

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

UNIVERSITY OF SOUTHERN INDIANA

EVANSVILLE, INDIANA

July 1, 2021 to June 30, 2022



**FILED**  
12/27/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Dr. Ronald S. Rochon	07-01-21 to 06-30-23
Vice President for Finance and Administration and Treasurer	Steven J. Bridges	07-01-21 to 06-30-23
Chair of the Board of Trustees	Ronald D. Romain	07-01-21 to 06-30-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE UNIVERSITY OF SOUTHERN INDIANA, EVANSVILLE, INDIANA

We have audited the financial statements of the business-type activities, the discretely presented component unit, and the aggregate remaining fund information of the University of Southern Indiana (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 31, 2022, which contained unmodified opinions on those financial statements. Our audit was performed 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 31, 2022. Our report includes a reference to other auditors who audited the financial statements of University of Southern Indiana Foundation, Inc., 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 Uniform Guidance 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.

A handwritten signature in blue ink that reads "Beth Kelley".

Beth Kelley, CPA, CFE  
Deputy State Examiner

October 31, 2022



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 THE UNIVERSITY OF SOUTHERN INDIANA, EVANSVILLE, 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 discretely presented component unit, and the aggregate remaining fund information of the University of Southern Indiana (University), a component unit of the State of Indiana, as of and for the year ended June 30, 2022, 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 31, 2022. Our report includes a reference to other auditors who audited the financial statements of University of Southern Indiana Foundation, Inc., as described in our report on the University's financial statements. The financial statements of University of Southern Indiana Foundation, Inc., were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with University of Southern Indiana Foundation, Inc., or that are reported on separately by those auditors who audited the financial statements of University of Southern Indiana Foundation, Inc.

***Report on 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) as a basis for designing 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)

***Report on 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

October 31, 2022



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

TO: THE OFFICIALS OF THE UNIVERSITY OF SOUTHERN INDIANA, EVANSVILLE, INDIANA

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

***Opinion on the Major Federal Program***

We have audited the University of Southern Indiana's (University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2022. The University's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings and Questioned Costs.

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 its major federal program for the year ended June 30, 2022.

**Basis for Opinion on the Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Report on 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.

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

November 29, 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.

UNIVERSITY OF SOUTHERN INDIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended June 30, 2022

Cluster Title Federal Grantor Agency Pass-Through Entity Program Title/Project Title	Federal Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Federal Awards Expended	Expenditures to Subrecipients
<b>Student Financial Assistance Cluster</b>				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grants				
Federal Supplemental Educational Opportunity Grants	84.007		312,954	-
Federal Work-Study Program	84.033		217,227	-
Federal Pell Grant Program	84.063		8,724,383	-
Federal Direct Student Loans	84.268		26,866,870	-
Total for Student Financial Assistance Cluster			36,121,434	-
<b>TRIO Cluster</b>				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
TRIO Student Support Services	84.042		163,100	-
Total for TRIO Cluster			163,100	-
Total for U.S. Department of Education			36,284,534	-
<b>Research and Development Cluster</b>				
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct Grant				
Guest Scientist Project, Long-Term Hydrologic Data in the Huron-Manistee National Forests	10.RD	17-PA-11090400-050	2,871	-
Total for U.S. Department of Agriculture			2,871	-
<u>NATIONAL SCIENCE FOUNDATION</u>				
Direct Grant				
Social, Behavioral, and Economic Sciences	47.075		15,422	-
Direct Grant				
Education and Human Resources	47.076		75,155	-
Education and Human Resources	47.076		13,597	-
Pass-Through North Carolina State University				
Education and Human Resources	47.076	2016-1771-03	10,385	-
Total ALN 47.076			99,137	-
Total for National Science Foundation			114,559	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Pass-Through Indiana University				
Research on Healthcare Costs, Quality and Outcomes	93.226	8825	34,402	-
Total for U.S. Department of Health and Human Services			34,402	-
Total for Research and Development Cluster			151,832	-
<b>Other Programs</b>				
<u>U.S. DEPARTMENT OF STATE</u>				
Pass-Through Partners of the Americas				
Public Diplomacy Programs	19.040	100K-DOS252-UIS FCA	23,927	-
Total for U.S. Department of State			23,927	-
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Pass-Through Indiana Humanities Council				
Promotion of the Humanities Federal/State Partnership	45.129	21-1010	440	-
Promotion of the Humanities Federal/State Partnership	45.129	SO-268694-20	2,000	-
Total ALN 45.129			2,440	-
Total for National Endowment for the Humanities			2,440	-
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grants				
COVID-19 - Education Stabilization Fund	84.425E		9,029,161	-
COVID-19 - Education Stabilization Fund	84.425F		5,416,071	-
Total ALN 84.425			14,445,232	-
Total for U.S. Department of Education			14,445,232	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Direct Grants				
Advanced Nursing Education Workforce Grant Program	93.247		241,725	-
Advanced Nursing Education Workforce Grant Program	93.247		333,802	192,062
Total ALN 93.247			575,527	192,062

Cluster Title Federal Grantor Agency Pass-Through Entity Program Title/Project Title	Federal Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Federal Awards Expended	Expenditures to Subrecipients
Nurse Education, Practice Quality and Retention Grants	93.359		549,003	54,220
COVID-19 - Nurse Education, Practice Quality and Retention Grants	93.359		13,685	-
<i>Total ALN 93.359</i>			<u>562,688</u>	<u>54,220</u>
PPHF Geriatric Education Centers	93.969		835,122	304,556
Pass-Through Indiana University Area Health Education Centers	93.107	8065	101,322	-
Pass-Through Indiana Center for Nursing Nursing Workforce Diversity	93.178	None	43,467	-
Pass-Through Indiana Department of Health COVID-19 - Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391	0000000000000000000000061598	10,729	-
Total for U.S. Department of Health and Human Services			<u>2,128,855</u>	<u>550,838</u>
Total for Other Programs			<u>16,600,454</u>	<u>550,838</u>
Total Federal Awards Expended			<u>\$ 53,036,820</u>	<u>\$ 550,838</u>

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

UNIVERSITY OF SOUTHERN INDIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2022

Note 1. Basis of Presentation and Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the University and is presented on the accrual basis of accounting in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures reported on the Schedule are recognized following the cost principles contained in the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general-purpose financial statements. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The University has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 2. Federal Direct Student Loans

The number of guaranteed student loans and total amount for each program for University students for the year ended June 30, 2022, were as follows:

	No. of Students	Amount
Direct Loan Program (Subsidized and Unsubsidized)	3,226	\$23,868,081
Direct PLUS Loans (Parent and Graduate PLUS Loans)	330	2,998,789
Totals	3,556	\$26,866,870

UNIVERSITY OF SOUTHERN INDIANA  
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
Discretely Presented Component Unit	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 program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
84.425	COVID-19 - Education Stabilization Fund	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$1,591,105

Auditee qualified as low-risk auditee? yes

**Section II - Financial Statement Findings**

No matters are reportable.

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

No matters are reportable.

## OTHER REPORTS

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