

University Enterprises, Inc.

Sacramento, California

SINGLE AUDIT REPORTS

June 30, 2019



K · C O E
I S O M

University Enterprises, Inc.

TABLE OF CONTENTS

June 30, 2019

	<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-Year 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, 2019, and the related notes to the financial statements, which collectively comprise UEI's basic financial statements, and have issued our report thereon dated October 18, 2019.

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 Jam, LLP

October 18, 2019
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 *Compliance Supplement* that could have a direct and material effect on each of UEI's major federal programs for the year ended June 30, 2019. 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, 2019.

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, 2019; the related notes to the financial statements; and have issued our report thereon dated October 18, 2019, 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 Jam, LLP

October 18, 2019
Chico, California

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

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 California Sustainable Winegrowing Alliance	Agreement 2/23/2016	\$ 6,215	\$ -	\$ 437
10.215 - Sustainable Agriculture Research and Education Utah State University	201207-575	249,546	38,677	75,985
10.310 - Agriculture and Food Research Initiative (AFRI) UC Davis	201403742-01	17,303	-	17,303
Total Department of Agriculture		273,064	38,677	93,725
Department of Defense				
12.902 - Information Assurance Scholarship Program Purdue University	4104-84246	11,989	-	8,699
12.905 - Cybersecurity Core Curriculum Purdue University	19200156-005	70,534	-	29,000
Total Department of Defense		82,523	-	37,699
Department of Education				
84.031 - Higher Education Institutional Aid Direct Funding	P031S150197	1,957,409	-	307,440
Direct Funding	P031S170150	2,677,033	84,000	451,250
Total 84.031		4,634,442	84,000	758,690
84.335 - Child Care Access Means Parents in School Direct Funding	P335A180308	134,018	-	25,822
84.366 - Teacher Quality Enhancement Grants Direct Funding	U336S180308	688,152	-	63,141
Total Department of Education		5,456,612	84,000	847,653
Department of the Interior				
15.224 - Cultural Resource Management Direct Funding	L14AC00241	699,678	-	11,300
15.564 - Central Valley Project Conservation Direct Funding	P31952	20,061	-	6,619
15.805 - Assistance to State Water Resources Research Institutes UC Regents	SA15-2997-CA374B	24,998	-	2,984
15.808 - U.S. Geological Survey, Research and Data Collection Direct Funding	G14AC00118	3,950,000	-	785,919
Direct Funding	G16AC00042	2,110,000	-	737,538
Direct Funding	G16AC00263	6,046,368	-	2,050,489
Direct Funding	G17AC00365	99,499	-	32,228
Total 15.808		12,205,867	-	3,606,174
15.904 - Historic Preservation Fund Grants-In-Aid Parks and Recreation	C1710002	12,000	-	154
Parks and Recreation	C8961510	1,000	-	1,000
Total 15.904		13,000	-	1,154
15.945 - Cooperative Research and Training Programs Direct Funding	P18AC00300	39,782	-	32,109
Direct Funding	P18AC00308	26,730	-	16,949
Total 15.945		66,512	-	49,058
Total Department of the Interior		13,030,116	-	3,677,289
Department of Justice				
16.582 - Crime Victim Assistance/Discretionary Grants California Victim Compensation Board	VC-6008	230,000	-	14
California Victim Compensation Board	VC-6010	172,000	-	18
Total 16.582		402,000	-	32
16.738 - Edward Byrne Memorial Justice Assistance Grant Program Sacramento County	Agreement signed 1/24/2017	140,000	-	46,903
Total Department of Justice		542,000	-	46,935
Department of Labor				
17.278 - WIA Dislocated Worker Formula Grants Los Angeles Community College District	4500195334	1,672,508	-	526
Total Department of Labor		1,672,508	-	526
National Endowment for the Humanities				
45.149 - Promotion of the Humanities-Research CSU Dominguez Hills	50027	20,000	-	650
Total National Endowment for the Humanities		\$ 20,000	\$ -	\$ 650

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

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019
(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				
47.041 - Engineering Grants				
Direct Funding	1804089	\$ 66,356	\$ -	\$ 918
Occidental College	OXY-CURM0009	5,250	-	5,250
Total 47.041		<u>71,606</u>	<u>-</u>	<u>6,168</u>
47.049 - Mathematical and Physical Sciences				
Direct Funding	1816694	46,051	-	13,885
Direct Funding	DMR-1807476	217,465	-	22,151
Direct Funding	DMS-1802478	30,000	-	(7,121)
Direct Funding	PHY-1506502	277,975	-	60,842
Total 47.049		<u>571,491</u>	<u>-</u>	<u>89,757</u>
47.050 - Geosciences				
Columbia University	57(GG009393)	37,685	-	11,630
Montana State University	G157-19-W6144	59,000	-	42,524
Total 47.050		<u>96,685</u>	<u>-</u>	<u>54,154</u>
47.074 - Biological Sciences				
Direct Funding	1754072	108,411	-	9,508
Direct Funding	IOS-1755111	465,041	-	108,656
Total 47.074		<u>573,452</u>	<u>-</u>	<u>118,164</u>
47.075 - Social, Behavioral, and Economic Sciences				
Direct Funding	BCS-1632541	194,068	-	20,281
University of Nevada	UNR 18-26	75,081	-	30,612
Total 47.075		<u>269,149</u>	<u>-</u>	<u>50,893</u>
47.076 - Education and Human Resources				
Direct Funding	DGE-1504547	2,636,132	-	426,052
Direct Funding	DUE-1068383	1,442,455	-	28,244
Direct Funding	DUE-1432299	254,337	-	119,643
Direct Funding	DUE-1557323	3,198,352	-	389,576
Direct Funding	DUE-1644273	917,684	-	102,256
Direct Funding	DUE-1660810	60,000	-	22,426
Direct Funding	DUE-1832335	294,601	-	122,829
Direct Funding	HRD-1302873	2,813,600	227,174	400,006
Direct Funding	HRD-1602210	1,074,999	141,622	33,274
Direct Funding	HRD-1700556	1,075,000	465,282	435,861
Direct Funding	HRD-1807387	1,075,000	441,364	441,364
Direct Funding	HRD-1826490	600,000	176,504	287,631
Florida State University	166140	67,470	-	22,475
UC Regents	A19-0533-S001	269,307	-	85,562
UC Regents	00009793	42,978	-	29,136
UC Regents	UCD168475	15,383	-	3,283
Total 47.076		<u>15,837,298</u>	<u>1,451,946</u>	<u>2,949,618</u>
Total National Science Foundation		<u>17,419,681</u>	<u>1,451,946</u>	<u>3,268,754</u>
Department of Health and Human Services				
93.859 - Biomedical Research and Research Training				
Direct Funding	15C3GM119521	552,130	-	101,894
Direct Funding	1R25GM122667	1,366,659	-	173,354
Total 93.859		<u>1,918,789</u>	<u>-</u>	<u>275,248</u>
Total Department of Health and Human Services		<u>1,918,789</u>	<u>-</u>	<u>275,248</u>
Department of Homeland Security				
97.041 - National Dam Safety Program				
Water Resources	4600009856	940,830	-	635,674
97.UNK - Unknown				
Office of Emergency Services	6051-2017	380,000	-	56,197
Total Department of Homeland Security		<u>1,320,830</u>	<u>-</u>	<u>691,871</u>
Total Research and Development - Cluster		<u>41,736,123</u>	<u>1,574,623</u>	<u>8,940,350</u>
Other Programs				
Department of Agriculture				
10.561 - Supplemental Nutrition Assistance Program				
CSU Chico Research Foundation	SUB16-056	31,007	-	2,271
CSU Chico Research Foundation	SUB18-054	39,775	-	16,302
Total 10.561		<u>70,782</u>	<u>-</u>	<u>18,573</u>
Total Department of Agriculture		<u>\$ 70,782</u>	<u>\$ -</u>	<u>\$ 18,573</u>

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

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019
(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 Defense				
12.630 - Basic, Applied and Advanced Research in Science and Engineering Academy of Applied Science	SG-16-009, SG-16-010	\$ 1,000	\$ -	\$ 701
Academy of Applied Science	2018-CAL State-1	2,000	-	1,210
Total 12.630		<u>3,000</u>	<u>-</u>	<u>1,911</u>
12.901 - Mathematical Sciences Grants Program Direct Funding	H98230-18-1-0068	24,800	-	(6,007)
12.NA - Not Applicable Direct Funding	N62473-16-2-0007	84,907	-	273
Total Department of Defense		<u>112,707</u>	<u>-</u>	<u>(3,823)</u>
Department of Education				
Trio - Cluster				
84.042 - TRIO, Student Support Services Direct Funding	P042A150840	1,646,127	-	208,292
84.217 - TRIO, McNair Post-Baccalaureate Achievement Direct Funding	P217A170341	450,992	-	249,191
Total TRIO Cluster		<u>2,097,119</u>	<u>-</u>	<u>457,483</u>
84.141 - Migrant Education, High School Equivalency Program Direct Funding	S141A160026	3,044,228	-	502,855
84.149 - Migrant Education, College Assistance Migrant Program Direct Funding	S149A140007	2,125,000	-	301,997
84.305 - Education Research, Development and Dissemination Direct Funding	R305B160016	1,231,108	-	172,369
84.325 - SPED-Personnel Development to Improve Services and Results for Children with Disabilities Direct Funding	H325K160145	1,498,136	-	229,360
84.367 - Improving Teacher Quality State Grants Education	S367B160005	1,280,000	81,325	204,372
UC Regents	ESSA18-CMP-SACRAMENTO	20,635	-	13,851
UC Regents	ESSA18-CRLP-SACRAMENTO	43,627	-	43,627
UC Regents	ESSA18-CSP-SACRAMENTO	30,000	-	30,000
UC Regents	ESSA18-CWLP-SACRAMENTO	34,200	-	34,200
UC Regents	NCLB13-CWLP-SACRAMENTO	42,500	-	18
UC Regents	NCLB14-CRLP-SACRAMENTO	39,141	-	3,795
UC Regents	NCLB14-CWLP-SACRAMENTO	36,335	-	9
Total 84.367		<u>1,526,438</u>	<u>81,325</u>	<u>329,872</u>
84.382 - Strengthening Minority-Serving Institutions Direct Funding	P382B160023	1,024,622	-	306,601
Total Department of Education		<u>10,449,532</u>	<u>81,325</u>	<u>1,843,054</u>
Department of Health and Human Services				
93.110 - Maternal and Child Health Federal Consolidated Programs UC Davis	201602617-01	90,441	-	54,286
93.136 - Injury Prevention and Control Research Department of Public Health	16-10897	1,064,903	116,803	347,465
93.563 - Child Support Enforcement Child Support Services	60-0651-16	435,317	-	1,766
93.632 - UCEDD Education, Research, and Service UC Davis	201602885-01	30,178	-	8,993
93.658 - Foster Care, Title IV-E UC Regents	00009254	4,520,072	-	55,699
UC Regents	00009895	2,399,040	-	1,959,749
Total 93.658		<u>6,919,112</u>	<u>-</u>	<u>2,015,448</u>
93.778 - Medical Assistance Program Department of Health Care Services	16-93072	225,000	-	526
Department of Health Care Services	17-94033	600,000	-	1,498
Department of Health Care Services	18-95093	225,000	-	147,978
Total 93.778		<u>1,050,000</u>	<u>-</u>	<u>150,002</u>
93.944 - HIV/AIDS Surveillance Department of Public Health	17-10430	400,000	-	39,545
93.977 - Preventive Health Services-Sexually Transmitted Diseases Control Grants Department of Public Health	17-10657	1,648,362	-	75,278
Total Department of Health and Human Services		<u>\$ 11,638,313</u>	<u>\$ 116,803</u>	<u>\$ 2,692,783</u>

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

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019
(Continued)

Federal Grantor/Pass-Through Grantor CFDA # - Federal Program Title	Pass-Through or Grant Number	Program or Award Amount	Through to Subrecipients	Expenditures
Other Programs (Continued)				
Department of Housing and Urban Development				
14.267 - Continuum of Care Program Sacramento Steps Forward	Agreement Effective - 10/17/18	\$ 97,431	\$ -	\$ 89,553
Total Department of Housing and Urban Development		<u>97,431</u>	<u>-</u>	<u>89,553</u>
Department of the Interior				
15.669 - Cooperative Landscape Conservation Direct Funding	F16AC00171	410,444	-	39,949
15.670 - Adaptive Science Direct Funding	F18AC00455	45,000	-	8,443
Direct Funding	F18AC00959	154,000	-	92,699
Total 15.670		<u>199,000</u>	<u>-</u>	<u>101,142</u>
15.678 - Cooperative Ecosystem Studies Units Direct Funding	F18AC00521	49,000	-	12,893
Direct Funding	F18AC00527	45,000	-	12,893
Total 15.678		<u>94,000</u>	<u>-</u>	<u>25,786</u>
Total Department of the Interior		<u>703,444</u>	<u>-</u>	<u>166,877</u>
National Aeronautics and Space Administration				
43.001 - Aerospace Education Services Program UC San Diego	Award Letter Dated 1/19/2016	10,000	-	1,108
UC San Diego	Award Letter Dated 1/31/2017	8,000	-	1,108
UC San Diego	Award Letter Dated 4/9/2018	13,000	-	2,192
Total 43.001		<u>31,000</u>	<u>-</u>	<u>4,408</u>
Total National Aeronautics and Space Administration		<u>31,000</u>	<u>-</u>	<u>4,408</u>
National Endowment for the Humanities				
45.025 - Promotion of the Arts Partnership Agreements The Western States Arts Federation	TW20170338	2,125	-	2,125
The Western States Arts Federation	TW20180048	2,375	-	2,375
The Western States Arts Federation	TW20180049	2,375	-	2,375
Total 45.025		<u>6,875</u>	<u>-</u>	<u>6,875</u>
45.310 - Grants to States - Library Services & Technology Act Pacific Library Partnership	Agreement Dated 7/31/2018	75,000	-	55,067
Total National Endowment for the Humanities		<u>81,875</u>	<u>-</u>	<u>61,942</u>
Environmental Protection Agency				
66.203 - Environmental Finance Center Grants Direct Funding	99T40501	301,110	-	139,048
66.424 - Surveys, Studies, Investigations, Demonstrations, and Training Grants University of North Carolina	5111294	19,613	-	1,076
66.608 - Environmental Information Exchange Network Direct Funding	OS-83923301-0	299,699	-	73,390
66.707 - TSCA Title IV State Lead Certification Grants Department of Public Health	15-10007	400,000	-	715
Total Environmental Protection Agency		<u>1,020,422</u>	<u>-</u>	<u>214,229</u>
Total Expenditures of Federal Awards		<u>\$ 68,038,748</u>	<u>\$ 1,772,751</u>	<u>\$ 14,485,429</u>

See the accompanying note 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, 2019. 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

June 30, 2019

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. 93.658 Foster Care, Title IV-E	
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

June 30, 2019

(Continued)

SECTION II FINDINGS

FINANCIAL STATEMENTS AUDIT

None.

University Enterprises, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2019

(Continued)

SECTION III FINDINGS

FEDERAL AWARDS AUDIT

None.

University Enterprises, Inc.

CORRECTIVE ACTION PLAN

June 30, 2019

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

University Enterprises, Inc.

SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS

June 30, 2019

None.