

**LEWIS & CLARK COLLEGE**

Portland, Oregon

Audit Report on Financial Statements  
and Federal Awards

As of and for the Year Ended May 31, 2018

## LEWIS & CLARK COLLEGE

### TABLE OF CONTENTS

---

Independent Auditors' Report	1 – 2
Statement of Financial Position	3
Statement of Activities	4 - 5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 29
Schedule of Expenditures of Federal Awards	30
Notes to Schedule of Expenditures of Federal Awards	31
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32 - 33
Report on Compliance for Each Major Federal Programs and Report on Internal Control over Compliance Required by the Uniform Guidance	34 - 36
Schedule of Findings and Questioned Costs	37 - 38
Summary Schedule of Prior Audit Findings	39
Corrective Action Plan	40

LEWIS & CLARK COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended May 31, 2018

Federal Grantor/ Program or Cluster Title	CFDA Number	Pass-through Entity	Pass-through Entity Identification Number	Federal Expenditures	Sub Recipient Expenditures
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>					
U.S. Department of Education					
Federal Pell Grant Program	84.063			\$ 1,858,045	\$ -
Federal Supplemental Educational Opportunity Grants	84.007			337,498	-
Federal Work-Study Program	84.033			624,874	-
Federal Perkins Loans	84.038			7,437,700	-
Federal Direct Student Loans	84.268			43,802,980	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379			<u>14,902</u>	-
<b>Total Student Financial Assistance Cluster</b>				<u>54,075,999</u>	<u>-</u>
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>					
National Science Foundation					
Biological Sciences	47.074			291,658	-
Biological Sciences	47.074	Oregon State University	S1776A-C	24,096	-
Total Biological Sciences				315,754	-
Mathematical and Physical Sciences	47.049			117,558	15,281
Education and Human Resources	47.076			<u>162,386</u>	<u>32,047</u>
<b>Total National Science Foundation</b>				<u>595,698</u>	<u>47,328</u>
National Institutes of Health					
Biomedical Research and Research Training	93.859			143,910	-
<b>Total National Institutes of Health</b>				<u>143,910</u>	<u>-</u>
U.S. Department of Energy					
Office of Science Financial Assistance Program	81.049			111,670	-
<b>Total U.S. Department of Energy</b>				<u>111,670</u>	<u>-</u>
<b>Total Research and Development Cluster</b>				<u>851,278</u>	<u>47,328</u>
<b>OTHER PROGRAMS</b>					
U.S. Department of Education					
Supporting Effective Instruction State Grants	84.367B	Western Oregon University	TRSUB17.04	38,420	-
Supporting Effective Instruction State Grants	84.367D	University of California at Berkeley	92-OR03-SEED2016-ILI	1,000	-
Supporting Effective Instruction State Grants	84.367D	University of California at Berkeley	92-OR03-SEED2012	<u>22,950</u>	-
<b>Total U.S. Department of Education</b>				<u>62,370</u>	<u>-</u>
U.S. Department of the Treasury					
Low Income Taxpayer Clinics	21.008			100,000	-
<b>Total U.S. Department of the Treasury</b>				<u>100,000</u>	<u>-</u>
National Endowment for the Arts					
Promotion of the Arts-Partnership Agreements	45.025			4,315	-
<b>Total National Endowment for the Arts</b>				<u>4,315</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>\$ 55,093,962</u>	<u>\$ 47,328</u>

**LEWIS & CLARK COLLEGE**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended May 31, 2018

---

**NOTE 1 – BASIS OF PRESENTATION**

---

The accompanying schedule of expenditures of federal awards (“the Schedule”) includes the federal award activity of Lewis & Clark College under programs of the federal government for the year ended May 31, 2018. 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 Lewis & Clark College, it is not intended to and does not present the financial position, changes in net assets or cash flows of Lewis & Clark 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

---

**NOTE 3 – INDIRECT COST RATE**

---

Lewis & Clark College has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

---

**NOTE 4 – FEDERAL PERKINS LOAN PROGRAM**

---

The Federal Perkins Loan Program is administered directly by Lewis & Clark College, and balances and transactions relating to this program are included in Lewis & Clark 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. Federal Perkins loans made during the year ended May 31, 2018 totaled \$679,999. Federal Perkins loans outstanding at May 31, 2018 totaled \$6,163,712.

**LEWIS & CLARK COLLEGE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended May 31, 2018

**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 that are not considered material weakness?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered material weakness?	Yes
Type of auditors' report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 516(a) of the Uniform Guidance?	Yes

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
Various	Student Financial Assistance Cluster
Various	Research and Development Cluster

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

**SECTION II - FINANCIAL STATEMENT FINDINGS**

*None noted.*

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**FINDING 2018-001**

**Research and Development Cluster – specifically, CFDA No.** 47.074 Biological Sciences

**Federal Award Number** 1553764

**Federal Agency** National Science Foundation

**Pass-through Entity** Not Applicable

**Criteria:** For federal awards authorized after December 26, 2014, guidance provided in 2 CFR part 200.213 requires institutions have procedures for verifying that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded.

**LEWIS & CLARK COLLEGE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the Year Ended May 31, 2018

---

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (CONT.)**

---

**Condition/Context:** During our testing for this program, we noted two instances out of two transactions tested where the College was not following the requirements of the Uniform Guidance in regards to suspension and debarment. Specifically, the selections were lacking documentation that the suspension and debarment testing was performed prior to entering into the covered transaction. The sample was not statistically valid.

**Questioned Costs:** None noted.

**Cause:** The College is aware of the requirements. However, procedures were not followed to obtain and retain the documentation that the covered transactions were not suspended or debarred prior to engaging for the procurement of goods or services.

**Effect:** The College is at risk of entering into a covered transaction with an entity that is debarred, suspended, or otherwise excluded.

**Recommendation:** The College should review its procedures and controls to ensure that an entity with which it plans to enter into a covered transaction is not debarred, suspended, or otherwise excluded and ensure that this takes place prior to entering into the transaction. In addition, the College should ensure that documentation of this review is retained.

**Views of Responsible Officials:** See Corrective Action Plan.

**LEWIS & CLARK COLLEGE**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
For the Year Ended May 31, 2018

---

The previous audit of the Federal Award Programs was for the year ended May 31, 2017. There were no findings or questioned costs reported in that audit.