

University Enterprises, Inc.

Sacramento, California

SINGLE AUDIT REPORTS

June 30, 2021



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, 2021, and the related notes to the financial statements, which collectively comprise UEI's basic financial statements, and have issued our report thereon dated September 13, 2021.

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) as a basis for designing 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 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 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 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 13, 2021
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. (UEI)'s, 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, 2021. 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, 2021.

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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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, 2021, and the related notes to the financial statements, which collectively comprise UEI's basic financial statements. We issued our report thereon dated September 13, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the 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.

KCae Strom, LLP

September 13, 2021
Chico, California

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Assistance Listing Number (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				
10.170 - Specialty Crop Block Grant Program - Farm Bill UC Riverside	S-001236	\$ 16,708	\$ -	\$ 4,528
10.215 - Sustainable Agriculture Research and Education Utah State University	201207-575	249,546	246	246
10.309 - Specialty Crop Research Initiative UC Riverside	S-000901	87,467	-	45,894
UC Riverside	S-001152	235,335	-	213
Total 10.309		322,802	-	46,107
10.310 - Agriculture and Food Research Initiative (AFRI) UC Davis	201403742-01	165,720	-	17,789
10.UNK - SNAP-ED Related Funding, Unknown CFDA CA Department of Aging	CT-2019-17	149,978	-	37,673
Total Department of Agriculture		904,754	246	106,343
Department of Commerce				
11.307 - Economic Adjustment Assistance Direct Funding	07-79-07505	87,323	-	87,323
Total Department of Commerce		87,323	-	87,323
Department of Education				
84.031 - Higher Education Institutional Aid Direct Funding	P031S150197	2,450,928	-	484,068
Direct Funding	P031S170150	3,220,111	12,006	347,311
Total 84.031		5,671,039	12,006	831,379
84.335 - Child Care Access Means Parents in School Direct Funding	P335A180308	402,053	-	239,333
84.366 - Teacher Quality Enhancement Grants Direct Funding	U336S180055	2,022,607	130,589	884,183
Total Department of Education		8,095,699	142,595	1,954,895
Department of the Interior				
15.564 - Central Valley Project Conservation East Bay Regional Park District	P31952	22,561	-	775
15.664 - Fish and Wildlife Coordination and Assistance Direct Funding	F21AC00412	78,531	-	4,634
15.808 - U.S. Geological Survey, Research and Data Collection Direct Funding	G16AC00042	3,560,000	-	675,688
Direct Funding	G16AC00263	10,055,533	-	1,661,795
Total 15.808		13,615,533	-	2,337,483
Total Department of the Interior		13,716,625	-	2,342,892
Department of Justice				
16.828 - Swift and Certain Sanctions/Project HOPE Yolo County	P03265	51,671	-	13,057
Total Department of Justice		51,671	-	13,057
Department of State				
19.900 - Democracy Commission Small Grants Program American Councils International Ed	SKZ100-19-CA-0149	20,000	-	7,930
Total Department of State		20,000	-	7,930
The Institute of Museum and Library Services				
45.312 - National Leadership Grants for Libraries Direct Funding	LG-35-19-0066-19	149,384	4,513	39,846
Total Institute of Museum and Library Services		\$ 149,384	\$ 4,513	\$ 39,846

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

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021
(Continued)

Federal Grantor/Pass-Through Grantor Assistance Listing Number (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	1816694	\$ 102,857	\$ -	\$ 56,359
Direct Funding	1807476	217,465	-	29,219
Direct Funding	1506502	208,271	-	39,608
Direct Funding	1954127	154,937	-	29,001
Occidental College	OXY-CURM0036	5,250	-	4,847
Total 47.049		<u>688,780</u>	<u>-</u>	<u>159,034</u>
47.050 - Geosciences				
Direct Funding	2015311	49,104	8,670	30,318
Direct Funding	EAR-1925565	296,384	-	23,870
Montana State University	G157-19-W6144	204,932	-	80,687
Total 47.050		<u>550,420</u>	<u>8,670</u>	<u>134,875</u>
47.070 - Computer and Information Science and Engineering				
Direct Funding	1911235	293,277	-	155,345
Direct Funding	1923602	300,000	-	157,272
Direct Funding	1924310	298,359	-	192,854
Total 47.070		<u>891,636</u>	<u>-</u>	<u>505,471</u>
47.074 - Biological Sciences				
Direct Funding	1755111	465,041	-	53,993
47.075 - Social, Behavioral, and Economic Sciences				
Direct Funding	1632541	194,068	-	6,605
47.076 - Education and Human Resources				
Direct Funding	HRD-1905148	1,075,000	391,109	391,109
Direct Funding	DUE-1950112	1,199,774	-	93,015
Direct Funding	DUE-1953752	2,109,311	-	116,724
Direct Funding	DUE-2012891	777,642	-	104,482
Direct Funding	DGE-1504547	3,077,428	-	436,160
Direct Funding	DGE-1934285	109,772	-	52,998
Direct Funding	DUE-1432299	130,914	-	10,148
Direct Funding	DUE-1557323	1,976,768	-	409,882
Direct Funding	DUE-1644273	959,999	-	111,890
Direct Funding	DUE-1660810	79,148	-	6,265
Direct Funding	DUE-1832335	583,854	40,432	314,807
Direct Funding	HRD-1807387	1,075,000	132,454	132,453
Direct Funding	HRD-1826490	1,942,760	371,826	607,706
California State University East Bay	W1206-412	106,462	-	62,367
Florida State University	166140	75,000	-	1,866
UC Davis	A19-0533-S001	409,093	-	213,318
UC Regents	Agreement effective 5/30/2019	25,250	-	15,037
University of Georgia	SUB00002094	36,657	-	7,155
Total 47.076		<u>15,749,833</u>	<u>935,821</u>	<u>3,087,382</u>
Total National Science Foundation		<u>18,539,778</u>	<u>944,491</u>	<u>3,947,360</u>
United States Institute of Peace				
91.UNK				
Direct Funding	95314421P1QA00536	7,576	-	4,194
Total United States Institute of Peace		<u>7,576</u>	<u>-</u>	<u>4,194</u>
Department of Health and Human Services				
93.859 - Biomedical Research and Research Training				
Direct Funding	1R25GM122667	1,229,068	-	138,450
Direct Funding	1SC3GM119521	339,130	-	4,748
Direct Funding	SC2GM132005	284,000	-	117,571
Total 93.859		<u>1,852,198</u>	<u>-</u>	<u>260,769</u>
Total Department of Health and Human Services		<u>1,852,198</u>	<u>-</u>	<u>260,769</u>
Department of Homeland Security				
97.041 - National Dam Safety Program				
Water Resources	4600009856	1,612,569	-	503,705
Total Department of Homeland Security		<u>1,612,569</u>	<u>-</u>	<u>503,705</u>
Total Research and Development - Cluster		<u>\$ 45,037,577</u>	<u>\$ 1,091,845</u>	<u>\$ 9,268,314</u>

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

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021
(Continued)

Federal Grantor/Pass-Through Grantor Assistance Listing Number (CFDA #) - Federal Program Title	Pass-Through or Grant Number	Program or Award Amount	Passed Through to Subrecipients	Expenditures
Other Programs				
Department of Agriculture				
10.561 - Supplemental Nutrition Assistance Program				
Chico State Enterprises	SUB18-054	\$ 85,705	\$ -	\$ 26,978
Chico State Enterprises	SUB20-011	67,839	-	39,481
Total 10.561		<u>153,544</u>	<u>-</u>	<u>66,459</u>
Total Department of Agriculture		<u>153,544</u>	<u>-</u>	<u>66,459</u>
Department of Commerce				
11.609 - Measurement and Engineering Research and Standards				
Pennsylvania State University	S001371-NIST	11,000	-	10,758
Total Department of Commerce		<u>11,000</u>	<u>-</u>	<u>10,758</u>
Department of Defense				
12.903 - GenCyber Grants Program				
Direct Funding	H98230-21-1-0083	99,897	-	14,902
Total Department of Defense		<u>99,897</u>	<u>-</u>	<u>14,902</u>
Department of the Treasury				
21.019 - COVID-19 - Coronavirus Relief Fund				
City of Sacramento	Agreement dated 8/1/2020	175,908	-	154,291
Total Department of the Treasury		<u>175,908</u>	<u>-</u>	<u>154,291</u>
Department of Education				
Trio - Cluster				
84.042 - TRIO, Student Support Services				
Direct Funding	P042A150840	2,704,866	-	172,512
84.217 - TRIO, McNair Post-Baccalaureate Achievement				
Direct Funding	P217A170341	951,893	-	177,390
Total TRIO Cluster		<u>3,656,759</u>	<u>-</u>	<u>349,902</u>
84.013 - Program for Neglected and Delinquent Children and Youth				
Cal Poly Pomona Foundation	S20-008960-CSUS	12,500	-	7,846
84.016 - Undergraduate International Studies and Foreign Language Programs				
CSU San Bernardino	SA20141	38,115	-	20,525
84.141 - Migrant Education, High School Equivalency Program				
Direct Funding	S141A160026	4,275,000	-	299,395
84.149 - Migrant Education, College Assistance Migrant Program				
Direct Funding	S149A140007	3,400,000	-	6,469
Direct Funding	S149A190008	2,549,997	-	363,701
Total 84.149		<u>5,949,997</u>	<u>-</u>	<u>370,170</u>
84.305 - Education Research, Development and Dissemination				
Direct Funding	R305B160016	1,723,632	-	144,821
84.325 - SPED-Personnel Development to Improve Services and Results for Children with Disabilities				
Direct Funding	H325K160145	2,244,401	-	252,177
84.334 - Gaining Early Awareness and Readiness for Undergraduate Programs				
UC Regents	UCOP_UEI_0919_0920	139,459	-	96,416
UC Regents	UCOP_UEI_0920_0921	179,160	-	60,398
Total 84.149		<u>318,619</u>	<u>-</u>	<u>156,814</u>
84.367 - Improving Teacher Quality State Grants				
UC Regents	703993	145,500	-	60,246
UC Regents	ESSA19-CMP-SACRAMENTO	20,635	-	13,773
UC Regents	ESSA19-CSP-SACRAMENTO	30,000	-	21,932
UC Regents	ESSA19-CWLP-SACRAMENTO	35,000	-	5,076
UC Regents	ESSA20-CMP-SACRAMENTO	20,635	-	16,320
UC Regents	ESSA20-CRLP-SACRAMENTO	43,628	-	43,628
UC Regents	ESSA20-CSP-SACRAMENTO	30,000	-	29,998
UC Regents	ESSA20-CWLP-SACRAMENTO	35,000	-	35,000
Total 84.367		<u>360,398</u>	<u>-</u>	<u>225,973</u>
84.382 - Strengthening Minority-Serving Institutions				
Direct Funding	P382B160023	1,374,534	-	416,109
Total Department of Education		<u>\$ 19,953,955</u>	<u>\$ -</u>	<u>\$ 2,243,732</u>

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

University Enterprises, Inc.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021
(Continued)

Federal Grantor/Pass-Through Grantor Assistance Listing Number (CFDA #) - Federal Program Title	Pass-Through or Grant Number	Program or Award Amount	Passed Through to Subrecipients	Expenditures
Other Programs (Continued)				
Department of Health and Human Services				
93.110 - Maternal and Child Health Federal Consolidated Programs				
UC Davis	201602617-01	\$ 109,986	\$ -	\$ 6,800
UC Davis	A17-0372-S001	40,307	-	32,613
Total 93.110		<u>150,293</u>	<u>-</u>	<u>39,413</u>
93.116 - Tuberculosis Control Programs				
California Department of Public Health	20-10828	8,000	-	3,215
93.658 - Foster Care, Title IV-E				
UC Regents	00009895	4,798,080	-	71,411
UC Regents	00010503	2,771,803	-	2,011,763
Total 93.658		<u>7,569,883</u>	<u>-</u>	<u>2,083,174</u>
93.778 - Medical Assistance Program				
Department of Health Care Services	20-10046	225,000	-	156,986
93.977 - Preventive Health Services-Sexually Transmitted Diseases Control Grants				
Department of Public Health	17-10657	1,648,362	-	11,557
Department of Public Health	20-10326	45,000	-	7,752
Total 93.977		<u>1,693,362</u>	<u>-</u>	<u>19,309</u>
Total Department of Health and Human Services		<u>9,646,538</u>	<u>-</u>	<u>2,302,097</u>
Department of Homeland Security				
97.024 - Emergency Food and Shelter National Board Program				
Sacramento Regional Emergency Food Shelter Program	082400-045	4,297	-	2,700
Total Department of Homeland Security		<u>4,297</u>	<u>-</u>	<u>2,700</u>
Department of the Interior				
15.664 - Fish and Wildlife Coordination and Assistance				
Direct Funding	F20AC10840	184,500	-	52,232
15.669 - Cooperative Landscape Conservation				
Direct Funding	F16AC00171	410,444	-	7,793
15.670 - Adaptive Science				
Direct Funding	F18AC00455	45,000	-	4,525
Direct Funding	F18AC00959	308,000	-	135,426
Total 15.670		<u>353,000</u>	<u>-</u>	<u>139,951</u>
15.678 - Cooperative Ecosystem Studies Units				
Direct Funding	F18AC00527	45,000	-	624
15.945 - Cooperative Research and Training Programs				
Direct Funding	P20AC01011	10,000	-	9,169
Total Department of the Interior		<u>1,002,944</u>	<u>-</u>	<u>209,769</u>
National Endowment for the Arts				
45.025 - Promotion of the Arts - Partnership Agreements				
The Western States Art Foundation	TW20200156	2,375	-	2,375
The Western States Art Foundation	TW20200203	2,500	-	2,500
Total 45.025		<u>4,875</u>	<u>-</u>	<u>4,875</u>
Total National Endowment for the Arts		<u>4,875</u>	<u>-</u>	<u>4,875</u>
Environmental Protection Agency				
66.203 - Environmental Finance Center Grants				
Direct Funding	99T40501	789,430	-	139,502
University of North Carolina	5116395	8,000	-	8,000
Total 66.203		<u>797,430</u>	<u>-</u>	<u>147,502</u>
66.424 - Surveys, Studies, Investigations, Demonstrations, and Training Grants				
University of North Carolina	5111294	40,000	-	13,328
66.608 - Environmental Information Exchange Network				
Direct Funding	OS-83923301-0	299,699	-	46,226
Direct Funding	OS-84009601	199,967	-	5,682
Total 66.608		<u>499,666</u>	<u>-</u>	<u>51,908</u>
Total Environmental Protection Agency		<u>1,337,096</u>	<u>-</u>	<u>212,738</u>
Total Expenditures of Federal Awards		<u>\$ 77,427,631</u>	<u>\$ 1,091,845</u>	<u>\$ 14,490,635</u>

See the accompanying notes 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, 2021. 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. ASSISTANCE LISTING NUMBERS

The Assistance Listing numbers, formerly referred to as Catalog of Domestic Assistance numbers (CFDA #) included in the accompanying SEFA were determined based on the program name, a review of grant contract information, and a search of Assistance Listings found on the U.S. General Services Administration website Sam.gov.

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, 2021

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: Assistance Listing No. (CFDA #) Various Research and Development Cluster	
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, 2021

(Continued)

SECTION II FINDINGS

FINANCIAL STATEMENTS AUDIT

None.

University Enterprises, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2021

(Continued)

SECTION III FINDINGS

FEDERAL AWARDS AUDIT

None.

University Enterprises, Inc.

CORRECTIVE ACTION PLAN

June 30, 2021

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

University Enterprises, Inc.

SUMMARY SCHEDULE OF PRIOR-YEAR FINDINGS

June 30, 2021

None.