

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

IVY TECH COMMUNITY COLLEGE OF INDIANA

INDIANAPOLIS, INDIANA

July 1, 2019 to June 30, 2020



**FILED**  
02/05/2021



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SCHEDULE OF COLLEGE OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Susan Ellspermann	07-01-19 to 06-30-21
Senior Vice President and Chief Financial Officer	William M. Hawkins	07-01-19 to 06-30-21
Chairperson of the State Board of Trustees	Paula Hughes-Schuh Terry Anker	07-01-19 to 08-08-19 08-08-19 to 08-05-21



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

TO: THE OFFICIALS OF IVY TECH COMMUNITY COLLEGE OF INDIANA, INDIANAPOLIS, INDIANA

We have audited the financial statements of the business-type activities and the discretely presented component unit of Ivy Tech Community College of Indiana (College), a component unit of the State of Indiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements. We issued our report thereon dated October 23, 2020, 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 23, 2020. Our report includes a reference to other auditors who audited the financial statements of the Ivy Tech Foundation, Inc., as described in our report on the College's financial statements.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 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

January 20, 2021



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

TO: THE OFFICIALS OF IVY TECH COMMUNITY COLLEGE OF INDIANA, INDIANAPOLIS, INDIANA

We have audited, 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, the financial statements of the business-type activities and the discretely presented component unit of Ivy Tech Community College of Indiana (College), a component unit of the State of Indiana, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the College's basic financial statements and have issued our report thereon dated October 23, 2020. Our report includes a reference to other auditors who audited the financial statements of the Ivy Tech Foundation, Inc. (Foundation), as described in our report on the College'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 College'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 College'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 THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the College's financial statements are free of 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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

October 23, 2020, except for the Schedule of Expenditures  
of Federal Awards, for which the date is January 20, 2021



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

TO: THE OFFICIALS OF IVY TECH COMMUNITY COLLEGE OF INDIANA, INDIANAPOLIS, INDIANA

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

We have audited Ivy Tech Community College of Indiana's (College) 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, 2020. The College'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 College'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 College'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 College's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the College 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, 2020.

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

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001. Our opinion on each major federal program is not modified with respect to these matters.

The College's response to the noncompliance finding identified in our audit is described in the accompanying Corrective Action Plan. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the College 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 College'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 College'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, that we consider to be material weaknesses.

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

The College's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The College's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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*  
Paul D. Joyce, CPA  
State Examiner

January 20, 2021

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 College. The schedule and notes are presented as intended by the College.

IVY TECH COMMUNITY COLLEGE OF INDIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<b><u>NATIONAL SCIENCE FOUNDATION</u></b>					
<b>Research and Development Cluster</b>					
Education and Human Resources	Direct Grant	47.076	DUE-1400470	\$ -	\$ 7,593.00
Education and Human Resources	Indiana University	47.076	1643586	\$ -	\$ 190,627.00
Education and Human Resources	Indiana University	47.076	1618408	\$ -	\$ 68,945.00
Education and Human Resources	Forsyth Technical Community College	47.076	SUB#83837-003 FAIN DUE-1800909	\$ -	\$ 291.00
Education and Human Resources	Madisonville Community College	47.076	KCT-PS-697	\$ -	\$ 1,555.00
Education and Human Resources	Montgomery County Community College	47.076	NBC2-18-005	\$ -	\$ 15,550.00
Education and Human Resources	Purdue University	47.076	10001276-014	\$ -	\$ 35,296.00
Education and Human Resources	Purdue University	47.076	10000971-005	\$ -	\$ 4,296.00
Education and Human Resources	Purdue University	47.076	SUB 10001019-006	\$ -	\$ 16,341.00
Education and Human Resources	Purdue University	47.076	SUBAWARD #10001339-005	\$ -	\$ 12,789.00
Education and Human Resources	Rutgers, The State University of New Jersey	47.076	SUB#0557 PO#895435 PID#824020	\$ -	\$ 65,026.00
Total for 47.076				\$ -	\$ 418,309.00
Total for cluster				\$ -	\$ 418,309.00
Total for federal grantor agency				\$ -	\$ 418,309.00
<b><u>US DEPARTMENT OF AGRICULTURE</u></b>					
<b>SNAP Cluster</b>					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Indiana Family and Social Services Administration	10.561	23111	\$ -	\$ 28,177.00
Total for cluster				\$ -	\$ 28,177.00
Soil and Water Conservation	Northeast Community College	10.902	NR203A750007C001-01-04	\$ -	\$ 788.00
Total for federal grantor agency				\$ -	\$ 28,965.00
<b><u>US DEPARTMENT OF COMMERCE</u></b>					
<b>Economic Development Cluster</b>					
Investments for Public Works and Economic Development Facilities	Direct Grant	11.300	06-01-06055	\$ -	\$ 157,069.00
Total for cluster				\$ -	\$ 157,069.00
Total for federal grantor agency				\$ -	\$ 157,069.00

IVY TECH COMMUNITY COLLEGE OF INDIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<b><u>US DEPARTMENT OF DEFENSE</u></b>					
GenCyber Grants Program	Purdue University	12.903	13000751-029	\$ -	\$ 8,702.00
GenCyber Grants Program	Purdue University	12.903	13000751-028	\$ -	\$ 18,107.00
GenCyber Grants Program	Purdue University	12.903	13000751-027	\$ -	\$ 8,454.00
GenCyber Grants Program	Purdue University	12.903	13000751-030	\$ -	\$ 3,787.00
Total for 12.903				\$ -	\$ 39,050.00
Total for federal grantor agency				\$ -	\$ 39,050.00
<b><u>US DEPARTMENT OF EDUCATION</u></b>					
<b>Student Financial Assistance Cluster</b>					
Federal Supplemental Educational Opportunity Grants	Direct Grant	84.007		\$ -	\$ 3,637,261.00
Federal Work-Study Program	Direct Grant	84.033		\$ -	\$ 1,011,441.00
Federal Pell Grant Program	Direct Grant	84.063		\$ -	\$ 103,471,808.00
Federal Direct Student Loans	Direct Grant	84.268		\$ -	\$ 56,021,831.00
Total for Cluster				\$ -	\$ 164,142,341.00
<b>Trio Cluster</b>					
TRIO Student Support Services	Direct Grant	84.042	P042A150724	\$ -	\$ 268,323.00
TRIO Student Support Services	Direct Grant	84.042	P042A150768	\$ -	\$ 201,741.00
TRIO Student Support Services	Direct Grant	84.042	P042A151027	\$ -	\$ 277,120.00
TRIO Student Support Services	Direct Grant	84.042	P042A151019	\$ -	\$ 273,805.00
Total for 84.042				\$ -	\$ 1,020,989.00
TRIO Talent Search	Direct Grant	84.044	P044A170680	\$ -	\$ 246,345.00
TRIO Upward Bound	Direct Grant	84.047	P047A171326	\$ -	\$ 231,090.00
Total for cluster				\$ -	\$ 1,498,424.00
COVID19- Education Stabilization Fund	Direct Grant	84.425	P425E201139	\$ -	\$ 9,407,126.00
COVID19- Education Stabilization Fund	Direct Grant	84.425	P425F200407	\$ -	\$ 3,927,437.00
COVID19-Education Stabilization Fund	Direct Grant	84.425	P425M200545	\$ -	\$ 377.00
Total for 84.425				\$ -	\$ 13,334,940.00

IVY TECH COMMUNITY COLLEGE OF INDIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 YEAR ENDED JUNE 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS6L102; CONT #17352	\$ -	\$ (452.00)
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS8G102 CONT#28415	\$ -	\$ (348.00)
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS8K102 CONT#28426	\$ -	\$ 41,260.00
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS8B102 CONT #28676	\$ -	\$ (2,180.00)
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS8L102 CONT#28549	\$ -	\$ 1,445.00
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS8E102; CONT#28601	\$ -	\$ 39,376.00
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS8J102 CONT #28656	\$ -	\$ 26,191.00
Career and Technical Education - Basic Grants to States	Indiana Department of Workforce Development	84.048	PPS8N102; CONT 28537	\$ -	\$ 4,635.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1087	\$ -	\$ 377,532.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-8703	\$ -	\$ 508,422.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-0978	\$ -	\$ 537,848.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	200512-1032	\$ -	\$ 823,756.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1023	\$ -	\$ 317,606.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1014	\$ -	\$ 340,390.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1005	\$ -	\$ 218,251.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-0502	\$ -	\$ 123,941.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-0501	\$ -	\$ 146,536.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1069	\$ -	\$ 446,009.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-0987	\$ -	\$ 1,550,659.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1078	\$ -	\$ 242,947.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-0996	\$ -	\$ 162,103.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1096	\$ -	\$ 111,035.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-9601	\$ -	\$ 141,687.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1050	\$ -	\$ 268,089.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-1041	\$ -	\$ 269,492.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	20-0512-0244	\$ -	\$ 169,698.00
Career and Technical Education - Basic Grants to States	Governor's Workforce Cabinet	84.048	21-0512-1096	\$ -	\$ 2,565.00
Total for CFDA 84.048				<u>\$ -</u>	<u>\$ 6,868,493.00</u>
Fund for the Improvement of Postsecondary Education	Arizona Board of Regents	84.116	ASU800000278	\$ -	\$ 26,313.00
Centers for International Business Education	Indiana University	84.220A	BL IN-4236302-IVY, PO #0051545	\$ -	\$ 3,995.00
Education Research, Development and Dissemination	Stanford University	84.305	61122817-108022	\$ -	\$ 1,659.00
Total for federal grantor agency				<u>\$ -</u>	<u>\$ 185,876,165.00</u>
<b>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
NIEHS Hazardous Waste Worker Health and Safety Training	University of Cincinnati	93.142	009844-013	\$ -	\$ 117,648.00
Total for federal grantor agency				<u>\$ -</u>	<u>\$ 117,648.00</u>

IVY TECH COMMUNITY COLLEGE OF INDIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2020

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<b>US DEPARTMENT OF LABOR</b>					
YouthBuild	Direct Grant	17.274	YC-25409-14-60-A-18	\$ -	\$ 51,775.00
Registered Apprenticeship	South Central Louisiana Technical College	17.201	Contract	\$ -	\$ 4,869.00
<b>Employment Services Cluster</b>					
Employment Service/Wagner-Peyser Funded Activities	Direct Grant	17.207	MI-33471-19-75-A-18	\$ -	\$ 187,733.00
Total for cluster				\$ -	\$ 187,733.00
Apprenticeship USA Grants	American Association of Community Colleges	17.285	PRIME FAIN:AP-33035-19-75-A-11	\$ -	\$ 58,988.00
Apprenticeship USA Grants	Indiana Department of Workforce Development	17.285	APPEXP9102 CONT 36413	\$ -	\$ 3,630.00
Apprenticeship USA Grants	Indiana Department of Workforce Development	17.285	AP300771660A18 APPEXP102 19416	\$ -	\$ 26,523.00
Total for CFDA 17.285				\$ -	\$ 89,141.00
H-1B Job Training Grants	Direct Grant	17.268	HG-29349-16-60-A-18	\$ -	\$ 734,712.00
H-1B Job Training Grants	Direct Grant	17.268	HG-34343-20-60-A-18	\$ -	\$ 2,401.00
Total for CFDA 17.268				\$ -	\$ 737,113.00
Total for federal grantor agency				\$ -	\$ 1,070,631.00
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES</b>					
Promotion of the Arts Partnership Agreements	Indiana Arts Commission	45.025	1809842-61-18	\$ -	\$ (565.00)
Promotion of the Humanities_Public Programs	Indiana Humanities Council	45.164	317A-NEH FRANKENSTEIN	\$ -	\$ 1,572.00
Total for federal grantor agency				\$ -	\$ 1,007.00
<b>SMALL BUSINESS ADMINISTRATION</b>					
Small Business Development Centers	Indiana Office of Small Business and Entrepreneurship	59.037	A29-9-SBA-1018	\$ -	\$ 178,474.00
Small Business Development Centers	Indiana Office of Small Business and Entrepreneurship	59.037	SBAHQ20C0040	\$ -	\$ 2,580.00
Small Business Development Centers	Indiana Office of Small Business and Entrepreneurship	59.037	A29-9-SBA-1013	\$ -	\$ 20,234.00
Total for CFDA 59.037				\$ -	\$ 201,288.00
Total for federal grantor agency				\$ -	\$ 201,288.00
Total federal award expended				\$ -	\$ 187,910,132.00

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

**IVY TECH COMMUNITY COLLEGE OF INDIANA**  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Scope of Review**

All expenses on federal awards expended by Ivy Tech Community College of Indiana (College) have been included in the Schedule of Expenditures of Federal Awards (Schedule).

**Note 2. Basis of Presentation**

Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards requires an annual audit of any entity expending a total amount of federal awards equal to or in excess of \$750,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of universities shall be conducted annually. Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position, change in net position, or change in cash flows of the College.

The accounting principles followed by the College and used in preparing the accompanying Schedule are as follows:

**Awards Other Than Student Financial Assistance**

Deductions (expenditures) for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general college activities (indirect costs) which are allocated to federal awards under negotiated indirect cost rates or rates specific to a funding opportunity.

**Student Financial Assistance**

Expenditures are recognized and reported in the Schedule for non-loan awards made to students under various programs, e.g., Pell, SEOG and Federal Workstudy. Student loan programs are funded by the federal government mainly under the Direct Loan program.

**Note 3. Summary of Significant Accounting Policies**

The accompanying Schedule has been prepared in a format that presents summary financial information of the federal funds awarded to the College directly from federal agencies as well as amounts received as sub grantee of other organizations. The College did not elect to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs.

IVY TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statements:

Type of auditor's report issued:

Name of Opinion Unit	Opinion Issued
Business-Type Activities Discretely Presented Component Unit	Unmodified 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?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	yes

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
	Student Financial Assistance Cluster	Unmodified
	TRIO Cluster	Unmodified
84.425	COVID19 - Education Stabilization Fund	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.

IVY TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2020-001**

Subject: TRIO Cluster - Reporting  
Federal Agency: Department of Education  
Federal Program: TRIO Student Support Services  
CFDA Number: 84.042  
Federal Award Numbers or Years (or Other Identifying Numbers): P042A150768, P042A150724  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Other Matters

*Repeat Finding*

This is a repeat finding of 2019-002 from the immediately prior audit report.

*Condition and Context*

An effective internal control system was not in place for the Student Support Services programs located at the East Central Region and Northwest campuses to ensure compliance with the grant agreement and the Reporting compliance requirement.

The Student Support Services (SSS) program is required to submit an Annual Performance Report (APR) by December 16, 2019, for activity in the 2018-2019 award year to the Department of Education. The APR includes the Record Structure for Participant List (participant database). The participant database consists of all participants in the program with 37 field codes, which describe the demographic information, eligibility and cohort status, and project entry information; participant's status and academic status; and academic progress/persistence.

For the East Central Region campus SSS program, a sample of thirty-five participants was selected to verify the information in the participants' files to the participant database. Of the participants tested, the following errors were noted:

- Six had the incorrect eligibility status.
- Four had the incorrect date of first project service.
- One had the incorrect grade level at entry to the program.
- One had the incorrect undergraduate degree/certificate completed at grantee institution status.

For the Northwest campus SSS program, a sample of forty-two participants was selected to verify the information in the participants' files to the participant database. Of the participants tested, the following errors were noted:

- Three had the incorrect undergraduate degree/certificate completed at grantee institution status.

The ineffectiveness of the internal controls and the noncompliance were systemic issues throughout the audit period.

IVY TECH COMMUNITY COLLEGE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

34 CFR 80.40(b)(1) states in part: "Grantees shall submit annual performance reports . . ."

34 CFR 646.32(c) states in part:

*"Recordkeeping:* A grantee must maintain participant records that show -

- (1) The basis for the grantee's determination that each participant is eligible to participate in the project under sec. 646.3;
- (2) The grantee's basis for determining the academic need for each participant;
- (3) The services that are provided to each participant;
- (4) The performance and progress of each participant by cohort for the duration of the participant's attendance at the grantee's institution . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions to ensure compliance with the grant agreements and the Reporting compliance requirement.

*Effect*

The failure to establish an effective internal control system which would include segregation of duties, enabled noncompliance with the Reporting compliance requirement.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the College's management establish internal controls related to the grant agreement and the compliance requirement listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the College. The documents are presented as intended by the College.

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2019-001***

Fiscal year in which the finding initially occurred: FY2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Department of Education  
Contact Person Responsible for Corrective Action: Josh VanBibber for Indianapolis and Dr. Lois Weiss for Muncie (formerly East Central)

Contact Phone Number: 317-917-7158 (Josh) and 765-289-2291 ext. 1758 (Lois)

Status of Audit Finding:

The previous audit findings, 2017-004, 2018-004, and 2019-001, and related Corrective Action Plan were shared with all four campuses with TRIO Student Support Services (SSS) and Talent Search programs.

With the implementation of the Corrective Action Plan on March 31, 2018, the Indianapolis, Lake County and Ft. Wayne campuses added signature lines for a secondary reviewer on the application forms. The Muncie campus added a cover page with signature lines for two reviewers that is included with the application.

On August 22, 2019, the Executive Director of Sponsored Programs and Systems Office Grant Manager visited the Indianapolis TRIO. During the meeting, all new applications from July 1, 2018-June 30, 2019 were reviewed for dual signatures.

On August 23, 2019, both Systems Office Grant Managers visited the Muncie TRIO staff. During the meeting all new applications from July 1, 2018-June 30, 2019 were reviewed for dual signatures.

Site visits to each campus planned for Spring 2020 were delayed multiple times due to the Covid-19 pandemic. As a result of the ongoing pandemic, virtual site visits were conducted between July and August 2020 with the four participating campuses, Lake County, Indianapolis, Muncie and Ft. Wayne. Systems Office Sponsored Programs staff reviewed a sample of TRIO participant files that were scanned into a Shared folder to verify secondary reviews were conducted for all new participants after March 31, 2018.

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2019-002**

Fiscal year in which the finding initially occurred: FY2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Department of Education

Contact Person Responsible for Corrective Action: Lisa Edwards (Lake County), Josh VanBibber (Indianapolis), Dr. Lois Weiss (Muncie), and Beth Clemens (Fort Wayne)

Contact Phone Number: 219-981-4825 (Lisa), 317-917-7158 (Josh), 765-289-2291ext 1758 (Lois), 260-480-4168 (Beth)

Status of Audit Finding:

The Project Directors are responsible for gathering the data necessary for the Annual Performance Report (APR).

As a result of the prior findings, 2017-005 and 2018-005, the Banner screen(s) or other source documents used for the fields 3-7, 17-19, 21, 27 and 32 annual performance report fields were identified and shared with each campus on February 11, 2019.

In preparation for the 2018-19 APR, the Executive Director of Business Analytics within Systems Office has developed a tool to compare Student Access or Blumen APR fields for which Banner data exists to the data in Banner. This tool was used between November 22-December 2 as a starting point for campuses to investigate differences and make necessary corrections or if appropriate, document the reason for the difference. Additionally, the Muncie campus engaged Crowe to conduct a review of its Student Access APR data to Banner for the years 2015-16, 2016-17, 2017-18, and 2018-2019. After receiving the results of Crowe's analysis, the campus made necessary corrections or if appropriate, documented the reason for the variance.

The methodology for determining graduation date was shared with all campuses on November 1, 2019 during an APR preparation informational webinar that Systems Office Sponsored Programs hosted for the four campuses with TRIO programs.

Based on the results of the FY2019 audit and in response to finding 2019-002, a retreat for the TRIO SSS project directors, Sponsored Programs staff, Executive Director of Business Analytics, and Business Intelligence staff was scheduled for March 24, 2020. Due to the Covid-19 pandemic, the retreat was held virtually through a series of meetings on June 3, June 10, and June 15, 2020. Based on feedback received during the meeting, Business Intelligence is adjusting the criteria for the Banner data export. A sample of participants was provided to Business Intelligence on September 16, 2020 to test the updates before the 2019-2020 APR becomes available for reporting.

Additional meetings have been held between the Lake County campus, Sponsored Programs team, Blumen and the Business Intelligence team regarding integration of Banner data directly to Blumen. The data sample provided during the Summer 2020 to Blumen had to be re-configured and as a result, submission of the file is planned for November 2020.

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### ***FINDING 2019-003***

Fiscal year in which the finding initially occurred: FY2019

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: U.S. Department of Education

Contact Person Responsible for Corrective Action: Ben Burton until 7/1/2020; Colby Shank Beginning 9/8/2020

Contact Phone Number: (317) 921-4765

Status of Audit Finding:

A sample of 45 return of funds calculations (returns) was selected for review. Of the returns tested, the following 4 errors were noted:

- One return used the incorrect withdrawal date, resulting in the College returning too little in Pell funds. The calculation was corrected and additional Pell funds were returned.
- One return used the incorrect number of break days, resulting in the College returning too much in Loan funds. The calculation was corrected and loan funds were returned to the student.
- One return used an incorrect dollar amount for institutional charges, resulting in the College returning too much in Loan funds. The calculation was corrected and loan funds were returned to the student.
- One return used the incorrect amount of aid that could be disbursed, resulting in the College incorrectly issuing a post-withdrawal disbursement instead of returning Loan funds. The calculation was corrected, the post-withdrawal disbursement was cancelled, and loan funds were returned.

In each of the above situations, ED requested and was provided copies of corrected calculation worksheets and screenshots from COD, confirming the corrected return amounts.

Additionally, the following two errors were noted:

- One return was correctly calculated, but a larger incorrect amount was posted to the student's account, resulting in the College returning too much in Loan Funds. It was determined that it was too late to re-disburse the loan funds and the return amount was to the student's benefit, in reducing her debt.
- One return, for a student that completed the period of enrollment, was incorrectly processed, resulting in the College returning Pell funds. The calculation was reversed and the funds were re-disbursed to the student.

In addition to correcting the specific situations as described above, the College has undertaken the following steps to improve and strengthen the overall process:

Enhanced automation: The College is working to implement new ways of identifying withdrawn students, the type of withdrawal (official/unofficial), withdrawal date, calendar profile selection, applicable institutional charges, and the use of other data that can be found or calculated from existing Banner data. This will reduce the risk of error that is from manual reviews.

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Staff training and documentation: as the College's academic schedule has been changing (addition of Intersessions and predominant transition to 8-week classes), the R2T4 review process has grown more complex. To enhance staff knowledge, the R2T4 process is being documented in new ways and the documentation is being used as the basis for routine staff training.

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## CORRECTIVE ACTION PLAN

### ***FINDING 2020-001***

Contact Person Responsible for Corrective Action: Lisa Edwards (Lake County) and Dr. Lois Weiss (Muncie)

Contact Phone Number: 219-981-1111.ext 2342 (Lisa) and 765-289-2291 ext 1758 (Lois)

View of Responsible Official:

Ivy Tech Community College agrees with this finding. The TRIO Project Directors are responsible for directing the preparation of the annual performance report (APR). The College is committed to timely, accurate submission of reports required by the U.S. Department of Education.

Description of Corrective Action Plan:

As a result of the prior findings, 2017-005, 2018-005, and 2019-002, Lake County, Ft. Wayne, Muncie and Indianapolis campuses reviewed their student data in the student information system, Blumen or Student Access, which is used to generate the annual performance report.

In preparation for the 2018-19 and 2019-20 APRs, the TRIO project directors used a tool developed by the Executive Director of Business Analytics within the Systems Office to compare Student Access or Blumen APR fields for which Banner data exists to the data in Banner. Campuses received a file of the Banner student data, which they reviewed and as appropriate, updated the Student Access or Blumen system.

The College has engaged the Council for Opportunity in Education (COE) to conduct compliance assessments on the College's TRiO Student Support Services programs that received grants during the 2020-2025 grant cycle, with the exception of Richmond which is a new program. The assessments are scheduled for January and February 2021.

Additionally, led by the College's Executive Director of Project Implementation and Support, the TRiO SSS project directors will be meeting on a quarterly basis, beginning March 11, 2021, to identify and discuss best practices regarding the collection of student information, reporting and student activities.

Starting in the Summer 2021, the TRiO SSS campuses will prepare an internal mid-term performance report. This will be reviewed against the Banner tool created by Business Analytics and student applications. This will create consistency and increase the accuracy of the annual performance report.

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The Muncie campus did not apply to receive a grant award during the 2020-2025 TRiO SSS grant cycle. The last APR for their program was submitted in December 2020.

Anticipated Date of Completion: August 31, 2021

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

\_\_\_\_\_  
(Date)

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## OTHER REPORTS

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