

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

**SINGLE AUDIT REPORT**

June 30, 2012

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

SINGLE AUDIT REPORT  
June 30, 2012

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INDEPENDENT AUDITORS' 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, 2012, 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 the 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 9, 2012

INDEPENDENT AUDITORS' 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, 2012. 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, 2012.

## 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 District as of and for the year ended June 30, 2012, and have issued our report thereon dated the same date as this report which expressed an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming our opinion on the financial statements that collectively comprise the District's 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements 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 9, 2012

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2012

| Federal Grantor/<br>Pass Through Agency/<br>Program Title  | CFDA<br>Number | Expenditures     |
|--|----------------|------------------|
| <b>U.S. DEPARTMENT OF AGRICULTURE</b>  |                |                  |
| Passed Through Illinois State Board of Education<br>Child and Adult Care Food Program  | 10.558         | \$ 4,244         |
| Postsecondary Agriculture Education Challenge Grant<br>Building a Sustainable Plant and Food Production Program                              | 10.226         | <u>4,343</u>     |
| Total Department of Agriculture  |                | <u>8,587</u>     |
| <b>U.S. DEPARTMENT OF JUSTICE</b>  |                |                  |
| Passed Through Illinois Criminal Justice Information Authority<br>ARRA - Edward Byrne Memorial Justice Assistance Grant Program              | 16.738         | <u>20,000</u>    |
| <b>U.S. DEPARTMENT OF LABOR</b>  |                |                  |
| Workforce Investment Act Cluster   |                |                  |
| WIA Adult Program  | 17.258         |                  |
| Passed Through Will County<br>WIA Career Certified   |                | 107,269          |
| Passed Through Kankakee County<br>WIA Title IB - Grundy County Adult   |                | 101,471          |
| Passed through Illinois Community College Board<br>Local Foods Program   |                | <u>14,130</u>    |
| Total WIA Adult Program  |                | <u>222,870</u>   |
| WIA Youth Activities   | 17.259         |                  |
| Passed Through Will County<br>WIA Title IB - Will County Youth Program   |                | 604,479          |
| Passed Through Kankakee County<br>WIA Title 1Y - Grundy County Youth Services  |                | 167,296          |
| Passed through Illinois Community College Board<br>Local Foods Program   |                | <u>15,230</u>    |
| Total WIA Youth Activities   |                | <u>787,005</u>   |
| WIA Dislocated Workers   | 17.260         |                  |
| Passed through Illinois Community College Board<br>Local Foods Program   |                | 20,640           |
| WIA Dislocated Workers   | 17.278         |                  |
| Passed Through Will County<br>WIA Work Certified   |                | 107,269          |
| Passed Through Kankakee County<br>WIA Title IB - Grundy County DWAC  |                | <u>145,766</u>   |
| Total WIA Dislocated Workers   |                | <u>253,035</u>   |
| Total Workforce Investment Act Cluster   |                | <u>1,283,550</u> |
| <b>NATIONAL SCIENCE FOUNDATION</b>   |                |                  |
| Passed Through American Association of Community Colleges<br>Education and Human Resources<br>Mentorlinks: Advancing Technological Education | 47.076         | <u>2,722</u>     |
| <b>SMALL BUSINESS ADMINISTRATION</b>   |                |                  |
| Passed Through Illinois Department of Commerce and Economic Opportunity<br>Small Business Development Center*                                | 59.037         | 81,147           |
| ARRA - Small Business Jobs Act*  | 59.037         | <u>75,768</u>    |
| Total Small Business Administration  |                | <u>156,915</u>   |

(Continued)

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2012

| Federal Grantor/<br>Pass Through Agency/<br>Program Title  | CFDA<br>Number | Expenditures                |
|--|----------------|-----------------------------|
| <b>U.S. DEPARTMENT OF EDUCATION</b>  |                |                             |
| Direct Programs  |                |                             |
| Student Financial Aid Cluster*   |                |                             |
| Federal Supplemental Educational Opportunity Grants*   | 84.007         | \$ 125,246                  |
| Federal Work-Study Program*  | 84.033         |                             |
| College Work Study   |                | 148,118                     |
| America Reads  |                | <u>28,846</u>               |
| Total Work-Study Program   |                | 176,964                     |
| Federal Pell Grant Program*  | 84.063         | 16,200,652                  |
| Federal Direct Student Loans*  | 84.268         | <u>9,166,707</u>            |
| Total Student Financial Aid Cluster  |                | <u>25,669,569</u>           |
| TRIO - Student Support Services  | 84.042         |                             |
| Project Achieve  |                | 316,099                     |
| Project Achieve  |                | <u>64,324</u>               |
| Total Project Achieve  |                | <u>380,423</u>              |
| Child Care Access Means Parents in School  | 84.335A        | <u>58,531</u>               |
| International Education  | 84.016A        |                             |
| Strengthening International Studies and Foreign Languages at<br>Community Colleges Through Partnerships: JJC and CLC |                | <u>71,221</u>               |
| Emergency Management in Higher Education   | 84.184T        | <u>135,503</u>              |
| Passed Through State of Illinois Community College Board   |                |                             |
| Adult Education - State Grant Program*   | 84.002         |                             |
| Federal Basic  |                | 482,660                     |
| EL/Civics  |                | <u>57,575</u>               |
| Total Adult Education  |                | <u>540,235</u>              |
| Vocational Education - Basic Grants to States  | 84.048         |                             |
| Postsecondary Basic: Carl Perkins III  |                | 450,157                     |
| Special Populations New Look in TEAS Remediation Intervention  |                | 393                         |
| CTE Innovation   |                | <u>13,926</u>               |
| Total Vocational Education   |                | <u>464,476</u>              |
| Passed Through State of Illinois Department of Human Services  |                |                             |
| ARRA - Vocational Rehabilitation - Grants Stimulus   | 84.390         | <u>1,002</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<br>Low-Income Individuals                    | 93.093         | <u>234,931</u>              |
| Passed Through State of Illinois Department of Human Services  |                |                             |
| Temporary Assistance for Needy Families Contract Number Q81XQ997TP1  | 93.558         | 88,733                      |
| ARRA - Temporary Assistance for Needy Families Contract Number Q81XQ997TP1   | 93.714         | <u>27,754</u>               |
|  |                | <u>116,487</u>              |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>  |                | <u><u>\$ 29,144,152</u></u> |

\*Denotes Major Program

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, 2012

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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 \$9,166,707 during the year ended June 30, 2012.

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, 2012.

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012

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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      X   No

Significant deficiency(ies) identified ? \_\_\_\_\_ Yes      X   None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   No

***Federal Awards***

Internal Control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes      X   No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes      X   None Reported

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

***Unqualified***

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?

\_\_\_\_\_ Yes      X   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                        |
| 84.002              | Adult Education – State Grant Program               |
|                     | Small Business Administration                       |
| 59.037              | Small Business Development Center                   |
| 59.037              | ARRA – Small Business Jobs Act                      |

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes      X   No

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(Continued)

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012

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**Section II – Financial Statement Findings**

There were no findings for the year ended June 30, 2012.

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

There were no findings for the year ended June 30, 2012.

JOLIET JUNIOR COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 525  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2012

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

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