

**Agendum
Oakland University
Board of Trustees
Audit Committee
October 23, 2023**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS,
YEAR ENDED JUNE 30, 2023**

1. **Division and Department:** Finance and Administration, Controller's Office
2. **Introduction:** The Schedule of Expenditures of Federal Awards, Year Ended June 30, 2023 (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 schedule of expenditures of federal awards 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, 2023."

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, April 12, 2021, April 14, 2022, and April 20, 2023.

**Schedule of Expenditures of Federal Awards,
Year Ended June 30, 2023
Oakland University
Board of Trustees
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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 Vice President for Finance and Administration, and President, and audited by P&M.
8. **Board Action to be Requested:** At the next Formal Session, the Board will be asked to accept the Schedule.
9. **Attachments:**
 - A. Schedule of Expenditures of Federal Awards, Year Ended June 30, 2023

**Submitted by Vice President for Finance and Administration
and Treasurer Stephen W. Mackey:**



(Please initial)

Reviewed by Secretary Joshua D. Merchant:



(Please initial)

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



(Please initial)

Oakland University

Federal Awards Supplemental Information
June 30, 2023

Independent Auditor's Reports

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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 financial statements of Oakland University as of and for the year ended June 30, 2023 and have issued our report thereon dated October 23, 2023, 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 23, 2023.

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

October 23, 2023

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 unit of the State of Michigan, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 23, 2023.

Report on 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 or significant deficiencies may exist that have not been identified.

Report on 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.

October 23, 2023

Draft

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 Major Federal Program

Opinion on Major Federal Program

We have audited Oakland University's (the "University") compliance with the types of compliance requirements identified as subject to audit in the Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the University's major federal program for the year ended June 30, 2023. 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.

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 the major federal program for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

To the Board of Trustees
Oakland University

Auditor's Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

To the Board of Trustees
Oakland University

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.

October 23, 2023

Draft

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Grant Award/Pass-through Identifying Number	Federal Expenditures	Total Amount Provided to Subrecipients
Research and Development Cluster				
U.S. Department of Health and Human Services:				
National Institutes of Health:				
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	N/A	\$ 203,500	\$ 22,756
Biomedical Research and Research Training	93.859	N/A	260,128	-
Blood Diseases and Resources Research	93.839	N/A	709,403	59,300
Cardiovascular Diseases Research:				
Passed through Blood Center of Wisconsin	93.837	2R01HL068835-13	5,783	-
Passed through Ez Lab, LLC	93.837	1R41HL164281-01	41,912	-
Vision Research	93.867	N/A	1,483,953	49,561
Vision Research - Passed through Wayne State University	93.867	1R01EY032917	20,309	-
Diabetes, Digestive and Kidney Disease Research	93.847	N/A	70,002	-
Environmental Health - Passed through Michigan State University	93.113	N/A	130,183	-
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	N/A	193,471	-
National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	16227	21,707	-
Research Related to Deafness and Communication Disorders	93.173	N/A	107,289	48,548
Minority Health and Health Disparities Research	93.307	N/A	133,760	32,252
Family Smoking Prevention and Tobacco Control Act - Regulatory Research - Passed through Texas Tech University	93.077	R01DA049737	73,863	-
Drug Abuse and Addiction Research Programs - Passed through Texas Tech University	93.279	R01DA029121	12,911	-
Extramural Research Programs in the Neurosciences and Neurological Disorders:				
Passed through the University of Minnesota	93.853	N/A	19,950	3,768
Passed through the National Institutes of Health	93.853	R15NS116511	199,969	-
Passed through Texas Tech University	93.853	R01NS117906	359,662	-
Research on Healthcare Costs, Quality and Outcomes	93.226	1R01HS028657-01A	45,083	-
Cancer Biology Research	93.396	1R15CA254006-01A1	60,040	-
National Science Foundation:				
Mathematical and Physical Sciences	47.049	N/A	388,635	-
Education and Human Resources	47.076	N/A	255,103	-
Education and Human Resources:				
Passed through Eastern Michigan University	47.076	N/A	14,543	-
Passed through Council of Graduate Schools	47.076	N/A	13,175	-
Engineering Grants	47.041	N/A	636,266	2,300
Engineering Grants:				
Passed through University of Connecticut	47.041	N/A	12,302	-
Passed through Georgia Tech University	47.041	CMHI-2052714	95,672	-
Computer and Information Science and Engineering	47.070	N/A	397,329	1,872
Biological Sciences	47.074	N/A	508,682	3,600
Geosciences	47.050	N/A	78,577	-
Social, Behavioral, and Economic Sciences - Passed through Florida A&M University	47.075	FAMU-NSF-1853794	1,420	-
Office of Integrative Activities	47.083	N/A	261,922	-
Small Business Innovation Research	47.084	N/A	70,381	-
U.S. Department of Agriculture:				
Agriculture and Food Research Initiative - Passed through Wayne State University	10.310	WSU15068	25,077	-
Food Insecurity Nutrition Incentive Grants Program - Passed through Oakland County Health Division	10.331	N/A	16,261	-
U.S. Department of Defense - United States Air Force:				
Air Force Defense Research Sciences Program	12.800	N/A	179,367	-
Air Force Defense Research Sciences Program:				
Passed through University of Central Florida	12.800	FA9559-19-1-0307	360,308	-
Passed through Tuskegee University	12.800	FA864921P1642	13,341	-
Basic Scientific Research	12.431	N/A	28,569	-
Military Medical Research and Development - Passed through University of Michigan	12.420	N/A	7,437	-
GenCyber Grants Program	12.903	N/A	156,324	-
Research and Technology Development:				
Passed through University of Michigan	12.910	SUBK00011792	400,689	-
Passed through University of Chicago	12.910	AWD101860	84,025	-
Passed through Defense Advanced Research Projects Agency	12.910	W911NF2010273	153,833	-

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2023

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Grant Award/Pass-through Identifying Number	Federal Expenditures	Total Amount Provided to Subrecipients
Research and Development Cluster (continued)				
U.S. Department of Energy:				
Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	PNNL-DOE-485894	\$ 96,927	\$ -
Conservation Research and Development	81.086	N/A	2,703	-
Office of Science Financial Assistance Program	81.049	N/A	26,984	-
National Center for Manufacturing Services - Basic Research Support Grant	12.RD	N/A	219,174	-
National Aeronautics and Space Administration - Office of Stem Engagement Grant - Passed through University of Michigan	43.008	MSGC-SUBK00015393	69,736	-
Total Research and Development Cluster			8,727,640	223,957
Student Financial Assistance Cluster				
U.S. Department of Education:				
Federal Supplemental Educational Opportunity Grants	84.007	N/A	1,394,736	-
Federal Work-Study Program	84.033	N/A	334,859	-
Federal Perkins Loan Program	84.038	N/A	450,490	-
Federal Pell Grant Program	84.063	N/A	19,343,439	-
William D. Ford Federal Direct Loan Program	84.268	N/A	83,091,740	-
Federal TEACH Grant	84.379	N/A	91,925	-
U.S. Department of Health and Human Services - Nurse Faculty Loan Program	93.264	N/A	544,889	-
Total Student Financial Assistance Cluster			105,252,078	-
TRIO Cluster				
U.S. Department of Education - Upward Bound	84.047	N/A	717,768	-
Other Federal Awards				
U.S. Department of Education -				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	GEAR-UP-2022-630005318-14 GEAR-UP-2023-630005318-00002	123,143	-
U.S. Department of Health and Human Services:				
Basic Instruction Grant, Nurse Anesthetist Training	93.124	N/A	30,278	-
Nursing Workforce Diversity	93.178	N/A	477,990	12,500
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) Passed through State of Michigan	93.323	E20224058-00	779,879	582,551
Temporary Assistance for Needy Families	93.558	N/A	28,500	-
Congressional Directives	93.493	1 CE1HS47052-01-00	93,332	-
Geriatric Training for Physicians, Dentists, and Behavioral/Mental Health Professionals	93.156	1T52HP46768-01-00	92,842	-
United States Department of the Interior - United States Fish and Wildlife Service - Great Lakes Restoration	15.662	N/A	10,329	-
United States Department of State:				
Bureau of Western Hemisphere Affairs Grant Programs	19.750	SHO80017GR0038	5,786	-
Public Diplomacy Programs for Afghanistan and Pakistan	19.501	N/A	201,821	-
Total other federal awards			1,843,900	595,051
Total federal awards			<u>\$ 116,541,386</u>	<u>\$ 819,008</u>

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2023

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, 2023. 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. 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, 2023, the University transferred \$699,169 of the 2022-2023 Federal Work-Study Program (ALN 84.033) award to the Federal Supplemental Educational Opportunity Grant (ALN 84.007) award, which it expended in the 2022-2023 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, 2023 was received and reviewed. No significant items of noncompliance or control weaknesses were noted. There was \$322,552 of Federal Perkins loans (ALN 84.038) outstanding as of June 30, 2023.

There were no program disbursements under the Federal Perkins Loan Program for the year ended June 30, 2023.

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs

Year Ended June 30, 2023

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? _____ Yes X 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)? _____ Yes X No

Identification of major programs:

ALN	Name of Federal Program or Cluster	Opinion
Various	Student Financial Assistance Cluster	Unmodified

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

Auditee qualified as low-risk auditee? _____ Yes X No

Section II - Financial Statement Audit Findings

Reference Number	Finding
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Current Year None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
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Current Year None