

**College of Lake County  
Community College District No. 532**

Reports Required by the Uniform Guidance and  
*Government Auditing Standards*

Year Ended June 30, 2019

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RSM US LLP

**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***

To the Board of Trustees  
College of Lake County  
Community College District No. 532  
Grayslake, 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 the College of Lake County, Community College District No. 532 (the College) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 22, 2019. The financial statements of the College of Lake County Foundation (Foundation), a discretely presented component unit, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Foundation.

**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 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 College'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 College'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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM US LLP*

Chicago, Illinois  
October 22, 2019



RSM US LLP

**Independent Auditor's Report on Compliance for Each  
Major Federal Program; Report on Internal Control Over Compliance;  
and Report on Schedule of Expenditures of Federal Awards  
Required by the Uniform Guidance**

To the Board of Trustees  
College of Lake County  
Community College District No. 532  
Grayslake, Illinois

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

We have audited the College of Lake County, Community College District No. 532's (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, 2019. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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* (CFR) 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 on the College's compliance.

**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, 2019.

### **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 the 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 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 Uniform Guidance**

We have audited the financial statements of the business-type activities and the discretely presented component unit of the College of Lake County, Community College District No. 532 (the College), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 22, 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 College's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis 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 basic 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.

*RSM US LLP*

Chicago, Illinois  
October 22, 2019

**COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532  
GRAYSLAKE, ILLINOIS  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA#	Identifying #	Passed on to Subrecipients	Federal Expenditures June 30, 2019
<b>U.S. Department of Education</b>				
Direct Programs				
Student Financial Aid Cluster				
Federal Pell Grant Program	84.063	N/A	\$ -	\$ 10,222,580
Federal Work Study Program	84.033	N/A	-	226,307
Federal Supplemental Educational Opportunity Grants	84.007	N/A	-	254,750
Federal Direct Student Loan Program	84.268	N/A	-	1,973,696
			<u>-</u>	<u>12,677,333</u>
Child Care Access Means Parents in School	84.335A	P335A130028-16	-	18,618
Child Care Access Means Parents in School	84.335A	P335A130032	-	32,457
			<u>-</u>	<u>51,075</u>
TRIO Cluster				
TRIO Talent Search	84.044S	PO044A160065	-	61,057
TRIO Talent Search	84.044A	PO044A160065-17	-	342,595
TRIO Student Support Services	84.042A	PO42A150908-16	-	48,482
TRIO Student Support Services	84.042A	PO42A150908-17	-	207,779
			<u>-</u>	<u>659,913</u>
University of Illinois European Union Venter Title VI funding				
National Resource Centers				
Regional Faculty Event Programing grant	84.015A	PO15A140050	-	2,019
			<u>-</u>	<u>2,019</u>
Pass-Through Illinois Community College Board				
Adult Education - Basic Grants to State Federal Basic	84.002A	5320118	-	220,214
Adult Education - Basic Grants to State EL Civic	84.002A	5320118	-	50,897
			<u>-</u>	<u>271,111</u>
Vocational Education Cluster				
Career and Technical Education Basic Grants to States	84.048	CTE53219	-	381,401
CTE LeadershipBridge to Success	84.048	V048A190013	-	6,171
			<u>-</u>	<u>387,572</u>
Total Pass-Through Illinois Community College Board			<u>-</u>	<u>658,683</u>
Total U.S. Department of Education			<u>-</u>	<u>14,049,023</u>
<b>National Science Foundation</b>				
Direct Programs				
Education and Human Resources - S-STEM (Science, Tech, Engin., and Math)	47.076	DUE-1153801	-	5,328
Education and Human Resources - CollaborATE (Mechatronics)	47.076	DUE-1601172	159,286	313,933
Subtotal Direct Programs			<u>159,286</u>	<u>319,261</u>
Pass-Through Indian Hills Community College				
Education and Human Resources - Planning grant for Midwest Reg'l Photonics Ctr	47.076	DUE-1400561	-	6,161
Total National Science Foundation			<u>159,286</u>	<u>325,422</u>

(Continued)

COLLEGE OF LAKE COUNTY  
COMMUNITY COLLEGE DISTRICT NO. 532  
GRAYSLAKE, ILLINOIS  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended June 30, 2019

Federal Grantor/Pass-through Grantor/Program or Cluster	Federal CFDA#	Identifying #	Passed on to Subrecipients	Federal Expenditures June 30, 2019
<b>U.S. Small Business Administration</b>				
Pass-Through Illinois Department of Commerce and Economic Opportunity				
Small Business Development International Trade Centers-Federal Portion	59.037	18-801150	\$ -	\$ 144,500
Small Business Development International Trade Centers-State Portion	59.037	19-801150	-	144,500
Total U.S. Small Business Administration			<u>-</u>	<u>289,000</u>
<b>U.S. Department of State</b>				
Direct Program				
Public Diplomacy Programs	19.040	S-CH500-17-GR2062	-	8,933
Total U.S. Department of State			<u>-</u>	<u>8,933</u>
<b>U.S. Department of Labor</b>				
Direct Program				
Workforce Innovation & Opportunity Act Youth Activities	17.259	AA-26777-15-55-A-17	-	7,958
Total U.S. Department of Labor			<u>-</u>	<u>7,958</u>
<b>U.S. Department of Justice</b>				
Pass-Through Lake County, Illinois				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2016-MO-BX-0032-CLC01	-	44,401
Total U.S. Department of Justice			<u>-</u>	<u>44,401</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 159,286</u>	<u>\$ 14,724,737</u>

See notes to schedule of expenditures of federal awards.

**College of Lake County  
Community College District No. 532**

**Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2019**

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**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the College of Lake County, Community College District No. 532 (the College) 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 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 assets, or cash flows of the College.

**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 College has elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

**Note 4. Categorization of Expenditures**

The Schedule reflects federal expenditures for all individual grants, which were active during the period. The categorization of expenditures by program included in the Schedule is based on the Catalog of Federal Domestic Assistance (CFDA). Changes in the categorization of expenditures occur based on revisions to the CFDA, which are issued twice annually. In accordance with the College's policy, the Schedule for the year ended June 30, 2019 reflects CFDA changes issued through June 2019.

**Note 5. Federal Student Loan Program**

During the fiscal year ended June 30, 2019, the College issued new loans to students under the Federal Direct Student Loan Program (FDLP). The loan program includes subsidized and unsubsidized Stafford Loans and Parent PLUS Loans for undergraduate students. The value of loans issued for the FDLP is based on disbursed amounts. The loan amounts issued during the year are disclosed on the Schedule. The College is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the College's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the College at June 30, 2019.

**College of Lake County  
Community College District No. 532**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2019**

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**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 No

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 No

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 programs:

CFDA Number	Name of Federal Program or Cluster
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.268	Federal Direct Student Loans
84.063	Federal Pell Grant Program
47.076	National Science Foundation Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

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

**College of Lake County  
Community College District No. 532**

**Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2019**

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**II. Financial Statement Finding**

No matters to report.

**III. Findings and Questioned Costs for Federal Awards**

No matters to report.

College of Lake County

Grayslake Campus

19351 West Washington Street  
Grayslake, Illinois 60030-1198

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**I. Financial Statement Finding**

No prior year audit findings.

**II. Findings and Questioned Costs for Federal Awards**

No prior year audit findings.