Oakton College

Community College District 535
Procurement Department, Suite 1240
1600 E. Golf Rd., Des Plaines, IL 60016
847-635-2607

Request for Proposal # 1 – Addendum #3
Issue Date: January 18, 2023

Proposals will be received in the Procurement Department at the above address until
11:00 AM on Wednesday, February 8, 2023
Proposals will be publicly opened at this time. Late proposals will not be accepted.

Auditing Services for Oakton College

There will be a pre-bid meeting on Monday, January 23, 2023 starting at 11:00AM in Room 1275, at the College's Des Plaines Campus, 1600 E. Golf Rd., Des Plaines, IL 60016

Please see the following sheets for complete specifications.

All questions pertaining to this proposal should be submitted in writing to all of the e-mail addresses listed below by 11:00 am on Wednesday, February 1, 2023.
Andy Williams, Controller at awilliams@oakton.edu
David Hittenmiller, Assistant Controller at dhittenmiller@oakton.edu
Trinh Than, Purchasing Manager at tthan@oakton.edu

Oakton College District No. 535 is exempt from Federal, State and Municipal Taxes

I have examined the specifications and instructions included herein and agree, provided I am awarded a contract within 60 days of bid due date, to provide the specified items from the sum shown in accordance with the terms stated herein. All deviations from specifications and terms are in writing and attached hereto. I offer the following discount terms ___________________.

Company Name ____ Date ___________

Address____City/State/Zip___________________

Name ___________________________________ Title_________________________________

Phone #_____________________________________Fax #_______________________________

Signature ______________________________________ E-mail__________________________

1. Vendor will now have the option to submit their proposal online to our secure portal provided by the College. If you would like to submit your proposal online, please use the following link and submit it by the due date listed on the RFP: **https://oakton.sharefile.com/r-r9e9cf581d8c74500885492d44d24e640**

2. Please see the following pages for all the received questions and our answers:

All other specifications, terms, and conditions noted in the original bid documents remain in effect and unchanged.

Please sign and return this addendum with your bid.

Audit Services Addendum – Questions and Answers (2/1/23)

1. Are there any service issues with the current provider?

   No.

2. Does the College prepare the Schedule of Expenditure of Federal Awards? When is it ready for the auditors to utilize selection of major programs?

   Yes, the College prepares the SEFA. Usually, a draft SEFA is available in time for preliminary fieldwork in late May. The final SEFA is available for final fieldwork starting the first week in August.

3. How long were the auditors in the field for prelim and final, and how many people were present?

   There are two different audit teams for the financial audit and the single audit. Preliminary fieldwork for both lasts about four days. During preliminary fieldwork, there were consistently two audit firm employees working on-site or remotely for financial audit and two audit firm employees for single audit. During final fieldwork, there were consistently three audit firm employees working on-site or remotely for financial audit and two audit firm employees for single audit. Final fieldwork lasted about three weeks.

4. Have the audit and single audit been completed onsite, or remotely, the last few years? What is the College's preference?

   Remote work, onsite work, in-person meetings, and remote meetings have all been a part of audit engagements over the last three years. A hybrid approach works well for Oakton.

5. What assistance does the College expect they will need from the auditors for implementation of new GASB standards?

   We expect that the audit firm will have researched new and updated GASB standards such that they can guide us as the standards are implemented. The selected firm should have a good working knowledge of current and future GASB pronouncements.

6. How prepared is the College for the implementation of GASB 96, *Subscription-based Information Technology Agreements*?
   a. How much of an impact is this expected to have at the College?
   b. What types of subscription-based software does the College utilize?

   The College has a few subscription-based software programs with multi-year commitments and is in the process of creating a list as part of the annual budget process which should be available in late February.

7. Are all programs – i.e., payroll processing, fixed asset management program, etc. – integrated with the general ledger?

   Yes, we use Banner for payroll processing and fixed assets. For fixed assets, we use Banner for inventory control and asset tracking. Depreciation is calculated in Excel. Destiny Solutions for non-credit students is also integrated with Banner.

8. How does the College track fixed assets?

   See question #7 above.

9. Does the College anticipate having any new bond issues for 2023?

   Not in 2023, but the College is reviewing the feasibility of a bond issue in 2024.

10. What were the prior year fees for the College?

    FY 2022 audit fees include:

College Financial Audit	$69,950
Assistance with Preparation of the ACFR	$2,500
Single Audit	$21,240

11. Were there any additional billings by the predecessor audit firm for services beyond the scope of the audit?

    Yes, additional billing related to the assistance provided for GASB 87 implementation was $1,500.

12. Does the College maintain documentation of its processes and controls over significant transaction cycles such as payroll, cash disbursements, billings, etc.?

    Yes.

13. What third party service providers does the College use (insurance claims, etc.)?

    The College is part of the Community College Health Consortium (CCHC) for medical and dental insurance and the Illinois Community College Risk Management Consortium (ICCRMC) for various lines of risk insurance (property, liability, worker’s comp etc.). We use Touchnet for student billing and payment plans.

14. How many journal entries were prepared by the auditors in 2022?

    Six journal entries were prepared by the auditors in 2022.

15. Was there a management letter issued in 2022?

    Yes, an electronic copy of the Fiscal Year 2022 management letter is included with the answers to these questions.

16. Did the auditors provide any additional non-audit services in the last year? If so, please explain.

    Other than assistance with preparation of the ACFR, no.

17. Were there any concerns with the performance of services of your previous auditor? Any dispute or disagreements with the previous auditor?

    No - see answer to Question #1.

18. Were there any additional billings by the predecessor audit firm during the current fiscal year for services beyond the scope of the audit?

    Yes – see answer to Question #11.

19. What were the contract fees for the most recent year's audit?

    See answer to Question #10.

20. Are there any significant lawsuits outstanding against the College?

    No significant lawsuits outstanding at this time.

21. Is there a MBE/WBE participation requirement in this contract?

    There is no requirement for MBE/WBE participation in this contract.

    Oakton is actively engaged to increase its MBE/WBE participation and is required to annually report these data to the state. Oakton encourages the participation of qualified minority, female and persons with disability owned businesses and has a Business Enterprise Program (BEP) Policy to support engagement activities.

22. Did the previous auditors perform on-site work in FY2022? If so, what was the approximate percentage of on-site work versus work done remotely?

    Approximately 50 percent on-site and 50 percent remote.

23. There is a requirement in the RFP for the proposal to be delivered on a flash drive – may the electronic version of the proposal response be emailed to the College in lieu of a flash drive?

    Please submit your proposal to our secure portal here: https://oakton.sharefile.com/r-r9e9cf581d8c74500885492d44d24e640

24. The College's Request for Proposal references "Acceptance to its Terms and Conditions." May we receive a copy of these terms and conditions to review?

    There are no additional terms and conditions outside of the request for proposal.

25. Does the College anticipate any new major Federal programs (exceeding $750,000) for FY23?

    No.

26. Does the College prefer fieldwork to be remote/on-site/hybrid?

    See answer to question #4.

27. Does the College have any bond issues planned during the period covered by the RFP?

    See answer to question #9.

28. What assistance does the College anticipate requiring for the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*?

    See answer to question #6. Our goal is to create spreadsheets for the SBITA calculations and journal entries but as with the first year of implementation for all new standards, we will need auditor assistance to review our process for accuracy.

29. Are there any known changes (personnel, operational, etc.) that the College would expect to have a significant impact on the audit?

    No.

30. Does Oakton College have a BEP participation goal? If so, what is it?

    Oakton's aspirational BEP goal is determined by the State of Illinois and is 30 percent.

    See answer to question #21.

31. How does or will Oakton College monitor the BEP goal participation?

    We are required to report data regarding BEP goal participation to the state on an annual basis. These data are primarily housed in our Banner financial system.

32. Is this the first time Oakton is seeking an audit firm?

    Usually, Oakton issues an RFP for audit services every five years. The last RFP was issued in 2018.

33. What areas of work requested would most likely benefit from a fresh perspective?

    The Accounting team could benefit from an outside review of our internal controls. We are always looking at ways to strengthen controls.

34. What are your most significant concerns for the upcoming year?

    With turnover, we now have several new accounting staff members and we will be focusing attention on training these individuals.

    Implementation of GASB 96 for SBITAs is also a concern.

35. What does value from your service provider relationships look like to you?

    We are seeking an audit firm that actively works to build rapport with the Accounting team and related stakeholders. Firms that understand the standards and the public higher education environment also represent value to us.

SIKICH®

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 535
DES PLAINES, ILLINOIS

AUDITOR'S COMMUNICATION TO THE
BOARD OF TRUSTEES

For the Year Ended June 30, 2022

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OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 535
DES PLAINES, ILLINOIS
AUDITOR'S COMMUNICATION TO THE BOARD OF TRUSTEES
TABLE OF CONTENTS

SIKICH
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS
Members of American Institute of Certified Public Accountants

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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November 8, 2022

The Honorable President
Members of the Board of Trustees
Oakton Community College
  Oakton Community District Number 535
1600 E. Golf Road
Des Plaines, Illinois 60016

Ladies and Gentlemen:

As part of our audit process we are required to have certain communications with those charged with governance at the beginning of our audit process and at the conclusion of the audit. Those communications include information related to the planned scope and timing of our audit, as well as other information required by audit standards. Our communication at the beginning of our audit process along with our questionnaire regarding consideration of fraud in a financial statement audit was sent to you in June 2022..

In addition, auditing standards require the communication of internal control related matters to those charged with governance. Our management letter, as well as a listing of future pronouncements that may affect the College, are enclosed within this document.

This information is intended solely for the use of the President, Board of Trustees and Management of the College and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

Sikich LLP

Sikich LLP
By: Anthony M. Cervini, CPA, CFE
Partner-in-Charge, Government Services

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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November 8, 2022

The Honorable President and
Members of the Board of Trustees
Oakton Community College
Community College District Number 535
Des Plaines, Illinois

We have audited the basic financial statements of Oakton Community College - Community College District Number 535 (the College) and the College's discretely presented component unit (Oakton Educational Foundation) for the fiscal years ended June 30, 2022 and 2021 and have issued our report thereon dated November 8, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the years ending June 30, 2022 and June 30, 2021, with the exception of GASB Statement No. 87, *Leases*. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the liability under the retiree health plan is based on plan provisions, plan participants, benefit payments, and assumptions made by management about future events. The College retains an actuary to perform a valuation to determine the College's obligations and cost for the fiscal year. We evaluated the key factors and assumptions used by the actuary to develop the liability under the retiree health plan in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the OPEB liability under the State of Illinois Community College Insurance Program is based on actuarial valuations containing various assumptions and an allocation report that allocates the proportionate share of the OPEB liability between the State and the community Colleges. We evaluated the key factors and assumptions used to develop the OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We noted no particularly sensitive disclosures affecting the financial statements. The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected any such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole except for AJE#02, AJE#04 and AJE#06.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 8, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis; and other required supplementary information as listed in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplemental financial information, uniform financial statements, Certificate of Chargeback Reimbursement and Schedule of Expenditures of Federal Awards, which accompany the basic financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the basic financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our procedures did not identify any material inconsistencies with the basic financial statements.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and Management of the College and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Sikich LLP

Sikich LLP
By: Anthony M. Cervini, CPA, CFE
Partner-in-Charge, Government Services

OAKTON COMMUNITY COLLEGE

Year End: June 30, 2022

Adjusting Journal Entries

Date: 7/1/2021 To 6/30/2022

Account No: AJE#01 To AJE#06

Number	Date	Name	Account No	Debit	Credit
AJE#01	6/30/2022	Bond Premium - Series 2014	09-000010-280206 GLD-09	2,195.99	
AJE#01	6/30/2022	Bond Premium - Series 2018	09-000010-280209 GLD-09		-17.02
AJE#01	6/30/2022	Bond Premium - Series 2020A Refund	09-000010-280212 GLD-09		-417.43
AJE#01	6/30/2022	Bond Premium - Series 2020B	09-000010-280215 GLD-09		-2,673.75
AJE#01	6/30/2022	Bond Premium Amortization-2014	09-800100-560451 GLD-09		-2,195.99
AJE#01	6/30/2022	Bond Premium Amortization-2018	09-800100-560452 GLD-09	17.02	
AJE#01	6/30/2022	Bond Premium Amortization-2020A Ref	09-800100-560453 GLD-09	417.43	
AJE#01	6/30/2022	Bond Premium Amortization-2020B	09-800100-560454 GLD-09	2,673.75	
		Entry to correct premium amortization			
AJE#02	6/30/2022	Property Taxes - Current Levy	01-000010-130102 EF-01	880,858.00	
AJE#02	6/30/2022	Def Inflow - Property Taxes	01-000010-270201 EF-01		-431,620.00
AJE#02	6/30/2022	New Levy Taxes	01-000100-410102 EF-01		-449,238.00
		Entry related to property taxes and the College recording the Levy Adjustment pursuant to PA 102-0519			
AJE#03	6/30/2022	Other Prepaid Expense	01-000010-170901 EF-01		-176,068.00
AJE#03	6/30/2022	Accounts Payable	01-000010-230101 EF-01	176,068.00	
		Entry to eliminate prepaid expense and accounts payable			
AJE#04	6/30/2022	Lease Receivable - Clearwire	01-000010-130960 EF-01	14,165,866.68	
AJE#04	6/30/2022	Lease Receivable - Cell Tower	01-000010-130961 EF-01	105,194.02	
AJE#04	6/30/2022	Def Inflow - Clearwire Lease	01-000010-270202 EF-01		-14,165,866.68
AJE#04	6/30/2022	Def Inflow - Cell Tower Lease	01-000010-270203 EF-01		-105,194.02
AJE#04	6/30/2022	Telephone Commission	01-000100-450908 EF-01	2,741.93	
AJE#04	6/30/2022	Interest Revenue - Lease	01-000100-470403 EF-01		-2,741.93
AJE#04	6/30/2022	Lease Receivable	05-000010-130960 AF-05	73,928.00	
AJE#04	6/30/2022	Def Inflow - Lease	05-000010-270202 AF-05		-73,928.00
AJE#04	6/30/2022	Def Rev-Chgo N Men's Baseball	05-000010-270702 AF-05	36,585.00	
AJE#04	6/30/2022	Interest Collected	05-416800-490001 AF-05		-2,010.61
AJE#04	6/30/2022	Baseball/Softball Rentals	05-730030-460006 AF-05		-36,585.00
AJE#04	6/30/2022	Baseball/Softball Rentals	05-730030-460006 AF-05	2,010.61	
		Entry related to GASB 87 implementation for lessor activity			
AJE#05	6/30/2022	Opening Fund Balance	06-000010-320001 RP-06		-174.00
AJE#05	6/30/2022	Fair Market Value Adjustment	06-000100-470301 RP-06	174.00	
		Entry to correct minor fund balance variance in Fund 06			

Number	Date	Name	Account No	Debit	Credit
AJE#06	6/30/2022	Principal Retirement - Leases	05-800100-560302 AF-05	83,139.09	
AJE#06	6/30/2022	Interest Retirement - Leases	05-800100-560303 AF-05	1,899.06	
AJE#06	6/30/2022	Rental - Equipment	05-980000-560201 AF-05		-85,038.15
AJE#06	6/30/2022	Intangible Right-To-Use Assets	08-000010-180303 GFA-08	558,140.00	
AJE#06	6/30/2022	Acum Amortization	08-000010-180906 GFA-08		-128,109.00
AJE#06	6/30/2022	Acum Amortization	08-000010-180906 GFA-08		-83,139.00
AJE#06	6/30/2022	Opening Fund Balance	08-000010-320001 GFA-08		-430,031.00
AJE#06	6/30/2022	Amortization Expense	08-899999-580702 GFA-08	83,139.00	
AJE#06	6/30/2022	Lease Liability	09-000010-280250 GLD-09		-430,031.00
AJE#06	6/30/2022	Lease Liability	09-000010-280250 GLD-09	83,139.00	
AJE#06	6/30/2022	Opening Fund Balance	09-000010-320001 GLD-09	430,031.00	
AJE#06	6/30/2022	Princ Repayment - Leases	09-800100-560306 GLD-09		-83,139.00

Entry related to GASB 87 implementation
for lessee activity

OAKTON COMMUNITY COLLEGE
COMMUNITY COLLEGE DISTRICT NUMBER 535
DES PLAINES, ILLINOIS

MANAGEMENT LETTER

For the Year Ended
June 30, 2022

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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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The Honorable President
Members of the Board of Trustees
Oakton Community College
Community College District Number 535
Des Plaines, Illinois

In planning and performing our audit of the financial statements of the business-type activities of Oakton Community College - Community College District Number 535 (the College), as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

In addition, we reviewed the status of the comments from June 30, 2021. The status of these recommendations is included in Appendix A.

The College's written responses to the significant deficiency identified in our audit have not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the President, the Board of Trustees and the Management of the College and is not intended to be and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
November 8, 2022

DEFICIENCIES

1. Incorrect Pell Disbursement - Student Financial Aid Cluster Assistance Listing Number 84.007, 84.033, 84.063, 84.268

Criteria: According to 34 CFR 690.63 students may qualify for a maximum Pell Grant award of $6,495 for an award year. The maximum amount is awarded to students with a zero Expected Family Contribution (EFC) and full-time enrollment status. Students with less than full-time enrollment or more than a zero EFC are eligible for a reduced Pell award.

Condition: During our student file testing we noted one student out of forty had 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. We consider this to be an instance of noncompliance relating to the Eligibility Compliance Requirement.

Sample				Population from which the Sample was drawn	
Sample Description	**OPEID**	**Students Receiving Pell (#)**	**Pell Disbursed ($)**	**Students Receiving Pell (#)**	**Pell Disbursed ($)**
Eligibility Sample	00989600	27	$89,680	1,701	$5,287,161

Finding Number	**Student Identifier**	**OPEID**	**Pell Disbursed ($)**	**Pell Under-payment ($)**	**Pell Over-payment ($)**
2022-001	22	00989600	$2,723	$680	

Statistical sampling was not used when making sample selections.

Questioned Costs: $0

Effect: One student received an incorrect amount of Pell award and was under awarded an amount of $680.

Cause: The College's internal controls did not identify that the incorrect amount of Pell grant was awarded to the student. According to the Department of Education's Pell matrix chart, the student was under awarded Pell in the amount of $680.

Recommendation: We recommend the College closely monitor all student's enrollment status to ensure all students receiving financial aid are disbursed the correct amount.

Views of Responsible Officials: Management agrees with the Single Audit finding and a response is included in the Corrective Action Plan.

DEFICIENCIES (Continued)

2. Journal Entries

During our testing of journal entries, we noted certain entries where it was not clear who had prepared the journal entry, and in some cases, journal entries that were not formally documented as approved (i.e., no sign off). We recommend that all journal entries be reviewed and approved by someone other than the person entering and/or creating the journal entry, and to maintain an audit trail that documents both the preparer and reviewer on the original entry.

We recommend the College develop a formal journal entry policy. Segregation of duties over preparing and approval of journal entries is essential to preventing errors and unauthorized posting of transactions which could potentially result in fraudulent financial reporting or misappropriation of assets. A formal policy would clarify as to the responsibilities of the preparer, reviewer, and necessary support required for all journal entries.

Management Response

The Controller will work with his staff to design and implement a written journal entry procedure. This procedure will clarify the responsibilities of preparer and reviewer and the necessary support required for journal entries.

OTHER COMMENTS

1. Future Accounting Pronouncements

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This statement is effective for fiscal years ending June 30, 2023.

GASB Statement No. 92, *Omnibus 2020,* addresses a variety of topics including: The effective date of Statement No. 87 for interim financial reports; reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan; the applicability of Statements No. 73 to Certain Provisions of GASB Statement Nos. 67 and 68, as amended, and No. 74, as amended, to reporting assets accumulated for postemployment benefits; the applicability of certain requirements of Statement No. 84, to postemployment benefit arrangements; measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition; reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers; reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this Statement are effective for the fiscal years ending June 30, 2023.

1. Future Accounting Pronouncements (Continued)

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued to address the financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR). The statement clarifies the existing guidance under Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments,* as amended and Statement No. 87, *Leases*. The statement preserves the consistency and comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. The removal of LIBOR as an appropriate benchmark interest rate is effective for fiscal year ending June 30, 2022. All other requirements of this Statement are effective for fiscal year ending June 30, 2023.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* addresses issues related to accounting and reporting for public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which is defined in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This Statement is effective for fiscal year ending June 30, 2024.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This Statement is effective for fiscal year ending June 30, 2024.

1. Future Accounting Pronouncements (Continued)

GASB Statement No. 99, *Omnibus 2022*, addresses a variety of topics including: Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives; clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset; clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability; extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); disclosures related to nonmonetary transactions; pledges of future revenues when resources are not received by the pledging government; clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and terminology used in Statement 53 to refer to resource flows statements. This statement is effective upon issuance for requirements related to the extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The effective date for the requirements related to leases, PPPs, and SBITAs is the fiscal year ending June 30, 2023. The effective date for the requirement related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 is the fiscal year ending June 30, 2024.

1. Future Accounting Pronouncements (Continued)

GASB Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirement for accounting changes and error corrections. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also addresses corrections of errors in previously issued financial statements. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). This Statement is effective for the fiscal year ended June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. This Statement is effective for the fiscal year ended June 30, 2025.

APPENDIX A
STATUS OF MANAGEMENT LETTER FROM JUNE 30, 2021

SIGNIFICANT DEFICIENCY

2021-001: Return of Title IV - Student Financial Aid Cluster - Assistance Listing Number 84.007, 84.033, 84.063, 84.268, Grant Period - Year Ended June 30, 2021

Criteria: According to 34 CFR 668.22, the College is responsible to correctly determine the amount of Title IV earned by student and the remaining portion is to be timely returned to the U.S. Department of Education.

Condition/Context: During our Return of Title IV Fund testing, we noted that the College did not return Title IV Student Financial Aid in the required time frame for four out of twenty-five students we tested. We consider the untimely returns of Return of Title IV to be a significant deficiency relating to the Special Tests and Provisions Compliance Requirement.

Effect: The College did not return unearned Title IV Funds to the U.S. Department of Education within the required time frame for four out of the twenty-five students tested.

Cause: The College's internal controls did not detect errors that the Title IV funds were not returned in the required time frame.

Recommendation: We recommend the various departments with the College responsible for identifying students who have ceased attendance coordinate with the financial aid and finance departments to ensure that the calculation of the Return of Title IV is accurate and the funds returned timely.

*Views of Responsible Official*s: Management agrees with the Single Audit finding and responses can be found in the Corrective Action Plan in the separately issued Single Audit Report.

Status: This finding was not repeated for the fiscal year ended June 30, 2022.

Sikich LLP is a global company specializing in technology-enabled professional services.

Now with more than 1,400 employees, Sikich draws on a diverse portfolio of technology solutions to deliver transformative digital strategies and ranks as one of the largest CPA firms in the United States. From corporations and not-for-profits to state and local governments and federal agencies, Sikich clients utilize a broad spectrum of services and products to help them improve performance and achieve long-term, strategic goals.

INDUSTRIES

Sikich provides services and solutions to a wide range of industries. We have devoted substantial resources to develop a significant base of expertise and experience in:

AGRICULTURE	AUTOMOTIVE	CONSTRUCTION & REAL ESTATE
DISTRIBUTION & SUPPLY CHAIN	GOVERNMENT	HIGH-TECH
LIFE SCIENCES	MANUFACTURING	NOT-FOR-PROFIT
PRIVATE EQUITY	PROFESSIONAL SERVICES	

SPECIALIZED SERVICES

ACCOUNTING, AUDIT, TAX & CONSULTING SERVICES

- Accounting
- Audit & Assurance
- Consulting Services
- Employee Benefit Plan Audits
- International Tax
- Tax

TECHNOLOGY

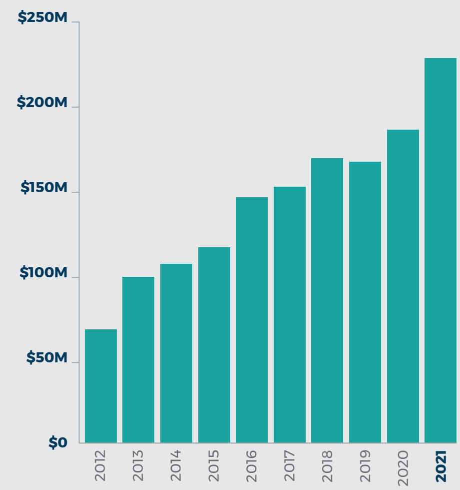
- Business Application
- Cloud & Infrastructure
- Consulting & Implementation
- Cybersecurity & Compliance
- Digital Transformation Consulting

ADVISORY

- Economic Development Consulting
- Forensic & Valuation Services
- Human Capital Management & Payroll Consulting
- Insurance Services
- Investment Banking*
- Marketing & Communications
- Retirement Plan Services
- Regulatory, Quality & Compliance
- Succession Planning
- Supply Chain
- Transaction Advisory Services
- Wealth Management**
- Workforce Risk Management

WHO WE ARE

TOTAL PARTNERS .... **100+**
TOTAL PERSONNEL .... **1,400+**
2021 REVENUE **$229M**



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Decatur, IL
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Indianapolis, IN
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Princeton, NJ
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Springfield, IL
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St. Louis, MO
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Washington, MO
(636) 239-4785

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*** Investment advisory services offered through Sikich Financial, an SEC Registered Investment Advisor.*

CULTURE

Our dynamic work culture fosters learning, growth and innovation, attracting top-notch team members who see the big picture. Sikich's culture is built on a flexible, trusting work environment and the key pillars of Absolute Integrity, Accountability, Continuous Innovation and Stewardship. We believe our people are our greatest asset and work hard to ensure that all team members feel empowered, comfortable and valued.

CERTIFICATIONS & AWARDS

All professional accounting staff with more than one year of experience have earned or are working toward earning the Certified Public Accountant designation. Sikich is a member of the **American Institute of Certified Public Accountants' Governmental Audit Quality Center** and the **Employee Benefit Plan Audit Quality Center.**

We adhere to the strict requirements of membership, which assure we meet the highest standards of audit quality. **In 2020, Sikich received its 11th consecutive unmodified ("pass") peer review report,** the highest level of recognition conferred upon a public accounting firm for its quality control systems.

Sikich ranks among the **top 30 firms nationally** on the ***Accounting Today* Top 100 Firms list.**

Sikich has achieved the prestigious **Inner Circle for Microsoft Dynamics** recognition. Membership in this elite group is based on sales achievements that rank Sikich in the top echelon of the Microsoft global network of partners.

We also maintain the **Oracle NetSuite 5 Star Award** and are among the **top three U.S. partners of Oracle NetSuite**.

Sikich ranks on the **Redmond Channel Partner Magazine's top 350 Microsoft partners in the U.S**., **CRN's Top 500 Managed Service Providers, CRN's Top 500 Solution Providers** and **Channel Futures' MSP 501.**

NET PROMOTER SCORE

The firm's overall Net Promoter Score (NPS) is 87%.
This is a measure of our clients' willingness to recommend Sikich's services and products. An NPS of 50% is considered excellent, and 70% NPS is considered world-class.