

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

FEDERAL SINGLE AUDIT REPORT

VINCENNES UNIVERSITY

VINCENNES, INDIANA

July 1, 2018 to June 30, 2019



FILED
01/08/2020

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SCHEDULE OF UNIVERSITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Charles Johnson	07-01-18 to 12-31-21
Vice President of Financial Services and Governmental Relations	Phillip S. Rath (deceased) (Vacant)	07-01-18 to 07-12-19 07-13-19 to 07-28-19
Vice President of Financial Services	Linda L. Waldroup	07-29-19 to 06-30-20
President of the Board of Trustees	John A. Stachura	07-01-18 to 06-30-20



STATE OF INDIANA
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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, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 24, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to October 24, 2019. Our report includes a reference to other auditors who audited the financial statements of the Vincennes University Foundation, Inc. (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 basic 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 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 24, 2019



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, 2019, 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 24, 2019. Our report includes a reference to other auditors who audited the financial statements of the Vincennes University Foundation, Inc. (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 a 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 a 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 24, 2019



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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 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, 2019. 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, 2019.

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 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 18, 2019

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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, 2019

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>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
Student Financial Assistance Cluster				
Federal Supplemental Educational Opportunity Grants	84.007		\$ -	\$ 248,456
Federal Work-Study Program	84.033		-	296,012
Federal Perkins Loan Program -Federal Capital Contributions	84.038		-	1,254,211
Federal Pell Grant Program	84.063		-	11,005,557
Federal Direct Student Loans	84.268		-	<u>20,279,089</u>
Total for federal agency			-	<u>33,083,325</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Grant				
Student Financial Assistance Cluster				
Nursing Student Loans	93.364		-	<u>110,840</u>
Total for federal grantor agency			-	<u>110,840</u>
Total for cluster			-	<u>33,194,165</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education				
Child Nutrition Cluster				
National School Lunch Program (NSLP)	10.555	80099	-	<u>8,623</u>
Total for cluster			-	<u>8,623</u>
Total for federal grantor agency			-	<u>8,623</u>
<u>U.S. DEPARTMENT OF LABOR</u>				
Pass-Through South Central Region 8 Workforce Board, Inc				
Employment Service Cluster				
Region 8				
Employment Service/Wagner-Peyser Funded Activities	17.207	BC-18-VU	-	<u>120,000</u>
Total for cluster			-	<u>120,000</u>
WIOA Cluster				
Region 8				
WIOA Adult Program	17.258	WIOA-18-ADW-VU, WIOA-ADSP-18-VU,	-	656,071
WIOA Youth Activities	17.259	WIOA-18-Y-VU	-	581,970
WIOA Dislocated Worker Formula Grants	17.278	WIOA-18-CMDW-VU, WIOA-18-ADW-VU	-	<u>510,995</u>
Total for cluster			-	<u>1,749,036</u>
Direct Grants				
Mine Health and Safety Grants	17.600		-	<u>410,088</u>
Pass-Through Indiana Department of Workforce Development				
Apprenticeship USA Grants	17.285	AppExp 668/19418	-	<u>106,986</u>
Pass-Through South Central Region 8 Workforce Board, Inc				
Region 8				
Unemployment Insurance	17.225	RESEA-18-VU	-	142,126
Trade Adjustment Assistance	17.245	TAA-18-VU	-	<u>10,274</u>
Total for federal grantor agency			-	<u>2,538,510</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Indiana Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	A249-16-OT1606s101	-	<u>129,264</u>
Total for cluster			-	<u>129,264</u>
Total for federal grantor agency			-	<u>129,264</u>

VINCENNES UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2019

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>U.S. DEPARTMENT OF TREASURY</u>				
Pass-Through Indiana Department of Family and Social Services Administration Tax Counseling for the Elderly	21.006	19TCEP0003	-	18,000
Total for federal grantor agency			-	18,000
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
TRIO Cluster				
TRIO Student Support Services	84.042		-	578,037
TRIO Talent Search	84.044		-	763,675
TRIO Upward Bound	84.047		-	468,749
Total for cluster			-	1,810,461
Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers	84.287	Contract #26617	-	222,136
Pass-Through Indiana Department of Workforce Development				
Adult Education - Basic Grants to States	84.002	Contracts 27611 & 29430	-	531,033
Career and Technical Education - Basic Grants to States (Perkins IV)	84.048	#28411 PPS868	-	566,507
Total for federal grantor agency			-	3,130,137
<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	21697	-	288,719
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	21697	-	370,670
Nutrition Services Incentive Program	93.053	21697	-	65,656
Total for cluster			-	725,045
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042	21697	-	8,794
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	21697	-	13,169
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048	90MPPG0035-01	-	3,530
National Family Caregiver Support, Title III, Part E	93.052	21697	-	66,271
Social Services Block Grant	93.667	21697	-	264,745
Pass-Through Indiana Department of Insurance Medicare Enrollment Assistance Program	93.071	22932	-	2,850
Pass-Through South Central Region 8 Workforce Board, Inc TANF Cluster				
Temporary Assistance for Needy Families (TANF) State Programs	93.558	JAGTANF-17-VU, JAGTANF-18-VU	-	498,452
Total for cluster			-	498,452
Total for federal grantor agency			-	1,582,856
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Pass-Through Indiana Department of Family and Social Services Administration Retired and Senior Volunteer Program	94.002	17SRNIN002	-	75,825
Total for federal grantor agency			-	75,825
Total federal awards expended			\$ -	\$ 40,677,380

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, 2019. 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 35.20% for on-campus programs and 12.50% 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, 2017 through June 30, 2021.

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, 2019, were as follows:

Program Title	Number of Students	Loan Amount
Direct Loan Program (Subsidized and Unsubsidized)	2,808	\$ 16,316,650
Direct PLUS Loans (Parent(PLUS) and Graduate PLUS)	470	<u>3,962,439</u>
Total		<u>\$ 20,279,089</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, 2019:

Program Title	Federal CDFA Number	Loans Outstanding
Federal Perkins Loan Program Federal Capital Contributions	84.038	\$ 769,143
Nursing Student Loans	93.364	34,652

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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit finding 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:

Name of Federal Program or Cluster	Opinion Issued
Student Financial Assistance Cluster	Unmodified
WIOA Cluster	Unmodified
TRIO Cluster	Unmodified
Aging Cluster	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.

AUDITEE-PREPARED DOCUMENT

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



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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2018-001

Fiscal year in which the finding initially occurred: FY2017-2018

Federal Grantor Agency: Department of Education

Contact Person Responsible for Corrective Action: Stanley J. Werne, Director of Financial Aid

Contact Phone Number: (812) 888-6999

Status of Audit Finding: In Process

Vincennes University reported the voluntary withdraw by Good Samaritan Hospital from the Title IV program before the 2017-2018 Single Audit was filed. The Department of Education initiated a program review PRCN 2019 3 05 30030 which required the University to return funds and these funds were returned on November 5, 2019. The University is currently waiting for the Department of Education to accept the change requests for the 2015-2016 and 2016-2017 FISAP reports which is the final step of the review.

The University has developed internal controls to ensure compliance with the Special Tests and Provisions – Written Arrangements with Another Institution, Consortium, or Organization to Provide Educational Services.

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/>.