

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

BALL STATE UNIVERSITY

MUNCIE, INDIANA

July 1, 2020 to June 30, 2021



**FILED**  
03/01/2022



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Geoffrey S. Mearns	07-01-20 to 06-30-22
Vice President for Business Affairs and Treasurer	Alan T. Finn	07-01-20 to 06-30-22
Associate Vice President and Chief Budget Officer	Scott M. Stachler	07-01-20 to 06-30-22
President of the Board of Trustees	E. Renae Conley	07-01-20 to 12-31-22



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

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

We have audited the financial statements of the business-type activities, the aggregate discretely presented component units, and the aggregate remaining fund information of Ball State University (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 28, 2021, 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 28, 2021. Our report includes a reference to other auditors who audited the financial statements of Ball State University Foundation, Inc., and Muncie Community School Corporation 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

February 11, 2022



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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 THE FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF BALL STATE UNIVERSITY, MUNCIE, 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, the aggregate discretely presented component units, and the aggregate remaining fund information of Ball State University (University), as of and for the year ended June 30, 2021, 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 28, 2021. Our report includes a reference to other auditors who audited the financial statements of Ball State University Foundation, Inc., and Muncie Community School Corporation as described in our report on the University's financial statements. 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 opinion 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 THE 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 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 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 28, 2021, except for the Schedule of Expenditures  
of Federal Awards, for which the date is February 11, 2022



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

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

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

We have audited Ball State University's (University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. 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, 2021.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND 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 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The University's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The University'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 University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.


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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, 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 2021-001, that we consider to be material weaknesses.

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

The University's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The University'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, CPA  
State Examiner

February 11, 2022

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

BALL STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Federal Identifier	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
<b>Student Financial Assistance Cluster</b>				
<u>DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 1,070,616	-
Federal Work-Study Program	84.033		759,865	-
Federal Perkins Loan Program_Federal Capital Contributions	84.038		8,492,977	-
Federal Pell Grant Program	84.063		24,931,903	-
Federal Direct Student Loans	84.268		114,475,894	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		15,062	-
Total Department of Education			149,746,317	-
Total Student Financial Assistance Cluster			149,746,317	-
<b>Research and Development Cluster</b>				
<u>DEPARTMENT OF COMMERCE</u>				
Pass-Through The Regents of the University of Oklahoma National Oceanic and Atmospheric Administration (NOAA) Cooperative Institutes	11.432	NA160AR4320115	13,418	-
Total Department Of Commerce			13,418	-
<u>DEPARTMENT OF DEFENSE</u>				
Pass-Through The Regents of the University of California Basic, Applied, and Advanced Research in Science and Engineering	12.630	FA8750-16-2-0021	25,000	-
Total Department Of Defense			25,000	-
<u>DEPARTMENT OF THE INTERIOR</u>				
Direct				
Great Apes Conservation Fund	15.629	F18AP00890	16,565	13,044
Cooperative Ecosystem Studies Units	15.678	F19AC00023	69,969	65,664
Pass-Through Indiana Department of Natural Resources				
Fish and Wildlife Management Assistance	15.608	F20AP11165	30,678	-
Wildlife Restoration and Basic Hunter Education	15.611	TBA W-49--R-02	172,602	73,619
Assistance to State Water Resources Research Institutes	15.805	NONE	4,729	-
Pass-Through Illinois Department of Military Affairs				
Cooperative Ecosystem Studies Units	15.678	NONE	9,970	-
Pass-Through Trustees of Purdue University				
Assistance to State Water Resources Research Institutes	15.805	G16AP00052	7,870	-
National Land Remote Sensing Education Outreach and Research	15.815	G18AP00077	698	-
Pass-Through Indiana Department of Natural Resources				
Historic Preservation Fund Grants-In-Aid	15.904	NONE	38,989	-
Pass-Through National Park Service				
Native American Graves Protection and Repatriation Act	15.922	P18AP00337	6,109	-
American Battlefield Protection	15.926	P20AP00207	34,728	-
Total Department Of The Interior			392,907	152,327
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Pass-Through Trustees of Purdue University				
Office of Stem Engagement (OSTEM)	43.008	12000338-301	(75)	-
Office of Stem Engagement (OSTEM)	43.008	12000338-293	766	-
Office of Stem Engagement (OSTEM)	43.008	12000145-236	1,109	-
Total National Aeronautics And Space Administration			1,800	-
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>				
Direct				
Promotion of the Arts Grants to Organizations and Individuals	45.024	1859466-52-20	7,264	-
Total National Endowment for the Arts			7,264	-
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Direct				
Promotion of the Humanities Office of Digital Humanities	45.169	HAA-269032-20	35,948	-
Pass-Through Indiana Humanities Council				
Promotion of the Humanities Federal/State Partnership	45.129	21-1005	981	-
Total National Endowment For The Humanities			36,929	-
<u>NATIONAL SCIENCE FOUNDATION</u>				
Direct				
Engineering	47.041	1923712	6,223	-
Engineering	47.041	1464654	4,794	3,858
Engineering	47.041	NONE	1,901	-
Total for CFDA 47.041			12,918	3,858
Direct				
Mathematical and Physical Sciences	47.049	1758709	15,600	-
Mathematical and Physical Sciences	47.049	1806266	8,215	7,029
Mathematical and Physical Sciences	47.049	2054004	4,391	-

BALL STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Federal Identifier	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
Mathematical and Physical Sciences	47.049	1808468	45,093	-
Mathematical and Physical Sciences	47.049	1607746	3,201	-
Mathematical and Physical Sciences	47.049	2003603	63,265	-
Pass-Through University of Florida Mathematical and Physical Sciences	47.049		21,005	-
Total for CFDA 47.049			160,770	7,029
Computer and Information Science and Engineering	47.070	1835602	8,610	-
Biological Sciences	47.074	2011286	9,287	-
Biological Sciences	47.074	1442581	6,738	-
Biological Sciences	47.074	1651195	2,580	-
Total for CFDA 47.074			18,605	-
Social, Behavioral, and Economic Sciences	47.075	1723877	7,998	-
Social, Behavioral, and Economic Sciences	47.075	1917631	80,186	-
Total for CFDA 47.075			88,184	-
Pass-Through Indiana University Education and Human Resources	47.076	1618408	102,507	-
Total for CFDA 47.076			102,507	-
Total National Science Foundation			391,594	10,887
<u>DEPARTMENT OF VETERANS AFFAIRS</u>				
Direct				
Federal Contract	64.RD	NONE	45,134	-
Total Department of Veterans Affairs			45,134	-
<u>DEPARTMENT OF EDUCATION</u>				
Direct				
Research in Special Education	84.324A	R324A200232	177,154	-
Pass-Through Back To School Teachers Store, Inc.				
Twenty-First Century Community Learning Centers	84.287	S287C150014	3,164	-
Twenty-First Century Community Learning Centers	84.287	21878	403	-
Total for CFDA 84.287			3,567	-
Total Department Of Education			180,721	-
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Middlebury College Oral Diseases and Disorders Research	93.121	5R01DE014711-13	6,915	-
Pass-Through National Institutes of Health Mental Health Research Grants	93.242	R34MH111783	110,878	88,960
Mental Health Research Grants	93.242	1RF1MH123402-01	17,252	-
Total for CFDA 93.242			128,130	88,960
Pass-Through Volunteers of America Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	NONE	42,326	-
Pass-Through National Institutes of Health Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286	1R03EB027910-01	96,335	37,436
Pass-Through National Institutes of Health Trans-NIH Research Support	93.310	U01AR071133	349,353	-
Pass-Through Indiana State Department of Health Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	6NU50CK000395-04-05	32,180	-
Pass-Through Indiana University National Center for Advancing Translational Sciences	93.350	UL1TR002529	1,889	-
Pass-Through National Institutes of Health Allergy and Infectious Diseases Research	93.855	1R15AI130950-01	47,070	-
Pass-Through National Institutes of Health Biomedical Research and Research Training	93.859	1R15GM111713	(4,504)	-
Biomedical Research and Research Training	93.859	R15GM116032	51,812	-
Biomedical Research and Research Training	93.859	2R15GM111713	105,495	-
Pass-Through North Carolina at Charlotte Biomedical Research and Research Training	93.859	1R01GM120487-01A1	58,421	-
Total for CFDA 93.859			211,224	-
Pass-Through National Institutes of Health Aging Research	93.866	1R15AG067291-01	152,287	13,801
Pass-Through University of Alabama Birmingham Trans-NIH Research Support	93.310	1U01AR071133-01	254,770	-
Pass-Through National Institutes of Health Cancer Cause and Prevention Research	93.393	R15CA252996	64,266	-
Total Department Health and Human Services			1,386,745	140,197
Total Research And Development Cluster			2,481,512	303,411

BALL STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Federal Identifier	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
<b>Child Nutrition Cluster</b>				
<u>DEPARTMENT OF AGRICULTURE</u>				
Pass-Through Indiana Department of Education School Breakfast Program	10.553	None	14,840	-
National School Lunch Program	10.555	None	117,909	-
Total Department of Agriculture			132,749	-
Total Child Nutrition Cluster			132,749	-
<b>Highway Planning and Construction Cluster</b>				
<u>DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Madison County Council of Governments Highway Planning and Construction	20.205	NONE	11,167	-
Pass-Through Delaware-Muncie Metropolitan Planning Commission Highway Planning and Construction	20.205	NONE	11,500	-
Total Department of Transportation			22,667	-
Total Highway Planning And Construction Cluster			22,667	-
<b>Special Education Cluster</b>				
<u>DEPARTMENT OF EDUCATION</u>				
Pass-Through Alexandria Community School Corporation Special Education Grants to States	84.027	NONE	35,535	-
Pass-Through Muncie School Corporation Special Education Grants to States	84.027	NONE	11,232	-
Special Education Grants to States	84.027	NONE	19,541	-
Pass-Through Jay County Special Education Services Special Education Grants to States	84.027	NONE	32,722	-
Pass-Through East Central Indiana Special Services Special Education Grants to States	84.027	NONE	18,960	-
Total for CFDA 84.027			117,990	-
Pass-Through Indiana Department of Education Special Education Grants to States	84.027A	14217-514-PN01	(820)	-
Special Education Grants to States	84.027A	19611-514-PN01	9,078	-
Special Education Grants to States	84.027A	20611-514-PN01	160,070	-
Total for CFDA 84.027A			168,328	-
Total Department of Education			286,318	-
Total Special Education Cluster			286,318	-
<b>Other Programs</b>				
<u>DEPARTMENT OF COMMERCE</u>				
Direct				
Economic Development Technical Assistance	11.303	ED18CHI3030033	75,558	-
Economic Development Technical Assistance	11.303	ED16CHI3030030	37,774	-
Total for CFDA 11.303			113,332	-
Economic Adjustment Assistance	11.307	06-69-06130	7,137	-
Special Projects	11.553	515W10606	27,049	-
Pass-Through Purdue University Economic Adjustment Assistance	11.307	ED20CHI3070054	46,757	-
Total Department of Commerce			194,275	-
<u>Department of Defense</u>				
Pass-Through National Security Agency Language Grant Program	12.900	H98230-20-1-0191	23,639	-
Total Department Of Defense			23,639	-
<u>DEPARTMENT OF INTERIOR</u>				
Pass-Through National Park Service Native American Graves Protection and Repatriation Act	15.922	P20AP00047	5,199	-
American Battlefield Protection	15.926	P18AP00516	865	-
Total Department Of Interior			6,064	-
<u>DEPARTMENT OF STATE</u>				
Direct				
Public Diplomacy Programs for Afghanistan and Pakistan	19.501	SAF20018CA0041	(915)	-
AEECA/ESF PD Programs	19.900	SKZ10018CA0010	56,122	-
Pass-Through Meridian International Center Professional and Cultural Exchange Programs - Citizen Exchanges	19.415	S-ECAGD-16-CA-1096	(68)	-
Total Department Of State			55,139	-
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Direct				
Promotion of the Humanities Office of Digital Humanities	45.169	HAA-266457-19	13,303	-

BALL STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021

Federal Grantor Agency/ Pass-Through Entity/ Cluster Title/ Program Title/ Project Title	Federal CFDA Number	Federal Identifier	Total Federal Awards Expended	Amounts Passed-Through To Subrecipients
Pass-Through Indiana Humanities Council Promotion of the Humanities Federal/State Partnership	45.129	SO-253145-17	3,554	-
Total National Endowment for the Humanities			16,857	-
<b>SMALL BUSINESS ADMINISTRATION</b>				
Pass-Through Indiana Economic Development Corporation Small Business Development Centers	59.037	SBAHQ-20-C0040	26,700	-
Small Business Development Centers	59.037	SBAHQ-21-B0054	68,457	-
Small Business Development Centers	59.037	SBAHQ-20-B00	100,014	-
Total for CFDA 59.037			195,171	-
Total Small Business Administration			195,171	-
<b>DEPARTMENT OF EDUCATION</b>				
Pass-Through Indiana Department of Education Title I Grants to Local Educational Agencies	84.010	S010A200014	75,539	-
Title I Grants to Local Educational Agencies	84.010	S010A190014	20,856	-
Total for CFDA 84.10			96,395	-
Pass-Through Indiana University National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015	PO15A180102	3,000	-
Pass-Through Indiana Department of Education Career and Technical Education -- Basic Grants to States	84.048	37003	96,433	29,665
Pass-Through Indiana Department of Education Charter Schools	84.282A	U282A170017	29,405	-
Pass-Through Indiana Department of Education Twenty-First Century Community Learning Centers	84.287	S287C180014	478,748	329,778
Pass-Through Indiana Commission for Higher Education Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P33S160023	1,620	-
Pass-Through Indiana Department of Education Supporting Effective Instruction State Grants	84.367A	44207	232,366	-
Pass-Through Indiana Department of Education Supporting Effective Instruction State Grants	84.367	S367A180013	28,716	-
Supporting Effective Instruction State Grants	84.367	S367A200013	3,267	-
Total for CFDA 84.367			264,349	-
Pass-Through Corporation for Public Broadcasting Ready-To-Learn Television	84.295	U295A150003	86,867	-
Total for CFDA 84.295			86,867	-
Pass-Through Alexandria Community School Corporation Student Support and Academic Enrichment Program	84.424A	NONE	11,200	-
Pass-Through Indiana Department of Education Student Support and Academic Enrichment Program	84.424A	S424A200015	21,031	-
Student Support and Academic Enrichment Program	84.424A	S424A180015	6,869	-
Student Support and Academic Enrichment Program	84.424A	S424A190015	5,325	-
Total for CFDA 84.424			44,425	-
COVID 19 - Education Stabilization Fund	84.425C		81,211	-
COVID 19 - Education Stabilization Fund	84.425D		63,718	-
COVID 19 - Education Stabilization Fund	84.425E		9,739,930	-
COVID 19 - Education Stabilization Fund	84.425F		13,047,743	-
Total for CFDA 84.425			22,932,602	-
Total Department Of Education			24,033,844	359,443
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Pass-Through Indiana University Area Health Education Centers	93.107	2U77HP23068-09-00	30,716	-
Area Health Education Centers	93.107	5U77HP23068-10-00	89,533	-
Area Health Education Centers	93.107	2U77HP23068-08-00	(375)	-
Total for CFDA 84.295			119,874	-
Pass-Through Indiana University Foster Care Title IV-E	93.658	A93-3-13-TC-WO-093	3,169	-
Pass-Through Indiana Family and Social Services Administration Block Grants for Prevention and Treatment of Substance Abuse	93.959	3B8TI010019	55,331	-
Total Department of Health and Human Services			178,374	-
Total Other Programs			24,703,363	359,443
Total Federal Awards			\$ 177,372,926	\$ 662,854

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

BALL STATE UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Ball State University (University) under programs of the federal government for the year ended June 30, 2021. The information in the SEFA is presented in accordance with the requirements of Uniform Guidance. Because the SEFA presents only a select portion of the operations of the University, it is not intended to and does not present the financial position of the University.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21, *Cost Principles for Educational Institutions*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. The University has elected not to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

**Note 3. Other Programs Student Loans**

The University participates in the Federal Perkins Loan Program. Amounts loaned to students are recorded as notes receivable. Gross student notes receivable outstanding at June 30, 2021:

Program Title	Federal CFDA Number	2021
Federal Perkins Loan Program – Notes Receivable	84.038	\$ 7,154,062



BALL STATE UNIVERSITY  
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	Unmodified
Aggregate Discretely Presented Component Units	Unmodified
Aggregate Remaining Fund Information	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
	Research and Development Cluster	Unmodified
84.425	COVID-19 - Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$828,798

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

No matters are reportable.

BALL STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

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

**FINDING 2021-001**

Subject: Student Financial Assistance Cluster - Special Tests and Provisions - Enrollment Reporting  
Federal Agency: Department of Education  
Federal Programs: Federal Pell Grant Program, Federal Direct Student Loans  
CFDA Numbers: 84.063, 84.268  
Compliance Requirement: Special Tests and Provisions - Enrollment Reporting  
Audit Findings: Material Weakness, Other Matters

*Condition and Context*

An effective internal control system was not in place to ensure compliance with requirements related to the grant agreement and the enrollment reporting requirement of the Special Tests and Provisions - Enrollment Reporting compliance requirement. The University did not accurately report the graduation and/or confirm the enrollment status of students within 60 days.

We selected a sample of 25 students who had attendance changes to determine whether changes were being properly reported to the National Student Loan Data System (NSLDS). Attendance changes were either reductions or increases in attendance levels, withdrawals, or graduations. For two students tested graduation information was not timely or accurately reported to the NSLDS.

*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 690.83(b)(2) states:

"An institution shall submit, in accordance with deadline dates established by the Secretary, through publication in the FEDERAL REGISTER, other reports and information the Secretary requires and shall comply with the procedures the Secretary finds necessary to ensure that the reports are correct."

BALL STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

34 CFR 685.309(b) states in part:

*"Enrollment reporting process.*

- (1) Upon receipt of an enrollment report from the Secretary, a school must update all information included in the report . . .
- (2) Unless it expects to submit its next updated enrollment report to the Secretary within the next 60 days, a school must notify the Secretary within 30 days after the date the school discovers that -
  - (i) A loan under title IV of the Act was made to or on behalf of a student who was enrolled or accepted for enrollment at the school, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended; . . ."

As with any school/servicer arrangement for the administration of Title IV programs, if the school uses an Enrollment Reporting Servicer, the school still has the primary responsibility for submitting timely, accurate, and complete responses to Enrollment Reporting Roster files, and for reporting any changes in student enrollment status in a timely manner. (NSLDS Enrollment Reporting Guide, Chapter 3)

*Cause*

The University had established internal controls over enrollment reporting; however, those internal controls were not effective to ensure that enrollment data was submitted timely and accurately for all students.

*Effect*

Inaccurate and delayed submission of information affects the determinations that lenders and servicers of student loans make related to in-school status, deferments, grace periods, and repayment schedules, as well as the federal government's payment of interest subsidies.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the University strengthen its internal control system, specific to graduations, related to the Special Tests and Provisions - Enrollment Reporting compliance requirement.

*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 University. The documents are presented as intended by the University.



## BALL STATE UNIVERSITY

### Summary Schedule of Prior Audit Finding

January 12, 2022

Audit Finding 2020-001

Fiscal Year Initially Identified: 2019-20

OPEID: 00178600

Audit Control Number: 05-2020-12286

Federal Audit Clearinghouse Audit Control Number: 05-2020-19601

This response is in regards to action taken to resolve Finding 2020-001 identified for the audit period July 1, 2019-June 30, 2020 reported 2/4/2021 by the Indiana State Board of Accounts. In the review, the auditor noted a lack of oversight procedure to ensure proper internal control over verification and R2T4 due to a lack of a secondary review process to ensure data was being accurately entered into the system for each process.

Ball State staff immediately implemented a corrective action when this issue was identified in December 2020. Ball State staff ran a sample of student records for completed verification in 2019-20 and completed R2T4 in 2019-20 and performed a peer review. The results indicated the records were properly entered into the system and no errors were found. The institution agreed to revise procedures to continue the practice of secondary review for both R2T4 and Verification in future years to ensure adequate internal control over data being entered into the system.

A response to the reported findings and corrective action plan from Jason Charlton, Branch Chief, U.S. Department of Education, Chicago/Denver School Participation Division to Ball State University President Geoffrey Mearns dated March 15, 2021 acknowledged the revised procedures, including a secondary review, as a means to adhere to the regulatory requirement.

As a part of Ball State University's continued compliance, we have implemented procedures for ongoing peer review through sampling of student records. In March 2021, samples of thirty R2T4 and fifty verification records were selected from the 2020-21 award year for peer review. In December 2021, samples of thirty R2T4 records and fifty verification records from the 2021-22 award year were selected for peer review. Ball State University will continue to monitor data entry through sampling and peer review and any errors identified will result in additional staff training.

We believe we are in full compliance with the revised procedures and this finding should be closed.

John D. McPherson

Assistant Vice President for Enrollment Planning and Management  
and Executive Director of Financial Aid and Scholarships

Office of Financial Aid and Scholarships

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



## BALL STATE UNIVERSITY

### CORRECTIVE ACTION PLAN

#### **FINDING 2021-001**

Contact Person Responsible for Corrective Action: Erin Mason  
Contact Phone Number: (765) 285-1423

#### Views of Responsible Official:

*We concur with this immaterial finding. While the audit sample identified two students reported as withdrawn instead of graduated by the National Student Clearinghouse (NSC), we can document that we did, indeed, send graduation information for those students for the same date in question to (NSC). Because NSC did not receive the G status, though our records indicated it was sent, a W (withdraw) status was defaulted in for the last date of the students' attendance. This is the same date that would have been used if the G status had been populated; therefore, there is no material impact.*

#### Description of Corrective Action Plan:

*We will continue to work with the National Student Clearinghouse to identify and resolve any reporting gaps, revisit the timing of the graduation and enrollment reporting files and the reporting methodology, and create and document an internal sampling protocol to monitor and resolve issues going forward.*

#### Anticipated Completion Date:

*Working with the National Student Clearinghouse, research to resolve this issue began immediately upon identification of the incorrect statuses. All aforementioned corrective actions will be completed by September 1, 2022.*

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John D. McPherson  
Assistant Vice President for Enrollment Planning and Management  
and Executive Director of Financial Aid and Scholarships

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## 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/>.