

**NORTHEASTERN ILLINOIS UNIVERSITY**  
A Component Unit of the State of Illinois  
**COMPLIANCE EXAMINATION**  
(In accordance with the Single Audit Act and  
Applicable Federal Regulations)  
For the Year Ended June 30, 2020

Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SINGLE AUDIT AND COMPLIANCE EXAMINATION**  
**For the Year Ended June 30, 2020**

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**NORTHEASTERN ILLINOIS UNIVERSITY  
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SINGLE AUDIT AND COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2020**

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**Other Reports Issued Under a Separate Cover:**

The University's financial statements as of and for the year ended June 30, 2020, have been issued under a separate cover that include the Report Required Under *Government Auditing Standards* for the year ended June 30, 2020, 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. 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.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SINGLE AUDIT AND COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2020**

**University Officials**

President	Dr. Gloria Gibson
Provost	Dr. Dennis Rome
Vice President for Finance and Administration/Treasurer (01/27/20 to Present)	Mr. Manish Kumar
Interim Vice President for Finance and Administration/Treasurer (07/08/19 to 01/31/20)	Mr. Arnold Henning
Vice President for Finance and Administration/Treasurer (07/01/19 to 07/07/19)	Vacant
Vice President for Student Affairs (02/22/21 to Present)	Dr. Terry Mena
Interim Vice President for Student Affairs (01/21/20 to 02/21/21)	Dr. Dennis Rome
Vice President for Student Affairs (07/01/19 to 01/20/20)	Dr. Daniel Lopez, Jr.
Vice President for Institutional Advancement	Ms. Liesl Downey
Vice President for Legal Affairs (01/01/21 to Present)	Vacant
Vice President for Legal Affairs (07/01/19 to 12/31/20)	Ms. Melissa Reardon Henry
Associate Vice President for Finance (02/01/20 to Present)	Ms. Ann McNabb
Associate Vice President and Chief Finance Officer/Treasurer Interim (07/01/19 to 01/31/20)	Ms. Ann McNabb
Director of Financial Affairs/Controller	Ms. Beni Ortiz
Director of Internal Audit	Ms. Rita Moore

**Board of Trustees**

Chair	Mr. Jim Palos
Vice Chair	Mr. George Vukotich
Secretary	Ms. Sherry Eagle
Member	Mr. Carlos Azcoitia
Member	Ms. Barbara Fumo
Member	Mr. Marvin Garcia
Member	Ms. Ann Kalayil
Member	Mr. Charles Serrano
Member	Mr. Jonathan Stein
Student Member 07/01/20 to Present	Ms. Gabriela Loreda
Student Member 07/01/19 to 06/30/20	Ms. Fatima Siddiqua

**University Office**

Northeastern Illinois University's primary administrative office is located at 5500 N. St. Louis Avenue, Chicago, Illinois 60625.

April 28, 2021

Roth & Company, LLP  
815 W. Van Buren Street, Suite 500  
Chicago, Illinois 60607

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Northeastern Illinois University (University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following specified requirements during the year ended June 30, 2020. Based on this evaluation, we assert that during the year ended June 30, 2020, the University has materially complied with the specified requirements listed below.

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed in the Schedule of Findings, the University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

**Northeastern Illinois University**

**SIGNED ORIGINAL ON FILE**

**SIGNED ORIGINAL ON FILE**

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Dr. Gloria Gibson  
President

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Mr. Manish Kumar  
Vice President for Finance  
and Administration/Treasurer

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Natalie Potts  
Director of EO, AA and EC

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SINGLE AUDIT AND COMPLIANCE EXAMINATION  
For the Year Ended June 30, 2020**

**COMPLIANCE REPORT**

**SUMMARY**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and the Illinois State Auditing Act.

**ACCOUNTANT’S REPORT**

The Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	20	20
Repeated findings	14	14
Prior recommendations implemented or not repeated	6	7

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
<b>FINDINGS AND QUESTIONED COSTS (GOVERNMENT AUDITING STANDARDS)</b>				
2020-001	18	New	Inadequate Internal Controls over Census Data	Material Weakness/ Noncompliance
2020-002*	23	2019/2017	Weaknesses over Computer Security	Significant Deficiency/ Noncompliance
2020-003*	26	2019/2019	Lack of Adequate Controls over Review of Internal Controls over Service Providers	Significant Deficiency/ Noncompliance

\* Findings were not classified as Government Auditing Standards in previous audits.

**FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)**

2020-004	28	2019/2019	Student Notification of Disbursements of Direct Loans	Significant Deficiency/ Noncompliance
2020-005	30	New	Reporting of Disbursements to the Common Origination and Disbursement System	Significant Deficiency/ Noncompliance
2020-006	32	2019/2019	Information Technology Risk Assessment Not Performed	Significant Deficiency/ Noncompliance

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For the Year Ended June 30, 2020**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (FEDERAL COMPLIANCE), Continued				
2020-007	34	2019/2018	Noncompliance with the Federal Perkins Loan Cohort Default Rate	Significant Deficiency/ Noncompliance
2020-008	36	New	Cost of Attendance for Student Financial Assistance	Significant Deficiency/ Noncompliance
2020-009	38	2019/2018	Failure to Communicate Required Information to Subrecipients	Significant Deficiency/ Noncompliance
2020-010	40	2019/2017	Timesheets and Time and Effort Reports were not Submitted or Timely Submitted	Significant Deficiency/ Noncompliance
2020-011	43	New	Noncompliance with Grant Report Requirements	Significant Deficiency/ Noncompliance
FINDINGS (STATE COMPLIANCE)				
2020-012	45	2019/2019	Weaknesses over Purchasing Credit Card Transactions	Significant Deficiency/ Noncompliance
2020-013	48	2019/2018	Inadequate Controls over University Property and Equipment	Significant Deficiency/ Noncompliance
2020-014	52	2019/2018	Weaknesses Regarding Clearing of Data from Electronic Devices	Significant Deficiency/ Noncompliance
2020-015	54	2019/2019	Noncompliance with the College Student Immunization Act	Significant Deficiency/ Noncompliance
2020-016	56	2019/2013	Lack of Disaster Contingency Plan	Significant Deficiency/ Noncompliance
2020-017	57	2019/2015	Noncompliance with Payment Card Industry Security Standards	Significant Deficiency/ Noncompliance
2020-018	59	2019/2019	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency/ Noncompliance

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For the Year Ended June 30, 2020**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE), Continued				
2020-019	61	New	Weaknesses over Maintenance of Employment Eligibility Verification Forms	Significant Deficiency/ Noncompliance
2020-020	63	New	Noncompliance with the Illinois Articulation Initiative Act	Significant Deficiency/ Noncompliance

In addition, the following findings which are reported as current findings and questioned costs relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS AND QUESTIONED COSTS ( <i>GOVERNMENT AUDITING STANDARDS</i> )				
2020-001	18	New	Inadequate Internal Controls over Census Data	Material Weakness/ Material Noncompliance
2020-002*	23	2019/2017	Weaknesses over Computer Security	Significant Deficiency/ Noncompliance
2020-003*	26	2019/2019	Lack of Adequate Controls over Review of Internal Controls over Service Providers	Significant Deficiency/ Noncompliance

\* Findings were not classified as Government Auditing Standards in previous audits.

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED			
A	64	2019/2015	Reporting to NSLDS
B	64	2019/2018	Inadequate Records Supporting Student Eligibility for Financial Aid
C	64	2019/2016	Noncompliance with the Open Meetings Act
D	64	2019/2005	Timesheets Not Required and Not Timely Completed and Approved



**NORTHEASTERN ILLINOIS UNIVERSITY  
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For the Year Ended June 30, 2020**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued**

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED			
E	65	2019/2018	Failure to Perform Employee Performance Evaluations Timely
F	65	2019/2013	Noncompliance with the Abused and Neglected Child Reporting Act

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on April 23, 2021. Attending were:

Northeastern Illinois University

Dr. Gloria Gibson, President  
Manish Kumar, Vice President for Finance and Administration/Treasurer  
Ann McNabb, Associate Vice President for Finance  
Beni Ortiz, Director of Financial Affairs/Controller  
Rita Moore, Director of Internal Audit  
David Rubin, Business Administrative Associate

Office of the Auditor General

Jose Roa, Manager, Manager

Roth & Company, LLP

Marites U. Sy, Partner  
Emily Causon, Manager  
Jannica Quintana, Senior

The responses to these recommendations were provided by Ann McNabb, Associate Vice President for Finance, in a correspondence dated April 28, 2021.



**INDEPENDENT ACCOUNTANT’S REPORT ON STATE COMPLIANCE, ON  
INTERNAL CONTROL OVER COMPLIANCE, AND ON SUPPLEMENTARY  
INFORMATION FOR STATE COMPLIANCE PURPOSES**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board of Trustees  
Northeastern Illinois University

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined compliance by Northeastern Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2020. Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Illinois State Auditing Act (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

Our examination disclosed material noncompliance with specified requirement C applicable to the University during the year ended June 30, 2020. As described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, the University had not complied, in all material respect with applicable law and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material deviation from the specified requirement described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30 2020, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings and Questioned Costs as item 2020-002 through 2020-003 and 2020-012 through 2020-020.

We considered the effect of these circumstances on our audit of the financial statements of the business-type activities and the discretely presented component unit of the University, as of and for the year ended June 30, 2020, and the related notes to the financial statements. This report on the University's compliance with the specified requirements does not affect our audit report dated April 28, 2021.

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Internal Control Over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and

performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 to be a material weakness.

A *significant deficiency in internal control* 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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2020-002 through 2020-003 and 2020-012 through 2020-020 to be significant deficiencies.

As required by the *Audit Guide*, immaterial findings excluded from this report have been reported in a separate letter.

The University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report is solely to describe the scope of our testing of internal control and the results of that testing based on the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

### **Supplementary Information for State Compliance Purposes**

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities, and the discretely presented component unit of the University as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated April 28, 2021, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the University's discretely presented component unit as described in our report on

the University's basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to April 28, 2021. The accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 through 10 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information is the responsibility of the University management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 through 10 has been subjected to the auditing procedures applied in the audit of the basic 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 accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 through 10 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the University's basic financial statements as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 31, 2019, which contained unmodified opinions on the respective financial statements of the business-type activities, and the discretely presented component unit. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 3, 4, 5, 7, 8 and 9 is the responsibility of the University management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2019 financial statements. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 3, 4, 5, 7, 8 and 9 has been subjected to the auditing procedures applied in the audit of the June 30, 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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 accompanying supplementary information for the year ended June 30, 2019 in Schedules 3, 4, 5, 7, 8 and 9 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

The accompanying supplementary information in the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
April 28, 2021,



**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***

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board of Trustees  
Northeastern Illinois University

**Report on the Financial Statements**

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, and the discretely presented component unit of Northeastern Illinois University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated April 28, 2021. Our report includes a reference to other auditors who audited the financial statements of the University's discretely presented component unit, as described in our report on University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting (internal control) or compliance and other matters of the Northeastern Illinois University Foundation audited in accordance with the Government Auditing Standards that are reported on separately by those auditors.

**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 determination of 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 through 2020-003.

**Internal Control Over Financial Reporting**

Management of the University is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the financial statements, we considered the University's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

*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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 to be a material weakness.

*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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2020-002 and 2020-003 to be significant deficiencies.

### **University's Responses to the Findings**

The University's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on responses.

### **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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
April 28, 2021



**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**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board of Trustees  
Northeastern Illinois University

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

As Special Assistant Auditors for the Auditor General, we have audited compliance by Northeastern Illinois University (University) with the types of compliance requirements described 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, 2020. 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 Northeastern Illinois University Foundation, a component unit of the University, which is not included in the University’s Schedule of Expenditures of Federal Awards during the year ended June 30, 2020. Our audit, as described below, did not include the operations of this component unit because the component unit engaged other auditors to perform an audit of their financial statements and if necessary, an audit of compliance.

**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 direct and material effect on each of its major federal programs for the year ended June 30, 2020.

### **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 items 2020-004 through 2020-011. Our opinion on each major federal program is not modified with respect to these matters.

The University's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Additionally, the University is responsible for preparing a corrective action plan to address each finding included in our auditor's report. The University's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the corrective action plan.

### **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 an 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 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 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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-004 through items 2020-011, that we consider to be significant deficiencies.

The University's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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**

We have audited the financial statements of the business-type activities of the University and its discretely presented component unit as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated April 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. 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 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.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
April 28, 2021

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SUMMARY OF AUDITOR’S RESULTS  
For the Year Ended June 30, 2020**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with 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:

CFDA Number(s)	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379	Student Financial Assistance Cluster
84.287	Twenty-First Century Community Learning Centers
84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: **\$ 1,588,808**

Auditee qualified as a low-risk auditee?  Yes  No

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

**2020-001. FINDING (Inadequate Internal Controls over Census Data)**

The Northeastern Illinois University (University) did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans.

During testing, we noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS and CMS to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from SURS and CMS the incremental changes recorded by SURS and CMS in their census data records and reconcile these changes back to the University's internal supporting records.

Upon due consideration and based upon the significance of these issues alone, we concluded a material weakness exists within the University's internal controls related to ensuring both SURS and CMS can provide their respective actuaries with complete and accurate census data related to the University. Even given these two exceptions, we performed detail testing and certain data analysis tests and noted the following additional exceptions:

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A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS**

**2020-001. FINDING (Inadequate Internal Controls over Census Data) (continued)**

- 1) Two of 80 (3%) employees tested had two events which had never been sent by the University to CMS.
- 2) We performed an analysis of transactions reported by the University to SURS during the census data accumulation period throughout Fiscal Year 2018, noting four of seven (57%) employees with a return from a leave of absence had the end date of the leave of absence untimely reported to SURS by the University. SURS determined the total potential impact to each of these employees' total service credit was it could be off by one-half to 6 years.
- 3) As of the end of the census data accumulation year on June 30, 2018, we identified eight employees where each employee's associated termination or rehire date(s) had been untimely reported to SURS. While these employees were all associated with the University at June 30, 2018, some or all of these untimely reports may have occurred at other public universities and community colleges across the State. SURS determined these errors resulted in the employees being misclassified between the active, retired, and inactive member categories within SURS. The total potential impact to each former employee's total service credit was it could be off between 0.0 and 1.75 years.

For employers where their employees participate in plans with multiple-employer and cost-sharing features, the American Institute of Certified Public Accountants' Audit and Accounting Guide: State and Local Governments (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Additionally, eligibility criteria for participation in SURS under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in SURS. Under the Code (40 ILCS 5/15-107), an employee is a person who works for the University in a secretarial, mechanical, labor, clerical, educational, administrative, or other staff position which is either (a) permanent and continuous or (b) for a period of four months or an academic term, whichever is less, who is:

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

**2020-001. FINDING (Inadequate Internal Controls over Census Data) (continued)**

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;
- 7) not a patient in a hospital or home;
- 8) not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
- 9) not providing military courses pursuant to a federally-funded contract where the University has filed a written notice with SURS electing to exclude these persons from the definition of an employee;
- 10) currently on lay-off status of not more than 120 days after the lay-off date;
- 11) not on an absence without pay of more than 30 days; and,
- 12) a nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

Further, for CMS' OPEB plan, we noted participation in OPEB is derivative of an employee's eligibility to participate in SURS, as members of SURS participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

In addition, the Illinois Pension Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in SURS, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to SURS. Further, the Code (40 ILCS 5/15-155(b)) requires the University remit employer contributions to SURS reflecting the accruing normal costs of an employee paid from federal or trust funds. Additionally, the Act (5 ILCS 375/10) requires active employees to make contributions as set by CMS and the Act (5 ILCS 375/11) requires employer contributions by the University for all employees not totally compensated from its Income Fund, local auxiliary funds, and the Agricultural Premium Fund.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

**2020-001. FINDING (Inadequate Internal Controls over Census Data) (continued)**

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

University official stated the findings noted above were due to oversight of Office Human Resources staff handling reporting of benefits changes to SURS and CMS.

Failure to ensure complete and accurate census data was reported to SURS and CMS could have resulted in a material misstatement of the University's financial statements and reduced the overall accuracy of pension/OPEB-related liabilities, deferred inflows and outflows of resources, and expense recorded by the State, the State's agencies, and other public universities and community colleges across the State. In addition, failure to reconcile active members' census data reported to and held by SURS and CMS to the University's internal records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the University's pension and OPEB balances, which could result in a material misstatement of these amounts. (Finding Code No. 2020-001)

**RECOMMENDATION**

We recommend the University implement controls to ensure census data events are timely and accurately reported to SURS and CMS.

Further, we recommend the University work with SURS and CMS to develop an annual reconciliation process of its active members' census data from its underlying records to a report from each plan of census data submitted to the plan's actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods.

Additionally, we recommend the University work with SURS and CMS to identify and address any unremitted or erroneously remitted employee and, if applicable, employer contributions related to these events.



**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

2020-001. **FINDING** (Inadequate Internal Controls over Census Data) (continued)

Finally, due to the interrelatedness of SURS, the mobility of employees to change their employers within SURS, and a specific noncompliance matter regarding whether a person is eligible to participate in SURS identified during testing at Governors State University (please see Governors State University's Fiscal Year 2020 financial audit report for more information), we recommend the University work with both SURS and Governors State University to identify employees initially hired by Governors State University with a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who had not met the Internal Revenue Service's substantial presence test and started employment on and after July 1, 1991.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

**2020-002. FINDING (Weaknesses over Computer Security)**

Northeastern Illinois University (University) had computer security weaknesses.

The University had invested in computer hardware and systems and had established several critical, confidential or financially sensitive systems for use in meeting its mission. However, the University did not safeguard their computing environment. During testing, we noted the following weaknesses:

- User access rights to the applications and network were not periodically reviewed. During the audit period, the University did not perform any security audits to review access of employees to systems. We noted 714 users never accessed their account, and 437 users had not accessed their account in over six months.
- Access rights were not removed in a timely manner. During our review of system access, we compared a list of separated employees noting 129 separated employees continued to have access in the Active Directory.
- Users were granted access without proper authorization. University security policy requires access to the University computing resources should only be established upon receipt of a complete and properly approved request form. During our review of enterprise application system access, we noted one of seven employees (14%) was granted access rights without an approved request form.
- A change management process to configure network devices (i.e. switches, routers and firewall) did not exist.
- Servers were not updated. We noted of the 19 servers tested, three (16%) servers had unsupported operating systems, three (16%) servers had outdated operating systems, and four (21%) servers did not have antivirus software.
- Encryption software was not installed on laptops.
- Concurrent network sessions were unlimited per user.

This finding was first reported in Fiscal Year 2017. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over computer security.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

**2020-002. FINDING (Weaknesses over Computer Security) (continued)**

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. Additionally, generally accepted information technology guidance requires entities to ensure proper security controls, changes and protection of applications, data, and their environment are effective.

University officials stated the above issues were due to staff vacancies and competing priorities.

Failure to have adequate security over computing resources increases the risk of unauthorized access to the computing environment. Concurrent network sessions significantly increase network vulnerability. Failure to control and safeguard confidential and sensitive information could result in unauthorized disclosure and inappropriate use of personal information. (Finding Code No. 2020-002, 2019-018, 2018-021, 2017-018)

**RECOMMENDATION**

We recommend the University:

- Perform a periodic review of system access rights to ensure access rights are appropriate based on job duties. In addition, the University should ensure timely deactivation of users no longer needing access.
- Develop a formal process for changes to network devices (including steps for additions, deletions, upgrades, and patches.)
- Strictly enforce the security policy to ensure access rights are granted only after receipt of a completed and properly approved request form.
- Ensure anti-virus software is running on all servers and operating systems are upgraded to ensure vendor support in case problems are encountered.
- Encrypt all laptops that could contain sensitive information.
- Establish concurrent session limits on systems.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

2020-002. **FINDING** (Weaknesses over Computer Security) (continued)

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

**2020-003. FINDING (Lack of Adequate Controls over Review of Internal Controls over Service Providers)**

Northeastern Illinois University (University) did not obtain or conduct timely independent internal control reviews over service providers.

The University entered into agreements with various service providers to assist with significant processes such as (1) receipts processing for online credit card payments, (2) disbursement processing of purchasing card, (3) handling of Perkins student loans, (4) tracking of property and equipment, and (5) hosting its Enterprise Application System.

During testing, we noted the University had no written policies and procedures for monitoring the service providers to allow employees or departments to clearly understand their roles and responsibilities, and identify specific actions to be performed and as a result had not obtained System and Organization Controls (SOC) Reports.

Additionally, we noted the contracts between the University and the service providers did not contain a requirement for an independent review to be completed.

The University is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility is not limited due to the process being outsourced.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, generally accepted information technology guidance requires entities outsourcing their IT 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.

University officials stated the above issues were due to staff vacancies and competing priorities.

Without having obtained and reviewed a SOC Report or another form of independent internal control review, the University does not have assurance the service provider's internal controls are adequate. (Finding Code No. 2020-003, 2019-020)

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS***

2020-003. **FINDING** (Lack of Adequate Controls over Review of Internal Controls over Service Providers) (continued)

**RECOMMENDATION**

We recommend the University establish written policies and procedures in monitoring external service providers. If required, the University should:

- Obtain SOC reports (or perform independent reviews) of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the complementary user entity controls 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.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - FEDERAL COMPLIANCE**

**2020-004. FINDING (Student Notification of Disbursements of Direct Loans)**

Federal Agency:	Department of Education
CFDA Numbers:	84.268
Program Names and Award Numbers:	Student Financial Assistance Cluster [Federal Direct Student Loans (P268K191350/P268K201350)]
Program Expenditures:	\$17,552,368
Questioned Costs:	None

Northeastern Illinois University (University) did not notify or timely notify the students in writing when the Federal Direct Student Loans funds were credited to students' accounts.

During testing of 36 students with 70 disbursement transactions who received Federal Direct Student Loans fund totaling \$330,542, we noted six (17%) students with six disbursement transactions totaling \$25,884 were not notified by the University that federal financial assistance was credited to the students' accounts. In addition, we noted a student (3%) with a disbursement transaction amounting \$2,721 was notified by the University 40 days after the Federal Direct Student Loans fund was credited to the student's account. The sample was not intended to be, and was not, a statistically valid sample.

The Code of Federal Regulations (Code) (34 CFR § 668.165 (a)(3)(i)) requires the University to notify student or parent in writing no earlier than 30 days before, and no later than 30 days after, crediting the student's ledger account at the University, if the University obtains affirmative confirmation from the student.

The Code (2 CFR § 200.303) also requires the nonfederal entity receiving federal awards establish and maintain effective internal control over the federal award that provides reasonable assurance the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure timely notification of disbursements to students receiving Direct Loan.

University officials stated student notifications are automatically created immediately after disbursements, via email, using a notification program linked to the University's system. This notification program utilized by the University did not work properly, as intended, on those instances mentioned above.

Failure to timely notify students regarding disbursements of financial aid may result in federal aid loans disbursed to students' accounts that were not agreed to by the students. (Finding Code No. 2020-004, 2019-001)

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-004. **FINDING** (Student Notification of Disbursements of Direct Loans) (continued)

**RECOMMENDATION**

We recommend the University ensure compliance with the Code regarding student notification.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.



**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-005. **FINDING** (Reporting of Disbursements to the Common Origination and Disbursement System)

Federal Agency:	Department of Education
CFDA Numbers:	84.063
Program Names and Award Numbers:	Student Financial Assistance Cluster [Federal Pell Grant Program (P063Q181350 / P063Q191350)]
Program Expenditures:	\$13,006,649
Questioned Costs:	None

Northeastern Illinois University (University) did not timely submit disbursement records of the Federal Pell Grant Program to the Department of Education's Common Origination and Disbursement (COD) System.

During testing of 27 students with 58 disbursement transactions who received Federal Pell Grant Program funds totaling \$118,996, we noted 15 (56%) students with 19 disbursement transactions totaling \$32,641 were reported to the COD System one to 66 days late. In addition, during testing of return of Title IV funds, we noted one (5%) of 19 return of Title IV funds tested was reported to the COD System two days late. The return of \$1,549 was for a Federal Pell Grant awarded to a student. The sample was not intended to be, and was not, a statistically valid sample.

The Code of Federal Regulations (Code) (34 CFR § 690.83(b)(2)) requires the University to submit, in accordance with deadline dates established by the Secretary, through publication in the Federal Register, other reports and information the Secretary requires and comply with the procedures the Secretary finds necessary to ensure that the reports are correct.

The Federal Register (Volume 84, No. 212 released on November 1, 2019) requires the University to submit Pell Grant disbursement records to the COD System, no later than 15 days after making the disbursement or becoming aware of the need to adjust a previously reported disbursement.

The Code (2 CFR § 200.303) also requires the nonfederal entity receiving federal awards establish and maintain effective internal control over the federal award that provides reasonable assurance the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure submission of students' disbursement records to the federal agency within the required timeframe.

University officials stated, during the extraction of information of Pell disbursements, the release indicator was not checked resulting in the late reporting to the COD System.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-005. **FINDING** (Reporting of Disbursements to the Common Origination and Disbursement System) (continued)

Failure to submit disbursements records within the required timeframe may result in the rejection of all or part of the reported disbursements by the federal agency, a program review finding, or initiation of an adverse action in accordance with the federal regulation. (Finding Code No. 2020-005)

**RECOMMENDATION**

We recommend the University improve its internal control process to ensure all student disbursement records are reported to the COD system timely in accordance with the federal requirements.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-006. **FINDING** (Information Technology Risk Assessment Not Performed)

Federal Agency:	Department of Education
CFDA Numbers:	84.007; 84.033; 84.038; 84.063; 84,379; 84.268
Program Names and Award Numbers:	Student Financial Assistance Cluster: [(Federal Supplemental Educational Opportunity Grants (P007A181241/P007A191241); Federal Work-Study Program (P033A181241/P033A191241); Federal Perkins Loan Program (None); Federal Pell Grant Program (P063P181350/P063P191350); Teacher Education Assistance for College and Higher Education Grants (P379T191350/P379T201350); and Federal Direct Student Loans (P268K191350/P268K201350)]
Program Expenditures:	\$357,216; \$541,570; \$1,267,058; \$13,006,649; \$42,729; \$17,552,368
Questioned Costs:	None

Northeastern Illinois University (University) did not document required risk assessments related to student information security.

As a requirement under the University's Program Participation Agreement with the Department of Education, the University must protect student financial aid information. However, during our testing, we noted they had not conducted a risk assessment identifying internal and external risks to the security, confidentiality, and integrity of the student's information.

The Standards for Safeguarding Customer Information, required by the Gramm-Leach-Bliley Act (GLBA) (16 CFR § 314.4 (b)), requires entities to identify reasonable foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks. At a minimum, such a risk assessment should include consideration of risk in each relevant area of operations, including:

- Employee training and management;
- Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and
- Detecting, preventing and responding to attacks, intrusions, or other system failures.

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-006. **FINDING** (Information Technology Risk Assessment Not Performed) (continued)

Additionally, the Uniform Guidance (2 CFR § 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal control designed to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award.

Furthermore, generally accepted information technology guidance requires entities to perform a risk assessment and establish a risk mitigation plan to minimize identified risks.

University officials stated the University has identified funding for an external consultant to perform a risk assessment as required by the GLBA, however, delay in the procurement and implementation process has been encountered due to the COVID pandemic and complication for onsite review.

Without documentation of a risk assessment, the University is at risk of noncompliance with the GLBA. In addition, there is a risk the University systems and information could be vulnerable to attacks or intrusions, and these attacks may not be detected in a timely manner. (Finding Code No. 2020-006, 2019-007)

**RECOMMENDATION**

We recommend the University perform and document a comprehensive risk assessment identifying internal and external risks to the security, confidentiality, and integrity of the student's information. In addition, the University should ensure proper safeguards are in place to ensure the security of student information.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-007. **FINDING** (Noncompliance with the Federal Perkins Loan Cohort Default Rate)

Federal Agency:	Department of Education
CFDA Numbers:	84.038
Program Names and Award Numbers:	Student Financial Assistance Cluster [(Federal Perkins Loan Program (None))]
Program Expenditures:	\$1,267,058
Questioned Costs:	None

Northeastern Illinois University's (University) Federal Perkins Loan cohort rate is in excess of the threshold for administrative capability stipulated by the U.S. Department of Education.

The Federal Perkins Loan cohort default rate as of June 30, 2020 (for borrowers who entered repayment during Fiscal Year 2019) was 35.55%.

With the Federal Perkins Loan Program winding down in Fiscal Year 2018, the participating institutions had the option to assign the Perkins Loans to the U.S. Department of Education and distribute the assets of the Perkins Loan Revolving Fund or continue to service the Perkins Loans. The University chose to continue servicing their Perkins Loans.

This finding was first reported in Fiscal Year 2018. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to reduce the Federal Perkins Loan cohort default rate.

The Code of Federal Regulations (Code) (34 CFR § 668.16) states "to begin and to continue to participate in any Title IV, Higher Education Act program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution –(m)(1) has a cohort default rate – (iii) as defined in 34 CFR § 674.5, on loans made under the Federal Perkins Loan Program to students for attendance at the institution that does not exceed 15 percent."

The U.S. Department of Education's Dear Colleague (DCL ID: GEN-17-10) states that institutions that choose to continue to service their outstanding Perkins Loan portfolios must continue to service these loans in accordance with the Federal Perkins Loan Program regulations in 34 CFR § 674.

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-007. **FINDING** (Noncompliance with the Federal Perkins Loan Cohort Default Rate)  
(continued)

The Code (2 CFR § 200.303) requires the nonfederal entity receiving federal awards establish and maintain effective internal control over the federal award that provides reasonable assurance the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure the University maintains a Federal Perkins Loan cohort default rate of less than 15%.

University officials stated the above issue was due to the elimination of the position that handled the collection and follow-up process to current/former students of the University with Federal Perkins Loan Program when they enter the repayment status.

Failure to maintain a Federal Perkins Loan cohort default rate below 15% resulted in noncompliance with the Code. (Finding Code No. 2020-007, 2019-002, 2018-004)

**RECOMMENDATION**

We recommend the University improve procedures to collect its Federal Perkins Loans made to students in compliance with the Code of Federal Regulations.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

**2020-008. FINDING (Cost of Attendance for Student Financial Assistance)**

Federal Agency:	Department of Education
CFDA Numbers:	84.007; 84.033; 84.038; 84.063; 84,379; 84.268
Program Names and Award Numbers:	Student Financial Assistance Cluster: [(Federal Supplemental Educational Opportunity Grants (P007A181241/P007A191241); Federal Work-Study Program (P033A181241/P033A191241); Federal Perkins Loan Program (None); Federal Pell Grant Program (P063P181350/P063P191350); Teacher Education Assistance for College and Higher Education Grants (P379T191350/P379T201350); and Federal Direct Student Loans (P268K191350/P268K201350)]
Program Expenditures:	\$357,216; \$541,570; \$1,267,058; \$13,006,649; \$42,729; \$17,552,368
Questioned Costs:	None

Northeastern Illinois University (University) did not have adequate documentation to support manual changes in the student's cost of attendance information.

The University annually determines the cost of attendance (COA) based on the types of costs established under the Higher Education Act. The University's financial aid system automatically calculates the COA which can be manually adjusted based on financial aid administrator's professional judgment for special circumstances.

During our testing of 40 students who received financial aid assistance during Academic Year 2019-2020, we noted manual adjustments reducing the COA for 10 students (25%) without proper documentation being maintained in the students' file to support the manual changes made. The sample was not intended to be, and was not, a statistically valid sample.

The Department of Education's 2019 – 2020 Federal Student Aid Handbook (Handbook) (Chapter 2 on Cost of Attendance and Chapter 5 on Application and Verification Guide) states financial aid administrator has the authority to use professional judgment to adjust the cost of attendance on a case-by-case basis to allow for special circumstances. Such adjustments must be documented in the student's file.

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-008. **FINDING** (Cost of Attendance for Student Financial Assistance) (continued)

The Code of Federal Regulations (2 CFR § 200.303) requires the nonfederal entity receiving federal awards establish and maintain effective internal control over the federal award that provides reasonable assurance the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure adequate documentation is maintained for adjustments to COA in compliance with the Handbook.

University officials stated manual changes made on student's COA without proper documentation were due to oversight.

Failure to keep required documentation for changes made in cost of attendance or the data that determines student's expected family contribution may result in incorrect financial assistance awarded to students. (Finding Code No. 2020-008)

**RECOMMENDATION**

We recommend the University document and retain documentation of the manual adjustments made to determine COA is in compliance with the Handbook.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.



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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-009. **FINDING** (Failure to Communicate Required Information to Subrecipients)

Federal Agency:	National Science Foundation Department of Health and Human Services Department of Education
CFDA Numbers:	47.076; 84.031; 84.287
Program Names and Award Numbers:	Research and Development Cluster Education and Human Resources [Robert Noyce Teacher Scholarship Program: University and Community College Collaboration for Mathematics and Biology Scholar Teacher Education (1660785)]  Higher Education Institutional Aid [EXITO: Exit on Time in STEM (P031C160209)]  Twenty-First Century Community Learning Centers [Project 4421-13: Austin (4421-13-19/4421-13-20)]
Program Expenditures:	\$288,207; \$1,210,087; \$452,023
Questioned Costs:	None

Northeastern Illinois University (University) did not communicate required program information to subrecipients of federal awards.

During our testing of four subrecipients, with pass-through federal expenditures totaling \$178,444, on three programs of the Research and Development Cluster, Higher Education Institutional Aid, and Twenty-First Century Community Learning Centers, we noted the University did not communicate the required federal award information to all (100%) subrecipients to comply with federal statutes, regulations, and terms and conditions of the award. The sample was not intended to be, and was not, a statistically valid sample.

This finding was first reported in Fiscal Year 2018. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls in communicating required subaward information to subrecipients.

The Code of Federal Regulations (Code) (2 CFR 200.332 (a)) requires all pass-through entities ensure that every subaward is clearly identified to the subrecipient as a subaward and include information to comply with Federal statutes, regulations, and the terms and conditions of the award. The required information includes the subrecipient's name and unique entity identifier, CFDA number, federal award date, federal awarding agency, etc. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-009. **FINDING** (Failure to Communicate Required Information to Subrecipients)  
(continued)

The Code (2 CFR § 200.303) also requires nonfederal entities receiving awards to establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal control should include procedures to ensure required information is communicated to subrecipients prior to the issuance of the subaward.

University officials stated the failure to communicate required information to subrecipients was due to the lack of uniform procedures followed by various departments in providing subawards.

Failure to communicate required subaward information could result in subrecipients not properly administering the federal programs in accordance with federal regulations. (Finding Code No. 2020-009, 2019-004, 2018-008)

**RECOMMENDATION**

We recommend the University implement uniform procedures across all departments to serve as guideline in communicating required subaward information to subrecipients.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-010. **FINDING** (Timesheets and Time and Effort Reports were not Submitted or Timely Submitted)

Federal Agency:	National Science Foundation; Department of Health and Human Services; and Department of Education
CFDA Numbers:	47.050; 47.075; 47.076; 93.397 84.042; 84.047; 84.217 84.287 84.031
Program Names and Award Numbers:	Research and Development Cluster <i>Geosciences</i> Collaborative Research: Measurement of Copper Speciation in Basaltic Glasses using X-ray Absorption Spectroscopy, a New Window on Metal Solubility and Transport in Magmatic Systems (1834939)] <i>Social, Behavioral, and Economic Sciences</i> Suburban Social Contacts and Changing Demographic Balances (1758731) <i>Education and Human Resources</i> [Integrating Science, Mathematics, and Computing Within an Elementary and Middle School Pre-Service Teacher Education Curriculum (1431839); and Robert Noyce Teacher Scholarship Program: University and Community College Collaboration for Mathematics and Biology Scholar Teacher Education (1660785)] <i>Cancer Centers Support Grants</i> [The Chicago Collaborative to Promote and Advance Cancer Health Equity (3U54CA202995-04S1)]  TRIO Cluster [ <i>TRIO Student Support Services</i> (P042A151075/P042A151085/P042A151088); <i>TRIO Upward Bound Pathways</i> (P047A170554); and <i>TRIO McNair Post-Baccalaureate Achievement</i> (P217A170073)]  Twenty-First Century Community Learning Centers [Pathways (4421-15-19/4421-15-20); Austin (4421-13-19/4421-13- 20); and Craft (4421-19-19/4421-19-20)]  Higher Education Institutional Aid [EXITO: Exit on Time in STEM (P031C160209); and A Comprehensive System of Support: Increasing Retention into the Third Year (P031S160171)]

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-010. **FINDING** (Timesheets and Time and Effort Reports were not Submitted or Timely Submitted) (continued)

Program Expenditures:	\$50,785; \$48,181; \$546,586; \$858,516 \$663,673; \$419,046; \$255,949 \$1,521,789 \$2,285,306
Questioned Costs:	None

Northeastern Illinois University (University) did not ensure time sheets and time and effort reports were submitted or timely submitted by employees.

During our review of payroll documents for 30 employees, we noted the following:

- Five (17%) employees did not submit timesheets for the period tested.
- One (3%) employee timesheet was not approved by authorized personnel.
- Nine (30%) employees submitted their time and effort reports 4 to 179 days after the required due date.
- Four (13%) employees did not submit their time and effort reports for the period tested.

The sample was not intended to be, and was not, a statistically valid sample.

This finding was first reported in Fiscal Year 2017. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over time and effort and time sheet reporting.

The Code of Federal Regulations (Code) (2 CFR § 200.430) states costs of compensation, including salaries and wages, are allowable to the extent that they satisfy the specific requirements of this part, and that the total compensation for individual employees is determined and supported as provided in paragraph (i) of this section, Standards for Documentation of Personnel Expenses, when applicable. The Code (2 CFR § 200.430(i)(1)(viii)(C)) states charges to Federal awards for salaries and wages must be based on records that accurately reflected the work performed. The nonfederal entity's system of internal controls includes processes to review after-the fact interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-010. **FINDING** (Timesheets and Time and Effort Reports were not Submitted or Timely Submitted) (continued)

University procedures require documentation supporting time spent each day on official State business to the nearest quarter hour to be submitted for all employees. In addition, University procedures require each employee's timesheet be approved by his or her supervisor and/or unit head prior to payroll processing by the Office of Human Resources.

The University's Policy on Time and Effort Reporting for Federal Grants states the University utilizes an after-the fact time and effort reporting system to account for the effort of all faculty and staff who expend effort on federally sponsored grants. All University employees whose salary is being charged directly or cost shared on a federal flow-through sponsored project must complete and submit their time and effort reports. All time and effort reports are to be certified by the Principal Investigator (PI) or a person with suitable means of verification of work performed and endorsed by the PI and maintained in the Controller's Office.

The Code of Federal Regulations (2 CFR § 200.303) also requires the nonfederal entity receiving federal awards establish and maintain effective internal control over the federal award that provides reasonable assurance the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure timely submission of time and effort and time sheets of personnel in accordance with the University policy.

University officials stated the delay in submission of time and effort reports and timesheets were due to remote operations and oversight.

Failure to obtain time and effort reports and timesheets may hinder the ability of the University to determine whether salaries charged to federal grant funds are accurate, allowable, or properly allocated. (Finding Code No. 2020-010, 2019-003, 2018-007, 2017-006)

**RECOMMENDATION**

We recommend the University improve its procedures on time and effort and time sheet reporting to ensure timely submission of the reports and compliance with University policy and Federal regulations.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

**2020-011. FINDING (Noncompliance with Grant Report Requirements)**

Federal Agency:	Department of Education
CFDA Numbers:	84.287
Program Names and Award Numbers:	Twenty-First Century Community Learning Centers [Pathways (4421-15-19/4421-15-20); Austin (4421-13-19/4421-13-20); Craft (4421-19-19/4421-19-20); and Morton (4421-25-19/4421-25-20)]
Program Expenditures:	\$1,521,789
Questioned Costs:	None

Northeastern Illinois University (University) did not submit or timely submit the required reports to the Illinois State Board of Education (ISBE) for the Twenty-First Century Community Learning Centers grant.

During testing of the University compliance with the grant requirements, we noted the following:

- 16 of 16 (100%) Quarterly Grant Performance Reports for Award Year 2019 were not prepared and submitted to ISBE; and
- Four of 39 (10%) State Evaluation Benchmarking Report for the Pathways program for Fall 2019 and Spring 2020 were submitted one to two days late.

The Grant Request for Proposal and Application Agreement of the University with ISBE requires submission of a periodic performance report 30 days after the end of each quarter. In addition, ISBE required the State Evaluation Benchmarking Report for Fall 2019 and Spring 2020 to be submitted on May 18, 2020 and July 13, 2020, respectively.

The Code (2 CFR 200.303) also requires the nonfederal entity receiving federal awards establish and maintain effective internal control over the federal award that provides reasonable assurance the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure compliance with grantor's reporting and other requirements.

University officials stated required reports were not submitted or timely submitted due to oversight and technical errors encountered in filing.

Failure to meet grant reporting requirements is a noncompliance with the related grant request for proposal and application agreement and could result in loss of grant funding in future years. (Finding Code No. 2020-011)

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**CURRENT FINDINGS - FEDERAL COMPLIANCE**

2020-011. **FINDING** (Noncompliance with Grant Report Requirements) (continued)

**RECOMMENDATION**

We recommend the University improve its grant reporting and monitoring process to ensure adherence with the grant request for proposal and application agreement.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-012. FINDING (Weaknesses over Purchasing Credit Card Transactions)**

Northeastern Illinois University (University) had weaknesses over employee use of purchasing credit cards (P-Card).

The University adopted P-Card to improve efficiency in purchasing travel and low dollar value goods by directly giving departments buying power, thus eliminating many requisitions, purchase orders and direct payment vouchers. The University utilizes a web-based program developed by the P-Card issuer (Vendor) to conveniently review transaction detail, allocate transactions to one or more funds or accounts, query information on the purchasing activity of each P-Card, and ability to access monthly statements. As of June 30, 2020, the University had 64 active P-Cards in use with an accumulated credit limit of \$400,002.

During testing, we noted the following:

A) The University allows P-Card holders to upload receipts in the vendor's web-based system and designates an approver to electronically approve P-Card transaction. We noted there is no documented process that a review was performed by the University Controller's Office to independently check the transactions are proper, supported with receipts, and journal entries are appropriate based on the type of expenses incurred. During testing of 40 P-Card transactions totaling \$47,609 we noted:

- 20 (50%) transactions totaling \$22,233 were not reviewed by the P-Card approvers before the University paid the Vendor.

Good internal control suggests cash is disbursed only upon proper review and approval of the appropriateness of the P-Card transactions and charges.

The University P-Card Manual (Manual) requires transactions to be approved by the cardholder and primary card approver, verifying that all charges made within the billing cycle match the charges on the statement. Billing cycles run from the 21<sup>st</sup> day of the month to the 20<sup>th</sup> day of the next month.

- Three (8%) transactions totaling \$4,606 were identified to be prohibited P-Card purchases under the Manual. These purchases were payments for an amusement place, a charter bus, and a contractual service. There were no prior approvals submitted, in writing, to the University P-Card Administrator prior to these purchases.

The Manual prohibits the use of P-Card for charter bus, contract for goods and services, entertainment expenses, among others. Any exceptions must be submitted, in writing, by the cardholder to the P-Card Administrator for approval, prior to the purchase.



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**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-012. FINDING (Weaknesses over Purchasing Credit Card Transactions) (continued)**

- Two (5%) transactions totaling \$840 for subscription and auto parts and repairs, included charges for sales taxes totaling \$37.

The Manual states no sales taxes should be charged for P-Card purchases since the University is tax exempt.

- One (3%) transaction amounting to \$1,087 for employee travel totaling \$2,124, was missing a required level of approval on the Travel Authorization and Request Encumbrance (TARE) form.

The Manual states cardholder is responsible for complying with the University's travel regulations and for any expenses to any trips charged to the P-Card. TARE totaling between \$2,000 - \$4,999 requires Level II approval.

- Four (10%) transactions totaling \$2,814 were charged to incorrect expenditure categories.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law; that funds and resources are safeguarded against waste, loss, and misappropriation; and that expenditures, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

**B) Certain provisions of the Manual to control the use of P-Card were not being implemented and observed by the University:**

- During review of 12 monthly P-Card statements, we noted the University set-up its system to automatically pay the P-Card statement balances five calendar days after the end of the statements' billing cycle.

The Manual states P-Card statements are to be paid 20 days after the end of the billing cycle.

- P-Cards transactions not reviewed and approved by the designated approvers after the end of the 45th day billing cycle were not cancelled in compliance with the requirements of the Manual.

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**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-012. FINDING (Weaknesses over Purchasing Credit Card Transactions) (continued)**

The Manual requires the P-Card to be cancelled if P-Card transactions are not reviewed and approved after 45 days of the billing cycle.

- C) During review of 23 employees with assigned P-Cards, we noted 13 (57%) employees did not have signed purchasing card agreements on file.

The Manual requires a purchasing card agreement to be signed by cardholder and approver(s), which verifies that the cardholder has read and understands the guidelines set forth in the Manual and agrees to comply with all applicable policy with regards to appropriate usage of P-Card.

- D) During testing of 12 P-Card packets containing P-Card receipts submitted to the University Controller's Office, we noted four (33%) P-Card packets submitted by cardholders 11 to 49 days after they were due, and five (42%) packets were not submitted by the cardholders to the University Controller's Office. These packets were for P-Card transactions prior to the conversion to the web-based P-Card receipts' maintenance processing.

The Manual requires all P-Card receipts and supporting documentation, along with the signed P-Card statement, to be submitted after monthly reconciliation in a specially designated P-Card envelope to the Controller's Office within ten business days of the receipt of the monthly statement for review and retention.

University officials stated the exceptions were due to University inconsistently following existing Manuals.

Inadequate control over P-Card processing may result in unauthorized payments and resulted in noncompliance with the University P-Card Manual and transactions not being properly recorded. (Finding Code No. 2020-012, 2019-014)

**RECOMMENDATION**

We recommend the University strengthen its controls over P-Card processing to prevent abuse, detect unauthorized transactions timely, and properly record transactions. Further, we recommend the University provide annual training to University employees with assigned P-Cards and its designated approvers to ensure compliance with the University P-Card Manual.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

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**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-013. FINDING (Inadequate Controls over University Property and Equipment)**

Northeastern Illinois University (University) did not have adequate controls over its property and equipment.

- A) During our physical observation of 20 equipment items, we noted one (5%) item (a musical instrument) amounting to \$5,020 could not be located. The equipment item was subsequently reported as stolen to the University Police.

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control and inventory of all property under their jurisdiction.

- B) During our tracing of 20 equipment items to the property records, we noted two (10%) active equipment items consisting of a storage cabinet and a crane totaling \$5,233 were categorized as inactive items in the property records.

The Statewide Accounting Management System (SAMS) (Procedure 29.10.10) requires agencies to maintain detailed property records and update property records as necessary to reflect the current balance of State property. Such detailed records are to be organized by major asset category and include information such as the equipment item function and activity.

- C) During testing of 38 vouchers totaling \$1,031,129, we noted 12 (32%) vouchers totaling \$156,482 for purchases of various equipment items such furniture, televisions, wireless presentation device, digital media switcher device, laboratory equipment, printers, teleprompter, laptops, digital cameras, and library materials were not timely recorded in the University's property records. These items were recorded 102 to 174 days after the vouchers were paid.

The Department of Central Management Services (CMS) Property Control Rules (44 Ill. Adm. Code 5010.400) requires the University to adjust property records within 90 days of acquisition, change or deletion of equipment items.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-013. **FINDING** (Inadequate Controls over University Property and Equipment)  
(continued)

D) During our review of the University's annual inventory count certification, we noted the University did not accurately report the results of its annual inventory count to CMS. The University performed its annual inventory count between July 2019 to October 2019. During this timeframe, the University identified 992 unlocated items totaling \$626,938 consisting of 770 non-computer items totaling \$348,904, and 222 computers and laptops totaling \$278,034. The University prepared and submitted deletion requests for these unlocated items prior to the submission of its annual inventory certification to CMS, allowing the University to report discrepancy of only 42 items totaling \$13,920 between its records and its annual inventory count.

The CMS Property Control Rules (44 Ill. Adm. Code 5010.490) requires the University to report all discrepancies between the previous certificate of inventory certification and the current inventory to CMS. For unusually large discrepancies, CMS requires re-examination of inventory and a written explanation, and/or onsite investigation.

E) The University does not have approved written policies and procedures on certain critical functions and processes related to equipment management such as:

- Proper conduct of the physical count process including the objective of the count, timing and types of counts, instructions for counting and recording, and researching and adjusting discrepancies, as well as procedures and trainings to new employees to perform the count.

Good business practices and internal controls require entities to establish written physical inventory counting procedures to provide employees with a clear and easily understood plan of action to achieve a consistent and accurate physical count of equipment.

- Adequate accounting and monitoring of electronic devices individually costing below \$1,000. In Fiscal Year 2019, the University increased the threshold of items to be tagged and recorded in the University's property control system from \$500 to \$1,000. As such, equipment items costing less than \$1,000, including electronic devices, were deleted from the property control system. During testing, we noted the University did not record or trace 25 tablets individually costing \$783 purchased during the year. Without tracking these items, the University will not be able to monitor the use, transfer, administration, and destruction of these items.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-013. FINDING (Inadequate Controls over University Property and Equipment)  
(continued)**

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

- Delineating the categories of equipment that are subject to theft with value less than the nominal value to ensure equipment is marked with a unique identification number. Without a policy addressing the accountability and control of high theft equipment items, there is an increased risk of University property loss without timely detection.

The Illinois Administrative Code (44 Ill. Adm. Code 5010.210) states equipment that is subject to theft with a value less than the nominal value must be marked with a unique identification number. Additionally, each agency is responsible for adopting policies clearly delineating categories of equipment considered to be subject to theft.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance resources are utilized efficiently, effectively, and in compliance with applicable law; funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; and revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

This finding was first reported in Fiscal Year 2018. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over University property and equipment.

University officials stated exceptions noted above were due to absence of an updated University Policies and Procedures Manual that clearly defines the roles, responsibilities, and required actions of each department/employee, lack of coordination among departments, and employee inconsistently following existing University Policy and Procedures.

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**CURRENT FINDINGS - STATE COMPLIANCE**

2020-013. **FINDING** (Inadequate Controls over University Property and Equipment)  
(continued)

Inadequate controls over University property may result in inaccurate financial reporting and loss of University property not being timely detected. In addition, failure to provide a full accounting of all unlocated items during the University's annual inventory count represents noncompliance with the CMS Property Control Rules and may result in stolen equipment items not properly identified and investigated in order to apply appropriate actions. (Finding Code No. 2020-013, 2019-011, 2018-017)

**RECOMMENDATION**

We recommend the University improve its procedures to ensure equipment records are accurately maintained and assets are accounted for properly. We also recommend the University establish relevant policies in the management of equipment to ensure consistent procedures are observed by employees.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
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**CURRENT FINDINGS - STATE COMPLIANCE**

2020-014. **FINDING** (Weaknesses Regarding Clearing of Data from Electronic Devices)

Northeastern Illinois University (University) did not ensure electronic devices were cleared of data and software.

During testing of 25 deleted equipment totaling \$135,796, including 15 electronic devices totaling \$30,048 consisting of laptops, tablets, and central processing units (CPU), we noted:

- A tablet and a CPU (13%) totaling \$3,978 were not wiped or cleared before the items were transferred to the Department of Central Management Services for surplus.
- The University did not perform a complete assessment of stolen and 11 missing electronic devices (80%) totaling \$23,893 to determine whether these devices contained confidential and personal information and whether notification was required as outlined in the Personal Information Protection Act.
- The University did not formalize a policy to address the requirements of the Data Security on State Computers Act to mandate all hard drives of surplus data processing equipment be erased, wiped, sanitized, or destroyed in a manner that prevents retrieval of sensitive data and software before being sold, donated, or transferred.

This finding was first reported in Fiscal Year 2018. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over clearing of data from electronic devices.

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for the supervision, control, and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

The Personal Information Protection Act (815 ILCS 530) requires the University to ensure confidential and personal information is protected from disclosure.

The Data Security on State Computers Act (20 ILCS 450/20) requires governing board of each public university in this State to implement and administer the provisions of this Act with respect to State-owned electronic data processing equipment utilized by the University.

University officials stated the conditions noted were due to property procedures not being followed and the requirements of the laws not being implemented.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-014. **FINDING** (Weakness Regarding Clearing of Data from Electronic Devices)  
(continued)

Failure to wipe, clear of data, or destroy computer hard drives or other electronic storage media before transfer or disposal may result in unauthorized disclosure of sensitive information and may expose the University to unnecessary litigation risks. (Finding Code No. 2020-014, 2019-010, 2018-014)

**RECOMMENDATION**

We recommend the University ensure storage media of electronic devices be erased, wiped, sanitized, or destroyed in a manner that prevents retrieval of sensitive data and software before they are sold, donated, or transferred. We also recommend the University formalize its policy regarding data wiping on electronic storage devices.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.



**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-015. **FINDING** (Noncompliance with the College Student Immunization Act)

Northeastern Illinois University (University) did not comply with the requirements of the College Student Immunization Act (Act).

During testing of 25 students enrolled in the academic year 2019-2020, we noted the following:

- Six (24%) students did not provide proof of immunizations against preventable communicable diseases to the University. These students were accepted for enrollment the following semester without placing the students' account on hold until verification of proof of students' immunizations.
- Five (20%) students did not have complete required immunizations against preventable communicable diseases. These students were accepted for enrollment the following semester without placing the students' account on hold until a complete required immunization was verified.

In addition, we noted the University did not timely submit a report with the Illinois Department of Public Health (IDPH) as required by the Act. The report was submitted 10 days late.

The Act imposes specific duties and responsibilities on higher education students and institutions with on-campus housing within the State of Illinois, including the following:

- The Act (110 ILCS 20/2) requires the University's students enrolled at least half-time in on-campus classroom instruction born after December 31, 1956 (covered students) present proof the student has received immunizations against preventable communicable diseases, unless the student documents a specific statutory exemption. According to University officials, a student enrolled in six or more credit hours of classes is considered, at least, a half-time student.
- The Act (110 ILCS 20/4) requires the University preclude covered students who fail to present appropriate documentation to the University from registering in a subsequent term or semester until the student complies with the law.
- The Act (110 ILCS 20/6) requires the University prepare and file a report with the IDPH by the eighth week of the Fall semester on a form prepared by IDPH stating the number of persons attending the institution who have presented: proof of immunization; certification of medical exemption; statement of religious objections; and no proof of immunization.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-015. **FINDING** (Noncompliance with the College Student Immunization Act) (continued)

- The University Immunization and Screening Policy (Policy) requires students to submit proof of immunization/screening against preventable communicable diseases as required by IDPH. Student accounts will be placed on hold until it is verified that the student is following the Policy.

University officials stated an immunization policy was implemented to address the requirements of the Act. The exceptions noted were due to challenges encountered during the initial year of implementation of the policy and difficulty encountered during the pandemic. In addition, the required report was submitted late due to competing priorities.

Failure to comply with the Act could result in ineligible students enrolling for and attending classes on campus and increases public health risks from communicable disease. (Finding Code No. 2020-015, 2019-013)

**RECOMMENDATION**

We recommend the University ensure proper implementation of the University Policy in obtaining and maintaining students' immunization information in compliance with the Act. We also recommend the University submit required reports to IDPH timely.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-016. FINDING (Lack of Disaster Contingency Plan)**

Northeastern Illinois University (University) did not ensure an adequately developed and tested contingency plan existed for critical applications maintained internally to ensure the timely recovery of critical computer systems.

The University had invested in computer hardware and systems and had established several critical, confidential or financially sensitive systems for use in meeting its mission. However, the University had not developed and tested a disaster recovery plan to recover internally maintained systems.

This finding was first reported in Fiscal Year 2013. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to develop and test a contingency plan for its critical applications.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorse the formal development and testing of disaster contingency plans. Tests of disaster contingency plans (and the associated documentation of the test results) verify that the plan, procedures, and resources provide the capability to recover critical systems within the required timeframe.

University officials stated the failure to implement the technical components needed to finalize and eventually test the University's disaster recovery plan, which was initially established in Fiscal Year 2019, was mainly because of the delay brought about by the COVID pandemic in procuring a vendor and complication of onsite review and testing.

Without an adequately developed and tested disaster contingency plan, the University cannot ensure its critical systems could be recovered in the event of disaster. Failure to adequately update and test the disaster contingency plan leaves the University exposed to the possibility of major disruptions of services. (Finding Code No. 2020-016, 2019-016, 2018-019, 2017-015, 2016-016, 2015-013, 2014-015, 2013-014)

**RECOMMENDATION**

We recommend the University develop a formal disaster contingency plan to be tested at least annually. The plan should be continuously updated to reflect environmental changes and improvements identified from the tests.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-017. FINDING (Noncompliance with Payment Card Industry Security Standards)**

Northeastern Illinois University (University) did not ensure compliance with the Payment Card Industry Security Standards (PCI DSS).

The University accepted credit card payments for tuition, student fees, ticket sales, and parking fees. In Fiscal Year 2020, the University handled approximately 24,000 transactions estimated at approximately \$24 million.

During testing, we noted the University had not:

- Formally assessed each program accepting credit cards, the methods in which payments could be made, matched these payments to the appropriate Self Assessment Questionnaire (SAQ), and contacted service providers and obtained relevant information and guidance as deemed appropriate.
- Completed a SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.
- Maintained agreements with service providers or obtained and reviewed documentation supporting the providers PCI compliance.

This finding was first reported in Fiscal Year 2015. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to ensure compliance with the PCI DDS.

PCI DSS was developed to detail security requirements for entities that store, process, or transmit cardholder data. Cardholder data is any personally identifiable data associated with a cardholder.

To assist merchants in the assessments of their environment, the PCI Council established SAQs for validating compliance with PCI's core requirements. At a minimum, PCI DSS required completion of SAQ A; which highlights specific requirements to restrict access to paper and electronic media containing cardholder data, destruction of such media when it is no longer needed, and requirements for managing service providers. As additional elements, such as face-to-face acceptance of credit cards and point-of-sale solutions are utilized, additional PCI DSS requirements apply.

University officials stated the issues noted above were mainly due to the delay brought about by the COVID pandemic in procuring a vendor to perform the requirements of the PCI DDS and complication of onsite review and testing.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-017. **FINDING** (Noncompliance with Payment Card Industry Security Standards)  
(continued)

The University has the responsibility to ensure computer systems and cardholder data are protected from accidental or unauthorized disclosure. The lack of validation of proper controls increases the risk of unauthorized disclosure of cardholder data. (Finding Code No. 2020-017, 2019-017, 2018-020, 2017-016, 2016-017, 2015-014)

**RECOMMENDATION**

We recommend the University:

- At least annually, assess each program accepting credit card payments and match the payment method to the appropriate SAQ.
- Complete the appropriate SAQ(s) for its environment and maintain documentation supporting its validation efforts.
- Maintain contact with service providers to ensure sufficient knowledge and awareness of PCI compliance status, issues, and guidance.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-018. FINDING (Weaknesses in Cybersecurity Programs and Practices)**

Northeastern Illinois University (University) did not maintain adequate internal controls related to its cybersecurity programs and practices.

As a public university which provides an environment for learning, teaching and scholarship, the University maintains computer systems that contain large volumes of confidential or personal information such names, addresses, and Social Security numbers of students and employees.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the University's cybersecurity program, practices, and control of confidential information, we noted the University had not:

- Classified its data to identify and ensure adequate protection of information.
- Evaluated and implemented appropriate controls to reduce the risk of attack.
- Ensured all staff members and contractors completed cybersecurity training upon employment and annually thereafter.

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.

Furthermore, generally accepted information technology guidance, including the National Institute of Standards and Technology, endorses the development of well-designed and well-managed controls to protect computer systems and data.

University management indicated during the fiscal year select staff were reassigned to the University Technology Services (UTS) Department to help with the workload, however, the search for the chief information officer to lead and direct the UTS became a challenge due to the COVID pandemic. University management also indicated information security management is a shared responsibility among different UTS Divisions.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the University's volumes of confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2020-018, 2019-019)

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-018. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (continued)

**RECOMMENDATION**

The University has the responsibility to ensure that confidential and personal information is adequately protected. Specifically, we recommend the University:

- Perform a comprehensive risk assessment to identify and classify data to ensure adequate protection of confidential or personal information most susceptible to attack.
- Evaluate identified risk and implement appropriate controls to reduce risk.
- Establish a cybersecurity awareness program that includes required annual cybersecurity awareness training which covers identifying security threats, overview of information security policies and procedures, and security incident response process.

**UNIVERSITY RESPONSE**

The University agrees with the recommendation.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

**2020-019. FINDING (Weaknesses over Maintenance of Employment Eligibility Verification Forms)**

Northeastern Illinois University (University) did not ensure the U.S. Citizenship and Immigration Services (USCIS) Employment Eligibility Verification Forms (Form I-9) for its employees were properly maintained.

During testing of 25 employees, we noted the following:

- Three (12%) employees did not have the completed Form I-9 in their personnel files. As such, we could not determine the University examined the identity and employment authorizations of these employees.
- Two (8%) employees completed their Form I-9 one to four days after their first day of employment.
- Two (8%) employees signed and completed their Form I-9 11 to 13 days prior to the acceptance of the University's job offer.

The Code of Federal Regulation (Code) (8 CFR § 274a.2(a)) states, in conjunction with the Form I-9, an employer or recruiter or referrer for a fee, must examine documents that evidence the identity and employment authorization of the individual. The employer or recruiter or referrer for a fee and that the individual must each complete an attestation on the Form I-9 under penalty of perjury.

The Code (8 CFR § 274a.2(b)(2)) requires a paper (with original handwritten signatures), electronic, or a combination of paper and electronic formats of Form I-9 must be retained by an employer or a recruiter or referrer for a fee for the following time periods: (A) In the case of an employer, three years after the date of the hire or one year after the date the individual's employment is terminated, whichever is later; or (B) In the case of a recruiter or referrer for a fee, three years after the date of hire.

The Code (8 CFR § 274a.2(b)) requires a person or entity that hires or recruits or refers for a fee an individual for employment to ensure that the individual properly completes section 1 - "Employee Information and Verification" - on the Form I-9 at the time of hire and signs the attestation with a handwritten or electronic signature. In addition, the Code requires the employer to complete section 2 - "Employer Review and Verification" - on the Form I-9 within three business days of the hire and sign the attestation with a handwritten signature or electronic signature.



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For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-019. **FINDING** (Weaknesses over Maintenance of Employment Eligibility Verification Forms) (continued)

The U.S. Citizenship and Immigration Services Handbook for Employers requires employers to ensure that employees complete Section 1 of USCIS Form I-9 at the time of hire. In addition, employees may complete Section 1 before the time of hire, but not before the employer extends the job offer and the employee accepts.

University officials stated the missing Form I-9s were misplaced. The Form I-9s that were completed untimely were due to oversight of employees and their supervisors.

Failure to properly maintain the Form I-9 is a violation of the Code, the USCIS requirements and could result in unlawful employment and expose the University to penalties. (Finding Code No. 2020-019)

**RECOMMENDATION**

We recommend the University establish policies and procedures in the preparation and maintenance of Form I-9 to ensure compliance with the Code.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**CURRENT FINDINGS - STATE COMPLIANCE**

2020-020. **FINDING** (Noncompliance with the Illinois Articulation Initiative Act)

Northeastern Illinois University (University) did not submit a minimum of one course per major under the Illinois Articulation Initiative (Initiative) for some majors offered by the University.

The Initiative, through its [itransfer.org](http://itransfer.org) website, exists to ease the transfer of students among the State's associate and baccalaureate degree granting institutions. The Initiative consists of both a General Education Core Curriculum package, where completion of the entire package at one institution is fully accepted by 111 institutions across the State, and an Initiative major, which are common courses at the lower-division level that can be used to ensure students are prepared for upper-division work at 79 institutions across the State.

During testing, we noted the University did not have a minimum of one course included within the related Initiative major for its art, biology, early childhood education, physics, political science, psychology, english, history, and sociology degree programs.

The Illinois Articulation Initiative Act (Act) (110 ILCS 152/15) requires the University participate in the Initiative by maintaining a minimum of one course in the related Initiative major, if the University has an equivalent major and courses.

University officials stated the exceptions were due to varying interpretations of the requirements of the Act.

Failure to fully participate in the Initiative by submitting at least one course per Initiative major could hinder students looking to transfer to other institutions and represents noncompliance with the Act. (Finding Code No. 2020-020)

**RECOMMENDATION**

We recommend the University fully comply with the requirements of the Act by maintaining a minimum of one course in the related Initiative major that the University is offering.

**UNIVERSITY'S RESPONSE**

The University agrees with the recommendation.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2020**

**PRIOR FINDINGS NOT REPEATED**

**A. FINDING** (Reporting to NSLDS)

During the prior audit, Northeastern Illinois University (University) did not report changes in enrollment status information of students to the National Student Loan Data System (NSLDS) in a timely manner.

During the current audit, our sample testing indicated the University timely reported changes in enrollment status information of students to the NSLDS. (Finding Code No. 2019-005, 2018-002, 2017-003, 2016-007, 2015-008)

**B. FINDING** (Inadequate Records Supporting Student Eligibility for Financial Aid)

During the prior audit, Northeastern Illinois University (University) did not ensure documents supporting student's eligibility for student financial assistance were obtained.

During the current audit, our sample testing indicated the University obtained required documentation to support eligibility for student financial assistance. (Finding Code No. 2019-006, 2018-005)

**C. FINDING** (Noncompliance with the Open Meetings Act)

During the prior examination, Northeastern Illinois University (University) did not fully comply with the requirements of the Open Meetings Act.

During the current examination, our sample testing disclosed lesser exceptions. These were not considered to be as significant as in the prior year; thus was reported in the University Report of Immaterial Findings. (Finding Code No. 2019-008, 2018-011, 2017-010, 2016-015)

**D. FINDING** (Timesheets Not Required and Not Timely Completed and Approved)

During the prior examination, Northeastern Illinois University (University) did not require all employees to submit timesheets as required by the State Officials and Employees Ethics Act and timesheets were not timely completed and approved.

During the current examination, our testing disclosed the University required all employees to submit timesheets. We noted some timesheets were not submitted timely, however, these were not considered to be as significant as in the prior year; thus was reported in the University Report of Immaterial Findings. (Finding Code No. 2019-009, 2018-012, 2017-011, 2016-010, 2015-011, 2014-013, 2013-010, 12-11, 11-9, 10-8, 09-9, 08-6, 07-6, 06-5, 05-4)

**NORTHEASTERN ILLINOIS UNIVERSITY  
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020**

**PRIOR FINDINGS NOT REPEATED**

**E. FINDING** (Failure to Perform Employee Performance Evaluations Timely)

During the prior examination, Northeastern Illinois University (University) did not perform employee performance evaluations timely.

During the current examination, our sample testing disclosed lesser exceptions. These were not considered to be as significant as in the prior year; thus was reported in the University Report of Immaterial Findings. (Finding Code No. 2019-012, 2018-018)

**F. FINDING** (Noncompliance with the Abused and Neglected Child Reporting Act)

During the prior examination, Northeastern Illinois University (University) did not comply with the Abused and Neglected Child Reporting Act.

During the current examination, our sample testing disclosed lesser exceptions. These were not considered to be as significant as in the prior year; thus was reported in the University Report of Immaterial Findings. (Finding Code No. 2019-015, 2018-010, 2017-007, 2016-008, 2015-009, 2014-010, 2013-013)

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2020**

Federal Grantor/ Pass-Through Grantor Program/Grant Title		Federal CFDA Number	Passed-Through Number	Federal Expenditures	Passed-Through to Subrecipients
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER</b>					
<b>Department of Education</b>					
Federal Supplemental Educational Opportunity Grants	(M)	84.007		\$ 357,216	\$ -
Federal Work-Study Program	(M)	84.033		541,570	-
Federal Perkins Loan Program	(M)	84.038		1,267,058	-
Federal Pell Grant Program	(M)	84.063		13,006,649	-
Federal Direct Student Loans	(M)	84.268		17,552,368	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	(M)	84.379		46,729	-
<b>Total Department of Education</b>				<u>32,771,590</u>	<u>-</u>
<b>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER</b>				<u>32,771,590</u>	<u>-</u>
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>					
<b>National Science Foundation</b>					
Mathematical and Physical Sciences					
Regularization of Hypersensitive Problems for Numerical Computation with Empirical Data		47.049		25,909	-
Passed-Through Indiana University					
MRI Consortium: Development of Instrumentation for the PICO-500 Bubble Chamber		47.049	SB-4856130-NIU	27,079	-
<b>Total Mathematical and Physical Sciences</b>				<u>52,988</u>	<u>-</u>
Geosciences					
Collaborative Research: Measurement of Copper Speciation in Basaltic Glasses using X-ray Absorption Spectroscopy, a New Window on Metal Solubility and Transport in Magmatic System		47.050		25,962	-
RUI/Collaborative Research: The Rise of C4 Grasses South America: Linking Grassland Transition to the South American Summer Monsoon		47.050		15,098	-
Collaborative Research: REU Site: Water Resources and Quality in the Riviera Maya, Mexico		47.050		9,725	-
<b>Total Geosciences</b>				<u>50,785</u>	<u>-</u>
Computer and Information Science and Engineering					
Passed-Through University of Texas at El Paso					
NSF INCLUDES Alliance: Computing Alliance of Hispanic-Serving Institutions		47.070	226100998J	25,135	-
Passed-Through University of Texas at El Paso					
BPC-A: Computing Alliance of Hispanic-Serving Institutions - Building a Resilient, Sustainable and Adaptable CAHSI Ecosystem		47.070	226100958G	14,471	-
<b>Total Computer and Information Science and Engineering</b>				<u>39,606</u>	<u>-</u>

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For the Year Ended June 30, 2020**

Federal Grantor/ Pass-Through Grantor Program/Grant Title	Federal CFDA Number	Passed-Through Number	Federal Expenditures	Passed-Through to Subrecipients
Biological Sciences				
EAGER: Development of a Genetic System Directing Multicellular Development of Myxococcales	47.074		4,688	-
Passed-Through Hauptman Woodward Medical Research Institute				
Z/E Isomerization in Phytochromes from Myxobacteria	47.074	6227	60,873	-
Total Biological Sciences			<u>65,561</u>	<u>-</u>
Social, Behavioral, and Economic Sciences				
Suburban Social Contacts and Changing Demographic Balances	47.075		42,434	-
Passed-Through University of Chicago				
SL-CN: The Role of Gesture in Mathematics Learning: from Research to Practice	47.075	FP063962	5,747	-
Total Social, Behavioral, and Economic Sciences			<u>48,181</u>	<u>-</u>
Education and Human Resources				
Peer Enhanced Experiential Research in STEM (PEERS) Integrating Science, Mathematics, and Computing Within an Elementary and Middle School Pre-Service Teacher Education Curriculum	47.076		10,013	-
Passed-Through Chicago State University				
Illinois Louis Stokes Alliance for Minority Participation (ILSAMP)	47.076	53953	11,134	-
Passed-Through Chicago State University				
Illinois Louis Stokes STEM Pathways and Research Alliance (ILSPRA)	47.076	53114	4,800	-
Robert Noyce Teacher Scholarship Program: University and Community College Collaboration for Mathematics and Biology Scholar Teacher Education	47.076		288,207	17,294
Building Capacity: Addressing Critical Transitions of First-Year STEM Students	47.076		119,325	-
Total Education and Human Resources			<u>546,586</u>	<u>17,294</u>
<b>Total National Science Foundation</b>			<u>803,707</u>	<u>17,294</u>
<b>Department of Health and Human Services</b>				
Research Infrastructure Programs				
Passed-Through University of Chicago				
Hexacago: A Game-Based Approach to Engaging Youth in Health and Science	93.351	FP058904-A	14,514	-
Cancer Centers Support Grants				
The Chicago Collaborative to Promote and Advance Cancer Health Equity	93.397		685,132	-
Improving Caregiver Health Literacy of Hispanic Cancer Patients Using a Dialogue System	93.397		173,384	-
Total Cancer Centers Support Grants			<u>858,516</u>	<u>-</u>

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For the Year Ended June 30, 2020**

<b>Federal Grantor/ Pass-Through Grantor Program/Grant Title</b>	<b>Federal CFDA Number</b>	<b>Passed-Through Number</b>	<b>Federal Expenditures</b>	<b>Passed-Through to Subrecipients</b>
Biomedical Research and Research Training				
NU-STARS for Northeastern Illinois Student Training in Academic Research in the Sciences	93.859		219,803	-
Passed-Through Ithaca College				
Signaling Specificity Mediated by the C. Elegans FGF Receptor Tyrosine Kinase	93.859	R15GM122001	29,127	-
Total Biomedical Research and Research Training			<u>248,930</u>	<u>-</u>
<b>Total Department of Health and Human Services</b>			<u>1,121,960</u>	<u>-</u>
<b>Department of Agriculture</b>				
Higher Education-Multicultural Scholars Grant Program				
Multicultural Scholars Program	10.220		56,532	-
Hispanic Serving Institutions Education Grants				
Agriculture and Undergraduate Achievement	10.223		36,135	-
<b>Total Department of Agriculture</b>			<u>92,667</u>	<u>-</u>
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>			<u>2,018,334</u>	<u>17,294</u>
<b>TRIO CLUSTER</b>				
<b>Department of Education</b>				
TRIO McNair Post-Baccalaureate Achievement	84.217		255,949	-
TRIO Student Support Services	84.042		663,673	-
TRIO Talent Search	84.044		435,428	-
TRIO Upward Bound				
TRIO Upward Bound Pathways	84.047		199,208	-
TRIO Upward Bound Math and Science Pathways	84.047		219,838	-
Total TRIO Upward Bound			<u>419,046</u>	<u>-</u>
<b>Total Department of Education</b>			<u>1,774,096</u>	<u>-</u>
<b>TOTAL TRIO CLUSTER</b>			<u>1,774,096</u>	<u>-</u>
<b>Department of Education</b>				
Twenty-First Century Community Learning Centers				
Passed-Through Illinois State Board of Education				
Project 4421-15: Pathways	(M) 84.287	15-016-5405-51	178,258	-
Project 4421-13: Austin	(M) 84.287	15-016-5405-51	452,023	7,006
Project 4421-19: Craft	(M) 84.287	15-016-5405-51	517,892	-
Project 4421-25: Morton Success	(M) 84.287	15-016-5405-51	373,616	-
Total Twenty-First Century Community Learning Centers			<u>1,521,789</u>	<u>7,006</u>

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For the Year Ended June 30, 2020**

<b>Federal Grantor/ Pass-Through Grantor Program/Grant Title</b>		<b>Federal CFDA Number</b>	<b>Passed-Through Number</b>	<b>Federal Expenditures</b>	<b>Passed-Through to Subrecipients</b>
Education Stabilization Fund					
Higher Education Emergency Relief Fund: Student Portion	(M)	84.425E		2,786,466	-
Higher Education Emergency Relief Fund: Institution Portion	(M)	84.425F		586,242	-
Total Education Stabilization Fund				<u>3,372,708</u>	<u>-</u>
National Resource Centers Program for Foreign Language and Area Studies					
Passed-Through Indiana University Course Development of "Work, Money and Shopping: The Global History of Capitalism"		84.015	N/A	1,430	-
Higher Education Institutional Aid					
EXITO: Exit on Time in STEM		84.031		1,210,087	154,144
A Comprehensive System of Support: Increasing Retention into the Third Year		84.031		740,184	-
Title V: Developing Hispanic-Serving Institutions Program		84.031		335,035	-
Total Higher Education Institutional Aid				<u>2,285,306</u>	<u>154,144</u>
Rehabilitation Long-Term Training					
Rehabilitation Long-Term Training Program - Vocational Rehabilitation		84.129		259,694	-
Gaining Early Awareness and Readiness for Undergraduate Programs		84.334		8,480,273	1,419,548
Supporting Effective Instruction State Grant (formerly Improving Teacher Quality State Grants)					
Passed-Through Illinois Board of Higher Education No Child Left Behind - Improving Teacher Quality: Plans for Academic Success for All Students		84.367	N/A	980	-
Education Innovation and Research (formerly Investing in Innovation (I3) Fund)					
Education Innovation and Research		84.411		6,523	-
Passed-Through University of California-Irvine Project Writing		84.411	223215	80,451	-
Total Education Innovation and Research				<u>86,974</u>	<u>-</u>
<b>Total Department of Education</b>				<u>16,009,154</u>	<u>1,580,698</u>
<b>Department of Health and Human Services</b>					
Block Grants for Prevention and Treatment of Substance Abuse Passed-Through Illinois Department of Human Services Substance Abuse Prevention		93.959	43CXZ03274	75,891	-
<b>Total Department of Health and Human Services</b>				<u>75,891</u>	<u>-</u>



**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**For the Year Ended June 30, 2020**

<u>Federal Grantor/ Pass-Through Grantor Program/Grant Title</u>	<u>Federal CFDA Number</u>	<u>Passed-Through Number</u>	<u>Federal Expenditures</u>	<u>Passed-Through to Subrecipients</u>
<b>Department of Justice</b>				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus Sexual Assault and Violence Prevention Project	16.525		88,790	12,210
Innovations in Community-Based Crime Reduction Passed-Through Teamwork Englewood and Englewood Quality-of-Life Task Force Byrne Criminal Justice Innovation Program (BCJI) Category 2: Planning and Implementation Grant	16.817	N/A	39,271	-
<b>Total Department of Justice</b>			<u>128,061</u>	<u>12,210</u>
<b>Department of Defense</b>				
Language Grant Program STARTALK 2019: SAMI Student Program and SALTT Teacher Program	12.900		65,290	-
<b>Total Department of Defense</b>			<u>65,290</u>	<u>-</u>
<b>Department of State</b>				
Professional and Cultural Exchange Programs-Citizen Exchanges Passed-Through Aspen Institute - Institute of International Steven's Initiative HIVE	19.415	H31	5,084	-
Academic Exchange Programs Capacity Building for U.S. Study Abroad Program	19.009		21,438	-
<b>Total Department of State</b>			<u>26,522</u>	<u>-</u>
<b>National Endowment of the Arts</b>				
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development Developing a Kurdish Language and Culture Studies Program	45.162		91,337	-
<b>Total National Endowment of the Arts</b>			<u>91,337</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 52,960,275</u>	<u>\$ 1,610,202</u>

(M) - Program was audited as a major program.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020**

**Note 1 - Significant Accounting Policy**

**Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Northeastern Illinois University (University) for the year ended June 30, 2020 which are recorded 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). All federal awards received directly from federal agencies as well as federal awards passed through other government and nonprofit agencies are included on the schedule. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Note 2 - Student Loan Program Administered by the University**

As of June 30, 2020, the University's outstanding loan balance totaled \$1,045,661 under the Federal Perkins Loan Program (CFDA #84.038) and loans made to eligible student during the year totaled \$0. Administrative costs charged to the loan program is \$0.

**Note 3 - Total New Federal Student Loans**

During the audit period, the University processed the following amounts under the Federal Direct Student Loans Program (CFDA #84.268):

Direct Subsidized Loans	\$ 6,585,099
Direct Unsubsidized Loans	10,387,123
Direct Graduate PLUS Loans	6,015
Direct Parent Plus Loan	574,131
Total	<u>\$ 17,552,368</u>

There were no administrative costs charged to the Federal Direct Student Loans Program.

**Note 4 - Nonmonetary Assistance**

During the period, the University did not have any nonmonetary assistance.

**Note 5 - Insurance Disclosure**

During the period, there are no federally-funded insurance in effect.

**Note 6 – Donated Personal Protective Equipment (Unaudited)**

During the period, the University did not receive donated personal protective equipment.

**STATE OF ILLINOIS  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES  
 Expenditure Authority for Fiscal Year 2020  
 For the Fifteen Months Ended September 30, 2020**

	<b>Expenditure Authority (Net After Transfers)</b>	<b>Expenditures Through 06/30/20</b>	<b>Lapse Period Expenditures 07/01/20 -09/30/20</b>	<b>Total Expenditures 15 Months Ended 09/30/20</b>	<b>Balances Lapsed 09/30/20</b>
Public Act No. 101-0007					
APPROPRIATED FUNDS					
Education Assistance Fund - 007					
Personal services	\$ 34,494,300	\$ 34,110,748	\$ 383,552	\$ 34,494,300	\$ -
Group insurance	1,072,600	1,072,600	-	1,072,600	-
<b>TOTAL APPROPRIATED FUNDS</b>	<b>\$ 35,566,900</b>	<b>\$ 35,183,348</b>	<b>\$ 383,552</b>	<b>\$ 35,566,900</b>	<b>\$ -</b>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2020.

Note 2: Expenditures amount are vouchers approved for payment by the University and submitted to the State Comptroller for reimbursement of payments to vendors.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, AND**  
**LAPSED BALANCES**  
**For the Years Ended June 30,**

	<u>2020</u>	<u>2019</u>
Education Assistance Fund - 007		
Appropriations (net after transfers)	\$ 35,566,900	\$ 33,873,200
Expenditures		
Personal services	34,494,300	32,800,600
Group insurance	1,072,600	1,072,600
Total expenditures	<u>35,566,900</u>	<u>33,873,200</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>
Grand Total, All Funds		
Appropriations (net of transfers)	\$ 35,566,900	\$ 33,873,200
Expenditures	<u>35,566,900</u>	<u>33,873,200</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2020 and October 31, 2019.

Note 2: Expenditures amount are vouchers approved for payment by the University and submitted to the State Comptroller for reimbursement of payments to vendors.

Note 3: The University received appropriations during Fiscal Year 2020 from Public Act 101-0007. In addition, the University received appropriations during Fiscal Year 2019 from Public Act 100-0586.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**COMPARATIVE SCHEDULE OF NET EXPENDITURES BY MAJOR ACTIVITY**  
**For the Years Ended June 30,**

	<u>2020</u>	<u>2019</u>
<b><u>EXPENDITURE STATISTICS</u></b>		
<b>All State Treasury Funds</b>		
Total Operating Expenditures	\$ 35,566,900	\$ 33,873,200
Percentage of Total Expenditures	100%	100%
Expenditures		
Personal services	34,494,300	32,800,600
Group insurance	1,072,600	1,072,600
<b>GRAND TOTAL - ALL EXPENDITURES</b>	<b><u>\$ 35,566,900</u></b>	<b><u>\$ 33,873,200</u></b>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2020 and October 31, 2019.

Note 2: Expenditures amount are vouchers approved for payment by the University and submitted to the State Comptroller for reimbursement of payments to vendors.

Note 3: The University received appropriations during Fiscal Year 2020 from Public Act 101-0007. In addition, the University received appropriations during Fiscal Year 2019 from Public Act 100-0586.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENSES**  
**For the Years Ended June 30,**

	<u>2020</u>	<u>2019</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		
Fund balance, beginning of year, as previously reported	\$ 452,153	\$ (5,427,180)
Adjustments on beginning year balance	218,541	-
	<u>670,694</u>	<u>(5,427,180)</u>
Income fund revenues:		
Tuition	58,323,169	58,358,140
Rental income	137,688	148,154
Investment income	839,019	1,049,674
Miscellaneous	4,011,288	2,930,290
	<u>63,311,164</u>	<u>62,486,258</u>
Income fund expenditures:		
Personal services (including change in accrued compensated absences)	30,776,571	31,703,244
Social Security, Medicare, health, and life insurance	3,723,401	2,103,661
Contractual services	12,381,314	11,504,223
Travel	124,109	188,951
Commodities	559,923	652,234
Equipment and library books	427,325	544,558
Telecommunications	180,309	438,971
Operation of automotive	50,275	53,106
Awards, grants, and matching funds	1,331,742	1,343,063
Permanent improvements	-	379,053
Tuition and fee waivers	4,177,016	4,340,182
Loss on cancelled capital project	39,257	93,378
Other expenses	4,163,452	3,262,301
	<u>57,934,694</u>	<u>56,606,925</u>
	<u>\$ 6,047,164</u>	<u>\$ 452,153</u>
<b>FUND BALANCE, END OF YEAR</b>		

Note: This schedule has been prepared on the accrual basis of accounting.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**ENTITY FINANCIAL STATEMENTS**  
**STATEMENT OF NET POSITION - OTHER ENTITIES AND AUXILIARY ENTERPRISES**  
**For the Year Ended June 30, 2020**

	Activities							Auxiliary Enterprises			
	Student Fee Programs	Indirect Cost	Public Service Activities	Student and Staff Services	Service Departments	Educational Services	Educational Contracts	Revenue Bonds			Other Auxiliary Enterprises
								Student Union	Parking Lot Administration	Total Revenue Bonds	
<b>Assets</b>											
<b>Current assets</b>											
Cash and cash equivalents, unrestricted	\$ 5,180,727	\$ 946,194	\$ 553,424	\$ 367,983	\$ 2,674,717	\$ 68,178	\$ 335,551	\$ 147,317	\$ 920,809	\$ 1,068,126	\$ 233,259
Cash and cash equivalents, restricted	993,979	-	346,631	170,007	2,679,459	66,256	40,827	2,030,060	882,000	2,912,060	601,767
Accounts receivable, net	691,551	-	-	-	-	-	-	103,405	86,839	190,244	-
Prepaid expenses	621,021	4,447	-	42,294	-	-	-	2,154	-	2,154	-
Inventories and other assets	28,545	-	-	-	12,466	-	-	313	-	313	-
<b>Total current assets</b>	<b>7,515,823</b>	<b>950,641</b>	<b>900,055</b>	<b>580,284</b>	<b>5,366,642</b>	<b>134,434</b>	<b>376,378</b>	<b>2,283,249</b>	<b>1,889,648</b>	<b>4,172,897</b>	<b>835,026</b>
<b>Noncurrent assets</b>											
Land and land improvements	874,848	-	45,954	53,519	275,440	12,229	18,168	980,137	-	980,137	54,411
Buildings and construction in progress	13,451,400	-	706,575	822,887	4,235,085	188,034	279,345	3,273,534	10,223,394	13,496,928	836,606
Equipment	2,843,469	-	1,515,949	751,479	13,291,024	1,819,694	107,767	14,217	13,515	27,732	91,571
<b>Total noncurrent assets</b>	<b>17,169,717</b>	<b>-</b>	<b>2,268,478</b>	<b>1,627,885</b>	<b>17,801,549</b>	<b>2,019,957</b>	<b>405,280</b>	<b>4,267,888</b>	<b>10,236,909</b>	<b>14,504,797</b>	<b>982,588</b>
<b>Total assets</b>	<b>24,685,540</b>	<b>950,641</b>	<b>3,168,533</b>	<b>2,208,169</b>	<b>23,168,191</b>	<b>2,154,391</b>	<b>781,658</b>	<b>6,551,137</b>	<b>12,126,557</b>	<b>18,677,694</b>	<b>1,817,614</b>
<b>Liabilities</b>											
<b>Current liabilities</b>											
Accounts payable and accrued liabilities	89,761	151,808	34,026	-	969,247	1,600	6,900	85,732	327,791	413,523	108,217
Unearned revenues	161,934	109	-	291	-	-	88,353	17	1,842	1,859	-
Revenue bonds payable	-	-	-	-	-	-	-	-	656,286	656,286	-
<b>Total current liabilities</b>	<b>251,695</b>	<b>151,917</b>	<b>34,026</b>	<b>291</b>	<b>969,247</b>	<b>1,600</b>	<b>95,253</b>	<b>85,749</b>	<b>985,919</b>	<b>1,071,668</b>	<b>108,217</b>
<b>Noncurrent Liabilities</b>											
Revenue bonds payable	-	-	-	-	-	-	-	-	13,072,352	13,072,352	-
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,072,352</b>	<b>13,072,352</b>	<b>-</b>
<b>Total liabilities</b>	<b>251,695</b>	<b>151,917</b>	<b>34,026</b>	<b>291</b>	<b>969,247</b>	<b>1,600</b>	<b>95,253</b>	<b>85,749</b>	<b>14,058,271</b>	<b>14,144,020</b>	<b>108,217</b>
<b>Net position</b>											
Net investment in capital assets	18,163,696	-	2,615,109	1,797,892	20,312,604	2,086,213	446,107	6,241,245	(2,856,815)	3,384,430	1,584,355
Restricted	-	-	-	-	-	-	-	224,143	925,101	1,149,244	-
Unrestricted	6,270,149	798,724	519,398	409,986	1,886,340	66,578	240,298	-	-	-	125,042
<b>Total net position</b>	<b>\$ 24,433,845</b>	<b>\$ 798,724</b>	<b>\$ 3,134,507</b>	<b>\$ 2,207,878</b>	<b>\$ 22,198,944</b>	<b>\$ 2,152,791</b>	<b>\$ 686,405</b>	<b>\$ 6,465,388</b>	<b>\$ (1,931,714)</b>	<b>\$ 4,533,674</b>	<b>\$ 1,709,397</b>

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**ENTITY FINANCIAL STATEMENTS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - OTHER ENTITIES AND**  
**AUXILIARY ENTERPRISES**  
**For the Year Ended June 30, 2020**

	Activities							Auxiliary Enterprises			
	Student Fee Programs	Indirect Cost	Public Service Activities	Student and Staff Services	Service Departments	Educational Services	Educational Contracts	Revenue Bonds			Other Auxiliary Enterprises
								Student Union	Parking Lot Administration	Total Revenue Bonds	
<b>OPERATING REVENUES</b>											
Student tuition and fees	\$ 8,872,127	\$ 362,066	\$ -	\$ 275,738	\$ -	\$ -	\$ -	\$ 719,134	\$ 654,812	\$ 1,373,946	\$ -
Federal grants and contracts	-	1,075,884	-	-	-	-	-	-	-	-	-
State and local grants	-	38,504	-	-	-	-	-	-	-	-	-
Nongovernmental grants and contracts	-	70,788	-	-	-	-	184,899	-	-	-	-
Auxiliary enterprises	-	198,467	-	-	-	-	-	129,115	1,338,461	1,467,576	553,752
Other operating revenues	56,389	-	442,385	267,327	2,786,423	124,460	-	-	22,330	22,330	-
Total operating revenues	8,928,516	1,745,709	442,385	543,065	2,786,423	124,460	184,899	848,249	2,015,603	2,863,852	553,752
<b>OPERATING EXPENSES</b>											
Personal services, retirement, social security and group insurance	1,660,660	622,760	118,772	180,179	249,753	84,041	218,339	608,203	615,598	1,223,801	544,760
Contractual services	3,935,695	732,987	225,501	656,113	2,250,642	24,696	20,530	308,315	210,142	518,457	30,355
Travel	8,312	54,116	1,399	13,079	399	300	5,354	11,066	772	11,838	-
Commodities	122,135	84,677	20,028	121,498	23,594	-	6,715	3,524	22,299	25,823	37,880
Equipment	366,540	161,135	26,023	18,620	-	3,741	14,192	11,819	-	11,819	-
Telecommunications	65,380	3,878	688	-	-	56	-	-	-	-	-
Operation of automotive equipment	-	2,280	-	790	4,466	-	-	39	1,161	1,200	-
Awards and grants	2,268	40,469	-	5,571	-	-	-	-	-	-	-
Permanent improvements	-	-	7,875	45,500	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	175,067	555,465	730,532	-
Total operating expenses	6,160,990	1,702,302	400,286	1,041,350	2,528,854	112,834	265,130	1,118,033	1,405,437	2,523,470	612,995
Operating income (loss)	2,767,526	43,407	42,099	(498,285)	257,569	11,626	(80,231)	(269,784)	610,166	340,382	(59,243)
<b>NONOPERATING REVENUES (EXPENSES)</b>											
Investment income	-	-	-	-	-	-	-	3,683	-	3,683	-
Interest on indebtedness	-	-	-	-	-	-	-	-	(540,000)	(540,000)	-
Net nonoperating revenues (expenses)	-	-	-	-	-	-	-	3,683	(540,000)	(536,317)	-
<b>INCOME (LOSS) BEFORE TRANSFER IN (OUT)</b>	2,767,526	43,407	42,099	(498,285)	257,569	11,626	(80,231)	(266,101)	70,166	(195,935)	(59,243)
<b>TRANSFERS IN (OUT) OTHER FUNDS</b>	(1,577,514)	1,717	(306,304)	(2,821,445)	(2,354,105)	(141,280)	(439,046)	(284,974)	184,652	(100,322)	(705,708)
<b>NET INCREASE (DECREASE) IN NET POSITION</b>	1,190,012	45,124	(264,205)	(3,319,730)	(2,096,536)	(129,654)	(519,277)	(551,075)	254,818	(296,257)	(764,951)
<b>NET POSITION, BEGINNING OF YEAR</b>	23,243,833	753,600	3,398,712	5,527,608	24,295,480	2,282,445	1,205,682	7,016,463	(2,186,532)	4,829,931	2,474,348
<b>NET POSITION, END OF YEAR</b>	\$ 24,433,845	\$ 798,724	\$ 3,134,507	\$ 2,207,878	\$ 22,198,944	\$ 2,152,791	\$ 686,405	\$ 6,465,388	\$ (1,931,714)	\$ 4,533,674	\$ 1,709,397



**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF CHANGES IN PROPERTY**  
**For the Year Ended June 30, 2020**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Land	\$ 26,442,932	\$ -	\$ -	\$ -	\$ 26,442,932
Land improvements	12,145,086	-	-	-	12,145,086
Building and building improvements	227,873,622	24,825	-	-	227,898,447
Equipment	32,586,940	2,080,062	3,359,046	-	31,307,956
Library books	26,925,390	422,886	9,784	-	27,338,492
Construction in progress	2,454,979	1,439,040	39,257	-	3,854,762
Total	<u>\$ 328,428,949</u>	<u>\$ 3,966,813</u>	<u>\$ 3,408,087</u>	<u>\$ -</u>	<u>\$ 328,987,675</u>

Note 1: The balances were obtained from the University's records and have been reconciled to the University's *Quarterly Agency Report of State Property* reports submitted to the Office of the Comptroller for the year ended June 30, 2020.

Note 2: This schedule was prepared from the State property records as required by the Illinois Administrative Code (Code) and the Statewide Accounting Management System (SAMS). The capitalization policy required by the Code and SAMS is different from the capitalization policy established by the Office of the Comptroller for financial reporting in accordance with the generally accepted accounting principles (GAAP).

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF SOURCES AND APPLICATION OF INDIRECT COST**  
**REIMBURSEMENTS**  
**For the Year Ended June 30, 2020**

**Sources**

Student tuition and fees	\$ 362,066
Federal grants and contracts	1,075,884
State and local grants	38,504
Nongovernmental grants and contracts	70,788
Auxiliary enterprises	<u>198,467</u>
 Total sources	 <u>1,745,709</u>

**Applications**

Personal services, retirement, social security and group insurance	622,760
Contractual services	740,187
Travel	54,116
Commodities	84,677
Equipment	161,135
Telecommunications	3,878
Operation of automotive equipment	2,280
Awards and grants	40,469
Permanent improvements	<u>(7,200)</u>
 Total applications	 <u>1,702,303</u>

**Excess of sources over applications** 43,407

**Transfers**

Transfers to other funds	<u>1,717</u>
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**Excess of sources over applications after transfers** 45,124

**Fund Balance, Beginning of Year** 753,600

**Fund Balance, End of Year** \$ 798,724

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF FEDERAL AND NONFEDERAL ACTIVITY**  
**For the Year Ended June 30, 2020**

The following schedules are used to determine the University's Single Audit costs in accordance with the Uniform Guidance (2 CFR § 200.425).

**SCHEDULE A - FEDERAL FINANCIAL COMPONENT**

Total federal expenditures reported on SEFA schedule <sup>1</sup>	\$ 52,960,275
<b>TOTAL SCHEDULE A</b>	<u>\$ 52,960,275</u>

**SCHEDULE B - TOTAL FINANCIAL COMPONENT**

Total operating expenses <sup>2</sup>	\$ 174,764,096
Total nonoperating expenses <sup>2</sup>	1,946,056
Total new loans made <sup>5</sup>	17,552,368
Amount of federal loan balances at the beginning of the year <sup>4</sup>	1,313,465
Other noncash federal award expenditures <sup>3</sup>	<u>-</u>
<b>TOTAL SCHEDULE B</b>	<u>\$ 195,575,985</u>

**SCHEDULE C - COMPUTATION OF NONFEDERAL EXPENSES**

		Percent
Total Schedule B	\$ 195,575,985	100%
Total Schedule A	<u>\$ 52,960,275</u>	<u>27%</u>
<b>TOTAL SCHEDULE C</b>	<u>\$ 142,615,710</u>	<u>73%</u>

<sup>1</sup> Obtained from the Schedule of Expenditures of Federal Awards.

<sup>2</sup> Obtained from the Statement of Revenues, Expenses, and Changes in Net Position.

<sup>3</sup> Obtained from the Notes to the Schedule of Expenditures of Federal Awards.

<sup>4</sup> Balance at the beginning of the fiscal year with continuing compliance requirements.

<sup>5</sup> Balance of loans issued during the fiscal year.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (UNAUDITED)  
For the Year Ended June 30, 2020**

**Description of Planning System**

Functions

*Mission*

The Northeastern Illinois University (University), as a public comprehensive university with locations throughout Chicago, provides an exceptional environment for learning, teaching, and scholarship. The University prepares a diverse community of students for leadership and service in our region and in a dynamic multicultural world.

*Vision*

The University will be a leader among metropolitan universities, known for its dedication to its urban mission, for the quality of its programs, for the success of its graduates, and for the diversity of its learning environment.

*Values*

The University is committed to a set of shared values - *integrity, excellence, access to opportunity, diversity, community, and empowerment through learning* - that, taken collectively, guides their actions and interactions, both within and throughout the University and outside the University, as they work together to prepare graduates for the responsible exercise of citizenship. These values serve as the touchstone for planning how the University will best achieve the educational mission entrusted to them.

Planning

The University has identified six strategic goals as the most critical objectives in meeting their Mission and achieving their Vision. These strategic goals, and the action steps accompanying each goal, are used to establish their work and budget priorities each year, and serve as the framework to determine the success of the University. The six strategic goals are as follows:

- (1) Student Success: Ensure student success from recruitment through graduation by creating a culture in which all members of the University community are engaged in attracting, educating, and graduating students who achieve the objectives for baccalaureate and graduate degrees.
- (2) Academic Excellence and Innovation: Develop an environment that supports curricular and pedagogical innovation aligned with the mission of the institution, the standards of the disciplines, student needs, and career and civic opportunities in a global society.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (UNAUDITED) (Continued)**  
**For the Year Ended June 30, 2020**

- (3) Urban Leadership: Work collaboratively with educational, social service, governmental, and business institutions in Chicago and the region to build upon the University's tradition of community involvement.
- (4) Exemplary Faculty and Staff: Invest in faculty and staff to make the University a world-class metropolitan university and an employer of choice.
- (5) Enhanced University Operations: Provide a supportive learning, teaching and working environment by improving operating productivity, physical infrastructure, and environmental sustainability.
- (6) Fiscal Strength: Enhance the University's financial position by reducing reliance on State general funds and student tuition, diversifying revenue sources, and strengthening institutional relationships with federal, State, and local governments, and private sponsors.

**Metrics**

Also included in the University's strategic plan are the specific action steps, which outline the various activities the University undertakes to achieve its strategic goals. The University analyzes the action steps under each strategic goal to determine the areas of responsibility, timeframes, required resources, priority order of the action steps, and yearly tasks that help them accomplish the action steps. The University develops annual work plans and work teams (across units) as needed.

The University develops, using the President's Council and the Office of Institutional Research, a limited number of key indicators or benchmarks for each strategic goal. They are measured periodically and the results reported to the University community and posted on the University website. The University requires unit goals and actions to be in harmony with the University strategic goals.

Annual progress reports are provided to University community (e.g., the State of the University address) and the Board of Trustees. The University continues to strive to achieve its goals, reflecting excellence and accountability in the implementation of this plan. The President highlights metrics of particular importance within the State of the University address.

Under President Gibson's leadership, the University places particular importance on the achievement gap between the various populations Northeastern serves. The retention rate for the 2019 freshman class was 66.9 percent, with the gap in retention between Latino students and white students shrinking substantially. There remains a gap between African American and white students, but it has closed quite a bit in the last three years. Both African American and Latino students have shown the highest retention rates in over a decade. An intentional push to have students connected to success programs and satellite locations helped to drive the improvement in this important metric.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (UNAUDITED) (Continued)**  
**For the Year Ended June 30, 2020**

The achievement gap between different populations for transfer students is also an important metric that has seen significant improvement. Overall, the transfer student retention rate from the 1<sup>st</sup> to 2<sup>nd</sup> year has improved over the last four years, from 67.90 percent in 2016 to 75.20 percent in 2019.

**Significant Challenges**

The COVID-19 pandemic has had an impact on the University's operations. In response to the Governor's stay-at-home order to curb the spread of the COVID-19 virus, the University shifted to a "stay-at-home" mode with remote instruction and learning, and on-campus operations limited to only those deemed critical. The University's COVID-19 Task Force planned for limited face-to-face instruction with largely remote learning and operations, and the University adjusted fees imposed for remote offerings. University facilities were deep cleaned and sanitized with modifications and enhancements made to allow for social distancing, including signage and plexiglass installations.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**DESCRIPTION OF ACTIVITIES AND ACCOUNTING ENTITIES (UNAUDITED)**  
**For the Year Ended June 30, 2020**

Accounting entities as defined by the 1982 (Amended 1997) Legislative Audit Commission Guidelines and their primary revenue sources are as follows:

Activities

*Student Fee Programs* are organized student activities funded primarily by student fees.

*Indirect Costs* are accounts for indirect cost reimbursements received for University grants and contracts.

*Public Service Activities* are noncredit conferences, seminars, short courses, and other services offered to the public for a fee. The primary revenue source is the fee charged to participants.

*Student and Staff Services* are services offered at a charge to University staff and students.

*Service Departments* provide products or services to organizational units within the University. Charges for services provide the revenue.

*Educational Services* are activities related to the educational process which incidentally generate products or services made available to the public for a charge.

*Educational Contracts* are courses for credit which are presented by, and have the course content coordinated with, a government unit, community organization, or private business.

Auxiliary Enterprises

*Student Union* is an operation financed by revenue bonds with principal operations, including food service, conference and assembly space, student card services, information services, vending machines, and bookstore.

*Parking Lot Administration* provides the operation, maintenance, and development of the University parking facilities which is also financed by revenue bonds. Revenues come from charges for parking and fines.

*Other Auxiliary Enterprises* includes self-supporting activity of child care.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES (UNAUDITED)**  
**For the Year Ended June 30, 2020**

Fiscal Year 2020 Compared to Fiscal Year 2019

The University's Fiscal Year 2020 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 18-19 and 20, respectively, within its separately released Fiscal Year 2020 financial audit report. Additionally, the University's Fiscal Year 2019 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 16-17 and 18, respectively, within its previously released Fiscal Year 2019 financial audit report.

**Statement of Net Position**

Accounts receivable, net

The increase in accounts receivables of \$5,562,420 (35%) was mainly due to uncollected State appropriations as of fiscal yearend as processing of intergovernmental transactions slowdown due to remote working caused by the pandemic.

Deferred outflows of resources - Other postemployment benefits

The increase in deferred outflows of resources - other postemployment benefits of \$1,497,189 (134%) was mainly due to changes in assumptions in the valuation of the University's other postemployment benefits.

Federal loan contributions refundable

The increase in federal loan contributions refundable of \$656,462 (100%) was due to reclassification of Perkin fund balance to liability due to final closeout of this program.

Deferred inflows of resources - Other postemployment benefits

The decrease in deferred inflows of resources - other postemployment benefits of \$855,147 (17%) was mainly due to changes in assumptions in the valuation of the University's other postemployment benefits.



**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES (UNAUDITED)**  
**For the Year Ended June 30, 2020**

**Statement of Revenues, Expenses and Changes in Net Position**

Federal grants and contracts

The decrease in federal grants and contracts of \$ 1,755,266 (10%) was mainly due to the winding down of GEAR UP 4, GEAR UP 5 and Enhancing Career Opportunities in Biomedical and Environmental Health Sciences at an Urban Hispanic Serving Institution federal programs during the fiscal year.

Auxiliary enterprises and contracts

The decrease in auxiliary enterprises and contracts of \$876,504 (34%) was due to the overall decline in revenue from childcare center, vending, bookstore, and parking because of the campus closure due to the COVID-19 pandemic starting in March 2020.

Other operating revenues

The decrease in other operating revenues of \$328,572 (16%) was due to the overall decline in space rental of various University facilities and other miscellaneous activities because of the campus closure due to the COVID-19 pandemic starting in March 2020.

Special funding revenue

The increase in special funding revenue of \$ 7,145,489 (23%) was mainly due to an increase in the University's proportionate share for pension contribution in the General Revenue Fund during the year.

Payments on behalf of the University

The decrease in payments on behalf of the University of \$2,068,000 (21%) was due to a decline in health, dental, and vision insurance costs during the fiscal year.

Federal Grants - CARES Act

The increase in federal grants - CARES Act of \$ 3,372,708 (100%) was due to the COVID-19 funding the University received during the fiscal year of which \$2.8 million was distributed to students and \$0.6 million was used to cover educational expenses.

State grants - MAP & AIM HIGH

The increase in State grants - MAP & AIM HIGH of \$ 2,036,671 (24%) was due to an increase in the allocation of MAP grant from the State during the fiscal year. In addition, the increase was due to the initial implementation of the AIM HIGH grant from the State during the year.

Investment income

The decrease in investment income of \$ 210,856 (20%) was due to a decrease in cash balance in the Illinois Funds as expenses increases due to COVID-19 and late receipt of State appropriation funds.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES (UNAUDITED)  
For the Year Ended June 30, 2020**

**Statement of Revenues, Expenses and Changes in Net Position**

Research

The decrease in research of \$597,166 (32%) was mainly due to the decline in contractual expenses as the U54 grant was closed out during the fiscal year.

Public service

The decrease in public service of \$1,706,197 (12%) was mainly due to the decrease in the GEAR UP 4 and GEAR UP 5 grant. The GEAR UP grant is in a no cost extension year and the University did not receive additional funding during the fiscal year.

Scholarships and fellowships

The increase in Scholarships and fellowships of \$2,471,376 (38%) was mainly due to the distribution of CARES Act grant to students totaling about \$2.8 million during the fiscal year.

Termination of federal loan programs

The increase in termination of federal loan programs of \$656,462 (100%) was due to a reclassification of Perkin fund balance to liability due to final closeout of this program.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES (UNAUDITED)  
For the Year Ended June 30, 2020**

Fiscal Year 2020 Compared to Fiscal Year 2019

**Education Assistance Fund - 007**

Personal Services and Group Insurance

In Fiscal Year 2020, there were no significant variation in expenditures.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
ANALYSIS OF SIGNIFICANT IN LAPSE PERIOD SPENDING (UNAUDITED)  
For the Year Ended June 30, 2020**

In Fiscal Year 2020, there were no significant lapse period spending.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**CALCULATION SHEETS - CURRENT EXCESS FUNDS (UNAUDITED)**  
**For the Year Ended June 30, 2020**

	Activities						Auxiliary Enterprises				
	Student Fee Programs	Public Service Activities	Student and Staff Services	Service Departments	Other Educational Services	Educational Contracts	Revenue Bonds			Other Auxiliary Enterprises	
							Student Union	Parking Lot Administration	Total Revenue Bonds		
<b>1. Current Available Funds:</b>											
Cash	A.	\$ 5,180,727	\$ 553,424	\$ 367,983	\$ 2,674,717	\$ 68,178	\$ 335,551	\$ 511,416	\$ 588,326	\$ 1,099,742	\$ 233,259
<b>2. Working capital allowance:</b>											
Highest month's expenditures		1,430,564	100,942	497,614	411,864	19,032	84,856	400,525	203,134	603,659	80,915
Current liabilities		89,761	34,027	(7,340)	494,727	1,600	6,900	85,733	57,790	143,523	73,403
Deferred income		161,934	-	291	-	-	88,353	17	1,842	1,859	-
Refundable deposits		-	-	-	65,051	-	-	-	-	-	34,814
Encumbrances		289,355	53,557	72,626	507,561	9,851	5,823	10,805	113,396	124,201	42,031
Total working capital allowance	B.	1,971,614	188,526	563,191	1,479,203	30,483	185,932	497,080	376,162	873,242	231,163
<b>3. Current Excess Funds:</b>											
Deduct B from A	C.	3,209,113	364,898	(195,208)	1,195,514	37,695	149,619			226,500	2,096
<b>4. Calculation of Income Fund Remittance</b>											
An entity may offset excess capital or current funds within the entity.											
Enter the amount to be offset:											
Allowable capital reserves (see below)	D.	5,482,032	266,858		2,007,030	380,260	103,403			710,241	(216,049)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit remit in the Income Fund		\$ (2,272,919)	\$ 98,040		\$ (811,516)	\$ (342,565)	\$ 46,216			\$ (483,741)	\$ 218,145
<b>Excess Funds Offset</b>											
Allowable capital reserves		\$ 6,476,011	\$ 613,489		\$ 4,518,085	\$ 446,516	\$ 144,230			\$ 2,649,318 *	\$ 385,718
Actual capital reserves		993,979	346,631		2,511,055	66,256	40,827			1,939,077	601,767
Total Excess Funds Offset		\$ 5,482,032	\$ 266,858		\$ 2,007,030	\$ 380,260	\$ 103,403			\$ 710,241	\$ (216,049)

\* This represents allowable capital reserves as required by the provisions of the University Revenue Bonds Facilities System bond resolution.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**CALCULATION SHEETS - INDIRECT COST CARRYFORWARD (UNAUDITED)**  
**For the Year Ended June 30, 2020**

1. Cash and cash equivalents balance:	
Cash and cash equivalents	<u>\$ 946,194</u>
2. Allocated reimbursements:	
Indirect cost reimbursements allocated for expenditure for the fiscal year completed: (\$2,347,886 @ 30%)	704,366
3. Unallocated reimbursements:	
Lesser of actual unallocated indirect cost reimbursements for the year completed OR 10% of total indirect cost allocations for the year completed	151,532
4. Encumbrances and current liabilities paid in the lapse period:	
Current liabilities and encumbrances	<u>346,585</u>
5. Indirect cost carry-forward	<u>1,202,483</u>
<b>EXCESS CASH TO BE DEPOSITED TO THE UNIVERSITY INCOME FUND</b>	<u><u>\$ (256,289)</u></u>

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**NUMBER OF EMPLOYEES (UNAUDITED)**  
**For the Year Ended June 30,**

Average Full-Time Employee by Type	<u>2020</u>	<u>2019</u>
Faculty	396	403
Academic Professionals	164	170
Administration	142	140
Other Professionals	259	255
Support Staff	106	106
Total	<u>1,067</u>	<u>1,074</u>

Note 1: This information presents the average number of employees, by type, at the University.

Note 2: The other professional includes business operations, computer support, engineering, community and social services, legal, entertainment and media, production, transportation, and healthcare.

Note 3: Full-time equivalents were prepared in accordance with the State of Illinois, Board of Higher Education's methodology where (1) each employee with a full-time contract is counted as a full-time equivalent and (2) each part-time employee is multiplied by the number of months worked and then divided by 12 to derive their full-time equivalency.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**COST STATISTICS (UNAUDITED)**  
**For the Year Ended June 30,**

	<u>2020</u>	<u>2019</u>
<b><u>Appropriation Method</u></b>		
<b>Undergraduates</b>		
Total Costs	\$ 19,118,398	\$ 18,903,493
Student Credit Hours	<u>126,945</u>	<u>138,804</u>
Cost per Student Credit Hours	<u>\$ 151</u>	<u>\$ 136</u>
<b>Graduates</b>		
Total Costs	\$ 4,044,782	\$ 3,541,851
Student Credit Hours	<u>26,857</u>	<u>26,007</u>
Cost per Student Credit Hours	<u>\$ 151</u>	<u>\$ 136</u>
<b><u>Instructional Method</u></b>		
<b>Undergraduates</b>		
Total Costs	\$ 64,508,928	\$ 62,713,360
Full-time Equivalent Students	<u>4,231</u>	<u>4,627</u>
Cost per Full-time Equivalent Students	<u>\$ 15,247</u>	<u>\$ 13,554</u>
<b>Graduates</b>		
Total Costs	\$ 17,061,094	\$ 14,692,304
Full-time Equivalent Students	<u>1,119</u>	<u>1,084</u>
Cost per Full-time Equivalent Students	<u>\$ 15,247</u>	<u>\$ 13,554</u>

Note 1: The total cost for the appropriations method is calculated by taking (1) the total State appropriated costs for all credit hours and instructional operating costs, (2) less costs for public service, organized research, student financial aid, independent operations, auxiliary enterprises, appropriations for the State Universities Retirement System, and appropriations for workers' compensation.

Note 2: The total cost for the instructional expenses method is total operating expenses related to instruction from the University's Statement of Revenues, Expenses, and Changes in Net Position.

Note 3: Undergraduate full-time equivalent student is computed as the total number of credit hours divided by 30. Graduate full-time equivalent student is computed as the total number of credit hours divided by 24.



**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
HOUSING BENEFITS (UNAUDITED)  
For the Year Ended June 30, 2020**

Qualified Campus Lodging

The University does not provide a residence for University management or staff. The University President does receive a housing allowance in accordance with the University President's contract.

Lodging Provided for the Convenience of the Employer

The University does not require lodging for convenience for management or staff.

Other Lodging

The University provides campus housing in the University's student residence hall, in limited cases for employees relocating to Chicago and temporary assignments. The University does not include a taxable fringe benefit within the employee's wages for this lodging.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**ANALYSIS OF OVERTIME AND COMPENSATORY TIME (UNAUDITED)**  
**For the Year Ended June 30,**

	<u>2020</u>	<u>2019</u>
<u>Overtime Hours Paid</u>		
Faculty <sup>1</sup>	-	-
Other Academic Professional <sup>2</sup>	213	128
Administration	193	194
Other Professionals <sup>3</sup>	10,663	10,283
Civil Service	356	320
Total	<u>11,425</u>	<u>10,925</u>
<u>Compensatory Hours Granted</u>		
Faculty <sup>1</sup>	-	-
Other Academic Professional <sup>2</sup>	-	-
Administration	-	-
Other Professionals <sup>4</sup>	416	389
Civil Service	-	-
Total	<u>416</u>	<u>389</u>
Total Overtime and Compensatory Hours	<u>11,841</u>	<u>11,841</u>
<u>Value of Overtime Hours Paid</u>		
Faculty <sup>1</sup>	\$ -	\$ -
Other Academic Professional <sup>2</sup>	6,347	4,076
Administration	6,443	6,443
Other Professionals <sup>3</sup>	488,325	469,661
Civil Service	10,088	8,901
Total	<u>\$ 511,203</u>	<u>\$ 489,081</u>
<u>Value of Compensatory Hours Granted</u>		
Faculty <sup>1</sup>	\$ -	\$ -
Other Academic Professional <sup>2</sup>	-	-
Administration	-	-
Other Professionals <sup>4</sup>	19,268	18,157
Civil Service	-	-
Total	<u>19,268</u>	<u>18,157</u>
Total Value of Overtime and Compensatory Hours	<u>\$ 530,471</u>	<u>\$ 507,238</u>

<sup>1</sup> Includes tenure line faculty, instructors, and librarians.

<sup>2</sup> Includes advisors and support staff in confidential offices, e.g., Office of the Provost.

<sup>3</sup> Includes business operations, computer support, engineering, community and social services, legal, entertainment and media, production, transportation, campus security, and healthcare.

<sup>4</sup> Include campus security only.

**NORTHEASTERN ILLINOIS UNIVERSITY  
A COMPONENT UNIT OF THE STATE OF ILLINOIS  
MAJOR CONSTRUCTION PROJECTS (UNAUDITED)  
For the Year Ended June 30, 2020**

Detention Basin Expansion

The University continued progress on the approximately \$974,800 expansion of the existing detention basin located at the south end of the Main Campus. The project involves expanding and deepening the existing detention basin to accommodate the additional storm water detention resulting from the new proposed Education Building (a CDB Project #817-010-055). The project began in November 2018 and the project is currently expected to be finished in September 2020.

Replace Electric Cable

The University continued progress on the approximately \$1.89 million replacement of existing electric cabling on the Main Campus. The project (a CDB Project #817-010-079) involves replacement of old existing medium voltage aluminum cabling and outdated tap boxes in the various building on the main campus. The Project began in March 2019 and is currently expected to be finished in February 2021.

Campus Roof Replacement

The University continued progress on the approximately \$4.8 million replacement of existing roofs and related masonry restoration of various buildings on the Main Campus. The project (a CDB Project #817-010-080) involves replacement of existing old (out of warranty) roofs and related building envelope and masonry restoration to prevent moisture penetration in the interior spaces of the buildings. The Project began in April 2019 and is currently expected to be finished in February 2021.

Entrance and Walkways

The University continued progress on the approximately \$5.13 million repairs/improvements of pavement and parking structure on the Main Campus. The project (a CDB Project #817-010-081) involves analysis, recommendation, design and implementation of repairs and improvements of asphalt roads, parking pavements, concrete parking decks, parking structure, concrete sidewalks and concrete entrance plazas. The Project is currently under analysis and schematic design phase.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS (UNAUDITED)**  
**For the Year Ended June 30, 2020**

Purpose

In accordance with a July 25, 2000, memorandum from the Office of the Auditor General entitled *Matters Regarding University Audits*, certain supplemental data is required to be reported for University engagements. The table below cross references the requirements (indicated by number and letter paragraph references) to the University's financial audit and compliance examination reports for the year ended June 30, 2020, where such special data is found.

Compliance Findings

- 13(a) There were no violations of the compliance requirements of the *University Guidelines* identified during the financial audit and compliance examination of the University for the year ended June 30, 2020.

Indirect Cost Reimbursements

- 13(b) A statement of the sources and application of indirect cost recoveries is presented on Schedule 9 within this report.
- 13(c) The University's calculation sheet for indirect cost carryforward and any required remittance to the University's Income Fund is presented within this report on page 91.

Tuition Diversions

- 13(d) There were no diversions of tuition revenues to auxiliary enterprise operations identified during the financial audit and compliance examination of the University for the year ended June 30, 2020.

Auxiliary Enterprises, Activities and Accounting Entities

- 13(e) An identification of each specific accounting entity and a description of each entity's sources of revenues and purpose are presented within this report on page 84.
- 13(f) The present financial statements for each accounting entity are presented on Schedules 6 through 7 within this report. These financial statements should be read in conjunction with the University's audited financial statements for the year ended June 30, 2020.
- 13(g) The University's calculation sheets for current excess funds within each accounting entity and any required remittance to the University's Income Fund are presented within this report on page 90.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS**  
**(UNAUDITED) (Continued)**  
**For the Year Ended June 30, 2020**

Auxiliary Enterprises, Activities and Accounting Entities (Continued)

- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the University's financial audit report in the Table of Operating Expenses on page 69.
- 13(i) The present financial statements for University Facilities System Revenue Bond Funds which are covered by a bond indenture are presented in Schedules 6 through 7 within this report. A description of the University Facilities System Revenue Bond Funds' sources of revenues and purpose are presented within this report on page 84.
- 13(j) There were no violations of the University's bond covenants identified during the financial audit and compliance examination for the year ended June 30, 2020.
- 13(k) The University does not currently have any non-instructional reserves established by the University's Board of Trustees.

University Related Organizations

- 13(l) The University recognizes the Northeastern Illinois University Foundation (the "Foundation") as University related organization. The University does not have any "Independent Organizations" as defined in Section VII of the *University Guidelines*.
- 13(m) A summary of Northeastern Illinois University Foundation payments to the University for services and supports provided is presented within this report on page 100.
- 13(n) A summary of University payments to the Foundation for services and supports provided by the Foundation is presented within this report on page 100.
- 13(o) At June 30, 2020, there was no unreimbursed subsidies to the Foundation from the University or appropriated funds.
- 13(p) There is no debt financing provided by the Foundation.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS**  
**(UNAUDITED) (Continued)**  
**For the Year Ended June 30, 2020**

Other Topics

- 13(q) Schedules of cash and cash equivalents, and investments are disclosed within the financial statements in Note 2 on page 32.
- 13(r) Income from the investment of pooled funds is credited to the University's Income Fund. Income from the investment of non-pooled funds is credited to the fund making the investment.
- 13(s) The cost per full-time equivalent student, prepared in accordance with the requirements of the State of Illinois, Board of Higher Education, is presented within this report on page 93.
- 13(t) The University did not purchase any real estate with an acquisition costs in excess of \$250,000 that was not funded by a separate, specific appropriation from the General Assembly.
- 13(u) The University's certificates of participation are presented in Note 9 on pages 40 through 43 of the June 30, 2020 financial statements.

Other Schedules

- 13(1) An analysis of State appropriations to the University is presented in Schedules 2 to 4 within this report. In addition, the University's analysis of significant variations in expenditures and significant spending during the lapse period is presented within this report on pages 88 and 89, respectively.
- 13(2) A Comparative Schedule of Revenues and Expenses for the University's Income Fund is presented in Schedule 5 within this report.
- 13(3) Separate schedules of tuition and fee waivers for undergraduate and graduate students, respectively, are presented within this report on page 101.

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SUMMARY OF FOUNDATION TRANSACTIONS WITH THE UNIVERSITY**  
**(UNAUDITED)**  
**For the Year Ended June 30, 2020**

During Fiscal Year June 30, 2020, the University engaged the Foundation, under contract, to provide fundraising services. As provided in the contract agreement, the University advanced \$0 in funds and provided an additional \$762,128 of services to the Foundation. As required by the contract, the Foundation repaid the University, using funds considered unrestricted for purposes of the University Guidelines computations. In addition, the Foundation gave the University non-qualifying restricted funds.

During the fiscal year ended June 30, 2020, the University and Foundation had the following inter-entity transactions:

Northeastern Illinois University	Northeastern Illinois University Foundation	
	Other operating expenses (Program services)	Other operating revenues (Support and program revenue)
<u>Operating Revenues</u>		
Student tuition and fees, net	\$ 568,473	\$ -
Nongovernmental grants and contracts	214,940	-
<u>Operating Expenses</u>		
Compensation and benefits	-	720,177
Supplies and services	-	4,513
Use of space	-	37,438
	<u>\$ 783,413</u>	<u>\$ 762,128</u>

**NORTHEASTERN ILLINOIS UNIVERSITY**  
**A COMPONENT UNIT OF THE STATE OF ILLINOIS**  
**SCHEDULE OF TUITION AND FEE WAIVERS (UNAUDITED)**  
**For the Year Ended June 30, 2020**

	Undergraduate					Graduate				
	Tuition Waivers		Fee Waivers		Tuition Waivers		Fee Waivers			
	Number of Recipients (unduplicated)	Number of Recipients (duplicated)	Value of Waivers (in thousands)	Number of Recipients (duplicated)	Value of Waivers (in thousands)	Number of Recipients (unduplicated)	Number of Recipients (duplicated)	Value of Waivers (in thousands)	Number of Recipients (duplicated)	Value of Waivers (in thousands)
<b>Mandatory Waivers</b>										
Teacher Special Education	10	10	\$ 119.1	10	\$ 10.4	21	21	\$ 109.4	21	\$ 7.2
Reserve Officer's Training Corps	6	6	53.0	6	4.6	2	2	21.9	2	1.4
Department of Children and Family Services	13	13	90.9	13	8.0	-	-	-	-	-
Children of Employees	28	28	98.6	-	-	-	-	-	-	-
Senior Citizens	9	9	26.4	-	-	4	4	13.8	-	-
Honorary Scholarships	-	-	-	-	-	-	-	-	-	-
Veterans Grants and Scholarships	87	87	438.8	87	38.4	47	47	187.0	47	12.4
<b>Total Mandatory Waivers</b>	<b>153</b>	<b>153</b>	<b>\$ 826.8</b>	<b>116</b>	<b>\$ 61.4</b>	<b>74</b>	<b>74</b>	<b>\$ 332.1</b>	<b>70</b>	<b>\$ 21.0</b>
<b>Discretionary Waivers</b>										
Faculty/Administrators	-	-	\$ -	-	\$ -	31	31	\$ 90.2	31	\$ 6.0
Civil Service	18	18	68.4	18	6.0	75	75	246.3	75	16.3
Academic/Other Talent	418	431	973.8	-	-	214	214	316.5	-	-
Foreign Exchange Students	51	51	614.3	51	53.8	5	5	56.5	5	3.7
Student Need-Financial Aid	151	151	193.9	-	-	19	19	24.7	-	-
Cooperating Professionals	6	6	12.0	6	1.0	41	41	69.6	41	4.6
Research Assistants	-	-	-	-	-	11	11	36.1	11	2.4
Teaching Assistants	-	-	-	-	-	43	43	213.3	43	14.1
Other Assistants	-	-	-	-	-	63	63	301.8	63	20.0
Interinstitutional/Related Agencies	22	22	72.4	22	6.3	17	17	88.2	17	5.8
Contract/Training Grants	-	-	-	-	-	25	25	140.6	25	9.3
<b>Total Discretionary Waiver</b>	<b>666</b>	<b>679</b>	<b>\$ 1,934.8</b>	<b>97</b>	<b>\$ 67.1</b>	<b>544</b>	<b>544</b>	<b>\$ 1,583.8</b>	<b>311</b>	<b>\$ 82.2</b>

Note 1: Tuition and Fee Waiver Report submitted to the Illinois Board of Higher Education (IBHE) covers data for Academic Year 2019-2020.