



**WILLAMETTE UNIVERSITY**

Independent Auditors' Report in Accordance with  
the Uniform Guidance for Federal Awards

Year Ended May 31, 2019

(With Independent Auditors' Report Thereon)

**WILLAMETTE UNIVERSITY**

**Table of Contents**

	<b>Page</b>
Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance	1
Schedule of Expenditures of Federal Awards	3
Notes to Schedule of Expenditures of Federal Awards	4
Schedule of Findings and Questioned Costs	6



KPMG LLP  
Suite 3800  
1300 South West Fifth Avenue  
Portland, OR 97201

## **Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

The Board of Trustees  
Willamette University  
Salem, Oregon:

### **Report on Compliance for Each Major Federal Program**

We have audited Willamette University's (the University) compliance with the types of compliance requirements described in the OMB Uniform Guidance that could have a direct and material effect on each of the University's major federal programs for the year ended May 31, 2019. The University's major federal program is 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 the University'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 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 the University'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 the University's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, Willamette University 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 May 31, 2019.

### **Report on Internal Control over Compliance**

Management of the University 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 the University'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 the University'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.

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 the University as of and for the year ended May 31, 2019, and have issued our report thereon dated October 25, 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 taken 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 taken as a whole.

*KPMG LLP*

Portland, Oregon  
October 25, 2019

**WILLAMETTE UNIVERSITY**  
Schedule of Expenditures of Federal Awards  
Year ended May 31, 2019

	<u>CFDA number</u>	<u>Identifying number</u>	<u>Pass-through entity identifying name</u>	<u>Passed through to subrecipients</u>	<u>Total federal expenditures</u>
Student financial assistance cluster:					
Department of Education:					
Supplemental Education Opportunity Grant	84.007			\$ —	456,884
Federal Work Study	84.033			—	409,631
Federal Perkins Loans	84.038			—	6,967,706
Federal Pell Grant Program	84.063			—	1,784,758
Federal Direct Loan Program	84.268			—	25,695,716
Total Student Financial Assistance cluster				—	35,314,695
Research and development cluster:					
National Science Foundation:					
NSF (Griffith)	47.041	1606190		—	149,609
NSF (Coddington)	47.074	1351129		—	48,545
NSF (Smith)	47.074	1253849		—	85,142
NSF (Coddington)	47.074	1655483		—	1,730
NSF (Kleinert/Altman/Watkins)	47.049	1505919		—	36,536
NSF (Stevens/Witkow)	47.076	1505060		7,319	18,618
NSF (Kleinert BYU sub)	47.049	1500376	Brigham Young University	—	9,274
NSF (Fisher)	47.076	1742159		—	73,518
Total National Science Foundation				7,319	422,972
Department of Agriculture:					
Forest Service-agreement (Dobkins)	11.000	115-CS-11015600-053		—	2,616
Total Department of Agriculture				—	2,616
Department of Education:					
USDE IES (Witkow)	84.305A	R305A170559		—	60,424
Total Department of Education				—	60,424
National Aeronautics and Space Administration:					
NASA (Leon Zayas Sub University of Delaware)	43.001	80NSSC17K00300	University of Delaware	—	7,709
Total National Aeronautics and Space Administration				—	7,709
National Historical Publications and Records Commission:					
NHPRC (McRobinson)	89.003	RH-100300-18		—	39,771
Total National Historical Publications and Records Commission				—	39,771
National Institutes of Health:					
NIH (Sub Michigan State University Stevens)	93.173	1R21DC017227-01	Michigan State University	—	15,923
Total National Institutes of Health				—	15,923
Total research and development cluster				7,319	549,415
Other Awards					
Department of Justice:					
Victims of Crime Act of 1984	16-575	VOCA-FI-2018-WU-00056		—	51,915
Total Victims of Crime Act				—	51,915
Total other awards				—	51,915
Total expenditures of federal awards				\$ 7,319	35,916,025

See accompanying notes to schedule of expenditures of federal awards.

**WILLAMETTE UNIVERSITY**

Notes to Schedule of Expenditures of Federal Awards

Year ended May 31, 2019

**(1) Summary of Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Willamette University (the University) under programs of the federal government for the year ended May 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200 (2 CFR 200), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

Financial assistance received directly from federal agencies as well as financial assistance passed through from other agencies is included in the accompanying schedule. The University's financial reporting entity is described in note 1 to the University's financial statements.

**(2) Basis of Accounting**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, as applicable, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The University has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**(3) Loan Program Administration**

The University administers the following loan program. There were no new Perkins loans made during the fiscal year:

	<u>CFDA number</u>		<u>Outstanding balance</u>
Perkins loans	84.038	\$	5,643,389

**(4) Federal Direct Loan Program**

The University receives federal financial assistance through the Federal Direct Loan Program. The loans under these programs are made to eligible students directly from the federal government. The University's responsibility is to determine eligibility for the loans; thus, the amounts reported below are the amounts that students were awarded.

	<u>CFDA number</u>		<u>Amount awarded</u>
Stafford loans	84.268	\$	13,698,098
PLUS loans	84.268		<u>11,997,618</u>
Total		\$	<u><u>25,695,716</u></u>

**WILLAMETTE UNIVERSITY**

Notes to Schedule of Expenditures of Federal Awards

Year ended May 31, 2019

**(5) Administrative Costs**

The amount of Pell Grant and Federal Work Study disbursements shown on the schedule of expenditures of federal awards includes the current year administrative cost allowance of \$2,025 and \$56,061, respectively.

**WILLAMETTE UNIVERSITY**  
Schedule of Findings and Questioned Costs  
Year ended May 31, 2019

**(1) Summary of Auditors' Results**

- (a) The type of report issued on whether the financial statements were prepared in accordance with generally accepted accounting principles: **Unmodified**
- (b) Significant deficiencies in internal control disclosed by the audit of the financial statements: **None Reported**  
  
Material weaknesses: **No**  
  
Significant deficiencies: **None Reported**
- (c) Noncompliance that is material to the financial statements: **No**
- (d) Significant deficiencies in internal control over major programs: **None Reported**  
  
Material weaknesses: **No**  
  
Significant deficiencies: **None Reported**
- (e) The type of report issued on compliance for major programs: **Unmodified**
- (f) Any audit findings that are required to be reported in accordance with 2 CFR 200.516(a): **No**
- (g) Major programs: Student Financial Assistance Cluster (CFDA 84.007, 84.033, 84.038, 84.063, and 84.268)
- (h) Dollar threshold used to distinguish between Type A and Type B programs: **\$750,000**
- (i) Auditee qualified as a low-risk auditee: **Yes**

**(2) Findings Relating to the Financial Statements Reported in Accordance with *Government Auditing Standards***

None

**(3) Findings and Questioned Costs Relating to Federal Awards**

None