



Federal Awards Reports in Accordance with the Uniform
Guidance
June 30, 2023

Western Oregon University

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

To the Board of Trustees
Western Oregon University
Monmouth, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Western Oregon University (the University) and its discretely presented component unit, as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2023. Our report includes a reference to other auditors who audited the financial statements of Western Oregon University Development Foundation (the Foundation), as described in our report on the University’s financial statements. The audit of the financial statements of the Foundation were not performed in accordance with *Government Auditing Standards*, and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance that are reported on separately by those auditors of Western Oregon University Development Foundation.

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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

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

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

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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
November 14, 2023



Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

The Board of Trustees
Western Oregon University
Monmouth, Oregon

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Western 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, 2023. 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.

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 each of its major federal programs 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 (*Government Auditing Standards*); 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 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 programs.

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 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.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 2023-001 through 2023-002 to be material weaknesses.

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 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.

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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho
November 14, 2023

Western Oregon University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Education			
<u>Direct Programs</u>			
Student Financial Assistance Cluster:			
Federal Supplemental Educational Opportunity Grants			
	84.007	Not Applicable	\$ 289,265
	84.033	Not Applicable	253,023
	84.038	Not Applicable	1,509,125
	84.063	Not Applicable	6,580,424
	84.268	Not Applicable	14,777,813
			<u>117,211</u>
			<u>23,526,861</u>
			<u>299,487</u>
TRIO Cluster:			
	84.042	Not Applicable	674,034
	84.047	Not Applicable	<u>305,965</u>
			<u>979,999</u>
	84.129	Not Applicable	<u>386,935</u>
	84.160	Not Applicable	<u>575,491</u>
	84.325***	Not Applicable	<u>215,386</u>
	84.326**	Not Applicable	118,174
	84.365	Not Applicable	<u>322,418</u>
<u>Total Department of Education Direct Programs</u>			<u>26,424,751</u>
<u>Pass-Through Programs</u>			
Oregon Department of Health Services			
Rehabilitation Services			
	84.126	ODHS 172000	13,909
	84.126	ODHS 172000	<u>50,400</u>
			64,309

Western Oregon University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Higher Education Coordinating Commission			
COVID-19: Governors Emergency Education Relief Fund	84.425C*	HECC 21-059G	3,639
COVID-19: Governors Emergency Education Relief Fund	84.425C*	HECC 21-044D	<u>248,951</u>
Subtotal ALN 84.425C			<u>252,590</u>
Oregon Department of Education			
Supporting Effective Instruction State Grants	84.367	ODE 16393	<u>7,985</u>
Passed -through:			
CEEDAR Center			
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325***	ODE SUBGRANT 43119	<u>10,051</u>
State Technical Assistance Projects to Improve Services and Results for Children who are Deaf-Blind, and National Technical Assistance and Dissemination Center for Children who are Deaf-Blind	84.326T**	PO 359067	<u>14,333</u>
Oregon State University			
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325***	OSU SUBAWARD ED197A-A	<u>174,447</u>
<u>Total Department of Education Programs Pass Through</u>			<u>523,715</u>
Total Department of Education			<u>26,948,466</u>
Department of Health and Human Services			
<u>Pass-Through Programs</u>			
Oregon Department of Education			
CCDF Cluster			
Child Care and Development Block Grant	93.575	ODE 13898	1,557,476
Child Care and Development Block Grant	93.575	ODE AGREEMENT 14522	397,098
COVID-19-Child Care and Development Block Grant	93.575	ODE GRANT 19345	59,575
Child Care and Development Block Grant	93.575	ODE CONTRACT 16122	1,546,058
Child Care and Development Block Grant	93.575	ODE15450	6,186,301
Child Care and Development Block Grant	93.575	ODE AGREEMENT 16333	<u>33,267</u>
Subtotal ALN 93.575 (CCDF Cluster)			<u>9,779,775</u>
Every Student Succeeds Act/Preschool Development Grants	93.434	168310	<u>346,987</u>
Oregon Health Authority			
Western Oregon University Foundation			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	168310	<u>24,692</u>
Total Department of Health and Human Services			<u>10,151,454</u>

Western Oregon University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Justice			
<u>Direct Programs</u>			
Public Safety Partnership and Community Policing Grants	16.710	Not Applicable	<u>140,450</u>
<u>Total Department of Justice Direct Programs</u>			<u>140,450</u>
<u>Pass-Through Programs</u>			
Oregon Department of Justice Crime Victim Assistance	16.575	VOCA-FI-2020 -WOU-69	82,726
University of North Dakota Tribal Law and Policy Institute Tribal Court Assistance Program	16.608	UND0024465-S1	<u>94,106</u>
<u>Total Department of Justice Pass-Through Programs</u>			<u>176,832</u>
Total Department of Justice			<u>317,282</u>
National Science Foundation			
<u>Pass-Through Programs</u>			
University of Alabama Education and Human Resources	47.076	A21-0014-S001	5,835
John Carroll University Education and Human Resources	47.076	JCU-ASCENDSUB-004	1,231
Pacific Luthern University Education and Human Resources	47.076	2020-4843-TRI-SG	<u>11,826</u>
Total ALN #47.076			<u>18,892</u>
Total National Science Foundation			<u>18,892</u>
National Endowment for the Humanities			
<u>Pass-Through Programs</u>			
American Library Association Promotion of the Humanities Public Programs	45.164	2022-5675-SPO-ED	<u>4,550</u>
Total National Endowment for the Humanities			<u>4,550</u>
Institute of Museum and Library Services			
<u>Pass-Through Programs</u>			
State Library of Oregon Grants to States	45.310	5 HAMERSLY MEETING OWL PRO	<u>949</u>
Total Institute of Museum and Library Services			<u>949</u>

Western Oregon University
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
United States Department of Agriculture			
<u>Pass-Through Programs</u>			
Oregon Department of Education Child and Adult Care Food Program	10.558	Not Applicable	<u>15,525</u>
Total United States Department of Agriculture			<u>15,525</u>
Department of Homeland Security			
<u>Pass-Through Programs</u>			
Oregon Health Authority Western Oregon University Foundation Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	OHA AGREEMENT 171330	<u>28,079</u>
Total of Department of Homeland Security			<u>28,079</u>
Department of Treasury			
<u>Pass-Through Programs</u>			
United Way Coronavirus State and Local Fiscal Recovery Funds	21.027	2023-5992-DOE	<u>98,679</u>
Total of Department of Treasury			<u>98,679</u>
Total Expenditures of Federal Awards			<u><u>\$ 37,583,876</u></u>

*Subtotal of ALN 84.425 is \$552,077.
**Subtotal of ALN 84.326 is \$132,507.
***Subtotal of ALN 84.325 is \$399,884.

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Western Oregon University (the University) under programs of the federal government for the year ended June 30, 2023. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the University, it is not intended 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 recognized on the accrual basis of accounting. When applicable, 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. No federal financial assistance has been provided to a subrecipient.

Note 3 - Indirect Cost Rate

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

Note 4 - Federal Student Loan Programs

The federal student loan programs listed subsequently are administered directly by the University and balances and transactions relating to these programs are included in the University's basic financial statements. Loans made during the year are included in the federal expenditures presented in the schedule. The balance of loans outstanding at June 30, 2023, consists of:

<u><i>Federal Financial Assistance</i></u> <u><i>Listing</i></u>	<u><i>Program Name</i></u>	<u><i>Outstanding Balance at</i></u> <u><i>June 30, 2023</i></u>
84.038	Federal Perkins Loan Program	\$937,063

Section I – Summary of Auditor’s Results

FINANCIAL STATEMENTS

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

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	Yes

Identification of major programs:

<u>Name of Federal Program</u>	<u>Assistance Listing Number</u>
Student Financial Aid Cluster	
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Perkins Loan Program	84.038
Federal Direct Student Loans	84.268
Teacher Education Assistance for College & Higher Education Grants	84.379
Every Student Succeeds Act/Preschool Development Grants	93.434
Dollar threshold used to distinguish between type A and type B programs:	\$1,127,516
Auditee qualified as low-risk auditee?	No

Section II – Financial Statement Findings

There were no findings relating to the financial statement audit.

Section III – Federal Award Findings and Questioned Costs

2023-001

U.S. Department of Education
Student Financial Assistance Cluster
Federal Financial Assistance Listing Number(s): 84.063, 84.007, 84.268, 84.033, 84.038, 84.379
Compliance Requirement: Special Tests & Provisions – Enrollment Reporting
Type of Finding: Material Weakness in Internal Control

Criteria: 34 CFR 690.83(b)(2) and 34 CFR 685.309 states that Institutions are responsible for timely and accurate reporting of a student's enrollment status and changes in those enrollment statuses, whether they report directly or via a third-party servicer. When an Institution is made aware of a change in a student's enrollment status, the Institution has 60 days to update the change in enrollment status via NSLDS.

Condition: During our testing of compliance for Enrollment Reporting, there were 16 instances out of 21 where NSLDS did not reflect accurate or timely reporting of a student's change in enrollment status. While records were submitted accurately and timely to the Clearinghouse, those records were not reflected in NSLDS.

Cause: The University pushed through the changes in enrollment status to the Clearinghouse timely and accurately based upon the student's enrollment status; however, the change in enrollment status was not pushed through all the way to NSLDS resulting in inaccurate and untimely records within NSLDS.

Effect: The student's change in enrollment status was not accurately reported in NSLDS and/or was not reported timely.

Questioned Costs: None reported.

Context/Sampling: A nonstatistical sample of 21 participants out of 111 students who had a change in enrollment status were selected for testing.

Repeat Finding from Prior Year(s): No

Recommendation: The University should implement controls to ensure that enrollment records for students are being updated every 60 days, and that those records being submitted to NSLDS are accurate.

Views of Responsible Officials: Management agrees with the finding.

2023-002 U.S. Department of Education
Student Financial Assistance Cluster
Federal Financial Assistance Listing Number(s): 84.063, 84.007, 84.268, 84.033, 84.038, 84.379
Compliance Requirement: Special Tests & Provisions – Gramm-Leach-Bliley Act (GLBA) – Student Information Security
Type of Finding: Material Weakness in Internal Control

Criteria: Under 16 CFR Part 314, Institutions are required to develop, implement, and maintain a comprehensive information security program that is written in one or more readily accessible parts. The regulations require that the written information security program to include nine elements for institutions with 5,000 or more customers.

Condition: During our testing over GLBA compliance, we noted that the University had not updated their information security program since 2018 and that it was missing aspects of the required nine elements.

Cause: The University has not updated their written information security program since 2018.

Effect: The University did not have a system in place to ensure the required elements under GLBA were included in the comprehensive information security program and that the program was reviewed periodically.

Questioned Costs: None reported.

Context/Sampling: Sampling was not used.

Repeat Finding from Prior Year(s): No

Recommendation: The University should have a system in place to ensure that their comprehensive security program includes the required aspects under GLBA and that they are in documented in writing.

Views of Responsible Officials: Management agrees with the finding.