




STATE OF ILLINOIS ILLINOIS STATE UNIVERSITY

Federal Single Audit (In Accordance with Single Audit Act and Applicable Federal Regulations)

For the Year Ended June 30, 2024
Performed as Special Assistant Auditors
for the Auditor General, State of Illinois



State of Illinois
Illinois State University
Federal Single Audit
In Accordance with the Single Audit Act and Applicable Federal Regulations
Table of Contents
For the Year Ended June 30, 2024

Table of Contents

University Officials 1

Compliance Report

 Summary 2

 Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* 4

 Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Schedule of Federal and Nonfederal Financial Activity 6

Schedule of Findings and Questioned Costs

 Summary of Auditor’s Results 9

 Current Findings – *Government Auditing Standards* 10

 Prior Findings not Repeated 15

Supplementary Information

 Schedule of Expenditures of Federal Awards 16

 Notes to the Schedule of Expenditures of Federal Awards 22

 Schedule of Federal and Nonfederal Financial Activity 24

Other Reports Issued Under a Separate Cover

The Illinois State University’s financial statements and State Compliance Examination for the year ended June 30, 2024, were issued under separate covers. Additionally, in accordance with *Government Auditing Standards*, we have issued the Report Required Under *Government Auditing Standards* for the year ended June 30, 2024, on our consideration of the University’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, under a separate cover. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

State of Illinois
Illinois State University
Federal Single Audit
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2024

University Officials

President (03/18/24 – present)	Dr. Aondover Tarhule
Interim President (02/17/23 – 03/17/24)	Dr. Aondover Tarhule
Vice President for Finance and Planning (01/06/25 – present)	Dr. Glen Nelson
Interim Vice President for Finance and Planning (01/01/24 – 12/31/24)	Dr. Daniel Petree
Vice President for Finance and Planning (07/01/23 – 12/31/23)	Mr. Dan Stephens
Vice President for Academic Affairs and Provost (05/01/24 – present)	Dr. Ani Yazedjian
Acting Vice President for Academic Affairs and Provost (07/01/23 – 04/30/24)	Dr. Ani Yazedjian
Vice President for Student Affairs	Dr. Levester Johnson
Vice President for University Advancement	Mr. Pat Vickerman
Comptroller (12/02/24 – present)	Mr. Carlos Garcia
Comptroller (07/01/23 – 12/31/24)	Mr. Doug Schnittker
Legal Counsel	Ms. Jeannie Barrett
Director – Internal Audit	Mr. Robert Blemler

Officers of the Board of Trustees

Chair of the Board	Dr. Kathryn Bohn
Secretary of the Board	Dr. Robert Navarro

Members of the Board of Trustees

Member	Dr. Kathryn Bohn
Member	Dr. Robert Navarro
Member	Ms. Julie Annette Jones
Member	Mr. Scott Jenkins
Member	Dr. Lia Merminga
Member	Mr. Darren Tillis
Member	Vacant
Student Member (07/01/24 – present)	Mr. Ryan Russell
Student Member (05/11/24 – 06/30/24)	Vacant
Student Member (07/01/23 – 05/10/24)	Mr. Aselimhe Ebikhumi

Office Location

The University’s primary administrative offices are located at:
Hovey Hall
Campus Box 1100
Normal, Illinois 61790-1100

State of Illinois
Illinois State University
Federal Single Audit
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2024

Federal Compliance Report

Summary

The compliance testing performed during this audit of the Illinois State University (University) was conducted in accordance with the Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *Government Auditing Standards*.

Auditor's Report

The Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Schedule of Federal and Nonfederal Financial Activity does not contain scope limitations, disclaimers, or other significant non-standard language.

Summary of Findings

Number of	Current Report	Prior Report
Findings	3	4
Repeated findings	3	1
Prior recommendations implemented or not repeated	1	2

Schedule of Findings

Item No.	Page	Last/First Reported	Description	Finding Type
Findings (Government Auditing Standards)				
2024-001	10	2023/2018	Information Security Weaknesses	Material Weakness
2024-002	12	2023/2023	Lack of Adequate Controls over the Review of Internal Controls over Service Providers	Material Weakness
2024-003	14	2023/2023	Weakness in Change Control	Material Weakness

State of Illinois
Illinois State University
Federal Single Audit
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2024

Item No.	Page	Last/First Reported	Description	Finding Type
Current Findings – Federal Compliance				
No matters are reportable				
Prior Findings Not Repeated				
A	15	2023/2023	Inaccurate Reporting of Federal Expenditures on the Schedule of Expenditures of Federal Awards	

Exit Conference

The University waived an exit conference for the Federal Compliance OMB Uniform Guidance audit in a correspondence from Ms. Erika Jones, Assistant Comptroller, on January 16, 2025.

Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditor's Report

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Illinois State University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the 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, fiduciary activities, and the discretely presented component unit of the Illinois State University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated November 26, 2024. Our report includes a reference to other auditors who audited the financial statement of the Illinois State University Foundation, 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 report or compliance and other matters that are reported on separately by those auditors.

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 opinions 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 a 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 a 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, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2024-001, 2024-002, and 2024-003 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from 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 financial statements. 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*.

University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the response.

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.

SIGNED ORIGINAL ON FILE

**Decatur, Illinois
November 26, 2024**

Report on Compliance for Each Major Federal Program, Report on Internal Control Over Compliance, and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Schedule of Federal and Nonfederal Financial Activity

Independent Auditor's Report

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Illinois State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited the Illinois State University's (University) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2024. 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.

The University's basic financial statements include the operations of the Illinois State University Foundation, which are not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2024. Our audit, as described did not include the operations of these component units because the component units did not expend federal funding during the year ended June 30, 2024.

In our opinion, the University complied, in all material respects, with the 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, 2024.

Basis for Opinion on Each 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.

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 a 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 a 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 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 have existed 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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Schedule of Federal and Nonfederal Financial Activity

We have audited the financial statements of the business-type activities, fiduciary activities, and the aggregate discretely presented component unit of the University as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We have issued our report thereon dated November 26, 2024, which contained unmodified opinions on those financial statements. Our report makes reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic 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. In addition, the accompanying schedule of federal and nonfederal financial activity is presented for the purposes of additional analysis 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 and the schedule of federal and nonfederal financial activity is fairly stated in all material respects in relation to the basic financial statements as a whole.

SIGNED ORIGINAL ON FILE

**Decatur, Illinois
February 3, 2025**

**State of Illinois
Illinois State University**

**Schedule of Findings and Questioned Costs
Summary of Auditor's Results
For the Year Ended June 30, 2024**

Financial Statements

The type of report the auditor issued on whether the financial statements audited were prepared in accordance GAAP: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to the financial statements noted Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 C.F.R. § 200.516(a)? Yes No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 93.364	Student Financial Assistance Cluster
84.027	Special Education Cluster
93.493	Congressional Directives

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? Yes No

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Current Findings – Government Auditing Standards

Finding 2024-001 Information Security Weaknesses

The Illinois State University (University) had multiple computer security weaknesses.

The University relies on its computing environment for maintaining several critical, sensitive, and/or confidential systems used to meet its mission.

During testing of University information technology controls, we noted the University:

- Had not fully developed access provisioning policies documenting the internal controls for all environments and applications.
- Had not fully developed a policy documenting requirements for an annual review of users' access.
- Had not fully developed a policy documenting the review of security violation reports to ensure remediation is timely conducted.

In order to determine if proper security controls had been implemented across the University's environment, we requested a population of servers. Although the University provided a population, documentation demonstrating its completeness and accuracy was not provided. Due to these conditions, we were unable to conclude the Office's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AT-C § 205). Even given the population limitations, we tested the population of servers, noting the University could not provide documentation demonstrating the antivirus and operating system were running the vendors' latest versions.

In addition, our testing noted the University had not ensured all security operations were properly configured.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control and Configuration Management sections require entities to maintain proper internal controls over access and security of their environment, applications and data.

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University officials indicated the IT functions and resources are highly distributed across the institution which require considerably more time to change and improve. University officials also indicated IT is limited in capacity to fully organize the remediation efforts within the portfolio of work efforts required of IT across the institution.

Inadequate controls over changes to the University's environment, applications and data could lead to unauthorized access, unauthorized changes and security risks to its environments, applications and related data. Also, due to the severity of the weaknesses noted, we were unable to rely upon the general IT controls over the environments and applications. (Finding Code No. 2024-001, 2023-001, 2022-002, 2021-002, 2020-003, 2019-001, 2018-002)

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Finding 2024-001 Information Security Weaknesses (continued)

Recommendation

We recommend the University implement adequate security, including approving the updated policies and procedures to (1) reflect the University's current environment and (2) address future changes in processes and new systems.

Additionally, we recommend the University strengthen its controls to maintain a complete and accurate population of servers, update their servers with the vendors' latest versions of antivirus and operating systems, and ensure all security operations are properly configured.

University Response

The University agrees with the observations reported in this finding. With the successful resolution of technical issues included in prior year audit findings, we are now prioritizing the formalization of policies that reflect established process and procedure. We believe that finalizing, publishing, and communicating detailed policies will not only evidence the University's Information Security Program effectiveness, but provide a culture of resiliency across the institution's members.

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Finding 2024-002 Lack of Adequate Controls over the Review of Internal Controls over Service Providers

The Illinois State University (University) did not implement adequate internal controls over its service providers.

We requested the University provide a population of their service providers utilized in order to determine if the University had reviewed the internal controls of its service providers. However, the University was not able to provide such a population. Additionally, we noted the University had not fully developed policies and procedures to ensure their due diligence and monitoring of their service providers. Furthermore, the University did not obtain System and Organization Control (SOC) reports to ensure the internal controls at the service providers had been implemented and were operating effectively. Finally, the University had not conducted a review of the Complementary User Entity Controls (CUEC) and the University's related controls.

Due to these conditions, we were unable to determine if the internal controls of the service providers were adequate, and we were required to perform alternative procedures.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Maintenance and System and Service Acquisition sections, requires entities outsourcing their information technology environment or operations to obtain assurance over the entities' internal controls related to the services provided. Such assurance may be obtained via System and Organization Control reports or independent reviews.

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University officials indicated that the various functions for holistic service provider management are distributed across various departments without a unifying strategy at this time.

Without having obtained and reviewed SOC reports or another form of independent internal control review, the University does not have assurance the service providers' internal controls are adequate and operating effectively. (Finding Code No. 2024-002, 2023-002)

Recommendation

We recommend the University implement controls to maintain a list of all of their service providers and determine and document if a review of the service providers' internal controls were performed, if required.

Additionally, we recommend the University:

- Obtain SOC reports or perform independent reviews of internal controls for all service providers.
- Monitor and document the operation of the CUECs relevant to the University's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the University, and any compensating controls.

**State of Illinois
Illinois State University**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Finding 2024-002 Lack of Adequate Controls over the Review of Internal Controls over Service Providers (continued)

University Response

The University agrees and understands that our current approach, primarily focused on sensitive data, does not fully address all considerations and potential risks when utilizing service providers. The University is in the process of developing corrective actions that will improve controls over the review of service providers.

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Finding 2024-003 Weaknesses in Change Control

The Illinois State University (University) did not maintain adequate internal controls over changes to its environment, applications and data.

The University had not fully developed a change management policy documenting the internal controls over changes to its environment, applications and data. In addition, the University had not fully implemented a formal Change Management Board.

Further, the approval for changes, including emergency changes, prior to being implemented into production was not maintained.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Configuration Management section, require entities to maintain proper internal controls over the changes to the environment, applications and data.

Also, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University officials indicated the lack of recent review and assessment of change management procedures and practices resulted in the noted gaps developing.

Inadequate controls over changes to the University's environment, applications and data could lead to unauthorized access, unauthorized changes and security risks to its environments, applications and related data. Also, due to the severity of the weaknesses noted, we were unable to rely upon the general IT control over the environments and applications. (Finding Code No. 2024-003, 2023-003)

Recommendation

We recommend the University implement adequate policies and procedures over changes to the University's environment, applications and data. We also recommend the University maintain documentation that changes are properly approved prior to implementation.

University Response

The University agrees with the observations reported in this finding. While a few items have been addressed, a formal policy was not able to be published in the period between the original delivery of this finding and the end of the review period. We expect to have this finding resolved within the new review period.

**State of Illinois
Illinois State University
Federal Single Audit
Schedule of Prior Findings Not Repeated
For the Year Ended June 30, 2024**

Prior Findings Not Repeated

A. Finding – Inaccurate Reporting of Federal Expenditures on the Schedule of Expenditures of Federal Awards

During the prior engagement, the Illinois State University (University) did not have an adequate process in place to prepare and review its Schedule of Expenditures of Federal Awards prior to providing it to the auditors. (Finding Code No. 2023-004)

Status: Implemented

During the current engagement, the Schedule of Expenditures of Federal Awards was properly reviewed and no errors were noted in the testing of its completeness and accuracy.

**STATE OF ILLINOIS
ILLINOIS STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER				
U.S. Department of Education				
Federal Supplemental Educational Opportunity Grants	(M) 84.007		\$ 793,195	\$ -
Federal Work-Study Program	(M) 84.033		832,798	-
Federal Perkins Loan Program - Beginning Loan Balance	(M) 84.038		2,524,472	-
Federal Pell Grant Program	(M) 84.063		33,958,325	-
Federal Direct Student Loans	(M) 84.268		81,449,102	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	(M) 84.379		397,946	-
Total U.S. Department of Education Student Financial Assistance Cluster			<u>119,955,838</u>	<u>-</u>
U.S Department of Health and Human Services				
Nursing Student Loans, Beginning Loan Balance	(M) 93.364		672,145	-
Nursing Student Loans, New Loans	(M) 93.364		99,156	-
Total U.S Department of Health and Human Services	Total 93.364		<u>771,301</u>	<u>-</u>
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			<u>120,727,139</u>	<u>-</u>
RESEARCH & DEVELOPMENT CLUSTER				
U.S. Department of Agriculture				
Agriculture and Food Research Initiative (AFRI)	10.310		72,403	14,952
Agriculture and Food Research Initiative (AFRI) (Passed through University of Illinois Urbana-Champaign)	10.310	086926-16471, 107651-18813	35,355	-
Agriculture and Food Research Initiative (AFRI) (Passed through Southern Illinois University Edwardsville)	10.310	107651-18813	16,067	-
Agriculture and Food Research Initiative (AFRI) (Passed through Western Illinois University)	10.310	2019-69012-29851-01	341,060	-
Agriculture and Food Research Initiative (AFRI) (Passed through Purdue University)	10.310	F9000315202078	35,939	-
Agriculture and Food Research Initiative (AFRI) (Passed through Mitchell Technical College)	10.310	23-0115-2027-002	8,495	-
Total R&D 10.310			<u>509,319</u>	<u>14,952</u>
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)	10.326		86,179	2,622
Environmental Quality Incentives Program (Passed through University of Illinois Urbana-Champaign)	10.912	103926-18436	13,023	-
Total U.S. Department of Agriculture			<u>608,521</u>	<u>17,574</u>

**STATE OF ILLINOIS
ILLINOIS STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
Department of Defense				
GenCyber Grant Programs	12.903		\$ 91,911	\$ -
Total National Security Agency			<u>91,911</u>	<u>-</u>
U.S. Department of the Interior				
Endangered Species Recovery Program	15.657		45,362	-
Total U.S. Department of the Interior			<u>45,362</u>	<u>-</u>
U.S. Geological Survey				
National Cooperative Geologic Mapping Program	15.810		34,313	-
Total U.S. Geological Survey			<u>34,313</u>	<u>-</u>
National Endowment for the Arts				
Promotion of the Arts Grants to Organizations and Individuals	45.024		26,535	-
Total National Endowment for the Arts			<u>26,535</u>	<u>-</u>
National Science Foundation				
Engineering Grants	47.041		916	-
Mathematical and Physical Sciences	47.049		515,152	-
Geosciences	47.050		52,283	-
Computer and Information Science and Engineering	47.070		108,004	-
Biological Sciences	47.074		359,229	-
Education and Human Resources	47.076		931,509	140,259
Education and Human Resources (Passed through Illinois Wesleyan University)	47.076	1742224-001	590,358	-
Education and Human Resources (Passed through Donald Danforth Plant Science Center)	47.076	A23-0001-S001	285,298	29,790
	Total R&D 47.076		<u>1,807,165</u>	<u>170,049</u>
Total National Science Foundation			<u>2,842,749</u>	<u>170,049</u>

**STATE OF ILLINOIS
ILLINOIS STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
U.S. Department of Energy				
Office of Science Financial Assistance Program	81.049		\$ 1,638,132	\$ 1,295,806
Total U.S. Department of Energy			<u>1,638,132</u>	<u>1,295,806</u>
U.S. Department of Education				
Special Education Grants to States (Passed through Illinois State Board of Education)	84.027	A24-0018-001	32,097	-
Rehabilitation Services Vocational Rehabilitation Grants to States (Passed through Illinois Department of Human Services)	84.126	DRS24CON0015	16,753	-
Education Stabilization Fund (Passed through Illinois State Board of Education)	84.425A	23-4998-E3	8,312	-
Total U.S. Department of Education			<u>57,162</u>	<u>-</u>
U.S. Environmental Protection Agency				
Surveys, Studies, Research, Investigations, and Special Purpose Activities Relating to the Clean Air Act (Passed through Ecology Action Center)	66.034	A24-0053-001	15,528	-
Total U.S. Environmental Protection Agency			<u>15,528</u>	<u>-</u>
U.S. Department of Health and Human Services				
Area Health Education Centers (Passed through University of Illinois at Chicago)	93.107	16930, 19250	121,441	-
Mental Health Research Grants (Passed through Michigan State University)	93.242	RC113523IU	5,569	-
Nursing Research (Passed through University of Illinois at Urbana-Champaign)	93.361	110156-19813	11,996	-
Cardiovascular Diseases Research	93.837		1,574	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		181,813	-
Allergy and Infectious Diseases Research	93.855		173,164	-
Allergy and Infectious Diseases Research (Passed through University of Georgia)	93.855	SUB00003065	80,742	-
Total R&D 93.855			<u>253,906</u>	<u>-</u>
Biomedical Research and Research Training	93.859		687,716	-
Aging Research	93.866		75,228	-
Total R&D 93.866			<u>762,944</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>1,339,243</u>	<u>-</u>
TOTAL RESEARCH & DEVELOPMENT CLUSTER			<u>6,699,456</u>	<u>1,483,429</u>

**STATE OF ILLINOIS
ILLINOIS STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
CHILD NUTRITION CLUSTER				
U.S. Department of Agriculture				
National School Lunch Program Child & Adult Care Food (Passed through Illinois State Board of Education)	10.555	4210	\$ 58,000	\$ -
National School Lunch Program Child & Adult Care Food (Passed through Illinois State Board of Education)	10.649	4210	653	-
Child and Adult Care Food Program (Passed through Illinois State Board of Education)	10.558	4226	3,297	-
Total U.S. Department of Agriculture			<u>61,950</u>	<u>-</u>
TOTAL CHILD NUTRITION CLUSTER			<u>61,950</u>	<u>-</u>
WIOA CLUSTER				
U.S. Department of Labor				
WIOA Adult Program	17.258		272,991	19,662
WIOA Youth Activities	17.259		290,102	20,894
WIOA Dislocated Workers Formula Grants	17.278		339,382	24,444
Total U.S. Department of Labor			<u>902,475</u>	<u>65,000</u>
TOTAL WIOA CLUSTER			<u>902,475</u>	<u>65,000</u>
SPECIAL EDUCATION CLUSTER (IDEA)				
U.S. Department of Education				
Special Education Grants to States (Passed through Illinois State Board of Education)	(M) 84.027	IDEAD-4630	870,934	-
Total U.S. Department of Education			<u>870,934</u>	<u>-</u>
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			<u>870,934</u>	<u>-</u>
TRIO CLUSTER				
U.S. Department of Education				
TRIO Student Support Services	84.042A		323,288	-
Total U.S. Department of Education			<u>323,288</u>	<u>-</u>
TOTAL TRIO CLUSTER			<u>323,288</u>	<u>-</u>

**STATE OF ILLINOIS
ILLINOIS STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
OTHER PROGRAMS				
U.S. Department of Agriculture				
Higher Education - Institution Challenge Grants Program	10.217		\$ 13,219	\$ -
Total U.S. Department of Agriculture			<u>13,219</u>	<u>-</u>
U.S. Department of the Interior				
Save America's Treasures (Passed through National Park Service)	15.929	ST-252510-OMS-22	11,719	-
Total U.S. Department of the Interior			<u>11,719</u>	<u>-</u>
Library of Congress				
Teaching with Primary Sources	42.010		722,042	309,137
Total Library of Congress			<u>722,042</u>	<u>309,137</u>
U.S. Department of Education				
Adult Education - Basic Grants to States (Passed Through Illinois Community College Board)	84.002	BEEC-ICSPS-24	55,013	-
			<u>55,013</u>	<u>-</u>
Career and Technical Education - Basic Grants to States (Passed through Illinois Community College Board)	84.048	CTE-ISU-23, CTE-ICSPS-24, BEEC-ICSPS-24	416,953	-
		Total Non R&D 84.048	<u>416,953</u>	<u>-</u>
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325K		319,865	-
COVID 19 Education Stabilization Fund (Passed through Illinois Board of Higher Education)	84.425C	601-GEE-2200-ISU	242,275	-
COVID 19 Education Stabilization Fund (Passed through Illinois Community College Board)	84.425C	LRC-ISU-ISCSPPS	50,283	-
COVID 19 Education Stabilization Fund (Passed through Illinois Board of Higher Education)	84.425D	22&23TUTORCO-ISU	3,405,341	-
COVID 19 Education Stabilization Fund (Passed through Illinois State Board of Education)	84.425D	22&23TUTORIPO-ISU	3,311,260	-
		Total Non R&D 84.425	<u>7,009,159</u>	<u>-</u>
Total U.S. Department of Education			<u>7,800,990</u>	<u>-</u>

**STATE OF ILLINOIS
ILLINOIS STATE UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024**

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number (ALN)	Pass-Through Entity Identifying Number	Total Federal Expenditures	Provided to Subrecipients
U.S. Department of Health and Human Services				
Advanced Nursing Education Workforce Grant Program	93.247		\$ 291,183	\$ -
Congressional Directives	93.493		1,143,773	-
Child Care and Development Block Grant	93.575		1,452,512	-
Child Care and Development Block Grant (Passed through Illinois Community College Board)	93.575	ECE-ISU-ICSPS-23, ECE-ICSPS-24	26,872	-
	Total Non R&D 93.575		1,479,384	-
Total U.S. Department of Health and Human Services			2,914,340	-
U.S. Department of Labor				
H-1B Job Training Grants (Passed through Illinois Community College Board)	17.268	AG-ISU-24	23,217	-
Total U.S. Department of Labor			23,217	-
U.S. Department of Treasury				
Job Training and Economic Development (JTED) (Passed through Illinois Department of Commerce and Economic Opportunity)	21.027	9001426390	66,925	11,343
Total U.S. Department of Treasury			66,925	11,343
Corporation for National and Community Service				
AmeriCorps (Passed through Western Illinois University)	94.006	FCSCY07199-01	51,625	26,268
Total Corporation for National and Community Service			51,625	26,268
Federal Emergency Management Agency				
Hazard Mitigation Grant (Passed through Illinois Emergency Management Agency)	97.039	449-28090	32,768	-
Total Federal Emergency Management Agency Non-R&D				
TOTAL OTHER PROGRAMS			11,636,845	346,748
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 141,222,087	\$ 1,895,177

(M) - Program was audited as a major Program

Notes to the Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2024

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity for the year ended June 30, 2024, and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule presents only a selected portion of the operations, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 2: Loans Outstanding at Fiscal Year-Ended

The University had the following loan balances outstanding at June 30, 2024, for programs that are administered directly. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule of expenditures of federal awards.

	Outstanding Balance at June 30, 2024
Nursing Student Loans, ALN 93.364	\$ 662,672
Perkins Loan Program, ALN 84.038	<u>1,913,074</u>
Total loans outstanding	<u>\$ 2,575,746</u>

There were no administrative costs charged to the Perkins Loan Program. The Federal Perkins Program was ended on September 3, 2017, with final allowable disbursements being made on June 30, 2018.

Note 3: Total New Federal Student Loans

During the audit period, the University processed the following amounts of new loans under the Federal Direct Student Loans Program:

	Outstanding Balance at June 30, 2024
Direct Student Loans Program, ALN 84.268	\$ 55,742,065
Direct Parent Loan for Undergraduate Students program (PLUS), ALN 84.268	<u>25,707,037</u>
Total	<u>\$ 81,449,102</u>

**State of Illinois
Illinois State University**

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024**

There were no administrative costs charged to the loan program. During the fiscal year ended June 30, 2024, the University issued new loans under the Federal Direct Student Loan Program (FDLP). The loan program includes subsidized and unsubsidized Stafford Loans and PLUS Loans for undergraduate and graduate students. The value of the loans issued for the FDLP is based on disbursed amounts. The University is responsible only for the performance of certain administrative duties with respect to federally guaranteed student loan programs and, accordingly, balances and transactions related to these loan programs are not included in the University's financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the University as of June 30, 2024.

Note 4: Insurance Disclosure

During the audit period, there was no federally funded insurance in effect.

Note 5: Depository Library

The University's Milner Library services as a depository in the U.S. Government Publishing Office's Federal Depository Library Program (ALN 40.001, Depository Libraries for Government Publications). The University is the legal custodian of government publications received under this program; however, these publications remain the property of the federal government.

**State of Illinois
Illinois State University**

**Schedule of Federal and Nonfederal Financial Activity
For the Year Ended June 30, 2024**

Schedule A: Federal Financial Component

Total federal expenditures ¹	\$ 141,222,087
Other noncash federal award expenditures (not included on SEFA schedule)	<u>-</u>
Total Schedule A	<u>\$ 141,222,087</u>

Schedule B: Total Financial Component

Total operating expenses ²	\$ 623,075,822
Total nonoperating expenses ²	5,858,833
Federal loan balances: ^{1,4}	
Federal Perkins Loans Program	2,524,472
Nursing Student Loans	672,145
Total value of new federal loans: ^{1,5}	
Nursing Student Loans	99,156
Federal Direct Student Loans	<u>81,449,102</u>
Total Schedule B	<u>\$ 713,679,530</u>

Schedule C: Computation of Nonfederal Expenses

		<u>Percent</u>
Total, Schedule B	\$ 713,679,530	100.00%
Total, Schedule A	<u>141,222,087</u>	<u>19.79%</u>
Total nonfederal expenses	<u>\$ 572,457,443</u>	<u>80.21%</u>

¹ Obtained from the Schedule of Expenditures of Federal Awards

² Obtained from the Statement of Revenues, Expenses, and Changes in Net Position

⁴ Balance at the beginning of the fiscal year with continuing compliance requirements

⁵ Balance of loans issued during the fiscal year