



**Indiana University of Pennsylvania  
Audit Committee Report  
Audited Financial Statements  
June 30, 2022**

Board of Governors *Policy 1986-01-A: Audit* requires an annual independent audit of the financial statements of each State System university as to whether the financial statements present fairly, in all material respects, the statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows of the university and its discretely presented component units in conformity with generally accepted accounting principles.

CliftonLarsonAllen, LLP, (CLA) audited the financial statements of the business-type activities and the aggregate discretely presented component units, which comprise the basic financial statements of Indiana University of Pennsylvania for the years that ended June 30, 2022 and 2021, and the related notes to the financial statements.

In CLA's opinion, based on its audits and the reports of other auditors, the financial statements present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component units of the university as of June 30, 2022 and 2021, and the respective changes in financial position and cash flows in accordance with generally accepted accounting principles.

CLA noted an emphasis of matter regarding the implementation of Governmental Accounting Standards Board Statement Number 87 for the year that ended June 30, 2022, which represents a change in accounting principle. The university's June 30, 2021, statement of net position; statement of revenues, expenses, and changes in net position; and statement of cash flows were restated to reflect the impact of adoption.

CLA also noted an emphasis of matter regarding the Foundation for Indiana University of Pennsylvania, Inc., being in default on certain covenants of its loan agreements for the years that ended June 30, 2022 and 2021. The lenders may demand repayment; no demand has yet been made, and negotiations are under way to restructure the related indebtedness.

CLA did not modify its opinion of the university's financial statements because of the aforementioned emphases of matter.

CLA's audit procedures include considering the university's internal control over financial reporting. A deficiency in internal control exists when the design or operation of a control does not allow management or employees,

in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. During the audit, CLA did not identify any deficiencies in internal control that CLA considered to be a material weakness.

**REPORT OF THE AUDIT COMMITTEE  
COUNCIL OF TRUSTEES  
Indiana University of Pennsylvania  
December 8, 2022**

The Audit Committee of the IUP Council of Trustees consists of Joyce Fairman, Laurie Kuzneski, and Nathan Spade. On November 1, 2022, Mrs. Fairman and Mrs. Kuzneski conducted an exit conference with representatives from the university's independent public accounting firm, CliftonLarsonAllen, LLP (CLA), to discuss results of the annual audit of the IUP financial statements for the year that ended June 30, 2022. Also in attendance from IUP were Debra Fitzsimons, vice president for Administration and Finance; William Buttz, associate vice president for Finance; and Gregory Cessna, controller/director of Financial Operations. Andrew Lee and Jared Clark, of CLA, provided an overview of the IUP financial statements, discussed accounting standards, and answered questions from Audit Committee members. The Audit Committee is pleased to report that CLA rendered an unmodified opinion on the IUP financial statements for the year that ended June 30, 2022.

**The Audit Committee recommends the following motion for approval:**

**THAT IUP'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR THAT ENDED JUNE 30, 2022, BE ACCEPTED AS DISTRIBUTED TO THE IUP COUNCIL OF TRUSTEES.**

This concludes my report.

Joyce R. Fairman  
Chair, Audit Committee