

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

FEDERAL SINGLE AUDIT REPORT

VINCENNES UNIVERSITY

VINCENNES, INDIANA

July 1, 2016 to June 30, 2017



**FILED**  
01/26/2018



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SCHEDULE OF UNIVERSITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Charles Johnson	07-01-16 to 6-30-18
Vice President of Financial Services and Governmental Relations	Phillip S. Rath	07-01-16 to 6-30-18
President of the Board of Trustees	John A. Stachura	07-01-16 to 6-30-18



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ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

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

TO: THE OFFICIALS OF VINCENNES UNIVERSITY, VINCENNES, INDIANA

We have audited the financial statements of the business-type activities and the discretely presented component unit of Vincennes University (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2017, and have issued our report thereon dated October 12, 2017, 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 12, 2017. Our report includes a reference to other auditors who audited the financial statements of the Vincennes University Foundation (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. 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 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 Awards is fairly stated, in all material respects, in relation to the basic financial statements, as a whole.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

October 12, 2017



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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 VINCENNES UNIVERSITY, VINCENNES, 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 Vincennes University (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2017, 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 12, 2017. Our report includes a reference to other auditors who audited the financial statements of Vincennes University 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.

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.

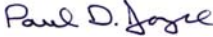
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**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 12, 2017



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

TO: THE OFFICIALS OF VINCENNES UNIVERSITY, VINCENNES, INDIANA

**Report on Compliance for Each Major Federal Program**

We have audited Vincennes 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, 2017. 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, 2017.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT 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 an 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 a 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 a 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

December 12, 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.

VINCENNES UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2017

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed through to Subrecipients	Total Federal Awards Expended
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Direct Grant				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007		\$ -	\$ 230,410
Federal Work-Study Program	84.033		-	243,191
Federal Perkins Loan Program_Federal Capital Contributions	84.038		-	1,321,192
Federal Pell Grant Program	84.063		-	13,087,026
Federal Direct Student Loans - Plus	84.268		-	5,171,845
Federal Direct Student Loans - Stafford	84.268		-	22,537,890
Total for federal agency			-	42,591,554
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Direct Grant				
Student Financial Assistance Cluster				
Nursing Student Loans	93.364		-	121,416
Total for federal grantor agency			-	121,416
Total for cluster			-	42,712,970
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
National School Lunch Program	10.555	74201	-	8,700
Total for federal grantor agency			-	8,700
<b>U.S. DEPARTMENT OF LABOR</b>				
Pass-Through Grow Southwest Indiana Workforce Board, Inc.				
WIOA Cluster				
Region 11				
WIOA Adult Program	17.258	WDB-15-05	-	9,490
WIOA Youth Activities	17.259	WDB-15-05	-	9,490
WIOA Dislocated Worker Formula Grants	17.278	WDB-15-05	-	9,490
Total for program			-	28,470
Total for cluster			-	28,470
Pass-Through Indiana Department of Workforce Development				
Apprenticeship USA Grants	17.285	AppExp 668/19418	-	2,232
Direct Grants				
Trade Adjustment Assistance Community College and Career Training (TAACCCT) Grants				
	17.282		-	57,361
Mine Health and Safety Grants				
	17.600		-	432,578
Total for federal grantor agency			-	520,641
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>				
Pass-Through Indiana Criminal Justice Institute				
Highway Safety Cluster				
State and Community Highway Safety	20.600	D3-16-10256/D3-17-11207	-	115,913
Total for cluster			-	115,913
Pass-Through Indiana Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	A249-16-OT1606s101	-	90,170
Total for cluster			-	90,170
Total for federal grantor agency			-	206,083
<b>U.S. DEPARTMENT OF TREASURY</b>				
Pass-Through Indiana Department of Family and Social Services Administration				
Tax Counseling for the Elderly	21.006	16TCEP006/17TCE009	-	19,872
Total for federal grantor agency			-	19,872

VINCENNES UNIVERSITY  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For The Year Ended June 30, 2017

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed through to Subrecipients	Total Federal Awards Expended
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Pass-Through Purdue University Education	43.008	4103-64605/4200526499	-	58,003
Total for federal grantor agency			-	58,003
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
TRIO Cluster				
Trio_Student Support Services	84.042		-	350,004
Trio_Student Support Disability	84.042A		-	239,255
Trio_Talent Search	84.044		-	385,065
Trio_Project Aspiree	84.044A		-	236,030
Trio_Upward Bound	84.047A		-	395,957
Trio_Veteran's Upward Bound	84.047V		-	266,476
Total for cluster			-	1,872,787
Pass-Through Indiana Department of Workforce Development				
Adult Education - Basic Grants to States	84.002A	AE568-A#14271/AE568-B#14268/AE668-A#16737/AE668B#16746	-	330,726
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	#17728 PPS668	-	336,461
Pass-Through Monroe County Community School Corporation				
Adult Education - Basic Grants to States	84.002A	AE-5-41/AE-6-41	-	2,452
Pass-Through Trustees of Indiana University - Indiana Institute on Disability and Community				
Transition Programs for Students with Intellectual Disabilities into Higher Education	84.407A	BL-4243004-VU	-	8,543
Total for federal grantor agency			-	2,550,969
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana Department of Family and Social Services Administration				
Aging Cluster				
Special Programs for the Aging _ Title III, Part B _ Grants for Supportive Services and Senior Centers	93.044	42-16-0V-1456-02A 42-16-0V-1456-04B	-	286,214
Special Programs for the Aging _ Title III, Part C _ Nutrition Services	93.045	42-16-0V-1456-06C1 42-16-0V-1456-08C2	-	398,989
Nutrition Services Incentive Program	93.053	42-16-02-1456-02	-	100,201
Total for cluster			-	785,404
Special Programs for the Aging _ Title VII, Chapter 2 _ Long Term Care Ombudsman Services for Older Individuals	93.042	42-16-2V-1456-04	-	9,431
Special Programs for the Aging _ Title III, Part D _ Disease Prevention and Health Promotion Services	93.043	42-16-0V-1456-10	-	14,722
National Family Caregiver Support, Title III, Part E	93.052	42-16-0V-1456-12	-	70,418
Social Services Block Grant	93.667	42-16-0G-1456-02	-	244,424
Pass-Through Indiana Department of Insurance				
Medicare Enrollment Assistance Program	93.071	A43-16-IDOI-VINUGEN	-	6,690
Total for federal grantor agency			-	1,131,089
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Family and Social Services Administration AmeriCorps	94.006	VC-568	-	21,679
Total for federal grantor agency			-	21,679
Total federal awards expended			\$ -	\$ 47,230,006

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

VINCENNES UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Vincennes University (University) under programs of the federal government for the year ending June 30, 2017. The information in this schedule 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 Requirement for Federal Awards* (Uniform Guidance). For purposes of the Schedule, federal awards include all federal assistance and procurement relationships entered into directly between the University and the federal government and sub-awards from non-federal organizations made under federally sponsored agreements. The Schedule presents only a selective portion of the activities of the University; therefore, it is not intended to and does not present the financial position, change in financial position, or cash flow of the University.

Student Financial Assistance

Expenditures for non-loan assistance made to students are recognized and reported in the Schedule of Expenditures of Federal Awards.

Student loan programs are funded by the federal government under various programs; e.g., Perkins Student Loan Program and Nursing Student Loan Program. Activity related to these loan programs include federal and university capital contributions, loan repayments, interest earned on loans, cancellation of loans, and administrative and collection costs.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the accrual basis of accounting. These expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas, certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The University did not elect to use the 10% de minimis cost rate. Vincennes University has an approved indirect cost rate of 36.80% for on-campus programs and 13.50% for off-campus programs using a modified total direct cost basis. The University's cognizant agency is Health and Human Services. The effective period for these rates is July 1, 2013 through June 30, 2017.

VINCENNES UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS  
(Continued)

Note 4. Federal Direct Student Loans

The Schedule of Expenditures of Federal Awards includes Federal Direct Student loans which were not made by the University, but were received by its students. The University is responsible only for the performance of certain administrative duties with respect to these loans.

The number of guaranteed loans and the total amount processed for each Direct Loan Program for the year ended June 30, 2017, were as follows:

Program Title	Number of Students	Loan Amount
Direct Loan Program (Subsidized and Unsubsidized)	3,824	\$ 22,537,890
Direct PLUS Loans (Parent(PLUS) and Graduate PLUS)	672	<u>5,171,845</u>
Total		<u>\$ 27,709,735</u>

Note 5. Federal Student Loan Program

The University participates in various loan programs. The University maintains revolving loan funds for the Perkins and Nursing Student Loan Programs. The Perkins Loan and the Nursing Student Loan Programs are administered by the University. The balances and transactions related to these programs are included in the University's financial statements; therefore, the federal expenditures include the entire amount reported in the loan fund which also includes the outstanding loans to students. The following schedule represents loans outstanding as of June 30, 2017:

Program Title	Federal CDFA Number	Loans Outstanding
Federal Perkins Loan Program Federal Capital Contributions	84.038	\$ 1,096,285
Nursing Student Loans	93.364	48,371

VINCENNES 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 it:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
93.667	Student Financial Assistance Cluster Social Services Block Grant	Unmodified Unmodified

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

#### 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/>.