

University Enterprises, Inc.

Sacramento, California

SINGLE AUDIT REPORTS

June 30, 2017



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I S O M

University Enterprises, Inc.

TABLE OF CONTENTS

June 30, 2017

	<u>Page Number</u>
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, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance With the Uniform Guidance	3
Schedule of Expenditures of Federal Awards	6
Notes to the Schedule of Expenditures of Federal Awards	10
Schedule of Findings and Questioned Costs	12
Corrective Action Plan	15
Summary Schedule of Prior Audit Findings	16



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, 2017, and the related notes to the financial statements, which collectively comprise UEI's basic financial statements, and have issued our report thereon dated October 4, 2017.

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 an 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.

KCoe Team, LLP

October 4, 2017
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 THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited University Enterprises, Inc.'s (UEI), compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of UEI's major federal programs for the year ended June 30, 2017. 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 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 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 the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 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 THE UNIFORM GUIDANCE

(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, 2017.

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 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 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 THE UNIFORM GUIDANCE

(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 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 UEI as of and for the year ended June 30, 2017, and have issued our report thereon dated October 4, 2017, 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 the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

KCoe Team, LLP

October 4, 2017
Chico, California

University Enterprises, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor CFDA # - Federal Program Title	Pass-Through or Grant Number	Program or Award Amount	Passed Through to Subrecipients	Expenditures
Research and Development - Cluster				
Department of Agriculture				
10.001 - Agricultural Research-Basic and Applied Research				
Direct Funding	59-5306-2-343	\$ 211,910		\$ 117,373
10.310 - Agriculture and Food Research Initiative (AFRI)				
UC Davis	201403742-001	58,820		31,052
10.912 - Environmental Quality Incentives Program				
Direct Funding	69-9104-17-514	20,230		2,716
10.UNK - Unknown				
Direct Funding	AG-9104-P-15-0024	5,309		118
Direct Funding	AG-4D90-P-17-0051	4,000		1,386
Total 10.UNK		9,309		1,504
Total Department of Agriculture		300,269		152,645
Department of Education				
84.031 - Higher Education Institutional Aid				
Direct Funding	P0315150197	975,927		355,519
Total Department of Education		975,927		355,519
Department of the Interior				
15.224 - Cultural Resource Management				
Direct Funding	L14AC00241	680,678		142,628
15.512 - ARRA - Central Valley Project Improvement Act				
Direct Funding	2016-0734	19,754		19,739
15.564 - Central Valley Project Conservation				
Direct Funding	P31952	4,909		1,799
15.805 - Assistance to State Water Resources Research Institutes				
UC Regents	SA15-2997-CA374B	14,999		2,451
15.808 - U.S. Geological Survey, Research, and Data Collection				
Direct Funding	G11AC20199	11,129,500		780,075
Direct Funding	G14AC00118	3,950,000		774,189
Direct Funding	G15AC00039	568,926		22,269
Direct Funding	G16AC00042	660,000		585,572
Direct Funding	G16AC00263	3,844,832		1,338,505
Total 15.808		20,153,258		3,500,610
15.904 - Historic Preservation Fund Grants-In-Aid				
Parks and Recreation	C8956508	16,900		16,900
15.922 - Native American Graves Protection and Repatriation Act				
Direct Funding	06-14-GP-606	89,740		46,354
15.933 - Preservation of Japanese American Confinement Site				
CSU Dominguez Hills	500020	40,000		34,800
Total Department of the Interior		21,020,238		3,765,281
Department of Justice				
16.582 - Crime Victim Assistance/Discretionary Grants				
CA Victim Compensation and Government Claims Board	VC-6008	230,000		160,616
CA Victim Compensation and Government Claims Board	VC-6010	209,000		171,983
Total Department of Justice		439,000		332,599
Department of Labor				
17.278 - WIA Dislocated Worker Formula Grants				
Los Angeles Community College District	4500195334	1,672,508		269,605
Total Department of Labor		1,672,508		269,605
Environmental Protection Agency				
66.516 - P3 Award: National Student Design Competition for Sustainability				
Direct Funding	83614001	15,000		3,168
Total Environmental Protection Agency		15,000		3,168
National Endowment for the Humanities				
45.149 - Promotion of the Humanities-Research				
CSU Dominguez Hills	50027	20,000		2,544
Total National Endowment for the Humanities		20,000		2,544

See the accompanying note to the Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor CFDA # - Federal Program Title	Pass-Through or Grant Number	Program or Award Amount	Passed Through to Subrecipients	Expenditures
Research and Development - Cluster (Continued)				
National Science Foundation				
47.049 - Mathematical and Physical Sciences Direct Funding	1506502	360,000		69,021
47.070 - Computer and Information Science and Engineering Direct Funding	CNS-1314592	132,768		45,932
47.075 - Social, Behavioral, and Economic Sciences Direct Funding	1632541	194,068		9,660
47.076 - Education and Human Resources Direct Funding	1504547	1,116,125		514,335
Direct Funding	1644273	46,113		21,408
Direct Funding	DRL-1031926	293,900		25
Direct Funding	DUE-1068383	2,067,360		311,654
Direct Funding	DUE-1432299	456,067		109,361
Direct Funding	HRD-1302873	2,813,600	1,455,543	813,150
Direct Funding	HRD-1363399	987,000		95,041
Direct Funding	HRD-1463889	987,000	199,326	513,242
Direct Funding	HRD-1602210	1,074,999		273,876
Direct Funding	DUE-1136419	1,787,909		347,342
Direct Funding	DUE-1557323	2,849,846		347,740
UC Regents	201400026-02	172,072		49,331
CSU Chico Research Foundation	Sub-11-034	364,770		69,458
Total 47.076		15,016,761	1,654,869	3,465,963
Total National Science Foundation		15,703,597	1,654,869	3,590,576
Department of Health and Human Services				
93.243 - SAMHSA, Projects of Regional and National Significance CA Rural Indian Health Board	Agreement Dated 11/13/14	24,000		23
CA Rural Indian Health Board	Agreement Dated 8/25/15	24,000		5,247
Total 93.243		48,000		5,270
93.307 - Minority Health and Health Disparities Research Direct Funding	R24MD007942	383,693		4,669
93.667 - Social Services Block Grant CA Dept. of Social Services	15-STD-01317	244,477		23,543
93.859 - Biomedical Research and Research Training Direct Funding	SC3GM119521	530,813		98,678
Total Department of Health and Human Services		1,206,983		132,160
Department of Homeland Security				
97.041 - National Dam Safety Program Water Resources	4600009856	369,191		65,726
97.UNK - Unknown Office of Emergency Services	6054-2	209,820		10,659
Total Department of Homeland Security		579,011		76,385
Total Research and Development - Cluster		41,932,533	1,654,869	8,680,482
Other Programs				
Department of Agriculture				
10.561 - Supplemental Nutrition Assistance Program CSU Chico Research Foundation	SUB16-056	15,172		10,112
Total Department of Agriculture		15,172		10,112
Department of Defense				
12.113 - State Memorandum of Agreement Program for the Reimbursement of Tech Services Toxic Substances Control	13-T3735	393,953		142,309
12.NA - Not Applicable Direct Funding	N62473-14-2-0011	59,939		1,351
Direct Funding	N62473-16-2-0002	99,893		62,547
Direct Funding	N62473-16-2-0007	84,907		58,072
Total 12.NA		244,739		121,970
12.UNK - Unknown Academy of Applied Science	SG-16-009, SG-16-010	4,000		4,000
Total Department of Defense		642,692		268,279

See the accompanying note to the Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor CFDA # - Federal Program Title	Pass-Through or Grant Number	Program or Award Amount	Passed Through to Subrecipients	Expenditures
Other Programs (Continued)				
Department of Education				
Trio - Cluster				
84.042 - TRIO, Student Support Services Direct Funding	P042A150840	1,604,316		238,975
84.217 - TRIO, McNair Post-Baccalaureate Achievement Direct Funding	P217A120289	1,120,170		218,203
Total TRIO Cluster		2,724,486		457,178
84.016 - Undergraduate International Studies and Foreign Language Programs University Enterprises Corp SB	GT14129	120,821		41,382
84.141 - Migrant Education, High School Equivalency Program Direct Funding	S141A160026	2,375,000		267,392
84.149 - Migrant Education, College Assistance Migrant Program Direct Funding	S149A140007	2,550,000		418,870
84.305 - Education Research, Development and Dissemination Direct Funding	R305B160016	895,326		36,457
84.325 - SPED-Personnel Development to Improve Services and Results for Children with Disabilities Direct Funding	H325K160145	1,248,333		235,482
84.367 - Improving Teacher Quality State Grants Education	15-15196-3061-00	238,136		91,537
Education	16-15196-3061-00	246,560		125,521
Education	S367B160005	641,316	253,399	334,736
UC Regents	NCLB12-CMP-SACRAMENTO	23,000		9,042
UC Regents	NCLB12-CSP-SACRAMENTO	35,000		629
UC Regents	NCLB13-CMP-Sacramento	23,000		23,000
UC Regents	NCLB13-CRLP-Sacramento	43,628		43,628
UC Regents	NCLB13-CSP-SACRAMENTO	30,000		26,871
UC Regents	NCLB13-CWLP-SACRAMENTO	42,500		42,500
Total 84.367		1,323,140	253,399	697,464
84.382 - Strengthening Minority-Serving Institutions Direct Funding	P382B110005	2,129,369		138,756
Direct Funding	P382B160023	349,586		132,042
Total 84.382		2,478,955		270,798
84.418 - Promoting Readiness of Minors in Supplemental Security Income Rehabilitation	29420	69,540		8,041
Total Department of Education		13,785,601		2,433,064
Department of Health and Human Services				
93.110 - Maternal and Child Health Federal Consolidated Programs UC Davis	201602617-01	31,954		28,641
93.116 - Tuberculosis Control Programs Department of Public Health	14-10871	45,425		20,681
93.525 - State Planning and Establishment Grants for ACA Exchanges Health Benefits Exchange	16-C-002	100,000		89,919
Health Benefits Exchange	16-C-003	42,000		22,360
Health Benefits Exchange	16-C-024	150,000		136,716
Health Benefits Exchange	16-C-104	49,500		822
Total 93.525		341,500		249,817
93.563 - Child Support Enforcement Child Support Services	60-0602-15	323,966		56,093
Child Support Services	60-0651-16	435,317		205,833
Total 93.563		759,283		261,926
93.632 - UCEDD Education, Research, and Service UC Davis	201602885-01	13,000		7,178
93.658 - Foster Care, Title IV-E UC Regents	00008883	1,906,226		95,976
UC Regents	00009254	2,260,036		1,673,286
Total 93.658		4,166,262		1,769,262
93.778 - Medical Assistance Program Dept. of Health Care Services	16-93072	225,000		163,442
93.859 - Biomedical Research and Research Training San Francisco State University	0000007186	43,803		14,415
93.940 - HIV Prevention Activities-Health Department Based Department of Public Health	14-10778	400,000		21,664
93.977 - Preventive Health Services-Sexually Transmitted Diseases Control Grants Department of Public Health	16-10056	127,650		36,573
Total Department of Health and Human Services		6,153,877		2,573,599

See the accompanying note to the Schedule of Expenditures of Federal Awards.

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

Federal Grantor/Pass-Through Grantor CFDA # - Federal Program Title	Pass-Through or Grant Number	Program or Award Amount	Passed Through to Subrecipients	Expenditures
Other Programs (Continued)				
Department of Homeland Security				
97.067 - Homeland Security Grant Program California Volunteers	CV15-122	80,000		56,878
Total Department of Homeland Security		<u>80,000</u>		<u>56,878</u>
Department of the Interior				
15.608 - Fish and Wildlife Management Assistance Direct Funding	F16AC00171	316,444		161,744
Total Department of the Interior		<u>316,444</u>		<u>161,744</u>
Department of Labor				
17.258 - ARRA - WIA Adult Program Sacramento Employment and Training Agency	351999MSI	82,498		14,458
Total Department of Labor		<u>82,498</u>		<u>14,458</u>
Department of Transportation				
20.UNK - Unknown California Alcoholic Beverage Control	09I-0146	40,000		8,210
Total Department of Transportation		<u>40,000</u>		<u>8,210</u>
National Aeronautics and Space Administration				
43.001 - Aerospace Education Services Program UC San Diego	P1413991	10,000		304
UC San Diego	P1472278	8,000		1,497
UC San Diego	Award Letter Dated 1/19/2016	10,000		2,000
Total National Aeronautics and Space Administration		<u>28,000</u>		<u>3,801</u>
Environmental Protection Agency				
66.707 - TSCA Title IV State Lead Certification Grants Department of Public Health	15-10007	650,000		293,620
66.UNK - Unknown Direct Funding	99T40501	151,111		30,637
Total Environmental Protection Agency		<u>801,111</u>		<u>324,257</u>
National Endowment for the Humanities				
45.310 - Grants to States - Library Services and Technology Act CA State Library	40-8627	89,298		42,384
Total National Endowment for the Humanities		<u>89,298</u>		<u>42,384</u>
Total Expenditures of Federal Awards		<u>\$ 63,967,226</u>	<u>\$ 1,908,268</u>	<u>\$ 14,577,268</u>

See the accompanying note to the Schedule of Expenditures of Federal Awards.

University Enterprises, Inc.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of University Enterprises, Inc. (UEI), under programs of the federal government for the year ended June 30, 2017. The information in the SEFA is presented in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Regulations, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of UEI, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of UEI.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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, and are presented on the accrual basis of accounting. Such expenditures are recognized, as applicable, either using the cost principles in Office of Management and Budget Circular A-87, *Cost Principles for State and Local Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. 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*.

4. INDIRECT COSTS

UEI did not elect to use the 10% de minimis cost rate as allowed in the Uniform Guidance, Section 414.

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 2 CFR 200.516(a)?	No
Identification of major federal programs: CFDA No. Various Research and Development Cluster CFDA No. 84.325 Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	
Threshold for distinguishing types A and B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

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 YEAR FINDINGS

None.