

SOUTHERN OREGON UNIVERSITY
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2021



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**SOUTHERN OREGON UNIVERSITY
REPORT ON SINGLE AUDIT
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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 <i>GOVERNMENT AUDITING STANDARDS</i>	1
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	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	6
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	8



**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
Southern Oregon University
Ashland, 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, the discretely presented component unit, and the aggregate remaining fund information of Southern Oregon University (the University), a component unit of the state of Oregon, 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, and have issued our report thereon dated September 14, 2022. Our report includes a reference to other auditors who audited the financial statements of the Southern Oregon University Foundation, a discretely presented component unit, and 95%, 82%, and 99%, for the year ended June 30, 2021, respectively, of the assets, fiduciary net position, and revenues of the aggregate remaining fund information as described in our report on the 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 and the aggregate remaining fund information referred to above were not audited in accordance with *Government Auditing Standards*.

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 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*.

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.



CliftonLarsonAllen LLP

Denver, Colorado
December 30, 2021



**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
Southern Oregon University
Ashland, Oregon

Report on Compliance for Each Major Federal Program

We have audited Southern 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 programs for the year ended June 30, 2021. The University's major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on 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 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 the major federal programs. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, Southern Oregon 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.

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 2021-001 through 2020-003. Our opinion on the major federal programs is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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.

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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2021-001 through 2021-003 that we consider to be significant deficiencies.

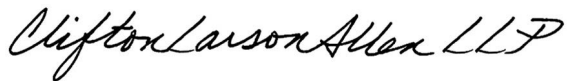
The University's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 business-type activities, the discretely presented component unit and the remaining fund information of the University 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 30, 2021, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the Southern Oregon University Foundation. 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.



CliftonLarsonAllen LLP

Denver, Colorado
September 14, 2022

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Cluster	Federal Grantor	Program Title	Assistance Listing Number	Pass-Through Entity	Pass-Through Number	Identifying	Passed Through to Subrecipients	Expenditures
Research and Development								
	Department of Agriculture	Partnership Agreements	10.699				\$ -	\$ 8,176
	Department of Justice	Legal Assistance for Victims	16.524	Regents of the University of Idaho	JDK061-SB-002		-	10,506
	Department of the Interior	Cooperative Research and Training Programs Resources of the National Park System	15.945				-	37,231
		Cultural and Paleontological Resources Management	15.224				-	14,999
		Fish and Wildlife Management Assistance	15.608	California Dept of Fish & Game	P1980013		-	26,448
		Forests and Woodlands Resource Management	15.233				-	5,206
		Recreation Resource Management	15.225				-	23,477
		Wildlife Resource Management	15.247				-	876
	<i>Department of the Interior Total</i>						-	108,237
	National Science Foundation	Biological Sciences	47.074	Oregon State University	S1776A-B		-	14,796
		Education and Human Resources	47.076				53,835	159,370
		Education and Human Resources	47.076	Willamette University	WU-NSFADVANCE-SOU-2019		-	8,878
		Geosciences	47.050	The American Geophysical Union	N/A		-	916
	<i>National Science Foundation Total</i>						53,835	183,960
Total Research and Development Cluster							53,835	310,879
Student Financial Assistance								
	Department of Education	Federal Direct Student Loans	84.268				-	18,075,811
		Federal Pell Grant Program	84.063				-	5,566,880
		Federal Perkins Loan Program_Federal Capital Contributions	84.038				-	25,504
		Federal Supplemental Educational Opportunity Grants	84.007				-	263,787
		Federal Work-Study Program	84.033				-	370,249
		Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379				-	20,538
Total Department of Education and Student Financial Assistance Cluster							-	24,322,769
TRIO								
	Department of Education	TRIO_McNair Post-Baccalaureate Achievement	84.217				-	289,932
		TRIO_Student Support Services	84.042				-	331,593
Total Department of Education and TRIO Cluster							-	621,525
Educational Stabilization Fund								
	Department of Education	COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion	84.425E				-	2,351,255
		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Institutional Portion	84.425F				-	4,491,416
		COVID-19 - Higher Education Emergency Relief Fund (HEERF) Strengthening Institutions Program	84.425M				-	169,157
		COVID-19 - Governor's Emergency Education Relief (GEER) Fund	84.425C	Higher Education Coordinating Committee	S425C200048		-	72,755
Total Department of Education and Education Stabilization Cluster							-	7,084,583
Other Programs								
	Department of Education	Teacher Quality Partnership Grants	84.336				-	7,179
		Teacher Quality Partnership Grants	84.336	Southern Oregon Education Service District			-	40,792
	<i>Department of Education Total</i>						-	47,971
	Small Business Administration	Small Business Development Centers	59.037	Lane Community College	SBA 2020		-	27,226
		Small Business Development Centers	59.037	Lane Community College	SBA 2021		-	1,574
		Small Business Development Centers	59.037	Lane Community College	SBAHQ-20-C-0074-155		-	31,621
	<i>Small Business Administration Total</i>						-	60,421
Total Other Programs							-	108,392
Total Expenditures of Federal Funds							\$ 53,835	\$ 32,448,148

See notes to Schedule of Expenditures of Federal Awards.

**SOUTHERN OREGON UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southern Oregon University under programs of the federal government of the year ended June 30, 2021. 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 Southern Oregon University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Southern 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 for all awards. Under these principles, 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.

NOTE 3. INDIRECT COST RATE

Southern Oregon University has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. FEDERAL STUDENT LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by Southern Oregon University, and balances and transactions relating to these programs are included in Southern Oregon University's basic financial statements. Loans outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule. During the fiscal year, the program was closed out and loans outstanding at year-end was \$0, as seen below:

ASSISTANCE		
<u>LISTING</u>		June 30, 2021
<u>Number</u>	<u>Program Name</u>	<u>Outstanding Balance</u>
84.038	Federal Perkins Loan	\$ -0-

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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, 84.038, 84.063, 84.268, 84.379	Student Financial Assistance Cluster
84.425E, 84.425F, 84.425, 84.425M	COVID 19 – Education Stabilization Fund

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

Auditee qualified as low-risk auditee? yes no

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

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

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

Section III – Findings and Questioned Costs – Major Federal Programs

2021 – 001

Special Tests – Enrollment Reporting

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Number:

84.268 – Federal Direct Student Loans

84.063 – Federal Pell Grant Program

Award Period: June 1, 2020 to June 30, 2021

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

Criteria or specific requirement: Institutions are required to report enrollment information under the Pell grant and the Direct loan programs via the National Student Loan Data System (NSLDS) (OMB No. 1845-0035) (Pell, 34 CFR 690.83(b)(2); Direct Loan, 34 CFR 685.309). Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website. There are two categories of enrollment information; “Campus Level” and “Program Level,” both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process. Institutions must report enrollment changes within 30 days; however, if a roster file is expected within 60 days, you may provide the updated data on that roster file. The University must also have an adequate process to internally review submissions to either the third-party servicer or directly to NSLDS.

Condition: During our testing of the Direct Loan and Pell Grant programs, we selected a sample of 40 student enrollment changes to test for timeliness and accurate reporting of student status changes to the National Student Loan Data System (NSLDS). Our testing resulted in the following items of noncompliance.

1. 20 individual students’ enrollments were not certified at least once every 60 days. 34 CFR 685.309 (b)(1) and 34 CFR 690.83(b)(2).
2. Eight instances where a student’s enrollment status change was not reported timely to NSLDS. 34 CFR 685.309(b)(2) and 34 CFR 690.83(b)(2).

Questioned costs: N/A

Context: Out of a sample of 40 enrollment changes selected for testing for the requirement noted above, we noted 24 students with exceptions as described above. 4 students had both instances of noncompliance.

Cause: The University was unaware of the errors which were caused by the transmission of data between their student information system and the third-party servicer.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

2021 – 001 (Continued)

Effect: The NSLDS system could not be updated accurately or timely with student enrollment information.

Repeat finding: Yes, 2020-005

Recommendation: We recommend that the University enhance its policies and procedures regarding enrollment reporting including additional monitoring over the third-party service provider to ensure that reporting is completed accurately and timely.

View of responsible official: The University agrees with the finding.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

2021 – 002

Special Tests – Return to Title IV

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Numbers:

84.268 – Federal Direct Student Loans

84.063 – Federal Pell Grant Program.

84.007 – Federal Supplemental Educational Opportunity Grants

Award Period: June 1, 2020 to June 30, 2021

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

Criteria or specific requirement: When a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV aid earned by the student as of the student's withdrawal date. If the total amount of Title IV assistance earned by the student is less than the amount that was disbursed to the student or on his or her behalf as of the date of the institution's determination that the student withdrew, the difference must be returned to the Title IV programs as outlined in this section and no additional disbursements may be made to the student for the payment period or period of enrollment. If the amount the student earned is greater than the amount disbursed, the difference between the amounts must be treated as a post-withdrawal disbursement (34 CFR 668.22(a)(1) through (a)(5)).

Condition: We sampled 40 students that were withdrawn, dropped, on a leave of absence, never began attendance or terminated during the audit period to ascertain if returns of Title IV funds were properly calculated and timely processed.

Our testing identified 13 instances where the return of Title IV calculation was incorrectly calculated. Eight of the 13 instances were disbursed funding subsequent to their withdrawal causing an inadvertent overpayment. The institution incorrectly included aid as disbursed in the R2T4 calculation instead of including the Aid in the "could have been disbursed" column. (DCL GEN-04-03 Revised, November 2004). The remaining five instances of noncompliance were due to either using the wrong last day of attendances and/or an incorrect amount of aid disbursed or could have been disbursed within the calculation.

Questioned costs: \$14,563

Context: Out of a sample of 40 students tested we noted 13 students whose return to Title IV calculation was incorrect.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

2021 – 002 (Continued)

Cause: The University changed its policy and procedures in the Fall 2020 term, as a result of the pandemic, to disburse aid to students earlier, which lead to the inadvertent overpayment noncompliance noted. The University's policy to determine last day of attendance or academic activity changed as a result of the pandemic which led to incorrect calculations performed.

Effect: The University is not returning the proper amounts to the Department based on the calculations performed.

Repeat finding: No

Recommendation: We recommend the University review student withdrawal policies and procedures to ensure all changes adopted as a result of normal operation and pandemic operations will allow the institution to actually and timely process funds that may need to be returned as a result of any returns to Title IV calculations.

View of responsible official: The University agrees with the finding.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

2021 – 003

Reporting

Federal Agency: Department of Education

Federal Program: Educational Stabilization Fund

ASSISTANCE LISTING Numbers:

84.425F – Higher Education Emergency Relief Fund (HEERF) Institutional Portion

84.425E – Higher Education Emergency Relief Fund Student Aid Portion

Award Period: July 1, 2020 – June 30, 2021

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

Criteria or specific requirement: The Code of Federal Regulations, 2 CFR 200.303, non-Federal entities receiving Federal awards are required to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations and program compliance requirements. There are three components to reporting for HEERF: 1) public reporting on the (a)(1) Student Aid Portion; 2) public reporting on the (a)(1) Institutional Portion (a)(2) and (a)(3) subprograms (Quarterly Reporting Form), as applicable; and 3) the annual report.

Condition: The University is not in compliance with quarterly and annual reporting requirements for HEERF Institutional and Student Grants.

Questioned costs: N/A

Context:

We tested two of the four required quarterly student reports, two of the four required quarterly institutional reports, and the one required annual report. During our testing of this sample for the HEERF reporting requirements at Southern Oregon University, we noted:

- 1) Non-Compliant Student and Institutional Quarterly Reporting
 - Both quarterly student reports selected for testing were not posted on the University's website. (9/30/2020 and 12/31/2020)

 - One of the two institutional reports selected for testing was reported cumulatively, rather than quarterly. (12/31/2020)

- 2) Non-Compliant Annual Reporting
 - The University did not report any HEERF Emergency Financial Aid Grant Eligible Students and count of HEERF Emergency Financial Aid Grants Disbursed to Students in the annual report did not agree to supporting documentation.

Cause: Staff turnover and misunderstanding of reporting guidance caused the reporting non-compliance.

**SOUTHERN OREGON UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

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

2021 – 003 (Continued)

Effect: The University was not in compliance with HEERF reporting timing requirements. In addition, some of the data reported could not be supported.

Repeat finding: No

Recommendation: We recommend that the University review their reporting policies and procedures to ensure accurate and timely reporting.

View of responsible official: The University agrees with the finding.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

U.S. Department of Education

Southern Oregon University respectfully submits the following corrective action plan for the year ended June 30, 2021.

Audit period: July 1, 2020 – June 30, 2021

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS—FINANCIAL STATEMENT AUDIT

None Noted

FINDINGS—FEDERAL AWARD PROGRAMS AUDITS

Department of Education

2021-001

Recommendation: CLA recommends that the University enhance its policies and procedures regarding enrollment reporting including additional monitoring over the third-party service provider to ensure that reporting is completed accurately and timely.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: The University will clarify Clearinghouse reporting procedure with the following: Academic Records Coordinator will submit enrollment reporting at least once every calendar month. If this position is vacant or otherwise unable to submit the reporting on a given month, a designated member of the Registration and Records team will submit the reporting on the dates specified by the reporting calendar. The reporting calendar will be maintained by the Academic Records Coordinator or other designated Registration and Records staff member as needed for position vacancy or leave needs.

Name(s) of the contact person(s) responsible for corrective action: Kristen Gast, Director of Financial Aid

Planned completion date for corrective action plan: Already Implemented

2021-002

Recommendation: CLA recommends the University review student withdrawal policies and procedures to ensure all changes adopted as a result of normal operation and pandemic operations will allow the institution to actually and timely process funds that may need to be returned as a result of any returns to title IV calculations.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding : SOU has created a R2T4/ Withdraw sheet that shows every withdrawal that requires an R2T4. This sheet is shared and worked by both the Director of Financial aid and the Assistant Director of Financial Aid. The sheet is then reviewed and signed off after the calculation has been completed to ensure that dates, amounts and letters are correct and have been sent to the student. This report is then reviewed multiple times of the term to ensure no changes have been made. SOU performed a complete review of all R2T4's for the 2020-2021 Award year and the results of the review are below.

R2T4's reviewed as a result of the noncompliance noted.	306
R2T4's with incorrect calculations	81
Total aggregate amount of additional Pell to be returned as a result of the incorrect R2T4's	\$10,126
Total aggregate amount of additional SEOG, to be returned as a result of the incorrect R2T4's	\$618
Total aggregate amount of additional Direct Loans to be returned as a result of the incorrect R2T4's	\$60,539
Total amount credited to students as a result of the corrections	\$44,381

Name(s) of the contact person(s) responsible for corrective action: Kristen Gast, Director of Financial Aid

Planned completion date for corrective action plan: Already implemented.

2021-003

Recommendation: We recommend that the University review their reporting policies and procedures to ensure accurate and timely reporting.

Explanation of disagreement with audit finding: There is no disagreement with the audit finding.

Action taken in response to finding: SOU has updated our processing timeline and our policies to reflect the need for reporting in accordance with DOE regulations.

Name(s) of the contact person(s) responsible for corrective action: Kristen Gast, Director of Financial Aid

Planned completion date for corrective action plan: Already implemented.

If the Department of Education has questions regarding this plan, please call Kristen Gast, Director of Financial Aid at (541) 552-8019.



U.S. Department of Education

Southern Oregon University respectfully submits the following summary schedule of prior audit findings for the year ended June 30, 2021.

Audit period: July 1, 2019 – June 30, 2020

The findings from the prior audit's schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the prior year.

FINDINGS—FINANCIAL STATEMENT AUDIT

No Findings

FINDINGS— FEDERAL AWARD PROGRAMS AUDITS

2020 – 001

Condition: There were five students that were either over awarded or under awarded Federal Direct Stafford and/or Federal Direct Unsubsidized Loans during a semester. Three Students were under awarded Federal Direct Unsubsidized Loans and Two Students were Under awarded Subsidized loans but over awarded unsubsidized loans. The net impact of these five students was the school under awarded Federal Direct Loans in the amount of \$3,576 for the period under audit.

Status: Resolved.

2020 – 002

Condition: There was one instance of an Exit Letter not being sent to a student that graduated

Status: Resolved.

2020 – 003

Condition: There was one instance of a student's credit balance not paid within 14 days.

Status: Resolved.

2020 – 004

Condition: The distance education attendance requirements for students applicable awarded Title IV funds, there were 2 distance education students that academic attendance records could not be provided.

Status: Resolved.

2020 – 005

Condition: For the Direct Loan and Pell Grant programs, 34 of 40 student enrollment changes tested had one or more instances of noncompliance noted for student status changes to be reported to the National Student Loan Data System (NSLDS).

Status: Prior year finding remains current year finding, see current year finding 2021-001.

If the U.S. Department of Education have questions regarding these plans, please call Kristen Gast, Director of Financial Aid at (541) 552-8019.