

**JOLIET JUNIOR COLLEGE**  
**Community College District No. 525**

**SINGLE AUDIT REPORT**  
Year Ended June 30, 2015

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
Joliet, Illinois

SINGLE AUDIT REPORT  
Year Ended June 30, 2015

CONTENTS

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 <i>Government Auditing Standards</i> .....	1
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 OMB Circular A-133 .....	3
Schedule of Expenditures of Federal Awards .....	5
Notes to Schedule of Expenditures of Federal Awards .....	7
Schedule of Findings and Questioned Costs .....	8

**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**

Board of Trustees  
Joliet Junior College –  
Community College District No. 525  
Joliet, 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 Joliet Junior College – Community College District No. 525 (“District”) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated October 6, 2015. Our report includes a reference to other auditors who audited the financial statements of the Joliet Junior College Foundation (“Foundation”), as described in our report on the District’s financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (“internal control”) to determine the 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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’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 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.

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 District's financial statements are free of 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 determination of financial statement amounts. 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 over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Crowe Horwath LLP*

Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2015

**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 OMB CIRCULAR A-133**

Board of Trustees  
Joliet Junior College –  
Community College District No. 525  
Joliet, Illinois

### **Report on Compliance for Each Major Federal Program**

We have audited Joliet Junior College – Community College District No. 525's ("District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal programs 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 District'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 each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the District complied, in all material respects, with the types of 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, 2015.

### **Report on Internal Control Over Compliance**

Management of the District 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 District's internal control over compliance with the types of

requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 District'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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the business-type activities and the discretely presented component unit of the District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated October 6, 2015, 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 OMB Circular A-133 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 Horwath LLP*

Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2015

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015

Federal Grantor/ Pass Through Agency/ Program Title	CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Passed Through Illinois State Board of Education		
Child and Adult Care Food Program	10.558	\$ 5,144
Farmer's Market Promotion Program		
New EBT and Food Desert Project for Joliet, Illinois	10.168	25,418
Passed Through North Central Region-Sustainable Agriculture Research and Education (NCR-SARE) University of Minnesota		
Grants for Agricultural Research, Special Research Grants	10.200	1,877
Secondary and Two-Year Postsecondary Agriculture Education Challenge Grants		
Building a Sustainable Plant and Food Production Program	10.226	<u>12,041</u>
<b>Total Department of Agriculture</b>		<u>44,480</u>
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus		
Creating a Coordinated Campus Response to Violence	16.525	<u>86,348</u>
<b>U.S. DEPARTMENT OF LABOR</b>		
Workforce Investment Act Cluster		
WIA Adult Program		
Passed Through Will County		
WIA Work Readiness		108,910
Passed Through Kankakee County		
WIA Title IB - Grundy County Adult		<u>160,098</u>
Total WIA Adult Program	17.258	269,008
WIA Youth Activities		
Passed Through Will County		
WIA Title IB - Will County Youth Program - GED/Academic Skill Improvement & Work Readiness Program		309,188
Passed Through Will County		
WIA Title IB - Will County Youth Program - Occupational Training for Youth Program		408,904
Passed Through Kankakee County		
WIA Title 1Y - Grundy County Youth Services		<u>177,257</u>
Total WIA Youth Activities	17.259	895,349
WIA Dislocated Workers		
Passed Through Will County		
WIA Work Readiness		108,910
Passed Through Kankakee County		
WIA Title IB - Grundy County DWAC		<u>168,725</u>
Total WIA Dislocated Workers	17.278	<u>277,635</u>
<b>Total Workforce Investment Act Cluster</b>		<u>1,441,992</u>
Workforce Investment Act (WIA) National Emergency Grants		
Passed Through Kankakee County & Grundy Livingston Kankakee Workforce Board		
WIA Title IB - National Emergency Grant	17.277	<u>22,886</u>
Trade Adjustment Assistance Community College and Career		
Training Grant (TAACCCT) Grants		
iNAM TAACCCT Advanced Manufacturing	17.282	<u>68,004</u>
<b>Total Department of Labor</b>		<u>1,532,882</u>

See accompanying notes to schedule of expenditures of federal awards.

(Continued)

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015

Federal Grantor/ Pass Through Agency/ Program Title	CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>		
Commercial Motor Vehicle Operator Training Grants		
Driving America: One Veteran at a Time CDL Training Program	20.235	\$ 112,744
<b>NATIONAL SCIENCE FOUNDATION</b>		
Education and Human Resources		
Integrating Sustainability Through Technical Education - Research and Development Cluster	47.076	51,640
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Direct Programs		
Student Financial Aid Cluster		
Federal Supplemental Educational Opportunity Grants*	84.007	185,275
Federal Work-Study Program*		167,693
College Work Study		17,307
America Reads		185,000
Total Work-Study Program	84.033	12,096,971
Federal Pell Grant Program*	84.063	5,707,411
Federal Direct Student Loans*	84.268	18,174,657
<b>Total Student Financial Aid Cluster</b>		<b>18,174,657</b>
TRIO - Student Support Services		
Project Achieve*	84.042A	390,285
Undergraduate International Studies and Foreign Language Programs Strengthening International Studies and Foreign Languages (SISFL) at Illinois Community Colleges Consortium	84.016A	81,759
Passed Through State of Illinois Community College Board		
Adult Education - Basic Grants to States		
Federal Basic*		488,409
EL/Civics*		34,924
AO/Integrated Career & Academic Prep System (ICAPS) Grant*		10,000
Total Adult Education	84.002A	533,333
Career and Technical Education -- Basic Grants to States		
Postsecondary Basic: Carl Perkins III		481,917
AO/Integrated Career & Academic Prep System (ICAPS) Grant		6,359
Total Career and Technical Education	84.048	488,276
<b>Total Department of Education</b>		<b>19,668,310</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed Through Will County		
Affordable Care Act (ACA) Health Profession Opportunity Grants		
Health Careers: Skilled Workers, Strong Earnings Project	93.093	134,486
Passed Through State of Illinois Department of Human Services		
Temporary Assistance for Needy Families Contract Number T81XT997TP1	93.558	137,060
<b>Total Department of Health and Human Services</b>		<b>271,546</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ 21,767,950</b>

See accompanying notes to schedule of expenditures of federal awards.

\* Denotes Major Program



JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2015

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

General:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Joliet Junior College – Community College District No. 525 (“District”) and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of financial statements. No funds were identified as having been provided to subrecipients by the District under the meaning of Sections 105 and 210 of OMB of Circular A-133, and accordingly, no funds identified in the Schedule of Expenditures of Federal Awards are attributable to subrecipient entities as required under Section 310(b) of OMB Circular A-133. There were no federal awards expended for non-cash assistance, insurance or loan guarantees outstanding at year-end.

Basis of Accounting:

The schedule has been prepared using the accrual basis of accounting, which is the same basis used in preparing the basic financial statements of the District.

**NOTE 2 – FEDERAL DIRECT STUDENT LOAN PROGRAM**

Federal loans issued to students of the District under the Federal Direct Student Loan Program (FDSL) were \$5,707,411 during the year ended June 30, 2015.

The District is responsible only for the performance of certain administrative duties with respect to the FDSL program and, accordingly, these loans are not included in its financial statements, and it is not practical to determine the balance of loans outstanding to students and former students of the District under these programs at June 30, 2015.

**NOTE 3 – SUBRECIPIENTS**

The District had no subrecipients during the year.

**NOTE 4 – NON-CASH ASSISTANCE AND FEDERAL INSURANCE**

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

The District had no Federal Insurance in force during the year.

JOLIET JUNIOR COLLEGE  
 COMMUNITY COLLEGE DISTRICT NO. 525  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2015

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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:

**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 Section .510(a) of OMB Circular A-133?                           Yes       ✓   No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Department of Education: Student Financial Aid Program Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work Study Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.042A	Department of Education: TRIO – Student Support Services Project Achieve
84.002A	Department of Education: Passed Through State of Illinois Community College Board Adult Education – Basic Grants to States

Dollar threshold used to distinguish between Type A and Type B programs:                    \$300,000

Auditee qualified as low-risk auditee?                           Yes       ✓   No

(Continued)

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015

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**Section II – Financial Statement Findings**

There were no findings for the year ended June 30, 2015.

**Section III – Federal Award Findings and Questioned Costs**

There were no findings for the year ended June 30, 2015.

**Section IV – Prior Year Findings and Questioned Costs**

2014-001      *Improper Controls Over Eligibility Determinations, Earmarking Requirements, and Reporting*

Federal Department:	Department of Education
CFDA Numbers:	84.042
Program Names:	TRIO – Student Support Services
Questioned Costs:	\$ -

Criteria:

A system of internal controls requires a formalized review by an appropriate individual of all eligibility determinations, classification determinations, and reports filed by the District to the Department of Education. This individual performing these reviews should not be responsible for eligibility and classification determinations. Likewise, the individual reviewing reports submitted to the Department of Education should not be preparing the information.

Condition:

Individual student eligibility, classification determinations and reports were not being formally reviewed.

Follow-up:

During our testing for the year ended June 30, 2015, this finding was not repeated.