

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FEDERAL SINGLE AUDIT REPORT

BALL STATE UNIVERSITY

MUNCIE, INDIANA

July 1, 2015 to June 30, 2016



FILED
03/21/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Paul W. Ferguson Dr. Terry S. King (acting) Dr. Terry S. King (interim) Geoffrey S. Mearns	07-01-15 to 01-25-16 01-26-16 to 03-31-16 04-01-16 to 05-14-17 05-15-17 to 06-30-17
Vice President, Business Affairs and Treasurer	Bernard M. Hannon	07-01-15 to 06-30-17
Associate Vice President for Business Affairs and Assistant Treasurer	(Vacant) William M. Hawkins	07-01-15 to 12-04-16 12-05-16 to 06-30-17
President of the Board of Trustees	Richard J. Hall	01-01-15 to 12-31-17



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**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

TO: THE OFFICIALS OF BALL STATE UNIVERSITY, MUNCIE, INDIANA

We have audited the financial statements of the business-type activities and the discretely presented component unit of Ball State University (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2016, and have issued our report thereon dated October 26, 2016, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. We have not performed any procedures with respect to the audited financial statements subsequent to October 26, 2016. Our report includes a reference to other auditors who audited the financial statements of the Ball State University Foundation, as described in our report on the University's financial statements.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic 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 basic financial statements or to the basic 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 Award is fairly stated in all material respects in relation to the basic financial statements as a whole.


Paul D. Joyce, CPA
State Examiner

October 26, 2016



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF BALL STATE UNIVERSITY, MUNCIE, INDIANA

We have audited, in accordance with the 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, the financial statements of the business-type activities and the discretely presented component unit of Ball State University (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the University's basic financial statements and have issued our report thereon dated October 26, 2016. Our report includes a reference to other auditors who audited the financial statements of the Ball State Foundation (Foundation), as described in our report on the University's financial statements. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)


Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

October 26, 2016



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF BALL STATE UNIVERSITY, MUNCIE, INDIANA

Report on Compliance for Each Major Federal Program

We have audited Ball State University's (University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016. The University's major federal programs are identified in the Summary of Auditor's 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 the University'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 the University'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 the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University 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, 2016.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

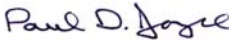
Report on Internal Control over Compliance

Management of the University 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 the University'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 our 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 the University'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.


Paul D. Joyce, CPA
State Examiner

February 27, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the University. The schedule and notes are presented as intended by the University.

BALL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
Student Financial Assistance Cluster				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 531,118	\$ -
Federal Work-Study Program	84.033		753,472	-
Federal Perkins Loan Program_Federal Capital Contributions	84.038		12,355,510	-
Federal Pell Grant Program	84.063		22,217,527	-
Federal Direct Student Loans	84.268		122,601,436	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		17,638	-
Total Student Financial Assistance Cluster			158,476,701	-
Research and Development Cluster				
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Iowa State University Integrated Programs	10.303	416-17-14A	5,622	-
Pass-Through U.S. Forest Service Federal	10.RD	14-CS-11090800-016	19,997	-
Total U.S. Department of Agriculture			25,619	-
<u>U.S. DEPARTMENT OF DEFENSE</u>				
Basic, Applied, and Advanced Research in Science and Engineering	12.630	None	(3,744)	-
Pass-Through Defense Finance and Accounting Service Military Medical Research and Development	12.420	W81XWH-15-1-0006	296,889	-
Pass-Through New Hampshire Academy of Applied Science Basic, Applied, and Advanced Research in Science and Engineering	12.630	None	3,994	-
Total U.S. Department Of Defense			297,139	-
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
Pass-Through Indiana Department of Natural Resources				
Sport Fish Restoration	15.605	E2-14-D733	(3,092)	-
Sport Fish Restoration	15.605	None	33,348	-
Sport Fish Restoration	15.605	E2-14-L702	45,777	-
Wildlife Restoration and Basic Hunter Education	15.611	E2-13-627	1,335	-
Wildlife Restoration and Basic Hunter Education	15.611	E2-15-L803	181,165	45,173
Historic Preservation Fund Grants-In-Aid	15.904	18-15FFY-05	49,446	-
Historic Preservation Fund Grants-In-Aid	15.904	18-15FFY-03	49,163	-
Outdoor Recreation_Acquisition, Development and Planning	15.916	E10-14-GB1800583-02	960	-
Pass-Through Western Michigan University				
Endangered Species Conservation Recovery Implementation Funds	15.657	8475-BSU	9,034	-
Pass-Through Purdue University				
Assistance to State Water Resources Research Institutes	15.805	4107-54429	(118)	-
Assistance to State Water Resources Research Institutes	15.805	4107-41675	4,138	-
Assistance to State Water Resources Research Institutes	15.805	4107-67815	12,098	-
Assistance to State Water Resources Research Institutes	15.805	4107-73617 88100	1,697	-
National Land Remote Sensing_Education Outreach and Research	15.815	AV13-IN01	504	-
National Center for Preservation Technology and Training	15.923	NONE	20,129	-
Pass-Through Mississippi Interstate Cooperative Resource Association				
Fish and Wildlife Management Assistance	15.608	MICRA-15-002	30,795	-
Pass-Through National Park Service				
Native American Graves Protection and Repatriation Act	15.922	None	38,186	-
Native American Graves Protection and Repatriation Act	15.922	18-13-GP-584	610	-
American Battlefield Protection	15.926	GA-2255-12-00	7,536	-
American Battlefield Protection	15.926	GA-2287-13-002	2,791	-
American Battlefield Protection	15.926	GA-2287-13-001	5,601	-
American Battlefield Protection	15.926	GA-2287-15-003	25,555	-
Pass-Through Environmental Protection Agency Federal	15.RD	EP-15-D-000080	36,167	-
Total U.S. Department Of The Interior			552,825	45,173
<u>U.S. DEPARTMENT OF JUSTICE</u>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2015-IJ-CX-0011	42,378	-
Total U.S. Department Of Justice			42,378	-
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Science	43.001	NNX11AJ62G	76,938	-
Pass-Through Purdue University Education	43.008	NONE	6,571	-
Total National Aeronautics And Space Administration			83,509	-
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>				
Grants to States	45.310	A6	18,630	-
Promotion of the Arts_Grants to Organizations and Individuals	45.024	NONE	(7,840)	-
Total National Endowment For The Arts			10,790	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

BALL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016
(Continued)

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
Research and Development Cluster (Continued)				
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Pass-Through Buffalo Bill Center of the West Promotion of the Humanities_Research	45.161	NONE	9,192	-
Total National Endowment For The Humanities			9,192	-
<u>NATIONAL SCIENCE FOUNDATION</u>				
Engineering Grants	47.041	IIP-0968959	73,170	29,872
Engineering Grants	47.041	EECCS-1408165 RUI	53,852	-
Engineering Grants	47.041	1408165	9,343	-
Engineering Grants	47.041	IIP-1464654	164,360	-
Engineering Grants	47.041	1464654	80,219	7,461
Mathematical and Physical Sciences	47.049	1531851	189,058	-
Geosciences	47.050	OCE - 1061188	30,390	-
Computer and Information Science and Engineering	47.070	IIP-1230520	45,257	-
Biological Sciences	47.074	1442581.000	38,927	-
Social, Behavioral, and Economic Sciences	47.075	NONE	137,790	37,055
Social, Behavioral, and Economic Sciences	47.075	BCS-1337152	(1,550)	-
Social, Behavioral, and Economic Sciences	47.075	1531388	43,419	-
Social, Behavioral, and Economic Sciences	47.075	1554480	47,284	-
Pass-Through Security and Software Engineering Research Center (S2ERC)				
Engineering Grants	47.041	S2ERC	26,781	-
Pass-Through Michigan State University Education and Human Resources	47.076	RC104098 BSU	53,280	-
Pass-Through National Endowment for the Humanities Social, Behavioral, and Economic Sciences	47.075	PD-50016-11	23,180	-
Geosciences	47.050	15-00745	87,323	-
Geosciences	47.050	15-00781	124,258	-
Total National Science Foundation			1,226,341	74,388
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through A Better Way Services Twenty-First Century Community Learning Centers	84.287	NONE	6,583	-
Pass-Through Metropolitan School District of Washington Township Mathematics and Science Partnerships	84.366	NONE	21,095	-
Total U.S. Department Of Education			27,678	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana State Department of Health Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	15726	2,773	-
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements:PPHF	93.521	13509	23,070	-
Pass-Through National Institutes of Health Aging Research	93.866	1R01AG038576-01A1	609,943	-
Pass-Through Marquette University Aging Research	93.866	70744-001-01	4,177	-
Biomedical Research and Research Training	93.859	1R15GM111713	113,219	-
Pass-Through Indiana University Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R37DK027221	22,358	-
Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	2R15DK078370-02A1	124,877	-
Total U.S. Department Health and Human Services			900,417	-
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana University Pre-Disaster Mitigation	97.047	PO #1724223	6,000	-
Total Department of Homeland Security			6,000	-
Total Research And Development Cluster			3,181,888	119,561
Child Nutrition Cluster				
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education School Breakfast Program	10.553	None	5,378	-
National School Lunch Program	10.555	None	46,323	-
Total Child Nutrition Cluster			51,701	-
Highway Planning and Construction Cluster				
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	A249-10-320522	28,195	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

BALL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016
(Continued)

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
Highway Planning and Construction Cluster (Continued)				
<u>U.S. DEPARTMENT OF TRANSPORTATION (Continued)</u>				
Pass-Through Delaware-Muncie Metropolitan Planning Commission Highway Planning and Construction	20.205	NONE	9,500	-
Pass-Through Madison County Council of Governments Highway Planning and Construction	20.205	A249-14-320135A	26,792	-
Pass-Through Northeastern Indiana Regional Coordinating Council Highway Planning and Construction	20.205	NONE	11,925	-
Total Highway Planning And Construction Cluster			76,412	-
Special Education Cluster				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Alexandria Community Schools Special Education_Grants to States	84.027	NONE	26,442	-
Pass-Through Indiana Department of Education Special Education_Grants to States	84.027A	NONE	2,873	-
Special Education_Grants to States	84.027A	14215-518-PN01	71,701	-
Total Special Education Cluster			101,016	-
Other Programs				
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-Through Delaware County Community Corrections Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	NONE	12,053	-
Total Department of Justice			12,053	-
<u>U.S. DEPARTMENT OF STATE</u>				
Public Diplomacy Programs	19.040	S-ET100-14-GR-115	992	-
Investing in People in the Middle East and North Africa	19.021	S IZ 100 11 GR060	394,417	-
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	S-ECAGD-13-GR-174	5,381	-
Public Diplomacy Programs for Afghanistan and Pakistan	19.501	S-PK-330-12-CA-038	175,230	-
Public Diplomacy Programs for Afghanistan and Pakistan	19.501	S-PK-330-12 DA-072	88,202	-
Public Diplomacy Programs for Afghanistan and Pakistan	19.501	SPK33016GR017	20,619	-
Pass-Through Institute of International Education				
Iraq Assistance Program	19.016	NONE	7,500	-
Investing in People in the Middle East and North Africa	19.021	NONE	22,030	-
Academic Exchange Programs - Scholars	19.401	6278	19,079	-
Academic Exchange Programs - Scholars	19.401	NONE	31,708	-
Pass-Through Council for International Exchange of Scholars				
Academic Exchange Programs - Scholars	19.401	NONE	62,550	-
Pass-Through IREX				
Investing in People in The Middle East and North Africa	19.021	16-IULP-BSU-01	36,887	-
Pass-Through Meridian International Center				
Investing in People in the Middle East and North Africa	19.021	NONE	95,572	-
Investing in People in the Middle East and North Africa	19.021	SIZ-100-15-CA023	45,995	-
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	S-ECAGD-13-CA-165	94,160	-
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	NONE	49,691	-
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	S-ECAGD-16-CA-1055	3,156	-
Pass-Through Eurasia Foundation				
AECA/ESF PD Programs	19.900	W15-1012	40,423	-
Total U.S. Department Of State			1,193,592	-
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>				
Pass-Through Arts Midwest				
Promotion of the Arts_Grants to Organizations and Individuals	45.024	FY15-2260	29,712	-
Total National Aeronautics and Space Administration			29,712	-
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Pass-Through Indiana Humanities Council				
Promotion of the Humanities_Federal/State Partnership	45.129	15-4004	813	-
Total National Endowment for the Humanities			813	-
<u>SMALL BUSINESS ADMINISTRATION</u>				
Pass-Through Indiana Office of Small Business and Entrepreneurship Small Business Development Centers	59.037	A69-16-SBDC-2010	44,539	-
Total Small Business Administration			44,539	-
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Pass-Through Department of Education Rehabilitation Long-Term Training	84.129	H129B100037	2,576	-
Pass-Through National Writing Project Supporting Effective Instruction State Grant	84.367D	96-IN03-SEED2012	8,286	-

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

BALL STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016
(Continued)

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
Other Programs (Continued)				
<u>U.S. DEPARTMENT OF EDUCATION (Continued)</u>				
Pass-Through Indiana Commission for Higher Education				
Supporting Effective Instruction State Grant	84.367B	J22-13-C0207	459	-
Career and Technical Education -- Basic Grants to States	84.048	A58-5-15CI-2295	8,452	-
Career and Technical Education -- Basic Grants to States	84.048	A58-5-15CI-2762	92,547	-
Career and Technical Education -- Basic Grants to States	84.048	A58-6-16CI-0147	71,200	22,876
Twenty-First Century Community Learning Centers	84.287C	A58-5-15DL-0143	6,813	5,950
Twenty-First Century Community Learning Centers	84.287C	NONE	251,619	97,191
Supporting Effective Instruction State Grant	84.367	NONE	7,482	-
Supporting Effective Instruction State Grant	84.367	14-9625	2,456	-
Pass-Through Jay County Special Education Services				
Twenty-First Century Community Learning Centers	84.287	NONE	39,449	-
Pass-Through Warsaw Community Schools				
Mathematics and Science Partnerships	84.366	NONE	34,661	-
Total U.S. Department Of Education			526,000	126,017
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through American Psychological Association				
Substance Abuse and Mental Health Services_Projects of Regional and National Significance	93.243	NONE	1,349	-
Pass-Through National Health Education Center Organization				
Area Health Education Centers	93.107	NONE	4,878	-
Pass-Through Indiana University				
Area Health Education Centers	93.107	U77HP23068-04-00	6,362	-
Area Health Education Centers	93.107	HRSA U77HP23068	67,745	-
Total U.S. Department of Health and Human Services			80,334	-
<u>AGENCY FOR INTERNATIONAL DEVELOPMENT</u>				
Pass-Through FHI Development 360, LLC				
USAID Foreign Assistance for Programs Overseas	98.001	101347.001.001.010.008	259,794	-
Total Agency for International Development			259,794	-
Total Other Programs			2,146,837	126,017
Total Federal Awards			\$ 164,034,555	\$ 245,578

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

BALL STATE UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Ball State University (University) under programs of the federal government for the year ended June 30, 2016. The information in the SEFA is presented in accordance with the 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). Because the SEFA presents only a select portion of the operations of the University, it is not intended to and does not present the financial position of the University.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; or the new Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 (Uniform Guidance) wherein certain types of expenditures are not allowed or are limited as to reimbursement. The University has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 3. Other Programs Student Loans

The University participates in the Federal Perkins Loan Program. Amounts loaned to students are recorded as notes receivable. Gross student notes receivable outstanding at June 30, 2016:

Program Title	Federal CFDA Number	June 30, 2016
Federal Perkins Loan Program – Notes Receivable	84.038	<u>\$ 10,558,593</u>

BALL STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
19.501	Student Financial Assistance Cluster	Unmodified
	Public Diplomacy Programs for Afghanistan and Pakistan	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	yes
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the University. The document is presented as intended by the University.

OFFICE OF FINANCIAL AID AND SCHOLARSHIPS

Muncie, Indiana 47306-0880
Phone: 765-285-5600
Toll Free: 800-227-4017
Fax: 765-285-4247

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001 - SPECIAL TESTS AND PROVISIONS – RETURN OF TITLE IV FUNDS

Report Period July 1, 2014 to June 30, 2015

Federal Agency: U.S. Department of Education

Federal Program: Federal Supplemental Educational Opportunity Grants, Federal Perkins Loan
Program_Federal Capital Contributions, Federal Pell Grant Program, Federal
Direct Student Loans, and Teacher Education Assistance for College and
Higher Education Grants

CFDA Number: 84.007, 84.038, 84.063, 84.268 and 84.379

Contact Person Responsible for Corrective Action: John McPherson

Contact Phone Number: (765) 285-8894

Status of Audit Finding:

Corrective action was taken to retrain staff. A senior staff member in the Office of Financial Aid and Scholarships now reviews and signs off on the number of days in each term prior to R2T4 calculations occurring.



(Signature)

Assistant VP for Student Affairs and Enrollment Services
and Executive Director of Financial Aid and Scholarships

(Title)

1/31/2017

(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the University. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.