6LQJOH $XGLW 5HSRUW

48((1¶6 81,9(56,7<
$7 .,1*6721

$QG ,QGHSHQGHQW $XGLWRUV¶ 5HSRUW WKHUHRQ

<HDU HQGHG $SULO

48((1¶6 81,9(56,7< $7 .,1*6721

6LQJOH $XGLW 5HSRUW

7DEOH RI &RQWHQWV

<HDU HQGHG $SULO

,QGHSHQGHQW $XGLWRU¶V 5HSRUW RQ ,QWHUQDO &RQWURO RYHU)LQDQFLDO 6WDWHPHQWV

6FKHGXOH RI ([SHQGLWXUHV RI)HGHUDO $ZDUGV

1RWHV WR 6FKHGXOH RI ([SHQGLWXUHV RI)HGHUDO $ZDUGV

,QGHSHQGHQW $XGLWRU¶V 5HSRUW RQ &RPSOLDQFH IRU (DFK 0DMRU 3URJUDP DQG RQ ,QWHUQDO &RQWURO RYHU &RPSOLDQFH LQ $FFRUGDQFH ZLWK
)LQDQFLDO 6WDWHPHQWV DQG RQ WKH 6FKHGXOH RI ([SHQGLWXUHV RI)HGHUDO $ZDUGV LQ $FFRUGDQFH ZLWK

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7R WKH 0DQDJHPHQW RI 4XHHQ¶V 8QLYHUVLW\ DW .LQ
$ZDUGLQJ $JHQFLHV

:H KDYH DXGLWHG WKH FRQVROLGDWHG ILQDQFLDO VW
4XHHQ¶V 8QLYHUVLW\ KHUHLQDIWHU 8QLYHUVLW\ ´ VZKLFK
FRQVROLGDWHG VWDWHPHQW RI ILQDQFLDO SRVLWLRQ
VWDWHPHQWV RI RSHUDWLQJ DQG QRQ-RSHUDWLQJ
HQGHG DQG QRWHV FRPSULVLQJ D VXPPDU\ RI
RWKHU H[SODQDWRU\ LQIRUPDWLRQ

Management's Responsibility for the Consolidated Financial Statements

0DQDJHPHQW LV UHVSRQVLEOH IRU WKH SUHSDUDWLRQ
FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV LQ DFFRUGDQ
VWDQGDUGV IRU QRW €`0

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48((1¶6 81,9(56,7< $7 .,1*6721

6LQJOH $XGLW 5HSRUW

1RWHV WR WKH 6FKHGXOH RI ([SHQGLWXUHV RI)HGHUDO $ZDUGV

<HDU HQGHG $SULO

%DVLV RI SUHVHQWDWLRQ

7KH DFFRPSDQ\LQJ 6FKHGXOH RI ([SHQGLWXUHV RI)HGHUDO $ZDUGV LQFOXGHV
JUDQWV WR 4XHHQ¶V 8QLYHUVLW\ RI &KDUORWWH HDFK PDWFKLQJ SURJUDP
'HSDUWPHQW RI (GXFDWLRQ EHZKLFK PLQHGDFHSDUDWHZLWK WKH
School Audit Guide LVVXHG E\ WKH 8 6 'HSDUWPHQW RIRUGXFDWLRQ 2IIK
KDG DFWLYLW\ GXULQJ WKH GHIGVFDUL

7KH LQIRUPDWLRQ LQ WKH 6FKHGXOH LV SHUHVHQWHGPLQWDFFRUG

2XU FRQVLGHUDWLRQVRRQQZDVWUDOWKHGHVFULWLEHGSXQSVR
SDUDJUDSK RI WKLV VHFWLRQ DQG ZGHVILQFRWQGHMLVJQHGL
FRQWURO WKDW PLHKWQEHVPDWRULDOZLQHQILHVD Q*WYGHQILWK
OLPLWDWLRQV GXULQJ RXU DXGLWLGQGLQRWHGQGHOQHVWRU
ZH FRQVLGHU WR EH PDWHULDO ZHDNQHVVHV PHRZHLYHW
WKDW KDYH QRW EHHHQLGGHQWLILHGQFHLUHVDLLQ LGQHWLFDWLRQ O
GHVFULEHG LQ WKH DFFRPSDQ\LQJ VFKHGXOHRI DLVWGW
)LQGLQJV GWKUDWVRZHEHFR
VLJQLILFDQW GHILFLHQFLHV

Compliance and Other Matters

$V SDUW RI REWDLQLQJ UHDVRQDEOH DVVXUDQFH DERXW
FRQVROLGDWHG ILQDQFLDO VWDWHPHQWV DPRXQWV DQG
WHVWV RI LWV FRPSOLDQFH ZLWK FHUWDLQ SURYLVLRQV
JUDQW DJUHHPHQWV QRQ FRPSOLDQFH ZLWK WKHLU FKDFRK
RQ WKH GHWHUPLQDWLRQ RI LQFRQVLVWHQW DPRXQWV
SURYLGLQJ DQ RSLQLRQ RQ FRPSOLDQFH ZLWKHVWV D
DXGLW DQG DFFRUGLQJO\ ZH GR QRW WUHVXOWVV RM XRXKUD
GLVFORVHG QR LQVWDQFHV RI QRQ FRPSOLDQFH RU
UHSRUWHGGovernment Auditing Standards

The University's Response to Findings

7KH 8QLYHUVLW\ V UHVSRQVH WR WKLHWILQGGLHQJVF
DFFRPSDQ\LQJ VFKHJGXOHQGRITXLHQVGLL RQHYGHUWV 7UKHV8Q
ZDV QRW VXEMHFWHG WR WKH DXGLWLQJRSURFHGRQHV
ILQDQFLDO VWDWHPHQWVZEHQHSDHFRUQGKRSLHQVSRQQVHQ

Purpose of this Report

7KH SXUSRVH RI WKLV UHSRUW LV VROHOV\HWRLQHVFULE
FRQWURO DQG FRPSOLDQFH DQGDWKHWRHSURQLWQRGHQGQRVS
RQ WKH HIIHFWLYHQHVV\ ZKHQ FRQVLGHULQJ R7UKRQ
LV DQ LQWHJUDO SDUW RI DQ DXGLWGovernment Auditing LQ DF
Standards LQ FRQVLGHULQJ 7KH 8QLYHUVLW\ LHQWHUQ

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,QGHSHQGHQW $XGLWRUV¶ 5HSRUW RQ &RPSOL
WKDW FRXOG KDYH D 'LUHFW DQG 0DWHULDO
3URJUDP 5HSRUW RQ ,QWHUQDO &RQWURO
$FFRUGDQFH ZLWK 3URJUDP 6SHFLILF 2SLQL
6FKHGXOH RI ([SHQGLWXUHV RI)HGHUDO $ZDU
*XLGDQFH

7R WKH 0DQDJHPHQW RI 4XHHQ¶V 8QLYHUVLW\ $VVLQLQ
$JHQFLHV

Report on Compliance for the Research and Development Cluster

:H KDYH DXGLWHG 4XHHQ¶V 8QLYHUVLW\ $VVLQLQ
WKH W\SHV RI FRPSOLDQFH UHTXLUHPHQWV GHVFULEHG
WKDW FRXOG KDYH D GLUHFW DQG PDWHULDO HIIHFW RQ
'HYHORSPHQW &OXVWHU RI 5HVHDUFK DQG $SSOL

Management's Responsibility

0DQDJHPHQW LV UHVSRQVLEOH IRU FRPSOLDQFH
FRQWUDFWV DQG WKH WLPH RI DQG
5HVHDUFK DQG 'HYHORSPHQW FOXVWHU

Auditors' Responsibility

2XU UHVSRQVLELOLW\ LV WR H[SUHVV
SURJUDPV LQ WKH 5HVHDUFK DQG 'HYHORSPHW
RI FRPSOLDQFH UHTXLUHPHQWV :H
FRPSOLDQFH LQ DFFRUGDQFH ZLWK DXGLWLQ
6WDWHV RI $PHULFD WKH VWDQGDUGV
Government Auditing Standards LVVXHG E\ WKH &RPSWURROHU *HQ
6WDWHV DQG WKH DXGLW UHTXLUHPHQWV
3DUW *Uniform Administrative Requirements, Cost Principles, and Audit
Requirements for Federal Awards* 8QLIRUP *XLGDQFH H[FHSW IRU
SDUDJUDSK *Government Auditing Standards* ZKLFK LQGLFDWH WKD
RUJDQL]DWLRQV VKRXOG XQGHUJR D
LQ &DQDGD 7KRVH VWDQGDUGV DQG WKH
SHUIRUP WKH DXGLW WR REWDLQ UHDVRQDEOH
ZLWK WKH W€À Àp° I ZS6@À `€RI &DQCb0 U@L+H UUP À0 „„@U

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:H EHOLHYH WKDW RXU DXGLW SURYLGHV D UHDVRQDEOH EDVLV
IRU SURJUDPV LQ WKH 5HVHDUFK DQG 'HYHORSPHQW

48((1¶6 81,9(56,7< $7 .,1*6721

6LQJOH $XGLW 5HSRUW
6FKHGXOH RI)LQGLQJV DQG 4XHVWLRQHG &RVWV

<HDU HQGHG $SULO

6XPPDU\ RI $XGLWRU¶V 5HVXOWV

)HGHUDO $ZDUGV

D ,QWHUQDO FRQWURO RYHU FERML FU HSQFRE HUDWRKG DXGLRV HG

0DWHULDO :HDNQHVV

6LJQLILFDQW GHILFLHQFLHV

E 7\SH RI DXGLWRU'V RSLQLRQ RQ HSRUWLQJ DERXW PDWHULDO ZHDNQHVV

F $Q\ DXGLW ILQGLQJV GLVFORVHG WKDW DUH UHTXLUHG WR EH UHSRUWHG LQ DFFRUGDQFH ZLWK &)5 D<HV

G 0DMRU SURJUDPV

&)'$ QXPEHU 1DPH RI IHGHUDO SURJUDP RU FOXV

9DULRXV 5HVHDUFK DQG 'HYHORSPHQW &OXV

H 'ROODU WKUHVKROG XVHG WR GHILQH W\SH $ DQG W\SH %)HGHUDO SURJUDPV

I $XGLWHH TXDOLILHG DV D ORZ ULVN DXGLWHH

)LQGLQJV 5HODWLQJ WR)HGHUDO $ZDUGV 5HSRUWHG LQ 3DUW ,, RI 6FKHGXOH RI $ZDUGV

*RYHUQPHQW $XGLWLQJ 6WDQGDUGV

1RQH

)LQGLQJV DQG 4XHVWLRQHG &RVWV 5HODWLQJ WR)HGHUDO $ZDU

)LQGLQJ 7KH 8QLYHUVLW\ GRHV QRW KDYH D QRQ GHEDUUHG HQWLW\ FRQWUDFWHG SDUWLHV QRU GRHV LW KDYH HQWLW\ URWDWLRQ DFFRUGDQFH ³6$0´

)HGHUDO $ZDUG 1XPEHU F\VHH 6FKHGXOH RI ([SHQGLWXUHV $ZDUGV

3URJUDP 15DPH HDUFK DQG 'HYHORSPHQW &OXVWHU

&)'$ $OO VHH 6FKHGXOH RI ([SHQGLWXUHV $ZDUGV

3URJUDP ([SHQGLWXUHV 6FKHGXOH RI ([SHQGLWXUHV $ZDUGV

)HGHUDO $ZDUG 1XPEHU 6FKHGXOH RI ([SHQGLWXUHV $ZDUGV

)HGHUDO $ZDUG\ <HDU WR $SULO

48((1¶6 81,9(56,7< $7 .,1*6721
6LQJOH $XGLW 5HSRUW

48((1¶6 81,9(56,7< $7 .,1*6721

6LQJOH $XGLW 5HSRUW
6FKHGXOH RI)LQDQFLDOV DQG 4XHVWLRQQDLUHG &RVWV FRQWLQXHG

<HDU HQGHG $SULO

)LQGLQJV DQG 4XHVWLRQHG&RVWV)HGHUDOO\ 6SRQVRUHG

)LQGLQJ 7KH 8QLYHUVLW\ GRHV QRW DFFXUDWHO\ 6XEPLW &HUWDLQ)HGHUDO 3URJUDP 5HSRUWV

)HGHUDO $JHQF\ 1DWLRQDO ,QVWLWXWHV RI +HDOWK

3URJUDP 1DPH 5HVHDUFK DQG 'HYHORSPHQW &OXVWHU

&)'$

3URJUDP ([SHQGLWXUHV

)HGHUDO $ZDUG 1XPEHU

)HGHUDO $ZDUG <HDU WR $SULO

4XHVWLRQHG&RVWV

&RQGLWLRQ $)XQGV DVVRFLDWHG WKURXJK DHZDUG \ WRU WKXHE 8QLYHUVLW\ KDV QRW UHFHLYHG \6XEVHTXHQWLDO SD\PHQWV PDQGDWHG WKURXJK ILQDQFLDO UHSRUWLQJ GHDGOLQHV

&ULWHULRQ RU GLQJ WR &)5 WKH 8QLYHUVLW\ LV UHTXLUHG WR P*RXQWDLQ ILQDQFLDO SHUIRUPDQFH 7KLV LV GRSQVWUHDP WR EHWL QWKH IXQGV DQG WKH VXEVHTXHQW GLVEXUVHPHQW RQ WKDW DXQGLQJ FRVWV LV PLQLPL]HG ,W DOVR HQVXUHV WKDW WKH]HGX ESRQVRUHG FRPSOLDQFH ZLWK)HGHUDO UHJXODWLRQV DQG WKH VXEDZDU

&DXVH 7KH 8QLYHUVLW\ ZDV QRW DZDUH RI WKH LHVIRRUHPDGL GHTXRLWH LQWHUQDO FRQWURO WR LQFOXGH DL SDJRFHHVVWUDHTXLUDEOH WKHDO 6XEUHFLSLHQWV WRUHEHVXSM RVLPHQDQFLDOU GUHSRUWZLWKQ WKH VDJUHHPHQW

3RVVLEOH $VVHUW)HGLO(XHFWWR PRQLWRU WKH ILQDQFLDO SHU 6XEUHFLSLHQWVXQOPGHO\HDGSWRE WLQJXDQGRIX)QHGXHUHOURX[HQGV

5HSHDW)LQGLQJV IURP WKH ILUVW WHGLRQJO HLV$XGLG IRU W4\XEHWQ.¶LQJ3QWLRQU

48((1¶6 81,9(56,7< $7 .,1*6721

6LQJOH $XGLW 5HSRUW

6FKHGXOH RI)LQXGHLVQWLVRDQQHG 4&RVWV FRQWLQXHG

<HDU HQGHG $SULO

)LQGLQJV DQG 4XHVWLRQLQJ&RVWV)HGHUDOO\)XQGHG

)LQGLQJ ,Q DGGLWLRQ WR IDLOLQJ WR PRQLWRU&RQWHUIRUWDQG
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*XLGDQFH

)HGHUDO $JHQF\1DWLRQDO ,QVWLWXWHV RI +HDOWK

3URJUDP 1DPH 5HVHDUFK DQG 'HYHORSPHQW &OXVWHU

&)'$

3URJUDP ([SHQGLWXUHV

)HGHUDO $ZDUG 8XP.EHU
5 $,

)HGHUDO $ZDUG 6HDU WR $SULO

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SHUIRUP IRU WKLV)HGHUDO DZDUG \HDU

&ULWHULDRUFRQGLQJ WR &)5 QLYHUVLWLHV DV DHQWLW\WKRXJK

D (QVXUH WKDW HYHU\ VV

48((1¶6 81,9(56,7< $7 .,1*6721

6LQJOH $XGLW 5HSRUW
6FKHGXOH RI)LQDQFLDO $FFRXQWV FRQWLQXHG

<HDU HQGHG $SULO

)LQGLQJV DQG 4XHVWLRQHG&RVWV)HGHUDOO\ 6SRQVRUHG

)LQGLQJ FRQWLQXHG

I 9HULI\ WKDW HPSOR\HU\V SRUWLRQ RI KHDOWK LQVXUDQFH SUHPLXP SDLG RQ EHKDOI RI HPSOR\HHV GXULQJ WKH SD\ SHULRG WHVWHG GRHV QRW H[FHHG WKH DPRXQW HPSOR\HHV ZHUH UHTXLUHG WR FRQWULEXWH

J &RQVLGHU ZKHWKHU WKH UHVXOWV RI LWV KHDOWK6XUYHLOODQFH SURJUDP LQGLFDWH FRQGLWLRQV WKDW QHFHVVLWDWH DGGLWLRQDO SURFHGXUHV WR GHWHUPLQH ZKHWKHU WKH 6WDWH RU VXEUHFLS

K &RQVLGHU WDNLQJ HQIRUFHPHQW DFWLRQ DJDLQVW QRQFRPSOLDQW 6XEUHFLSLHQWV DQG FRQVLGHU 5HPHGLHV IRU QRQFRPSOLDQFH SURSRVDOSDQFP DJHQGXOOD\WLRQVD

$OWKRXJK WKH 8QLYHUVLWRQ IDOODVRZHGKLFRDXWKGWDKEHRLVHV XDQFH RI V DZDUG DJUHHPHQWV RU\W DQL\ RHGWKR SWWK HUHSDWFHGGW6XEUHFLSL

&DXVHKH 8QLYHUVLW\ ZDV QRW DZDUH RI WKLHMRUHP DGOL GHTQXRLWH LQWHUQDO FRQWURO DQG SURFHVVHLQJ WRULRFHGXUHV6XEUHFKFDSVL ULVN DVVHVVPHQWV UHYLHZLQJ 6XEU