

Oregon Institute of Technology

Fiscal Year 2018 Audit Presentation

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Create Opportunities

Agenda

Scope of Engagement and Audit Results

Required Communications to Governance

Questions?

Appendix

- Upcoming GASB Standards
- Higher Education Industry Topics

Scope of Engagements

Financial Statement Audit

Single Audit
Student Financial Aid

Financial Statement Audit Results

Opinion – unmodified

Three items noted; see Single Audit discussion

Financial Statements – Net Pension Liability

GASB 68
Year 4

Decrease in plan-
wide NPL

Net pension liability
decreased from
\$17M to \$15.7M

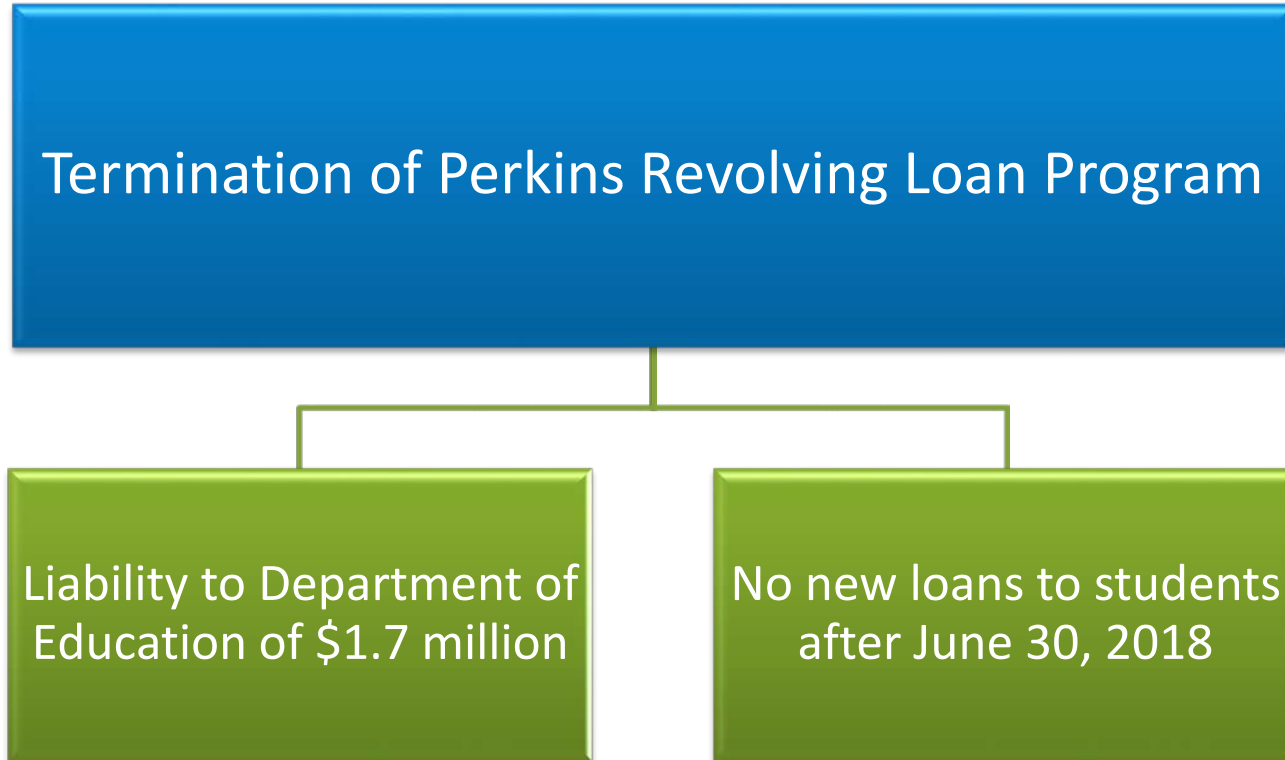
Financial Statements – Total/Net OPEB Asset/Liability

GASB 75

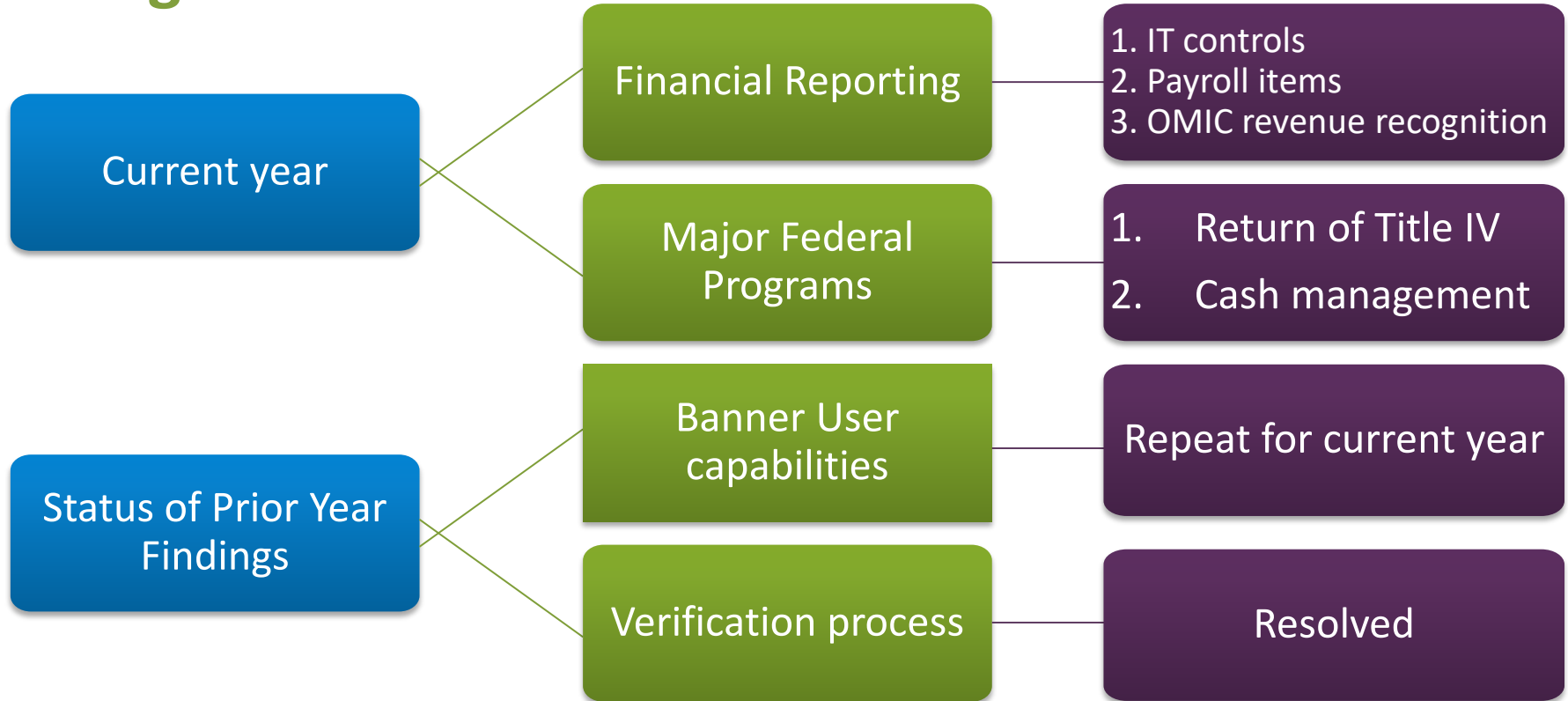
3 Plans – RHIA,
RHIPA, PEBB

OPEB Asset (RHIA):
\$55,000
OPEB Liability (PEBB,
RHIPA): \$1.5M

Financial Statements



Single Audit Results



Required Communications to Governance

Qualitative Aspects of Accounting Practices

- Accounting Estimates
- Financial Statement Disclosures
- Implementation of GASB Statements Nos. 75, 81, and 89

Difficulties Encountered in Performing the Audit – None

Uncorrected Misstatements – See schedule

Corrected Misstatements – None

Required Communications to Governance

Disagreements with Management

- None

Management Representations

Management Consultations with other Independent Accountants

- None

Significant Issues Discussed with Management Prior to Engagement

- None

Audits of Group Financial Statements

- No concerns about component auditors' work

Questions?





Appendix

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Upcoming GASB Standard for Fiscal Year 2019

GASB 83 – Certain Asset Retirement Obligations

Defines ARO and when liability is to be recorded.

Potential material liability? University currently assessing impact.

Upcoming GASB Standards for Fiscal Year 2020 and Beyond

GASB Statement
No. 84, *Fiduciary
Activities* (FY2020)

- Impacts accounting of custodial funds (student groups, etc.)

GASB Statement
No. 86, *Leases*
(FY2021)

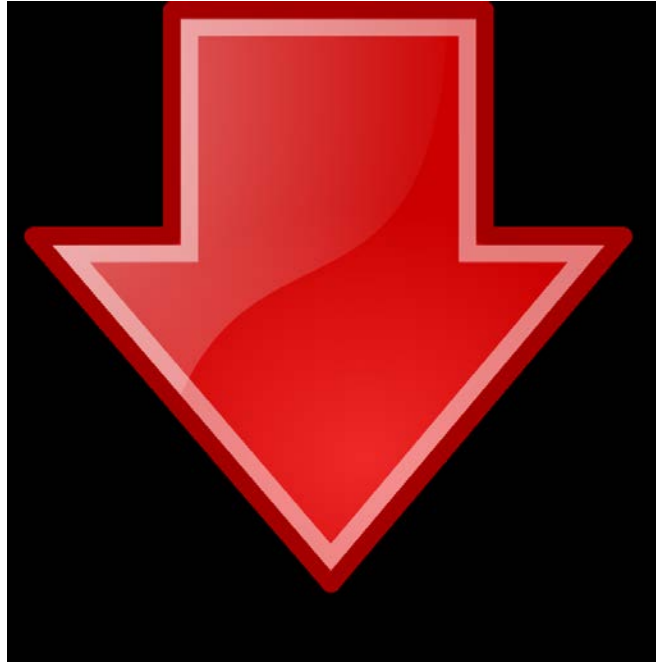
- All leases will be required to recognize a right-to-use asset and related liability

Industry Trends: Higher Education



Moody's Outlook for Higher Education

Outlook remains negative for 2nd straight year



Moody's Negative Outlook

Increasing expenses outpacing constrained revenue for most institutions.

Private faring better than publics for 2019, with 60% projecting revenue growth of 3%.

Constrained revenue growth = tuition.

- Improving economy
- Falling birth rates/declines in high school graduates
- Perceived “value”

Federal Tax Reform Update

Impact on Higher Education

- *Employee Transportation Fringe Benefits*
 - *Notice 2018-99 released December 2018*
 - *IRS and Treasury Dept. to provide guidance; employers expected to utilize interim guidance in meantime*
- *UBIT “Basketing”*
 - *Notice 2018-67 released August 2018*
 - *Draft 990-T with instructions released*
- *Excise Tax on Executive Compensation*
 - *Notice 2019-09 released January 2019*
 - *Information related to applicability for governmental units (public universities)*

Graham-Leach-Bliley Act (GLBA)

Information security measures

- Expected to be incorporated into audit process in 2019 or beyond
- Draft audit procedures have since been withdrawn

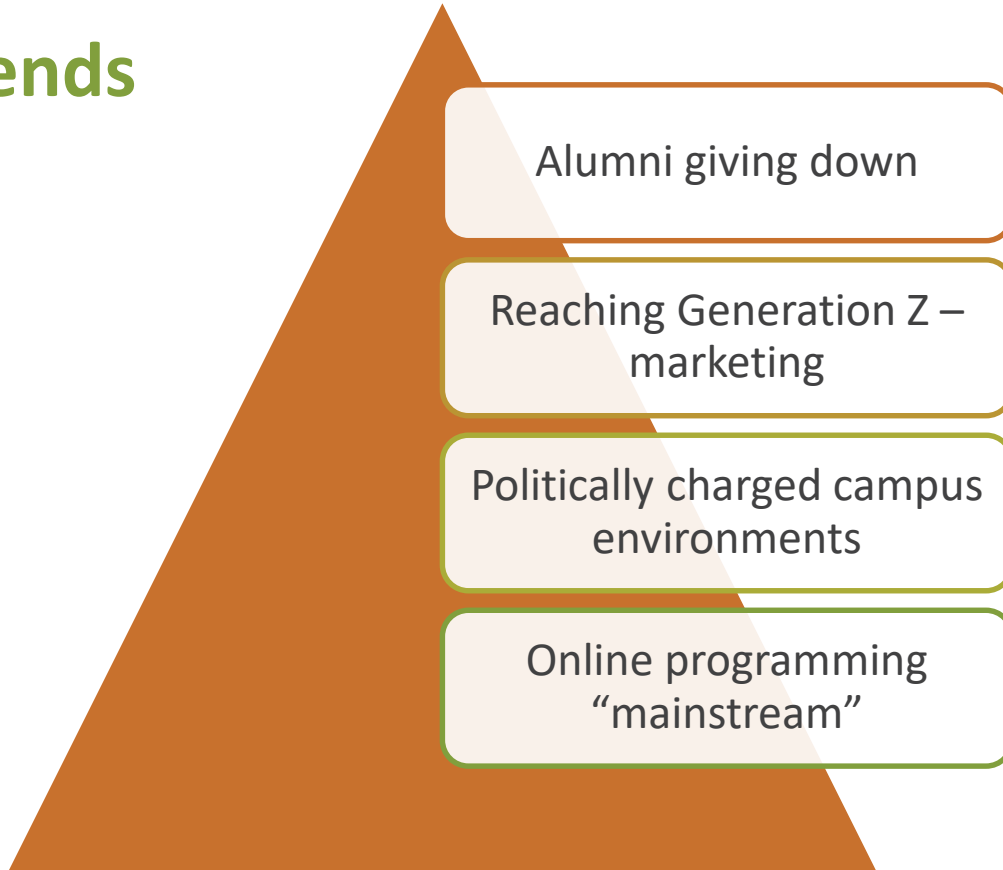
Rules related to:

- Risk identification related to integrity of student information
- Controls over safeguarding of information

Information

- www.claconnect.com/events/2018/complying-with-glba-student-financial-aid-11-8-18
- CLA Virtual Conference: February 21, 2019

Other Trends





CLAconnect.com

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