

LINN-BENTON COMMUNITY COLLEGE
ALBANY, OREGON

FEDERAL SINGLE AUDIT ACT AUDIT
IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S 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

January 21, 2021

Board of Education
Linn-Benton Community College
Albany, Oregon

Report on Compliance for Each Major Federal Program

We have audited Linn-Benton Community College's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Linn-Benton Community College's major federal programs for the year ended June 30, 2020. Linn-Benton Community College's major federal programs are identified in the summary of audit 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Linn-Benton Community College'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 Linn-Benton Community College'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 Linn-Benton Community College's compliance.

Opinion on Each Major Federal Program

In our opinion, Linn-Benton Community College 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, 2020.

Report on Internal Control Over Compliance

Management of Linn-Benton Community College 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 Linn-Benton Community College'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 Linn-Benton Community College'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 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 Linn-Benton Community College as of and for the year ended June 30, 2020, and have issued our report thereon dated November 7, 2020 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.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

LINN-BENTON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2020

	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Education:</u>			
Direct: Student Financial Aid Programs:			
Supplemental Educational Opportunity Grants	84.007		\$ 263,438
College Work Study	84.033		197,873
Federal Direct Loan Program	84.268		7,916,936
Pell Grant	84.063		<u>6,440,751</u>
Total Student Financial Aid Programs			<u>14,818,998</u>
Direct: Title III Strengthening Institutions Program Grant	84.031A		<u>45,996</u>
Direct: CARES Act:			
Higher Education Emergency Relief Fund-IHE's	84.425E		659,145
Higher Education Emergency Relief Fund-IHE/Institution	84.425F		<u>248,411</u>
Total CARES Act			<u>907,556</u>
Passed through Oregon Higher Education Coordinating Commission:			
Adult Education - Grants to States	84.002	16-366J	<u>214,054</u>
Passed through Oregon Department of Education:			
Career and Technical Education - Basic Grants to States - Tech Prep Education (Perkins Reserve)	84.048		70,192
Career and Technical Education - Basic Grants to States - Small Schools Consortium (Perkins Basic)	84.048		<u>449,809</u>
Total Career and Technical Education - Basic Grants to States			<u>520,001</u>
Passed through Oregon State University:			
GEAR Up	84.334S		<u>12,165</u>
Total U.S. Department of Education			<u>16,518,770</u>
<u>U.S. Department of Health and Human Services:</u>			
Passed through Oregon Department of Education: 477 Cluster:			
Child Care Resource and Referral	93.575	10438	300,474
Child Care Resource and Referral	93.596	10438	<u>50,956</u>
Total 477 Cluster			351,430
Passed through Oregon Health Authority:			
Oregon Support to Expectant and Parenting Populations	93.500	155958	<u>154,900</u>
Total U.S. Department of Health and Human Services			<u>506,330</u>

LINN-BENTON COMMUNITY COLLEGE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year Ended June 30, 2020

	<u>CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>Small Business Administration:</u>			
Passed through Lane Community College:			
SBA CARES Act Grant	59.037		\$ <u>32,394</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Passed through City of Albany:			
CDBG Block Grant-Microenterprise Program	14.218		<u>9,355</u>
<u>National Science Foundation:</u>			
Direct: NSF S-STEM	47.076		143,525
Direct: NSF GeoBridge Pipeline	47.076		65,231
Passed through University of Washington:			
Pacific NW LSAMP	47.076		<u>12,738</u>
Total National Science Foundation			<u>221,494</u>
<u>National Aeronautics & Space Administration:</u>			
Passed through Oregon State University:			
Oregon/NASA Space Grant Program	43.008		<u>3,540</u>
<u>Institute of Museum and Library Services:</u>			
Passed through State Library of Oregon:			
LSTA Literacy Project	45.310		<u>75,972</u>
Total Expenditures of Federal Awards			<u>\$ 17,367,855</u>

LINN-BENTON COMMUNITY COLLEGE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2020

1. Purpose of the Schedule:

The accompanying schedule of expenditures of federal awards (the Schedule) is a supplementary schedule to Linn-Benton Community College's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position or changes in net position of the College.

2. Significant Accounting Policies:

Reporting Entity: The reporting entity is fully described in Note 1 to the College's financial statements. The Schedule includes all federal financial assistance programs administered by the College for the year ended June 30, 2020.

Basis of Presentation: The information in the Schedule is presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal Financial Assistance: Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Basis of Accounting: The expenditures in the Schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in the Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. The College has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Matching Costs: The Schedule does not include matching expenditures.

LINN-BENTON COMMUNITY COLLEGE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2020

A - SUMMARY OF AUDIT RESULTS:

1. The independent auditor's report expresses an unmodified opinion on the financial statements of Linn-Benton Community College.
2. There were no significant deficiencies in internal control over financial reporting reported during the audit of the financial statements of Linn-Benton Community College.
3. No instances of noncompliance material to the financial statements of Linn-Benton Community College were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance reported during the audit of the major federal award programs of Linn-Benton Community College.
5. The independent auditor's report on compliance for the major federal award programs of Linn-Benton Community College expresses an unmodified opinion.
6. No audit findings relative to the major federal award programs of Linn-Benton Community College are reported in this schedule.
7. The programs tested as major programs are as follows:

Program Name	<u>CFDA Number</u>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Higher Education Emergency Relief Fund	84.425

8. The threshold for distinguishing Type A programs from Type B programs was \$750,000.
9. Linn-Benton Community College was determined to be a low-risk auditee.

B - FINDINGS, FINANCIAL STATEMENTS AUDIT:

None.

C - FINDINGS AND QUESTIONED COSTS, MAJOR FEDERAL AWARD PROGRAMS AUDIT:

None.