

# Chicago State University

A COMPONENT UNIT OF THE  
STATE OF ILLINOIS

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## FEDERAL SINGLE AUDIT

In Accordance with the  
Single Audit Act and  
Applicable Federal Regulations

FOR THE YEAR ENDED  
JUNE 30, 2021

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

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**FEDERAL SINGLE AUDIT**  
*In Accordance with the Single Audit Act and Applicable Federal Regulations*  
**For the Year Ended June 30, 2021**

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**UNIVERSITY OFFICIALS**

President	Ms. Zaldwaynaka Scott, Esq.
Chief of Staff	Mr. Kim Tran
Interim Provost and V.P. for Academic Affairs	Dr. Leslie Roundtree
Interim General Counsel, Chief Compliance Officer and V.P. of Legal Affairs (01/18/21 - Present)	Mr. Walter Pryor
V.P., General Counsel and Chief Compliance Officer of Labor and Legal Affairs (10/31/20 - Present)	Vacant
V.P., General Counsel and Chief Compliance Officer of Labor and Legal Affairs (07/01/20 - 10/30/20)	Ms. Stephanie Kelly, Esq.
CFO and V.P. of Financial Operations (09/16/20 - Present)	Mr. Craig Duetsch
Acting CFO and V.P. of Financial Operations (07/01/20 - 09/15/20)	Mr. Larry Owens, CPA
Executive Director/Controller (07/01/21 - Present)	Ms. Rona Lagdamen, CPA
Interim Executive Director/Controller (07/01/20 - 08/31/21)	Mr. Larry Owens, CPA
Chief Internal Auditor	Ms. Natalie Covello

**BOARD OF TRUSTEES**

Chair	Ms. Andrea Zopp, Esq.
Vice Chair	Mr. Mark Schneider, Esq.
Secretary (07/30/21 - Present)	Ms. Angelique David
Member	Mr. Brian Clay, M.D.
Member	Mr. Cory Thames
Member	Vacant
Member	Vacant
Student Member (07/01/20 - 10/31/20)	Vacant
Student Member (11/01/20 - Present)	Ms. Essence Smart

**UNIVERSITY OFFICE**

The University's primary administrative office is located at:  
9501 S. King Drive  
Chicago, Illinois 60628

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**FEDERAL COMPLIANCE REPORT**

**SUMMARY**

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

**AUDITOR’S REPORT**

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

**SUMMARY OF FINDINGS**

<b>Number of</b>	<b><u>Current Report</u></b>	<b><u>Prior Reports</u></b>
Findings	5	6
Repeated Findings	5	1
Prior Recommendations Implemented or Not Repeated	1	4

**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>Current Findings - Government Auditing Standards</b>				
2021-001	12	2020/2020	Weaknesses over Computer Security	Significant Deficiency and Noncompliance
2021-002	14	2020/2020	Change Control Weaknesses	Significant Deficiency and Noncompliance
2021-003	16	2020/2020	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance

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**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>
<b>Current Findings - Federal Compliance and Questioned Costs</b>				
2021-004	21	2020/2020	Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Education Stabilization Fund	Significant Deficiency and Noncompliance
2021-005	24	2020/2020	Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards	Significant Deficiency and Noncompliance
<b>Prior Finding Not Repeated</b>				
A	26	2020/2019	Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Center for STEM Education and Research	

**EXIT CONFERENCE**

The findings and recommendations in this report were discussed with University personnel at an exit conference on May 23, 2022.

Attending were:

Chicago State University

Ms. Zaldwanayka Scott, Esq., President

Mr. Walter Pryor, Interim General Counsel, Chief Compliance Officer and V.P. of Legal Affairs

Mr. Craig Duetsch, CFO and V.P. of Financial Operations

Ms. Natalie Covello, Chief Internal Auditor

Ms. Leslie Roundtree, Interim Provost and V.P. for Academic Affairs

Ms. Maya Moore, Legal Affairs and Audit Coordinator

Ms. Jimell Byrd-Reno, Special Assistant to the President

Office of the Auditor General

Mr. Reddy Bommareddi, CPA, CISA, Senior Audit Manager

**CHICAGO STATE UNIVERSITY**  
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**FEDERAL SINGLE AUDIT**  
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**EXIT CONFERENCE (CONTINUED)**

Roth & Co, LLP

Ms. Leilani Rodrigo, CPA, CGMA, Partner

Ms. Marites Sy, CPA, CISA, CGMA, Partner

Ms. Darlene Dizon, CPA, Manager

Ms. Ivory Pineda, Supervisor

Ms. Joan Angeles, Associate

The responses to these recommendations were provided by Ms. Natalie Covello, Chief Internal Auditor in correspondences dated April 26, 2022, April 27, 2022, and May 31, 2022.



**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  
Chicago State University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of the Chicago State University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2021, 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 May 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting (internal control) or compliance and other matters of the Chicago State Foundation, a component unit of the University, associated with this component unit 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2021-001 through 2021-003.

***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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2021-003 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 2021-001 and 2021-002 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 the 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 University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
May 31, 2022







**INDEPENDENT AUDITOR'S**  
**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;**  
**REPORT ON INTERNAL CONTROL OVER COMPLIANCE;**  
**REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**REQUIRED BY THE UNIFORM GUIDANCE; AND**  
**REPORT ON THE SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY**

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board of Trustees  
Chicago State University

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

As Special Assistant Auditors for the Auditor General, we have audited compliance by the Chicago State 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, 2021. 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 Chicago State Foundation, a component unit of the University, which are not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2021. 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, 2021.

### ***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 2021-004 and 2021-005. 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 responses.

### ***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 2021-004 and 2021-005, that we consider to be significant deficiencies.

The University's responses 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 and the Report on the Schedule of Federal and Nonfederal Financial Activity***

We have audited the financial statements of the business-type activities, the fiduciary activities, and the discretely presented component unit of the University as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated May 31, 2022, 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. In addition, the accompanying Schedule of Federal and Nonfederal Financial Activity is presented for the purposes of additional analysis and is not a required part of the 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 and the Schedule of Federal and Nonfederal Financial Activity are fairly stated in all material respects in relation to the basic financial statements as a whole.

**SIGNED ORIGINAL ON FILE**

Chicago, Illinois  
May 31, 2022



**CHICAGO STATE 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, 2021**

***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:

Assistance Listing Numbers	Name of Federal Program or Cluster
Various	Student Financial Aid Assistance Cluster
Various	Research and Development Cluster
84.047A and 84.066A	TRIO Cluster
84.425C, 84.425E, and 84.425F	Education Stabilization Fund
93.093	Health Profession Opportunity Grants

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

Auditee qualified as a low-risk auditee?  Yes  No

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

**Current Findings - *Government Auditing Standards***

2021-001.     **FINDING**     Weaknesses over Computer Security

The Chicago State University (University) did not maintain adequate controls over computer security.

The University had invested in computer hardware and systems and established several critical, confidential or financially sensitive systems for use in meeting its mission. However, the University did not have controls to ensure adequate security controls over their computing environment. During testing, we noted:

- Network user accounts were not periodically reviewed.
- Separated employees continued to have access to the domain.
- Encryption software was not consistently installed on laptops and workstations storing University data.
- Information Technology (IT) infrastructure was not secured properly.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control section requires timely termination and periodic reviews of access rights along with installation of device encryption mechanisms to protect the confidentiality and integrity of information; System and Information Integrity section requires implementation of security protection mechanisms; and System and Services Acquisition section requires a properly secured infrastructure.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that resources are utilized efficiently and effectively and in compliance with applicable law.

University management indicated considerable progress had been made in applying systematic processes for system access and control of device locations, but they were not completed and fully implemented before the year-end. University management also indicated due to resource constraints the University was unable to secure the IT infrastructure.

Failure to have adequate security controls over computing resources increases the risk of unauthorized access to the computing environment and the risk that confidentiality, integrity, and availability of systems and data will be compromised. (Finding Code No. 2021-001, 2020-001)

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**Current Findings - *Government Auditing Standards*** (Continued)

2021-001.    **FINDING**    Weaknesses over Computer Security (Continued)

**RECOMMENDATION**

We recommend the University:

- Review network accounts periodically.
- Timely remove the domain access of separated employees.
- Encrypt laptops and workstations that store, process, and contain confidential and sensitive information.
- Ensure the IT infrastructure is properly secured.

**UNIVERSITY RESPONSE**

The University concurs with the recommendation.

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

**Current Findings - Government Auditing Standards (Continued)**

2021-002.     **FINDING**     Change Control Weaknesses

The Chicago State University (University) had weaknesses over change management.

We tested a sample of seven program changes made to the University's Enterprise Application Software, noting:

- Seven changes (100%) did not have a change request documented.
- Seven changes (100%) did not have evidence of approval prior to the development of the change.
- Seven changes (100%) were developed and deployed to the production environment by the same individual without maintaining adequate segregation of duties.
- Four changes (57%) did not have evidence of user acceptance testing and approval prior to deployment of the changes to the production environment.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Configuration Management and System and Communication Protection sections, requires entities to develop and document control over changes, for changes to follow the documented controls, and developers' access to the production environment is restricted.

Further, 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 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, the University's Change Management Process requires changes to be tracked via a Request for Change form and reviewed and approved prior to execution.

University management indicated an application for monitoring approvals was created but not fully implemented. University management also indicated the inadequate segregation of duties was due to lack of staffing.

Failure to control changes increases the risk of unauthorized or improper changes to computer systems. Inadequate segregation of duties in the computing environment increases the risk the confidentiality, integrity, and availability of data will be compromised. (Finding Code No. 2021-002, 2020-002)



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**For the Year Ended June 30, 2021**

**Current Findings - *Government Auditing Standards*** (Continued)

2021-002.     **FINDING**     Change Control Weaknesses (Continued)

**RECOMMENDATION**

We recommend the University comply with its Change Management Process, including the completion of Request for Change forms, approval of changes prior to development, and testing and approval of changes prior to implementation to production. In addition, we recommend adequate segregation of duties be observed to prevent the risk that unauthorized changes are moved to production.

**UNIVERSITY RESPONSE**

The University concurs with the recommendation.

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

**Current Findings - Government Auditing Standards (Continued)**

2021-003.     **FINDING**     Inadequate Internal Controls over Census Data

The Chicago State 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. Finally, CMS' actuaries use census data for employees of the State's public universities provided by SURS along with census data for the other participating members which is provided by the State's four other pension plans to prepare the projection of the OPEB plan's liabilities.

During testing, we noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS 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 the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.

**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

**Current Findings - Government Auditing Standards (Continued)**

2021-003.     **FINDING**     Inadequate Internal Controls over Census Data (Continued)

Based on information we obtained while performing our audit, we learned these deficiencies are pervasive across the public universities participating in SURS and across the State's agencies participating in one of the other four State pension plans, the State Employees' Retirement System of Illinois. These conditions significantly increase the risk there could be errors at one or more employers within the plans, and these errors could have a significant impact on SURS' and CMS' measurement of pension and OPEB liabilities, respectively.

In addition, we noted errors within CMS' allocation of OPEB-related balances across the State's funds, public universities, and the Illinois State Toll Highway Authority related to a failure by CMS to account for a separately financed specific OPEB liability for certain groups of employees at one component unit of the State. The impact of these errors resulted in the University restating its beginning net position by \$5,534,631 as of July 1, 2020.

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's active employees. Even given these exceptions, we performed detail testing of a sample of employees and certain data analysis tests of the total population of the University's census data transactions reported to SURS and did not note any additional exceptions.

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.

**CHICAGO STATE UNIVERSITY**  
A Component Unit of the State of Illinois  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2021**

**Current Findings - Government Auditing Standards (Continued)**

2021-003.     **FINDING**     Inadequate Internal Controls over Census Data (Continued)

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:

- 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

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**Current Findings - Government Auditing Standards (Continued)**

2021-003.     **FINDING**     Inadequate Internal Controls over Census Data (Continued)

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.

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 management indicated the University continued to rely on manual reconciliation processes which were not fully adequate to ensure accuracy and consistency among SURS, CMS, and the records retained at the University.

Failure to reconcile active members' census data reported to and held by SURS to the University's internal records could result in SURS and CMS plans' actuaries relying on incomplete or inaccurate census data in the calculation of the pension and OPEB balances, which could result in a material misstatement of these amounts. In addition, the allocation error involving one component unit in the OPEB plan resulted in misstatements within each employer's allocation, which resulted in a restatement at the University. (Finding Code No. 2021-003, 2020-003)

**RECOMMENDATION**

We recommend the University work with SURS to annually reconcile its active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' 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. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

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**Current Findings - *Government Auditing Standards*** (Continued)

2021-003.     **FINDING**     Inadequate Internal Controls over Census Data (Continued)

**UNIVERSITY RESPONSE**

The University agrees with the recommendation. The University has been working with SURS and CMS to develop a reconciliation process. The University requested and received necessary employee data from SURS and Governor's State University and has acted accordingly on that information. Documentation and cross-training has also begun to improve our processes, minimize errors, and provide a system of secondary review.

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**Current Findings - Federal Compliance and Questioned Costs**

2021-004.     **FINDING**     Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Education Stabilization Fund

Federal Department:	U.S. Department of Education
Assistance Listing Numbers:	84.425C; 84.425E
Program Name:	Education Stabilization Fund - COVID-19 Governor’s Emergency Education Relief Fund; COVID-19 Higher Education Emergency Relief Fund - Student Aid Portion
Program Expenditures:	\$818,543; \$1,173,000
Award Numbers:	601-00-0459; P425E201661
Questioned Cost:	None

The Chicago State University (University) did not comply with the reporting requirements applicable to its Education Stabilization Fund for Higher Education Emergency Relief Fund (HEERF) Program and Governor’s Emergency Education Relief Fund (GEERF) Program.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted into Public Law 116-136. Section 18004(a)(1) of the CARES Act established the HEERF I program which authorizes the Secretary of Education (Secretary) to allocate funding to eligible institutions of higher education to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19). Subsequently, additional grants from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act of 2021 (ARP) were received, establishing the HEERF II and HEERF III programs, respectively, to continuously support public and non-profit institutions and students.

As of June 30, 2021, the University received a total of \$6,020,886 under the HEERF Program - Student Aid Portion from the U.S. Department of Education (Department) - to provide students with emergency financial aid grants to help cover expenses related to the disruption of campus operations due to COVID-19, including eligible expenses under a student’s cost of attendance. The University also received a total of \$8,090,154 under the HEERF Program - Institutional Portion from the Department - to cover costs associated with significant changes in the delivery of instruction.

During review of the University’s compliance with the HEERF program, we noted one of four (25%) quarterly public reports for the Student Aid Portion was

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**Current Findings - Federal Compliance and Questioned Costs (Continued)**

2021-004.     **FINDING**     Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Education Stabilization Fund (Continued)

not timely posted on the University’s website. Specifically, the report was posted 45 days late.

The Department’s Notice of Public Posting Requirement of Grant Information for HEERF Grantees requires each HEERF participating institutions to post the following information on the institution’s primary website no later than 10 days after the end of each calendar quarter, unless the Secretary specifies an alternative method of reporting: 1) an acknowledgement that the institution signed and returned to the Department the Certification and Agreement attesting the institution has used, or intends to use, no less than 50 percent of the funds to provide grants to students; 2) the total amount of funds that the institution will receive or has received from the Department; 3) the total amount of grants distributed to students; 4) the estimated total number of students at the institution eligible to participate and receive the grant; 5) the total number of students who received the grant; 6) the methods used by the institution to determine which students received the grant and how much they would receive; and 7) any instructions or directions provided by the institution to students about the grant.

Also, the Code of Federal Regulations (Code) (2 C.F.R. §200.303 (a)) requires the University to establish and maintain effective internal control over the federal award to provide reasonable assurance the University 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 grant reporting requirements.

Further, during fiscal year 2021, the University received a total of \$1,344,622 under the GEERF Program from the Illinois Board of Higher Education (IBHE), to support the efforts to enroll and retain low income, underrepresented, and first-generation students. During our review of the University’s compliance with the GEERF program, we noted the following:

- Three of four (75%) quarterly reimbursement request reports were not submitted to IBHE within the required timeframe. Specifically, we noted the reports were submitted 11 to 213 days late.
- One of four (25%) quarterly deliverable reports was submitted to IBHE 91 days late.



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**Current Findings - Federal Compliance and Questioned Costs (Continued)**

2021-004.     **FINDING**     Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Education Stabilization Fund (Continued)

The GEERF grant agreement between the University and IBHE requires the University to submit deliverable reports that contain at a minimum the (a) programmatic detail which supports the Project Description; (b) expenditure detail the end of each calendar quarter.

University management indicated exceptions were due to the lack of forecasting to ensure timely reporting.

Failure to comply with grant reporting requirements of the HEERF and GEERF programs results in noncompliance with the CARES Act, grant agreements, and the Code and could jeopardize future federal funding. (Finding Code No. 2021-004, 2020-005)

**RECOMMENDATION**

We recommend the University implement controls to ensure timely posting of HEERF grant reporting requirements on the University website and timely submission of GEERF program reports to IBHE.

**UNIVERSITY RESPONSE**

The University agrees with the recommendation. The University is implementing controls to ensure timely posting of the HEERF reports on the University website and timely submission of the GEERF reports to IBHE.

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**Current Findings - Federal Compliance and Questioned Costs (Continued)**

2021-005.     **FINDING**     Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards

Federal Department:	National Science Foundation
Assistance Listing Numbers:	47.049; 47.076
Program Names:	Mathematics and Physical Sciences Intergovernmental Personnel Act (IPA) Assignment Education and Human Resources Pilot Regional Louis Stokes Center: Midwest Center of Excellence
Program Expenditures:	\$107,725; \$97,293
Award Numbers:	2040402; 1911341
Questioned Cost:	None

The Chicago State University (University) did not have adequate controls to ensure the Schedule of Expenditures of Federal Awards (SEFA) was accurately prepared.

The University provided its SEFA to the auditors on October 13, 2021. The auditors noted the following errors during review:

- Expenditures reported for the Pilot Regional Louis Stokes Center: Midwest Center of Excellence were overstated by \$2,096. However, the expenses were not charged to the federal agency for reimbursement as the grant had already been closed out and the final drawdown was made prior to the occurrence of the clerical error.
- The federal award from the National Science Foundation (NSF) under the Intergovernmental Personnel Act (IPA) program, totaling \$107,725, had an incorrect assistance listing number and was presented under Other Programs on the SEFA instead of classifying it under the Research & Development (R&D) cluster, resulting in an understatement of total expenditures for the R&D cluster by the same amount.

The University subsequently corrected the above errors and provided us with an updated SEFA.

The NSF's Proposal and Award Policies and Procedures Guide (Chapter VII) requires all awards issued by NSF are to be identified as part of the R&D cluster on the SEFA.

**CHICAGO STATE UNIVERSITY**  
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**Current Findings - Federal Compliance and Questioned Costs (Continued)**

2021-005.     **FINDING**     Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards (Continued)

In addition, the Code of Federal Regulations (2 C.F.R. §200.303 (a)) requires the University to establish and maintain effective internal control over the Federal award to provide reasonable assurance the University 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 preparation of an accurate SEFA.

University management indicated the conditions found were due to staff turnover, ambiguity in the purpose of the IPA award, and lack of reference to an assistance listing number in the IPA agreement.

Failure to exercise adequate controls over the preparation of the SEFA increases the likelihood of errors and omissions, either intentional or unintentional, may occur and remain undetected. (Finding Code No. 2021-005, 2020-006)

**RECOMMENDATION**

We recommend the University ensure proper controls over the preparation and review of the SEFA have been designed and implemented effectively.

**UNIVERSITY RESPONSE**

The University agrees with the recommendation. The University is designing and implementing the controls over the preparation and review of the SEFA.

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**For the Year Ended June 30, 2021**

**Prior Finding Not Repeated**

- A. **FINDING** Lack of Adherence to Controls and Noncompliance with Requirements  
Applicable to the Center for STEM Education and Research

During the prior year, the Chicago State University's (University) internal controls over the compliance requirement of allowable costs and cost principles applicable to its Center for STEM Education and Research (CSER) program were not followed. (Finding Code No. 2020-004, 2019-004)

During the current year, our testing did not identify instances of noncompliance with the allowable costs and cost principles applicable to the CSER program.

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through Entity Identifying Number	FY 2021 Expenditures	Passed-Through to Subrecipients
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER:</b>				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Educational Opportunity Grants	(M) 84.007		\$ 639,019	\$ -
Federal Work-Study Program	(M) 84.033		154,218	-
Federal Perkins Loan Program (Note 2)	(M) 84.038		1,332,669	-
Federal Pell Grant Program	(M) 84.063		4,763,439	-
Federal Direct Student Loans (Note 3)	(M) 84.268		24,028,460	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	(M) 84.379		32,935	-
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>\$ 30,950,740</b>	<b>\$ -</b>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Scholarships for Health Professions Students from Disadvantaged Backgrounds <i>Scholarships for Disadvantaged Students</i>	(M) 93.925		\$ 321,177	\$ -
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 321,177</b>	<b>\$ -</b>
<b>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER</b>			<b>\$ 31,271,917</b>	<b>\$ -</b>
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>				
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Aeronautics Passed-Through University of Illinois at Urbana-Champaign <i>Development of the Cryogenic Hydrogen-Energy Electric Transport Aircraft (CHEETA) Design Concept</i>	(M) 43.002	80NSSC19M0125	\$ 14,489	\$ -
Office of Stem Engagement (OSTEM) Passed-Through University of Illinois at Urbana-Champaign <i>Illinois Space Grant Consortium</i>	(M) 43.008	NNX154AI05H/80NSSC20M0046	47,995	-
<b>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>			<b>\$ 62,484</b>	<b>\$ -</b>
<u>NATIONAL SCIENCE FOUNDATION</u>				
Mathematics and Physical Sciences <i>RUI: Studies of Relativistic Heavy Ions Collisions in ALICE at the LHC</i>	(M) 47.049		\$ 36,734	\$ -
<i>RUI: Collaboration for Studies of Cosmic Ray Muon Radiation and its Application to Archaeometry</i>	(M) 47.049		607	-
<i>RUI: Heavy Ion Physics in ALICE at the LHC</i>	(M) 47.049		39,132	-
<i>MRI Consortium: Development of Fast Interaction Trigger Detector for the ALICE Experiment at the LHC</i>	(M) 47.049		5,580	-
<i>Intergovernmental Personnel Act (IPA) Assignment</i>	(M) 47.049		107,725	-
			189,778	-
Biological Sciences <i>Digitization PEN: Functional Quantitative Characters for Ecology and Evolution (FuncQEE)</i>	(M) 47.074		31,625	10,665
Education and Human Resources <i>Support, Mentoring, Accountability, Research and Training: Connecting Physics &amp; Engineering through A Modernization of the Advanced Laboratory Curriculum</i>	(M) 47.076		23,728	-
<i>Louis Stokes Alliance for Minority Participation</i>	(M) 47.076		133,543	54,619
<i>Pilot Regional Louis Stokes Center: Midwest Center of Excellence</i>	(M) 47.076		97,293	14,493
<i>Louis Stokes STEM Pathways and Research Alliances: The Illinois LSAMP STEM Pathway and Research Alliance (ILSPRA)</i>	(M) 47.076		308,895	193,995
			563,459	263,107
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b>\$ 784,862</b>	<b>\$ 273,772</b>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Biomedical Research and Research Training <i>Macrophage-specific IEX-1 -A Novel Mechanism in the Pathogenesis of Atherosclerosis</i>	(M) 93.859		\$ 5,187	\$ -
<i>Improving DFT Modeling of EPR Data for Small Molecule Organic Photovoltaics</i>	(M) 93.859		18,634	-
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 23,821</b>	<b>\$ -</b>
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>			<b>\$ 871,167</b>	<b>\$ 273,772</b>

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For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through Entity Identifying Number	FY 2021 Expenditures	Passed-Through to Subrecipients
<b>TRIO CLUSTER:</b>				
<u>DEPARTMENT OF EDUCATION</u>				
TRIO_Upward Bound				
<i>Project Fame/Upward Bound</i>	(M)	84.047A	\$ 420,803	\$ -
<i>Upward Bound</i>	(M)	84.047A	272,590	-
			693,393	
TRIO_Educational Opportunity Centers	(M)	84.066A	390,407	-
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 1,083,800</b>	<b>\$ -</b>
<b>TOTAL TRIO CLUSTER</b>			<b>\$ 1,083,800</b>	<b>\$ -</b>
<b>OTHER PROGRAMS:</b>				
<u>THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
National Leadership Grants				
<i>Information Justice Institute</i>		45.312	\$ 20,618	\$ -
<b>TOTAL THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			<b>\$ 20,618</b>	<b>\$ -</b>
<u>DEPARTMENT OF EDUCATION</u>				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				
<i>Promoting Effective Educational Relationships in Schools (PEERS)</i>		84.325	\$ 355,133	-
Child Care Access Means Parents in School		84.335	4,908	-
Strengthening Minority-Serving Institutions				
<i>The Center for STEM Education &amp; Research at CSU</i>		84.382	544,879	38,532
Higher Education Stabilization Fund				
<i>COVID-19 - Higher Education Emergency Relief Fund (HEERF)</i>				
<i>Student Aid Portion</i>	(M)	84.425E	1,173,000	-
<i>Institutional Portion</i>	(M)	84.425F	4,751,486	-
<i>Minority Serving Institutions</i>	(M)	84.425L	393,415	-
			6,317,901	-
Passed-Through Illinois Board of Higher Education				
<i>COVID-19 Governor's Emergency Education Relief Fund</i>	(M)	84.425C	818,543	-
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 8,041,364</b>	<b>\$ 38,532</b>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Health Profession Opportunity Grants				
<i>Partnerships to STEP-UP in Health Careers</i>	(M)	93.093	\$ 1,602,805	\$ 963,171
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 1,602,805</b>	<b>\$ 963,171</b>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
AmeriCorps				
Passed-Through Illinois Department of Public Health				
<i>AmeriCorps State and National</i>		94.006	\$ 89,758	-
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 89,758</b>	<b>\$ -</b>
<b>TOTAL OTHER PROGRAMS</b>			<b>\$ 9,754,545</b>	<b>\$ 1,001,703</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 42,981,429</b>	<b>\$ 1,275,475</b>

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

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**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

**NOTE 1 BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2021, and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE 2 LOANS OUTSTANDING AT FISCAL YEAR END**

The University Perkins Loan Program's outstanding loan balance as of June 30, 2021 totaled \$1,264,604, for programs that are administered directly. There were no administrative costs charged to the Perkins Loan Program.

**NOTE 3 TOTAL NEW FEDERAL STUDENT LOANS**

During the year ended June 30, 2021, the University awarded the following amounts of new loans under the Federal Direct Student Loans Program:

Direct Unsubsidized Loans	\$	16,735,496
Direct Subsidized Loans		3,072,926
Direct Parent PLUS Loans		431,391
Direct Graduate PLUS Loans		3,788,647
		3,788,647
Total	\$	24,028,460

There were no administrative costs charged to the loan program.

**NOTE 4 NONMONETARY ASSISTANCE**

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

**NOTE 5 INSURANCE DISCLOSURE**

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

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**For the Year Ended June 30, 2021**

**NOTE 6      DONATED PERSONAL PROTECTIVE EQUIPMENT**

During fiscal year 2021, the University received a donation of Personal Protective Equipment (PPE) from an alumnus of Savannah State University. The PPE received consisted of 100 boxes of Dr. Hobbs 8-ounce hand sanitizers. The estimated value of the donation is approximately \$4,800.



**CHICAGO STATE UNIVERSITY**  
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**SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY**  
**For the Year Ended June 30, 2021**  
(in thousands)

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

Schedule A - Federal Financial Component

Total federal expenditures <sup>1</sup>	\$	42,981
Total Schedule A	\$	<u>42,981</u>

Schedule B - Total Financial Component

Total operating expenses <sup>2</sup>	\$	125,756
Total nonoperating expenses <sup>2</sup>		324
Federal loan balances: <sup>1,4</sup>		
Federal Perkin Loans Program		1,265
Total value of new federal loans: <sup>1,5</sup>		
Federal Perkin Loans Program		-
Federal Direct Student Loan		24,028
Total value of new federal loans: <sup>3</sup>		-
Total Schedule B	\$	<u>151,373</u>

Schedule C - Computation of Nonfederal Expenses

		<u>Percent</u>
Total Schedule B	\$ 151,373	100.00%
Total Schedule A	42,981	28.39%
Total nonfederal expenses	<u>\$ 108,392</u>	<u>71.61%</u>

<sup>1</sup> Obtained from 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