

EASTERN OREGON UNIVERSITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2022



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**INDEPENDENT AUDITORS' 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***

Members of the Board of Trustees
Eastern Oregon University
La Grande, Oregon

We have audited, in accordance with the 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 business-type activities and the discretely presented component unit of Eastern Oregon University, a component unit of the state of Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Eastern Oregon University's basic financial statements, and have issued our report thereon dated October 26, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit as described in our report on Eastern Oregon University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Eastern Oregon 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 Eastern Oregon University's internal control. Accordingly, we do not express an opinion on the effectiveness of Eastern Oregon 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.

Members of the Board of Trustees
Eastern Oregon University

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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Eastern Oregon 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.



CliftonLarsonAllen LLP

Bellevue, Washington
October 26, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board of Trustees
Eastern Oregon University
La Grande, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Eastern Oregon University's (the University) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Eastern Oregon University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' 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 programs.

Auditors' 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 each 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002. Our opinion on the major federal programs is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be 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 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002, to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other 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.

Members of the Board of Trustees
Eastern Oregon University

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

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University, a component unit of the State of Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 26, 2022, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit. 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, based on our audit, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Bellevue, Washington
March 24, 2023

**EASTERN OREGON UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Cluster	Federal Grantor	Program Title	Assistance Listing Number	Pass-Through Entity	Pass-Through Identifying Number	Expenditures	Passed Through to Subrecipients
Research and Development							
	National Science Foundation	Biological Sciences	47.074			\$ 66,237	\$ -
		Education and Human Resources	47.076			123,945	-
Total Research and Development Cluster						190,182	-
Student Financial Assistance							
	Department of Education	Direct Student Loans	84.268			12,378,867	-
		Federal Pell Grant Program	84.063			4,522,497	-
		Federal Supplemental Educational Opportunity Grants	84.007			115,477	-
		Federal Work-Study Program	84.033			109,157	-
		Teacher Education Assistance for College and Higher Education Grants	84.379			3,772	-
Total Student Financial Assistance Cluster						17,129,770	-
Other Programs							
	Department of Agriculture	Child and Adult Care Food Program	10.558	Oregon Dept of Education	3105001	158,811	-
	Department of Education	COVID-19 - Education Stabilization Fund - GEER	84.425C	Higher Education Coordinating Commission	20-075A	70,480	-
		COVID-19 - Education Stabilization Fund - GEER	84.425C	Higher Education Coordinating Commission	21-059A	202,396	-
		COVID-19 - Education Stabilization Fund - Student Aid	84.425E			1,870,132	-
		COVID-19 - Education Stabilization Fund - Institutional Support	84.425F			1,735,197	-
		COVID-19 - Education Stabilization Fund - SIP	84.425M			140,106	-
<i>Education Stabilization Fund Total for 84.425</i>						4,018,311	-
		Higher Education Institutional Aid Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.031			146,394	-
			84.367	Oregon Dept of Education	21795	60,463	-
<i>Department of Education Total</i>						4,225,168	-
	Department of Health and Human Services	Head Start	93.600			2,168,266	-
		Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	Center for Human Development Inc.	SP020705-01	2,339	-
<i>Department of Health and Human Services Total</i>						2,170,605	-
	Department of Justice	Crime Victim Assistance	16.575	Oregon Dept of Justice	VOCA-FI-2020-EOU-00082	64,124	33,907
	Department of Labor	Mine Health and Safety Grants	17.600			164,176	-
	Small Business Administration	Small Business Development Centers	59.037	Lane Community College	SBAHQ-21-B-0062	26,895	-
		Small Business Development Centers	59.037	Lane Community College	Not Available	13,357	-
		Small Business Development Centers	59.037	Lane Community College	SBAHQ-20-C-0074/0603001	26,417	-
<i>Small Business Administration Total and Total for 59.037</i>						66,669	-
Total Other Programs						6,849,553	33,907
Total Expenditure of Federal Funds						\$ 24,169,505	\$ 33,907

See Notes to Schedule of Expenditures of Federal Awards

**EASTERN OREGON UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Eastern Oregon University under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Eastern Oregon University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Eastern Oregon University.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Eastern Oregon University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**EASTERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
3. Noncompliance material to financial statements noted? yes no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes no
 - Significant deficiency(ies) identified? yes none reported
2. Type of auditors’ report issued on Compliance for major federal programs: Unmodified
3. 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

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.063, 84.268, 84.379	Student Financial Assistance Cluster
84.425C, 84.425E, 84.425F, 84.425M	COVID-19 Education Stabilization Fund
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000/\$187,500

Auditee qualified as low-risk auditee? yes no

**EASTERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 001

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

Assistance Listing Number: 84.379 - Teacher Education Assistance for College and Higher Education Grants (TEACH)

Federal Award Identification Number and Year: P379T122058 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Compliance, Other Matter

Criteria or specific requirement: At the time an institution makes a TEACH disbursement to a student, it must confirm that the student is eligible for the funds being disbursed (34 CFR 668.164(b)(3)). With the exception of FWS, disbursements are made on a payment period basis and the disbursement must be made during the current payment period (34 CFR 668.164(b)(1)).

Condition: During our testing of disbursements to eligible students, we noted one instance of a TEACH award not being properly disbursed.

Questioned costs: None reported.

Context: In our eligibility sample of 40, one student received a TEACH award. The student did not receive the full award they were eligible for because the student had a four-term budget and the system automatically disburses based on a three-term budget. When a student has more than a three-term budget, the University must manually lock the disbursements. The University did not do that for this student.

Cause: The student receiving TEACH funds was enrolled in four-terms, and the system automatically determines disbursements based on a three-term budget.

Effect: The University did not disburse the full TEACH funds awarded to an eligible student until it was noted as part of the audit process.

Repeat Finding: No.

**EASTERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022 – 001 (Continued)

Recommendation: We recommend that the University disburses the remaining award to the student and implement procedures to ensure awards are properly disbursed to students who have more than a three-term budget.

View of Responsible Official: The University agrees with the finding.

2022 – 002

Federal Agency: Department of Education

Federal Program Title: Education Stabilization Fund (ESF)

Assistance Listing Number: 84.425F – HEERF Institutional Portion

Federal Award Identification Number and Year: P425F204967 - 2022

Award Period: July 1, 2021 to June 30, 2022

Type of Finding:

- Significant Deficiency in Internal Control over Compliance
- Compliance, Other Matter

Criteria or specific requirement: Per Uniform Guidance 2 CFR sections 200.320 and 200.318(i); a nonfederal entity must have procedures that document the rationale for the method of procurement, selection of the contract type, basis for contractor selection, and the basis for the contract price. In addition, the guidance for the micro-purchase threshold is \$10,000 unless other provisions have been followed allowing a higher threshold.

Condition: During our testing of procurement procedures, we noted one item for which procurement procedures required for items purchased with federal funding were not followed.

Questioned costs: None reported.

Context: One of six samples tested did not have documentation to support the basis for the contractor selected for a small purchase transaction.

Cause: The University did not follow procurement procedures required to be used when purchasing goods or services with federal funds because initially the item was purchased with non-federal funding. At a later time, a portion of the purchases was paid for with HEERF institutional funding.

Effect: The University is not in compliance with procurement requirements to properly document the procurement rationale for goods or services paid for with federal funds.

Repeat Finding: Yes. Prior year finding 2021-002

**EASTERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs (Continued)

2022 – 002 (Continued)

Recommendation: We recommend the University revise their processes to establish procedures that will ensure procurement policies are properly followed and documented for all general disbursements paid for by federal funds.

View of Responsible Official: The University agrees with the finding.



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