



THE REED INSTITUTE
Independent Auditors' Report in

THE REED INSTITUTE
OMB Circular A-133 Report

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Independent Auditors' Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

The Board of Trustees
The Reed Institute:

Report on Compliance for Each Major Federal Program

We have audited the Reed Institute's (the College) compliance with the types of compliance requirements described in the



Other Matters

We did not audit the College's compliance with the requirements governing maintaining contact with and billing borrowers in accordance with the requirements of the Student Financial Assistance Cluster: Federal Perkins Loan program as described in the Compliance Supplement. Those requirements govern functions performed by Affiliated Computer Services, Inc. (ACS). Since we did not apply auditing procedures to



Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the College as of and for the year ended June 30, 2015, and have issued our report thereon dated October 2, 2015, 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 OMB Circular A-133 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

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Schedule of Expenditures of Federal Awards
Year ended June 30, 2015

Federal CFDA number	Federal grantor/pass-through grantor/program title	Type of award	Federal Program No.	Pass-through entity	Federal expenditures
	Student Financial Assistance Cluster:				
	Department of Education:				
84.007	Federal Supplemental Educational Opportunity Grants	Direct Award			\$ 209,939
84.033	Federal Work-Study Program	Direct Award			156,289
84.038	Federal Perkins Loan Program	Direct Award			3,808,953
84.063	Federal Pell Grant Program	Direct Award			1,106,699
	Total Student Financial Assistance Cluster				5,281,880
84.268	Direct Loans	Pass-through Award			3,141,573
	Total Student Federal Aid Cluster				8,423,453
	Research and Development Cluster:				
	Department of Energy:				
81.121	Nuclear Energy Research, Development & Demonstration	Direct Award	NE0008249		6,945
	Total DOE				6,945
	USDA:				
10.310	Agriculture & Food Research Initiative	Pass-through Award	2015-67023-23001	Virginia Tech	43,767
	Total USDA				43,767
11.431	National Oceanic & Atmospheric Association Climate and Atmospheric Research	Direct Award	NA130AR4310070		49,409

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Notes to Schedule of Expenditures of Federal Awards

Year ended June 30, 2015

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of The Reed Institute (the College) under programs of the federal government for the year ended June 30, 2015. The information in this Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133,

. Because the Schedule presents only a selected portion of the operations of the College, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the College.

(2) Summary of Significant Accounting Policies

The accompanying schedule of expenditures of federal awards includes all federal grants received by the College

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Schedule of Findings and Questioned Costs
Year ended June 30, 2015

(1) Summary of Auditors' Results

- (a) The type of report issued on the financial statements: **Unmodified**
- (b) Material weaknesses identified by the audit of the financial statements: **None**
- (c) Significant deficiencies in internal control identified by the audit of the financial statements: **None reported**
- (d) Noncompliance that is material to the financial statements: **None**
- (e) The type of report issued on compliance for major programs: **Unmodified**
- (f) Material weaknesses in internal controls over major programs: **None**
- (g) Significant deficiencies in internal controls over major programs: **None reported**
- (h) Any audit findings that