 were submitted to the Board between one and 157 days late. Six reports were not received by the end of our fieldwork.
- Fifty-seven of 135 (42%) informational reports due in Fiscal Year 2012 were submitted to the Board between one and 215 days late. Nine reports were not received by the end of our fieldwork.

The Illinois Administrative Code (23 Ill. Adm. Code 1501.201) requires complete and accurate reports to be submitted by the district/college to the Board in accordance with the Board's requirements and on forms prescribed by the Board.

Board personnel stated they are in the process of reviewing current reporting procedures and submissions and the submission due dates; however, at this point the Board does not have any authority other than continual follow-up with the districts in regards to the late or overdue data submissions.

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

RECOMMENDATION

We recommend the Board review the adequacy of its policies and procedures regarding the submission of audit reports and other required reports. We further recommend the Board continue to work with each district to ensure required reports are submitted timely.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

BOARD RESPONSE

The Board concurs with the finding. The Board is currently preparing changes to be taken to the Joint Committee on Administrative Rules to eliminate some unnecessary reports and to change the due dates of some reports. The Board will also continue to work with the colleges to remind them of necessary reporting deadlines.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-4. **FINDING** (Noncompliance with grant agreements)

The Illinois Community College Board (Board) did not comply with the terms of the grant agreements. In addition, the Board did not comply with the Illinois Grant Funds Recovery Act (Act) (30 ILCS 705). During our testing of grant agreements, we noted the following:

- For four of 10 (40%) agreements tested, the agreements did not include language stipulating that the grantee must file quarterly reports. In addition, for 10 of 10 (100%) agreements tested, the grantee did not file the quarterly reports with the Board. The Act (30 ILCS 705/4) requires grant agreements over \$25,000 to include language stipulating the grantee must file quarterly reports describing the progress of the program, project, or use and the expenditure of the grant funds related thereto.
- For five of 10 (50%) agreements tested, the Board did not maintain adequate records to determine whether or not final reports were submitted by the grantee in a timely manner as required by the grant agreement. The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies 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 to ensure all terms of grant agreements are properly complied with which would include the Board having a system to ensure reports are submitted timely and ensuring consequences for late filing are followed.

Board personnel stated the issues noted above were due to unfamiliarity with reporting requirements and conflicting priorities.

Failure to comply with all reporting requirements of the grant agreements and to maintain adequate records could result in reporting inaccuracies and State resources being used in an inefficient and ineffective manner. (Finding Code No. 12-4)

RECOMMENDATION

We recommend the Board ensure all reporting requirements of grant agreements are adhered to and maintain adequate records to determine that all requirements are fulfilled.

BOARD RESPONSE

The Board concurs with the finding and has incorporated quarterly and other reporting requirements into all its grant agreements that are subject to 30 ILCS 705.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-5. **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 Comptroller (Comptroller) for Fiscal Year 2012. During testing, we noted the following:

- The Board did not appropriately identify American Recovery and Reinvestment Act (ARRA) funds for one program on the Interfund Transfers - Grantee Agency (SCO-567) form for the Contracts and Grants Fund (Fund 339). In addition, the Board did not appropriately identify the correct Catalog of Federal Domestic Assistance (CFDA) numbers for three programs on the Interfund Transfers – Grantor Agency (SCO-568) form.
- The Board did not accurately report the amount provided to subrecipients on the Grant Analysis (SCO-563) form for the Adult Education Fund (Fund 692). The Board reported \$19,523,000 was provided to subrecipients; however, the Board’s records reflected \$19,819,000 was provided causing an understatement of \$296,000.
- The Board did not accurately report information on the SCO-567 for the Career and Technical Education Fund (Fund 772). The Board reported \$17,752,000 in expenditures; however, the Board’s expenditure records reflected \$17,744,000 was expended resulting in an overstatement of \$8,000. The Board also reported \$10,816,000 was provided to subrecipients; however, the Board’s records reflected \$17,307,000 was provided resulting in an understatement of \$6,491,000. In addition, the Board reported receipts of \$17,752,000 on the SCO-567; however, the Board’s receipt records reflected \$17,738,000 resulting in an overstatement of \$14,000.

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 State agencies 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.

The Board stated these issues were due to oversight and unfamiliarity with reporting requirements.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

GAAP reporting forms submitted by State agencies are used to compile the Illinois Comprehensive Annual Financial Report and the Schedule of Expenditures of Federal Awards. Failure to provide accurate information to the Comptroller could result in inaccuracies in the Statewide information presented. (Finding Code No. 12-5)

RECOMMENDATION

We recommend the Board implement procedures to ensure complete and accurate information is reported to the Comptroller on the accounting reports.

BOARD RESPONSE

The Board concurs with the finding. The Board will ensure the proper grant identification and expenditure amounts are reflected on the SCO 567 and 568. The Board will update its records to ensure all subrecipient expenditures are reflected on the SCO-563.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-6. **FINDING** (Inadequate controls over receipt ledger and monthly reconciliations)

The Illinois Community College Board (Board) did not date monthly receipt reconciliations to the Comptroller's Monthly Revenue Status Report (SB04) and did not properly maintain its receipt ledger.

During testing, we were unable to determine the timeliness of 24 of 24 (100%) receipt reconciliations performed for Fiscal Year 2011 and Fiscal Year 2012 as the documentation provided by the Board did not include the date the reconciliations were prepared. In addition, errors were noted in the Board's Fiscal Year 2012 receipt ledger for 3 of 7 (43%) funds tested. The errors ranged from (\$28,675) to \$300,937. These errors may have been detected by Board personnel had the reconciliations been performed timely. Documentation submitted to the Illinois Office of the Comptroller was presented correctly.

Statewide Accounting Management System (SAMS) (Procedure 25.40.20) requires each agency to reconcile its receipt records to Comptroller reports on a monthly basis and to notify the Comptroller's Office of any unreconcilable differences noted so necessary corrective action can be taken to locate the differences and correct the accounting records. In addition, good internal controls require reconciliations to be performed monthly and differences investigated in a timely fashion.

Board personnel stated the monthly reconciliations were not dated and errors in the receipt ledger were made due to staff retiring and the increase in the current staff's workload.

Failure to timely complete receipt reconciliations and maintain accurate receipt records could lead to inaccuracies in Statewide financial statement reporting. (Finding Code No. 12-6)

RECOMMENDATION

We recommend the Board document the date the reconciliation is performed and ensure their receipt ledger is accurate and agrees to the State Comptroller's Monthly Status Report on a monthly basis.

BOARD RESPONSE

The Board concurs with the finding. The Board will include the date on the monthly reconciliation report and will reallocate staff to ensure timeliness of reporting.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-7. **FINDING** (Inaccurate and incomplete expenditure records)

The Illinois Community College Board (Board) did not maintain complete and accurate expenditure records. In Fiscal Year 2011, two expenditure amounts were not included in the Board's final expenditure records, but were recorded by the State Comptroller's Office. This resulted in a difference of \$258 for discretionary grants expenditures and a difference of \$17,548 for Governor's discretionary appropriation expenditures. In Fiscal Year 2012, two expenditure amounts were not included in the Board's expenditure records through September 30, 2012, but were recorded by the Comptroller. This resulted in a difference of \$570 for personal services expenditures. In addition, the Board did not timely update the expenditure records to reflect a \$78 returned voucher. In all instances, the expenditures were made during the lapse period and the Board did not complete reconciliations between their records and the State Comptroller records during this time.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Good internal controls requires sufficient and properly designed accounting records be maintained to adequately control fiscal operations and ensure the accuracy and reliability of accounting data.

Board personnel stated the expenditures were processed late during the lapse period and were not recorded on Board records due to oversight.

Failure to maintain complete and accurate expenditure records results in inaccurate accounting information and could result in expenditures made in excess of available appropriations. In addition, this reduces the reliability of financial data provided to the auditors. (Finding Code No. 12-7)

RECOMMENDATION

We recommend the Board ensure all transactions are appropriately and timely input into their expenditure records.

BOARD RESPONSE

The Board concurs with the finding. The Board was aware the expenditures were not recorded in AIS. The Comptroller's records reflected the correct amounts, and all expenditure reports reflect the Comptroller's records. The Board will ensure all expenditures made late in the lapse period are reflected on AIS in the future.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

- 12-8. **FINDING** (Noncompliance with Task Force on Inventorying Employment Restrictions Act)

The Illinois Community College Board (Board) did not submit its report to the Task Force on Inventorying Employment Restrictions (Task Force) timely. The report was submitted 266 days late.

The Task Force on Inventorying Employment Restrictions Act (20 ILCS 5000/15(c)) required all state agencies to produce a report for the Task Force by November 1, 2011 that describes the employment restrictions that are based on criminal records for each occupation under the agency's jurisdiction and that of its boards, if any, including, but not limited to, employment within the agency; employment in facilities licensed, regulated, supervised, or funded by the agency; employment pursuant to contracts with the agency; and employment in occupations that the agency licenses or provides certifications to practice. The Board did not submit its report until July 23, 2012.

Board personnel stated it submitted the report late due to oversight.

Failing to submit reports timely is noncompliance with a statutory mandate and reduces effective government oversight. (Finding Code No. 12-8)

RECOMMENDATION

We recommend the Board timely submit all reports as required.

BOARD RESPONSE

The Board concurs with the finding. The Board submitted the Inventorying Employment Restrictions report immediately upon the request from the State agency responsible for the task force and report. The Board will establish a process to determine new legislation that requires action from the Board so that reports are timely.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-9. **FINDING** (Inadequate controls over personal services)

The Illinois Community College Board (Board) did not have adequate controls over its personal services function. We noted the following:

- The Board did not conduct various employee performance appraisals for five of five (100%) appraisals tested in accordance with the Illinois Administrative Code (Code) (80 Ill. Adm. Code 302.270) and Board Employee Policy. The Code requires the Board to prepare an evaluation on employees not less often than annually. Additionally, Board policy states new personnel are to be evaluated at their three and six month periods of hire date.
- The Board did not approve employee leave time within a reasonable amount of time after the time was taken. Five of five (100%) employees tested had leave time approved between four and 71 days after the time was taken. Board policies require vacation time and personal time be approved before the time is taken.

Board personnel stated the evaluations were not completed due to oversight by the employee's supervisors. Board personnel stated they informed all supervisors of the need for timely evaluations after the prior engagement but did not follow up with additional communication past the initial discussion. Board personnel also stated employees always obtain verbal preapproval from their supervisors to take time off but may not get written approval until they turn in their monthly timesheets.

Performance appraisals are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance appraisals should serve as a foundation for salary adjustment, promotion, demotion, discharge, layoff, recall, and reinstatement decisions. Failure to timely approve requests for employee absences limits management's ability to disapprove the time of necessary and is noncompliance with Board policies and procedures. (Finding Code No. 12-9, 10-4, 08-5, 06-2)

RECOMMENDATION

We recommend the Board perform appraisals timely for all employees and maintain a system of record keeping ensuring all evaluations are properly maintained. Additionally, we recommend the Board timely approve leave requests.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

BOARD RESPONSE

The Board concurs with the finding on timely evaluations. Staff will continue to communicate with management on the importance of timely evaluations and develop a process to inform management not in compliance with the evaluations.

The Board does not concur on the timely approval of leave requests. All employees receive verbal approval by their supervisors for requested leave and then they are recorded on the Staff Scheduler as being out of the office. Many supervisors are not located in the same city as staff, and others travel, so leave sheets cannot always be signed before leave is taken or immediately after. The staff scheduler documents staff attendance daily and leave forms are signed by supervisors semi-monthly or monthly with the time sheets. The Board does not believe that signing of leave slips monthly or semi-monthly limits their ability to disapprove time.

AUDITOR COMMENT

The Board's policy requires vacation time and personal time be approved before the time is taken. The Board could not provide documentation to support leave was preapproved.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF FINDINGS
For the Two Years Ended June 30, 2012

12-10. **FINDING** (Failure to comply with the Identity Protection Act)

The Illinois Community College Board (Board) failed to implement the provisions of the Identity Protection Act (Act).

The Identity Protection Act (5 ILCS 179) required the Board to draft and approve an identity-protection policy by June 1, 2011. Per the Act, the Policy must:

- Identify the Act.
- Require all employees identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers.
- Direct that only employees who are required to use or handle information or documents that contain social security numbers have access to such information or documents.
- Require that social security numbers requested from an individual be placed in a manner that makes the social security number easily redacted if required to be released as part of a public records request.
- Require that, when collecting a social security number or upon request by the individual, a statement of the purpose or purposes for which the agency is collecting and using the social security number be provided.

During our testing we noted the Board had not issued an identity-protection policy.

Board officials stated they were not aware of the requirement.

Failure to implement provisions of the Act results in noncompliance with the Act, does not promote the security and control of social security numbers, and increases the likelihood of identity theft. (Finding Code No. 12-10)

RECOMMENDATION

We recommend the Board develop and approve an identity protection policy as required in the Identity Protection Act.

BOARD RESPONSE

The Board concurs with the finding. The Board will review the Identity Protection Act (5 ILCS 179) and implement the required policy. The Board will establish a process to determine new legislation that requires action from the Board so that reports are timely.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
PRIOR FINDINGS NOT REPEATED
For the Two Years Ended June 30, 2012

A. **FINDING** (Inadequate controls over contractual agreements)

During the previous engagement, the Illinois Community College Board (Board) did not have adequate controls over its contractual agreements. Specifically, we noted the contracts were incomplete and did not comply with laws, rules and regulations regarding contract content, contract obligation documents (COD) were not properly completed and contracts were not approved and signed by all appropriate parties. (Finding Code No. 10-3, 08-4)

During the current engagement, we noted contracts in our sample testing were complete and complied with laws, rules and regulations regarding contract content, CODs were properly completed and contracts were approved and signed by all appropriate parties.

B. **FINDING** (FCIAA Certification not filed)

During the previous engagement, the Illinois Community College Board (Board) did not complete or file its internal control certification for Fiscal Year 2010 with the Office of the Auditor General. (Finding Code No. 10-6)

During the current engagement, the Board completed and timely filed its internal control certifications for Fiscal Year 2011 and Fiscal Year 2012 with the Office of the Auditor General.

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
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Cash Receipts
 - Reconciliation Schedule of Cash Receipts to Deposits Remitted to the State Comptroller
 - Analysis of Significant Variations in Expenditures
 - Analysis of Significant Variations in Receipts
 - Analysis of Significant Lapse Period Spending
 - Description of State Grant Programs
 - Schedule of Grant Awards

- Analysis of Operations (Not Examined):
 - Agency Functions and Planning Program (Not Examined)
 - Average Number of Employees (Not Examined)
 - Service Efforts and Accomplishments (Not Examined)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states the auditors have applied certain limited procedures as prescribed by the Audit Guide as adopted by the Auditor General to the June 30, 2012 and June 30, 2011 in Schedules 1 through 12. However, the accountants do not express an opinion on the supplementary information. The accountants' 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.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2012

| P.A. 97-0060 P.A. 97-0069 P.A. 97-0076 FISCAL YEAR 2012 | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period | | Total Expenditures 14 Months Ended August 31 | Balances Lapsed August 31 |
|---|---|--|--|---------------------------|---|---------------------------------|
| | | | Expenditures July 1 to August 31 | Expenditures August 31 | | |
| General Revenue Fund - 001 | | | | | | |
| Personal Services | \$ 1,221,000 | \$ 1,178,717 | \$ 33,478 | \$ 1,212,195 | \$ 8,805 | |
| State Contributions to Social Security | 17,300 | 15,848 | 485 | 16,333 | 967 | |
| Contractual Services | 329,500 | 290,516 | 4,798 | 295,314 | 34,186 | |
| Travel | 43,000 | 35,872 | 6,245 | 42,117 | 883 | |
| Commodities | 5,000 | 1,325 | 0 | 1,325 | 3,675 | |
| Printing | 6,000 | 2,456 | 0 | 2,456 | 3,544 | |
| Equipment | 3,000 | 0 | 0 | 0 | 3,000 | |
| Electronic Data Processing | 450,400 | 373,000 | 47,244 | 420,244 | 30,156 | |
| Telecommunications | 30,900 | 15,640 | 3,499 | 19,139 | 11,761 | |
| Operation of Automotive Equipment | 9,400 | 6,816 | 1,513 | 8,329 | 1,071 | |
| Educational Facility in East St. Louis | 1,589,100 | 1,530,183 | 58,917 | 1,589,100 | 0 | |
| Small College Grants | 660,000 | 660,000 | 0 | 660,000 | 0 | |
| Retirees Health Insurance Grant | 626,600 | 626,600 | 0 | 626,600 | 0 | |
| Workforce Development Grants | 3,311,300 | 3,302,978 | 4,161 | 3,307,139 | 4,161 | |
| Providers for Adult Education and Literacy | 16,026,200 | 15,992,419 | 33,781 | 16,026,200 | 0 | |
| Providers for Performance Based Awards | 10,701,600 | 10,701,600 | 0 | 10,701,600 | 0 | |
| Recipients of Public Assistance | 5,546,200 | 5,507,473 | 38,727 | 5,546,200 | 0 | |
| Career and Technical Education Activities | 17,569,400 | 17,241,538 | 60,067 | 17,301,605 | 267,795 | |
| City of Chicago Colleges for Educational Related Expenses | 15,000,000 | 15,000,000 | 0 | 15,000,000 | 0 | |
| Scholarships to Graduates of the Lincoln Challenge Program | 61,600 | 47,023 | 0 | 47,023 | 14,577 | |
| Costs Associated with Administering GED Tests | 1,000,000 | 730,098 | 83,095 | 813,193 | 186,807 | |
| Illinois Veterans Grants | 7,261,500 | 3,730,165 | 3,531,335 | 7,261,500 | 0 | |
| Career Readiness Pilot Program | 750,000 | 737,000 | 0 | 737,000 | 13,000 | |
| Re-Enrollment Student Program | 3,000,000 | 3,000,000 | 0 | 3,000,000 | 0 | |
| Total General Revenue Fund | \$ 85,219,000 | \$ 80,727,267 | \$ 3,907,345 | \$ 84,634,612 | \$ 584,388 | |
| Education Assistance Fund - 007 | | | | | | |
| Base Operating Grants | \$ 198,811,000 | \$ 198,811,000 | \$ 0 | \$ 198,811,000 | \$ 0 | |
| Equalization Grants | 77,113,000 | 77,113,000 | 0 | 77,113,000 | 0 | |
| Total Education Assistance Fund | \$ 275,924,000 | \$ 275,924,000 | \$ 0 | \$ 275,924,000 | \$ 0 | |
| ICCB Instructional Development and Enhancement Applications Revolving Fund - 070 | | | | | | |
| Costs Associated with Maintaining and Updating Instructional Technology | \$ 300,000 | \$ 105,763 | \$ 8,500 | \$ 114,263 | \$ 185,737 | |
| Total Instructional Development and Enhancement Applications Revolving Fund | \$ 300,000 | \$ 105,763 | \$ 8,500 | \$ 114,263 | \$ 185,737 | |
| SBE GED Testing Fund - 161 | | | | | | |
| Costs Associated with Administering GED Tests | \$ 750,000 | \$ 282,194 | \$ 0 | \$ 282,194 | \$ 467,806 | |
| Total GED Testing Fund | \$ 750,000 | \$ 282,194 | \$ 0 | \$ 282,194 | \$ 467,806 | |

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2012

| | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period | | Total Expenditures 14 Months Ended August 31 | Balances Lapsed August 31 |
|--|---|--|--|---------------------------|---|---------------------------------|
| | | | Expenditures July 1 to August 31 | Expenditures August 31 | | |
| P.A. 97-0060 | | | | | | |
| P.A. 97-0069 | \$ 5,000,000 | \$ 2,779,766 | \$ 1,874,825 | \$ 4,654,591 | \$ 345,409 | |
| P.A. 97-0076 | \$ 5,000,000 | \$ 2,779,766 | \$ 1,874,825 | \$ 4,654,591 | \$ 345,409 | |
| FISCAL YEAR 2012 | | | | | | |
| ICCB Contracts & Grants Fund - 339 | | | | | | |
| Contracts and Grants | \$ 5,000,000 | \$ 2,779,766 | \$ 1,874,825 | \$ 4,654,591 | \$ 345,409 | |
| Total Contract & Grants Funds | \$ 5,000,000 | \$ 2,779,766 | \$ 1,874,825 | \$ 4,654,591 | \$ 345,409 | |
| ICCB Federal Trust Fund - 350 | | | | | | |
| Ordinary and Contingent Expenses | \$ 410,000 | \$ 223,873 | \$ 57,713 | \$ 281,586 | \$ 128,414 | |
| Total Federal Trust Fund | \$ 410,000 | \$ 223,873 | \$ 57,713 | \$ 281,586 | \$ 128,414 | |
| ICCB Adult Education Fund - 692 | | | | | | |
| Adult Education and Literacy Activities Administration | \$ 1,500,000 | \$ 763,527 | \$ 78,624 | \$ 842,151 | \$ 657,849 | |
| Adult Education and Literacy Providers | 25,000,000 | 18,082,925 | 2,285,022 | 20,567,947 | 4,632,053 | |
| Total Adult Education Fund | \$ 26,500,000 | \$ 18,846,452 | \$ 2,363,646 | \$ 21,210,098 | \$ 5,289,902 | |
| Career and Technical Education Fund - 772 | | | | | | |
| Career and Technical Education Programs | \$ 23,607,100 | \$ 10,549,929 | \$ 6,716,987 | \$ 17,266,916 | \$ 6,340,184 | |
| Total Career and Technical Education Fund | \$ 23,607,100 | \$ 10,549,929 | \$ 6,716,987 | \$ 17,266,916 | \$ 6,340,184 | |
| Build Illinois Bond Fund - 971 | | | | | | |
| Remodeling facilities in compliance with the Americans with Disabilities Act | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Total Build Illinois Bond Fund | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | |
| Grand Total All Funds | \$ 417,710,100 | \$ 389,439,244 | \$ 14,929,016 | \$ 404,368,260 | \$ 13,341,840 | |

Note 1: Appropriations, expenditures and lapsed balances were obtained directly from the records of the State Comptroller, which have been reconciled to agency records, except as noted in Finding 12-7.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency 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 Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2011

| P.A. 96-0956 FISCAL YEAR 2011 | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period | | Total Expenditures 14 Months Ended August 31 | Balances Lapsed August 31 |
|---|---|--|--|---------------------------|---|---------------------------------|
| | | | Expenditures July 1 to August 31 | Expenditures August 31 | | |
| General Revenue Fund - 001 | | | | | | |
| Operational Expenses | \$ 2,144,400 | \$ 1,923,358 | \$ 26,233 | \$ 1,949,591 | \$ 194,809 | |
| Operational Expenses, awards, grants, and permanent improvements | 24,181,800 | 24,155,329 | 9,389 | 24,164,718 | 17,082 | |
| Small College Grants | 840,000 | 720,000 | 0 | 720,000 | 120,000 | |
| Equalization Grants | 76,933,000 | 76,933,000 | 0 | 76,933,000 | 0 | |
| Retirees Health Insurance Grant | 626,600 | 626,600 | 0 | 626,600 | 0 | |
| Workforce Development Grants | 3,311,300 | 3,311,300 | 0 | 3,311,300 | 0 | |
| Discretionary Grants | 24,600,600 | 24,431,906 | 161,888 | 24,593,794 | 6,806 | |
| Governors Discretionary Appropriations | 26,973,200 | 25,301,198 | 1,155,127 | 26,456,325 | 516,875 | |
| Total General Revenue Fund | \$ 159,610,900 | \$ 157,402,691 | \$ 1,352,637 | \$ 158,755,328 | \$ 855,572 | |
| Education Assistance Fund - 007 | | | | | | |
| Base Operating Grants | \$ 198,811,000 | \$ 198,811,000 | 0 | \$ 198,811,000 | \$ 0 | |
| Total Education Assistance Fund | \$ 198,811,000 | \$ 198,811,000 | 0 | \$ 198,811,000 | \$ 0 | |
| ICCB Instructional Development and Enhancement Applications Revolving Fund - 070 | | | | | | |
| Costs Associated with Maintaining and Updating Instructional Technology | \$ 300,000 | \$ 62,263 | \$ 2,800 | \$ 65,063 | \$ 234,937 | |
| Total Instructional Development and Enhancement Applications Revolving Fund | \$ 300,000 | \$ 62,263 | \$ 2,800 | \$ 65,063 | \$ 234,937 | |
| SBE GED Testing Fund - 161 | | | | | | |
| Costs Associated with Administering GED Tests | \$ 750,000 | \$ 365,633 | 0 | \$ 365,633 | \$ 384,367 | |
| Total GED Testing Fund | \$ 750,000 | \$ 365,633 | 0 | \$ 365,633 | \$ 384,367 | |
| ICCB Contracts & Grants Fund - 339 | | | | | | |
| Contracts and Grants | \$ 5,000,000 | \$ 2,689,238 | \$ 1,093,466 | \$ 3,782,704 | \$ 1,217,296 | |
| Total Contract & Grants Funds | \$ 5,000,000 | \$ 2,689,238 | \$ 1,093,466 | \$ 3,782,704 | \$ 1,217,296 | |
| ICCB Federal Trust Fund - 350 | | | | | | |
| Ordinary and Contingent Expenses | \$ 300,000 | \$ 62,943 | 425 | \$ 63,368 | \$ 236,632 | |
| Total Federal Trust Fund | \$ 300,000 | \$ 62,943 | 425 | \$ 63,368 | \$ 236,632 | |
| ICCB Adult Education Fund - 692 | | | | | | |
| Adult Education and Literacy Activities Administration | \$ 1,500,000 | \$ 949,711 | \$ 41,206 | \$ 990,917 | \$ 509,083 | |
| Adult Education and Literacy Providers | 23,000,000 | 17,828,055 | 2,161,004 | 19,989,059 | 3,010,941 | |
| Total Adult Education Fund | \$ 24,500,000 | \$ 18,777,766 | \$ 2,202,210 | \$ 20,979,976 | \$ 3,520,024 | |
| Career and Technical Education Fund - 772 | | | | | | |
| Career and Technical Education Programs | \$ 23,607,100 | \$ 14,945,954 | \$ 7,202,948 | \$ 22,148,902 | \$ 1,458,198 | |
| Total Career and Technical Education Fund | \$ 23,607,100 | \$ 14,945,954 | \$ 7,202,948 | \$ 22,148,902 | \$ 1,458,198 | |

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For The Fiscal Year Ended June 30, 2011

| P.A. 96-0956 FISCAL YEAR 2011 | Appropriations (Net of Transfers) | Voucher Expenditures Through June 30 | Lapse Period | | Total Expenditures 14 Months Ended August 31 | Balances Lapsed August 31 |
|--|---|--|--|---------------------------|---|---------------------------------|
| | | | Expenditures July 1 to August 31 | Expenditures August 31 | | |
| Build Illinois Bond Fund - 971 | | | | | | |
| Remodeling facilities in compliance with the Americans with Disabilities Act | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Build Illinois Bond Fund | <u>\$ 412,879,000</u> | <u>\$ 393,117,488</u> | <u>\$ 11,854,486</u> | <u>\$ 404,971,974</u> | <u>\$ 7,907,026</u> | |
| Grand Total All Funds | | | | | | |

Note 1: Appropriations, expenditures and lapsed balances were obtained directly from the records of the State Comptroller, which have been reconciled to agency records, except as noted in Finding 1.2-7.

Note 2: Expenditure amounts are vouchers approved for payment by the Agency and submitted to the State Comptroller for payment to the vendor.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

| | Fiscal Year | | |
|--|----------------------|-----------------------|-----------------------|
| | 2012 | 2011 | 2010 |
| | | | P.A. 96-0035 |
| | | | P.A. 96-0042 |
| | | | P.A. 96-0046 |
| | | P.A. 96-0956 | P.A. 96-0114 |
| General Revenue Fund - 001 | | | |
| Appropriations (Net of Transfers) | \$ 85,219,000 | \$ 159,610,900 | \$ 179,834,800 |
| <u>Expenditures</u> | | | |
| Personal Services | \$ 1,212,195 | \$ 0 | \$ 0 |
| State Contributions to Social Security | 16,333 | 0 | 0 |
| Personal Services for Bargaining Unit Employees | 0 | 0 | 446,048 |
| State Contributions to Social Security for Bargaining Unit Employees | 0 | 0 | 5,575 |
| Personal Services for Non-Bargaining Unit Employees | 0 | 0 | 775,359 |
| State Contributions to Social Security for Non-Bargaining Unit Employees | 0 | 0 | 10,622 |
| Operational Expenses | 0 | 1,949,591 | 868,709 |
| Operational Expenses, awards, grants, and permanent improvements | 0 | 24,164,718 | 24,156,178 |
| Contractual Services | 295,314 | 0 | 0 |
| Travel | 42,117 | 0 | 0 |
| Commodities | 1,325 | 0 | 0 |
| Printing | 2,456 | 0 | 0 |
| Equipment | - | 0 | 0 |
| Electronic Data Processing | 420,244 | 0 | 0 |
| Telecommunications | 19,139 | 0 | 0 |
| Operation of Automotive Equipment | 8,329 | 0 | 0 |
| Educational Facility in East St Louis | 1,589,100 | 0 | 0 |
| Base Operating Grants - American Recovery and Reinvestment Act 0000 | 0 | 0 | 5,463,400 |
| Base Operating Grants - American Recovery and Reinvestment Act 0200 | 0 | 0 | 1,510,500 |
| Small College Grants | 660,000 | 720,000 | 780,000 |
| Equalization Grants | 0 | 76,933,000 | 76,933,000 |
| Retirees Health Insurance Grant | 626,600 | 626,600 | 626,600 |
| Workforce Development Grants | 3,307,139 | 3,311,300 | 3,311,300 |
| Providers for Adult Education and Literacy | 16,026,200 | 0 | 0 |
| Providers for Performance Based Awards | 10,701,600 | 0 | 0 |
| Recipients of Public Assistance | 5,546,200 | 0 | 0 |
| Career and Technical Education Activities | 17,301,605 | 0 | 0 |
| City of Chicago Colleges for Educational Related Expenses | 15,000,000 | 0 | 0 |
| Scholarships to Graduates of the Lincoln Challenge Program | 47,023 | 0 | 0 |
| Costs Associated with Administering GED Tests | 813,193 | 0 | 0 |
| Illinois Veterans Grants | 7,261,500 | 0 | 0 |
| Career Readiness Pilot Program | 737,000 | 0 | 0 |
| Re-Enrollment Student Program | 3,000,000 | 0 | 0 |
| Discretionary Grants | 0 | 24,593,794 | 24,568,600 |
| Governors Discretionary Appropriation | 0 | 26,456,325 | 39,172,917 |
| Total Expenditures | <u>\$ 84,634,612</u> | <u>\$ 158,755,328</u> | <u>\$ 178,628,808</u> |
| Lapsed Balances | <u>\$ 584,388</u> | <u>\$ 855,572</u> | <u>\$ 1,205,992</u> |

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

| | Fiscal Year | | |
|---|----------------|----------------|----------------|
| | 2012 | 2011 | 2010 |
| | | | P.A. 96-0035 |
| | | | P.A. 96-0042 |
| | | | P.A. 96-0046 |
| | | P.A. 96-0956 | P.A. 96-0114 |
| Education Assistance Fund - 007 | | | |
| Appropriations (Net of Transfers) | \$ 275,924,000 | \$ 198,811,000 | \$ 191,837,100 |
| Base Operating Grants | 198,811,000 | 198,811,000 | 191,837,099 |
| Equalization Grants | 77,113,000 | 0 | 0 |
| Total Expenditures | \$ 275,924,000 | \$ 198,811,000 | \$ 191,837,099 |
| Lapsed Balances | \$ 0 | \$ 0 | \$ 1 |
| ICCB Instructional Development and Enhancement Applications Revolving Fund - 070 | | | |
| Appropriations (Net of Transfers) | \$ 300,000 | \$ 300,000 | \$ 300,000 |
| Costs Associated with Maintaining and Updating Instructional Technology | 114,263 | 65,063 | 70,798 |
| Total Expenditures | \$ 114,263 | \$ 65,063 | \$ 70,798 |
| Lapsed Balances | \$ 185,737 | \$ 234,937 | \$ 229,202 |
| SBE GED Testing Fund - 161 | | | |
| Appropriations (Net of Transfers) | \$ 750,000 | \$ 750,000 | \$ 750,000 |
| Costs Associated with Administering GED Tests | 282,194 | 365,633 | 340,500 |
| Total Expenditures | \$ 282,194 | \$ 365,633 | \$ 340,500 |
| Lapsed Balances | \$ 467,806 | \$ 384,367 | \$ 409,500 |
| ICCB Contracts & Grants Fund - 339 | | | |
| Appropriations (Net of Transfers) | \$ 5,000,000 | \$ 5,000,000 | \$ 5,000,000 |
| Contracts and Grants | 4,654,591 | 3,782,704 | 2,048,184 |
| Total Expenditures | \$ 4,654,591 | \$ 3,782,704 | \$ 2,048,184 |
| Lapsed Balances | \$ 345,409 | \$ 1,217,296 | \$ 2,951,816 |
| AFDC Opportunities Fund - 349 | | | |
| Appropriations (Net of Transfers) | \$ 0 | \$ 0 | \$ 30,000 |
| Grants to Colleges for Workforce Training | 0 | 0 | 4,939 |
| Total Expenditures | \$ 0 | \$ 0 | \$ 4,939 |
| Lapsed Balances | \$ 0 | \$ 0 | \$ 25,061 |

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30,

| | Fiscal Year | | |
|---|----------------|----------------|----------------|
| | 2012 | 2011 | 2010 |
| | | | P.A. 96-0035 |
| | P.A. 97-0060 | | P.A. 96-0042 |
| | P.A. 97-0069 | | P.A. 96-0046 |
| | P.A. 97-0076 | P.A. 96-0956 | P.A. 96-0114 |
| ICCB Federal Trust Fund - 350 | | | |
| Appropriations (Net of Transfers) | \$ 410,000 | \$ 300,000 | \$ 415,000 |
| Ordinary and Contingent Expenses | 281,586 | 63,368 | 61,577 |
| Total Expenditures | \$ 281,586 | \$ 63,368 | \$ 61,577 |
| Lapsed Balances | \$ 128,414 | \$ 236,632 | \$ 353,423 |
| ICCB Adult Education Fund - 692 | | | |
| Appropriations (Net of Transfers) | \$ 26,500,000 | \$ 24,500,000 | \$ 26,500,000 |
| Adult Education and Literacy Activities Administration | 842,151 | 990,917 | 939,208 |
| Adult Education and Literacy Providers | 20,367,947 | 19,989,059 | 19,410,565 |
| Total Expenditures | \$ 21,210,098 | \$ 20,979,976 | \$ 20,349,773 |
| Lapsed Balances | \$ 5,289,902 | \$ 3,520,024 | \$ 6,150,227 |
| Career and Technical Education Fund - 772 | | | |
| Appropriations (Net of Transfers) | \$ 23,607,100 | \$ 23,607,100 | \$ 23,607,100 |
| Career and Technical Education Programs | 17,266,916 | 22,148,902 | 21,486,817 |
| Total Expenditures | \$ 17,266,916 | \$ 22,148,902 | \$ 21,486,817 |
| Lapsed Balances | \$ 6,340,184 | \$ 1,458,198 | \$ 2,120,283 |
| Build Illinois Bond Fund - 971 | | | |
| Appropriations (Net of Transfers) | \$ 0 | \$ 0 | \$ 0 |
| Grants for Americans with Disabilities Act compliance - reappropriations | \$ 0 | \$ 0 | 1,292,226 |
| Total Expenditures | \$ 0 | \$ 0 | \$ 1,292,226 |
| Reappropriations | \$ 0 | \$ 0 | \$ 1,292,226 |
| Lapsed Balances | \$ 0 | \$ 0 | \$ 0 |
| Grand Total All Funds | | | |
| Appropriations (Net of Transfer) | \$ 417,710,100 | \$ 412,879,000 | \$ 428,274,000 |
| Expenditures | 404,368,260 | 404,971,974 | 416,120,721 |
| Reappropriations | 0 | 0 | 1,292,226 |
| Lapsed Balances | \$ 13,341,840 | \$ 7,907,026 | \$ 13,445,505 |

Note 1: The FY12 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the Agency and submitted to the Comptroller for payment after August.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF CHANGES IN STATE PROPERTY
For the Two Years Ended June 30, 2012

| | Total | Equipment | Capital Leases - Equipment |
|--------------------------|---------------------|---------------------|-------------------------------|
| Balance at July 1, 2010 | \$ 1,074,695 | \$ 1,074,695 | \$ 0 |
| Additions | 58,373 | 58,373 | 0 |
| Deletions | (28,061) | (28,061) | 0 |
| Net Transfers | <u>29,800</u> | <u>29,800</u> | <u>0</u> |
| Balance at June 30, 2011 | <u>\$ 1,134,807</u> | <u>\$ 1,134,807</u> | <u>\$ 0</u> |
| Balance at July 1, 2011 | \$ 1,134,807 | \$ 1,134,807 | \$ 0 |
| Additions | 340,899 | 328,496 | 12,403 |
| Deletions | (76,894) | (76,894) | 0 |
| Net Transfers | <u>0</u> | <u>0</u> | <u>0</u> |
| Balance at June 30, 2012 | <u>\$ 1,398,812</u> | <u>\$ 1,386,409</u> | <u>\$ 12,403</u> |

Note: The above schedule has been derived from Agency records which have been reconciled to property reports submitted to the Office of the Comptroller.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

| | 2012 | 2011 | 2010 |
|---|---------------------|---------------------|---------------------|
| General Revenue Fund - 001 | | | |
| Phone Reimbursement | \$ 175 | \$ 320 | \$ 224 |
| Jury Duty | 45 | 32 | 15 |
| Miscellaneous | 118 | 0 | 85 |
| Total General Revenue Fund | <u>\$ 338</u> | <u>\$ 352</u> | <u>\$ 324</u> |
| Instructional Development & Enhancement Applications Revolving Fund (IDEA) - 070 | | | |
| Grant Allocations from Other States | <u>\$ 114,262</u> | <u>\$ 74,850</u> | <u>\$ 73,530</u> |
| Total IDEA Fund | <u>\$ 114,262</u> | <u>\$ 74,850</u> | <u>\$ 73,530</u> |
| GED Testing Fund - 161 | | | |
| Grant Allocations from Illinois State Board of Education | <u>\$ 454,346</u> | <u>\$ 477,972</u> | <u>\$ 457,549</u> |
| Total GED Testing Fund | <u>\$ 454,346</u> | <u>\$ 477,972</u> | <u>\$ 457,549</u> |
| Contracts and Grants Fund - 339 | | | |
| Grant Allocations from IDOT | \$ 2,004,902 | \$ 1,639,295 | \$ 1,489 |
| Grant Allocations from DCEO | 1,036,468 | 1,971,811 | 1,905,428 |
| Grant Allocations from Other Organizations or Individuals | <u>985,447</u> | <u>574,054</u> | <u>5,000</u> |
| Total Contracts and Grants Fund | <u>\$ 4,026,817</u> | <u>\$ 4,185,160</u> | <u>\$ 1,911,917</u> |
| Federal Trust Fund - 350 | | | |
| Indirect Cost Reimbursements from U.S. Department of Education | <u>\$ 408,042</u> | <u>\$ 239,039</u> | <u>\$ 206,602</u> |
| Total Federal Trust Fund | <u>\$ 408,042</u> | <u>\$ 239,039</u> | <u>\$ 206,602</u> |

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the Fiscal Years Ended June 30,

| | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|-----------------------------|-----------------------------|-----------------------------|
| Adult Education Fund - 692 | | | |
| Grant Allocations from U.S. Department of Education | <u>\$ 21,013,847</u> | <u>\$ 20,391,860</u> | <u>\$ 20,723,476</u> |
| Total Adult Education Fund | <u>\$ 21,013,847</u> | <u>\$ 20,391,860</u> | <u>\$ 20,723,476</u> |
| Career and Technical Education Fund (CTE) - 772 | | | |
| Transfers from Illinois State Board of Education | <u>\$ 17,752,033</u> | <u>\$ 17,658,526</u> | <u>\$ 20,603,715</u> |
| Total CTE Fund | <u>\$ 17,752,033</u> | <u>\$ 17,658,526</u> | <u>\$ 20,603,715</u> |
| Build Illinois Bond - 971 | | | |
| Prior Year Refund | <u>\$ 42,098</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Total Build Illinois Bond | <u>\$ 42,098</u> | <u>\$ 0</u> | <u>\$ 0</u> |
| Total Receipts | <u><u>\$ 43,811,783</u></u> | <u><u>\$ 43,027,759</u></u> | <u><u>\$ 43,977,113</u></u> |

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER
For the Fiscal Year Ended June 30, 2012

| | General Revenue (001) | IDEA (070) | GED Testing (161) | Contracts & Grants (339) | Federal Trust (350) | Adult Education (692) | Career & Technical Education (772) | Build Illinois Bond (971) |
|--|-----------------------|-------------------|-------------------|--------------------------|---------------------|-----------------------|------------------------------------|---------------------------|
| Telephone Reimbursements | \$ 175 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Jury Duty | 45 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 118 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grant Allocations | 25,609,272 | 114,262 | 454,346 | 4,026,817 | 0 | 21,013,847 | 0 | 0 |
| Indirect Cost Reimbursements | 408,042 | 0 | 0 | 0 | 408,042 | 0 | 0 | 0 |
| Transfers from Board of Education | 17,752,033 | 0 | 0 | 0 | 0 | 0 | 17,752,033 | 0 |
| Total - Per Agency Records | \$ 43,769,685 | \$ 114,262 | \$ 454,346 | \$ 4,026,817 | \$ 408,042 | \$ 21,013,847 | \$ 17,752,033 | \$ 0 |
| Prior Year Refunds | \$ 552,899 | \$ 0 | \$ 34,337 | \$ 356 | \$ 0 | \$ 6,470 | \$ 5,324 | \$ 42,098 |
| Deposits in Transit to Comptroller | | | | | | | | |
| Beginning of Period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| End of Period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total - Per Adjusted Agency Records | \$ 44,322,584 | \$ 114,262 | \$ 488,683 | \$ 4,027,173 | \$ 408,042 | \$ 21,020,317 | \$ 17,757,357 | \$ 42,098 |
| Comptroller Records | \$ 26,297,516 | \$ 114,262 | \$ 488,683 | \$ 3,726,236 | \$ 407,269 | \$ 21,048,992 | \$ 5,324 | \$ 42,098 |
| Difference | \$ 18,025,068 | \$ 0 | \$ 0 | \$ 300,937 | \$ 773 | \$ (28,675) | \$ 17,752,033 | \$ 0 |

Note 1: Receipts were obtained directly from agency records and reconciled to the State Comptroller, except as noted in Finding 12-6.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
RECONCILIATION SCHEDULE OF CASH RECEIPTS TO DEPOSITS
REMITTED TO THE STATE COMPTROLLER

For the Fiscal Year Ended June 30, 2011

| | Combined | General Revenue (001) | IDEA (070) | GED Testing (161) | Contracts & Grants (339) | Federal Trust (350) | Adult Education (692) | Career & Technical Education (772) |
|--|----------------------|-----------------------|------------------|-------------------|--------------------------|---------------------|-----------------------|------------------------------------|
| Telephone Reimbursements | \$ 320 | \$ 320 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Jury Duty | 32 | 32 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grant Allocations | 25,129,842 | 0 | 74,850 | 477,972 | 4,185,160 | 0 | 20,391,860 | 0 |
| Indirect Cost Reimbursements | 239,039 | 0 | 0 | 0 | 0 | 239,039 | 0 | 0 |
| Transfers from Board of Education | 17,658,526 | 0 | 0 | 0 | 0 | 0 | 0 | 17,658,526 |
| Total - Per Agency Records | \$ 43,027,759 | \$ 352 | \$ 74,850 | \$ 477,972 | \$ 4,185,160 | \$ 239,039 | \$ 20,391,860 | \$ 17,658,526 |
| Prior Year Refunds | \$ 55,280 | \$ 25,148 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 26,752 | \$ 3,380 |
| Deposits in Transit to Comptroller | | | | | | | | |
| Beginning of Period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| End of Period | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total - Per Adjusted Agency Records | \$ 43,083,039 | \$ 25,500 | \$ 74,850 | \$ 477,972 | \$ 4,185,160 | \$ 239,039 | \$ 20,418,612 | \$ 17,661,906 |
| Comptroller Records | \$ 25,424,513 | \$ 25,500 | \$ 74,850 | \$ 477,972 | \$ 4,185,160 | \$ 239,039 | \$ 20,418,612 | \$ 3,380 |
| Difference | \$ 17,658,526 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 17,658,526 |

Note 1: Receipts were obtained directly from agency records and reconciled to the State Comptroller, except as noted in Finding 12-6.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012

General Revenue Fund - 001

Personal Services; State Contributions to Social Security; Contractual Services; Travel; Commodities; Printing; Equipment; Electronic Data Processing; Telecommunications; Operation of Automotive Expenditures; Education Facility in East St. Louis; Providers for Adult Education and Literacy; Providers for Performance Based Awards; Recipients of Public Assistance; Career and Technical Education Activities; City of Chicago Colleges for Education Related Expenses; Scholarships to Graduates of the Lincoln Challenge Program; Costs Associated with Administering GED Tests; Illinois Veterans Grants; Career Readiness Pilot Program; Re-Enrollment Student Program; Operational Expenses; and Operational Expenses, awards, grants and permanent improvements

For Fiscal Year 2012, the appropriation process was changed for operating expenses that were paid from the General Revenue Fund. The Board received individual appropriations designated for specific purposes rather than a lump sum appropriation for the above expenses.

Equalization Grants

The decrease in Equalization Grants was due to the Board receiving an appropriation for this expenditure category in the Education Assistance Fund for Fiscal Year 2012. In Fiscal Year 2011, this expenditure category was appropriated in the General Revenue Fund.

Discretionary Grants; Governors Discretionary Appropriations

The decrease in Discretionary Grants and Governors Discretionary Appropriations was due to the Board not receiving any appropriations for these expenditure categories in Fiscal Year 2012.

Education Assistance Fund - 007

Equalization Grants

The increase in Equalization Grants was due to the Board receiving appropriations for this expenditure category in the Education Assistance Fund for Fiscal Year 2012. In Fiscal Year 2011, Equalization Grants were appropriated through the General Revenue Fund.

ICCB Instructional Development and Enhancement Applications Revolving Fund - 070

Costs Associated With Maintaining and Updating Instructional Technology

The increase in ICCB Instructional Development and Enhancement Applications Revolving Fund expenditures was due to the selling of the GED Illinois Online licenses. Any Funds received are held in this fund and then disbursed to Western Illinois University. This fund had increased receipts and this increased the expenditures disbursed to Western Illinois University.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2011 AND 2012 (continued)

SBE GED Testing Fund - 161

Costs Associated with Administering GED Tests

The decrease in Costs Associated with Administering GED Tests expenditures was due to a decrease in funds being paid to the Sangamon County Regional Office of Education (ROE) from this fund. More funds were paid to the Sangamon County ROE from the GED Grant through the General Revenue Fund for Fiscal Year 2012.

ICCB Contracts & Grants Fund - 339

Contracts and Grants

This increase in Contracts and Grants expenditures was due to additional expenditures incurred in Fiscal Year 2012 from the Highway Construction Careers Training Program (HCCTP) grant from Illinois Department of Transportation (IDOT). These expenditures were for grants paid to providers and HCCTP grant salaries.

ICCB Federal Trust Fund - 350

Ordinary and Contingent Expenses

The increase in Ordinary and Contingent Expenses was due to an increase in administrative expenditures related to IDOT and Illinois Longitudinal Data System (ILDS) grants for Fiscal Year 2012.

Career and Technical Education Fund - 772

Career and Technical Education Programs

The decrease in Career and Technical Education Programs expenditures was due to the Federal Career and Technology grant being cut, resulting in less funding to providers.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS 2010 AND 2011

General Revenue Fund - 001

Personal Services for Bargaining Unit Employees; State Contributions to Social Security for Bargaining Unit Employees; Personal Services for Non-Bargaining Unit Employees; State Contributions to Social Security for Non-Bargaining Unit Employees; Base Operating Grants-American Recovery and Reinvestment Act (0000 and 0200)

For Fiscal Year 2011, the appropriation process was changed for operating expenses that were paid from the General Revenue Fund. The Board received a lump sum appropriation for all operational expenses including personal services and State contributions to social security. In addition, the Board did not receive any American Recovery and Reinvestment Act funds in Fiscal Year 2011.

Operational Expenses

The increase in Operational expenditures was due to Fiscal Year 2011 having a lump sum appropriation that included personal services expenditures in the Operational Expenses category. Fiscal Year 2010 had a separate appropriation for personal services expenditures.

Governors Discretionary Appropriations

The decrease in Governors Discretionary Appropriations expenditures was due to a lower appropriation in Fiscal Year 2011 compared to Fiscal Year 2010. The amount an Agency receives through this appropriation is at the discretion of the Governor and is subject to fluctuate from year-to-year.

ICCB Contracts & Grants Fund - 339

Contracts and Grants

The increase in Contracts and Grants expenditures was due do the HCCTP grant from IDOT. The Board initially received grant funds for the HCCTP in November 2010 but had few related expenditures in the initial fiscal year. In Fiscal Year 2011, the Board began to incur a number of expenditures related to the HCCTP grant from IDOT.

Build Illinois Bond Fund - 971

Grants for Americans with Disabilities

The decrease was due to the Board not receiving an appropriation in Fiscal Year 2011 from this fund. In Fiscal Year 2010, the Board had a reappropriation from this fund. In Fiscal Year 2011, there was a reappropriation, but the amount was reverted, resulting in a net appropriation amount of zero for this fund.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2011 and 2012

General Revenue Fund - 001

Miscellaneous

The Board receives minimal receipts. The receipts consist of copy charges, refunds, and reimbursement for jury duty and personal phone calls. These receipts are expected to fluctuate between fiscal years.

Instructional Development and Enhancement Applications Revolving Fund - 070

Grant Allocations from Other States

The increase in grant allocations from other states was due to the increase in the number of licenses sold for the General Education Degree Illinois online curriculum systems (System) by Western Illinois University (WIU). WIU, in conjunction with the Board, developed the System and has sold licenses to use to other State colleges. The Board initially receives the fees from the sale of these licenses and then reimburses WIU. The number of licenses is expected to fluctuate between fiscal years.

ICCB Contracts and Grants Fund - 339

Grant Allocations from the Illinois Department of Transportation (IDOT)

The increase in grant allocations from IDOT was due to additional funds received for grants that were not received in Fiscal Year 2011. The Board also added a staff position which increased the administrative amount to be reimbursed by IDOT.

Grant Allocations from the Illinois Department of Commerce and Economic Opportunity (DCEO)

The decrease in grant allocations from DCEO was due to a decrease in funds received for the Shifting Gears Initiative and Workforce Investment Act Grants from Fiscal Year 2011.

Grant Allocations from Other Organizations or Individuals

The increase in grant allocations from other organizations or individuals was due to an increase in funds received from various organizations. In Fiscal Year 2012, the Board received monies for the first time for a one-time grant to prepare students to take tests and the Illinois Community College online program. In addition, two other grants which were initiated in Fiscal Year 2011 received additional money to cover the grant for a full year.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2012 and 2011 (continued)

ICCB Federal Trust Fund - 350

Indirect Cost Reimbursements from the U.S. Department of Education (USDE)

The increase in indirect cost reimbursements from USDE was due to increased receipts from the Highway Careers and Construction Training Program (HCCTP) grant, Illinois Longitudinal Data System (ILDS) grant, and the Accelerating Opportunities grant. These grants stipulate a certain percentage of grant funds is to be allocated to indirect costs.

Build Illinois Bond Fund – 971

Refund from the City Colleges of Chicago

The increase in funds was due to unspent funds by the City Colleges of Chicago being returned to the Board after the grant expired. The funds were required to be spent within two years and any unspent funds were required to be returned.

STATE OF ILLINOIS
COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS
For the Two Years Ended June 30, 2012

ANALYSIS OF SIGNIFICANT VARIATIONS IN RECEIPTS BETWEEN FISCAL YEARS 2010 and 2011

General Revenue Fund - 001

Miscellaneous

The Board receives minimal receipts. The receipts consist of copy charges, refunds, and reimbursement for jury duty and personal phone calls. These receipts are expected to fluctuate between fiscal years.

ICCB Contracts and Grants Fund - 339

Grant Allocations from the Illinois Department of Transportation (IDOT)

The increase in grant allocations from IDOT was due to receiving only minimal administrative receipts in Fiscal Year 2010, the first year of the grant. During Fiscal Year 2011, the Board's administrative receipts increased from funding additional providers for the Highway Careers and Construction Training Program.

Grant Allocations from Other Organizations or Individuals

The increase in grant allocations from other organizations or individuals was due to the Board receiving funds from only one organization in Fiscal Year 2010 and from three organizations in Fiscal Year 2011. In addition, \$250,000 was swept from the fund in Fiscal Year 2010 at the direction of the Governor's Office and then deposited back in Fiscal Year 2011.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2012

FISCAL YEAR 2012

General Revenue Fund - 001

Illinois Veteran Grants

Illinois Veteran Grants expenditures totaling \$3,531,335 during the lapse period were due to final claim information submitted by the Illinois Student Assistance Commission not being received by the Board until the end of the fiscal year. The related invoices were not processed until the lapse period.

ICCB Contracts & Grants Fund - 339

Contracts and Grants

Contracts and Grants expenditures totaling \$1,874,825 during the lapse period were primarily due to providers that submitted request for payment late in the fiscal year. The related invoices were not processed until the lapse period.

ICCB Federal Trust Fund - 350

Ordinary and Contingent Expenses

Ordinary and Contingent expenditures totaling \$57,713 were for administrative expenditures and an upgrade to a virtual server late in the fiscal year. The related invoices were not processed until the lapse period.

Career and Technical Education Fund - 772

Career and Technical Education Programs

Career and Technical Education Programs expenditures totaling \$6,716,987 during the lapse period were primarily due to providers that submitted requests for payment late in the fiscal year. The related invoices were not processed until the lapse period.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Two Years Ended June 30, 2012

FISCAL YEAR 2011

ICCB Contracts & Grants Fund - 339

Contracts and Grants

Contracts and Grants expenditures totaling \$1,093,466 during the lapse period were primarily due to providers that submitted request for payment late in the fiscal year. The related invoices were not processed until the lapse period.

Career and Technical Education Fund - 772

Career and Technical Education Programs

Career and Technical Education Programs expenditures totaling \$7,202,948 during the lapse period were primarily due to providers that submitted requests for payment late in the fiscal year. The related invoices were not processed until the lapse period.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
DESCRIPTION OF STATE GRANT PROGRAMS (Not Examined)
For the Two Years Ended June 30, 2012

1. Unrestricted Grants to Colleges

Base Operating Grants

The Base Operating Grants are divided into the Credit Hour and Gross Square Footage (GSF) Allocations.

Credit Hour Grants are allocated to all of the districts based upon credit hour enrollment in six funding categories: Baccalaureate, Business, Technical, Health, Remedial, and Adult Basic Education/ Adult Secondary Education (ABE/ASE). The hours utilized for the grant amounts to each district are the greater of the:

- Average of the past three fiscal years, which for Fiscal Year 2012 were Fiscal Years 2010, 2009, and 2008; or,
- Two years prior fiscal year's actual credit hours, which for Fiscal Year 2012 was Fiscal Year 2010.

The total hours in each funding category are multiplied by the grant rate in each category to arrive at the total credit hour grant for each district. The rate utilized is the past completed fiscal year (Fiscal Year 2010 for the Fiscal Year 2012 grants) net instructional weighted unit cost, less non-ICCB revenues. If necessary to arrive at the total appropriated grant amount, a rate adjustment amount is added to the grant rate.

Each year by August 1, the districts are required to submit their gross square footage data to the ICCB. This data is utilized to calculate a statewide average GSF. The GSF grants are allocated to each district as follows:

- The GSF per student is calculated by dividing the total GSF of the district by student headcount.
- If the district's GSF per student is greater than the statewide average, then a weighted GSF is utilized in the calculation.
- A weighted GSF is calculated by dividing the amount that the district's GSF is greater than the statewide average by 2 and then multiplying it by the district's headcount. This amount is then added to the district's total GSF.
- Using this calculation, the ICCB allocates the total appropriation for GSF grants to the various districts.

Small College Grants

These grants are distributed to the districts with less than 2,500 non-correctional full-time equivalent students. A non-correctional student is one that is not being educated in a State of

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
DESCRIPTION OF STATE GRANT PROGRAMS (Not Examined)
For the Two Years Ended June 30, 2012

Illinois Department of Corrections facility. A full-time equivalent student is one that carries a course load of 15 hours per semester, or 30 hours per year. The districts must submit their annual enrollment data by August 1 of each year. The allocation of the appropriation is made based on the number of districts that qualify divided by the total appropriated grant amount.

Equalization Grants

The Equalization Grants are the State's attempt to reduce the inequality throughout the State of the local property tax revenues available per student. The allocation includes many steps. First, the equalized assessed value (EAV) threshold per full-time equivalent student is calculated as follows:

- The lesser of the 2010 statewide EAV or two year average of 2009 and 2010 is divided by the Fiscal Year 2010 in-district and chargeback (a student who is enrolled in a college outside of its district due to curriculum choices) FTE students. This calculation equals the EAV per FTE.
- The EAV per FTE is then multiplied by the statewide weighted average actual tax rate. The total is the EAV threshold per FTE.
- Then, the corporate personal property replacement tax revenue (CPPRT) threshold per FTE student is calculated by dividing the lesser of the Fiscal Year 2010 net operating CPPRT revenue or the two year average by the Fiscal year in-district and chargeback FTE students.
- The EAV threshold per FTE student is added to the CPPRT threshold per FTE student, and then multiplied by any necessary threshold proration to arrive at the Fiscal Year 2012 equalization threshold.
- The district's local tax revenue per FTE student is subtracted from the equalization threshold, and then multiplied by the district's FTE students. Only amounts greater than zero are utilized for the grant. If the district has an amount greater than zero prior to any proration factor being used and the proration factor causes it to become less than zero, the district will receive the minimum grant, which is \$50,000.

2. *Restricted Grants to Colleges*

Workforce Development Grants

These grants provide funds for community colleges to expand opportunities for additional noncredit training for incumbent employees at businesses, industry, and other employers, specifically to provide financial assistance for small and mid-size employers who need to upgrade or enhance the skills of their employees. The goal is to present the community college as a training system that is responsible to the business community's training

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
DESCRIPTION OF STATE GRANT PROGRAMS (Not Examined)
For the Two Years Ended June 30, 2012

requirements in order to improve employees' productivity and wages and the local and State economies.

This grant recognizes the importance of the community college system in assisting local businesses, associations, labor, government and others to develop and enhance a qualified, well trained labor force. The grant funds are dedicated to the operation of a business assistance center and/or involvement with State and local economic development efforts.

Retirees' Health Insurance Grant

The City Colleges of Chicago is the only district that receives this grant, which is intended to provide health insurance for the district's annuitants. If more than one district qualified, the grant would be distributed proportionately to each eligible district based on the number of that district's annuitants as certified by the State Universities Retirement System as of July 1 of the fiscal year in which the appropriation is made. An eligible district is defined as those not eligible for participation in the retirees' health insurance plan administered through the Department of Central Management Services.

College and Career Readiness

This grant assists various students to become academically prepared for college and success in post-secondary education. This grant was allocated \$750,000 by the Board from a lump sum discretionary grant in Fiscal Year 2011 and was appropriated \$750,000 in Fiscal Year 2012; however, it is not considered a normal reoccurring grant.

Reenrollment Student Program

This grant funds the Alternative Schools Network to develop and expand services to students who have dropped out of school. This grant is new in Fiscal Year 2012 and was appropriated \$3,000,000; however, it is not considered a normal reoccurring grant.

3. *Statewide Initiative & Other Grants*

The General Assembly traditionally includes additional designated grants within the Board's appropriations to cover specific initiatives. During Fiscal Years 2011 and 2012, the additional designated grants included:

Illinois Veterans Grants- Unrestricted

This grant assists districts in offsetting the mandated tuition and fee waiver for veterans enrolling at community colleges. The Board covers the underfunded claims from the Illinois Student Assistance Commission.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
DESCRIPTION OF STATE GRANT PROGRAMS (Not Examined)
For the Two Years Ended June 30, 2012

City Colleges of Chicago Grant - Unrestricted

This grant is to offset the financial losses incurred by the City Colleges of Chicago due to the equalization formula.

East St. Louis Higher Education Center

These funds are awarded to the Southern Illinois Collegiate Common Market to cover the operating expenses necessary to provide collegiate courses to the residents of the now defunct Metropolitan Community College district.

Lincoln's Challenge Grants

These funds are granted to colleges to provide scholarships to graduates of the Lincoln's Challenge Program to continue their education at one of the community colleges in Illinois. The scholarship is limited to \$1,000 per student per semester for the fall and spring semesters and \$500 for the summer semester.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF GRANT AWARDS (Not Examined)
For the Two Years Ended June 30, 2012

Fiscal Year 2012 Operating (Unrestricted) Grants to Colleges

| | Base Operating Grants** | | | Small College Grants | Equalization Grant | Total |
|------------------|-------------------------|--------------|----------------|-------------------------|--------------------|---------------------|
| | Square Footage | | Total | | | Unrestricted Grants |
| | Credit Hour Grant | Grant | | | | |
| Black Hawk | \$ 3,875,419 | \$ 47,854 | \$ 3,923,273 | \$ 0 | \$ 3,187,173 | \$ 7,110,446 |
| Chicago | 48,305,500 | 378,043 | 48,683,543 | 0 | 0 | 48,683,543 |
| Danville | 1,705,899 | 35,574 | 1,741,473 | 60,000 | 2,284,041 | 4,085,514 |
| DuPage | 12,615,112 | 155,452 | 12,770,564 | 0 | 0 | 12,770,564 |
| Elgin | 5,024,396 | 74,110 | 5,098,506 | 0 | 0 | 5,098,506 |
| Harper | 6,359,950 | 109,604 | 6,469,554 | 0 | 0 | 6,469,554 |
| Heartland | 1,898,065 | 35,004 | 1,933,069 | 0 | 50,000 | 1,983,069 |
| Highland | 1,260,100 | 25,474 | 1,285,574 | 60,000 | 507,809 | 1,853,383 |
| Illinois Central | 5,211,922 | 87,736 | 5,299,658 | 0 | 3,428,059 | 8,727,717 |
| Illinois Eastern | 6,336,470 | 55,101 | 6,391,571 | 0 | 7,655,123 | 14,046,694 |
| Illinois Valley | 2,258,878 | 32,571 | 2,291,449 | 0 | 136,345 | 2,427,794 |
| Joliet | 6,994,843 | 76,538 | 7,071,381 | 0 | 0 | 7,071,381 |
| Kankakee | 3,279,968 | 33,112 | 3,313,080 | 0 | 3,358,010 | 6,671,090 |
| Kaskaskia | 3,430,202 | 36,103 | 3,466,305 | 0 | 6,026,369 | 9,492,674 |
| Kishwaukee | 1,856,710 | 36,369 | 1,893,079 | 0 | 1,890,310 | 3,783,389 |
| Lake County | 8,122,639 | 91,321 | 8,213,960 | 0 | 0 | 8,213,960 |
| Lake Land | 5,224,461 | 36,216 | 5,260,677 | 0 | 5,920,782 | 11,181,459 |
| Lewis & Clark | 3,300,228 | 58,727 | 3,358,955 | 0 | 3,045,190 | 6,404,145 |
| Lincoln Land | 3,190,641 | 49,176 | 3,239,817 | 0 | 1,046,978 | 4,286,795 |
| Logan | 4,490,620 | 53,580 | 4,544,200 | 0 | 7,826,930 | 12,371,130 |
| McHenry | 2,142,158 | 37,681 | 2,179,839 | 0 | 0 | 2,179,839 |
| Moraine Valley | 6,958,024 | 71,886 | 7,029,910 | 0 | 50,000 | 7,079,910 |
| Morton | 1,473,103 | 22,643 | 1,495,746 | 0 | 1,080,230 | 2,575,976 |
| Oakton | 5,587,036 | 58,810 | 5,645,846 | 0 | 0 | 5,645,846 |
| Parkland | 4,384,444 | 61,571 | 4,446,015 | 0 | 1,794,890 | 6,240,905 |
| Prairie State | 2,122,628 | 40,588 | 2,163,216 | 0 | 50,000 | 2,213,216 |
| Rend Lake | 3,226,918 | 38,342 | 3,265,260 | 0 | 4,867,914 | 8,133,174 |
| Richland | 2,075,803 | 27,800 | 2,103,603 | 60,000 | 665,783 | 2,829,386 |
| Rock Valley | 3,740,304 | 63,170 | 3,803,474 | 0 | 873,256 | 4,676,730 |
| Sandburg | 1,655,652 | 23,089 | 1,678,741 | 60,000 | 1,059,853 | 2,798,594 |
| Sauk Valley | 1,391,640 | 30,119 | 1,421,759 | 60,000 | 1,310,359 | 2,792,118 |
| Shawnee | 2,126,180 | 15,983 | 2,142,163 | 60,000 | 4,150,924 | 6,353,087 |
| South Suburban | 3,250,002 | 58,102 | 3,308,104 | 0 | 2,399,844 | 5,707,948 |
| Southeastern | 2,034,014 | 22,920 | 2,056,934 | 120,000 | 2,961,362 | 5,138,296 |
| Southwestern | 6,222,545 | 73,865 | 6,296,410 | 0 | 7,339,960 | 13,636,370 |
| Spoon River | 1,009,574 | 20,066 | 1,029,640 | 120,000 | 622,642 | 1,772,282 |
| Triton | 6,534,155 | 82,594 | 6,616,749 | 0 | 0 | 6,616,749 |
| Waubensee | 4,578,931 | 70,645 | 4,649,576 | 0 | 0 | 4,649,576 |
| Wood | 1,205,866 | 22,461 | 1,228,327 | 60,000 | 1,522,864 | 2,811,191 |
| Totals | \$ 196,461,000 | \$ 2,350,000 | \$ 198,811,000 | \$ 660,000 | \$ 77,113,000 | \$ 276,584,000 |
| Rounding | 0 | 0 | 0 | 0 | 0 | 0 |
| Differences* | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | | | | | | |
| Appropriation | \$ 196,461,000 | \$ 2,350,000 | \$ 198,811,000 | \$ 660,000 | \$ 77,113,000 | \$ 276,584,000 |

(Continued)

Note: This schedule includes normal reoccurring grants and does not include all discretionary grants.

Differences* - These amounts result from differences between appropriated and expended amounts.

Base Operating Grants** remained at Fiscal Year 2011 allocations.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF GRANT AWARDS (Not Examined)
For the Two Years Ended June 30, 2012

Fiscal Year 2012 Total Grants to Colleges

| | Total Unrestricted Grants | Workforce Development Grants | Retirees' Health Insurance Grants | Additional Designated Grants | Total Grants to Colleges |
|------------------|------------------------------|------------------------------------|--------------------------------------|---------------------------------|-----------------------------|
| Black Hawk | \$ 7,110,446 | \$ 73,833 | \$ 0 | \$ 0 | \$ 7,184,279 |
| Chicago | 48,683,543 | 238,880 | 626,600 | 15,000,000 | 64,549,023 |
| Danville | 4,085,514 | 62,660 | 0 | 0 | 4,148,174 |
| DuPage | 12,770,564 | 165,098 | 0 | 0 | 12,935,662 |
| Elgin | 5,098,506 | 89,469 | 0 | 0 | 5,187,975 |
| Harper | 6,469,554 | 94,617 | 0 | 0 | 6,564,171 |
| Heartland | 1,983,069 | 50,933 | 0 | 0 | 2,034,002 |
| Highland | 1,853,383 | 51,349 | 0 | 0 | 1,904,732 |
| Illinois Central | 8,727,717 | 93,154 | 0 | 0 | 8,820,871 |
| Illinois Eastern | 14,046,694 | 133,550 | 0 | 0 | 14,180,244 |
| Illinois Valley | 2,427,794 | 65,328 | 0 | 0 | 2,493,122 |
| Joliet | 7,071,381 | 131,935 | 0 | 0 | 7,203,316 |
| Kankakee | 6,671,090 | 66,646 | 0 | 0 | 6,737,736 |
| Kaskaskia | 9,492,674 | 82,760 | 0 | 0 | 9,575,434 |
| Kishwaukee | 3,783,389 | 57,691 | 0 | 0 | 3,841,080 |
| Lake County | 8,213,960 | 105,073 | 0 | 0 | 8,319,033 |
| Lake Land | 11,181,459 | 126,557 | 0 | 0 | 11,308,016 |
| Lewis & Clark | 6,404,145 | 74,945 | 0 | 0 | 6,479,090 |
| Lincoln Land | 4,286,795 | 74,356 | 0 | 0 | 4,361,151 |
| Logan | 12,371,130 | 91,808 | 0 | 0 | 12,462,938 |
| McHenry | 2,179,839 | 57,225 | 0 | 0 | 2,237,064 |
| Moraine Valley | 7,079,910 | 111,483 | 0 | 0 | 7,191,393 |
| Morton | 2,575,976 | 51,964 | 0 | 0 | 2,627,940 |
| Oakton | 5,645,846 | 86,082 | 0 | 0 | 5,731,928 |
| Parkland | 6,240,905 | 89,434 | 0 | 0 | 6,330,339 |
| Prairie State | 2,213,216 | 54,013 | 0 | 0 | 2,267,229 |
| Rend Lake | 8,133,174 | 80,242 | 0 | 0 | 8,213,416 |
| Richland | 2,829,386 | 69,083 | 0 | 0 | 2,898,469 |
| Rock Valley | 4,676,730 | 78,635 | 0 | 0 | 4,755,365 |
| Sandburg | 2,798,594 | 53,901 | 0 | 0 | 2,852,495 |
| Sauk Valley | 2,792,118 | 53,469 | 0 | 0 | 2,845,587 |
| Shawnee | 6,353,087 | 54,248 | 0 | 0 | 6,407,335 |
| South Suburban | 5,707,948 | 76,184 | 0 | 0 | 5,784,132 |
| SouthEastern | 5,138,296 | 66,034 | 0 | 0 | 5,204,330 |
| SouthWestern | 13,636,370 | 126,502 | 0 | 0 | 13,762,872 |
| Spoon River | 1,772,282 | 46,677 | 0 | 0 | 1,818,959 |
| Triton | 6,616,749 | 97,850 | 0 | 0 | 6,714,599 |
| Waubonsee | 4,649,576 | 75,552 | 0 | 0 | 4,725,128 |
| Wood | 2,811,191 | 52,080 | 0 | 0 | 2,863,271 |
| Totals | \$ 276,584,000 | \$ 3,311,300 | \$ 626,600 | \$ 15,000,000 | \$ 295,521,900 |
| Rounding | 0 | 0 | 0 | 0 | 0 |
| Differences* | 0 | 0 | 0 | 0 | 0 |
| Total | | | | | |
| Appropriation | \$ 276,584,000 | \$ 3,311,300 | \$ 626,600 | \$ 15,000,000 | \$ 295,521,900 |

(Concluded)

Note: This schedule includes normal reoccurring grants and does not include all discretionary grants.
Differences* - These amounts result from differences between appropriated and expended amounts.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF GRANT AWARDS (Not Examined)
For the Two Years Ended June 30, 2012

Fiscal Year 2011 Operating (Unrestricted) Grants to Colleges

| | Base Operating Grants | | | Small College Grants | Equalization Grant | Total |
|------------------|-----------------------|--------------|----------------|-------------------------|--------------------|---------------------|
| | Square Footage | | Total | | | Unrestricted Grants |
| | Credit Hour Grant | Grant | | | | |
| Black Hawk | \$ 3,875,419 | \$ 47,854 | \$ 3,923,273 | \$ 0 | \$ 3,576,700 | \$ 7,499,973 |
| Chicago | 48,305,500 | 378,043 | 48,683,543 | 0 | 0 | 48,683,543 |
| Danville | 1,705,899 | 35,574 | 1,741,473 | 60,000 | 1,767,349 | 3,568,822 |
| DuPage | 12,615,112 | 155,452 | 12,770,564 | 0 | 0 | 12,770,564 |
| Elgin | 5,024,396 | 74,110 | 5,098,506 | 0 | 0 | 5,098,506 |
| Harper | 6,359,950 | 109,604 | 6,469,554 | 0 | 0 | 6,469,554 |
| Heartland | 1,898,065 | 35,004 | 1,933,069 | 0 | 50,000 | 1,983,069 |
| Highland | 1,260,100 | 25,474 | 1,285,574 | 60,000 | 344,555 | 1,690,129 |
| Illinois Central | 5,211,922 | 87,736 | 5,299,658 | 0 | 3,025,742 | 8,325,400 |
| Illinois Eastern | 6,336,470 | 55,101 | 6,391,571 | 0 | 8,618,359 | 15,009,930 |
| Illinois Valley | 2,258,878 | 32,571 | 2,291,449 | 0 | 170,118 | 2,461,567 |
| Joliet | 6,994,843 | 76,538 | 7,071,381 | 0 | 0 | 7,071,381 |
| Kankakee | 3,279,968 | 33,112 | 3,313,080 | 0 | 2,963,437 | 6,276,517 |
| Kaskaskia | 3,430,202 | 36,103 | 3,466,305 | 0 | 5,646,866 | 9,113,171 |
| Kishwaukee | 1,856,710 | 36,369 | 1,893,079 | 0 | 1,551,323 | 3,444,402 |
| Lake County | 8,122,639 | 91,321 | 8,213,960 | 0 | 0 | 8,213,960 |
| Lake Land | 5,224,461 | 36,216 | 5,260,677 | 0 | 5,306,112 | 10,566,789 |
| Lewis & Clark | 3,300,228 | 58,727 | 3,358,955 | 0 | 3,459,868 | 6,818,823 |
| Lincoln Land | 3,190,641 | 49,176 | 3,239,817 | 0 | 795,202 | 4,035,019 |
| Logan | 4,490,620 | 53,580 | 4,544,200 | 0 | 8,995,423 | 13,539,623 |
| McHenry | 2,142,158 | 37,681 | 2,179,839 | 0 | 0 | 2,179,839 |
| Moraine Valley | 6,958,024 | 71,886 | 7,029,910 | 0 | 50,000 | 7,079,910 |
| Morton | 1,473,103 | 22,643 | 1,495,746 | 0 | 922,643 | 2,418,389 |
| Oakton | 5,587,036 | 58,810 | 5,645,846 | 0 | 0 | 5,645,846 |
| Parkland | 4,384,444 | 61,571 | 4,446,015 | 0 | 1,758,193 | 6,204,208 |
| Prairie State | 2,122,628 | 40,588 | 2,163,216 | 0 | 50,000 | 2,213,216 |
| Rend Lake | 3,226,918 | 38,342 | 3,265,260 | 0 | 5,356,821 | 8,622,081 |
| Richland | 2,075,803 | 27,800 | 2,103,603 | 60,000 | 364,721 | 2,528,324 |
| Rock Valley | 3,740,304 | 63,170 | 3,803,474 | 0 | 562,259 | 4,365,733 |
| Sandburg | 1,655,652 | 23,089 | 1,678,741 | 60,000 | 1,496,533 | 3,235,274 |
| Sauk Valley | 1,391,640 | 30,119 | 1,421,759 | 60,000 | 1,233,340 | 2,715,099 |
| Shawnee | 2,126,180 | 15,983 | 2,142,163 | 120,000 | 3,911,428 | 6,173,591 |
| South Suburban | 3,250,002 | 58,102 | 3,308,104 | 0 | 1,486,603 | 4,794,707 |
| Southeastern | 2,034,014 | 22,920 | 2,056,934 | 120,000 | 3,391,284 | 5,568,218 |
| Southwestern | 6,222,545 | 73,865 | 6,296,410 | 0 | 7,847,754 | 14,144,164 |
| Spoon River | 1,009,574 | 20,066 | 1,029,640 | 120,000 | 632,997 | 1,782,637 |
| Triton | 6,534,155 | 82,594 | 6,616,749 | 0 | 50,000 | 6,666,749 |
| Waubensee | 4,578,931 | 70,645 | 4,649,576 | 0 | 50,000 | 4,699,576 |
| Wood | 1,205,866 | 22,461 | 1,228,327 | 60,000 | 1,497,370 | 2,785,697 |
| Totals | \$ 196,461,000 | \$ 2,350,000 | \$ 198,811,000 | \$ 720,000 | \$ 76,933,000 | \$ 276,464,000 |
| Rounding | 0 | 0 | 0 | 0 | 0 | 0 |
| Differences* | 0 | 0 | 0 | 120,000 | 0 | 0 |
| Total | | | | | | |
| Appropriation | \$ 196,461,000 | \$ 2,350,000 | \$ 198,811,000 | \$ 840,000 | \$ 76,933,000 | \$ 276,464,000 |

(Continued)

Note: This schedule includes normal reoccurring grants and does not include all discretionary grants.

Differences* - These amounts result from differences between appropriated and expended amounts.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
SCHEDULE OF GRANT AWARDS (Not Examined)
For the Two Years Ended June 30, 2012

Fiscal Year 2011 Total Grants to Colleges

| | Total Unrestricted Grants | Workforce Development Grants | Retirees' Health Insurance Grants | Additional Designated Grants | Total Grants to Colleges |
|------------------|------------------------------|---------------------------------|--------------------------------------|---------------------------------|-----------------------------|
| Black Hawk | \$ 7,499,973 | \$ 71,781 | \$ 0 | \$ 0 | \$ 7,571,754 |
| Chicago | 48,683,543 | 238,294 | 626,600 | 15,000,000 | 64,548,437 |
| Danville | 3,568,822 | 58,577 | 0 | 0 | 3,627,399 |
| DuPage | 12,770,564 | 166,787 | 0 | 0 | 12,937,351 |
| Elgin | 5,098,506 | 86,633 | 0 | 0 | 5,185,139 |
| Harper | 6,469,554 | 92,711 | 0 | 0 | 6,562,265 |
| Heartland | 1,983,069 | 50,806 | 0 | 0 | 2,033,875 |
| Highland | 1,690,129 | 49,616 | 0 | 0 | 1,739,745 |
| Illinois Central | 8,325,400 | 93,427 | 0 | 0 | 8,418,827 |
| Illinois Eastern | 15,009,930 | 145,056 | 0 | 0 | 15,154,986 |
| Illinois Valley | 2,461,567 | 64,496 | 0 | 0 | 2,526,063 |
| Joliet | 7,071,381 | 130,203 | 0 | 0 | 7,201,584 |
| Kankakee | 6,276,517 | 64,057 | 0 | 0 | 6,340,574 |
| Kaskaskia | 9,113,171 | 82,658 | 0 | 0 | 9,195,829 |
| Kishwaukee | 3,444,402 | 56,740 | 0 | 0 | 3,501,142 |
| Lake County | 8,213,960 | 98,884 | 0 | 0 | 8,312,844 |
| Lake Land | 10,566,789 | 121,385 | 0 | 0 | 10,688,174 |
| Lewis & Clark | 6,818,823 | 77,806 | 0 | 0 | 6,896,629 |
| Lincoln Land | 4,035,019 | 71,228 | 0 | 0 | 4,106,247 |
| Logan | 13,539,623 | 99,604 | 0 | 0 | 13,639,227 |
| McHenry | 2,179,839 | 53,594 | 0 | 0 | 2,233,433 |
| Moraine Valley | 7,079,910 | 112,969 | 0 | 0 | 7,192,879 |
| Morton | 2,418,389 | 51,274 | 0 | 0 | 2,469,663 |
| Oakton | 5,645,846 | 92,678 | 0 | 0 | 5,738,524 |
| Parkland | 6,204,208 | 89,547 | 0 | 0 | 6,293,755 |
| Prairie State | 2,213,216 | 57,036 | 0 | 0 | 2,270,252 |
| Rend Lake | 8,622,081 | 80,423 | 0 | 0 | 8,702,504 |
| Richland | 2,528,324 | 68,376 | 0 | 0 | 2,596,700 |
| Rock Valley | 4,365,733 | 78,309 | 0 | 0 | 4,444,042 |
| Sandburg | 3,235,274 | 54,870 | 0 | 0 | 3,290,144 |
| Sauk Valley | 2,715,099 | 53,221 | 0 | 0 | 2,768,320 |
| Shawnee | 6,173,591 | 54,284 | 0 | 0 | 6,227,875 |
| South Suburban | 4,794,707 | 72,122 | 0 | 0 | 4,866,829 |
| SouthEastern | 5,568,218 | 69,132 | 0 | 0 | 5,637,350 |
| SouthWestern | 14,144,164 | 128,900 | 0 | 0 | 14,273,064 |
| Spoon River | 1,782,637 | 47,935 | 0 | 0 | 1,830,572 |
| Triton | 6,666,749 | 100,757 | 0 | 0 | 6,767,506 |
| Waubonsee | 4,699,576 | 74,264 | 0 | 0 | 4,773,840 |
| Wood | 2,785,697 | 50,860 | 0 | 0 | 2,836,557 |
| Totals | <u>\$ 276,464,000</u> | <u>\$ 3,311,300</u> | <u>\$ 626,600</u> | <u>\$ 15,000,000</u> | <u>\$ 295,401,900</u> |
| Rounding | 0 | 0 | 0 | 0 | 0 |
| Differences* | 0 | 0 | 0 | 0 | 0 |
| Total | | | | | |
| Appropriation | <u>\$ 276,464,000</u> | <u>\$ 3,311,300</u> | <u>\$ 626,600</u> | <u>\$ 15,000,000</u> | <u>\$ 295,401,900</u> |

(Concluded)

Note: This schedule includes normal reoccurring grants and does not include all discretionary grants.
Differences* - These amounts result from differences between appropriated and expended amounts.

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2012

FUNCTIONS AND PLANNING PROGRAM (Not Examined)

The Illinois 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 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, 2012 were as follows:

- Alexi Giannoulis, Chair
- Suzanne Morris, Vice Chair
- James Dumas
- Victor Henderson
- Guy Alongi
- Thomas Pulver
- Randy Barnette
- Jake Rendleman
- Michael Dorf
- Joshua Benezé – Student Representative

Functions

The Board has the following powers and duties as defined by the Public Community College Act (110 ILCS 805/2-1 et seq.).

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. Approve all locally held funded capital projects for which no State monies are required, in accordance with standards established by rule;
4. Cooperate with the community colleges in continuing studies of student characteristics, admission standards, grading policies, performance of transfer

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2012

students, qualification and certification of facilities, and any other problems of community college education;

5. 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 vocational and technical education and retraining as may be allocated by State and Federal agencies for the aid of community colleges; 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;
6. 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;
7. 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;
8. 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. The State 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 State Board staff recommendation and prior to the State Board's action to respond to concerns regarding the program in question. If the State 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 State Board under the provision of the Illinois Administrative Procedure Act;

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2012

9. 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 State 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 State Board under the provisions of the Illinois Administrative Procedure Act;
10. Establish guidelines regarding sabbatical leaves;
11. 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 Section #26-14 of the School Code;
12. 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;
13. Establish uniform financial accounting and reporting standards and principles for community colleges and develop procedures and systems for community colleges for reporting financial data to the State Board;
14. 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;
15. Ensure the effective teaching of adults and to prepare them for success in employment and lifelong learning adult basic education, adult secondary / general education development, 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
16. Supervise the administration of adult education and adult literacy programs, to establish the standards for such courses of instruction and supervise the

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2012

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 State Board on adult education policy and priorities.

Planning Program

The Board coordinated a Strategic Plan (Plan) entitled “Promise for Illinois Revisited” for the Illinois Community College 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 of Illinois 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 community college 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 Illinois;
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
 ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF OPERATIONS
 For the Two Years Ended June 30,

AVERAGE NUMBER OF EMPLOYEES (Not Examined)

The following table, prepared from Agency records, presents the average number of employees, by function, for the Fiscal Years ended June 30,

| <u>Division</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|-------------|-------------|-------------|
| Executive | 3 | 3 | 4 |
| Academic Affairs and Workforce Development | 15 | 12 | 12 |
| Adult Education & Institutional Support | 18 | 19 | 19 |
| System Finances and Office Operations | 14 | 14 | 14 |
| | <hr/> | <hr/> | <hr/> |
| Total average full-time employees | <u>50</u> | <u>48</u> | <u>49</u> |

STATE OF ILLINOIS
ILLINOIS COMMUNITY COLLEGE BOARD
ANALYSIS OF OPERATIONS
For the Two Years Ended June 30, 2012

SERVICE EFFORTS AND ACCOMPLISHMENTS (Not Examined)

The Illinois Community College Board (Board) is the Statewide coordinating board for the Illinois Community College System (System). Its mission is to administer the Public Community College Act in a manner that maximizes the ability of community college districts to serve their communities, to promote Systemwide cooperation, and to accommodate State of Illinois 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 forty eight colleges and one multi-community college center in thirty nine districts. Community colleges serve nearly one million Illinois residents each year in credit and noncredit courses.

| <u>Output Indicators</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> |
|--|--------------------|--------------------|--------------------|
| Fall Term Headcount Enrollment: | | | |
| Community College System Total | 372,566 | 379,736 | 383,960 |
| Twelve-Month Unduplicated Headcount: | | | |
| All Students Enrolled for Credit, Occupational and Vocational Programs | 716,797 | 730,335 | 700,072 |
| All Students Enrolled in Non-Credit Courses | 233,022 | 254,675 | 254,324 |
| Percentage of College Students Seeking a Degree or Certificate | 54% | 52% | 49% |
| Pre-Baccalaureate Degree Completions by Race/Ethnicity: | | | |
| African American | 8,381 | 8,427 | 7,836 |
| Latino | 6,121 | 5,633 | 5,026 |
| White | 41,316 | 38,015 | 36,043 |
| All Other | 5,720 | 4,809 | 4,148 |
| Pre-Baccalaureate Degree Completions by Gender: | | | |
| Male | 26,625 | 24,620 | 23,224 |
| Female | 34,913 | 32,264 | 29,829 |