

Idaho State Board of Education

Audit Committee

Presentation of Audit Results

November 8, 2017

**Boise State University
Idaho State University
University of Idaho
Lewis-Clark State College
Eastern Idaho Technical College**

**Scott Simpson
Tammy Erickson**

Idaho State Board of Education

Audit Committee Debrief

November 8, 2017

Moss Adams Leadership Team

Overall

Scott Simpson, Partner 541-686-1040 scott.simpson@mossadams.com

Institution Specific

Pam Cleaver, Partner 509-248-7750 pam.cleaver@mossadams.com
Tammy Erickson, Partner 509-747-2600 tammy.erickson@mossadams.com

Contract Deliverables

For each institution

- Auditor's Report on Financial Statements – GAAS
- Auditor's Report on Financial Statements – GAGAS
- Auditor's Report on Compliance in Accordance with OMB Uniform Guidance
- Required Communication – AU 260
- AU 265 Letters & Management Letters

Additional items for individual institutions

- NCAA Agreed-Upon Procedures for UI, BSU, ISU Presidents
- Auditor's Report on Financial Statements for Boise State Radio



Idaho State Board of Education

Audit Committee Debrief – cont.

November 8, 2017

Financial Statement	Internal Control		Uniform Guidance	
	Opinion	Material Weakness	Significant Deficiency	Opinion

University of Idaho	Unmodified	None	None	Unmodified	None
Lewis-Clark State College	Unmodified	None	None	Unmodified	None
Boise State University	Unmodified	None	None	Unmodified	Two
Idaho State University	Unmodified	None	One	Unmodified	None
Eastern Idaho Technical College	Unmodified	None	None	Unmodified	None

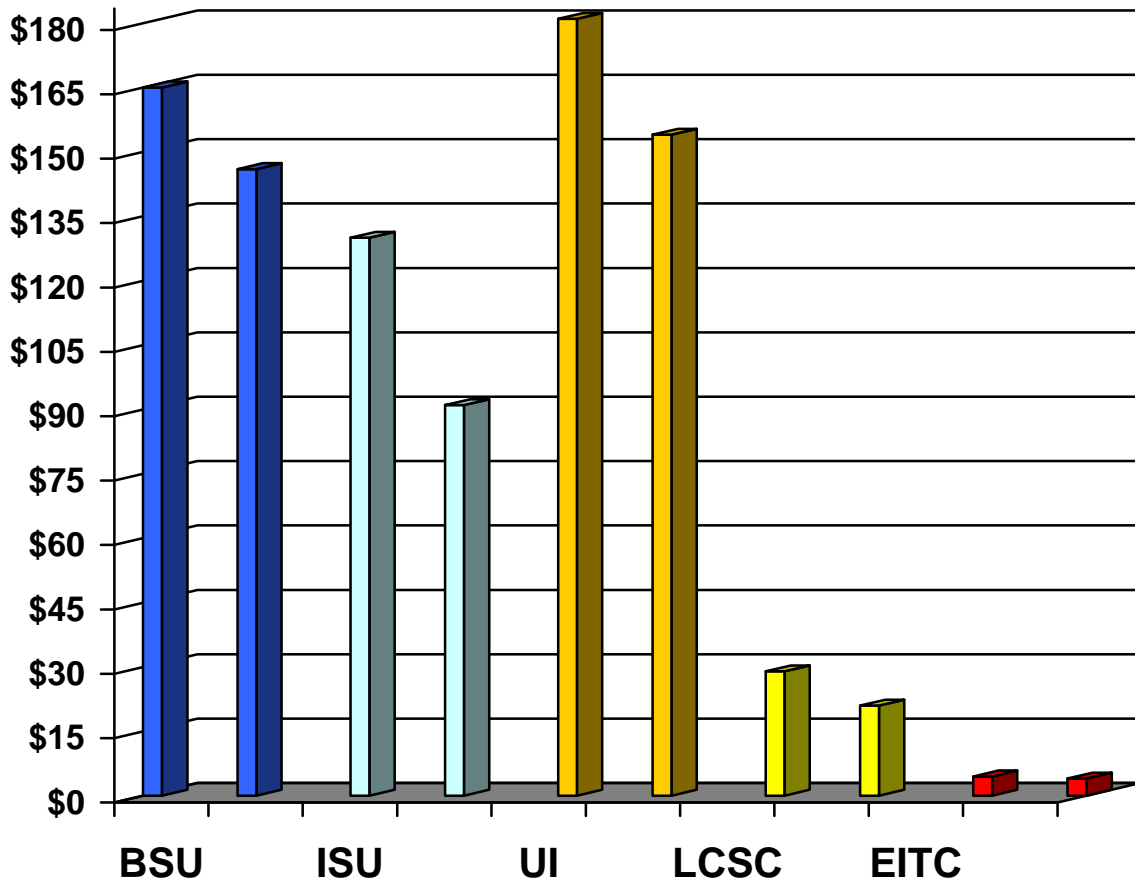
Required Communications To Those Charged With Governance Formal Letters in each Section	<i>University of Idaho</i>	<i>Lewis-Clark State College</i>	<i>Boise State University</i>	<i>Idaho State University</i>	<i>Eastern Idaho Technical College</i>
Auditor's Responsibility Under Generally Accepted Auditing Standards	As Planned	As Planned	As Planned	As Planned	As Planned
Planned Scope and Timing of the Audit	As Planned	As Planned	As Planned	As Planned	As Planned
Significant Accounting Policies	FN 1	FN 1	FN 1	FN 1	FN 1
Significant Accounting Estimates	As Discussed	As Discussed	As Discussed	As Discussed	As Discussed
Financial Statement Disclosures	12, 13, 17	8, 10, 13	8, 10 11, 12, 14	7, 10, 11, 13	7, 8, 9
Significant Difficulties Encountered During the Audit	None	None	None	None	None
Corrected and Uncorrected Misstatements	None	None	None	None	None
Disagreements with Management	None	None	None	None	None
Management Representations	Available	Available	Available	Available	Available
Management Consultations with Other Accountants	None	None	None	None	None
Other Significant Findings or Issues	None	None	None	None	None
Internal Control Matters to be Reported	None	None	None	One	None
Fraud Uncovered During the Audit	None	None	None	None	None

Idaho Colleges and Universities

Presentation of Audit Results – cont.

November 8, 2017

Federal Expenditures By Institution 2012 vs 2017 (in millions)



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University of Idaho

Presentation of Audit Results

November 8, 2017

Scott Simpson, Partner

541-686-1040 scott.simpson@mossadams.com

Primary Contacts at Moss Adams for UI

Tammy Erickson, Partner

6 auditors at UI from Moss Adams

1 exempt tax specialist

1 IT specialists

Fieldwork Dates

Interim Fieldwork

May 30 – June 2

F/S Fieldwork

August 21 – 25

Audit Reporting and Timing

Audit Report Dated	September 29, 2017
Audit Report Issued	September 29, 2017
Auditors Report on Financial Statements	Unmodified
Auditors Report on Compliance	Unmodified
Internal Control Issues Identified & Reported	None Reported
Audit findings related to Compliance Audit	None Reported



University of Idaho
June 30, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 No
 - Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
Various	Student Financial Assistance Cluster	Unmodified
93.575	Child Care and Development Fund Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

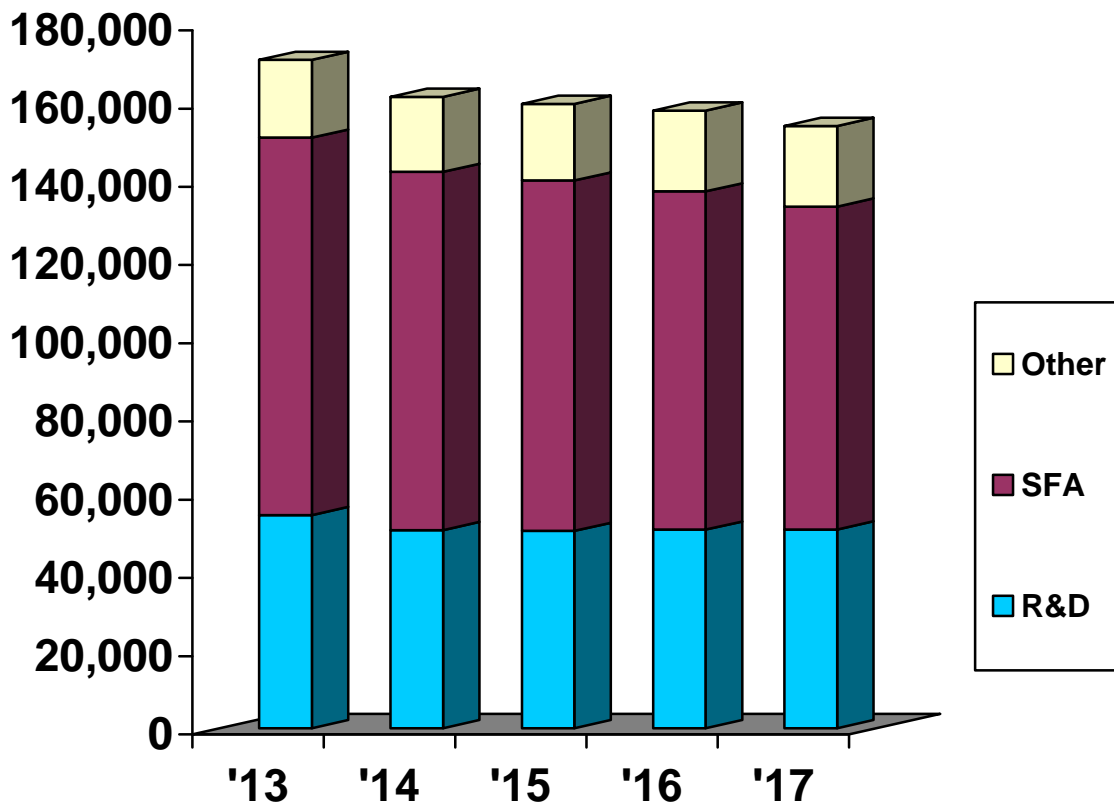
None reported

University of Idaho

Presentation of Audit Results – cont.

November 8, 2017

Federal Expenditures 5 Year Trend *(in thousands)*





*COMMUNICATIONS WITH THOSE
CHARGED WITH GOVERNANCE*

FOR

UNIVERSITY OF IDAHO

June 30, 2017

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Communications with Those Charged with Governance

To the Audit Committee
Idaho State Board of Education

We have audited the financial statements of the University of Idaho (University) and the discretely presented component unit, University of Idaho Foundation (Foundation), as of and for the years ended June 30, 2017 and 2016, and the aggregate remaining fund information of the University (the University of Idaho Health Benefits Trust and the University of Idaho Retiree Benefits Trust), as of and for the years ended December 31, 2016 and 2015, and have issued our report thereon dated September 29, 2017. The financial statements of the Foundation and University of Idaho Health Benefits Trust were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation and the University of Idaho Health Benefits Trust, are based solely on the reports of other auditors. In addition, this required information does not include the other auditors' audit results or other matters that are reported on separately by other auditors. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America; *Government Auditing Standards*, Issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the Audit Provisions of the OMB Uniform Guidance

As stated in our presentation to the Audit Committee on March 1, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles 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. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America; *Government Auditing Standards*, Issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the Audit Provisions of the OMB Uniform Guidance (continued)

Accordingly, we considered the University's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), we examined, on a test basis, evidence about the University's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the University's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the University's compliance with those requirements.

We also considered the internal controls over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting on March 1, 2017.

Qualitative Aspects of Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements. There were no changes in the application of existing policies during 2017.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the estimates in determining they are reasonable in relation to the financial statements taken as a whole.

The most sensitive estimates affecting the financial statements are as follows:

- Fair value of investments
- The collectability of student loans receivable and accounts receivable
- The useful lives of capital assets
- The compensated absence accrual amount
- The classification of net position by type: net investment in capital assets, restricted for expendable, and unrestricted
- The actuarially determined liabilities related to pensions and other post-employment benefit obligations

Financial Statement Disclosures

We believe the disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were Note 12 related to retirement plans, Note 13 related to postemployment benefits (other than pensions) and retiree benefits trust, and Note 17 related to the Foundation.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

There were no other known or likely misstatements identified during the audit, other than those considered trivial.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain written representations from management that are included in the management representation letter dated September 29, 2017.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” in certain situations. If a consultation involves application of an accounting principle to the University’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the University’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the schedule of expenditures of federal awards (supplementary information) accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with U.S. GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility for other information in the management's discussion and analysis on pages 4 through 16 and the schedules of University's proportionate share of net pension liability – PERSI base plan, University contributions – PERSI base plan, funding progress – Retiree Benefits Trust and employer contributions – Retiree Benefits Trust on page 73, which is labeled as “required supplementary information,” includes applying certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

This information is intended solely for the use of Idaho State Board of Education Audit Committee and management of the University and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
September 29, 2017

Lewis-Clark State College

Presentation of Audit Results

November 8, 2017

Scott Simpson, Partner

541-686-1040 scott.simpson@mossadams.com

Primary Contacts at Moss Adams for LCSC

Tammy Erickson, Partner
Sasha Correnti, Manager

5 auditors at LCSC from Moss Adams
1 IT specialists

Fieldwork Dates

Interim Fieldwork
F/S Fieldwork

May 8 - 12
August 28 – September 1

Audit Reporting and Timing

Audit Report Dated	September 27, 2017
Audit Report Issued	September 27, 2017
Auditors Report on Financial Statements	Unmodified
Auditors Report on Compliance	Unmodified
Internal Control Issues Identified & Reported	None Reported
Audit findings related to Compliance Audit	None Reported



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ATTACHMENT 1
LEWIS-CLARK STATE COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
Various	Student Financial Assistance Cluster	<i>Unmodified</i>

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

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

ATTACHMENT 1
LEWIS-CLARK STATE COLLEGE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017



LEWIS-CLARK STATE COLLEGE
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017

FINDING 2016-001 - Borrower Data Transmission and Reconciliation (Direct Loan), Significant Deficiency in Internal Control Over Compliance

<i>CFDA Number(s)</i>	<i>Program Name/Title</i>	<i>Federal Agency/Pass-through Entity</i>	<i>Federal Award Number</i>	<i>Award Year</i>
84.268	Student Financial Assistance Cluster	United States Department of Education	P268K160100	2016

Criteria: Per the compliance requirements for student financial assistance, each month, the Common Origination and Disbursement (COD) provides institutions with a School Account Statement (SAS) data file that consists of a Cash Summary, Cash Detail, and Loan Detail records. The College is required to reconcile these files to their financial records on a monthly basis.

Condition: Monthly reconciliations were not performed on a consistent basis. Evidence of review and approval of reconciliations is not retained by the College and a documented policy and procedure does not currently exist.

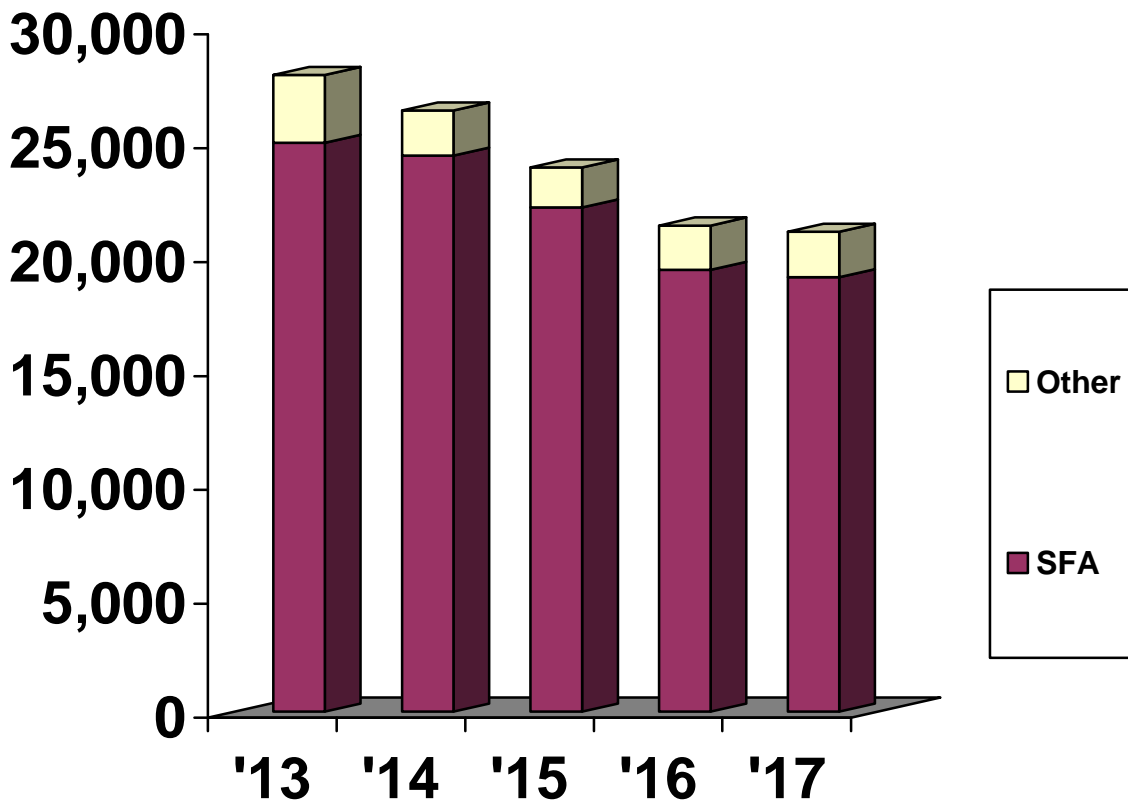
Current Status: Cleared.

Lewis-Clark State College

Presentation of Audit Results – cont.

November 8, 2017

Federal Expenditures 5 Year Trend *(in thousands)*



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*COMMUNICATIONS WITH THOSE
CHARGED WITH GOVERNANCE*

FOR

**IDAHO STATE BOARD OF EDUCATION
LEWIS – CLARK STATE COLLEGE**

June 30, 2017

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Communications with Those Charged with Governance

Idaho State Board of Education
Lewis-Clark State College

We have audited the financial statements of Lewis-Clark State College and its discretely presented component unit, the Lewis-Clark State College Foundation, Inc. (collectively, College) as of and for the year ended June 30, 2017, and have issued our report thereon dated September 27, 2017. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*, Issued by the Comptroller General of the United States of America

As stated in a meeting with the Audit Committee on March 1, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with 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 of America, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we considered the College's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*, Issued by the Comptroller General of the United States of America (continued)

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we examined, on a test basis, evidence about the College's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the College's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the College's compliance with those requirements.

We also considered the internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting on March 1, 2017.

Significant Audit Findings and Issues*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 1 to the financial statements. There were no changes in the application of existing policies during 2017. We noted no transactions entered into by the College during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the estimates in determining they are reasonable in relation to the financial statements taken as a whole.

The most sensitive estimates affecting the financial statements were:

- Allowance for uncollectible accounts receivable
- Useful lives of capital assets
- Valuation of investments
- Actuarial determined liability related to pensions and other post-employment benefit obligations

Financial Statement Disclosures

The disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were disclosure of retirement plans in Note 8 to the financial statements, disclosure of related party transactions in Note 10 to the financial statements, and disclosure of component unit in Note 13 to the financial statements.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We detected no corrected or uncorrected misstatements of the financial statements as part of our audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 27, 2017.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with U.S. GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We do not express an opinion or provide any assurance on the information, other than schedule of expenditures of federal awards, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

⌘ * ⌘

This information is intended solely for the use of the Idaho State Board of Education and management of Lewis-Clark State College and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
September 27, 2017

Boise State University

Presentation of Audit Results

November 8, 2017

Scott Simpson, Partner 541-686-1040 scott.simpson@mossadams.com

Primary Contacts at Moss Adams for BSU

Pam Cleaver, Partner
Brandon Flory, Senior Manager

6 auditors at BSU from Moss Adams
1 IT specialists

Fieldwork Dates

Interim Fieldwork June 5 - 9
F/S Fieldwork August 28 – September 1

Audit Reporting and Timing

Audit Report Dated	October 13, 2017
Audit Report Issued	October 13, 2017
Auditors Report on Financial Statements	Unmodified
Auditors Report on Compliance	Unmodified
Internal Control Issues Identified & Reported	None Reported
Audit findings related to Compliance Audit	Two Reported



SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Number(s)</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
Various	Research & Development Cluster	Unmodified
Various	Student Financial Assistance Cluster	Unmodified
84.027A	Special Education Cluster	Unmodified
11.611	Manufacturing Extension Partnership	Unmodified

Dollar threshold used to distinguish between type A and type B programs:

\$ 952,195

Auditee qualified as low-risk auditee?

Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

**FINDING 2017-001 Reporting
Significant Deficiency in Internal Controls over Compliance, Non-compliance**

Federal Programs: Research and Development Cluster (various CFDA numbers) and Special Education Cluster (CFDA #84.027A)

Criteria:

The University is required to submit financial and performance reports within a specified time frame after a reporting period.

Condition:

The University is not in compliance with the federal requirement requiring timely submission of reports. During our testing of this compliance requirement we found that there were multiple instances of reports submitted after the deadline during fiscal year 2017.

For the Research and Development Cluster, one financial report was filed 4 months after the due date and another financial report was filed 2 days after the due date.

For the Special Education Cluster, one performance report was filed 15 days after the due date and another performance report was filed 13 days after the due date.

Questioned costs:

None.

Context:

Of the 11 financial reports examined for the Research and Development Cluster, 2 were submitted late.

Of the 3 performance reports examined for the Special Education Cluster, 2 were submitted late.

Effect:

Reports were not submitted within the required timeframe.

Cause:

There was insufficient monitoring of the deadlines by the Office of Sponsored Programs.

Repeat finding:

No.

Recommendation:

The University should establish and monitor a control system to ensure all reports are prepared and submitted in accordance with the federal requirements.

Views of responsible officials and planned corrective actions:

BSU implemented a new financial system during FY 2017. The post-award work list and calendaring software in the new financial system did not initially function as expected. Prior to this year's Single Audit and continuing to this date, the Office of Sponsored Programs has focused on enhancing the effectiveness of this software to ensure reporting compliance. OSP management has also implemented a process to review and update all work list deliverables and will monitor report deliverable submissions monthly.

FINDING 2017-002 Reporting
Significant Deficiency in Internal Control over Compliance, Non-compliance

Federal Program: Research and Development Cluster, various CFDA numbers

Criteria:

The University is required to submit financial reports, which are due within a specified timeframe after the reporting period. The federal cash receipts, and federal cash disbursements included in these reports should match or reconcile to the general ledger or other supporting documentation before the reports are filed.

Condition:

During our testing of quarterly SF-425 reports, we noted an instance where the amounts reported on the SF-425 did not match supporting documentation.

Questioned costs:

None.

Context:

Of the 11 financial reports tested, one report did not agree to supporting documentation.

Effect:

The University submitted a report that did not tie to supporting documentation.

Cause:

Due to system conversions during the current fiscal year, there was a lack of a formalized review process to ensure submitted reports agreed to underlying supporting documentation.

Repeat finding:

No.

Recommendation:

We recommend the University ensure all reports are accurate, submitted on a timely basis, and are supported by the general ledger detail or other documents supporting the revenues and expenditures prior to submitting them to the federal awarding agencies.

Views of responsible officials and planned corrective actions:

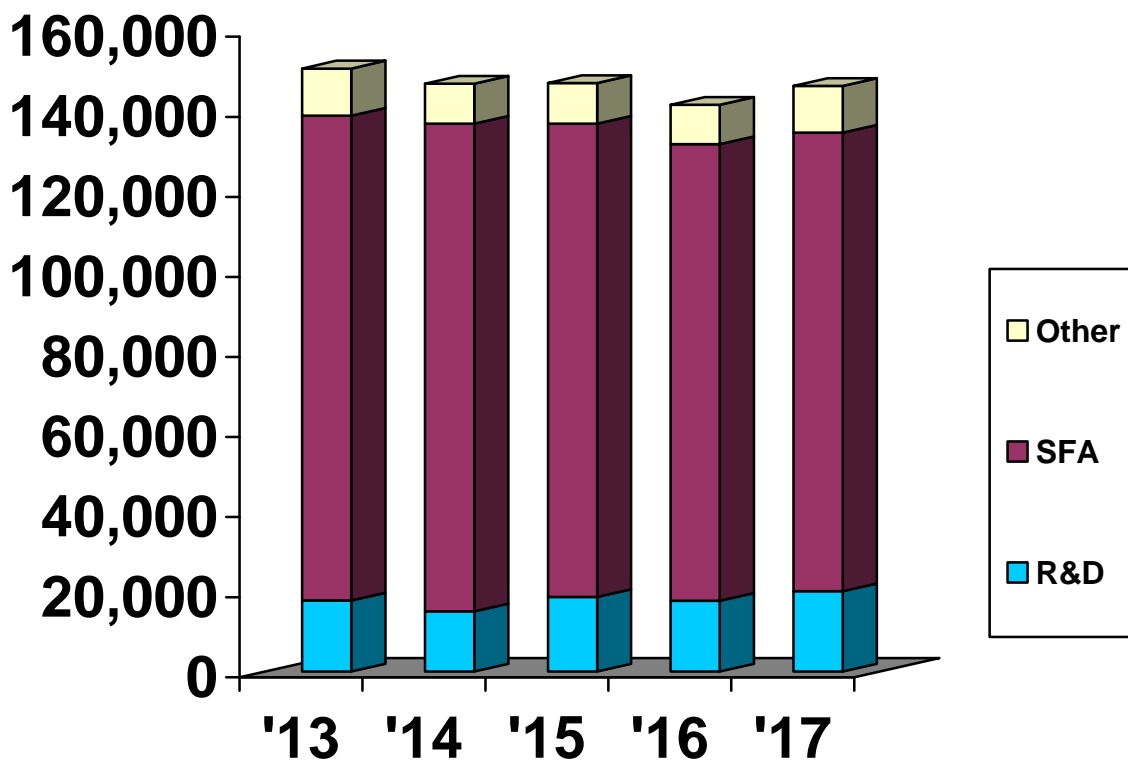
The financial report contained a typographical error and as such did not match the supporting documentation. The supporting financial information was correct, and the correct amount was drawn from the sponsor. OSP will implement a process to review financial reports for typographical errors.

Boise State University

Presentation of Audit Results – cont.

November 8, 2017

Federal Expenditures 5 Year Trend *(in thousands)*





Communications with Those Charged with Governance

To the Audit Committee of the
Idaho State Board of Education

We have audited the financial statements of Boise State University (the University) and its discretely presented component unit, Boise State University Foundation, Inc. (Foundation) as of and for the years ended June 30, 2017 and 2016, and have issued our report thereon dated October 13, 2017. We did not audit the financial statements of Boise State University Foundation, Inc., a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of other auditors. In addition, this required information does not include the other auditors' audit results or other matters that are reported on separately by other auditors. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and *Government Auditing Standards*, Issued by the Comptroller General of the United States of America

As stated in the meeting with the Audit Committee on March 8, 2017, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with 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 of America, and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we considered the University's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we examined, on a test basis, evidence about the University's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on the University's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the University's compliance with those requirements.

We also considered the internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Uniform Guidance.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting on March 8, 2017.

Qualitative Aspects of Accounting Practices

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements. There were no changes in the application of existing policies during 2017 except for the implementation of GASB Statement No. 79 – *Certain External Investment Pools and Pool Participants* and GASB Statement No. 82 – *Pension Issues*, as described in Note 1 to the financial statements. We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the estimates in determining they are reasonable in relation to the financial statements taken as a whole.

The most sensitive estimates affecting the financial statements were:

- Allowance for uncollectible accounts receivable at June 30, 2017
- Useful lives of capital assets
- Valuation of investments

- Actuarial determined liability related to pensions and other post-employment benefit obligations

Financial Statement Disclosures

We believe the disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Note 8 - Bonds and notes payable

Note 10 - Retirement plans and post retirement use of unused sick leave

Note 11 - Pension plans

Note 12 - Postemployment benefits other than pensions

Note 14 - Component unit - Boise State University Foundation

Significant Difficulties Encountered in Performing the Audit

The Audit Committee should be informed of any significant difficulties encountered in dealing with management related to the performance of the audit.

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no material misstatements detected as a result of our audit procedures which required correction by management, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 13, 2017.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the University's financial statements, or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with U.S. GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

This information is intended solely for the use of the Audit Committee of the Idaho State Board of Education and management of Boise State University and is not intended to be, and should not be, used by anyone other than these specified parties.

Moss Adams LLP

Eugene, Oregon
October 13, 2017

Idaho State University

Presentation of Audit Results

November 8, 2017

Scott Simpson, Partner 541-686-1040 scott.simpson@mossadams.com

Primary Contacts at Moss Adams for ISU

Scott Simpson, Partner
Kyle Hauser, Manager

5 auditors at ISU from Moss Adams
2 IT specialists

Fieldwork Dates

Interim Fieldwork	May 30 – June 2
F/S Fieldwork	August 28 – September 1

Audit Reporting and Timing

Audit Report Dated	October 13, 2017
Audit Report Issued	October 13, 2017
Auditors Report on Financial Statements	Unmodified
Auditors Report on Compliance	Unmodified
Internal Control Issues Identified & Reported	One Reported
Audit findings related to Compliance Audit	None Reported



**IDAHO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

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 No
- Significant deficiency(ies) identified? Yes No
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Programs</i>
Various	Student Financial Assistance Cluster	Unmodified
Various	Research & Development Cluster	Unmodified

- Dollar threshold used to distinguish between type A and type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

FINDING 2017-001 – Lack of Manual Journal Entry Review, Significant Deficiency in Internal Controls

Criteria:

Manual journal entries should be reviewed by an individual separate from the individual posting the entry to the general ledger.

**IDAHO STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2017**

Condition:

Certain manual entries posted to the general ledger showed no evidence of review. This appeared to be isolated to one individual.

Context:

It was observed that certain manual entries posted to the general ledger showed no evidence of review.

Effect:

Without a secondary review of manual journal entries, misstatements posted to the general ledger could go undetected.

Cause:

Over the past few years, significant turnover in the finance and accounting department and this situation appeared to be isolated to one individual.

Recommendation:

We recommend that the University review all of their policies and procedures surrounding manual journal entries, such that all manual journal entries be formally reviewed and that evidence of review is documented.

Views of responsible officials and planned corrective actions:

In March of 2017, we initiated a self-generated transition and reorganization of our controller's office staff. Subsequently, through a course of internal assessment management has looked at ways to improve processes and workflow. We acknowledge the identified control weakness of journal entry review. As a result, we have implemented the practice of having secondary review and sign off for all journal entries.

Section III - Federal Award Findings and Questioned Costs

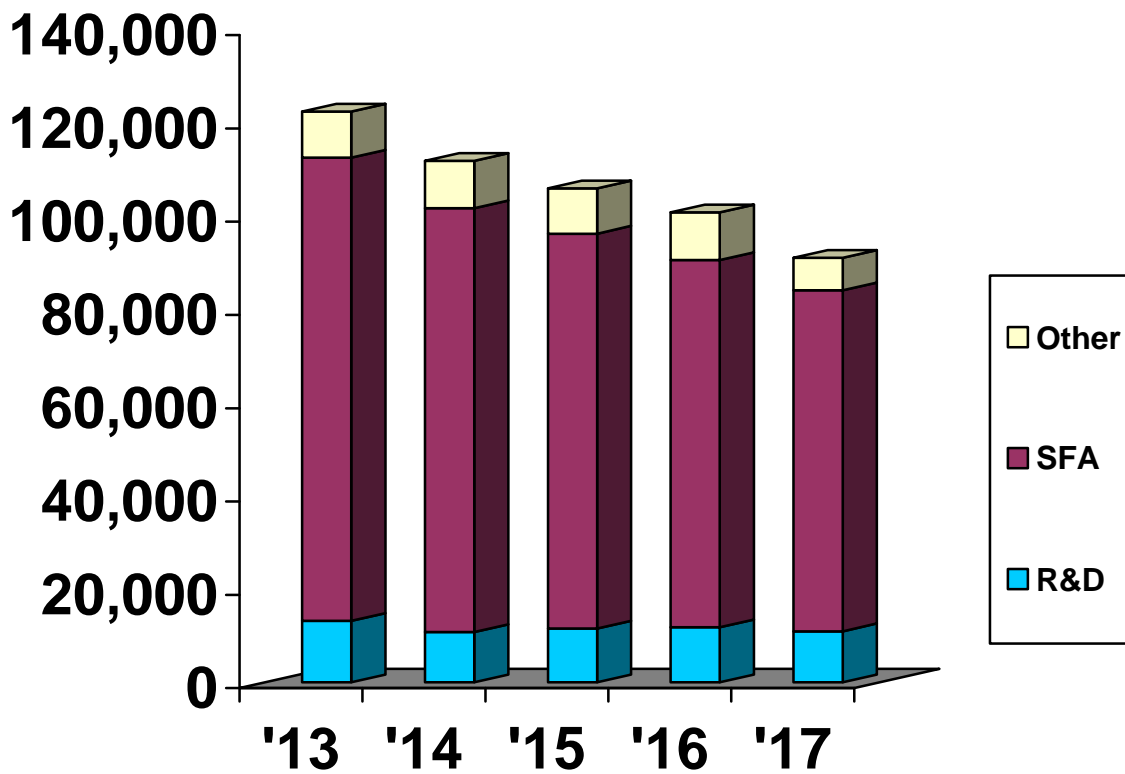
None

Idaho State University

Presentation of Audit Results – cont.

November 8, 2017

Federal Expenditures 5 Year Trend *(in thousands)*



*COMMUNICATIONS WITH THOSE
CHARGED WITH GOVERNANCE*

FOR

IDAHO STATE UNIVERSITY

June 30, 2017



Communications with Those Charged with Governance

To the Audit Committee
Idaho State Board of Education

We have audited the financial statements of Idaho State University (University) and its discretely presented component unit; Idaho State University Foundation, Inc. as of and for the year ended June 30, 2017, and have issued our report thereon dated October 13, 2017. We did not audit the financial statements of Idaho State University Foundation, Inc., a discretely presented component unit, as described in Note 13. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of other auditors. In addition, this required information does not include the other auditors' audit results or other matters that are reported on separately by other auditors. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in The United States of America Government Auditing Standards, Issued by the Comptroller General of the United States of America

As stated in our engagement contract dated November 18, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles 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. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we considered University's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.



Our Responsibility Under Auditing Standards Generally Accepted in The United States of America Government Auditing Standards, Issued by the Comptroller General of the United States of America (continued)

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we examined, on a test basis, evidence about the University's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the University's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the University's compliance with those requirements.

We also considered the internal controls over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in the management's discussion and analysis as listed in the table of contents and certain information in Note 10, Pension Plan, and Note 11, Postemployment Benefits Other Than Pensions, labeled as "required supplementary information", and the schedule of expenditures and federal awards, includes applying certain limited procedures to the required supplementary information and other supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting on March 1, 2017.



Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2017. We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the allowance for uncollectible accounts receivable, the useful lives of capital assets, the valuation of investments, and the actuarially determined liability related to other post employment benefit obligations and pension liability. We evaluated the key factors and assumptions used to develop management's estimates in determining they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

We believe the disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We believe the most sensitive disclosures affecting the financial statements were Note 7 related to noncurrent liabilities, Notes 10 and 11 related to retirement plans, and Note 13 related to the component unit.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no material misstatements detected as a result of our audit procedures which required correction by management, either individually or in the aggregate, to the financial statements taken as a whole.



Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 13, 2017.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the University's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with U.S. GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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This information is intended solely for the use of Idaho State Board of Education Audit Committee and management of Idaho State University and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
October 13, 2017

Eastern Idaho Technical College

Presentation of Audit Results

November 8, 2017

Scott Simpson, Partner 541-686-1040 scott.simpson@mossadams.com

Primary Contacts at Moss Adams for EITC

Scott Simpson, Partner
Kyle Hauser, Manager

4 auditors at EITC from Moss Adams

Fieldwork Dates

Interim Fieldwork May 22 - 26
F/S Fieldwork August 22 - 25

Audit Reporting and Timing

Audit Report Dated	October 20, 2017
Audit Report Issued	October 20, 2017
Auditors Report on Financial Statements	Unmodified
Auditors Report on Compliance	Unmodified
Internal Control Issues Identified & Reported	None Reported
Audit findings related to Compliance Audit	None Reported



Eastern Idaho Technical College
June 30, 2017

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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 No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

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

Identification of Major Federal Programs and Type of Auditor's Report Issued on Compliance for Major Federal Programs

<i>CFDA Number(s)</i>	<i>Name of Major Federal Program or Cluster</i>	<i>Type of Auditor's Report Issued on Compliance for Major Federal Program(s)</i>
Various	Student Financial Assistance Cluster	<i>Unmodified</i>

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

Auditee qualified as low-risk auditee? Yes No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

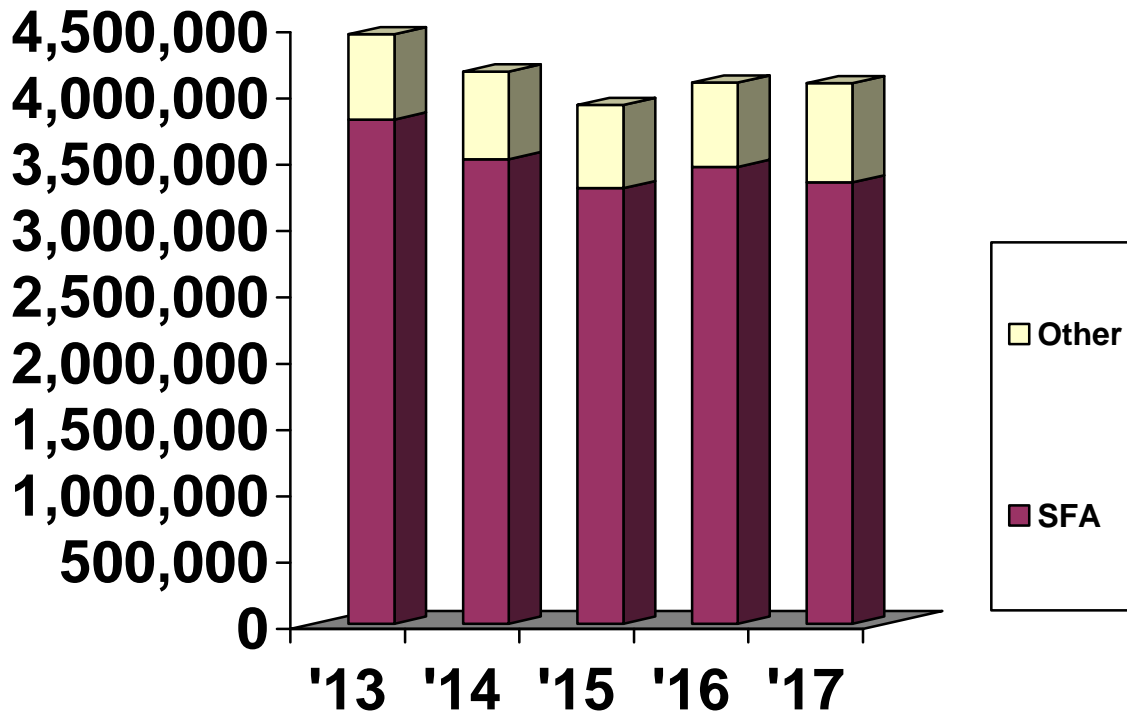
None reported

Eastern Idaho Technical College

Presentation of Audit Results – cont.

November 8, 2017

Federal Expenditures 5 Year Trend



*COMMUNICATIONS WITH THOSE
CHARGED WITH GOVERNANCE*

FOR

Eastern Idaho Technical College

June 30, 2017



Communications with Those Charged with Governance

To the Audit Committee
Idaho State Board of Education

We have audited the financial statements of Eastern Idaho Technical College (College) and its discretely presented component unit; Eastern Idaho Technical College Foundation, Inc. as of and for the year ended June 30, 2017, and have issued our report thereon dated October 20, 2017. We did not audit the financial statements of Eastern Idaho Technical College Foundation, Inc., a discretely presented component unit, as described in Note 9. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for that component unit, is based solely on the report of other auditors. In addition, this required information does not include the other auditors' audit results or other matters that are reported on separately by other auditors. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under Auditing Standards Generally Accepted in The United States of America Government Auditing Standards, Issued by the Comptroller General of the United States of America

As stated in our engagement contract dated November 18, 2015, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles 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. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in Government Auditing Standards and to design the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we considered College's internal control solely for the purposes of determining our audit procedures and not to provide assurance concerning such internal control.



Our Responsibility Under Auditing Standards Generally Accepted in The United States of America Government Auditing Standards, Issued by the Comptroller General of the United States of America (continued)

We are also responsible for communicating significant matters related to the financial statement audit that, in our professional judgment, are relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests on its compliance with certain provisions of laws, regulations, contracts, and grants, 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. Also, in accordance with Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), we examined, on a test basis, evidence about the College's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement applicable to each of its major federal programs for the purpose of expressing an opinion on the College's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the College's compliance with those requirements.

We also considered the internal controls over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance.

Other Information in Documents Containing Audited Financial Statements

Our responsibility for other information in the management's discussion and analysis as listed in the table of contents and certain information in Note 7, Pension Plan, and Note 8, Postemployment Benefits Other Than Pensions, labeled as "required supplementary information", and the schedule of expenditures and federal awards, includes applying certain limited procedures to the required supplementary information and other supplementary information in accordance with auditing standards generally accepted in the United States of America. These limited procedures consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting on March 1, 2017.



Significant Audit Findings and Issues

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 1 to the financial statements. No new accounting policies were adopted and there were no changes in the application of existing policies during 2017. We noted no transactions entered into by the College during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the allowance for uncollectible accounts receivable, the useful lives of capital assets, and the actuarially determined liability related to other post employment benefit obligations and pension liability. We evaluated the key factors and assumptions used to develop management's estimates in determining they are reasonable in relation to the financial statements taken as a whole.

Financial Statement Disclosures

We believe the disclosures in the financial statements are consistent, clear, and understandable. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. We believe the most sensitive disclosures affecting the financial statements were Notes 7 and 8 related to retirement plans, and Note 9 related to the component unit.

Significant Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all factual and judgmental misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no material misstatements detected as a result of our audit procedures which required correction by management, either individually or in the aggregate, to the financial statements taken as a whole.



Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 20, 2017.

Management Consultation with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" in certain situations. If a consultation involves application of an accounting principle to the College's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the College's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine the information complies with U.S. GAAP, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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This information is intended solely for the use of Idaho State Board of Education Audit Committee and management of Eastern Idaho Technical College and is not intended to be, and should not be used by anyone other than these specified parties.

Moss Adams LLP

Portland, Oregon
October 20, 2017

Idaho State Board of Education
Presentation of Audit Results – cont.

November 8, 2017

We are proud to be the auditor for Idaho Colleges and Universities and would like to extend our thanks to the Board Members, the Office of the State Board, and the Institutions.

Questions & Comments?

MOSS-ADAMS LLP

Certified Public Accountants and Business Consultants