

**MORaine VALLEY COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 524**

**SINGLE AUDIT**  
Year Ended June 30, 2016

MORaine VALLEY COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 524  
Palos Hills, Illinois

SINGLE AUDIT REPORT  
Year Ended June 30, 2016

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**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**

The Board of Trustees  
Moraine Valley Community College –  
Community College District Number 524  
Palos Hills, 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 Moraine Valley Community College – Community College District No. 524 (the College), which comprise the statement of net position as of June 30, 2016 and the related statements of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 7, 2016.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 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.

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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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

Oak Brook, Illinois  
October 7, 2016

**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 THE UNIFORM GUIDANCE**

To the Board of Trustees  
Moraine Valley Community College –  
Community College District Number 524  
Palos Hills, Illinois

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

We have audited Moraine Valley Community College's – Community College District Number 524 (the College) 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 College's major federal programs for the year ended June 30, 2016. The College'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 College'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 College'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 College's compliance.

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

In our opinion, the College 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, 2016.

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

Management of the College 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 College'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 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 College'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.

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 the Uniform Guidance**

We have audited the basic financial statements of the College as of and for the year ended June 30, 2016, and have issued our report thereon dated October 7, 2016 which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the basic financial statements as a whole. 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

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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 other 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 expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Crowe Horwath LLP

Oak Brook, Illinois  
October 7, 2016

MORAIN VALLEY COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 524  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2016

<u>Federal Grantor/Pass-through Grant Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Labor:			
Direct Programs:			
Trade Adjustment Assistance Community College and Career Training (TAACCCT)	<b>17.282</b>	# TC-22525-11-60-A-48 MOU 217805	\$ 225,011
Pass-through programs from:			
Chicago Cook Workforce Partnership			
Workforce Innovation and Opportunity Act (WIOA):			
WIOA Dislocated Worker Formula Grants	<b>17.278</b>	2015-321	113,238
WIOA Adult Program	<b>17.258</b>	2015-221	85,170
WIOA Youth Activities	<b>17.259</b>	2015-521	210,893
WIOA Youth Activities	<b>17.259</b>	2015-421	110,994
Total Workforce Innovation and Opportunity Act (WIOA) Cluster			<u>520,295</u>
Total Department of Labor			<u>745,306</u>
U.S. Department of Education:			
Direct Programs:			
Federal Pell Grant Program	<b>84.063</b>	E-P063P072988	17,044,317 **
Federal Supplemental Educational Opportunity Grants	<b>84.007</b>	E-P007A071227	202,719 **
Federal College Work-Study Program	<b>84.033</b>	E-P033A071227	254,260 **
Federal Direct Student Loans	<b>84.268</b>	P268K112988	5,833,189 **
Total Student Financial Aid			<u>23,334,485</u>
Postsecondary Education:			
TRIO:			
TRIO Student Support Services	<b>84.042A</b>	P042A100391-14	41,056
TRIO Student Support Services	<b>84.042A</b>	P042A150459	191,969
TRIO Talent Search	<b>84.044A</b>	P044A110500-15	254,467
TRIO Upward Bound	<b>84.047A</b>	P047A120505-15	265,531
Total TRIO			<u>753,023</u>
Total Direct Programs			<u>24,087,508</u>
Pass-through programs from:			
Illinois Community College Board:			
Career and Technical Education - Basic Grants to States	<b>84.048</b>	CTE 52416	556,815
Total Career and Technical Education Program			
Adult Education - Basic Grants to States	<b>84.002</b>	52401	277,700
Illinois Board of Higher Education / St. Xavier University			
Race to the Top – Early Learning Challenge	<b>84.412</b>	S413 A 130011 139042	5,500
Total pass-through programs			<u>840,015</u>
Total Department of Education			<u>24,927,523</u>

(Continued)



MORAIN VALLEY COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 524  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2016

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National Science Foundation:			
Direct Programs			
Education and Human Resources			
EAGER	47.076	DGE - 1445384	\$ 138,879 *
CSSIA Resource Center	47.076	DUE - 1002746	15,969 *
CSSIA	47.076	DUE - 1465163	214,460 *
Pass-through programs from:			
Prince George's Community College			
National CyberWatch: Cybersecurity Education Solutions for the Nation	47.076	DUE-1204533	15,250 *
Total National Science Foundation:			<u>384,558</u>
Department of Defense:			
Pass-through programs from:			
University of Texas San Antonio			
Basic and Applied Scientific Research	12.300	326020115L	15,000
Total Department of Defense			<u>15,000</u>
Total Expenditures of Federal Awards			<u>\$ 26,072,387</u>

\* Total Research and Development Grant Expenditures

\*\* Denotes a Major Program

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See accompanying notes to schedule.

MORaine VALLEY COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 524  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2016

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

Basis of Presentation: The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Moraine Valley Community College District Number 524 (the "College") under programs of the federal government for the year ended June 30, 2016. 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 the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net position, or cash flows of the College.

Basis of Accounting and Cost Principles: Expenditures reported in 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. The College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 2 - MAJOR PROGRAMS**

In accordance with the Uniform Guidance, major programs for the College are individual programs or a cluster of programs determined by using a risk-based analysis. The threshold for distinguishing Type A and Type B programs was \$782,172. Student Financial Aid is designated as the individual program or cluster of programs which was determined to be a major program.

**NOTE 3 - FEDERAL STUDENT LOAN PROGRAMS**

Federally guaranteed loans issued to students of the College by financial institutions under the Federal Direct Loan (FDL) program were \$5,833,189 during the year ended June 30, 2016. The amount presented represents the value of new loans awarded during the year.

The College is responsible only for the performance of certain administrative duties with respect to the FDL 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 College under these programs at June 30, 2016.

**NOTE 4 - NONCASH AND FEDERAL INSURANCE**

The College did not receive noncash assistance or have Federal insurance in effect during the fiscal year.

MORAIN VALLEY COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 524  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

*Unmodified*

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 federal programs:

*Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)                           Yes      X   No

Identification of major federal programs:

CFDA Number(s)                    Name of Federal Program or Cluster

	Department of Education:
	Student Financial Aid Program Cluster:
84.063	Federal Pell Grant Program
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal College Work-Study Program
84.268	Federal Direct Student Loans

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MORaine VALLEY COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NUMBER 524  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2016

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS** (Concluded)

Dollar threshold used to distinguish between Type A and Type B programs: \$782,172

Auditee qualified as low-risk auditee?                        X   Yes           No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no findings for the year ended June 30, 2016.

**SECTION III – FEDERAL AWARD FINDINGS**

There were no findings for the year ended June 30, 2016.

**SECTION IV – PRIOR YEAR FINDINGS AND QUESTIONED COSTS**

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