



Federal Awards Reports in Accordance with the Uniform
Guidance
June 30, 2021

Western Oregon University

Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 1

Independent Auditor’s Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance..... 3

Schedule of Expenditures of Federal Awards 6

Notes to Schedule of Expenditures of Federal Awards 9

Schedule of Findings and Questioned Costs 10



Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
Western Oregon University
Monmouth, Oregon

We have audited, 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, the financial statements of the Western Oregon University (the University) and its discretely presented component unit, as of and for the year ended June 30, 2021, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2021. Our report includes a reference to other auditors who audited the financial statements of Western Oregon University Development Foundation (the Foundation), as described in our report on the University’s financial statements. The audit of the financial statements of the Foundation were not performed in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance that are reported on separately by those auditors of Western Oregon University Development Foundation.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University'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 University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’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 entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University'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 financial statements. 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed name and date.

Boise, Idaho
March 15, 2022



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

To the Board of Trustees
Western Oregon University
Monmouth, Oregon

Report on Compliance for the Major Federal Program

We have audited Western Oregon University’s (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the University’s major federal program for the year ended June 30, 2021. The University’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance for the University’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the major federal programs occurred. An audit includes examining, on a test basis, evidence about the University’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the University’s compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and 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 compliance requirement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a material weakness.

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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the 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 University and its discretely presented component unit as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated December 15, 2021, 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho

March 15, 2022, except for our report on the schedule of expenditures of federal awards, for which the date is December 15, 2021.

Western Oregon University
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
Department of Education				
<u>Direct Programs</u>				
Student Financial Aid Cluster:				
Federal Supplemental Educational Opportunity Grants	84.007	Not Applicable	\$ 276,320	\$ -
Federal Work-Study Program	84.033	Not Applicable	235,749	-
Federal Perkins Loans	84.038	Not Applicable	2,998,872	-
Federal Pell Grant Program	84.063	Not Applicable	6,944,680	-
Federal Direct Student Loans	84.268	Not Applicable	18,987,252	-
Teacher Education Assistance for College & Higher Education Grants	84.379	Not Applicable	175,683	-
Total Student Financial Aid Cluster			<u>29,618,556</u>	<u>-</u>
TRIO Cluster:				
TRIO Student Support Services	84.042	Not Applicable	456,022	-
TRIO Upward Bound	84.047	Not Applicable	289,127	-
Total TRIO Cluster:			<u>745,149</u>	<u>-</u>
Rehabilitation Services				
Vocational Rehabilitation Grants to States	84.126	DHS Agreement 161953	76,860	-
Rehabilitation Long-Term Training	84.129	Not Applicable	394,287	-
Training Interpreters for Individuals who are Deaf and Individuals who are Deaf-Blind	84.160	DASPS-2342-15 AMDMT #1	337,739	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	Not Applicable	232,169	-
Passed -through:				
CEEDAR Center				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	ODE Subgrant 43119	8,006	-
Oregon State University				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325	OSU Subaward ED197A-A	47,796	-
Subtotal CFDA 84.325			<u>287,971</u>	<u>-</u>
Special Education Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities				
COVID - 19: Higher Education Emergency Relief Student Aid Portion	84.326	Not Applicable	126,245	-
COVID - 19: Higher Education Emergency Relief Aid Portion	84.425E	Not Applicable	2,793,385	-
COVID - 19: Higher Education Emergency Relief Institutional Portion	84.425F	Not Applicable	11,384,384	-
Subtotal CFDA 84.425			<u>14,177,769</u>	<u>-</u>
<u>Total Department of Education Direct Programs</u>			<u>45,764,576</u>	<u>-</u>

Western Oregon University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
<u>Pass-Through Programs</u>				
Oregon Department of Education Special Education Grants to States(IDEA, Part B)	84.027	ODE SUBAWARD 54284	33,477	-
Total Department of Education			<u>45,798,053</u>	<u>-</u>
Department of Health and Human Services				
<u>Pass-Through Programs</u>				
Oregon Department of Education 477 Cluster				
Child Care and Development Block Grant	93.575	ODE 13898	1,564,447	-
Child Care and Development Block Grant	93.575	ODE AGREEMENT 12501	214,267	-
Child Care and Development Block Grant	93.575	ODE Agreement 11407 ADM 1	74,805	-
Subtotal CFDA 93.575			1,853,519	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	ODE Agreement 12688	1,064,839	89,640
Total 477 Cluster			<u>2,918,358</u>	<u>89,640</u>
Strength Public Health Systems to Improve Protect Nation's Oregon Childhood Development Coalition Research and Development Cluster:	93.421	ODE Agreeemnt 12941	300,812	-
Head Start	93.708	Letter of Agreement	14,408 *	-
Total Department of Health and Human Services			<u>3,233,578</u>	<u>89,640</u>
Department of Justice				
<u>Direct Programs</u>				
Crime Victim Assistance	16.575	Not Applicable	15,649	-
Public Safety Partnership and Community Policing Grants	16.710	Not Applicable	731	-
Edward Byrne Memorial Competitive Grant Program	16.751	Not Applicable	731	-
<u>Total Department of Justice Direct Programs</u>			<u>17,111</u>	<u>-</u>
<u>Pass-Through Programs</u>				
Tribal Law and Policy Institute				
Tribal Court Assistance Program	16.608	UND0024465-S1	107,833	-
Tribal Court Assistance Program	16.608	TLPI SUB-CONTRACT	15,122	-
<u>Total Department of Justice Pass-Through Programs</u>			<u>122,955</u>	<u>-</u>
Total Department of Justice			<u>140,066</u>	<u>-</u>

Western Oregon University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal Financial Assistance Listing	Pass-Through Entity Identifying Number	Federal Expenditures	Amounts Passed-Through to Subrecipients
National Science Foundation				
Passed -through:				
University of Alabama Education and Human Resources	47.076	A21-0014-S001	20,784	-
Research and Development Cluster:				
Oregon State University Social, Behavioral, and Economic Sciences	47.075	S2241B-A	25,793 *	-
Pacific Luthern University Education and Human Resources	47.076	2020-4843-TRI-SG	<u>7,930 *</u>	<u>-</u>
Total National Science Foundation			<u>54,507</u>	<u>-</u>
Department of Treasury				
Passed -through:				
Oregon Health Authority COVID-19: Coronavirus Relief Fund	21.019	Not Available	152,487	-
Polk County, Oregon COVID-19: Coronavirus Relief Fund	21.019	IGA 2021-4928-LEG-DM	<u>165,258</u>	<u>-</u>
Total Department of Treasury			<u>317,745</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 49,543,949</u>	<u>\$ 89,640</u>
* Subtotal of the Research and Development Cluster			<u>\$ 48,131</u>	

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Western Oregon University (the University) under programs of the federal government for the year ended June 30, 2021. The information 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 University, it is not intended and does not present the financial position, changes in net position, or cash flows of the University.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the schedule are recognized on the accrual basis of accounting except for expenditures passed through to sub-recipients, which are recognized on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

The University has not elected to use the 10% de minimis cost rate.

Note 4 - Federal Student Loan Programs

The federal student loan programs listed subsequently are administered directly by the University and balances and transactions relating to these programs are included in the University's basic financial statements. Loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding at June 30, 2021, consists of:

<u><i>Federal Financial Assistance Listing</i></u>	<u><i>Program Name</i></u>	<u><i>Outstanding Balance at June 30, 2021</i></u>
84.038	Federal Perkins Loan Program	\$2,331,666

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
COVID-19: CARES Act Higher Education Emergency Relief Fund - Student	84.425E
COVID-19: CARES Act Higher Education Emergency Relief Fund - Institutional	84.425F
Dollar threshold used to distinguish between type A and type B programs:	\$1,486,318
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

There were no findings relating to the financial statement audit.

Section III – Federal Award Findings and Questioned Costs

2021-001

Direct Programs – Department of Education

Federal Financial Assistance Listing: 84.007, 84.033, 84.063, 84.038, 84.268, 84.379

Student Financial Aid Cluster

Special Tests and Provisions: NSLDS Withdrawal Date

Significant Deficiency in Internal Controls over Compliance

Criteria:

34 CFR section 685.309 states that an Institution shall ensure that all information reported to the Department of Education is within the required time frame. The NSLDS Enrollment Reporting Guide further states that the information that is reported to the Department of Education is accurate in addition to timely.

Condition:

During our testing of students that were disbursed financial aid during the 2020-21 school year, there were four instances in which the students' status change date per University records did not match the dates reported to NSLDS.

Cause:

The withdrawal date was incorrectly reported to NSLDS.

Effect:

The withdrawal date for 4 of the 45 students sampled for Status Change testing was reported incorrectly to NSLDS.

Questioned Costs:

None.

Context/Sampling:

A non-statistical sample of 45 students out of 224 students were selected for testing.

Repeat Finding from Prior Year(s):

Yes, see finding 2020-001.

Recommendation:

We recommend that the University implement a control process in which the NSLDS system is updated between the Registrar's office and the Student Financial Aid's office. The University should also periodically monitor this process to ensure that it is working effectively.

Views of Responsible Officials

Management agrees with the finding.

2021-002

Direct Programs – Department of Education

Federal Financial Assistance Listing: 84.425E, 84.425F

COVID – 19: Higher Education Emergency Relief Student Aid Portion, COVID – 19: Higher Education Emergency Relief Institutional Portion

Reporting

Material Weakness in Internal Controls over Compliance

Criteria:

The CARES Act 18004(e) and the CRRSAA 314(e) requires an institution receiving funds under HEERF I and HEERF II to submit a report to the secretary, at such time in such a manner as the secretary may require.

Condition:

During our testing over the reporting for the HEERF student and institutional Funds, the reports that were required to be filed during the fiscal year were not filed by the required timeframe.

Cause:

The University did not have an adequate control system in place to ensure that the reports required to be filed for HEERF student and institutional funds were filed timely.

Effect:

The reports required to be filed for the HEERF Student and Institutional funds were not filed timely.

Questioned Costs:

None

Context/Sampling:

All reports required to be filed during the year for the HEERF student and institutional funds were tested (a total of 6 reports were filed during the fiscal year).

Repeat Finding from Prior Year(s):

No.

Recommendation:

Management should have a process in place to ensure that all reports are filed within the required timeframe.

Views of Responsible Officials

Management agrees with the finding.