

University Enterprises, Inc.

Sacramento, California

SINGLE AUDIT REPORTS (OMB CIRCULAR A-133)

For the Fiscal Year Ended June 30, 2015



K · C O E
I S O M

University Enterprises, Inc.

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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

To the Board of Directors
University Enterprises, Inc.
Sacramento, California

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 University Enterprises, Inc. (UEI), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise UEI's basic financial statements; and have issued our report thereon dated September 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered UEI's internal control over financial reporting (internal control) to determine the 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 UEI's internal control. Accordingly, we do not express an opinion on the effectiveness of UEI'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 UEI'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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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***
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether UEI'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 determination of financial statement amounts. 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 UEI's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering UEI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KCae Team, LLP

September 15, 2015
Chico, California

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM, ON
INTERNAL CONTROL OVER COMPLIANCE, AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
University Enterprises, Inc.
Sacramento, California

Report on Compliance for Each Major Federal Program

We have audited University Enterprises, Inc. (UEI) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of UEI's major federal programs for the year ended June 30, 2015. UEI'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of UEI'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 UEI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of UEI's compliance.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM, ON
INTERNAL CONTROL OVER COMPLIANCE, AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)**

Opinion on Each Major Federal Program

In our opinion, UEI complied, in all material respects, with the types of 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, 2015.

Report on Internal Control Over Compliance

Management of UEI 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 UEI's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing 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 OMB Circular A-133, 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 UEI'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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM, ON
INTERNAL CONTROL OVER COMPLIANCE, AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)**

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of UEI as of and for the year ended June 30, 2015, and have issued our report thereon dated September 15, 2015, 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. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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.

KCoe Strom, LLP

September 15, 2015
Chico, California

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Agency Funding Type CFDA # - Federal Program Title Funding Agency	Pass-Through or Grant Number	Program or Award Amount	Expenditures
Department of Agriculture			
R&D			
10.001 - Agricultural Research-Basic and Applied Research			
Direct Funding	59-5306-2-343	\$ 69,192	\$ 32,219
10.309 - Specialty Crop Research Initiative			
Direct Funding	5306-21220-005-24A	110,383	19,523
10.310 - Agriculture and Food Research Initiative (AFRI)			
UC Davis	09-002710-CSUS-01	93,378	27,932
10.UNK - Unknown			
Direct Funding	AG-9104-P-13-0014	550	239
Total R&D		<u>273,503</u>	<u>79,913</u>
Other			
10.170 - Specialty Crop Block Grant Program - Farm Bill			
Food & Agriculture	SCB10011A	31,000	10
Food & Agriculture	SCB11079	144,583	89,306
Total 10.170		<u>175,583</u>	<u>89,316</u>
10.UNK - Unknown			
Direct Funding	AG-9104-P-14-0022	2,900	2,653
Total Other		<u>178,483</u>	<u>91,969</u>
Department of Agriculture Total		<u>451,986</u>	<u>171,882</u>
Department of Defense			
Other			
12.113 - State Memorandum of Agreement Program for the Reimbursement of Tech Serv			
Toxic Substances Control	13-T3735	1,113,605	144,153
12.NA - Not Applicable			
Direct Funding	N62473-14-2-0011	59,939	17,743
Total Other		<u>1,173,544</u>	<u>161,896</u>
Total Department of Defense		<u>1,173,544</u>	<u>161,896</u>
Department of Housing and Urban Development			
R&D			
14.218 - Community Development Block Grants/Entitlement Grants Sac Housing and Redevelopment	B-13-MC-06-003	54,597	18,548
Total R&D		<u>54,597</u>	<u>18,548</u>
Total Department of Housing and Urban Development		<u>54,597</u>	<u>18,548</u>
Department of the Interior			
R&D			
15.224 - Cultural Resource Management			
Direct Funding	L14AC00241	400,000	106,173
15.808 - U.S. Geological Survey, Research and Data Collection			
Direct Funding	G11AC20199	11,129,500	1,952,853
Direct Funding	G14AC00118	4,719,247	993,612
Direct Funding	G14AC00127	22,000	12,852
Direct Funding	G15AC00039	91,563	87,581
Total 15.808		<u>15,962,310</u>	<u>3,046,898</u>
15.904 - Historic Preservation Fund Grants-In-Aid Parks & Recreation	C8954514	16,900	16,900
15.922 - Native American Graves Protection and Repatriation Act			
Direct Funding	06-11-GP-543	89,906	1,678
Direct Funding	06-14-GP-606	89,740	13,137
Total 15.922		<u>179,646</u>	<u>14,815</u>
Total R&D		<u>16,558,856</u>	<u>3,184,786</u>
Other			
15.608 - Fish and Wildlife Management Assistance			
Direct Funding	F10AC00770	996,210	173,848
15.945 - Cooperative Research and Training Programs			
Direct Funding	P14AC01331	45,000	9,812
Total Other		<u>1,041,210</u>	<u>183,660</u>
Total Department of the Interior		<u>17,600,066</u>	<u>3,368,446</u>

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Agency Funding Type CFDA # - Federal Program Title Funding Agency	Pass-Through or Grant Number	Program or Award Amount	Expenditures
Department of Labor			
R&D			
17.245 - Trade Adjustment Assistance The Collaboratory LLC	Agreement dated 7/26/2014	1,500	1,500
17.278 - WIA Dislocated Worker Formula Grants Los Angeles Comm College Dist	4500195334	771,040	143,880
Total R&D		<u>772,540</u>	<u>145,380</u>
Other			
17.282 - Trade Adjustment Assistance Community College and Career Training West Hills Community College Dist	TC-013-01	352,657	136,023
Total Other		<u>352,657</u>	<u>136,023</u>
Total Department of Labor		<u>1,125,197</u>	<u>281,403</u>
Department of State			
Other			
19.010 - Academic Exchange Programs - Hubert H. Humphrey Fellowship Program Institute of Intl Education	S-ECAGD-14-CA-1037	78,362	72,331
Total Other		<u>78,362</u>	<u>72,331</u>
Total Department of State		<u>78,362</u>	<u>72,331</u>
Department of Transportation			
R&D			
20.701 - University Transportation Centers Program UC Regents	00008112	33,300	4,237
Total R&D		<u>33,300</u>	<u>4,237</u>
Total Department of Transportation		<u>33,300</u>	<u>4,237</u>
National Aeronautics & Space Administration			
Other			
43.001 - Aerospace Education Services Program UC San Diego	P1413991	10,000	4,500
UC San Diego	P1472278	8,000	1,199
Total Other		<u>18,000</u>	<u>5,699</u>
Total National Aeronautics & Space Administration		<u>18,000</u>	<u>5,699</u>
National Endowment for the Humanities			
R&D			
45.161 - Promotion of the Humanities-Research Direct Funding	RQ-50869-14	109,557	24,047
Total R&D		<u>109,557</u>	<u>24,047</u>
Other			
45.163 - Promotion of the Humanities Professional Development Direct Funding	BH-50592-13	178,353	99,704
Total Other		<u>178,353</u>	<u>99,704</u>
Total National Endowment for the Humanities		<u>287,910</u>	<u>123,751</u>

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Agency Funding Type CFDA # - Federal Program Title Funding Agency	Pass-Through or Grant Number	Program or Award Amount	Expenditures
National Science Foundation			
R&D			
47.041 - Engineering Grants			
Direct Funding	IIP-1445410	50,000	49,849
47.050 - Geosciences			
Direct Funding	EAR-1250294	20,541	3,619
47.070 - Computer and Information Science and Engineering			
CSU San Diego	CNS-1346780	5,000	4,116
Direct Funding	CNS-1314592	153,186	25,024
Total 47.070		158,186	29,140
47.074 - Biological Sciences			
Direct Funding	DEB-1354724	150,000	80,070
47.076 - Education and Human Resources			
Direct Funding	1027486	1,192,488	180,293
Direct Funding	DRL-0840339	2,997,478	57,663
Direct Funding	DRL-1031926	293,900	25,297
Direct Funding	DUE-1068383	1,627,672	375,581
Direct Funding	DUE-1432299	130,450	95,304
Direct Funding	HRD-1246662	986,999	137,319
Direct Funding	HRD-1302873	1,619,000	802,299
Direct Funding	HRD-1363399	498,250	323,387
Direct Funding	DUE-1136419	1,521,678	218,414
CSU Chico Research Foundation	Sub-11-034	364,770	57,441
Total 47.076		11,232,685	2,272,998
47.082 - ARRA-Trans-NSF Recovery Act Research Support			
UC Davis	08-003942	75,784	858
Total R&D		11,687,196	2,436,534
Other			
47.041 - Engineering Grants			
Stanford University	28400530-52629-A	139,052	10,690
47.049 - Mathematical and Physical Sciences			
Alameda County	MOU dated 7/10/2014	34,082	6,600
Alameda County	Purchase Order 14-00758	27,904	949
Total 47.049		61,986	7,549
Total Other		201,038	18,239
Total National Science Foundation		11,888,234	2,454,773
Total Programs Included in Both R&D and Other Within the National Science Foundation			
Total 47.041 - Engineering Grants		189,052	60,539
Environmental Protection Agency			
R&D			
66.123 - Puget Sound Action Agenda: Technical Investigation			
Skagit County	C20150014	24,771	24,242
Total R&D		24,771	24,242
Other			
66.707 - TSCA Title IV State Lead Certification Grants			
Department of Public Health	12-10048	513,373	185,558
Total Other		513,373	185,558
Total Environmental Protection Agency		538,144	209,800
Department of Energy			
R&D			
81.041 - State Energy Program			
California Energy Commission	400-13-008	200,000	62,629
81.086 - Conservation Research and Development			
Direct Funding	DE-EE0006563	50,000	34,322
Total R&D		250,000	96,951
Total Department of Energy		250,000	96,951

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Agency Funding Type CFDA # - Federal Program Title Funding Agency	Pass-Through or Grant Number	Program or Award Amount	Expenditures
Department of Education			
Other			
84.042 - TRIO, Student Support Services Direct Funding	P042A100161	1,917,610	258,579
84.016 - Undergraduate International Studies and Foreign Language Programs University Enterprises Corp SB	GT14129	41,681	23,293
84.141 - Migrant Education, High School Equivalency Program Direct Funding	S141A090024	1,415,593	18,325
84.149 - Migrant Education, College Assistance Migrant Program Direct Funding	S149A090021	871,547	35,036
Direct Funding	S149A140007	2,125,000	337,578
Total 84.149		2,996,547	372,614
84.217 - TRIO, McNair Post-Baccalaureate Achievement Direct Funding	P217A120289	680,178	219,105
84.366 - Mathematics and Science Partnerships Auburn Union ESD	BP12-00104	74,743	9,969
Elk Grove USD	CDE 11-14512-6731-00	833,420	285,733
Sacramento County	142759	119,659	104,511
Total 84.366		1,027,822	400,213
84.367 - Improving Teacher Quality State Grants UC Regents	NCLB10-CMP-Sacramento	22,500	16,068
UC Regents	NCLB10-CRLP-Sacramento	46,331	705
UC Regents	NCLB10-CWLP-Sacramento	45,470	2,894
UC Regents	NCLB11-CMP-Sacramento	23,000	23,000
UC Regents	NCLB11-CRLP-Sacramento	45,710	45,710
UC Regents	NCLB11-CWLP-Sacramento	45,470	45,470
Total 84.367		228,481	133,847
84.382 - Strengthening Minority-Serving Institutions Direct Funding	P382B110005	1,684,685	558,375
84.418 - Promoting Readiness of Minors in Supplemental Security Income Rehabilitation	29420	119,785	41,519
Total Other		10,112,382	2,025,870
Total Department of Education		10,112,382	2,025,870
Department of Health and Human Services			
R&D			
93.110 - Maternal and Child Health Federal Consolidated Programs American Academy of Pediatrics	749110UEI	20,000	18,850
93.243 - SAMHSA, Projects of Regional and National Significance CA Rural Indian Health Board	Agreement Dated 11/13/14	24,000	15,706
CA Rural Indian Health Board	Agreement Dated 11/6/13	24,000	1,626
Total 93.243 within R&D		48,000	17,332
93.307 - Minority Health and Health Disparities Research Direct Funding	R24MD007942	777,152	314,641
93.558 - Temporary Assistance for Needy Families Social Services, CA Dept of	12-3031	2,000	2,000
93.658 - Foster Care, Title IV-E Social Services, CA Dept of	12-3029	2,000	1,749
Social Services, CA Dept of	12-3031	3,000	3,000
Total 93.658 within R&D		5,000	4,749
93.667 - Social Services Block Grant Social Services, CA Dept of	12-3029	12,000	10,495
Social Services, CA Dept of	12-3031	7,000	7,000
Total 93.667		19,000	17,495
93.859 - Biomedical Research and Research Training San Francisco State University	V13-0010	21,402	8,869
93.UNK - Unknown Dept of Health Care Services	12-89440	257,285	68,618
Total R&D		1,149,839	452,554

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Agency Funding Type CFDA # - Federal Program Title Funding Agency	Pass-Through or Grant Number	Program or Award Amount	Expenditures
Department of Health and Human Services (Continued)			
Other			
93.116 - Tuberculosis Control Programs Department of Public Health	14-10871	45,425	848
93.243 - SAMHSA, Projects of Regional and National Significance Direct Funding	U79SM060514	305,804	95,296
93.525 - State Planning and Establishment Grants for ACA Exchanges Health Benefits Exchange	13-C-010	157,149	113,824
Health Benefits Exchange	13-C-058	30,400	19,858
Health Benefits Exchange	13-C-063	200,000	88,815
Health Benefits Exchange	14-C-060	43,370	41,111
Total 93.525		430,919	263,608
93.563 - Child Support Enforcement Child Support Services	60-0504-14	398,475	195,639
93.632 - UCEDD Education, Research, and Service UC Davis	201118328-01	55,500	12,527
93.658 - Foster Care, Title IV-E UC Regents	BB00407678	2,048,451	1,604,407
UC Regents	PO BB00272041	1,722,805	112,063
Total 93.658 Within Other		3,771,256	1,716,470
93.778 - Medical Assistance Program Dept of Health Care Services	14-90044	44,000	15,346
Dept of Health Care Services	14-90193	225,000	158,730
Total 93.778		269,000	174,076
93.859 - Biomedical Research and Research Training San Francisco State University Direct Funding	0000007186 R25GM056645	16,230 1,094,131	16,230 72,315
Total 93.859 Within Other		1,110,361	88,545
93.940 - HIV Prevention Activities-Health Department Based Department of Public Health	14-10778	200,000	1,272
93.977 - Preventive Health Services-Sexually Transmitted Diseases Control Grants Department of Public Health	13-10047	264,500	48,194
Total Other		6,851,240	2,596,475
Total Department of Health and Human Services		8,001,079	3,049,029
Total Programs Included in Both R&D and Other Within the Department of Health and Human Services			
Total 93.243 - SAMHSA, Projects of Regional and National Significance		353,804	112,628
Total 93.658 - Foster Care, Title IV-E		3,776,256	1,721,219
Total 93.859 - Biomedical Research and Research Training		1,131,763	97,414
Department of Homeland Security			
R&D			
97.041 - National Dam Safety Program Water Resources	4600009856	278,442	67,466
97.UNK - Unknown Office of Emergency Services	6054-2	209,820	42,463
Total R&D		488,262	109,929
Other			
97.067 - Homeland Security Grant Program California Volunteers	CV14-108	80,000	7,624
Total Other		80,000	7,624
Total Department of Homeland Security		568,262	117,553
Grand Total Federal Direct and Pass-Through Awards		\$ 52,181,063	\$ 12,162,169

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Federal Agency Funding Type CFDA # - Federal Program Title Funding Agency	Pass-Through or Grant Number	Program or Award Amount	Expenditures
Clusters Included in Schedule of Expenditures of Federal Awards			
Research and Development Cluster			
Direct Awards	various	\$ 29,265,202	\$ 6,024,437
Pass-Through Awards	various	2,137,219	552,684
Total Research and Development Cluster		<u>\$ 31,402,421</u>	<u>\$ 6,577,121</u>
TRIO Cluster			
Direct Awards	84.042, 84.217	\$ 2,597,788	\$ 477,684
Pass-Through Awards		-	-
Total TRIO Cluster		<u>\$ 2,597,788</u>	<u>\$ 477,684</u>
Teacher Quality Cluster			
Direct Awards		\$ -	\$ -
Pass-Through Awards	84.367	228,481	133,847
Total Teacher Quality		<u>\$ 228,481</u>	<u>\$ 133,847</u>

University Enterprises, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal grant activity of University Enterprises, Inc. (UEI) and is presented on the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded when incurred. Expenses incurred in excess of cash received from specific grants and contracts are included in receivables. Receipts in excess of expenses from specific grants and contracts are recorded as advances from grantors.

The information in this schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Expenditures of federal awards received directly from federal agencies, as well as expenditures of federal awards passed through other governmental agencies, are included on the SEFA.

2. CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The CFDA numbers included in the accompanying SEFA were determined based on the program name, review of grant contract information, and the Office of Management and Budget's *Catalog of Federal Domestic Assistance*.

3. AMOUNTS PROVIDED TO SUBRECIPIENTS

Included in the SEFA are the following amounts passed through to subrecipients:

Program Title	CFDA Number	Amount
Research and Development Cluster:		
Education and Human Resources	47.076	\$ 825,734
Minority Health and Health Disparities Research	93.307	\$ 82,359

FINDINGS AND QUESTIONED COSTS SECTION

University Enterprises, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SECTION I

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' 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 programs: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditors' report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	No
Identification of major programs: CFDA No. Various Research and Development Cluster CFDA No. 84.366 Mathematics and Science Partnerships	
Threshold for distinguishing types A and B programs:	\$364,865
Auditee qualified as low-risk auditee?	No
This determination is due to the delayed certification of the 2013 single audit to the Federal Audit Clearing House.	

University Enterprises, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

SECTION II FINDINGS

FINANCIAL STATEMENTS AUDIT

None.

University Enterprises, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

(Continued)

SECTION III FINDINGS

FEDERAL AWARDS AUDIT

None.

University Enterprises, Inc.
CORRECTIVE ACTION PLAN

Not applicable: there are no current-year findings related to federal awards.

University Enterprises, Inc.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None.