

**LEWIS-CLARK STATE COLLEGE**  
**FINANCIAL STATEMENTS AND**  
**SINGLE AUDIT COMPLIANCE REPORTS**  
**YEAR ENDED JUNE 30, 2022**



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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**

Idaho Office of the State Board of Education  
Lewis-Clark State College  
Lewiston, Idaho

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 Lewis-Clark State College and its discretely presented component unit, the Lewis-Clark State College Foundation, Inc. (the College), collectively a component unit of the state of Idaho, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated December 8, 2022.

**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) as a basis for designing audit procedures that are appropriate in the circumstances 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 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 a 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.

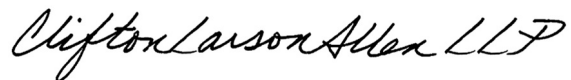
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not 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.



### **CliftonLarsonAllen LLP**

Bellevue, Washington  
December 8, 2022



**INDEPENDENT AUDITORS' 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**

Idaho Office of the State Board of Education  
Lewis-Clark State College  
Lewiston, Idaho

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

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

We have audited Lewis-Clark State College's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Lewis-Clark State College's major federal programs for the year ended June 30, 2022. Lewis-Clark State College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Lewis-Clark State College 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, 2022.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Lewis-Clark State College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Lewis-Clark State College's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Lewis-Clark State College's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Lewis-Clark State College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Lewis-Clark State College's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Lewis-Clark State College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Lewis-Clark State College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Lewis-Clark State College's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, and 2022-005. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Lewis-Clark State College's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Lewis-Clark State College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004, and 2022-005, to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Lewis-Clark State College's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Lewis-Clark State College's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 financial statements of the business-type activities and the discretely presented component unit of Lewis-Clark State College as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Lewis-Clark State College's basic financial statements. We issued our report thereon dated, December 8, 2022, 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 financial statements.

Idaho Office of the State Board of Education  
Lewis-Clark State College

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 additional 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 expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Bellevue, Washington  
March 29, 2023



**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	From Pass- Through Awards	Direct Awards	Passed Through to Subrecipients	Total
<b>Student Financial Assistance Cluster</b>						
<b>U.S. Department of Education</b>						
Federal Supplemental Educational Opportunity Grants	84.007		\$ -	\$ 88,861	\$ -	\$ 88,861
Federal Work Study Program	84.033		-	84,429	-	84,429
Federal Perkins Loan Program	84.038		-	154,878	-	154,878
Federal Pell Grant Program	84.063		-	4,630,249	-	4,630,249
Federal Direct Student Loans	84.268		-	7,865,154	-	7,865,154
Teacher Education Assistance for College and Higher Education Grants	84.379		-	13,202	-	13,202
<b>Department of Education SFA Cluster Total</b>			<b>-</b>	<b>12,836,773</b>	<b>-</b>	<b>12,836,773</b>
<b>U.S. Department of Health &amp; Human Services</b>						
Nursing Student Loans	93.364		-	298,470	-	298,470
<b>Department of Health &amp; Human Services SFA Cluster Total</b>			<b>-</b>	<b>298,470</b>	<b>-</b>	<b>298,470</b>
<b>Total Student Financial Assistance Cluster</b>			<b>-</b>	<b>13,135,243</b>	<b>-</b>	<b>13,135,243</b>
<b>Research &amp; Development Cluster</b>						
<b>U.S. Department of Health &amp; Human Services</b>						
University of Idaho						
Biomedical Research and Research Training	93.859	SI3394-825899	229,493	-	-	229,493
Biomedical Research and Research Training	93.859	SI3394-825923	152,639	-	-	152,639
Biomedical Research and Research Training	93.859	SI3394-825878	58,054	-	-	58,054
<b>U.S. Department of Health &amp; Human Services R&amp;D Cluster Total</b>			<b>440,186</b>	<b>-</b>	<b>-</b>	<b>440,186</b>
<b>Total Research &amp; Development Cluster</b>			<b>440,186</b>	<b>-</b>	<b>-</b>	<b>440,186</b>
<b>TRIO Cluster</b>						
<b>U.S. Department of Education</b>						
TRIO - Talent Search	84.044A		-	58,161	-	58,161
TRIO - Talent Search	84.044A		-	5,105	-	5,105
TRIO - Talent Search	84.044A		-	196,524	-	196,524
<b>Total TRIO Cluster</b>			<b>-</b>	<b>259,790</b>	<b>-</b>	<b>259,790</b>
<b>Economic Development Cluster</b>						
<b>U.S. Department of Commerce</b>						
Economic Development Administration						
Economic Adjustment Assistance	11.307		-	188,766	-	188,766
<b>Total Economic Development Cluster</b>			<b>-</b>	<b>188,766</b>	<b>-</b>	<b>188,766</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	From Pass- Through Awards	Direct Awards	Passed Through to Subrecipients	Total
<b>Other Programs</b>						
<b>U.S. Department of Agriculture</b>						
USDA RDGB-CNC Lab Tooling	10.351		\$ -	\$ 15,110	\$ -	\$ 15,110
<b>U.S. Department of Agriculture Total</b>			<b>-</b>	<b>15,110</b>	<b>-</b>	<b>15,110</b>
<b>U.S. Department of Labor</b>						
Idaho Department of Labor						
Closing the Skills Gap	17.268	RG2610 DOLETA-21-52101-7420	75,277	-	-	75,277
<b>U.S. Department of Labor Total</b>			<b>75,277</b>	<b>-</b>	<b>-</b>	<b>75,277</b>
<b>National Endowment for the Arts</b>						
Idaho Commission on the Arts						
Promotion of the Arts Partnership Agreements	45.025	01919	10,526	-	-	10,526
<b>National Endowment for the Arts Total</b>			<b>10,526</b>	<b>-</b>	<b>-</b>	<b>10,526</b>
<b>National Endowment for the Humanities</b>						
Idaho Humanities Council						
Promotion of the Humanities - Federal/State Partnership	45.129	2019032	2,099	-	-	2,099
<b>National Endowment for the Humanities Total</b>			<b>2,099</b>	<b>-</b>	<b>-</b>	<b>2,099</b>
<b>U.S. Small Business Administration</b>						
Boise State University						
Small Business Development Centers	59.037	9660-PO138709	71,178	-	-	71,178
Small Business Development Centers	59.037	9660-PO138709	61,498	-	-	61,498
Small Business Development Centers	59.037	9102-PO136857	63,247	-	-	63,247
Small Business Development Centers	59.037	9405-PO137293	21,269	-	-	21,269
<b>U.S. Small Business Administration Total</b>			<b>217,192</b>	<b>-</b>	<b>-</b>	<b>217,192</b>
<b>U.S. Department of Education</b>						
College Assistance Migrant Program	84.149A		-	330,289	-	330,289
Childcare Access Means Parents In School	84.335A		-	57,333	-	57,333
<b>Economic Stabilization Fund (ESF)</b>						
State of Idaho Division of Financial Management						
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	N510-2021-6	193,073	-	-	193,073
Boise State University						
COVID-19 Governor's Emergency Education Relief (GEER) Fund	84.425C	10156-PO139225	12,619	-	-	12,619
COVID-19 Higher Education Emergency Relief Fund - Student Aid Portion	84.425E		-	4,479,998	-	4,479,998
COVID-19 Higher Education Emergency Relief Fund - Institutional Portion	84.425F		-	2,475,764	-	2,475,764
COVID-19 Higher Education Emergency Relief Fund - SIP	84.425M		-	81,420	-	81,420
	<b>84.425 Total</b>		<b>205,692</b>	<b>7,037,182</b>	<b>-</b>	<b>7,242,874</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

Federal Grantor Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	From Pass- Through Awards	Direct Awards	Passed Through to Subrecipients	Total
Idaho Division of Career & Technical Education						
Adult Education - Basic Grants to States	84.002A	RG2610-00 / 51305	\$ 14,435	\$ -	\$ -	\$ 14,435
Adult Education - Basic Grants to States	84.002A	RG2610-00 / 51300	200,737	-	-	200,737
Adult Education - Basic Grants to States	84.002A	RG2610-00 / 51200	21,273	-	-	21,273
	<b>84.002A Total</b>		<b>236,445</b>	<b>-</b>	<b>-</b>	<b>236,445</b>
Idaho Division of Career & Technical Education						
Career and Technical Education-Basic Grants to States	84.048A	RG2610-00 / 21090	85,820	-	-	85,820
Career and Technical Education - Basic Grants to States	84.048A	RG2610-G1 / 21005	179,133	-	-	179,133
Career and Technical Education-Basic Grants to States	84.048A	RG2610-00 / 21001	9,842	-	-	9,842
	<b>84.048A Total</b>		<b>274,795</b>	<b>-</b>	<b>-</b>	<b>274,795</b>
<b>U.S. Department of Education Total</b>			<b>716,932</b>	<b>7,424,804</b>	<b>-</b>	<b>8,141,736</b>
<b>U.S. Department of Health &amp; Human Services</b>						
Idaho State Department of Health & Welfare						
Foster Care - Title IV-E	93.658	KC280100	93,418	-	-	93,418
Wastewater Testing	93.323	HC256100	100,393	-	-	100,393
Child Care and Development Block Grant - Idaho Child Care Emergency Grant	93.575	Not available	62,887	-	-	62,887
Child Care and Development Block Grant-Child Care Wage Enhancement Grant	93.575	Not available	32,184	-	-	32,184
	<b>93.575 Total</b>		<b>95,071</b>	<b>-</b>	<b>-</b>	<b>95,071</b>
<b>U.S. Department of Health &amp; Human Services Total</b>			<b>288,882</b>	<b>-</b>	<b>-</b>	<b>288,882</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 1,751,094</b>	<b>\$ 21,023,713</b>	<b>\$ -</b>	<b>\$ 22,774,807</b>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**LEWIS-CLARK STATE COLLEGE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2022**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal award activity of the College under programs of the federal government for the year ended June 30, 2022. 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.

**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. The College has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance. Pass-through entity identifying numbers are presented where available.

**NOTE 3 COLLEGE ADMINISTERED LOAN PROGRAMS**

The federal student loan programs listed subsequently are administered directly by the College, and balances and transactions relating to these programs are included in the College's basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. The balance of loans outstanding at June 30, 2022 consists of:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2022
84.038	Federal Perkins Loans	\$100,646
93.364	Nursing Students Loans	\$234,214

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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**Section I – Summary of Auditors’ Results**

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• **Financial Statements**

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified? \_\_\_\_\_ yes        x   none reported
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        x   no

• **Federal Awards**

1. Internal control over major federal programs:
- Material weakness(es) identified? \_\_\_\_\_ yes        x   no
  - Significant deficiency(ies) identified?   x   yes      \_\_\_\_\_ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   x   yes      \_\_\_\_\_ no

**Identification of Major Federal Programs**

<b>Assistance Listing Number(s)</b>	<b>Name of Federal Program or Cluster</b>
84.007, 84.033, 84.038, 84.063, 84.268 84.379, 93.364	Student Financial Assistance Cluster
84.425	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000/\$187,500

Auditee qualified as low-risk auditee?   x   yes      \_\_\_\_\_ no

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2022-001 Gramm-Leach Bliley Act**

Federal Agency: Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.038/84.063/84.268/84.379/93.364

Federal Award Identification Number and Year: P268K220100 - 2022, P007A211087 - 2022, P063P210100 - 2022, P033A211087 - 2022, P379T220100 - 2022, E4C14916 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** The Gramm-Leach-Bliley Act (Public Law 106-102) requires financial institutions to explain their information-sharing practices to their customers and to safeguard sensitive data. (16 CFR 314) The Federal Trade Commission considers Title IV-eligible institutions that participate in Title IV Educational Assistance Programs as “financial institutions” and subject to the Gramm-Leach-Bliley Act (16 CFR 313.3(k)(2)(vi). This would include procedures to document a safeguard for risks identified in the risk assessment process for each of the three areas noted in 16 CFR 314.4 (b) which are (1) Employee training and management; (2) Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and (3) Detecting, preventing and responding to attacks, intrusions, or other systems failures.

**Condition:** The College did not identified safeguards for risks identified.

**Questioned costs:** None

**Context:** During our audit procedures, it was noted that the College performed a HEISC risk assessment; however, within the risk assessment there were no safeguards identified.

**Cause:** Resources have not been allocated to document a risk assessment related to students’ information.

**Effect:** The student personal information could be vulnerable.

**Repeat Finding:** Yes, 2021-003.

**Recommendation:** We recommend the College identify and document safeguards over risks identified in the risk assessment.

**Views of responsible officials and planned corrective action:** Management agrees with the finding and has developed a plan to correct it.

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2022-002 Errors in Reporting for NSLDS**

Federal Agency: Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268/84.379/93.364

Federal Award Identification Number and Year: P268K220100 - 2022, P007A211087 - 2022, P063P210100 - 2022, P033A211087 - 2022, P379T220100 - 2022, E4C14916 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** The Code of Federal Regulations, 34 CFR 682.610, states that institutions must report accurately the enrollment status of all students regardless of if they receive aid from the institution or not. Changes to said status are required to be reported within 30 days of becoming aware of the status change, or with the next scheduled transmission of statuses if the scheduled transmission is within 60 days.

**Condition:** The College did not update student status changes and enrollment effective dates timely, and there was no documentation to provide evidence of their review process for the 2021-2022 award year.

**Questioned costs:** None

**Context:** In our statistically valid sample of sixty students selected for NSLDS enrollment reporting testing, we identified twelve samples for which the student's change in status was not properly updated within 60 days. When uploading reports to the National Clearing House (NSC), the reports are reviewed and a spot check performed on student information. There is no evidence of this review documented for the 2021-2022 award year.

**Cause:** The College did not timely or properly report student status changes to NSLDS through their third-party servicer, National Student Clearinghouse (NSC). There are no procedures in place to document supervisory review of the NSLDS reporting process.

**Effect:** Failure to properly report enrollment status changes on NSLDS could affect the timing of the grace period for repayment of Title IV loans. Additionally, the College was not in compliance with the requirements to properly report student enrollment data correctly or timely to NSLDS.

**Repeat Finding:** Yes, 2021-005

**Recommendation:** We recommend that the College work with their third-party servicer and implement procedures to ensure that enrollment data, changes in status and effective dates within NSLDS are reported timely. And we recommend that the College implement formal review procedures to document the review process.

**Views of responsible officials and planned corrective action:** Management agrees with the finding and has developed a plan to correct it.



**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2022-003 Eligibility – Pell Award**

Federal Agency: Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistant Listing Number: 84.063

Federal Award Identification Number and Year: P063P210100 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** The amount of a student's Pell Grant for an academic year is based upon the payment and disbursement schedules published by the Secretary for each award year (34 CFR 690.62). The Code of Federal Regulations (34 CFR 690.80(b)(1)) states if the student's enrollment status changes from one academic term to another within the same award year, the institution shall recalculate the Federal Pell Grant award for the new payment period taking into account any changes in the cost of attendance.

Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure students are awarded and disbursed the proper federal fund amounts.

**Condition:** The College under-awarded funds for the Pell Grant.

**Questioned costs:** None.

**Context:** During our testing we noted three out of forty-one students, from a statistically valid sample, were awarded less Pell than they were eligible for based on the 2021-22 Pell payment schedule. The Pell payment schedule takes into account the cost of attendance, the student's Expected Family Contribution and the enrollment status of the student.

**Cause:** The College did not award the correct amount of the Pell grant due to human error when entering student's Cost of Attendance.

**Effect:** Students did not receive the full amount of Pell they were eligible for.

**Repeat Finding:** No.

**Recommendation:** We recommend the College review its current procedures for awarding Title IV funds and implement changes necessary to ensure federal funds are awarded and disbursed in accordance with federal regulations. We also recommend the College disburse the proper Pell award to these students.

**Views of responsible officials and planned corrective action:** Management agrees with the finding and has developed a plan to correct it.

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2022-004 Eligibility – Satisfactory Academic Progress**

Federal Agency: Department of Education

Federal Program Name: Student Financial Assistance Cluster

Assistant Listing Number: 84.007/84.033/84.063/84.268/84.379/93.364

Federal Award Identification Number and Year: P268K220100 - 2022, P007A211087 - 2022, P063P210100 - 2022, P033A211087 - 2022, P379T220100 - 2022, E4C14916 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** The College must establish a reasonable satisfactory academic progress policy for determining whether an otherwise eligible student is making satisfactory academic progress in his or her educational program and may receive assistance under the title IV (34 CFR 668.34(a)).

A student on financial aid probation may receive title IV funds for one payment period. While a student is on financial aid probation, the institution may require the student to fulfill specific terms and conditions such as taking a reduced course load or enrolling in specific courses. At the end of one payment period on financial aid probation, the student must meet the institution's satisfactory academic progress standards or meet the requirements of the academic plan developed by the institution and the student to qualify for further title IV (34 CFR 668.34(8)(ii)).

**Condition:** The College did not administer a Satisfactory Academic Progress (SAP) warning for one student that did not meet SAP requirements.

**Questioned costs:** None.

**Context:** During our testing we noted one out of forty-one students was not administered a SAP warning after falling under the requirement of maintaining at least a 2.0 cumulative GPA.

**Cause:** The College's Colleague ERP system incorrectly calculated the student's cumulative GPA as being within requirements; however, the transcript ERP system showed the GPA to be below the required GPA..

**Effect:** Failure to properly track SAP requirements risks disbursing aid to students that may not be eligible to receive Title IV.

**Repeat Finding:** No.

**Recommendation:** We recommend the College review its current procedures for tracking SAP requirements and implement procedures to ensure SAP status is accurate.

**Views of responsible officials and planned corrective action:** Management agrees with the finding and has developed a plan to correct it.

**LEWIS-CLARK STATE COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2022-005 Suspension and Debarment**

Federal Agency: Department of Education

Federal Program Name: Education Stabilization Fund

Assistant Listing Number: 84.425F

Federal Award Identification Number and Year: P425F203713 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Other Matters

**Criteria or specific requirement:** Uniform Grant Guidance (2 CFR 180.300) requires that, when entering into a covered transaction with another person (an individual, corporation, partnership, association, unit of government, or legal entity), you must verify that the person with whom you intend to do business is not excluded or disqualified.

**Condition:** The College did not retain proper documentation for suspension and debarment verification.

**Questioned costs:** None.

**Context:** During our testing, we noted three out of five vendors tested did not have proper documentation for suspension and debarment verification.

**Cause:** There are no procedures in place to routinely assess suspension and debarment for multi-year contracts with vendors, and inadequate maintenance of evidence the procedure occurred when suspension and debarment are assessed.

**Effect:** Failure to assess suspension and debarment could lead to the College working with unqualified vendors.

**Repeat Finding:** Yes, 2021-007.

**Recommendation:** We recommend the College implement formal procedures to routinely assess suspension and debarment status for vendors used in multiple years, and we recommend that assessment of suspension and debarment status be retained to support evidence the procedure was performed.

**Views of responsible officials and planned corrective action:** Management agrees with the finding and has developed a plan to correct it.



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