

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

**SINGLE AUDIT REPORT**

June 30, 2011

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

SINGLE AUDIT REPORT  
June 30, 2011

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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

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

We have audited 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, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated the same date as this report. Our report includes a reference to other auditors. We conducted our audit in accordance with 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. Other auditors audited the financial statements of Joliet Junior College Foundation, as described in our report on the District's financial statements. The financial statements of Joliet Junior College Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

Management of District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### 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*.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2011

REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT  
AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Joliet Junior College – Community College District No. 525 (District) 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, 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

### Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 the 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 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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

### Schedule of Expenditures of Federal Awards

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, 2011, and have issued our report thereon dated the same date as this report. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the District's 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District, federal awarding agencies, and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 6, 2011

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011

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	\$ 6,112
<b>U.S. DEPARTMENT OF LABOR</b>		
Workforce Investment Act Cluster		
WIA Adult Program	17.258	
Passed Through Will County		
WIA Work Certified		78,304
Passed Through Kankakee County		
ARRA - Grundy 1B Adult		16,994
WIA Title IB - Grundy County Adult		132,316
Total WIA Adult Program		227,614
WIA Youth Activities	17.259	
Passed Through Will County		
WIA Title IB - Will County Youth Program		630,417
WIA Title 1G Governor's Discretionary Funds		57,383
Passed Through Kankakee County		
ARRA - Grundy County Youth Services		21,536
WIA Title 1Y - Grundy County Youth Services		181,605
WIA Title 1G Governor's Discretionary Funds		15,580
Total WIA Youth Activities		906,521
WIA Dislocated Workers	17.260	
Passed Through Kankakee County		
ARRA - Grundy 1B Adult		67,046
WIA Title 1D Rapid Response DWAC		(747)
ARRA - Building a Regional Workforce DWAC		13,808
WIA Title IB - Grundy County DWAC		43,497
		123,604
WIA Dislocated Workers	17.278	
Passed Through Will County		
WIA Work Certified		78,305
Passed Through Kankakee County		
WIA Title IB - High Speed Internet Access		6,637
WIA Title IB - Grundy County DWAC		127,996
Total WIA Dislocated Workers		212,938
Total Workforce Investment Act Cluster		1,470,677
<b>NATIONAL SCIENCE FOUNDATION</b>		
Education and Human Resources	47.076	
Direct Program		
nTIPERS - Tools for Learning		40,835
Passed Through Governors State University		
CPATH CB: Content and Context: Building Collaborative Partnerships		5,403
Total Education and Human Resources		46,238
<b>SMALL BUSINESS ADMINISTRATION</b>		
Passed Through Illinois Department of Commerce and Economic Opportunity		
Small Business Development Center	59.037	
Joliet Junior College SBDC		76,366
<b>U.S. DEPARTMENT OF ENERGY</b>		
Passed Through Illinois Department of Commerce and Economic Opportunity		
ARRA - State Energy Program - Geothermal	81.041	40,000

(Continued)

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2011

Federal Grantor/ Pass Through Agency/ Program Title	CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>		
Student Financial Aid Cluster		
Direct Programs		
Federal Supplemental Educational Opportunity Grants	84.007	\$ 112,245
Federal Work-Study Program	84.033	
College Work Study		132,631
America Reads		26,131
Total Work-Study Program		<u>158,762</u>
Federal Pell Grant Program	84.063	13,248,400
Federal Direct Student Loans	84.268	7,390,952
Academic Competiveness Grant	84.375	<u>81,480</u>
Total Student Financial Aid Cluster		<u>20,991,839</u>
Adult Education - State Grant Program	84.002	
Passed Through State of Illinois Community College Board		
Federal Basic		476,678
EL/Civics		59,356
Total Adult Education		<u>536,034</u>
Direct Program		
TRIO - Student Support Services	84.042	
Project Achieve		326,141
Project Achieve		63,544
Total Project Achieve		<u>389,685</u>
Child Care Access Means Parents in School	84.335A	<u>40,869</u>
International Education	84.016A	
Strengthening International Studies and Foreign Languages at Community Colleges Through Partnerships: JJC and CLC		<u>150,957</u>
Emergency Management in Higher Education	84.184T	<u>96,570</u>
Passed Through State of Illinois Community College Board		
Vocational Education - Basic Grants to States	84.048	
Postsecondary Basic: Carl Perkins III		432,520
Special Populations Professional Development and Technical Assistance		4,618
CTE Innovation		30,172
Total Vocational Education		<u>467,310</u>
Passed Through State of Illinois Community College Board		
Tech - Prep Education	84.243	<u>133,890</u>
Passed Through State of Illinois Department of Human Services		
ARRA - Vocational Rehabilitation - Grants Stimulus	84.390	<u>3,420</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>		
Passed Through Will County		
Health Profession Opportunity Grants to Serve TANF Recipients and Other Low-Income Individuals	93.093	<u>44,781</u>
Passed Through State of Illinois Department of Human Services		
Temporary Assistance for Needy Families Contract Number M81XM997TP1	93.558	<u>183,795</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>		
Passed Through State of Illinois Emergency Management Agency		
FEMA-1960-DR IL-197-09A45-00	97.036	<u>30,102</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>		<b>\$ <u>24,708,645</u></b>

See Notes to Schedule of Expenditures of Federal Awards



JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2011

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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 \$7,390,952 during the year ended June 30, 2011.

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, 2011.

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2011

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

***Financial Statements***

Type of auditor's report issued: Unqualified

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: ***Unqualified*** – Student Financial Aid Cluster  
***Unqualified*** – TRIO Program

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	College Work Study
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.375	Academic Competitiveness Grant
84.042	TRIO – Student Support Service

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

Auditee qualified as low-risk auditee? ☐ Yes ☒ No

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JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2011

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**Section II – Financial Statement Findings**

There were no findings for the year ended June 30, 2011.

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

There were no findings for the year ended June 30, 2011.

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2011

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

**Finding 2010 – 1: Disbursement of Financial Aid to an Individual in Default on Federal Student Loans**

**Federal Program: Student Financial Assistance Cluster**

The District disbursed Pell funds to a student who was in default on federal student loans. During the fiscal current year, results of audit testing did not note any instances of the District awarding financial aid to students who were in default on federal students loans. Thus this finding is not repeated.

**Finding 2010 – 2: Reconciliation of Direct Loans**

**Federal Program: Student Financial Assistance Cluster**

The District participates in the Direct Loan Program and did not consistently complete the reconciliation process each month. Additionally, documentation to support each reconciliation was not retained by the District. During the current fiscal year, results of audit testing did not note any instances of the District not completing the reconciliation process each month. In addition, all supporting documentation for the reconciliations tested was provided. Thus this finding is not repeated.