

**Moraine Valley Community
College – Community College
District Number 524**

Reports required by the Uniform Guidance and
Government Auditing Standards

Year Ended June 30, 2021

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**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***

Independent Auditor's Report

The Board of Trustees
Moraine Valley Community College –
Community College District Number 524

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 of Moraine Valley Community College – Community College District Number 524 (the College), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 4, 2021.

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 opinion 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 may exist that have not been identified.

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.

RSM US LLP

Chicago, Illinois
October 4, 2021

Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

The Board of Trustees
Moraine Valley Community College –
Community College District Number 524

Report on Compliance for the Major Federal Program

We have audited Moraine Valley Community College – Community College District Number 524's (the College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the College's major federal program for the year ended June 30, 2021. The College's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the College's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the College's compliance.

Opinion on the Major Federal Program

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on the major federal program is not modified with respect to this matter.

The College's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and in the corrective action plan. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

The College's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and in the corrective action plan. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 of the College as of and for the year ended June 30, 2021, and have issued our report thereon dated October 4, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 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 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 financial statements or to the 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 financial statements as a whole.

RSM VS LLP

Chicago, Illinois
January 13, 2022

MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Pass-through Grant Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Grantor's Identifying Number</u>	<u>Provided To Subrecipients</u>	<u>Federal Expenditures</u>	
U.S. Department of Labor:						
Pass-through programs from:						
Chicago Cook Workforce Partnership:						
Workforce Innovation and Opportunity Act (WIOA) Cluster:						
WIOA Dislocated Worker Formula Grants	17.278	2019-321		\$ -	\$ 18,560	
WIOA Adult Program	17.258	2019-221		-	21,498	
WIOA Dislocated Worker Formula Grants	17.278	2018-321		-	62,805	
WIOA Adult Program	17.258	2020-221		-	63,722	
WIOA Youth Activities	17.259	2020-521		-	274,525	
Subtotal Workforce Innovation and Opportunity Act (WIOA) Cluster				-	441,110	
Total Department of Labor				-	441,110	
U.S. Department of Education:						
Direct Programs:						
Student Financial Aid Cluster:						
Federal Pell Grant Program	84.063		P063P202988	-	13,588,054	
Federal Pell Grant Program	84.063		P063P192988	-	311,091	
Federal Supplemental Educational Opportunity Grants	84.007		P007A201227	-	416,658	
Federal Supplemental Educational Opportunity Grants	84.007		P007A191227	-	1,400	
Federal Work-Study Program	84.033		P033A201227	-	196,443	
Federal Direct Student Loans	84.268		P268K202988	-	29,442	
Federal Direct Student Loans	84.268		P268K212988	-	2,433,684	
Total Student Financial Aid Cluster				-	16,976,772	
Higher Education Programs:						
Title III-A Higher Education Institutional Aid	84.031A		P031A160217	-	328,738	
Postsecondary Education:						
TRIO Cluster:						
TRIO Student Support Services	84.042A		P042A150459	-	84,663	
TRIO Student Support Services	84.042A		P042A200555	-	223,727	
TRIO Talent Search	84.044A		P044A160770	-	263,970	
TRIO Upward Bound	84.047A		P047A170535	-	295,549	
Total TRIO Cluster				-	867,909	
COVID-19 Education Stabilization Fund:						
Higher Education Emergency Relief Fund (HEERF):						
COVID-19: HEERF Institutional Portion	84.425F		P425F202417	-	17,321,117	*
COVID-19: HEERF Strengthening Institutions Program (SIP)	84.425M		P425M200642	-	434,436	*
COVID-19: HEERF Student Aid Portion	84.425E		P425E202092	-	5,011,800	*
Total Higher Education Emergency Relief Fund				-	22,767,353	
Total Direct Programs				-	40,940,772	
Pass-through programs from:						
Illinois Community College Board:						
Career and Technical Education - Basic Grants to States (Perkins V)	84.048	CTE52421		-	632,713	
Adult Education - Basic Grants to States	84.002	524021		-	431,358	
Education Stabilization Fund:						
COVID-19: Governor's Emergency Education Relief Fund (GEER)	84.425C	GEER 524		-	688,258	*
Total Pass-through programs				-	1,752,329	
Total Department of Education				-	42,693,101	

(Continued)

**MORAIN VALLEY COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 524**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass-through Grant Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Grantor's Identifying Number	Provided To Subrecipients	Federal Expenditures
U.S. Department of Veterans Affairs					
Direct Program:					
Veterans Benefits Administration					
Post-9/11 Veterans Educational Assistance	64.028		N/A	\$ -	\$ 240,235
Total Department of Veterans Affairs				-	240,235
National Science Foundation:					
Research and Development Cluster					
Direct Programs:					
Education and Human Resources:					
SFS: Capacity: A Streamlined Cyber-Security&Intelligence Pathway	47.076		DGE - 1623591	-	3,059 **
The Internet of Things Coordination Network	47.076		DUE - 1801007	-	263,801 **
Scholarships for Service	47.076		DGE - 1842077	-	344,631 **
Subtotal Direct Programs				-	611,491
Pass-through programs from:					
Education and Human Resources:					
Whatcom Community College					
NSF Cybersecurity Education Workshop 2020	47.076	DUE-1937905		-	43,251 **
Purdue University					
Scholarships for Service	47.076	DGE1754090 4101-84307		-	36,645 **
Total National Science Foundation - Research and Development Cluster				-	691,387
Department of Defense:					
Direct Programs					
CyberSecurity Core Curriculum -					
2020 CAE Moraine Valley Community College/K-12 Pipeline	12.905		H98230-20-1-0356	-	207,133
Information Security Grants -					
Cyber Security Workforce Education - CAE Regional Resource Center	12.902		H98230-19-1-0251	-	5,325
Pass-through programs from:					
Dakota State University					
CyberSecurity Core Curriculum -					
Centers of Academic Excellence in Cybersecurity program	12.905	266-840271		-	56,507
University Enterprises Corporation at CSUSB					
Information Security Grants - 2020 CAE CSUSB	12.902	SA20133		-	41,362
University Enterprises Corporation at CSUSB					
Information Security Grants - 2020 CAE CSUSB	12.902	SA20139		-	13,057
National Cryptologic Museum Foundation					
Information Security Grants - 2020 CAE CSUSB - High School Study	12.902	SA20137		-	12,270
Total Department of Defense				-	335,654
National Endowment for the Arts					
Pass-through programs from:					
Arts Midwest					
Promotion of the Arts Partnership Agreements - Fifth House Ensemble	45.025	00027091		-	4,000
Total National Endowment for the Arts				-	4,000
Department of Health and Human Services					
Pass-through programs from:					
Illinois Dept of Human Services					
Social Services Block Grant - DFI ASL Grant	93.667	444-30-1288		-	17,854
Total Department of Human Services				-	17,854
Federal Emergency Management Agency (FEMA)					
Pass-through programs from:					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) -					
Illinois Emergency Management Agency					
Public Assistance Program Grant	97.036	4489-031-U07C1-00		-	28,902
Total Department of Human Services				-	28,902
Total Expenditures of Federal Awards				\$ -	\$ 44,452,243

* Denotes a Major Program

** Research and Development Grant Expenditures

See Notes to Schedule of Expenditures of Federal Awards.

**Moraine Valley Community College –
Community College District Number 524**

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Moraine Valley Community College – Community College District Number 524 (the College) under programs of the federal government for the year ended June 30, 2021. 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.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The College has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4. Federal Direct Student Loan Program

During the fiscal year ended June 30, 2021, the College issued new loans to students under the Federal Direct Student Loan Program (FDLP) Assistance Listing Number 84.268. The loan program includes subsidized and unsubsidized Stafford Loans and Parent PLUS loans for undergraduate students. The value of loans issued for the FDLP is based on disbursed amounts. The loan amounts issued during the year are disclosed on the Schedule. The College is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the College's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the College at June 30, 2021.

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2021**

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?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> </u>	Yes	<u> X </u>	None Reported
Noncompliance material to financial statements noted?	<u> </u>	Yes	<u> X </u>	No

Federal Awards

Internal control over the major program:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiency(ies) identified?	<u> X </u>	Yes	<u> </u>	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? X Yes No

Identification of major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
84.425E/84.425F/84.425M/ 84.425C	COVID 19 Education Stabilization Fund: Higher Education Emergency Relief Fund (HEERF): COVID-19: HEERF Student Aid Portion COVID-19: HEERF Institutional Portion COVID-19: HEERF Strengthening Institutions Program (SIP) COVID-19: Governor's Emergency Education Relief Fund (GEER)

Dollar threshold used to distinguish between type A and type B programs: \$1,333,567

Auditee qualified as low-risk auditee? X Yes No

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2021**

Section II. FINANCIAL STATEMENT FINDINGS

No matters to report.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding 2021-001 – Higher Education Emergency Relief Fund Reporting

Repeat Finding: No

Federal Program Title – U.S. Department of Education

Higher Education Emergency Relief Fund (HEERF)

COVID-19: HEERF Institutional Portion: 84.425F

COVID-19: HEERF Student Portion: 84.425E

Federal Award Year 2020-2021

Condition

The College did not publicly post certain required reports accurately or on a timely basis. The following issues were noted:

- HEERF I Student Portion: The second quarter report omitted \$27,000 of expenses.
- HEERF I Student Portion: The remaining amount \$16,400 of HEERF I funds was disbursed on January 15, 2021. The College did not submit a final report after the remaining money was disbursed.
- HEERF I Institutional Portion: The second quarter report which was due January 10, 2021 was submitted by the College on January 15, 2021, 5 days late.

Criteria

According to an electronic announcement (EA) by the Department of Education (ED) on May 6, 2020, ED required institutions that received a HEERF 18004(a)(1) Student Portion Aid award to publicly post certain information on their website no later than 30 days after award, and update that information every 45 days thereafter by posting a new report. On August 31, 2020, ED revised the EA with 85 FR 53802, which decreased the frequency of subsequent reporting from every 45 days to every calendar year.

Additionally, institutions must report Institutional quarterly reports 10 days after the end of each calendar quarter (October 10, January 10, April 10, July 10), other than the first report which was due on October 30, 2020.

2 CFR Section 200.303 requires entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures in place to ensure the timely and accurate posting of reports.

**Moraine Valley Community College –
Community College District Number 524**

**Schedule of Findings and Questioned Costs (Concluded)
Year Ended June 30, 2021**

Questioned Costs

There were no questioned costs with respect to this finding.

Cause

The College did not have effective internal controls in place to ensure reports were posted accurately and timely.

Prevalence

Infrequent. Eleven reports were submitted in fiscal year 2021 relative HEERF Student and Institutional reporting and four were either inaccurate or not timely.

Effect

The submission of late and inaccurate reports is noncompliance with the requirements of the grant award and could result in loss of funding or other penalties.

Recommendation

We recommend the College implement internal controls to ensure reports are posted accurately and timely.

Views of responsible officials

Management agrees with this finding. See corrective action plan.

Moraine Valley Community College

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2021

Identifying Number: 2020-001

Finding: For two out of sixty students tested, the Return of Title IV funds was not properly calculated by the College.

Corrective Action Taken:

As a part of our quality control process, the Financial Aid and the Information Technology departments conducted thorough testing of financial aid processes, more specifically the Return of Title IV process, when new updates from Ellucian were installed.

The Financial Aid department used the R2T4 calculator tool on the Common Origination and Disbursement (COD) Website to compare outcomes from both Ellucian and COD to determine accuracy. This is a continuous process throughout the fiscal year.

Responsible Person(s):

Veronica Wade, Assistant Director of Financial Aid
Wadev3@morainevalley.edu
708-608-4190

Simon Sieczka, Financial Aid Coordinator
Sieczkas2@morainevalley.edu
708-608-4156

Sincerely,



Michael Cipolla
Controller



Moraine Valley Community College

CORRECTIVE ACTION PLAN YEAR ENDED JUNE 30, 2021

Identifying Number: 2021-001

Finding: The College did not publicly post certain required reports accurately or on a timely basis. The following issues were noted:

- HEERF I Student Portion: The second quarter report omitted \$27,000 of expenses.
- HEERF I Student Portion: The remaining amount \$16,400 of HEERF I funds was disbursed on January 15, 2021. The College did not submit a final report after the remaining money was disbursed.
- HEERF I Institutional Portion: The second quarter report which was due January 10, 2021 was submitted by the College on January 15, 2021, 5 days late.

Corrective Action Taken or Planned:

Institutional Portion – The Manager of Grants Accounting and Compliance will prepare quarterly reports in a timely manner subsequent to quarter-end. The reports will be reviewed by the Controller who will ensure the reports are conspicuously posted on the College's website before the required due dates of 10 days after each calendar quarter.

Student Aid Portion – The Assistant Director of Financial Aid will prepare quarterly reports in a timely manner subsequent to quarter-end. The reports will be reviewed by the Dean of Enrollment Services who will ensure the reports are conspicuously posted on the College's website before the required due dates of 10 days after each calendar quarter.

Anticipated Completion Date: October 10, 2021

Responsible Person(s):

Institutional Portion –

Michael Cipolla, Controller
cipollam2@morainevalley.edu

Darren Howard, Manager of Grants
Accounting and Compliance
howardd46@morainevalley.edu

Student Aid Portion –

Dave Marcial, Dean of Enrollment
Services
marciald2@morainevalley.edu

Veronica Wade, Assistant Director
of Financial Aid
wadev3@morainevalley.edu

