

**SOUTHERN OREGON UNIVERSITY**  
**SINGLE AUDIT REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2024**



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**SOUTHERN OREGON UNIVERSITY  
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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***

Members of the Board  
Southern Oregon University  
Ashland, Oregon

We have audited, in accordance with the 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 the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Southern Oregon University, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Southern Oregon University's basic financial statements, and have issued our report thereon dated March 28, 2025. Our report includes a reference to other auditors who audited the financial statements of the Southern Oregon University Foundation, a discretely presented component unit, and 97%, 96%, and 60%, for the years ended June 30, 2024, respectively, of the assets, fiduciary net position, and revenues of the aggregate remaining fund information as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit and the portion of the aggregate remaining fund information audited by other auditors referred to above were not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Southern Oregon University'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Southern Oregon University's internal control. Accordingly, we do not express an opinion on the effectiveness of Southern Oregon University'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 the entity'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 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 that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### **Report on Compliance and Other Matters**

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

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Lake Oswego, Oregon  
March 28, 2025



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE,  
AND REPORT ON THE SCHEDULE OF EXPENDITURES OF  
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Members of the Board  
Southern Oregon University  
Ashland, Oregon

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited Southern Oregon University's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Southern Oregon University's major federal program for the year ended June 30, 2024. Southern Oregon University's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Southern Oregon University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Southern Oregon University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Southern Oregon University's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Southern Oregon University's federal programs.

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Southern Oregon University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Southern Oregon University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Southern Oregon University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Southern Oregon University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Southern Oregon University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Southern Oregon University's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Southern Oregon University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003, to be significant deficiencies.

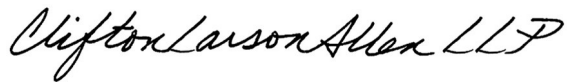
Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on Southern Oregon University's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Southern Oregon University's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 business-type activities, the discretely presented component unit, and the aggregate remaining fund information of Southern Oregon University as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Southern Oregon University's basic financial statements. We have issued our report thereon, dated March 28, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions 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 basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 basic financial statements as a whole.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Lake Oswego, Oregon  
March 28, 2025



**SOUTHERN OREGON UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Passthrough Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity	Pass-Through Identifying Number	Passed Through to Subrecipients	Expenditures
<b>HEALTH CENTER PROGRAMS</b>					
<b>Department of Health and Human Services</b>					
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224	La Clinica Del Valle	N/A		\$ 179,678
Social Services Block Grant	93.667	Oregon Department of Education	33486		73,743
Total Health Center Programs Cluster					<u>253,421</u>
<b>RESEARCH AND DEVELOPMENT</b>					
<b>Department of the Interior</b>					
Cultural and Paleontological Resources Management	15.224				57,146
Forest and Woodlands Resource Management	15.233				11,230
Cooperative Research and Training Programs û Resources of the National Park System	15.945				64,639
Department of the Interior Total					<u>133,015</u>
<b>Department of Agriculture</b>					
Agriculture and Food Research Initiative (AFRI)	10.310				38,837
Department of Agriculture Total					<u>38,837</u>
<b>National Aeronautics and Space Administration</b>					
Office of Stem Engagement (OSTEM)	43.008	Oregon State University	NS324G-Q		39,010
Science	43.001	Oregon State University	505247-78053		25,524
National Aeronautics and Space Administration Total					<u>64,534</u>
<b>National Science Foundation</b>					
Geosciences	47.050	The American Geophysical Union	N/A		539
Integrative Activities	47.083				176,425
Polar Programs	47.078				41,738
STEM Education (formerly Education and Human Resources)	47.076	John Carroll University	ASCENDsub-007		7,623
STEM Education (formerly Education and Human Resources)	47.076			\$ 32,993	275,694
National Science Foundation Total				<u>32,993</u>	<u>502,019</u>
Total Research and Development Cluster				32,993	738,405

See notes to Schedule of Expenditures of Federal Awards.

**SOUTHERN OREGON UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Passthrough Grantor/ Program or Cluster Title	Assistance Listing Number	Pass-Through Entity	Pass-Through Identifying Number	Passed Through to Subrecipients	Expenditures
<b>STUDENT FINANCIAL ASSISTANCE</b>					
<b>Department of Education</b>					
Federal Direct Student Loans	84.268				\$ 18,343,061
Federal Pell Grant Program	84.063				5,784,187
Federal Supplemental Educational Opportunity Grants	84.007				359,410
Federal Work-Study Program	84.033				431,926
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379				24,201
Total Department of Education and Student Financial Assistance Cluster					<u>24,942,785</u>
<b>TRIO</b>					
<b>Department of Education</b>					
TRIO McNair Post-Baccalaureate Achievement	84.217				281,299
TRIO Student Support Services	84.042				362,814
Total Department of Education and TRIO Cluster					<u>644,113</u>
<b>Other Programs</b>					
<b>Department of Education</b>					
Migrant Education State Grant Program	84.011	Oregon Department of Education	21507		(1,457)
Migrant Education State Grant Program	84.011	Oregon Department of Education	23911		120,824
COVID19 - Education Stabilization Fund	84.425				47,363
Department of Education Total					<u>166,730</u>
<b>Department of Treasury</b>					
COVID - Coronavirus State and Local Fiscal Recovery Funds	21.027	Oregon Health Authority		181698	600,370
Total Department of Treasury					<u>600,370</u>
<b>Small Business Administration</b>					
Small Business Development Centers	59.037	Lane Community College		SBA 2022	83,310
Total Small Business Administration					<u>83,310</u>
<b>U.S. Fish and Wildlife Service</b>					
Wildlife Restoration and Basic Hunter Education and Safety	15.611	Oregon Department of Fish and Wildlife	106-24		1,288
Total Small Business Administration					<u>1,288</u>
The Institute of Museum and Library Services	45.310				19,550
Total Other Programs					<u>871,248</u>
Total Expenditures of Federal Funds				<u>\$ 32,993</u>	<u>\$ 27,449,972</u>

See notes to Schedule of Expenditures of Federal Awards.

**SOUTHERN OREGON UNIVERSITY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2024**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Southern Oregon University under programs of the federal government of the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Southern Oregon University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Southern Oregon University.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 INDIRECT COST RATE**

Southern Oregon University has elected to not use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE 4 STUDENT FINANCIAL AID INSTITUTIONAL AND PROGRAM ELIGIBILITY METRICS**

Under the Higher Education Act of 1965, as amended (HEA) and federal regulations under 34 CFR § 668.23, institutions are subject to the calculations below unless the institution meets criteria for exemptions or waivers of those requirements. Southern Oregon University is in compliance with the following regulations for the year ended June 30, 2024.

- Correspondence courses the institution offers under 34 CFR 600.7(b) and (g);
- Regular students that enroll in correspondence courses under 34 CFR 600.7(b) and (g);
- Institution's regular students that are incarcerated under 34 CFR 600.7(c) and (g);
- Completion rates for confined or incarcerated individuals enrolled in non-degree programs at nonprofit institutions under 34 CFR 600.7(c)(3)(ii) and (g);
- Institution's regular students that lack a high school diploma or its equivalent under 34 CFR 600.7(d) and (g);
- Completion rates for short-term programs under 34 CFR 668.8(f) and (g);
- Placement rates for short-term programs under 34 CFR 668.8(e)(2).

**SOUTHERN OREGON UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

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***Section I – Summary of Auditors’ Results***

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***Financial Statements***

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? ☐ yes ☒ no
  - Significant deficiency(ies) identified? ☐ yes ☒ none reported
3. Noncompliance material to financial statements noted? ☐ yes ☒ no

***Federal Awards***

1. Internal control over major federal programs:
- Material weakness(es) identified? ☐ yes ☒ no
  - Significant deficiency(ies) identified? ☒ yes ☐ none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☒ yes ☐ no

***Identification of Major Federal Programs***

**ASSISTANCE LISTING Number(s)**

84.007, 84.033, 84.063,  
84.268, 84.379

**Name of Federal Program or Cluster**

Student Financial Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

☒ yes ☐ no

**SOUTHERN OREGON UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024**

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***Section II – Financial Statement Findings***

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Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

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***Section III – Findings and Questioned Costs – Major Federal Programs***

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**2024 – 001**

**Special Tests – Enrollment Reporting**

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Number:

84.268 – Federal Direct Student Loans

84.063 – Federal Pell Grant Program

Federal Award Identification Number and Year: P063P230362 2024 and P268K240362 2024

Award Period: June 1, 2023 to June 30, 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

**Criteria or specific requirement:** Institutions are required to report enrollment information under the Pell grant and the Direct loan programs via the National Student Loan Data System (NSLDS) (OMB No. 1845-0035) (Pell, 34 CFR 690.83(b)(2); Direct Loan, 34 CFR 685.309). Institutions must review, update, and verify student enrollment statuses, program information, and effective dates that appear on the Enrollment Reporting Roster file or on the Enrollment Maintenance page of the NSLDS Professional Access (NSLDSFAP) website. There are two categories of enrollment information; “Campus Level” and “Program Level,” both of which need to be reported accurately and have separate record types. The NSLDS Enrollment Reporting Guide provides the requirements and guidance for reporting enrollment details using the NSLDS Enrollment Reporting Process. Institutions must report enrollment changes within 30 days; however, if a roster file is expected within 60 days, you may provide the updated data on that roster file. The University must also have an adequate process to internally review submissions to either the third-party servicer or directly to NSLDS. Additionally, Institutions are required to ensure adequate internal controls over compliance are established and maintained in accordance with 2 CFR 200.303.

**SOUTHERN OREGON UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2024 – 001 (Continued)**

**Condition:** During our testing of the Direct Loan and Pell Grant programs, we selected a sample of 40 student enrollment changes to test for timeliness and accurate reporting of student status changes to the National Student Loan Data System (NSLDS). Our testing resulted in the following items of noncompliance.

1. 10 individual students where a student's campus-level enrollment effective date was not correctly reported to NSLDS. 34 CFR 685.309 (b)(1) and 34 CFR 690.83(b)(2)
2. 13 instances where a student's enrollment status change was not reported timely to NSLDS. 34 CFR 685.309(b)(1) and 34 CFR 690.83(b)(2)

**Questioned costs:** N/A

**Context:** Out of a sample of 40 enrollment changes selected for testing for the requirement noted above, we noted 21 students with exceptions. 2 students had multiple instances of noncompliance.

**Cause:** Turnover at the university did not lead to adequate corrective action taken after the prior year audit. The University was unaware of the errors which were caused by the transmission of data between their student information system and the third-party servicer.

**Effect:** The NSLDS system could not be updated accurately or timely with student enrollment information.

**Repeat finding:** Yes 2023-001

**Recommendation:** We recommend that the University ensure it has enhanced its policies and procedures regarding enrollment reporting including additional monitoring over the third-party service provider to ensure that reporting is completed accurately and timely.

**View of responsible official:** The University agrees with the finding.

**SOUTHERN OREGON UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2024 – 002**

**Eligibility – Direct Loan Entrance Counseling**

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Numbers:

84.268 – Federal Direct Student Loans

Federal Award Identification Number and Year: P268K240362 2024

Award Period: June 1, 2023 to June 30, 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

**Criteria or specific requirement:** As outlined under 34 CFR 668.164(l), an institution is required to ensure entrance counseling has been performed before disbursing Direct loan funds to the student for Direct Subsidized Loan, Direct Unsubsidized Loan and Direct PLUS Loan to a graduate or professional student.

**Condition:** During our testing, one of the 40 students selected for testing did not receive entrance counseling prior to receiving their first Grad PLUS Direct Loan Disbursement.

**Questioned costs:** Federal Direct Student Loans - \$3,381.

**Context:** Out of our population and sample of 40 students, the University did not document 1 student's entrance counseling completion.

**Cause:** The University's processes and controls did not ensure that entrance counseling was completed or did not retain proper support to indicate this process took place.

**Effect:** Students are not receiving the proper loan counseling which may contribute to a higher default rate.

**Repeat finding:** No

**Recommendation:** We recommend the Institute review its policies and procedures around sending entrance information to students to ensure students are receiving proper counseling and ensure entrance counseling is documented before loans disbursements are made.

**View of responsible official:** The University agrees with the finding.

**SOUTHERN OREGON UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2024**

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***Section III – Findings and Questioned Costs – Major Federal Programs (Continued)***

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**2024 – 003**

**Special Tests – Using a Servicer or Financial Institution to Deliver Title IV Credit Balances to a Card or Other Access Device**

Federal Agency: Department of Education

Federal Program Title: Student Financial Assistance Cluster

ASSISTANCE LISTING Numbers:

84.268 – Federal Direct Student Loans

84.063 – Federal Pell Grant Program

Federal Award Identification Number and Year: P063P230362 2024 and P268K240362 2024

Award Period: June 1, 2023 to June 30, 2024

Type of Finding: Significant Deficiency in Internal Control Over Compliance, Other Matter

**Criteria or specific requirement:** An institution must provide to Department of Education an up-to-date URL for the contract for publication in a centralized database accessible to the public. Unless the school has a Tier Two arrangement under the threshold, the URL must also include the contract data described in the paragraph above (34 CFR 668.164(e)(2)(viii); 668.164(f)(4)(iii)(B); 668.164(f)(4)(v)). Additionally, Institutions are required to ensure adequate internal controls over compliance are established and maintained in accordance with 2 CFR 200.303.

**Condition:** During our testing the University could not provide support that an up-to-date contract establishing their tier two arrangement was provided to the Department of Education.

**Questioned costs:** N/A

**Context:** The University did not meet the compliance requirement to report the contract and contract components to the Department of Education.

**Cause:** Turnover at the university did not lead to adequate corrective action taken after the prior year audit. The University was not aware of the requirement and previously personal did not retain applicable support, if completed.

**Effect:** The Department of Education was not provided required information regarding the contract.

**Repeat finding:** Yes 2023-003

**Recommendation:** We recommend that the University ensure it has enhanced its policies and procedures to ensure required contracts and contract components are provided to the Department of education when required.

**View of responsible official:** The University agrees with the finding.



