



Council of Trustees and Management  
Indiana University of Pennsylvania  
of the State System of Higher Education  
Indiana, Pennsylvania

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Indiana University of Pennsylvania State System of Higher Education (the University) as of and for the year ended June 30, 2025, and have issued our report thereon dated November 11, 2025. Our report was modified to make reference to other auditors who audited the discretely presented component units. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our statement of work dated May 12, 2025. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the University are described in Note 1 to the financial statements.

As described in Note 1, the entity changed accounting policies related to Compensated Absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, in 2025. The entity also adopted GASB Statement 102, *Certain Risk Disclosures*, in 2025. The cumulative effect of the accounting change as of the beginning of the year was reported in the current year Statement of Revenues, Expenses, and Changes in Net Position.

We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were considered to be particularly sensitive or required substantial judgement by management.

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was Note 7 – Long Term Debt, which disclosed that the Foundation for Indiana University of Pennsylvania failed their debt covenants for the current fiscal year.

The financial statement disclosures are neutral, consistent, and clear.

***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Circumstances that affect the form and content of the auditors' report***

As previously communicated to you, the report was modified to emphasize that the financial statements reflect only financial position, changes in financial position, and where applicable, cash flows, of Indiana University of Pennsylvania, and not the Pennsylvania State System of Higher Education.

The report was also modified to emphasize that the Foundation for IUP failed a debt covenant, has not requested a waiver, continues to make payments, and that no demand for repayment of bonds in full has been made on the bonds; and that the financial statements have not been adjusted for the outcome of this uncertainty.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated November 11, 2025.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the University's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Other audit findings or issues***

We have provided a separate communication to you dated November 11, 2025, communicating internal control related matters identified during the audit.

***Audits of group financial statements***

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

***Quality of component auditor's work***

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

***Limitations on the group audit***

There were no restrictions on our access to information of components or other limitations on the group audit.

***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

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This information is intended solely for the use of the council of trustees and management of Indiana University of Pennsylvania of the State System of Higher Education and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Pittsburgh, Pennsylvania  
November 11, 2025