

**JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525**

AUDIT REPORT ON FEDERAL AWARDS

Year Ended June 30, 2019

**JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525**

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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

INDEPENDENT AUDITORS' REPORT

To the 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 (the "District"), which collectively comprise the District's basic financial statements as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the Joliet Junior College Foundation and subsidiaries ("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 opinion 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 from 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 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
September 27, 2019



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 THE UNIFORM GUIDANCE

INDEPENDENT AUDITORS' REPORT

To the 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 (the "District")'s compliance with the types of compliance requirements described in the *OMB 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, 2019. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' 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 the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance 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, Joliet Junior College - Community College District No. 525 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, 2019.

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 its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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. 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.

Purpose of this Report

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

We have audited the financial statements of the business-type activities and discretely presented component unit of Joliet Junior College - Community College District No. 525 as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated September 27, 2019, 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 the Uniform Guidance 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.

Baker Tilly Virchow Krause, LLP

Oak Brook, Illinois
September 27, 2019

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Grantor/ Program Title	Federal CFDA Number	Pass- through Entity	Pass-through Entity Identification Number	Federal Expenditures	Payments Made to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE					
Child and Adult Care Food Program	10.558	Illinois State Board of Education	56099525051	\$ 2,216	\$ -
Total U.S. Department of Agriculture				<u>2,216</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE					
Bulletproof Vest Partnership Program	16.607			4,055	-
Total U.S. Department of Justice				<u>4,055</u>	<u>-</u>
U.S. DEPARTMENT OF LABOR					
Workforce Innovation and Opportunity Act Cluster					
WIOA Adult Program					
Work Readiness Training Program	17.258	WIB & Will County GLK & Kankakee County	2018-400	294,491	-
WIOA Title IB	17.258		18-2B	199,209	-
Total WIOA Adult Program				<u>493,700</u>	<u>-</u>
WIOA Youth Activities					
WIOA Title IB - Occupational Training for Youth and Youth GED Preparation	17.259	WIB & Will County GLK & Kankakee County	2018-300	1,360,546	-
WIOA Title 1Y - Youth Services	17.259		18-03	181,301	-
Total WIOA Youth Activities				<u>1,541,847</u>	<u>-</u>
WIOA Dislocated Workers					
WIOA Title IB - Dislocated Worker Services	17.278	GLK & Kankakee County	18-2B	120,618	-
Total WIOA Dislocated Workers				<u>120,618</u>	<u>-</u>
Total Workforce Innovation and Opportunity Act Cluster				<u>2,156,165</u>	<u>-</u>
U.S. DEPARTMENT OF TRANSPORTATION					
FY 2017 Commercial Motor Vehicle Operator Safety Training Project	20.235			27,166	-
Total U.S. Department of Transportation				<u>27,166</u>	<u>-</u>
RESEARCH AND DEVELOPMENT CLUSTER					
Education and Human Resources					
Supporting Science Students through Scholarships, Academic and Social Activities, and Reflective Journaling	47.076			112,434	-
ISU's Noyce Scholarships for STEM Teachers of Under-Represented Groups	47.076	Illinois State University	1540591	11,213	-
Total Research and Development Cluster				<u>123,647</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Grantor/ Program Title	Federal CFDA Number	Pass- through Entity	Pass-through Entity Identification Number	Federal Expenditures	Payments Made to Subrecipients
U.S. DEPARTMENT OF EDUCATION					
Student Financial Assistance Cluster					
Federal Supplemental Educational Opportunity Grants	84.007			\$ 236,377	\$ -
Federal Work-Study Program					
College Work-Study	84.033			156,800	-
America Reads/Community Service	84.033			39,078	-
Total Federal Work Study Program				<u>195,878</u>	<u>-</u>
Federal Pell Grant Program	84.063			11,928,652	-
Federal Direct Student Loans	84.268			<u>4,604,059</u>	<u>-</u>
Total Student Financial Aid Cluster				<u>16,964,966</u>	<u>-</u>
TRIO - Student Support Services Cluster					
Project Achieve	84.042A			394,182	-
Educational Talent Search	84.044A			<u>248,364</u>	<u>-</u>
Total TRIO - Student Support Servies Cluster				<u>642,546</u>	<u>-</u>
Adult Education - Basic Grants to States					
Federal Basic	84.002	Illinois Community College Board	V002A18003	536,750	-
EL/Civics	84.002	Illinois Community College Board	V002A18003	<u>45,000</u>	<u>-</u>
Total Adult Education - Basic Grants to States				<u>581,750</u>	<u>-</u>
Higher Education - Institutional Aid					
Progressive Pathways to Student Success	84.031A			<u>356,017</u>	<u>-</u>
Total Higher Education - Institutional Aid				<u>356,017</u>	<u>-</u>
Child Care Access Means Parents in School	84.335A			<u>26,920</u>	<u>-</u>
Career and Technical Education -- Basic Grants to States					
CTE - Perkins Postsecondary	84.048	Illinois Community College Board	V048A190013	408,792	-
CTE Leadership	84.048	Illinois Community College Board	V048A190013	23,132	-
CTE Leadership Special Populations Support	84.048	Illinois Community College Board	V048A160013	<u>2,042</u>	<u>-</u>
Total Career and Technical Education - Basic Grants to States				<u>433,966</u>	<u>-</u>
Total U.S. Department of Education				<u>19,006,165</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Temporary Assistance for Needy Families	93.558	Illinois Department of Human Services	1801ILTANF	<u>55,070</u>	<u>-</u>
Total U.S. Department of Health and Human Services				<u>55,070</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 21,374,484</u>	<u>\$ -</u>

See accompanying notes to schedule of expenditures of federal awards.

**JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes federal award activity of Joliet Junior College - Community College District No. 525 (the "District") under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because this Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The District has not elected to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

**JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION I – SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal program:	
Material weakness (es) identified?	No
Significant deficiency (ies) identified?	None Reported
Type of auditors' report issued on compliance for major federal program?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance?	No

Identification of major federal program:

CFDA Number	Name of Federal Program or Cluster
	U.S. Department of Education
	Student Financial Assistance 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
	U.S. Department of Labor
	Workforce Investment Act Cluster:
17.258	WIOA Adult Program
17.259	WIOA Youth Activities
17.278	WIOA Dislocated Workers

Dollar threshold used to distinguish between Type A and Type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

**JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

**JOLIET JUNIOR COLLEGE
COMMUNITY COLLEGE DISTRICT NO. 525**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2019

The previous audit of the Federal Award Program was for the year ended June 30, 2018. The finding noted during that audit and the District's corrective actions taken are as follows:

Finding 2018-001 – Eligibility Testing

Federal Program – Federal direct student loans
Federal Agency – U.S. Department of Education
Pass-Through Entity – Not Applicable
CFDA Number – 84.268
Federal Award Number – P268K18011
Federal Award Year – June 30, 2018

Condition: The District incorrectly calculated financial aid need which led to one student being awarded more aid than their correct need would allow.

2019 Status: The Office of Financial Aid updated their loan calculation worksheet to utilize locked fields and ensure data can only be input into the correct location. The loan awarding procedures were updated to include a required secondary review by a separate advisor prior to awarding the student within the student information system.