

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,  
YEAR ENDED JUNE 30, 2021**

1. **Division and Department:** Finance and Administration, Controller's Office
2. **Introduction:** The Schedule of Expenditures of Federal Awards, Year Ended June 30, 2021 (Schedule) for Oakland University (University) has been completed (Attachment A).

The audit opinion of Plante & Moran, P.L.L.C. (P&M) states, in part:

"In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole."

**"Internal Control Over Financial Reporting"**

"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"**

"The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards."

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

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

**"Report on Internal Control Over Compliance"**

"Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control

**Schedule of Expenditures of Federal Awards,  
Year Ended June 30, 2021  
Oakland University  
Board of Trustees  
Audit Committee  
April 14, 2022  
Page 2**

over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a material weakness.”

“The University’s response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The University’s response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.”

Representatives from P&M will present the Schedule to the Board of Trustees’ Audit Committee.


3. **Previous Board Action:** As a result of a competitive bid process, the public accounting firm Plante & Moran was appointed by the Board of Trustees (Board) on February 13, 2017, and reappointed on April 9, 2018, April 8, 2019, April 6, 2020 and April 12, 2021.
4. **Budget Implications:** The annual financial audits are budgeted for in the General Fund. No budget variances have occurred or are expected.
5. **Educational Implications:** None.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** The Schedule was prepared by the Controller’s Office and reviewed by the Interim Vice President for Finance and Administration, and President, and audited by P&M.
8. **Board Action to be Requested:** At the April 14, 2022 Formal Session, the Board will be asked to accept the Schedule.
9. **Attachments:**
  - A. Schedule of Expenditures of Federal Awards, Year Ended June 30, 2021

Schedule of Expenditures of Federal Awards,  
Year Ended June 30, 2021  
Oakland University  
Board of Trustees  
Audit Committee  
April 14, 2022  
Page 3

Submitted by Interim Vice President for Finance and Administration  
and Treasurer James L. Hargett:

  
(Please initial)

Reviewed by Secretary Joshua D. Merchant:

  
(Please initial)

Reviewed by President Ora Hirsch Pescovitz, M.D.:

  
(Please initial)

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# Oakland University

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**Federal Awards Supplemental Information**  
**June 30, 2021**

**Independent Auditor's Reports**

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	2-3
Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	4-5
<b>Schedule of Expenditures of Federal Awards</b>	6-9
<b>Notes to Schedule of Expenditures of Federal Awards</b>	10
<b>Schedule of Findings and Questioned Costs</b>	11-14

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Trustees  
Oakland University

We have audited the basic financial statements of Oakland University as of and for the year ended June 30, 2021 and have issued our report thereon dated October 7, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 7, 2021.

The accompanying schedule of expenditures of federal awards is presented for the purpose 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

April 1, 2022

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*

**Independent Auditor's Report**

To Management and the Board of Trustees  
Oakland University

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 Oakland University (the "University"), a component of the State of Michigan, as of June 30, 2021 and the related notes to the financial statements, which collectively comprise Oakland University's basic financial statements, as listed in the table of contents, and have issued our report thereon dated October 7, 2021.

**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 opinion 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 University'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*.

To Management and the Board of Trustees  
Oakland University

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

*Plante & Moran, PLLC*

October 7, 2021



Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

**Independent Auditor's Report**

To the Board of Trustees  
Oakland University

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

We have audited Oakland University's (the "University") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the University's major federal programs for the year ended June 30, 2021. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the 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* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 each 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 types of compliance requirements referred to above that could have a direct and material effect on the major federal programs 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 types of 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.

To the Board of Trustees  
Oakland University

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as Finding 2021-001, that we consider to be a material weakness.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs and/or corrective action plan. The University's response was not subjected to the auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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.

*Plante & Morse, PLLC*

April 1, 2022

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Total Amount Provided to Subrecipients
<b>Research and Development Cluster:</b>				
U.S. Department of Health and Human Services -				
National Institutes of Health:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	N/A	\$ 364,995	\$ 70,463
Biomedical Research and Research Training	93.859	N/A	281,844	-
Lung Diseases Research	93.838	N/A	28,112	-
Blood Diseases and Resources Research	93.839	N/A	444,497	-
Cancer Treatment Research	93.395	N/A	203,099	-
Cardiovascular Diseases Research - Passed through Blood Center of Wisconsin	93.837	2R01HL068835-13	5,973	-
Vision Research	93.867	N/A	113,708	-
Diabetes, Digestive and Kidney Disease Research	93.847	N/A	34,524	-
Environmental Health - Passed through Duke University	93.113	N/A	6,094	-
Alcohol Research Programs	93.273	R43AA028456	18,782	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	R03EB028070	38,853	25,490
National Institute on Disability, Independent Living, and Rehabilitation Research - Passed through University of Illinois	93.433	16227	1,533	-
HIV-Related Training and Technical Assistance Research - Passed through University of Illinois	93.145	N/A	10,044	-
Strengthening Public Health Laboratories - Passed through the State of Michigan	93.322	N/A	19,958	-
Family Smoking Prevention and Tobacco Control Act Regulatory Research Passed through Texas Tech University	93.077	R01DA049737	99,535	-
Drug Abuse and Addiction Research Programs - Passed through Texas Tech University	93.279	R01DA029121	170,879	-
Extramural Research Programs in the Neurosciences and Neurological Disorders:				
Passed through The University of Minnesota	93.853	N/A	62,176	-
Passed through the National Institute of Health	93.853	R15NS116511	73,562	-
Passed through Texas Tech University	93.853	R01NS117906	170,180	-
National Science Foundation:				
Social, Behavioral, and Economic Sciences - Passed through Florida A&M University	47.075	FAMU-NSF-1853794	2,196	-
Mathematical and Physical Sciences	47.049	N/A	134,338	-
Education and Human Resources	47.076	N/A	150,258	-

## Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures	Total Amount Provided to Subrecipients
<b>Research and Development Cluster (Continued):</b>				
National Science Foundation (Continued):				
Engineering Grants	47.041	N/A	\$ 744,237	\$ 13,752
Computer and Information Science and Engineering	47.070	N/A	107,544	-
Biological Sciences	47.074	N/A	285,735	-
Geosciences	47.050	N/A	42,838	-
U.S. Department of Agriculture:				
Agriculture and Food Research Initiative - Passed through Wayne State University	10.310	WSU15068	19,439	-
Team Nutrition Grants - Passed through Michigan Department of Education	10.574	198MI155N3503	16,743	-
U.S. Department of Defense - United States Air Force:				
Air Force Defense Research Sciences Program	12.800	N/A	111,021	-
Air Force Defense Research Sciences Program:				
Passed through University of Central Florida	12.800	FA9559-19-1-0307	96,398	-
Passed through University of Michigan	12.800	FA9550-18-1-0287	112,973	-
National Center for Manufacturing Sciences:				
Basic Research Support Grant	12.RD	N/A	208,044	-
Basic Research Support Grant	12.431	N/A	103,627	-
Military Medical Research and Development - Passed through University of Michigan	12.420	N/A	44,107	-
GenCyber Grants Program	12.903	N/A	38,049	-
Basic and Applied Scientific Research	12.300	N/A	1,998	-
Research and Technology Development:				
Passed through University of Michigan	12.910	SUBK00011792	137,498	-
Passed through University of Chicago	12.910	AWD101860	60,483	-
U.S. Department of Energy -				
Nuclear Energy Research, Development and Demonstration - Passed through Pacific Northwest National Laboratory	81.121	PNNL-DOE-485894	88,248	-
Conservation Research and Development Research and Technology Development - Passed through Argonne National Laboratory	81.086	N/A	3,348	-
Electricity Research, Development and Analysis - Passed through Idaho National Laboratory	81.000	DE-AC02-06CH11357	1,196	-
National Aeronautics and Space Administration - Office of Stem Engagement Grant - Passed through the Michigan Office of STEM Engagement	81.222	BEA240997	16,536	-
United States Environmental Protection Agency - Great Lakes Program	43.008	3004457039	63,235	-
	66.469	N/A	10,010	-
<b>Total Research and Development Cluster</b>			<b>4,748,447</b>	<b>109,705</b>

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Grant Award/Pass-through Identifying Number	Federal Expenditures	Total Amount Provided to Subrecipients
<b>Student Financial Assistance Cluster:</b>				
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	\$ 1,245,586	\$ -
Federal Work-Study Program	84.033	N/A	366,510	-
Federal Perkins Loan Program	84.038	N/A	756,128	-
Federal Pell Grant Program	84.063	N/A	21,852,813	-
William D. Ford Federal Direct Loan Program	84.268	N/A	94,671,638	-
Federal TEACH Grant	84.379	N/A	122,718	-
<b>Total Student Financial Assistance Cluster</b>			119,015,393	-
<b>TRIO Cluster</b>				
U.S. Department of Education - Upward Bound	84.047	N/A	555,010	-
<b>Other Federal Awards</b>				
U.S. Department of Education:				
Education Stabilization Fund:				
COVID-19 - Higher Education Emergency Relief Fund - Student Portion	84.425E	P425E201974	8,044,061	-
COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion	84.425F	P425F202929	38,941,536	-
Total HEERF			46,985,597	-
MDE Child Care Relief	84.335	N/A	42,600	-
Gaining Early Awareness and Readiness for Undergraduate Programs:				
Passed through State of Michigan	84.334	N/A	34	-
Passed through State of Michigan	84.334	16-00-09	34,000	-
Total Department of Education			47,062,231	-
U.S. Department of the Treasury -				
Coronavirus Relief Funds (CRF):				
COVID-19 - Passed through Macomb County, Michigan	21.019	N/A	354,262	-
COVID-19 - Passed through Oakland County, Michigan	21.019	N/A	500,000	-
COVID-19 - Passed through Oakland County, Michigan	21.019	N/A	50,000	-
COVID-19 - Passed through State of Michigan	21.019	N/A	6,245,438	148,000
Total CRF			7,149,700	148,000

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Agency/Pass-through Agency/Program Title	CFDA Number	Grant Award/Pass-through Identifying Number	Federal Expenditures	Total Amount Provided to Subrecipients
United States Department of Health and Human Services:				
Basic Instruction Grant, Nurse Anesthetist Training	93.124	N/A	\$ 32,185	\$ -
Fostering Futures Scholarship passed through State of Michigan	93.558	N/A	10,500	-
Total United States Department of Health and Human Services			42,685	-
United States Department of Commerce - Economic Adjustment Assistance	11.307	N/A	58,582	20,940
National Endowment for the Humanities - Promotion of the Humanities Division of Preservation and Access	45.149	N/A	6,976	-
Total other federal awards			54,320,174	20,940
<b>Total Federal Awards</b>			<b>\$ 178,639,024</b>	<b>\$ 130,645</b>

## Notes to Schedule of Expenditures of Federal Awards

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Year Ended June 30, 2021

### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Oakland University (the "University") under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to 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 reported on the same basis of accounting as the University's basic financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement except for expenditures related to CFDA 21.019, Coronavirus Relief Fund (CRF). CRF does not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of the Treasury's guidance and frequently asked questions, as outlined in the 2021 Compliance Supplement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The pass-through entity identifying numbers are presented where available.

The University has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs, as allowed under the Uniform Guidance.

### Note 3 - Adjustments and Transfers

As allowable and in accordance with federal regulations issued by the U.S. Department of Education, in the year ended June 30, 2021, the College transferred \$549,564 of the 2020-2021 Federal Work-Study Program (84.033) award to the Federal Supplemental Education Opportunity Grant (84.007) award, which it expended in the 2020-2021 award year.

### Note 4 - Federal Perkins Loan Program

The University utilizes the services of University Accounting Services, Inc. (UAS) to administer the repayment of Perkins Loans and perform certain due diligence procedures. The UAS Compliance Attestation Examination of the Title IV Student Financial Assistance Programs report for the fiscal year ended June 30, 2021 was received and reviewed. No significant items of noncompliance or control weaknesses were noted. There was \$594,572 of Federal Perkins Loans (CFDA Number 84.038) outstanding as of June 30, 2021.

There were no program disbursements under the Federal Perkins Loans program for the year ended June 30, 2021.

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## Schedule of Findings and Questioned Costs

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**Schedule of Findings and Questioned Costs**

Year Ended June 30, 2021

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?        Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   None reported

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?   X   Yes        No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?        Yes   X   None reported

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster	Opinion
84.007, 84.033, 84.038, 84.063, 84.268, 84.379 84.425E, 84.425F 21.019	Student Financial Assistance Cluster Education Stabilization Fund Coronavirus Relief Fund (CRF)	Unmodified Unmodified Unmodified

Dollar threshold used to distinguish between type A and type B programs: \$1,788,709

Auditee qualified as low-risk auditee?   X   Yes        No

**Section II - Financial Statement Audit Findings**

Reference Number	Finding
Current Year	None

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2021-001	<p><b>CFDA Number, Federal Agency, and Program Name</b> - 84.425F Higher Education Emergency Relief Funds (HEERF) - Institutional Portion</p> <p><b>Federal Award Identification Number and Year</b> - P425F202929 - Year ended June 30, 2021</p> <p><b>Pass-through Entity</b> - Not applicable</p> <p><b>Finding Type</b> - Material weakness</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - The Uniform Guidance cost principles described in 2 CFR Part 200, Subpart E, apply to the HEERF subprogram. Except where otherwise authorized by statute, costs must be determined except for state and local governments and Indian tribes only or as otherwise provided for in the Code of Federal Regulations (2 CFR § 200.403).</p> <p><b>Condition</b> - Lost revenue incurred for the fiscal year ended June 30, 2021 was reported as an incurred expenditure by the University subsequent to year end and initially excluded from the fiscal year 2021 schedule of expenditures of federal awards (SEFA). Additionally, housing refunds incurred for the fiscal year ended June 30, 2020 were reported as incurred expenditures by the University subsequent to the year end and included on the June 30, 2021 SEFA.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Not applicable</p> <p><b>Context</b> - Lost revenue of \$25,805,184 incurred for the fiscal year ended June 30, 2021 was initially excluded from the SEFA. Management adjusted the June 30, 2021 SEFA to include lost revenue based on the auditor's identification and proposed adjustment. Housing refunds of \$3,147,023 incurred for the fiscal year ended June 30, 2020 were included on the June 30, 2021 SEFA. The nature of the costs incurred were allowable under the grant.</p> <p><b>Cause and Effect</b> - The concept of lost revenue was new and unique to the HEERF grants provided by the Department of Education. The University did not follow the HEERF lost revenue FAQs published on March 19, 2021, which indicated that lost revenue calculated for the year ended June 30, 2021 should be reported on the fiscal year 2021 SEFA. The effect would have been reporting the lost revenue on the SEFA in the following year.</p> <p><b>Recommendation</b> - We recommend that the University formalize enhanced review procedures for significant and uncommon transactions to ensure that transactions are included as incurred expenditures in the proper period.</p>	None

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2021

Section III - Federal Program Audit Findings (Continued)

Reference Number	Finding	Questioned Costs
2021-001 (Cont'd)	<p><b>Views of Responsible Officials and Corrective Action Plan</b> - The University agrees with the finding and corrective action as noted. The University did not determine it was going to charge the lost revenue to the grant until after the reporting period in both cases noted above and initially reported the lost revenue in the same year it was charged to the grant. The University relied on the HEERF lost revenue FAQs published on March 19, 2021 for its initial recording of the lost revenue on the SEFA. That guidance states: For quarterly and annual reporting purposes, the date that an institution charges its HEERF grant award for lost revenue is the date that lost revenue cost has been "incurred." There is additional guidance and interpretation on this unique transaction that indicates it should be reported in the period when the loss occurred.</p> <p>The corrective action plan includes the University utilizing all available resources and reviewing with the audit firm prior to recording and reporting on significant and uncommon transactions.</p>	