

GOLDEN APPLE SCHOLARS OF ILLINOIS PROGRAM

AGREED-UPON PROCEDURES

For the Year Ended June 30, 2019

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

GOLDEN APPLE SCHOLARS OF ILLINOIS PROGRAM

AGREED-UPON PROCEDURES
Year Ending June 30, 2019

CONTENTS

Summary..... 1

Independent Accountant's Report on Applying Agreed-Upon Procedures..... 2

Schedule of Revenues and Expenditures..... 6

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AGREED-UPON PROCEDURES

Year Ending June 30, 2019

Summary

The Illinois Student Assistance Commission administers the Golden Apple Scholars of Illinois Program which is managed by the Golden Apple Foundation for Excellence in Teaching (Foundation). The agreed-upon procedures report and accompanying schedule of revenues and expenditures is included herein related to this program.

Summary of Findings

The accountants identified exceptions related to the Golden Apple Scholars of Illinois Program. The exceptions are described within the agreed-upon procedures report. The exceptions apply only to the Golden Apple Scholars of Illinois Program and are directed to Foundation management.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

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

Ms. Niketa Brar, Audit Committee Chair and
Mr. Eric Zarnikow, Executive Director
Illinois Student Assistance Commission, and

Mr. Robert Newman, Chair of the Board of Directors and
Ms. Alicia Winckler, Chief Executive Officer
Golden Apple Foundation

As Special Assistant Accountants for the Auditor General, we have performed the procedures enumerated below, which were agreed to by the management of the Illinois Student Assistance Commission (Commission), management of the Golden Apple Scholars of Illinois Program (Program), and the Office of the Auditor General, on the Program's compliance with the Higher Education Student Assistance Act (110 ILCS 947/52) during the year ended June 30, 2019. The Commission and the Program's management are responsible for its compliance with those requirements. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and our findings are as follows:

1. We confirmed that the Foundation is registered with the Illinois Office of the Attorney General.
2. We obtained evidence that the Commission and the Foundation Boards met during the period July 1, 2018 through June 30, 2019 (FY2019). We observed that signed minutes were prepared for the following Foundation Board meetings: November 13, 2018, March 18, 2019, and June 3, 2019. We observed that signed minutes were prepared for the following Commission Board meetings: September 13, 2018, December 6, 2018, April 4, 2019, and June 24, 2019. We read the aforementioned meeting minutes.
3. We obtained a listing of participants in the program as of June 30, 2019, provided to us by the Foundation from the Foundation's "FileMaker" database, which is maintained by the Foundation's Vice President of Curriculum, Research and Accountability, and we extracted and summarized the following data:
 - a. 573 participants received scholarship funding during Fiscal Year 2019.
 - b. 639 participants were in school as of June 30, 2019.
 - c. 489 participants have completed school and are currently fulfilling their teaching requirement as of June 30, 2019.
 - d. 51 participants have not fulfilled their teaching requirement and are repaying their scholarship as of June 30, 2019.

- e. \$197,481 was collected by the Foundation during Fiscal Year 2019 on repayments of scholarships.
4. We obtained and read *23 Illinois Administrative Code Part 2764 Golden Apple Scholars of Illinois Program (Code)* outlining applicant eligibility and statutory limits on scholarship awards. We obtained the total amount of scholarships paid directly by the Commission (see Schedule A “Scholarship-ISAC”), and we obtained a detailed listing of students awarded these scholarships. This information was provided by the Commission’s Director of the Department of Program and Product Services in the Program Services and Compliance Division. From this listing we haphazardly selected 25 students who received a scholarship award. For each student selected, we obtained the student’s file from the Foundation and performed the following:
 - a. Inspected the student’s application and other documents pertaining to eligibility and observed the applicant’s eligibility was supported by copies of the following, which were maintained in the file: social security card and personal information (state identification, driver’s license, or passport). No exceptions were noted.
 - b. Inspected the student’s “Program Agreement and Promissory Note” and observed the “Program Agreement and Promissory Note” was complete and signed. No exceptions were noted.
 - c. Compared the total amount of the scholarship awarded to the student to the maximum allowable scholarship as outlined in the Code. No exceptions were noted.
 - d. Compared all semester/quarter hours for scholarships awarded to the student and determined the semester/quarter hours awarded did not exceed 8 semesters or 12 quarters of scholarship assistance. No exceptions were noted.
 - e. Confirmed that the Foundation documented that the individual met the citizenship requirement. We noted the files at the Foundation did not include documentation of citizenship for the 25 students who received a scholarship award. Past policy noted that citizenship was documented by the student with their respective FAFSA form at the college/university. The Foundation updated its policies in Fiscal Year 2018 so that new scholar applicants now must include citizenship documentation with their application.
5. We obtained a listing of participants in the Program as of June 30, 2019, provided to us by the Foundation from the Foundation’s “FileMaker” database, which is maintained by the Foundation’s Vice President of Curriculum, Research and Accountability. This listing contains all students receiving scholarship assistance and indicates the county in which the student resides. The Code requires that at least 30% of students receiving scholarship assistance reside in counties having a population of fewer than 500,000. We recalculated the percentage of students receiving scholarship assistance who reside in such counties. We calculated that 33% of students reside in such counties.
6. The Vice President of Curriculum, Research and Accountability of the Foundation provided policies and procedures for monitoring the continuing eligibility of prior scholarship recipients towards the fulfillment of their teaching obligation, which we read. We obtained a listing of all scholarship recipients who have graduated from college, which includes recipients who have fulfilled their teaching requirement and recipients who have not fulfilled their teaching requirement. This listing came from the Foundation’s “FileMaker” database. From this listing:
 - a. We haphazardly selected 25 recipients who have fulfilled their teaching obligation. For the selected recipients we inspected:
 - i. Signed mentoring site visit notes, which indicated that the recipient began teaching within the requisite years by policy following completion of the postsecondary education degree or certificate program for which the scholarship was awarded. No exceptions were noted.
 - ii. Signed mentoring site visit notes (verification of employment form) which supported the scholarship recipients’ fulfillment of their five-year teaching obligation. No exceptions were noted.
 - b. We haphazardly selected 25 prior scholarship recipients who have not fulfilled their teaching requirement and obtained scholarship repayment history information from the Foundation’s “FileMaker” database. We observed that interest at a rate of 5% per

- annum was charged to recipients sampled for loans made subsequent to fiscal year 2010. 19 of the 25 recipients were charged interest. Of the 6 who were not charged interest:
- i. 3 of the recipients had received Illinois Special Education Teacher Tuition Waiver scholarships, rather than the Golden Apple Tuition Assistance. These recipients had zero balances; therefore, the Foundation did not charge interest for these three.
 - ii. 2 of the recipients were never awarded Tuition Assistance as they failed to meet the requirements of the program and therefore were not eligible to receive a distribution of Tuition Assistance. Thus, these participants never received any money and nothing was due to be paid back to either the Commission or the Foundation; hence, no interest was charged.
 - iii. The last recipient exited the scholar program and is scheduled to be sent to ISAC at our next quarterly exit file submission; thus, an interest charge was not yet due or required.
7. We obtained and read the policies and procedures for obligating and spending program funds received from the Vice President of Finance of the Foundation. We obtained the Schedule of Program Revenues and Expenditures for the year ended June 30, 2019 (see Schedule A). We obtained the Foundation's detailed general ledger supporting non-payroll expenditures and payroll expenditures listed on Schedule A. From the detailed general ledger, we haphazardly selected a sample of 25 non-payroll expenditures and 25 payroll expenditures.
- a. We inspected the invoice or other support for the 25 non-payroll expenditures paid by the Foundation and observed:
 - i. The expenditure was directly related to the Program as evidenced by the description on the invoice's approval form and the activity description within the invoice. No exceptions were noted.
 - ii. The invoice or other support contained required supervisor approval as outlined in the policies and procedures. No exceptions were noted.
 - iii. The associated checks to determine if two signatures were included, as required in the policies and procedures. No exceptions were noted.
 - iv. Persons with signature authority did not approve their own expenditures. No exceptions were noted.
 - b. For the selected payroll expenditures, we:
 - i. Recalculated gross pay from pay rate authorizations in the employee's personnel file and time sheets which contained the hours worked. We agreed gross pay to the payroll register. No exceptions were noted.
8. We obtained the Schedule of Revenues and Expenditures for the year ended June 30, 2019 (Schedule A):
- a. We agreed "Appropriations from the State" and Commission scholarship expenditures (Scholarships – ISAC) to the Commission's general ledger. No exceptions were noted.
 - b. We agreed "Private Funding" revenue and all other expenditures from the Schedule of Revenues and Expenditures to the Foundation's general ledger. No exceptions were noted.
 - c. We compared the Schedule of Revenues and Expenditures to the budget presented with the application for the grant at the beginning of the fiscal year and computed the amount by which budgeted expenditures were over (under) actual expenditures. We noted that actual expenditures of \$6,565,628 did exceed the appropriation limit of \$6,565,627 as passed by the State of Illinois General Assembly. The expenditures did exceed the budgeted amount of \$4,380,869 as the budget does not include ISAC-funded scholarships totaling \$2,184,760. When considering the expenditures less the ISAC-funded scholarships, the expenditures of \$4,380,868 did not exceed the budgeted amount.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the Higher Education Student Assistance Act (110 ILCS

947/52) during the year ended June 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Commission, management of the Program, and the Office of the Auditor General and is not intended to be, and should not be, used by anyone other than the specified parties.

Signed Original on File

Crowe LLP

Oak Brook, Illinois
February 4, 2020

**Schedule A
Golden Apple Scholars of Illinois Program
Schedule of Revenue and Expenditures
for the Year Ending June 30, 2019**

REVENUES

Appropriation from the State	\$	6,562,869
Private Funding		83,045
Other Contract Revenue		410,400
Total Program Revenues	\$	7,056,314

EXPENDITURES

Personnel Services (Salaries and Benefits)		
Program Staff Salaries and Benefits	\$	1,452,804
Total Personnel Services (Salaries and Benefits)	\$	1,452,804
 Summer Institute		
Directors	50,262	
Instructors	94,946	
Liasions	100,300	
Reflective Leaders	295,336	
Scholar Advisor	1,934	
Campus Visits	1,557	
Supplies	179,916	
Room & Board	664,940	
Summer Institute Transportation	103,283	
Technology	2,963	
Contracted Services	502,850	
Total Summer Institute		1,998,287
 General Summer Institute Expenses		
Outside Consultant	25,000	
Background Check	48,757	
Contracted Services & Crystal Apple Ball	73,316	
Total General Summer Institute Expenses		147,073
 Summer Institute Stipend		
SI Stipend	467,350	
Total Summer Institute Stipend		467,350

Schedule A
Golden Apple Scholars of Illinois Program
Schedule of Revenue and Expenditures
for the Year Ending June 30, 2019

Recruitment and Selection Expenses		
Technology	16,116	
Recruitment and Placement Activities and Travel	58,666	
Scholars Induction	37,145	
Scholar Meeting & Travel	4,210	
Scholars Interview & Selection Process	5,325	
Total Recruitment and Selection Expenses		121,462
Alumni Relations		
Alumni Travel/Meetings		
Alumni Events	804	
Technology	577	
Total Alumni Relations	1,913	3,294
Mentoring and Advising		
Technology	1,182	
Travel	48,413	
Scholars Meeting Expenses	3,916	
GATS: Contracted - Mentors	87,271	
GATS: Coneference & Membership	13,099	
Research	6,000	
Total Mentoring and Advising		159,881
Indirect Cost		
Indirect Cost	30,717	
Total Indirect Cost		30,717
Scholarships Paid		
Scholarship-ISAC	2,184,760	
Total Scholarships Paid		2,184,760
Total Expenditures		<u>6,565,628</u>
Revenues in Excess of Expenditures		<u>\$ 490,686</u>