

SALEM STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

**INDEPENDENT ACCOUNTANTS' REPORT ON
COMPLIANCE PURSUANT TO THE MASSACHUSETTS
OFFICE OF STUDENT FINANCIAL ASSISTANCE
ATTESTATION GUIDE**

JUNE 30, 2021

SALEM STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

**Independent Accountants' Report Pursuant to the
Massachusetts Office of Student Financial
Assistance Attestation Guide**

June 30, 2021

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Independent Accountants' Report on Compliance with Specified Requirements Applicable to the Massachusetts Office of Student Financial Assistance Program Cluster

To the Board of Trustees of
Salem State University
Salem, Massachusetts

We have examined Salem State University's (the "University") compliance with the following requirements as specified in the Massachusetts Office of Student Financial Assistance ("MOSFA") *Student Financial Assistance Attestation Guide, Fifth Edition* for the year ended June 30, 2021:

- Institutional eligibility
- Student eligibility
- Reporting
- Disbursements
- Refunds

Management is responsible for the university's compliance with those requirements. Our responsibility is to express an opinion on the university's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the university complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2021.

This report is intended solely for the use of the Massachusetts Board of Higher Education, the Office of the State Auditor, the Office of the State Comptroller, and the Board of Trustees and management of the university, and is not intended to be and should not be used by anyone other than these specified parties.

O'Connor + Drew, P.C.

**Certified Public Accountants
Braintree, Massachusetts**

October 8, 2021

SALEM STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2021

There were no findings in the current year ended June 30, 2021.

SALEM STATE UNIVERSITY
(an Agency of the Commonwealth of Massachusetts)

Summary Schedule of Prior Findings

For the Year Ended June 30, 2021

There were no prior findings.

The university has not been subjected to these procedures since fiscal year ended June 30, 2017, as the university received one three-year exemption and one single year exemption from performing the examination of the Massachusetts financial assistance from the Massachusetts Office of Student Financial Assistance.



Opinion on Financial Statements and Supplementary Schedule of Population, Items Tested and Findings for Massachusetts Office of Student Financial Assistance Program Cluster

Independent Auditors' Report

To the Board of Trustees of
Salem State University
Salem, Massachusetts

We have audited the financial statements of Salem State College (the “university”), which comprise the statements of net position as of June 30, 2021, the related statements of revenues and expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the university as of June 30, 2021, and the respective changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Schedule of Population, Items Tested and Findings for Massachusetts State Financial Assistance Program Cluster

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Population, Items Tested, and Findings for Massachusetts State Financial Aid Program Cluster is presented for purposes of additional analysis as required by the Massachusetts Office of Student Financial Assistance Compliance Attestation Guide, 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. This 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 information is fairly stated, in all material aspects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2021 on our consideration of the university's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the university's internal reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the university's internal control over financial reporting and compliance.



**Certified Public Accountants
Braintree, Massachusetts**

October 8, 2021

Salem State University
Schedule of Population, Items Tested, and Findings for the
Massachusetts State Financial Assistance Program Cluster

Year Ended June 30, 2021

	Description of Category	Number of students	Percent of population	Amount of awards	Percent of population
Categorical Tuition Waivers	Population	188	0%	126,681	0%
	Tested	1	0%	910	0%
	Findings	-	0%	-	0%
Christian A. Herter Memorial Scholarship Program	Population	-	0%	-	0%
	Tested	-	0%	-	0%
	Findings	-	0%	-	0%
Commonwealth Commitment Grant	Population		0%	-	0%
	Tested		0%	-	0%
	Findings	-	0%	-	0%
DCF Adopted Child Tuition Waiver and Fee Assistance	Population	23	100%	270,019	100%
	Tested	4	17%	46,423	17%
	Findings	-	0%	-	0%
DCF Foster Child Tuition Waiver and Fee Assistance	Population	45	100%	493,558	100%
	Tested	5	11%	58,970	12%
	Findings	-	0%	-	0%
Early Childhood Educator's Scholarship	Population	17	100%	100,400	100%
	Tested	1	6%	7,200	7%
	Findings	-	0%	-	0%
John and Abigail Adams Scholarship	Population	414	100%	361,252	100%
	Tested	4	1%	3,640	1%
	Findings	-	0%	-	0%

See accompanying report.

Salem State University
 Schedule of Population, Items Tested, and Findings for the
 Massachusetts State Financial Assistance Program Cluster - Continued

Year Ended June 30, 2021

	Description of Category	Number of students	Percent of population	Amount of awards	Percent of population
Massachusetts Assistance for Student Success (MASSGrant)	Population	1,603	100%	2,109,296	100%
	Tested	15	1%	23,100	1%
	Findings	-	0%	-	0%
Massachusetts Foster Child Grant	Population	39	100%	173,135	100%
	Tested	4	10%	19,900	11%
	Findings	-	0%	-	0%
Massachusetts GEAR UP Scholarship	Population	12	100%	9,200	100%
	Tested	2	17%	1,600	17%
	Findings	-	0%	-	0%
Massachusetts High Demand Scholarship	Population	-	0%	-	0%
	Tested	-	0%	-	0%
	Findings	-	0%	-	0%
Massachusetts No Interest Loan Program	Population	-	0%	-	0%
	Tested	-	0%	-	0%
	Findings	-	0%	-	0%
Massachusetts Transfer Tuition Waiver	Population	155	100%	105,770	100%
	Tested	3	2%	2,312	2%
	Findings	-	0%	-	0%
National Guard Tuition & Fee Assistance	Population	-	0%	-	0%
	Tested	-	0%	-	0%
	Findings	-	0%	-	0%
Need Based Financial Assistance (Cash Grant)	Population	886	100%	1,499,420	100%
	Tested	10	1%	18,000	1%
	Findings	-	0%	-	0%

See accompanying report.

Salem State University
 Schedule of Population, Items Tested, and Findings for the
 Massachusetts State Financial Assistance Program Cluster - Continued

Year Ended June 30, 2021

	<u>Description of Category</u>	<u>Number of students</u>	<u>Percent of population</u>	<u>Amount of awards</u>	<u>Percent of population</u>
Need Based Tuition Waiver	Population	1,082	100%	811,923	100%
	Tested	6	1%	5,657	1%
	Findings	-	0%	-	0%
Paraprofessional Teacher Preparation Grant	Population	2	100%	8,100	100%
	Tested	1	50%	5,400	67%
	Findings	-	0%	-	0%
Part Time Student Grant Program	Population	44	100%	19,775	100%
	Tested	1	2%	450	2%
	Findings	-	0%	-	0%
Paul E. Tsongas Scholarship Tuition Waiver	Population	19	100%	213,969	100%
	Tested	2	11%	23,240	11%
	Findings	-	0%	-	0%
Public Service Scholarship Program	Population	-	0%	-	0%
	Tested	-	0%	-	0%
	Findings	-	0%	-	0%
State University Internship Incentive Program	Population	-	0%	-	0%
	Tested	-	0%	-	0%
	Findings	-	0%	-	0%
Stanley Z. Koplik Certificate of Mastery Tuition Waiver	Population	17	100%	21,420	100%
	Tested	1	6%	910	4%
	Findings	-	0%	-	0%

See accompanying report.