

OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Des Plaines, Illinois

SINGLE AUDIT REPORT
Fiscal Year Ended June 30, 2023

OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Des Plaines, Illinois

SINGLE AUDIT
June 30, 2023

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

The Honorable President and Members of the Board of Trustees
Oakton College - Community College District No. 535
Des Plaines, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Oakton College, Community College District No. 535 (the "College") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated November 8, 2023. Our report includes a reference to other auditors who audited the financial statements of the Oakton College Educational Foundation (the "Foundation"), as described in our report on the College's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Crowe LLP

Oak Brook, Illinois
November 8, 2023

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

The Honorable President and Members of the Board of Trustees
Oakton College - Community College District No. 535
Des Plaines, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Oakton College, Community College District No. 535's (the "College") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2023. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the College complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

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

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on the College's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The College is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The College's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated November 8, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Crowe LLP
Crowe LLP

Oak Brook, Illinois
November 8, 2023

**OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
DES PLAINES, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Contract Number	Federal Expenditures
MAJOR PROGRAMS			
U.S. Department of Education			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants	84.007	P007A221248	\$ 264,300
Federal Work Study Program	84.033	P033A221248	30,000
Federal Pell Grant Program	84.063	P063P223255	5,196,439
Federal Direct Student Loans	84.268	P268K233255	<u>275,024</u>
Total Student Financial Assistance Cluster			<u>5,765,763</u>
Education Stabilization Funds:			
COVID-19 Higher Education Emergency Relief Fund (ARP) - Student Aid	84.425E	P425E201160	24,575
COVID-19 Higher Education Emergency Relief Fund (ARP) - Student Aid	84.425E	P425E201160	<u>1,421,875</u>
Total HEERF Student Aid			1,446,450
COVID-19 Higher Education Emergency Relief Fund (ARP) - Institutional Aid	84.425F	P425F202608	<u>3,363,925</u>
Total HEERF			<u>4,810,375</u>
Passed through Illinois Community College Board			
COVID-19 Governor's Emergency Education Relief (GEER II) Fund	84.425C	GEERS II - 53522	<u>57,575</u>
Total Education Stabilization Funds			<u>4,867,950</u>
Passed through Illinois Community College Board			
Adult Education - Basic Grants to States - Federal Basic	84.002A	AE-53501-23	733,265
Adult Education - Basic Grants to States - EL Civics	84.002A	AE-53501-23	<u>78,505</u>
Total Adult Education			<u>811,770</u>
NONMAJOR PROGRAMS			
U.S. Department of Education			
COMPASS- Center for Organizing Minority Programs to Advance Student Success	84.031L	P031L200011	98,513
COMPASS- Center for Organizing Minority Programs to Advance Student Success	84.031L	P031L200011	<u>257,669</u>
Total AANAPISI Programs			<u>356,182</u>
TRIO - Student Support Services FY22	84.042A	P042A150193	44,185
TRIO - Student Support Services FY23	84.042A	P042A200841	<u>196,519</u>
Total TRIO Cluster			<u>240,704</u>
Career and Technical Education - Basic Grants to States - CTE Postsecondary	84.048	CTE535-23	<u>234,505</u>
Total U.S.Department of Education			<u>12,276,874</u>
U.S. Department of Treasury			
Passed through Illinois Community College Board			
COVID-19 Bridge Transitions FY22	21.027	IBT-23-37	139,631
COVID-19 Bridge Transitions FY23	21.027	IBT-23-37	70,858
COVID-19 Bridge Transitions FY23	21.027	CB-5501-22	<u>77,242</u>
Total Coronavirus State and Local Fiscal Recovery Funds			<u>287,731</u>
Total U.S. Department of Treasury			<u>287,731</u>
U.S. Department of Health and Human Services			
CCDF Cluster:			
Passed through Illinois Community College Board			
COVID-19 Early Childhood Access Consortium for Equity Grant	93.575	ECE-53501-22	<u>441,652</u>
Total U.S. Department of Health and Human Services			<u>441,652</u>

(Continued)

**OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
DES PLAINES, ILLINOIS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

<u>Federal Grantor / Pass-Through Grantor / Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Contract Number</u>	<u>Federal Expenditures</u>
U.S. Department of Labor			
Customized Apprenticeship Programming-IT	17.268	AG-535-23	\$ 34,000
Total U.S. Department of Labor			<u>34,000</u>
National Endowment for the Arts			
Passed through Arts Midwest Promotion of the Arts Partnership Agreements	45.025	N/A	<u>7,246</u>
Total National Endowment for the Arts			<u>7,246</u>
U.S. Department of Veteran Affairs			
Post-9/11 Veterans Educational Assistance	64.028	N/A	<u>82,526</u>
Total U.S. Department of Veteran Affairs			<u>82,526</u>
National Science Foundation - Education and Human Resources			
Advanced Technological Education FY23	47.076	DUE-1800186	2,247
STEM Scholars FY23	47.076	DUE - 1833924	64,244
STEM Scholars FY22	47.076	DUE - 1833924	<u>67,707</u>
Total National Science Foundation-Education and Human Resources			<u>134,198</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 13,264,227</u>

See accompanying notes to Schedule of Expenditures of Federal Awards.

OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Des Plaines, Illinois

Notes to the Schedule of Expenditures of Federal Awards

Year Ending June 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Oakton College (the "College") under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Basis of Accounting and Cost Principles:

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, Cost Principles for Educational Institutions or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Federal Student Loan Programs:

Federally guaranteed loans issued to students of the College by financial institutions under the Federal Direct Loan Program were \$275,024 during the year ended June 30, 2023.

Subrecipients:

Of the federal expenditures presented in the Schedule, the College did not provide any federal awards to subrecipients.

Non-Cash Assistance:

The College had no non-cash assistance during the year.

Federal Insurance:

The College had no Federal insurance in force during the year.

OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Des Plaines, Illinois

Schedule of Findings and Questioned Costs

Year Ending June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal Control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

Yes No

Identification of major programs:

Assistance Listing Number(s) Name of Federal Program or Cluster

84.007, 84.033, 84.063, 84.268 U.S. Department of Education:
Student Financial Assistance Cluster

84.425C, 84.425E, 84.425F COVID-19 – Education Stabilization Funds

84.002A Adult Education

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

Auditee qualified as low-risk auditee? Yes No

(Continued)

OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Des Plaines, Illinois

Schedule of Findings and Questioned Costs

Year Ending June 30, 2023

Section II - Financial Statement Findings

There were no financial statement findings for the year ended June 30, 2023.

Section III - Federal Award Findings

2023-001 Incorrect COD Disbursement Date Reporting

Federal Program: Department of Education: Student Financial Assistance Cluster, ALN 84.007, 84.033, 84.063, 84.268

Criteria: Institutions submit origination records and disbursement records to the Common Origination and Disbursement (COD) system. Origination records can be sent in advance of any disbursements, and an institution follows up with a disbursement record that reports the actual disbursement date.

Condition: During our testing of information reported to the Common Origination and Disbursement (COD) system, we noted that the disbursement dates in COD did not match the disbursement dates in the College's accounting records because the dates reported to COD were the disbursement dates per the financial aid system, which were 5-7 days before the money was credited to students' accounts.

Cause: There is a delay between applying aid to student accounts in PowerFails and Banner. Management reports to COD using PowerFails dates.

Effect: Incorrect disbursement dates were reported to COD.

Questioned Costs: None

Context: We tested 25 students and noted that, for all selected students, the disbursement date in COD did not match the disbursement date in the College's records because the dates reported to COD were the PowerFails dates, which were 5-7 days before the money was credited to students' accounts. This issue is only related to the reporting of accurate dates; the disbursement amounts were accurately reported in each selection tested.

Repeat Finding: No

Recommendation: The College should use Banner student account statements as the source of disbursement dates.

Views of Responsible Officials and Planned Corrective Actions: The College uses two different systems to process financial aid. The disbursement date that was submitted to COD matches the disbursement date in Powerfaids, the student information system used to communicate to COD and process financial aid. Then, that aid is subsequently posted to the student's account in Banner, and any credit balance created from there. Starting with the 2023-24 award year, the College will only be using the Banner student information system to process financial aid, so any disbursement information will be communicated directly from Banner to COD.

OAKTON COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 535
Des Plaines, Illinois

Schedule of Prior Year Findings and Questioned Costs

Year Ending June 30, 2023

2022-001 Incorrect Pell Disbursement

Federal Program: Department of Education, Student Financial Assistance Cluster, ALN 84.007, 84.033, 84.063, 84.268

Condition: During the prior auditor's student file testing they noted one student out of forty was not disbursed the correct Pell Grant award. Based on the student's enrollment status and need, the College under awarded the student by \$680.

Status: This finding was not repeated for the year ended June 30, 2023.



Office of Student Financial Assistance 1600 East Golf Road
Des Plaines, Illinois 60016
847.635.1708
Fax 847.635.1706

OAKTON COLLEGE

Corrective Action Plan

For the Year Ended June 30, 2023

2023-001 Incorrect COD Disbursement Date Reporting – Student Financial Assistance Cluster

Condition

During our testing of information reported to the Common Origination and Disbursement (COD) system, we noted that the disbursement dates in COD did not match the disbursement dates in the College's accounting records because the dates reported to COD were the disbursement dates per the financial aid system, which were 5-7 days before the money was credited to students' accounts.

Corrective Action Planned

The College uses two different systems to process financial aid. The disbursement date that was submitted to COD matches the disbursement date in Powerfaids, the student information system used to communicate to COD and process financial aid. Then, that aid is subsequently posted to the student's account in Banner, and any credit balance created from there.

Starting with the 2023-24 award year, the College will only be using the Banner student information system to process financial aid, so any disbursement information will be communicated directly from Banner to COD.

Name of the Contact Person Responsible for Corrective Action

Jamie Petersen, Senior Manager of Financial Assistance & Scholarships

Anticipated Completion Date

July 1, 2023