



EASTERN 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**

The background of the lower half of the page is an abstract, grayscale geometric pattern consisting of overlapping, semi-transparent planes and lines, creating a sense of depth and complexity.

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EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SINGLE AUDIT AND STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

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<p>Eastern Illinois University’s financial statements as of and for the year ended June 30, 2020 and 2019, have been issued under a separate cover. Additionally, in accordance with <i>Government Auditing Standards</i>, we have issued the <u>Report Required Under Government Auditing Standards</u> for the year ended June 30, 2020, on our consideration of Eastern Illinois University’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, under a separate cover. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Eastern Illinois University’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with <i>Government Auditing Standards</i> and should be considered in assessing the results of the audit.</p>		

EASTERN 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. David M. Glassman
Provost and Vice President for Academic Affairs	Dr. Jay D. Gatrell
Vice President for Business Affairs (Interim) (through 6/15/20)	Mr. Paul A. McCann
Vice President for Business Affairs (6/15/20 – Present)	Mr. Sean D. Reeder
Vice President for Student Affairs (Interim) (through 7/31/20)	Ms. Lynette F. Drake
Vice President for Student Affairs (8/1/20 – Present)	Ms. Anne Flaherty
Vice President for University Advancement	Mr. Kenneth A. Wetstein
Interim Director of Business Services/Treasurer (Interim) (through 6/15/20)	Ms. Linda Holloway
Director of Business Services/Treasurer (6/15/20 – Present)	Mr. Paul A. McCann
General Counsel	Ms. Laura McLaughlin
Director of Internal Auditing	Ms. Leigh C. Moon

BOARD OF TRUSTEES (as of June 30, 2020)

Chairperson	Ms. Barbara Baurer
Vice Chairperson	Ms. Joyce Madigan
Secretary	Mr. C. Christopher Hicks
Member Pro-Temp	Mr. Phillip Thompson
Member	Mr. Joseph R. Dively
Member	Dr. Audrey Edwards
Member	Mr. Martin Ruhaak
Student Member	Ms. Kathleen Conlin

UNIVERSITY OFFICE

600 Lincoln Avenue
Charleston, Illinois 61920



Office of the President

600 Lincoln Avenue
Charleston, Illinois 61920-3099

Office: (217) 581-2011
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MANAGEMENT ASSERTION LETTER

June 17, 2020

Sikich LLP
132 South Water Street, Suite 300
Decatur, IL 62523

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 Eastern Illinois University (the 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 one-year period 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 and reported 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,

EASTERN ILLINOIS UNIVERSITY

SIGNED ORIGINAL ON FILE

Dr. David M. Glassman, President

SIGNED ORIGINAL ON FILE

Mr. Sean D. Reeder, Vice President for Business Affairs

SIGNED ORIGINAL ON FILE

Ms. Laura McLaughlin, General Counsel

SIGNED ORIGINAL ON FILE

Director of Business Services/Treasurer

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SINGLE AUDIT AND STATE 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 in accordance with 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, disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

	Current Report	Prior Report
Findings	9	8
Repeated Findings	3	1
Prior Recommendations Implemented or Not Repeated	5	0

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>
FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)				
2020-001	18	New	Inadequate internal controls over census data	Material Weakness and Noncompliance
FINDINGS (<i>FEDERAL COMPLIANCE</i>)				
2020-002	22	2019/2019	Federal work study hours during scheduled class hours	Significant Deficiency and Noncompliance
2020-003	24	New	FISAP records maintained did not agree to the actual amounts reported	Significant Deficiency and Noncompliance
2020-004	25	New	Exit counseling not properly conducted	Significant Deficiency and Noncompliance
2020-005	26	New	Loans improperly disbursed	Significant Deficiency and Noncompliance

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<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2020-006	27	2019/2005	Timesheets not required	Significant Deficiency and Noncompliance
2020-007	28	2019/2019	Failure to review external service provider's internal control	Significant Deficiency and Noncompliance
2020-008	30	New	Noncompliance with the Illinois Articulation Initiative Act	Significant Deficiency and Noncompliance
2020-009	32	New	Noncompliance with University Guidelines	Significant Deficiency and Noncompliance

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

2020-001	18	New	Inadequate internal controls over census data	Material Weakness and Material Noncompliance
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PRIOR FINDINGS NOT REPEATED

A	33	2019/2019	Noncompliance with enrollment reporting requirements
B	33	2019/2019	Noncompliance with statutory mandates
C	33	2019/2019	Inadequate compliance over University procurement card transactions
D	34	2019/2019	Inadequate compliance with payment card industry data security standards
E	34	2019/2019	Weaknesses in cybersecurity programs and practices

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For the Year Ended June 30, 2020

EXIT CONFERENCE

The *Government Auditing Standards* finding appearing in this report was discussed with University personnel at an exit conference on May 6, 2021.

Attending were:

Eastern Illinois University

Sean Reeder, Vice President of Business Affairs
Paul McCann, Director of Business Services and Treasurer
Mike Hutchinson, Assistant Comptroller
Linda Holloway, Interim Human Resources Director

Office of the Auditor General

Peggy Hartson, Senior Manager
Kathy Lovejoy, Principal of IS Audits

Sikich, LLP

Thomas Leach, Partner

The response to the this recommendation was provided by Mr. Paul McCann, Director of Business Services and Treasurer, in correspondence dated May 17, 2021.

The University waived an exit conference for the remaining findings and recommendations appearing in this report in correspondence from Paul McCann, Director of Business Services/Treasurer, on June 17, 2021.

The responses to the recommendations for items 2020-002 through 2020-009 were provided by Paul McCann, Director of Business Services/Treasurer, in a correspondence dated June 17, 2021.

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**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

Board of Trustees
Eastern Illinois University

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by Eastern 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 specified requirements.

Our examination disclosed material noncompliance with the following specified requirements applicable to the University during the year ended June 30, 2020.

Specified Requirement C

As described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, the University had not complied, in all material respects, with applicable laws 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 requirements 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 items 2020-002 through 2020-009. We considered the effect of these circumstances on our audit of the financial statements of the business-type activities and the aggregate discretely presented component units 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 May 17, 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 2020-009 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 aggregate discretely presented component units of the University as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated May 17, 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 units, as described in our report on the University's 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 May 17, 2021. The accompanying supplementary information for the year ended June 30, 2020 in Schedules 1 through 21 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 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 21 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 21 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 years ended June 30, 2019 (not presented herein), and have issued our report thereon dated March 16, 2020, which contained unmodified opinions on the financial statements of the business-type activities and the aggregate discretely presented component units. The accompanying supplementary information for the year ended June 30, 2019, in Schedules 3 through 6, Schedule 9, Schedule 11, Schedule 14, Schedule 15, and Schedules 17 through 19 is the responsibility of the University's management and was derived from and related 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 through 6, Schedule 9, Schedule 11, Schedule 14, Schedule 15, and Schedules 17 through 19 has been subjected to the auditing procedures applied in the audit of 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 through 6, Schedule 9, Schedule 11, Schedule 14, Schedule 15, and Schedules 17 through 19 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.

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Decatur, Illinois
June 17, 2021

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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

Board of Trustees
Eastern 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 its aggregate discretely presented component units of Eastern 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 May 17, 2021. Our report includes a reference to other auditors who audited the financial statements of the University’s discretely presented component units, 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 Eastern Illinois University Foundation and the Eastern Illinois University Alumni Association, component units of the University, 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 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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001.

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 over financial reporting (internal control) as a basis for designing 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.

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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the second paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001 that we considered to be a material weakness.

University's Response to the Finding

The University's response to the finding identified in our audit is described in the accompanying Schedule of Findings. The University's response was not subjected to auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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Decatur, Illinois
May 17, 2021

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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

Board of Trustees
Eastern Illinois University

Report on Compliance for Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by Eastern 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 Eastern Illinois University Foundation and the Eastern Illinois University Alumni Association, component units of the University, which are 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 these component units because the component units 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 programs. 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 a 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 2020-002 through 2020-005. 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 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 2020-002 through 2020-005 that we consider to 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

We have audited the financial statements of business-type activities and aggregate discretely presented component units of the University as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively compromise the University's basic financial statements. We issued our report thereon dated May 17, 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 units, as described in our report on the University's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise 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

Decatur, Illinois
June 17, 2021

EASTERN 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

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

Type of report the auditor issued on compliance for major federal programs: *Unmodified*

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 Aid Cluster
93.575, 93.596	Child Care and Development Fund (CCDF) Cluster
84.425	Education Stabilization Fund

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

Auditee qualified as a low-risk auditee? Yes No

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

SCHEDULE OF FINDINGS – GOVERNMENT AUDITING STANDARDS FINDINGS

For the Year Ended June 30, 2020

2020-001. **FINDING** (Inadequate internal controls over census data)

The Eastern 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:

- 1) Three of 80 (4%) employees tested had three events occur during the census data accumulation period throughout Fiscal Year 2018 which had not been reported by the University to SURS.

- 2) We performed an analysis of transactions reported by the University to SURS during the census data accumulation period throughout Fiscal Year 2018, noting the following problems:
 - Two of 20 (10%) employees reported as laid off by the University were untimely reported to SURS by the University. SURS determined the total potential impact to each former employee's total service credit was it could be off by one-quarter to one-half year.
 - Two of 12 (17%) employees had three departures on a leave of absence where the start date of the leave of absence was untimely reported to SURS by the University. SURS determined the total potential impact to each of these employee's total service credit was it could be off by 1 to 2 years.
 - Three of 13 (23%) 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 employee's total service credit was it could be off by one-half to 1 year.
- 3) As of the end of the census data accumulation year on June 30, 2018, we identified seven 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:

- 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.

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 items noted above occurred due to a lack of oversight. University management further indicated the establishment of rules regarding the reporting of data occurred two years plus after transactions occurred, and there was poor communications regarding the data necessary to reconcile.

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.

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 RESPONSE

The University agrees with the recommendation that data within the SURS and CMS needs to be reconciled and improved.

As a first step in this process, SURS needs to establish rules defining eligible employees and identify information that needs to be reported to accurately calculate the State's liability.

The University is willing to reconcile data when SURS is able to provide the University with a report of their data or share what data is to be reconciled.

With the improvement of computerized systems, we have suggested to SURS that they consider taking all or selected pay information from us each payday. This would reduce or eliminate factors that raise questions years later. In addition, this may help with issues created by the mobility of employees.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS - FEDERAL COMPLIANCE
For the Year Ended June 30, 2020

2020-002. **FINDING** (Federal work study hours during scheduled class hours)

Federal Agency:	U.S. Department of Education
Program Name:	Student Financial Aid Cluster
CFDA Numbers:	84.063, 84.007, 84.033, 84.038, 84.268, 84.379
Program Expenditures:	\$44,595,219
Award Number(s):	P033A191143
Questioned Costs:	N/A

Eastern Illinois University (University) did not review federal work study (FWS) hours worked against class hours scheduled and timesheets to ensure students were not working during a scheduled class and that they were paid for the correct number of hours.

During testing, auditors noted two of 37 (5%) individuals tested worked during scheduled class hours.

We consider this condition to be an instance of noncompliance relating to the Activities Allowed or Unallowed compliance requirement. Our sample selection was not, and was not intended to be, statistically valid.

The Code of Federal Regulations (34 CFR 675.19 (b)(2)) requires the institution to establish and maintain program and fiscal records that include a certification by the student's supervisor, an official of the institution or off-campus agency, that each student has worked and earned the amount being paid. The certification must include or be supported by, for students paid on an hourly basis, a time record showing the hours each student worked in clock time sequence, or the total hours worked per day and include a payroll voucher containing sufficient information to support all payroll disbursements.

The Code of Federal Regulations (Code) (34 CFR 675.20 (d)(1)) states a student may be employed under the FWS program and also receive academic credit for the work performed. Those jobs include, but are not limited to, work performed when the student is enrolled in an internship; enrolled in practicum; or employed in a research, teaching, or other assistantship. Further, the Code (34 CFR 675.20 (d)(2)) states a student employed in a FWS job and receiving academic credit for that job may not be paid for receiving instruction in a classroom, laboratory, or other academic setting.

The 2019-2020 Federal Student Aid Handbook, Volume 6, Chapter 2, page 6-46 states in general, students are not permitted to work in FWS positions during scheduled class times. Exceptions are permitted if an individual class is cancelled, if the instructor has excused the student from attending for a particular day, and if the student is receiving credit for employment in an internship, externship, or community work-study experience. Any such exemptions must be documented.

University officials indicated the exceptions noted were due to lack of documentation by supervisors and reviewers.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS - FEDERAL COMPLIANCE
For the Year Ended June 30, 2020

Without proper review of hours worked against class hours scheduled, federal work study recipients could receive compensation that is not allowed under the Code of Federal Regulations. (Finding Code No. 2020-002, 2019-002)

RECOMMENDATION

We recommend the University properly review federal work study hours to ensure none are worked during scheduled class hours.

UNIVERSITY RESPONSE

The University agrees with the auditor's recommendation. We have new reports in place to verify hours worked against student class schedules. Student hours worked during regularly scheduled classes will be noted and explanations provided timely by the student or supervisor. Hours worked during regularly scheduled class times without proper explanation will be paid with non-Federal funds.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS - FEDERAL COMPLIANCE
For the Year Ended June 30, 2020

2020-003. **FINDING** (FISAP records maintained did not agree to the actual amounts reported)

Federal Agency:	U.S. Department of Education
Program Name:	Student Financial Aid Cluster
CFDA Numbers:	84.063, 84.007, 84.033, 84.038, 84.268, 84.379
Program Expenditures:	\$44,595,219
Award Number(s):	P033A191143, P063P180106, P063P190106, P007A181143, P007A191143, P379T200106
Questioned Costs:	\$213,153

Eastern Illinois University's (University) Fiscal Operations Report and Application to Participate (FISAP) records maintained did not agree to the actual amounts reported.

During testing, we noted two instances for which the FISAP did not reflect the correct amount per the University's records. The amount reported on the FISAP was \$213,153 greater than the amount in the University's records.

We consider this condition to be an instance of noncompliance relating to the Reporting compliance requirement.

The Code of Federal Regulations (Code) (34 CFR 668.24 (e)(1)(i)) requires institutions to keep records relating to its administration of the Federal Perkins Loan, Federal Work Study (FWS), Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Pell Grant, Academic Competitiveness Grant (ACG), National SMART Grant, or Teacher Assistance for College and Higher Education (TEACH) Grant programs for three years after the end of the award year for which the aid was awarded and disbursed under those programs. The Code also requires institution to keep its Fiscal Operations Report and Application to Participate in the Federal Perkins Loan, FSEOG, and FWS Programs (FISAP), and any records necessary to support the data contained in the FISAP, including "income grid information" for three years after the end of the award year in which the FISAP is submitted.

University officials indicated the issues noted were due to human error.

Reporting errors on the FISAP could affect the amount of future campus based aid awarded to the University. (Finding Code No. 2020-003)

RECOMMENDATION

We recommend the University improve controls to ensure the information reported on the FISAP is accurate.

UNIVERSITY RESPONSE

The University agrees with the auditor's recommendation. The University will ensure that the FISAP data entry is independently reviewed prior to submission. This error was corrected with the FISAP filed with the U.S. Department of Education.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS - FEDERAL COMPLIANCE
For the Year Ended June 30, 2020

2020-004. **FINDING** (Exit counseling not properly conducted)

Federal Agency:	U.S. Department of Education
Program Name:	Student Financial Aid Cluster
CFDA Numbers:	84.063, 84.007, 84.033, 84.038, 84.268, 84.379
Program Expenditures:	\$44,595,219
Award Number(s):	N/A
Questioned Costs:	N/A

Eastern Illinois University (University) did not properly conduct exit counseling.

During our testing of students who have had federal direct loans, we determined one (3%) of 40 students tested did not complete the required exit counseling.

We consider this condition to be an instance of noncompliance relating to the Special Tests and Provisions compliance requirement. Our sample selection was not, and was not intended to be, statistically valid.

The Code of Federal Regulations (34 CFR 685.304 (b)) requires a school to ensure that exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school.

University officials stated the required exit counseling did not occur due to oversight.

Not conducting exit counseling properly could result in students being uninformed about the responsibilities and consequences of borrowing federal funds. (Finding Code No. 2020-004)

RECOMMENDATION

We recommend the University improve internal controls to ensure all students complete the required exit counseling within 30 days.

UNIVERSITY RESPONSE

The University agrees with the auditor's recommendation. The University currently notifies the student of the need for exit counseling through the student's campus email account. We have added a second step to our exit counseling notification by mailing or emailing a student when counseling is not completed within thirty days. The notification will be sent to the students off campus address.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS - FEDERAL COMPLIANCE
For the Year Ended June 30, 2020

2020-005. **FINDING** (Loan improperly disbursed)

Federal Agency:	U.S. Department of Education
Program Name:	Student Financial Aid Cluster
CFDA Numbers:	84.063, 84.007, 84.033, 84.038, 84.268, 84.379
Program Expenditures:	\$44,595,219
Award Number(s):	N/A
Questioned Costs:	\$2,000.00

Eastern Illinois University (University) did not disburse a direct loan properly.

During testing, we noted Title IV funds were not properly awarded and disbursed for one (3%) of 40 students tested. One student was under awarded an unsubsidized direct loan in the amount of \$2,000.

We consider this condition to be an instance of noncompliance with the eligibility compliance requirements. Statistical sampling was not used in making sample selections.

The Code of Federal Regulations (34 CFR 685.201 (a) (2)) requires, if the student is eligible for a Direct Subsidized Loan or a Direct Unsubsidized Loan, the school in which the student is enrolled must perform the following functions: 1) create a loan origination record and transmit the record to the Secretary, 2) ensure that the loan is supported by a completed Master Promissory Note (MPN) and, if applicable, transmit the MPN to the Secretary, 3) draw down funds or receive funds from the Secretary, and 4) disburse the funds to the student.

University officials indicated the issue noted was due to ongoing changes in and reviews of student data.

Improper distribution of loans results in students receiving incorrect subsidized and unsubsidized amounts. (Finding Code No. 2020-005)

RECOMMENDATION

We recommend the University improve internal controls to ensure the loans are being disbursed accurately.

UNIVERSITY RESPONSE

The University agrees with the auditor's recommendation. We went through a number of recalculations regarding this student due to incorrect information within the system. Once the data was determined to be accurate, we attempted to communicate with the student to inform them of their ability to receive an unsubsidized loan. However, the student never replied to our communication and ended up getting a private loan to cover their balance due without further discussion with us. The University will establish a process to ensure that Federal loans are fully processed before adding private loans.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Year Ended June 30, 2020

2020-006. **FINDING** (Timesheets not required)

Eastern Illinois University (University) did not require positive time reporting for all employees as required by the State Official and Employees Ethics Act (Act).

During testing, auditors noted the University only required positive time reporting for non-faculty employees. University policies do not include requirements for positive time reporting for faculty employees. Faculty employees are required to certify they have met their work schedule obligations as set forth in their individual Assignment of Duties Form; however, they do not report their time to the nearest quarter hour in accordance with the Act.

Failure to require positive time reporting for all employees was first noted during the fiscal year 2005 compliance examination. The University has yet to rectify the issues initially reported at that time.

The Act requires the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The Act (5 ILCS 430/5-5(c)) requires State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour. The IBHE adopted personnel policies for public universities on February 3, 2004, in accordance with the Act.

University officials stated faculty members work in accordance with their contract. The contract defines faculty responsibilities in terms of credit units; therefore, faculty members report they worked in accordance with their contract.

By not requiring positive time reporting from all of its employees, the University does not have complete documentation of time spent by employees on official State business as required by the Act. (Finding Code No. 2020-006, 2019-003, 2018-001, 2017-004, 2016-003, 2015-004, 2014-002, 2013-004, 12-16, 11-7, 10-3, 09-4, 08-5, 07-4, 06-3, 05-4)

RECOMMENDATION

We recommend the University update University policies to include requirements for positive time reporting for faculty employees and require all employees to submit positive time reporting as required by the Act.

UNIVERSITY RESPONSE

The University agrees with the auditor's recommendation. The University has implemented a system that allows employees to document time spent on official State business in accordance with the statute. All University employees are required to use the system. However, faculty members, in accordance with their union contract, use the system to document that they have worked in accordance with the contract. The University will continue to work with the faculty union in an attempt to obtain compliance.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Year Ended June 30, 2020

2020-007. **FINDING** (Failure to review external service provider’s internal controls)

Eastern Illinois University (University) did not obtain or conduct independent internal control reviews over an external service provider.

The University utilizes a service provider for maintaining student medical information.

During testing, we noted the University:

- Had obtained a System and Organization Controls (SOC) report, which only documented the service provider’s controls through September 2019. However, the University did not obtain or conduct an independent internal control review of the period October 2019 through June 30, 2020. As such, we were unable to rely on the service provider’s internal controls for this period.
- Had not obtained and reviewed SOC reports for the subservice provider or performed alternative procedures to determine the impact to the University’s internal control environment.

The University is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to assure its critical and confidential data are adequately safeguarded. This responsibility is not limited due to the processes being outsourced.

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 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 to maintain accountability over the State’s resources. In addition, generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

University officials indicated procedures to review internal controls of service providers in instances where a SOC report or bridge letter had not been obtained have not been developed. University officials further stated their procedures include reviewing service providers’ SOC reports to determine whether to request and review subservice providers’ reports.

Without having obtained and reviewed a SOC report or another form of independent internal control review covering the fiscal year, the University does not have assurance the external service provider’s internal controls are adequate. (Finding Code No. 2020-007, 2019-008)

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS

For the Year Ended June 30, 2020

RECOMMENDATION

We recommend the University obtain and review SOC reports or perform independent reviews of internal controls covering the entire fiscal year. We further recommend the University obtain and document the review of SOC reports for subservice providers or perform alternative procedures to satisfy itself the usage of the subservice organizations would not impact their internal control environment.

UNIVERSITY RESPONSE

The University will continue to request and evaluate SOC reports and bridge letters for the entire fiscal year when available from the vendor. When material, the University will request and evaluate subservice providers' SOC reports.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS

For the Year Ended June 30, 2020

2020-008. **FINDING** (Noncompliance with the Illinois Articulation Initiative Act)

Eastern Illinois University (University) did not comply with the Illinois Articulation Initiative Act’s requirements.

The Illinois Articulation Initiative (Initiative), through its ittransfer.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, at least, one course included within the related Initiative major for its art, early childhood education, and political science degree programs.

Additionally, we noted four (27%) of 15 faculty members assigned by the University to an Initiative panel did not participate in the work of the panels during fiscal year 2020.

The Illinois Articulation Initiative Act (Act) (110 ILCS 152/15) requires all public institutions to participate in the Illinois Articulation Initiative through submission and review of their courses for statewide transfer. All public institutions shall maintain a complete Illinois Articulation Initiative General Education Core Curriculum package, and all public institutions shall maintain up to 4 core courses in an Illinois Articulation Initiative major, provided the public institution has equivalent majors and courses. Additionally, all public institutions shall provide faculty, as appointed by the Board of Higher Education for public universities and the Illinois Community College Board for public community colleges, to serve on panels in the review of courses.

University officials stated this was challenging as a result of structural changes in the administrative home of the Initiative. University officials also stated the Initiative panels were nominated and appointed prior to fall 2017, and subsequent resignations and retirements contributed to lower participation rates.

Failure to fully participate in the Initiative by submitting, as least, one course per Initiative major could hinder students from transferring to other institutions and represents noncompliance with the Act. Additionally, failure of faculty assigned to the Initiative panel to participate in the review of courses represents noncompliance with the Act. (Finding Code No. 2020-008)

RECOMMENDATION

We recommend the University fully participate in the Initiative by submitting at least one course per Initiative major and ensure employees actively participate in the Initiative panels pursuant to the Act.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS

For the Year Ended June 30, 2020

UNIVERSITY RESPONSE

The University accepts the auditor’s recommendation. The University accepts all Illinois Articulation Initiative (IAI) courses as required. When the University has an equivalent course, we have submitted it for approval as part of the Illinois Articulation Initiative, General Education Core Curriculum and Major Initiative.

As for participation, the University believes the impact of COVID on 2020 attendance should be considered. In addition, the leadership of the IAI has transitioned over the past two years, and communication has been uneven as the IAI had names of former chairs and retirees as the primary University contacts and participants. In an effort to respond to attendance concerns, the University updated all appointments and appointed replacements, as needed, in October 2020.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS – STATE COMPLIANCE FINDINGS
For the Year Ended June 30, 2020

2020-009. **FINDING** (Noncompliance with University Guidelines)

Eastern Illinois University (University) subsidized operations of University activities between accounting entities during fiscal year 2020. Activities are functions which are self-supporting in whole or in part, which are directly related to instructional, research, or service units.

During our review of compliance with the University Guidelines, we noted the Student Facilities accounting entity had negative cash balances at the beginning and end of the fiscal year, totaling \$2.4 million and \$3.1 million respectively. Furthermore, the account did not have a positive balance at any point during the fiscal year. A negative cash balance is, in effect, an unrecorded interfund payable/receivable, thereby causing a subsidy between funds to occur. Student Facilities accounts for the operations of the University's student union, a portion of the student recreation center, and the financing of the University's athletic facilities. As of June 30, 2020, this accounting entity had accounts receivable, inventories and prepaid expenses totaling \$0.8 million.

The *University Guidelines*, Chapter 3, Section D, Part 1, states there shall be no subsidies between accounting entities. Subsidies include cash advances and interfund payables/receivables outstanding for more than one year.

University officials stated the fees and other revenues of the entity were not sufficient to recover the costs of operating the facilities, leading to the subsidy between accounting entities.

A subsidy between accounting entities results from the borrowing or loaning of funds from one entity to another to cover a negative cash balance and represents noncompliance with the University Guidelines. (Finding Code No. 2020-009)

RECOMMENDATION

We recommend the University annually review the activities of each accounting entity, ensure fees charged for services are sufficient to cover expenditures, and take appropriate corrective actions to ensure subsidies between accounting entities do not continue.

UNIVERSITY RESPONSE

The University partially agrees with the auditor's recommendation. The University reviews the financial position of its different entities on a regular basis. Due to competitive pressures, the University is sometimes unable to raise fees to fully recover the costs of some operations.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

SCHEDULE OF FINDINGS – PRIOR FINDINGS NOT REPEATED

For the Year Ended June 30, 2020

A. **FINDING** (Noncompliance with enrollment reporting requirements)

During the previous engagement, the University did not timely and accurately submit enrollment status information. Specifically, the University did not report all graduate student enrollment status changes to the National Student Loan Data System (NSLDS) timely or accurately.

During the current engagement testing, we did not note any instances of untimely or inaccurate reporting of status changes to the NSLDS by the University. As a result, this finding is not repeated. (Finding Code No. 2019-001)

B. **FINDING** (Noncompliance with statutory mandates)

During the previous engagement, the University did not comply with various statutory mandates. Specifically, the University did not properly update the Department of Children and Family Services (DCFS) Acknowledgment of Mandated Reporter Status form for new employees in accordance with the Abused and Neglected Child Reporting Act (325 ILCS 5/4(i)); the University did not adopt a formal policy on leftover food donations or submit the policy to the Department of Central Management Services (CMS) in accordance with the Illinois Procurement Code (30 ILCS 500/55-20); and the University did not make and deliver a report with its acts and doings to the Governor in accordance with the State Finance Act (30 ILCS 105/3(a)).

During the current engagement, we noted the University updated the DCFS Acknowledgment of Mandated Reporter Status form; adopted a formal leftover food policy and submitted it to CMS; and delivered a report with its acts and doings to the Governor as required. As a result, this finding is not repeated. (Finding Code No. 2019-004)

C. **FINDING** (Inadequate compliance over University procurement card transactions)

During the previous engagement, the University did not have adequate internal control over procurement card transactions. Specifically, in a sample of 40 transactions tested, auditors noted the following: two transactions for items on an existing contract; two transactions for logo/licensing items not properly approved; seven transactions did not have documentation of the fixed asset equipment form submission to the Business Office as required; 11 transactions for which sales tax was inappropriately paid; 13 transactions missing required descriptions in the software system; and 22 transactions exceeding the transaction limit of \$2,500 without prior approval.

During the current engagement, we noted significantly fewer exceptions during our sample testing. As such, this matter is reported in the University's State Compliance Examination *Report of Immaterial Findings*. (Finding Code No. 2019-005)

D. **FINDING** (Inadequate compliance with payment card industry data security standards)

During the previous engagement, the University had not completed all requirements to demonstrate full compliance with Payment Card Industry Data Security Standards (PCI DSS). Specifically, the University had not formally assessed each program accepting credit card payments, the methods in which payments could be made, matched these methods 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; and completed an attestation of Compliance Form.

During the current engagement, although the University had not fully completed the SAQ as required to address all elements of its environment utilized to store, process, and transmit cardholder data, the University implemented the other recommendations. As such, this matter is reported in the University's State Compliance Examination *Report of Immaterial Findings*. (Finding Code No. 2019-006)

E. **FINDING** (Weaknesses in cybersecurity programs and practices)

During the previous engagement, the University had not implemented adequate internal controls related to cybersecurity programs and practices. Specifically, the University had not established a formal framework including assigned responsibilities over cybersecurity; had not developed a policy regarding the reporting of security violations or suspected violations; had not developed a formal and comprehensive risk management methodology which specifies how risks are identified, managed, and mitigated; and had not performed a comprehensive risk assessment to identify all confidential information in an effort to assess overall security of this information.

During the current engagement, we noted the University implemented a formal framework; had assigned responsibilities over cybersecurity; published information on how to report security violations or suspected violations; developed a formal and comprehensive risk management methodology; and performed a comprehensive risk assessment. As a result, this finding is not repeated. (Finding Code No. 2019-007)

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

SCHEDULE 1

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY20 Expenditures</u>	<u>Passed Through to Subrecipients</u>
MAJOR PROGRAM - STUDENT FINANCIAL AID CLUSTER				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>Federal Perkins Loans, beginning loan balance</i>	84.038		\$ 5,353,678	\$ -
<i>Federal Direct Student Loans</i>	84.268		28,272,040	-
<i>Federal Work-Study Program</i>				
FY20	84.033	P033A191143	282,411	-
			282,411	-
<i>Federal Pell Grant Program</i>				
FY19	84.063	P063P180106	504,071	-
FY20	84.063	P063P190106	9,930,991	-
			10,435,062	-
<i>Federal Supplemental Educational Opportunity Grants</i>				
FY19	84.007	P007A181143	2,875	-
FY20	84.007	P007A191143	198,212	-
			201,087	-
<i>Teacher Education Assistance For College And Higher Education Grants</i>				
FY20	84.379	P379T200106	50,941	-
			50,941	-
Total Student Financial Aid Cluster			44,595,219	-
HIGHER EDUCATION EMERGENCY RELIEF FUND CLUSTER				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>CARES Act: Higher Education Emergency Relief Fund</i>	84.425E	P425E2201466	1,533,508	-
<i>Higher Education Emergency Relief Fund Institutional Portion</i>	84.425F	P425F200946	1,158,646	-
			2,692,154	-
Total Higher Education Emergency Relief Fund Cluster			2,692,154	-
RESEARCH AND DEVELOPMENT CLUSTER				
<u>NATIONAL SCIENCE FOUNDATION</u>				
<i>Mathematical and Physical Sciences</i>				
NSF RUI	47.049	CHE-1507871	8,529	-
RUI Microsolution	47.049	CHE 1664900	23,567	-
			32,096	-
<i>Geoscience</i>				
NSF Holly	47.050	1522977	959	-
TOTAL NATIONAL SCIENCE FOUNDATION			33,055	-
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
Passed-Through the Illinois Department of Natural Resources				
<i>Sport Fish Restoration Program</i>				
IDNR Wabash FY20	15.605	RC20F186R8	219,000	-
			219,000	-
Passed-Through the University of Illinois				
<i>Great Lakes Restoration</i>				
Asian Carp FY19/20	15.662	094062-17248	2,500	-
Asian Carp FY20	15.662	098886-17844	1,525	-
			4,025	-
TOTAL U.S. DEPARTMENT OF THE INTERIOR			223,025	-
Total Research and Development Cluster			256,080	-
TRIO CLUSTER				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
<i>TRIO - Student Support Services</i>	84.042A	P042A151584-18	45,354	-
<i>TRIO - Student Support Services</i>	84.042A	P042A151584-19	224,961	-
Total TRIO Cluster			270,315	-
CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER				
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed-Through the Illinois Department of Human Services				
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund</i>	93.596		221,993	-
<i>Child Care and Development Block Grant</i>	93.575		1,058,312	-
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCR CCAP FY20)</i>	93.596	FCSY104630	250,050	-
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCR CORE FY20)</i>	93.596	FCSY104630	378,394	-
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCR QRIS FY20)</i>	93.596	FCSY104630	31,186	-
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCR FA CPR FY20)</i>	93.596	FCSY104630	2,975	-
Total CCDF Cluster			1,942,910	-

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

SCHEDULE 1

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY20 Expenditures	Passed Through to Subrecipients
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES CLUSTER				
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed-Through the Illinois Department of Human Services				
<i>Temporary Assistance for Needy Families</i>	93.558		431,633	-
Total Temporary Assistance for Needy Families Cluster			431,633	-
OTHER PROGRAMS				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed-Through Southern Illinois University - Edwardsville				
<i>IHE Partnership</i>	84.323A	762232-001	346	-
			346	-
TOTAL U.S. DEPARTMENT OF EDUCATION			346	-
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed-Through the Illinois State Police				
<i>Bulletproof Vest Partnership Program</i>	16.607		1,610	-
			1,610	-
TOTAL U.S. DEPARTMENT OF JUSTICE			1,610	-
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
Passed-Through the Illinois State Library				
<i>Grants to States</i>	45.310	20-1010-EIU	11,345	-
			11,345	-
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			11,345	-
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed-Through the Illinois Department of Human Services				
<i>Social Services Block Grant</i>	93.667		5,058	-
<i>Block Grants for Prevention and Treatment of Substance Abuse</i>				
IDHS SRSAPS FY20	93.959	43CZY03550	90,048	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			95,106	-
Total Other Programs			108,407	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 50,296,718	\$ -

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Eastern Illinois University for the year ended June 30, 2020. 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.

This Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Eastern Illinois University.

Following is a legend of acronyms used in the Schedule of Expenditures of Federal Awards:

CARES	Coronavirus Aid, Relief, and Economic Security
CCAP	Child Care Assistance Program
CCRR	Child Care Resource and Referral
FA CPR	First Aid and Cardiopulmonary Resuscitation Training
IDNR	Illinois Department of Natural Resources
IHE	Illinois Higher Education
NSF	National Science Foundation
QRIS	Quality Recognition and Improvement System
RUI	Research in Undergraduate Institutions
SRSAPS	State and Regional Substance Abuse Prevention Services

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. SUBRECIPIENTS

The University provided no sub-awards during the fiscal year ended June 30, 2020.

4. STUDENT LOAN PROGRAMS

During the fiscal year ended June 30, 2020, the University issued new loans to students under the Federal Direct Student Loan Program. The loan amounts issued during the year are disclosed on the Schedule of Expenditures of Federal Awards. The University is responsible only for the performance of certain administrative duties with respect to federally-guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the University's basic financial statements. It is not practicable

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

to determine the balance of loans outstanding to students and former students of the University at June 30, 2020.

The University participated in the federal Perkins Loan Program during the year ended June 30, 2020. This loan program is directly administered by the University and is considered a revolving loan program, whereby collections received on past loans, including interest, is loaned out to current students. The beginning loan balance, as well as loans made during the year ended June 30, 2020 are included on the federal expenditures presented in the Schedule.

Under the current Perkins Loan Program, new Perkins loans cannot be disbursed after September 30, 2017. Borrowers who received a loan disbursement prior to October 1, 2017 for the 2017-2018 award year could still receive subsequent disbursements through June 30, 2018. No Perkins loan disbursements have been permitted after June 30, 2018 under any circumstances. The University is waiting for further guidance from the U.S. Department of Education.

Perkins Loan Program CFDA #84.038

Outstanding loan balance, July 1, 2019	<u>\$ 5,353,678</u>
Decreases:	
Principal collected	470,610
Principal canceled	19,398
Total	<u>490,008</u>
Outstanding loan balance, June 30, 2020	<u><u>\$ 4,863,670</u></u>

There were no administrative costs were charged to loan programs during fiscal year 2020.

5. MAJOR PROGRAMS

The following federal program expenditures comprise major program expenditures under OMB Circular A-133 for the year ended June 30, 2020:

Major program expenditures:	
Student Financial Aid Cluster	\$44,595,219
Child Care & Development Fund Cluster	1,942,910
Higher Education Emergency Relief Fund Cluster	2,692,154
Non-major program expenditures	<u>1,066,435</u>
Total federal expenditures	<u><u>\$50,296,718</u></u>

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

As part of the Student Financial Aid Program, Eastern Illinois University administers loan proceeds under the Perkins Loan Program and the William D. Ford Federal Direct Loan Program (as described in Note 4).

6. NONCASH TRANSACTION INFORMATION

Certain noncash expenditures are included in the total expenditures on the Schedule of Expenditures of Federal Awards. The childcare program of the University is a processor of childcare claims for the Illinois Department of Human Services (DHS). The University determines eligibility and reimbursable hours for the participants. This information is sent to DHS, who then pays the claims. The noncash amounts are recorded in the following programs: Child Care Mandatory and Matching Funds of the Child Care and Development Fund - \$221,993 (Federal CFDA #93.596), Child Care Development Block Grant - \$1,058,312 (Federal CFDA #93.575), Temporary Assistance For Needy Families - \$431,633 (Federal CFDA #93.558) and Social Services Block Grant - \$5,058 (Federal CFDA #93.667). These noncash transactions have not been recorded on Eastern Illinois University's financial statements.

7. INDIRECT COST RATE

The University has elected not to use the ten-percent *de minimus* indirect cost rate allowed under the Uniform Guidance.

8. INSURANCE PAYMENTS

There was no federally-funded insurance in effect during the fiscal year ended June 30, 2020.

9. FEDERAL DEPOSITORY LIBRARY PROGRAM

The University's Library serves as a depository library for the U.S. Government Publishing Office's Federal Depository Library Program. The University is the legal custodian of government publications received under this program, however, these publications remain the property of the federal government.

10. RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following is a reconciliation of total expenditures as reported on the accompanying Schedule of Expenditures of Federal Awards to the revenue items reported as federal and state grants and contracts on the Statement of Revenues, Expenses and Changes in Net Position included in Eastern Illinois University's financial statements.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

Funds, derived from federal aid, gifts or grants, may be used only to meet expenditures for the purposes specifically identified by sponsoring agencies. The federal aid, gifts or grants are recognized as revenue in Eastern Illinois University's financial statements as expended.

Therefore, expenditures on the Schedule of Expenditures of Federal Awards agree with revenues on the Statement of Revenues, Expenses and Changes in Net Position, except as noted below:

Total expenditures as shown on the Schedule of Expenditures of Federal Awards	\$50,296,718
Add:	
Direct state grants/contracts	10,712,758
Subtract:	
Federal Perkins loan program – federal capital contributions included on the Schedule of Expenditures of Federal Awards not included in the financial statements (less administrative costs)	(5,353,678)
Direct loans included in the Schedule of Expenditures of Federal Awards not included in the financial statements	(28,272,040)
Noncash expenditures included in the Schedule of Expenditures of Federal Awards not included in the financial statements	<u>(1,716,996)</u>
Total federal and state grants and contracts revenues shown on the Statement of Revenues, Expenses and Changes in Net Position	<u>\$25,666,762</u>

SCHEDULE 2

EASTERN ILLINOIS UNIVERSITY
 A Component Unit of the State of Illinois
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
 Expenditure Authority for Fiscal Year 2020

For the Fifteen Months Ended September 30, 2020

Public Act 101-0007	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to Sept. 30, 2020	Total Expenditures 15 Months Ended Sept. 30, 2020	Balances Lapsed September 30, 2020
<u>APPROPRIATED FUNDS</u>					
EDUCATION ASSISTANCE FUND - 0007					
Personal Services	\$ 37,810,101	\$ 37,810,101	\$ -	\$ 37,810,101	\$ -
Group Insurance	1,713,300	1,713,300	-	1,713,300	-
Contractual Services	1,300,000	1,300,000	-	1,300,000	-
Equipment	439,900	439,900	-	439,900	-
Telecommunications Services	160,999	160,999	-	160,999	-
Subtotal, Fund 0007	\$ 41,424,300	\$ 41,424,300	\$ -	\$ 41,424,300	\$ -
STATE COLLEGE & UNIVERSITY TRUST FUND - 0417					
Scholarship Grant Awards	\$ 8,000	\$ 8,000	\$ -	\$ 8,000	\$ -
Subtotal, Fund 0417	\$ 8,000	\$ 8,000	\$ -	\$ 8,000	\$ -
Total - Appropriated funds	\$ 41,432,300	\$ 41,432,300	\$ -	\$ 41,432,300	\$ -

Notes:

- 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.
- 2) Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to the vendor.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**

SCHEDULE 3

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>
<u>APPROPRIATED FUNDS</u>		
EDUCATION ASSISTANCE FUND - 0007		
Expenditure Authority	\$ 41,424,300	\$ 39,451,700
Expenditures:		
Personal Services	\$ 37,810,101	\$ 36,326,970
Group Insurance	1,713,300	1,217,675
Contractual Services	1,300,000	1,300,000
Equipment	439,900	439,900
Telecommunications Services	160,999	167,155
Total Expenditures	<u>\$ 41,424,300</u>	<u>\$ 39,451,700</u>
Balances Lapsed	<u>\$ -</u>	<u>\$ -</u>
 STATE COLLEGE & UNIVERSITY TRUST FUND - 0417		
Expenditure Authority	\$ 8,000	\$ 8,000
Expenditures:		
Scholarships	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Total Expenditures	<u>\$ 8,000</u>	<u>\$ 8,000</u>
Balances Lapsed	<u>\$ -</u>	<u>\$ -</u>
 TOTAL APPROPRIATED FUNDS		
Expenditure Authority	<u>\$ 41,432,300</u>	<u>\$ 39,459,700</u>
Expenditures	<u>\$ 41,432,300</u>	<u>\$ 39,459,700</u>
Balances Lapsed	<u>\$ -</u>	<u>\$ -</u>

Notes:

- 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.
- 2) Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to the vendor.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF NET EXPENDITURES
BY MAJOR ACTIVITY

SCHEDULE 4

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>
<u>EXPENDITURE STATISTICS</u>		
All State Treasury Funds		
Total Operations Expenditures:	\$ 41,424,300	\$ 39,451,700
Percentage of Total Expenditures:	100.0%	100.0%
Personal Services	37,810,101	36,326,970
Other Payroll Costs	1,713,300	1,217,675
All Other Operating Expenditures	1,900,899	1,907,055
Total Awards and Grant Expenditures:	\$ 8,000	\$ 8,000
Percentage of Total Expenditures:	0.0%	0.0%
GRAND TOTAL - ALL EXPENDITURES	<u>\$ 41,432,300</u>	<u>\$ 39,459,700</u>

Notes:

- 1) Expenditures 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.
- 2) Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to the vendor.

EASTERN ILLINOIS UNIVERSITY**SCHEDULE 5**

A Component Unit of the State of Illinois

COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES

For the Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
INCOME FUND		
Revenues		
Tuition	\$ 49,316,133	\$ 48,572,508
Service fees	138,450	154,749
Fines and penalties	21,918	30,604
Interest income	18,439	7
Other	5,814,988	870,166
	<u>55,309,928</u>	<u>49,628,034</u>
Total Income Fund Revenues	<u>\$ 55,309,928</u>	<u>\$ 49,628,034</u>
Expenses		
Personal services	\$ 17,851,361	\$ 19,934,202
FICA - Medicare	1,161,261	1,288,262
Compensated absences	200,674	(530,174)
Contractual services	8,965,209	8,719,829
Travel	184,291	222,396
Commodities	674,371	781,646
Awards, grants, and matching funds	5,422,147	5,162,329
Permanent improvements	4,800	91,460
Equipment and library books	462,955	645,396
Telecommunications	95,250	94,601
Operation of automotive equipment	75,781	82,430
Student awards/tuition waived	10,246,726	10,507,043
	<u>45,344,826</u>	<u>46,999,420</u>
Total Income Fund Expenses	<u>\$ 45,344,826</u>	<u>\$ 46,999,420</u>

Note 1: Pursuant to the State Finance Act (30 ILCS 105/6a-1d), responsibility and control of the Eastern Illinois University Income Fund was transferred directly to the University. It is now a nonappropriated, local fund maintained by the University.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF CHANGES IN PROPERTY
For the Year Ended June 30, 2020

SCHEDULE 6

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
FISCAL YEAR 2020					
Property					
Land and Land Improvements	\$ 3,007,015	\$ -	\$ -	\$ -	\$ 3,007,015
Site Improvements	32,517,302	15,132	-	20,960	32,553,394
Buildings and Building Improvements	431,986,126	232,776	-	4,434,602	436,653,504
Equipment	107,095,416	3,005,941	1,354,661	(120,496)	108,626,200
Total	\$ 574,605,859	\$ 3,253,849	\$ 1,354,661	\$ 4,335,066	\$ 580,840,113
Capital Leases					
Buildings and Building Improvements	\$ -	\$ -	\$ -	\$ -	\$ -
Equipment	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in Progress					
Construction in Progress	\$ 1,365,491	\$ 1,216,235	\$ -	\$ (2,100,212)	\$ 481,514
Total	\$ 1,365,491	\$ 1,216,235	\$ -	\$ (2,100,212)	\$ 481,514
Total	\$ 575,971,350	\$ 4,470,084	\$ 1,354,661	\$ 2,234,854	\$ 581,321,627

- 1) These 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 State Comptroller for the year ended June 30, 2020.
- 2) This schedule was prepared from 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 State Comptroller for financial reporting in accordance with generally accepted accounting principles (GAAP).

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
STATEMENT OF CURRENT FUNDS
BALANCE SHEET BY ENTITY
June 30, 2020

SCHEDULE 7

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Textbook Rental</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ (836,252)	\$ (3,135,730)	\$ 430,768	\$ (3,541,214)
Accounts receivable	5,432,779	151,036	957,792	6,541,607
Inventories	134,147	641,087	-	775,234
Prepaid expenses	1,246	112	275	1,633
Total assets	<u>\$ 4,731,920</u>	<u>\$ (2,343,495)</u>	<u>\$ 1,388,835</u>	<u>\$ 3,777,260</u>
LIABILITIES AND FUND BALANCES				
Accounts payable	\$ 168,117	\$ 87,720	\$ 78,068	\$ 333,905
Accrued payroll	283,646	54,208	8,348	346,202
Security deposits	267,774	-	-	267,774
Accrued compensated absences	808,334	131,152	12,240	951,726
Deferred income, room and board	10,234	-	-	10,234
Deferred income, other	85,095	14,986	55,748	155,829
Total liabilities	<u>1,623,200</u>	<u>288,066</u>	<u>154,404</u>	<u>2,065,670</u>
Fund balances	<u>3,108,720</u>	<u>(2,631,561)</u>	<u>1,234,431</u>	<u>1,711,590</u>
Total liabilities and fund balances	<u>\$ 4,731,920</u>	<u>\$ (2,343,495)</u>	<u>\$ 1,388,835</u>	<u>\$ 3,777,260</u>

EASTERN ILLINOIS UNIVERSITY

SCHEDULE 8

A Component Unit of the State of Illinois

AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS

STATEMENT OF CURRENT FUNDS

REVENUES AND EXPENDITURES BY ENTITY

For the Year Ended June 30, 2020

	Student Living	Student Facilities	Textbook Rental	Total
Revenues				
Room and board	\$ 16,100,534	\$ -	\$ -	\$ 16,100,534
Duplicating	28	192,125	-	192,153
Bowling and recreation	-	40,949	-	40,949
Merchandise sales	19,136	812,622	130,318	962,076
Student fees	299,213	1,150,526	-	1,449,739
Operating fee	-	1,726,080	1,508,481	3,234,561
Desk sales revenue	1,209,426	10,967	-	1,220,393
Games revenue	646	-	-	646
Subsidy reduction fee	-	25,925	6,694	32,619
Canned drink sales	-	20,017	-	20,017
Vending	185,133	28,475	-	213,608
Service and rental fees	25,259	37,138	21	62,418
Investment income	15,229	4,190	8,528	27,947
Other	150,084	76,493	48,164	274,741
Total revenues	18,004,688	4,125,507	1,702,206	23,832,401
Expenditures				
Merchandise	762	651,696	-	652,458
Food	1,876,578	19,860	-	1,896,438
Salaries				
Faculty	1,198,773	109,474	-	1,308,247
Civil service	6,489,636	1,391,545	137,410	8,018,591
Student	1,156,546	110,988	15,878	1,283,412
Resident assistants	971,617	-	-	971,617
Compensated absences	48,200	10,838	300	59,338
Commodities				
Office and administrative supplies	55,369	23,321	15,640	94,330
Household - cleaning supplies	198,879	2,321	-	201,200
Other commodities	341,018	105,568	2,046	448,632
Operation of automotive equipment	70,619	17,249	-	87,868
Travel	3,502	2	-	3,504
Contractual services				
Repairs	222,168	56,499	47,882	326,549
Rentals	288,891	1,857	-	290,748
Services	698,377	151,063	34,536	883,976
Insurance	174,321	59,188	9,040	242,549
Operating taxes and fees	134,440	51,025	8,395	193,860
Utilities	4,552,595	1,496,651	30,960	6,080,206
Office and administrative	11,763	538	-	12,301
Other contractual services	889,497	99,737	13,077	1,002,311
Equipment	15,819	3,056	6,370	25,245
Telecommunications charges	120,617	11,032	3,354	135,003
Waivers & scholarships	8,737	23,470	16,712	48,919
Building Improvement	4,744	38,836	-	43,580
Total expenditures	19,533,468	4,435,814	341,600	24,310,882
Excess (deficit) of revenues over expenditures	\$ (1,528,780)	\$ (310,307)	\$ 1,360,606	\$ (478,481)

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS**STATEMENT OF CURRENT FUNDS****STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY**

For the Year Ended June 30, 2020

SCHEDULE 9

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Textbook Rental</u>	<u>Total</u>
Fund balances (deficit) at July 1, 2019	\$ 5,063,548	\$ (2,010,633)	\$ 1,251,907	\$ 4,304,822
Revenues and other additions				
Operating revenues	18,004,688	4,125,507	1,702,206	23,832,401
Expenditures and other deductions				
Operating expenditures	19,464,705	4,383,084	334,930	24,182,719
Change in compensated absences	48,200	10,838	300	59,338
Equipment	15,819	3,056	6,370	25,245
Building Improvements	4,744	38,836	-	43,580
Total expenditures and other deductions	19,533,468	4,435,814	341,600	24,310,882
Transfers among funds				
Deductions				
Mandatory transfers				
Debt retirement	(426,048)	(310,621)	(308,033)	(1,044,702)
Non-mandatory transfers				
Debt retirement	-	-	(627,415)	(627,415)
Repair and replacement reserve	-	-	(442,634)	(442,634)
Total transfers	(426,048)	(310,621)	(1,378,082)	(2,114,751)
Net increase (decrease) for the year	(1,954,828)	(620,928)	(17,476)	(2,593,232)
Fund balances (deficit) at June 30, 2020	<u>\$ 3,108,720</u>	<u>\$ (2,631,561)</u>	<u>\$ 1,234,431</u>	<u>\$ 1,711,590</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
STATEMENT OF PLANT FUNDS
BALANCE SHEET BY ENTITY
June 30, 2020

SCHEDULE 10

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Textbook Rental</u>	<u>Total</u>
ASSETS				
RENEWAL AND REPLACEMENT				
Cash and temporary cash investments	\$ 2,135,322	\$ 1,646,735	\$ 210,680	\$ 3,992,737
Accounts receivable	-	4,954	-	4,954
Total renewal and replacement	<u>2,135,322</u>	<u>1,651,689</u>	<u>210,680</u>	<u>3,997,691</u>
RETIREMENT OF INDEBTEDNESS				
Bond and interest sinking fund				
Cash and temporary investments	(85,055)	(61,176)	3,106,541	2,960,310
Accounts receivable	109,152	78,491	77,832	265,475
Bond issuance costs				
Other assets	1,410	1,014	-	2,424
Total retirement of indebtedness	<u>25,507</u>	<u>18,329</u>	<u>3,184,373</u>	<u>3,228,209</u>
INVESTMENT IN PLANT				
Bond discount	-	-	4,962	4,962
Land	118,981	4,267,933	-	4,386,914
Building and site improvements	93,282,194	36,008,766	3,740,771	133,031,731
Equipment	1,259,965	775,210	7,993,520	10,028,695
Accumulated depreciation	(65,996,970)	(30,636,447)	(8,135,600)	(104,769,017)
Construction in progress	67,559	-	-	67,559
Total investment in plant	<u>28,731,729</u>	<u>10,415,462</u>	<u>3,603,653</u>	<u>42,750,844</u>
Total assets	<u>\$ 30,892,558</u>	<u>\$ 12,085,480</u>	<u>\$ 6,998,706</u>	<u>\$ 49,976,744</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
STATEMENT OF PLANT FUNDS
BALANCE SHEET BY ENTITY
June 30, 2020

SCHEDULE 10

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Textbook Rental</u>	<u>Total</u>
LIABILITIES AND FUND BALANCES				
RENEWAL AND REPLACEMENT				
Accounts payable	\$ 83,147	\$ 3,101	\$ 433	\$ 86,681
Renewal and replacement reserve	<u>2,052,175</u>	<u>1,648,588</u>	<u>210,247</u>	<u>3,911,010</u>
Total renewal and replacement	<u>2,135,322</u>	<u>1,651,689</u>	<u>210,680</u>	<u>3,997,691</u>
RETIREMENT OF INDEBTEDNESS				
Accounts payable	24,078	17,315	41,582	82,975
Bond and interest sinking fund reserve	19	-	3,142,791	3,142,810
Bond issuance costs	<u>1,410</u>	<u>1,014</u>	<u>-</u>	<u>2,424</u>
Total retirement of indebtedness	<u>25,507</u>	<u>18,329</u>	<u>3,184,373</u>	<u>3,228,209</u>
INVESTMENT IN PLANT				
Revenue bonds outstanding	2,283,172	1,641,828	2,980,000	6,905,000
Bond premium	7,184	5,165	-	12,349
Net investment in plant	<u>26,441,373</u>	<u>8,768,469</u>	<u>623,653</u>	<u>35,833,495</u>
Total investment in plant	<u>28,731,729</u>	<u>10,415,462</u>	<u>3,603,653</u>	<u>42,750,844</u>
 Total liabilities and fund balances	 <u>\$ 30,892,558</u>	 <u>\$ 12,085,480</u>	 <u>\$ 6,998,706</u>	 <u>\$ 49,976,744</u>

EASTERN ILLINOIS UNIVERSITY**SCHEDULE 11**

A Component Unit of the State of Illinois

AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS**STATEMENT OF PLANT FUNDS****STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY**

For the Year Ended June 30, 2020

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Textbook Rental</u>	<u>Total</u>
RENEWAL AND REPLACEMENT				
Fund balances at July 1, 2019	\$ 2,871,285	\$ 1,691,956	\$ 664,081	\$ 5,227,322
Investment income	\$ 18,846	\$ 1,105	-	\$ 19,951
Other income	64,995	-	-	64,995
Non-mandatory transfers - current	-	-	442,634	442,634
Repair expenditures	(902,951)	(44,473)	-	(947,424)
Textbook expenditures	-	-	(896,468)	(896,468)
Fund balances at June 30, 2020	<u>\$ 2,052,175</u>	<u>\$ 1,648,588</u>	<u>\$ 210,247</u>	<u>\$ 3,911,010</u>
RETIREMENT OF INDEBTEDNESS				
BOND AND INTEREST SINKING FUND				
Fund balances at July 1, 2019	\$ 5,911	\$ -	\$ 2,497,243	\$ 2,503,154
Mandatory transfers - current	426,048	310,621	308,033	1,044,702
Non-mandatory transfers - current	-	-	627,415	627,415
Investment income	19	-	18,133	18,152
Debt retirement principal	(325,752)	(234,248)	(140,000)	(700,000)
Debt retirement interest	(106,207)	(76,373)	(168,033)	(350,613)
Fund balances at June 30, 2020	<u>19</u>	<u>-</u>	<u>3,142,791</u>	<u>3,142,810</u>
BOND ISSUANCE COSTS				
Fund balances at July 1, 2019	\$ 1,905	\$ 1,370	\$ -	\$ 3,275
Amortization of bond closing costs	<u>\$ (495)</u>	<u>\$ (356)</u>	<u>-</u>	<u>\$ (851)</u>
Fund balances at June 30, 2020	<u>1,410</u>	<u>1,014</u>	<u>-</u>	<u>2,424</u>
Total retirement of indebtedness - June 30, 2020	<u>\$ 1,429</u>	<u>\$ 1,014</u>	<u>\$ 3,142,791</u>	<u>\$ 3,145,234</u>

EASTERN ILLINOIS UNIVERSITY**SCHEDULE 11**

A Component Unit of the State of Illinois

AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS**STATEMENT OF PLANT FUNDS****STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY**

For the Year Ended June 30, 2020

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Textbook Rental</u>	<u>Total</u>
INVESTMENT IN PLANT				
Fund balances at July 1, 2019	\$ 28,728,717	\$ 9,456,053	\$ 750,892	\$ 38,935,662
Equipment purchased (net of deletions)	80,686	22,853	901,630	1,005,169
Buildings/sites (net of deletions)	70,200	41,451	-	111,651
Gain (loss) on disposal	(2,976)	-	-	(2,976)
Depreciation	(2,763,523)	(987,946)	(1,168,118)	(4,919,587)
Debt retirement - principal payment	325,752	234,248	140,000	700,000
Bond discount expense	-	-	(751)	(751)
Bond premium amortization	2,517	1,810	-	4,327
Fund balances at June 30, 2020	<u>\$ 26,441,373</u>	<u>\$ 8,768,469</u>	<u>\$ 623,653</u>	<u>\$ 35,833,495</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
AUXILIARY ENTERPRISE FUNDS - OTHER
BALANCE SHEET BY ENTITY

SCHEDULE 12

June 30, 2020

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
ASSETS			
CURRENT FUNDS			
Cash and temporary cash investments	\$ 260,497	\$ -	\$ 260,497
Accounts receivable	170,522	-	170,522
Prepaid	17,172	-	17,172
Total current funds	<u>448,191</u>	<u>-</u>	<u>448,191</u>
PLANT FUNDS			
Cash and temporary cash investments	1,419,222	-	1,419,222
Building and site improvements	5,857,032	-	5,857,032
Land	1,248,812	-	1,248,812
Equipment	49,870	8,455	58,325
Accumulated depreciation	(4,321,840)	(8,455)	(4,330,295)
Construction in progress	-	-	-
Total plant funds	<u>4,253,096</u>	<u>-</u>	<u>4,253,096</u>
Total assets	<u>\$ 4,701,287</u>	<u>\$ -</u>	<u>\$ 4,701,287</u>
LIABILITIES AND FUND BALANCES			
CURRENT FUNDS			
Accounts payable	\$ 25,065	\$ -	\$ 25,065
Accrued payroll	15,312	-	15,312
Unearned revenue	150,000	-	150,000
Fund balances	257,814	-	257,814
Total current funds	<u>448,191</u>	<u>-</u>	<u>448,191</u>
PLANT FUNDS			
Non-indentured reserves	1,419,222	-	1,419,222
Net investment in plant	2,833,874	-	2,833,874
Total plant funds	<u>4,253,096</u>	<u>-</u>	<u>4,253,096</u>
Total liabilities and fund balances	<u>\$ 4,701,287</u>	<u>\$ -</u>	<u>\$ 4,701,287</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
AUXILIARY ENTERPRISE FUNDS - OTHER
STATEMENT OF CURRENT FUNDS
REVENUES AND EXPENDITURES BY ENTITY
For the Year Ended June 30, 2020

SCHEDULE 13

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
REVENUES			
Sales, services - enterprises	\$ 507,880	\$ -	\$ 507,880
Fines and penalties	94,643	-	94,643
Investment income	12,188	-	12,188
Other income	100,000	-	100,000
Total revenues	<u>714,711</u>	<u>-</u>	<u>714,711</u>
EXPENDITURES			
Salaries	293,145	-	293,145
Other expenses	22,018	-	22,018
Contractual services	150,303	-	150,303
Commodities	8,281	-	8,281
Total expenditures	<u>473,747</u>	<u>-</u>	<u>473,747</u>
Revenues over expenditures	<u>\$ 240,964</u>	<u>\$ -</u>	<u>\$ 240,964</u>

EASTERN ILLINOIS UNIVERSITY**SCHEDULE 14**

A Component Unit of the State of Illinois

AUXILIARY ENTERPRISE FUNDS - OTHER**STATEMENT OF CURRENT FUNDS****STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY**

For the Year Ended June 30, 2020

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
Fund balances at July 1, 2019	\$ 162,805	-	\$ 162,805
Revenues and other additions			
Operating revenues	714,711	-	714,711
Total revenues and other additions	<u>714,711</u>	<u>-</u>	<u>714,711</u>
Expenditures and other deductions			
Operating expenditures	473,747	-	473,747
Non-mandatory transfers	145,955	-	145,955
Total expenditures and other deductions	<u>619,702</u>	<u>-</u>	<u>619,702</u>
Net increase (decrease) for the year	<u>95,009</u>	<u>-</u>	<u>95,009</u>
Fund balances at June 30, 2020	<u>\$ 257,814</u>	<u>\$ -</u>	<u>\$ 257,814</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
AUXILIARY ENTERPRISE FUNDS - OTHER
STATEMENT OF PLANT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
For the Year Ended June 30, 2020

SCHEDULE 15

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
NON-INDENTURED RESERVES			
Fund balances at July 1, 2019	\$ 1,273,267	\$ -	\$ 1,273,267
Reserve additions			
Current funds	145,955	-	145,955
Total addition	<u>145,955</u>	<u>-</u>	<u>145,955</u>
Fund balances at June 30, 2020	<u>\$ 1,419,222</u>	<u>\$ -</u>	<u>\$ 1,419,222</u>
INVESTMENT IN PLANT			
Fund balances at July 1, 2019	\$ 3,037,472	\$ -	\$ 3,037,472
Plant additions			
Current funds	6,373	-	6,373
Total additions	<u>6,373</u>	<u>-</u>	<u>6,373</u>
Plant reduction			
Depreciation	209,971	-	209,971
Total reduction	<u>209,971</u>	<u>-</u>	<u>209,971</u>
Fund balances at June 30, 2020	<u>\$ 2,833,874</u>	<u>\$ -</u>	<u>\$ 2,833,874</u>

EASTERN ILLINOIS UNIVERSITY
 A Component Unit of the State of Illinois
AUXILIARY ENTERPRISES - DESIGNATED FUNDS
BALANCE SHEET BY ENTITY
 June 30, 2020

	Student Fee Programs	Material Fees	Service Departments	Student/ Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract Credit	Total
ASSETS										
CURRENT FUNDS										
Cash and temporary investments	\$ (2,597,986)	\$ 228,656	\$ 9,918,440	\$ 98,988	\$ 84,921	\$ (61,290)	\$ 223,084	\$ 310,023	\$ (628,185)	\$ 7,576,651
Accounts receivable (net of allowance)	1,662,196	65,983	(2,750,707)	57,507	9,509	71,054	119,507	-	593,382	(171,569)
Inventories	8,604	-	648,309	643	-	-	-	-	-	657,556
Prepaid expense and other assets	243,653	3,142	11,219	1,985	8,248	-	3,617	1,520	2,004	275,388
Total current funds	(683,533)	297,781	7,827,261	159,123	102,678	9,764	346,208	311,543	(32,799)	8,338,026
PLANT FUNDS										
Temporary cash investments	6,651,893	28,806	7,522,060	48,176	38,472	-	45	-	52,554	14,342,006
Accounts receivable	324,375	-	840,000	-	-	-	-	-	-	1,164,375
Bond discount	15,302	-	-	-	-	-	-	-	-	15,302
Buildings and improvements	25,476,348	-	88,385,054	103,145	24,284	-	95,950	93,146	-	114,177,927
Equipment	2,569,498	72,897	3,178,046	82,910	142,651	-	14,954	4,175	8,323	6,073,454
Construction in progress	271,412	-	40,007	-	-	-	-	-	-	311,419
Accumulated depreciation	(11,901,723)	(41,038)	(15,886,891)	(101,492)	(101,464)	-	(62,886)	(56,171)	(8,323)	(28,159,988)
Other assets	3,621	-	-	-	-	-	-	-	-	3,621
Total plant funds	23,410,726	60,665	84,078,276	132,739	103,943	-	48,063	41,150	52,554	107,928,116
Total assets	\$ 22,727,193	\$ 358,446	\$ 91,905,537	\$ 291,862	\$ 206,621	\$ 9,764	\$ 394,271	\$ 352,693	\$ 19,755	\$ 116,266,142
LIABILITIES AND FUND BALANCES										
CURRENT FUNDS										
Accounts payable and accrued expenses	\$ 636,052	\$ 40,140	\$ 2,215,889	\$ 1,857	\$ 2,094	\$ 9,764	\$ 1,847	\$ -	\$ 6,241	\$ 2,913,884
Accrued payroll	8,050	-	99,100	4,943	4,075	-	12,156	-	3,729	132,053
Accrued compensated absences	-	-	86,429	-	-	-	-	-	-	86,429
Deferred income	498,944	10,251	-	-	11,034	-	8,407	-	231,974	760,610
Total liabilities - current funds	1,143,046	50,391	2,401,418	6,800	17,203	9,764	22,410	-	241,944	3,892,976
Fund balances										
Current unrestricted	(1,826,579)	247,390	5,425,843	152,323	85,475	-	323,798	311,543	(274,743)	4,445,050
Total current funds	(683,533)	297,781	7,827,261	159,123	102,678	9,764	346,208	311,543	(32,799)	8,338,026
PLANT FUNDS										
Certificates of participation payable	4,700,000	-	65,395,000	-	-	-	-	-	-	70,095,000
Total liabilities - plant funds	4,700,000	-	65,395,000	-	-	-	-	-	-	70,095,000
Fund balances										
Non-indentured reserve	103,210	28,806	858,370	48,176	38,472	-	45	-	52,554	1,129,633
Net investment in plant	12,055,212	31,859	11,161,216	84,563	65,471	-	48,018	41,150	-	23,487,489
Bond issuance costs	3,621	-	-	-	-	-	-	-	-	3,621
Construction reserve	-	-	6,663,690	-	-	-	-	-	-	6,663,690
Other Reserves	6,548,683	-	-	-	-	-	-	-	-	6,548,683
Total fund balances	18,710,726	60,665	18,683,276	132,739	103,943	-	48,063	41,150	52,554	37,833,116
Total plant funds	23,410,726	60,665	84,078,276	132,739	103,943	-	48,063	41,150	52,554	107,928,116
Total liabilities and fund balances	\$ 22,727,193	\$ 358,446	\$ 91,905,537	\$ 291,862	\$ 206,621	\$ 9,764	\$ 394,271	\$ 352,693	\$ 19,755	\$ 116,266,142

SCHEDULE 17

EASTERN ILLINOIS UNIVERSITY
 A Component Unit of the State of Illinois
AUXILIARY ENTERPRISES - DESIGNATED FUNDS
STATEMENT OF CURRENT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
 For the Year Ended June 30, 2020

	Student Fee Programs	Material Fees	Service Departments	Student/Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract Credit	Total
REVENUES										
Tuition and fees	\$ 8,184,719	\$ 444,821	\$ -	\$ 128,106	\$ -	\$ -	\$ -	\$ -	\$ 1,651,885	\$ 10,409,531
Federal grants and contracts	-	-	-	-	2,805	-	-	78,848	-	81,653
State grants and contracts	-	-	-	-	-	-	-	228,041	-	228,041
Private gifts, grants, and contracts	437,772	-	-	190,267	3,209	-	3,284	7,315	-	641,847
Investment income	58,654	1,651	-	1,759	1,726	-	3,435	3,705	2,913	73,843
Educational activities	1,513,212	-	-	156,278	18,657	-	1,025,550	-	-	2,713,697
Other additions	976,535	1,307	1,397,208	57,138	499,388	-	11,538	-	-	2,943,114
Total revenues and other additions	11,170,892	447,779	1,397,208	533,548	525,785	-	1,043,807	317,909	1,654,798	17,091,726
EXPENDITURES										
Educational and general										
Instruction	-	330,218	-	110,508	7,149	(29)	5,792	-	2,154,205	2,607,843
Public service	-	-	-	240,059	489,462	-	982,327	-	-	1,711,848
Academic support	-	-	-	161,071	-	-	480	42,137	-	203,688
Student services	9,747,762	-	-	17,094	1,519	-	-	48,146	-	9,814,521
Institutional support	-	-	(7,989,164)	8,457	-	-	35,438	88,730	8,506	(7,848,033)
Operation and maintenance of plant	125,461	-	-	-	-	-	-	-	-	125,461
Scholarships and fellowships	1,412,900	-	-	-	-	-	-	-	-	1,412,900
Total educational and general expenditures	11,286,123	330,218	(7,989,164)	537,189	498,130	(29)	1,024,037	179,013	2,162,711	8,028,228
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)										
Mandatory transfers										
Principal	(846,250)	-	(3,416,250)	-	-	-	-	-	-	(4,262,500)
Interest	(218,461)	-	(3,812,671)	-	-	-	-	-	-	(4,031,132)
Student aid matching grants	(168,895)	-	-	-	-	-	-	-	-	(168,895)
Total mandatory transfers	(1,233,606)	-	(7,228,921)	-	-	-	-	-	-	(8,462,527)
Non-mandatory transfers										
Renewal and replacement	-	-	-	-	(1,914)	-	-	-	-	(1,914)
Reserve	-	-	-	-	-	-	-	-	-	-
Excess local funds	-	(39,564)	(4,841,115)	(97,402)	(56,031)	(29)	(24,206)	(152,762)	-	(5,211,109)
Transfers, other	-	60	(40,602)	(414)	-	-	(17)	-	(60)	(41,033)
Total non-mandatory transfers	-	(39,504)	(4,881,717)	(97,816)	(57,945)	(29)	(24,223)	(152,762)	(60)	(5,254,056)
NET INCREASE (DECREASE) FOR THE YEAR	(1,348,837)	78,057	(2,724,266)	(101,457)	(30,290)	-	(4,453)	(13,866)	(507,973)	(4,653,085)
FUND BALANCES (DEFICIT) AT JULY 1, 2019	(477,742)	169,333	8,150,109	253,780	115,765	-	328,251	325,409	233,230	9,098,135
FUND BALANCES (DEFICIT) AT JUNE 30, 2020	(1,826,579)	247,390	5,425,843	152,323	85,475	-	323,798	311,543	(274,743)	4,445,050

EASTERN ILLINOIS UNIVERSITY
 A Component Unit of the State of Illinois
AUXILIARY ENTERPRISES - DESIGNATED FUNDS
STATEMENT OF PLANT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
 For the Year Ended June 30, 2020

	Student Fee Programs	Material Fees	Service Departments	Student/Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract Credit	Total
NON-INDENTURED RESERVES										
Fund balances at July 1, 2019	\$ 103,210	\$ 41,952	\$ 817,768	\$ 82,579	\$ 40,429	\$ -	\$ 45	\$ -	\$ 52,554	\$ 1,138,537
Reserve additions	-	-	40,602	-	1,914	-	-	-	-	42,516
Current funds	-	-	40,602	-	1,914	-	-	-	-	42,516
Total Additions	-	-	40,602	-	1,914	-	-	-	-	42,516
Reserve deductions	-	500	-	23,963	3,871	-	-	-	-	28,334
Non-capitalized equipment purchases	-	12,646	-	10,440	-	-	-	-	-	23,086
Transfer to plant fund	-	13,146	-	34,403	3,871	-	-	-	-	51,420
Total Deductions	-	25,792	-	44,803	3,871	-	-	-	-	74,466
Fund balances at June 30, 2020	\$ 103,210	\$ 28,806	\$ 858,370	\$ 48,176	\$ 38,472	\$ -	\$ 45	\$ -	\$ 52,554	\$ 1,129,633
NET INVESTMENT IN PLANT										
Fund balances at July 1, 2019	\$ 12,181,914	\$ 8,828	\$ 10,213,472	\$ 88,871	\$ 32,733	\$ -	\$ 56,104	\$ 46,404	\$ -	\$ 22,628,326
Plant additions	975,296	14,255	3,693,166	-	37,009	-	-	-	-	4,719,726
Current funds	-	12,646	-	10,440	-	-	-	-	-	23,086
Non-indentured reserves	-	-	-	-	-	-	-	-	-	-
Other reserves	11,443	-	-	-	-	-	-	-	-	11,443
Gain on disposed property	-	-	1,600	400	-	-	-	-	-	2,000
Total additions	986,739	26,901	3,694,766	10,840	37,009	-	-	-	-	4,756,255
Plant deductions	1,106,713	3,870	2,747,022	15,148	4,271	-	8,086	5,254	-	3,890,364
Depreciation	6,728	-	-	-	-	-	-	-	-	6,728
Amortization of bond premium/discount	-	-	-	-	-	-	-	-	-	-
Total deductions	1,113,441	3,870	2,747,022	15,148	4,271	-	8,086	5,254	-	3,897,092
Fund balances at June 30, 2020	\$ 12,055,212	\$ 31,859	\$ 11,161,216	\$ 84,563	\$ 65,471	\$ -	\$ 48,018	\$ 41,150	\$ -	\$ 23,487,489

EASTERN ILLINOIS UNIVERSITY
 A Component Unit of the State of Illinois
AUXILIARY ENTERPRISES - DESIGNATED FUNDS
STATEMENT OF PLANT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
 For the Year Ended June 30, 2020

	Student Fee Programs	Material Fees	Service Departments	Student/Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract Credit	Total
BOND ISSUANCE COSTS										
Fund balance at July 1, 2019	\$ 5,217	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,217
Deductions										
Amortization of closing costs	1,596	-	-	-	-	-	-	-	-	1,596
Total deductions	1,596	-	-	-	-	-	-	-	-	1,596
Fund balance at June 30, 2020	\$ 3,621	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,621
CONSTRUCTION RESERVE										
Fund balance at July 1, 2019	\$ -	\$ -	\$ 6,615,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,615,652
Additions										
Investment income	-	-	48,038	-	-	-	-	-	-	48,038
Total additions	-	-	48,038	-	-	-	-	-	-	48,038
Fund balance at June 30, 2020	\$ -	\$ -	\$ 6,663,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,663,690
OTHER RESERVES										
Fund balance at July 1, 2019	\$ 6,541,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,541,068
Reserve Additions										
Investment income	28,280	-	-	-	-	-	-	-	-	28,280
Total additions	28,280	-	-	-	-	-	-	-	-	28,280
Reserve Deductions										
Transfer to plant funds	11,443	-	-	-	-	-	-	-	-	11,443
Transfer to current funds	9,222	-	-	-	-	-	-	-	-	9,222
Total deductions	20,665	-	-	-	-	-	-	-	-	20,665
Fund balance at June 30, 2020	\$ 6,548,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,548,683

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF SOURCES AND APPLICATIONS
INDIRECT COST REIMBURSEMENTS
For the Year Ended June 30, 2020

SCHEDULE 19

Sources	
Federal	\$ 78,848
State	228,041
Other	7,315
Investment income	<u>3,705</u>
Total Sources	<u>317,909</u>
Applications	
Academic support	42,137
Student services	48,146
Institutional support	88,730
Excess funds	<u>152,762</u>
Total Applications	<u>331,775</u>
Sources over applications	(13,866)
Fund balance, beginning of year	<u>325,408</u>
Fund balance, end of year	<u><u>\$ 311,542</u></u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
CALCULATION SHEET FOR INDIRECT COST CARRYFORWARD
For the Year Ended June 30, 2020

SCHEDULE 20

1. Cash and Cash Equivalents Balance

Enter the June 30 indirect cost entity balance for cash and equivalents \$ 310,023

2. Allocated Reimbursements

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed

\$482,648; enter 30% of this amount 144,794

3. Unallocated Reimbursements

Enter the lesser of the actual unallocated indirect cost reimbursements for the year completed OR 10% of total indirect cost allocations for the year completed

48,265

4. Encumbrances and Current Liabilities Paid in the Lapse Period

Enter the amount of

Current liabilities -

Encumbrances -

Total -

5. Indirect Cost Carry-forward

a. Enter the total of items 2, 3 and 4 193,059

Subtract line 5a. from item 1 \$ 116,964

If the positive number results, enter here and remit for deposit in the Income Fund \$ 116,964

EASTERN ILLINOIS UNIVERSITY**SCHEDULE 21**

A Component Unit of the State of Illinois

SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY

For the Year Ended June 30, 2020

(IN THOUSANDS)

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	\$ 50,297
Total, Schedule A	<u>\$ 50,297</u>

Schedule B: Total Financial Component

Total operating expenses	\$ 165,643
Total nonoperating expenses	4,839
Federal loan balances:	
Perkins Loan Program	5,354
Total value of new federal loans:	
Federal Direct Loans	28,272
Other noncash federal award expenditures	1,717
Total, Schedule B	<u>\$ 205,825</u>

Schedule C: Computation of Nonfederal Expenses

Total, Schedule B	\$ 205,825	100.000%
Total, Schedule A	50,297	24.437%
Total nonfederal expenses	<u>\$ 155,528</u>	<u>75.563%</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2020

(UNAUDITED)

Mission

Eastern Illinois University's (University) mission statement states that it offers superior, accessible undergraduate and graduate education. Students learn the methods and results of free and rigorous inquiry in the arts, humanities, sciences and professions, guided by faculty known for its excellence in teaching, research, creative activity and service. The University community is committed to diversity and inclusion and fosters opportunities for student-faculty scholarship and applied learning experiences within a student-centered campus culture. Throughout their education, students refine their abilities to reason and to communicate clearly so as to become responsible citizens and leaders.

Strategic Plan

At the University's Board of Trustees' (Board) meeting in June 2016, the University was charged by the Board to assess the university' academic and non-academic programs and services in terms of their viability, efficiency and sustainability, and report back to the Board at their January 2017 meeting with conclusions and recommendations. This charge by the Board provides a context to involve the University in a positive and proactive opportunity for innovative thought, discussion and action toward the vitalization of our university.

The Vitalization Project served to advance the University on its "Pathway to Success" and guide our budget and planning decisions for future allocation of resources and strategic investments. It accessed the viability and operational efficiency of our array of academic programs; student services; enrollment management practices; facilities; intercollegiate sports; and University marketing and branding strategies, and recommend appropriate actions. In addition, it provided a context for crafting a vision for our university's vitalized future ~ its organization, academic program array, learning and delivery formats, etc., as well as other targeted investments to attract higher enrollments and distinguish the University in the competitive marketplace.

The vitalization project was made up of 9 workgroups as follows:

1. Student Services
2. University Technology
3. Enrollment Management
4. Intercollegiate Athletics
5. Facilities
6. Marketing and University Branding
7. Academic Programs
 - a. Viability and sustainability of academic programs considered 1) Quality of Program, 2) Centrality of Program to University Mission, 3) Student Enrollment and Market Demand for Program by Prospective Students, and 4) Revenue/Expense Profile of Program

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2020

(UNAUDITED)

8. Academic Visioning Workgroup I
 - a. New Modified Programs (undergraduate and graduate majors)
 - b. Completion Programs (for adult learners and community college students)
 - c. Identifying Signature Programs
 - d. Micro Degrees
9. Academic Visioning Workgroup II
 - a. Reorganizations (Colleges, Schools and/or Departments)
 - b. Variable Learning Formats (on-line, weekend, around the calendar programs)
 - c. Differential Tuition Modeling

The charge of Workgroups #1 - #6 was framed by identifying efficiencies, assessing the viability and sustainability of existing services and/or programs, and identifying any enhancements or changes likely to increase the marketability and success for increasing student enrollments.

The charge of Workgroup #7 was framed by assessing the viability and sustainability of each of the University's academic undergraduate and graduate programs through the considerations of quality of program, centrality of program to university mission, student enrollment and market demand of program by prospective students, and the revenue/expense profile of the program.

The charge of Workgroups #8 and #9 was to envision innovative ideas for our academic affairs division. Workgroup #8 focused on program development that would enhance the University's marketability in growing student enrollments at both the undergraduate and graduate levels. Workgroup #9 focused on the University's organization of academic colleges, schools and departments, learning platforms, and tuition models to enhance our academic affairs operation, increase interest by prospective students (both traditional and non-traditional), and create effective tuition strategies.

The conclusions reached can be summarized as follows:

Student Services

Student services are vital to the University's success. Student services sustain the University's higher-than-average retention rates, support recruitment efforts, enhance alumni career placement, and reinforce general education learning goals through students' daily experiences.

The workgroups recommendations focused on investments that are most essential to retention and recruitment, opportunities for further efficiencies, and opportunities to enhance revenue or services.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2020

(UNAUDITED)

University Technology

The University Technology Workgroup focused on the role of information technology at the University.

The workgroup recommended that the University reorganize the way it structures information technology on campus. The creation of a leadership position in information technology which offers strategic planning and oversight of the entire campus's information technology needs, together with a central technology budget and the advisement of a Central Steering Committee for Technology with members of major stakeholder groups on campus to advise the group.

Enrollment Management

Enrollment management is an area that requires targeted investments. Successful enrollment management is a crucial pillar on which the whole University will rely. Enhanced technology is seen as crucial to the enrollment management work. The future of enrollment management is primarily online, necessitating investments in the University's web and mobile presence.

Investments are also needed to involve faculty, staff, and students in recruitment efforts and in providing programs that target untapped potential student populations.

In addition, additional marketing support was identified as crucial to enrollment growth.

Intercollegiate Athletics

Academic success, aesthetics, branding/marketing, facilities, institutional/departmental financial resources and the safety, health and well-being of student-athletes and others are integral to the University.

Intercollegiate athletic programs have many things to offer their participants, institutions and other stakeholders. While the budget may not provide the funds necessary for our student-athletes to remain competitive in the future in all sports currently offered.

The success of our student-athletes and athletic teams attract a significant amount of local, regional and national media attention and enhancements to our sports information and athletic marketing efforts can benefit all areas on campus.

Intercollegiate athletic teams – and particularly successful, winning programs – can support enrollment efforts and increase affinity and awareness of the university by alumni, donors and other external audiences.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2020

(UNAUDITED)

Facilities

There is a great need for maintenance and updates to our physical facilities. For many years, the maintenance needs of buildings and infrastructure have been greater than the funding available. The result is a huge amount of deferred maintenance that contributes to reduced life span of our buildings and systems, increased and more frequent need for major capital replacement projects, and more and costly emergency repairs.

It is important to increase resources dedicated to facilities, to enhance marketability, enrollment and viability of the university. The campus master plan will provide a guide for the ongoing vision of the campus.

Marketing and Branding

Marketing by itself is a very broad domain and touches every aspect of the University. To fully appreciate the role it plays in today's organization is to understand that it starts with the strategic positioning of the organization relative to the markets it serves and other institutions vying for the attention of those same markets. Strategic positioning at its heart takes into account the persona in which the University portrays and operationally deploys its resources to carry out its mission with respect to current and future environmental demands.

We accept that certain activities we perform are revenue generating and that to generate revenue for any organization, be it private, public, for profit, or not-for-profit, we must have clients we serve and acknowledge that they have the free choice to accept our market-place offer or reject it in the presence of other institution's offers. Marketing and branding activities should be viewed as investments and not costs. So, let us accept that the role of 'marketing and branding' is everyone's job. It is the responsibility of each department to own its enrollment. It is the responsibility of each department to promote its offerings. It is the responsibility of each department to shepherd its students toward graduation, and then be a resource for their alumni.

Academic Programs

The University's academic programs were reviewed based on the analysis of a comprehensive set of data characterizing elements of program quality, centrality to the University's mission, marketability potential for increasing enrollments, number of majors, and cost structures. Recognition of the University's commitment to a comprehensive liberal arts education is essential for this process.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS
For the Year Ended June 30, 2020

(UNAUDITED)

Each program was classified into one of four categories.

- Increased resources for programs assessed to be under-funded for the number of students they currently serve or for programs that additional resource allocation would likely result in significantly increased enrollments of large number of students.
- Programs being efficiently delivered and demonstrating marketability and interest by prospective students, and therefore no changes are necessary.
- A program plan is needed to enhance operational efficiency for programs assessed to be marketable and of interest to prospective and current students, yet staff size or other operational costs were considered unbalanced for the number of students currently enrolled in the major. Program plans should be developed to guide actions to increase student enrollment, reduce program expenses, or combination of both.
- Deletion or consolidation of programs assessed to have very low marketability for student recruitment and very low numbers of the University's students majoring in the field.

Academic Visioning

For the future of the University, it is critical that programs be developed to enhance the University's marketability in growing student enrollments at both the undergraduate and graduate levels. The University focused on four specific areas: new and modified programs, combination programs for adult learners and community college students, signature programs and micro degrees.

In addition, the visioning included the University's organization of academic colleges, schools and departments, learning platforms, and tuition models to enhance academic operations, increase interest from prospective students (both traditional and non-traditional), and create effective tuition strategies.

Location, Address and Head of the Agency

Dr. David M. Glassman, President
Eastern Illinois University
600 Lincoln Avenue
Charleston, Illinois 61920

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES

For the Year Ended June 30, 2020

(UNAUDITED)

A listing of Eastern Illinois University's auxiliary facilities activities, accounting entities, their purposes, and their sources of revenue for the year ended June 30, 2020 are provided below.

Auxiliary Enterprises - Revenue Bond

Student Living: Accounts for the University's student residence halls, related dining facilities, and student apartment operations whose construction was financed through the issuance of revenue bonds. The primary sources of revenues are room and board and rental income.

Student Facilities: Accounts for the operations of the University's student union, and the financing of the University's athletic facilities, whose construction was respectively, wholly and partially, funded through the issuance of revenue bonds. The primary sources of revenue in the union area are merchandise sales, student fees, investment income, and income from recreational and other services. In the athletic facility area, the primary source of revenue is from student fees.

Textbook Rental Service: Accounts for the operations of the University's Textbook Rental Service, whose facilities were funded through the issuance of revenue bonds. The primary sources of revenue are student fees and sales of textbooks.

Auxiliary Enterprises - Other

Student/Staff Programs: Accounts for the University's parking operation and the University's lounge facilities. The primary sources of revenue are from the sale of parking permits and revenue from vending operations. Interest earned on invested funds is another source of income.

Regional Services: Accounts for the operation of the services not related to instruction made available to local governments and other outside parties. The primary source of revenue is the service income from these operations.

Designated Funds - Auxiliary Activities

Student Fee Programs: Accounts for student oriented programs and services, which are in whole or in part funded by student fees. The primary sources of revenue are student fees and sales of services and merchandise.

Material Fees: Accounts for the purchase of materials used in laboratory, art, physical education, home economics, and industrial arts classrooms. The primary sources of revenue are user fees and material sales.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES

For the Year Ended June 30, 2020

(UNAUDITED)

Service Departments: Accounts for the operations of certain cost centers, which provide selected services to the University as a whole. Examples are postage, certain computer services, and an automobile fleet. The primary source of revenue is the fees charged for these services to other University departments.

Student/Staff Programs: Accounts for the operations of the University's testing services, document reproduction and binding services, and various student/staff recreational services. The primary source of revenue is service income for the operations mentioned above.

Educational Services: Accounts for the operations of educational, scientific, and artistic services related to instruction made available to local governments and other outside parties. The primary source of revenue is the service income from these operations.

Unique Charges Credit Courses: Accounts for the fees charged and expenses of administering various faculty-led study abroad credit courses offered by the University.

Public Service Activities: Accounts for the fees charged and expenses of administering various non-credit camps and clinics held by the University and other public service activities.

Indirect Costs: Accounts for indirect cost reimbursements received for University grants and contracts.

Continuing Education Contract Credit: Accounts for the receipt of tuition and expenses of administering various credit courses requested by funding entities.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUE AND EXPENSE ACCOUNTS

For the Years Ended June 30, 2020 and 2019

(UNAUDITED)

	2020	2019	Increase (Decrease)	Percentage Change
Operating Revenues:				
Student tuition and fees	\$ 29,483,534	\$ 32,286,965	\$ (2,803,431)	-9%
Federal grants and contracts	1,476,590	485,412	991,178	204% (A)
State grants and contracts	2,181,288	2,039,644	141,644	7%
Local grants and contracts	87,903	82,777	5,126	6%
Private grants and contracts	771,538	861,028	(89,490)	-10%
Sales and services of educational departments	3,194,428	3,402,794	(208,366)	-6%
Auxiliary enterprises	20,698,217	23,365,802	(2,667,585)	-11%
Other operating revenues	1,767,005	2,518,195	(751,190)	-30% (B)
Operating Expenses:				
Educational and general				
Instruction	67,996,118	63,908,621	4,087,497	6%
Research	960,809	957,144	3,665	0%
Public service	4,472,111	4,942,289	(470,178)	-10%
Academic support	12,670,979	11,804,429	866,550	7%
Student services	16,529,624	16,906,509	(376,885)	-2%
Institutional support	8,555,507	7,950,960	604,547	8%
Operations of maintenance of plant	12,380,491	11,167,262	1,213,229	11%
Student aid	1,966,000	2,467,340	(501,340)	-20% (G)
Auxiliary enterprises	25,065,087	25,707,222	(642,135)	-2%
Depreciation expense	15,045,868	15,433,181	(387,313)	-3%
Nonoperating Revenues (Expenses):				
State appropriations	41,432,300	39,459,700	1,972,600	5%
Payments on behalf of the University	9,970,058	12,692,848	(2,722,790)	-21% (C)
Special funding situation relating to OPEB	(19,634,304)	(23,803,797)	4,169,493	-18%
Special funding situation relating to pensions	47,654,766	41,598,334	6,056,432	15%
Gifts	2,822,155	2,881,988	(59,833)	-2%
Investment income (net)	908,389	1,147,055	(238,666)	-21% (D)
Net increase (decrease) in fair value of investments	(59,846)	(15,426)	(44,420)	288%
Interest on capital asset-related debt	(4,790,823)	(5,037,683)	246,860	-5%
Nonoperating grants and contracts	22,008,884	18,750,104	3,258,780	17%
Amortization of bond costs, premiums, and discounts	(5,599)	(6,711)	1,112	-17%
Payments to the Foundation	(5,091)	(24,280)	19,189	-79%
Loss on disposal of capital assets	(37,782)	(72,144)	34,362	-48%
Other nonoperating revenues (expenses)	1,397,208	1,451,278	(54,070)	-4%
Other Changes in Net Assets:				
Additions to permanent endowments	-	100,000	(100,000)	-100%
Capital grants and gifts	669,681	-	669,681	100% (E)
Transfers from Capital Development Board	2,058,093	1,075,958	982,135	91% (F)

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUE ACCOUNTS

For the Year Ended June 30, 2020

(UNAUDITED)

Fiscal Year 2020 Compared to Fiscal Year 2019

Operating Revenues

- (A) Federal grants and contracts – Federal grants and contracts increased due to the CARES Act.
- (B) Other operating revenues – Increased use of NCAA funding during fiscal year 2019 resulted in lower other operating revenues in fiscal year 2020.

Nonoperating Revenues

- (C) Payments on behalf of the University – This decrease is due to the University’s recognition of group insurance benefits paid by the State and allocated to the University.
- (D) Investment income (net) – Lowered interest rates and decreased endowment earnings resulted in a decrease in investment income.

Other Changes in Net Position

- (E) Capital grants and gifts – The increase is due to reimbursements for federally-mandated changes to the University’s public television station tower.
- (F) Transfers from Capital Development Board – The increase is due to the Capital Development Board beginning new campus projects.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSE ACCOUNTS
For the Year Ended June 30, 2020

(UNAUDITED)

Fiscal Year 2020 Compared to Fiscal Year 2019

Operating Expenses

- (G) Student aid – The decrease in student aid expense was due to the mix of financial aid and the methodology of allocating financial aid to expense and scholarship allowances.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

**ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF RESOURCES,
LIABILITIES, AND DEFERRED INFLOWS OF RESOURCES**

For the Years Ended June 30, 2020 and 2019

(UNAUDITED)

	2020	2019	Increase (Decrease)	Percentage Change
Assets:				
Current assets:				
Cash and cash equivalents	\$ 20,590,938	\$ 25,521,903	\$ (4,930,965)	-19%
Restricted cash and cash equivalents	12,495,530	13,347,421	(851,891)	-6%
Restricted short-term investments	119,423	92,263	27,160	29%
Accounts receivable, net of allowance	16,848,953	15,135,864	1,713,089	11%
State appropriation receivable	6,791,140	-	6,791,140	100% (A)
Inventories	1,433,205	1,389,735	43,470	3%
Notes receivable, current portion, net	702,387	793,955	(91,568)	-12%
Other assets	859,202	865,585	(6,383)	-1%
Noncurrent assets:				
Notes receivable, less current portion	4,197,862	4,601,770	(403,908)	-9%
Endowment investments	5,346,649	5,396,985	(50,336)	-1%
Restricted investments	464,451	465,188	(737)	0%
Other long-term assets	4,028	6,045	(2,017)	-33%
Capital assets, net of accumulated depreciation	236,460,211	246,122,072	(9,661,861)	-4%
Deferred Outflows of Resources:				
Due to pension	141,958	108,206	33,752	31%
Due to other postemployment benefits	738,556	592,059	146,497	25%
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	7,410,205	7,781,902	(371,697)	-5%
Unearned revenues	4,927,034	3,557,478	1,369,556	38% (B)
Liability for other postemployment benefits, current	194,915	122,107	72,808	60%
Long-term liabilities, current portion	6,776,584	7,046,883	(270,299)	-4%
Noncurrent liabilities:				
Long term liabilities, less current portion	76,626,192	81,171,399	(4,545,207)	-6%
Liability for other postemployment benefits	5,642,344	7,335,237	(1,692,893)	-23% (C)
Federal loan program contributions refundable	4,626,116	5,795,952	(1,169,836)	-20% (D)
Deferred Inflows of Resources:				
Due to other postemployment benefits	4,044,601	3,086,852	957,749	31% (E)
Due to split interest agreements	464,451	465,188	(737)	0%

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

**ANALYSIS OF SIGNIFICANT VARIATIONS IN
ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES,
AND DEFERRED INFLOWS OF RESOURCES**

For the Year Ended June 30, 2020

(UNAUDITED)

Fiscal Year 2020 Compared to Fiscal Year 2019

Assets

- (A) State appropriation receivable – The University did not receive all of its vouchered reimbursements from the State Treasurer by June 30, 2020.

Liabilities

- (B) Unearned revenues – The increase is primarily due to summer 2020 tuition and fees deferred to fiscal year 2021.
- (C) Liability for other postemployment benefits – This decrease was due to a lower allocation by the State of the obligation for State-paid postemployment benefits.
- (D) Federal loan program contributions refundable – The University was directed to return a portion of the Perkins Loan program cash to the federal government as excess funds.

Deferred Inflows of Resources

- (E) Deferred inflows of resources due to other postemployment benefits - The increase was due to a higher allocation by the State of actuarial changes in State-paid postemployment benefits.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2020

(UNAUDITED)

The University did not have any significant lapse period spending.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NUMBER OF EMPLOYEES

(UNAUDITED)

	For the Fiscal Year Ended June 30,		
	2020	2019	2018
AVERAGE FULL-TIME EMPLOYEES			
Instruction	471	477	507
Research	17	18	9
Public Service	53	53	44
Academic Support	89	95	89
Student Services	154	157	157
Institutional Support	92	92	81
Operations and Maintenance of Plant	181	172	179
Auxiliary Activities	202	221	224
Total Full-Time Equivalent Employees	1,259	1,285	1,290

Note 1: This schedule presents the average number of employees, by function, at the University.

Note 2: 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.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COST STATISTICS
For the Years Ended June 30, 2020 and 2019

(UNAUDITED)

	<u>2020</u>	<u>2019</u>
PERFORMANCE INDICATORS		
Degrees conferred	1,893	1,863
Retention rate (fall to fall)	73%	73%
Graduation rate (6 year)	51%	58%

Enrollment figures, as developed by University personnel for the undergraduate and graduate schools during the year under review, are presented below:

ENROLLMENT STATISTICS

Summer term

Undergraduate students	410	532
Graduate students	458	502
Extension class	1,857	1,609
Total enrollment	<u>2,725</u>	<u>2,643</u>

Fall term

Undergraduate students	4,028	4,142
Graduate students	889	940
Extension class	2,889	2,444
Total enrollment	<u>7,806</u>	<u>7,526</u>
Full-time equivalent students	<u>6,045</u>	<u>5,892</u>

Spring term

Undergraduate students	3,618	3,720
Graduate students	857	901
Extension class	3,146	2,882
Total enrollment	<u>7,621</u>	<u>7,503</u>
Full-time equivalent students	<u>5,880</u>	<u>5,870</u>

Annual full-time equivalent students (based on average per term exclusive of summer term)

	<u>5,963</u>	<u>5,881</u>
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EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COST STATISTICS
For the Years Ended June 30, 2020 and 2019

(UNAUDITED)

Following is a computation of cost per full-time equivalent student:

	<u>2020</u>	<u>2019</u>
Total education and general expenses/expenditures from current appropriated funds*	\$ 41,424,300	\$ 39,451,700
Expenses/expenditures from locally held University Income Fund	<u>45,344,826</u>	<u>46,999,420</u>
Total expenses from current appropriated and locally held funds	86,769,126	86,451,120
Full-time equivalent students	<u>÷ 5,963</u>	<u>÷ 5,881</u>
COST PER FULL-TIME EQUIVALENT STUDENT	<u>\$ 14,551</u>	<u>\$ 14,700</u>

*Amount represents direct appropriations from the General Revenue Fund and the Education Assistance Fund to the University and does include payments made on behalf of the University.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DISCLOSURE OF EMERGENCY PURCHASES
For the Year Ended June 30, 2020

(UNAUDITED)

The University did not have any emergency purchases during fiscal year 2020.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
HOUSING BENEFITS
For the Year Ended June 30, 2020

(UNAUDITED)

University President Housing Allowance

The University provides an annual housing allowance of \$32,289 for the University President. The University President is responsible for all costs of the home, including utilities and repairs and maintenance, and activities. This housing allowance is included as taxable income to the University President.

Lodging Provided for the Convenience of the Employer

The University, as a condition of employment with certain Housing employees, provides small apartments so they can immediately respond to emergencies and other residential and student support needs. These Housing employees are residence hall assistants, residence hall directors, complex directors, and three Housing assistant directors. Other than the residence hall assistants, the living quarters provided are not similar to those utilized for room and board contracts. No security deposit is required of these employees. All maintenance and utilities for those living quarters are provided by the University. The University has deemed these living quarters for these employees as a fringe benefit excluded from taxable income.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OVERTIME AND COMPENSATORY TIME

(UNAUDITED)

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>
<u>OPERATIONAL DIVISION</u>		
Eastern Illinois University		
Overtime Hours Paid	9,292	10,514
Compensatory Hours Granted	2,917	3,124
Total	<u>12,209</u>	<u>13,638</u>
Value of Overtime Hours Paid	\$ 353,660	\$ 399,858
Value of Compensatory Hours Granted	83,616	96,311
Total Costs	<u>\$ 437,276</u>	<u>\$ 496,169</u>
GRANT TOTAL - ENTIRE UNIVERSITY		
Overtime Hours Paid	9,292	10,514
Compensatory Hours Granted	2,917	3,124
Total	<u>12,209</u>	<u>13,638</u>
Value of Overtime Hours Paid	\$ 353,660	\$ 399,858
Value of Compensatory Hours Granted	83,616	96,311
Total Costs	<u>\$ 437,276</u>	<u>\$ 496,169</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ASSAULTS ON STAFF

(UNAUDITED)

For the Fiscal Year Ended June 30,

	<u>2020</u>	<u>2019</u>
<u>OPERATIONAL DIVISION</u>		
Eastern Illinois University	<u>1</u>	<u>2</u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
June 30, 2020

(UNAUDITED)

	Auxiliary Enterprises - Revenue Bonds			Auxiliary Enterprises - Other		
	Student Living	Student Facilities	Textbook Rental Services	Staff / Student	Regional Services	
1. CURRENT AVAILABLE FUNDS						
Cash	\$ (836,252)	\$ (3,135,730)	\$ 430,768	\$ 260,500	\$ -	
Total current available funds	<u>A. (836,252)</u>	<u>(3,135,730)</u>	<u>430,768</u>	<u>260,500</u>	<u>-</u>	
2. WORKING CAPITAL ALLOWANCE						
Highest month's expenditures	2,836,040	695,249	354,468	70,235	-	
Encumbrances and current liabilities paid in lapse period	342,611	65,438	8,584	40,376	-	
Deferred income	95,331	14,985	55,748	150,000	-	
Refundable deposits	267,774	-	-	-	-	
Accrued compensated absences	808,334	131,152	12,240	-	-	
Total Working Capital Allowance	<u>B. 4,350,090</u>	<u>906,824</u>	<u>431,040</u>	<u>260,611</u>	<u>-</u>	
3. CURRENT EXCESS FUNDS						
Deduct B from A	<u>C. \$ (5,186,342)</u>	<u>\$ (4,042,554)</u>	<u>\$ (272)</u>	<u>\$ (111)</u>	<u>\$ -</u>	
4. CALCULATION OF INCOME FUND REMITTANCE						
An entity may offset excess capital on current funds within the entity. Enter the amount to be offset, if any, here	<u>D. -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Enter the algebraic sum of C and D and deposit into the Income Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

EASTERN ILLINOIS UNIVERSITY
 A Component Unit of the State of Illinois
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
 June 30, 2020

(UNAUDITED)

	Auxiliary Activities - Designated Funds						Continuing Education Contract Credit
	Student Fee Programs	Material Fees	Service Departments	Student / Staff Programs	Educational Services	Public Service	
1. CURRENT AVAILABLE FUNDS							
Cash	\$ (2,597,986)	\$ 228,656	\$ 9,918,440	\$ 98,988	\$ 84,921	\$ 223,084	\$ (628,185)
Total current available funds	A. (2,597,986) *	228,656	9,918,440 *	98,988	84,921	223,084	(628,185)
2. WORKING CAPITAL ALLOWANCE							
Highest month's expenditures	1,949,475	75,312	9,630,518	65,868	129,487	159,494	720,547
Encumbrances and current liabilities paid in lapse period	319,727	40,140	1,474,989	6,800	6,169	14,003	9,970
Deferred income	498,944	10,251	-	-	11,034	8,407	231,974
Refundable deposits	-	-	-	-	-	-	-
Accrued compensated absences	-	-	86,429	-	-	-	-
Total Working Capital Allowance	B. 2,768,146	125,703	11,191,936	72,668	146,690	181,904	962,491
3. CURRENT EXCESS FUNDS							
Deduct B from A	C. \$ (5,366,132)	\$ 102,953	\$ (1,273,496)	\$ 26,320	\$ (61,769)	\$ 41,180	\$ (1,590,676)
4. CALCULATION OF INCOME FUND REMITTANCE							
An entity may offset excess capital on current funds within the entity. Enter the amount to be offset, if any, here	D. -	-	-	-	-	-	-
Enter the algebraic sum of C and D and deposit into the Income Fund	\$ -	\$ 102,953	\$ -	\$ 26,320	\$ -	\$ 41,180	\$ -

Cash in the Student Fee Program and Service Departments entities does not match the balance sheets presented on page 48.
 For entity financial reporting, the allowance for bad debts, which is held in the Service Department entity, is presented in the
 Student Fee Program entity on the balance sheet.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
June 30, 2020

(UNAUDITED)

Auxiliary Activities - Designated Funds - Unique Charges Credit Courses				
	Faculty Led International Study Abroad	Outdoor Education	Geology Field Studies Even	Total Unique Charges Credit Courses
1. CURRENT AVAILABLE FUNDS				
Cash	\$ (58,101)	\$ (780)	\$ (2,409)	\$ (61,290)
Total current available funds	(58,101)	(780)	(2,409)	(61,290)
2. WORKING CAPITAL ALLOWANCE				
Highest month's expenditures	-	-	-	-
Encumbrances and current liabilities paid in lapse period	9,764	-	-	9,764
Deferred income	-	-	-	-
Refundable deposits	-	-	-	-
Accrued compensated absences	-	-	-	-
Total Working Capital Allowance	9,764	-	-	9,764
3. CURRENT EXCESS FUNDS				
Deduct B from A	\$ (67,865)	\$ (780)	\$ (2,409)	\$ (71,054)
4. CALCULATION OF INCOME FUND REMITTANCE				
An entity may offset excess capital on current funds within the entity. Enter the amount to be offset, if any, here	-	-	-	-
Enter the algebraic sum of C and D and deposit into the Income Fund	\$ -	\$ -	\$ -	\$ -

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
BOOKSTORE INFORMATION
For the Year Ended June 30, 2020

(UNAUDITED)

The University owns and operates its own textbook rental and bookstore operation. The following is the summary of the textbook rental and bookstore operation.

Contractor	Not applicable
Contract term	Not applicable
Bookstore and textbook rental information	<ul style="list-style-type: none"> • The textbook rental facility takes care of procuring the textbooks that the students use in their classes. • The academic personnel of the University 1) determine the textbook needs of the University; 2) decide which books need to be replaced; and 3) order updated textbooks. • Students pay \$9.75 per credit hour and are fined for damages, if necessary. • The faculty must use the textbook for two years or three consecutive semesters before switching. • Bookstore sells supplementary textbook materials but not the actual textbooks. It also sells office supplies, computers, and other merchandise.
Amount of gross textbook rental income for FY20	\$1,508,481
Amount of textbook purchases for Bookstore for FY20	\$896,470
Amount to be paid to the bookstore for FY20 (if any) by University	Not applicable
Commissions	Not applicable
Commission terms	Not applicable
Given exclusive rights	Yes
Competition/"Other" nearby/ On campus bookstore and textbook rental	None

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
For the Year Ended June 30, 2020

(UNAUDITED)

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 was a violation of the compliance requirements of the *University Guidelines* identified during the Compliance Examination of the University for the year ended June 30, 2020. The violation is described in the Schedule of Findings and Questioned Costs within the report as item 2020-009.

Indirect Cost Reimbursements

- 13(b) A statement of the sources and application of indirect cost recoveries is presented on Schedule 19 of 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 62.

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 Facilities, 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 pages 69-70.
- 13(f) The present financial statements for each accounting entity are presented on Schedules 7 through 18 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.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
For the Year Ended June 30, 2020

(UNAUDITED)

Auxiliary Facilities, Activities, and Accounting Entities (continued)

- 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 pages 84-86.
- 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 Expenditures.
- 13(i) The present financial statements for the Student Living, Student Facilities, and Textbook Rental entities, which are covered by a bond indenture, are presented in Schedules 7-11 within this report. A description of the Student Living, Student Facilities, and Textbook Rental entities' sources of revenues and purpose are presented within this report on pages 69-70.
- 13(j) There were no violations of the 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 facilities reserves established by the University's Board of Trustees.

University Related Organizations (UROs)

- 13(l) The University has two UROs, the Eastern Illinois University Foundation and the Eastern Illinois University Alumni Association, Inc. The University does not have any "Independent Organizations" under Section VII of the *University Guidelines*.
- 13(m) A summary of Eastern Illinois University Foundation payments to the University for services provided by the University is presented within this report at page 91. A summary of Eastern Illinois University Alumni Association, Inc. payments to the University for services provided by the University is presented within this report at page 92.
- 13(n) A summary of University payments to the Eastern Illinois University Foundation for services provided by the Eastern Illinois University Foundation is presented within this report on page 91. A summary of University payments to the Eastern Illinois University Alumni Association, Inc. for services provided by the Eastern Illinois University Alumni Association, Inc. is presented within this report on page 92.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
For the Year Ended June 30, 2020

(UNAUDITED)

University Related Organizations (UROs) (continued)

- 13(o) A disclosure of the cumulative amount of unreimbursed subsidies to the Eastern Illinois University Foundation is presented within this report on page 91. A disclosure of the cumulative amount of unreimbursed subsidies to the Eastern Illinois University Alumni Association, Inc. is presented within this report on page 92.
- 13(p) Neither the Eastern Illinois University Foundation nor the Eastern Illinois University Alumni Association, Inc. had any debt financing at June 30, 2020.

Other Topics

- 13(q) The University's cash and cash equivalents and investments are disclosed within the financial audit report in Note 2.
- 13(r) The University's income from investments of pooled funds has been allocated and credited to the original sources of the funds, to the extent practical. There was no unallocated investment income required to be paid into the University's Income Fund.
- 13(s) The cost per full-time equivalent student, prepared in accordance with requirements of the State of Illinois, Board of Higher Education, is presented within this report on page 79.
- 13(t) The University did not purchase any real estate with 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 Certificate of Participation issuances, along with other University long-term liabilities, are disclosed within the financial audit report at Note 13.

Other Schedules

- 13(1) An analysis of State appropriations to the University is presented on Schedules 2-3 within this report. In addition, the University's analysis of significant variations in expense accounts and significant spending during the lapse period is presented within this report on pages 73 and 76, respectively.
- 13(2) A Comparative Schedule of Revenues and Expenses for the University's Income Fund is presented in Schedule 4 within this report.
- 13(3) Separate schedules of tuition and fee waivers for undergraduate and graduate students, respectively, are presented within this report at pages 93-94.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SUMMARY OF EASTERN ILLINOIS UNIVERSITY FOUNDATION
TRANSACTIONS WITH THE UNIVERSITY
For the Years Ended June 30, 2020 and 2019

(UNAUDITED)

During the years ended June 30, 2020 and 2019, the Foundation was under contract with the University to provide the University with fund-raising services. As provided in the contract, the University provided cash, services and other resources to the Foundation in the amount of \$47,168 and \$72,805, respectively. Although not required by contract, the Foundation fully repaid the University for these advances using cash, services and resources considered unrestricted for purposes of the *University Guidelines* computations. In addition, the Foundation gave the University funds, which are considered restricted for purposes of the Guidelines computations. Presented below is a summary of all funds that the Foundation gave to the University during the years ended June 30:

	<u>2020</u>	<u>2019</u>
Funds considered unrestricted for purposes of the Guidelines computations:		
Restricted only as to campus, college or department and generally available for on-going University operations	\$ 2,553,184	\$ 2,669,850
Office and warehouse space and utilities provided at no charge	87,798	68,699
Total funds considered unrestricted	<u>2,640,982</u>	<u>2,738,549</u>
Funds considered restricted for purposes of the Guidelines computations:		
Given for scholarships, grants and awards	<u>1,362,816</u>	<u>1,189,969</u>
Total funds considered restricted	<u>1,362,816</u>	<u>1,189,969</u>
Total funds provided to the University by the Foundation	<u>\$ 4,003,798</u>	<u>\$ 3,928,518</u>

There were no unreimbursed subsidies from the University to the Eastern Illinois University Foundation at June 30, 2020.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

**SUMMARY OF EASTERN ILLINOIS UNIVERSITY ALUMNI
ASSOCIATION, INC. TRANSACTIONS WITH THE UNIVERSITY**

For the Years Ended June 30, 2020 and 2019

(UNAUDITED)

The Alumni Association provided office space to the University with an annual fair market value of \$52,729 and \$52,283 for fiscal years ended June 30, 2020 and 2019, respectively.

Additionally, during the fiscal years ended June 30, 2020 and 2019, the Alumni Association provided unrestricted grants to the University in the amounts of \$42,520 and \$16,520, respectively.

No funds were given by the Alumni Association to the University for restricted purposes. The University provided cash, services, and other resources to the Alumni Association in the amount of \$62,652 and \$70,502 for fiscal years ended June 30, 2020 and 2019, respectively.

There were no unreimbursed subsidies from the University to the Eastern Illinois University Alumni Association, Inc. at June 30, 2020.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
UNDERGRADUATE TUITION AND FEE WAIVERS
For the Year Ended June 30, 2020

(UNAUDITED)

	Number of Recipients *	Tuition Waived		Fees Waived		
		Number of Waivers	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)	
MANDATORY WAIVERS						
Teacher Special Education	46	46	\$ 390.2	-	\$ -	
Reserve Officer's Training Corps	48	48	353.9	-	-	
Department of Children and Family Services	25	25	83.9	6	8.9	
Children of Employees	103	103	373.6	-	-	
Veterans Grants and Scholarship	183	182	716.5	134	47.3	
Senior Citizens	-	-	-	-	-	
SUBTOTAL	405	404	1,918.1	140	56.2	
DISCRETIONARY WAIVERS						
Faculty Administrators (Non-Civil Service)	-	-	-	-	-	
Civil Service	24	24	73.4	23	11.3	
Academic/Other Talent	145	145	181.7	-	-	
Athletic	152	152	746.3	-	-	
Gender Equity in Intercollegiate Athletics	61	61	409.7	-	-	
Foreign Exchange Students	9	9	41.0	9	11.0	
Out-of-State Students	-	-	-	-	-	
Foreign Students	33	33	88.8	-	-	
Student Need - Financial Aid	13	13	27.0	-	-	
Cooperating Professionals	-	-	-	-	-	
Research Assistants	-	-	-	-	-	
Teaching Assistants	-	-	-	-	-	
Other Assistants	-	-	-	-	-	
Student Employment	-	-	-	-	-	
Intersitutional/Related Agencies	111	111	288.3	-	-	
Children of Deceased Employees	2	2	15.0	1	1.7	
Retired Employees	-	-	-	-	-	
Others:						
Washington Center	1	1	0.9	-	-	
Panther Promise	945	945	2,089.7	-	-	
SUBTOTAL	1,417	1,417	3,961.8	33	24.0	
TOTAL	1,785	1,784	\$ 5,879.9	172	\$ 80.2	

* Subtotals are unduplicated

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
GRADUATE TUITION AND FEE WAIVERS
For the Year Ended June 30, 2020

(UNAUDITED)

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers (In thousands)	Number of Recipients	Value of Waivers (In thousands)
MANDATORY WAIVERS					
Teacher Special Education	4	4	\$ 42.1	-	\$ -
ROTC	3	3	20.5	-	-
Senior Citizens	2	2	12.4	-	-
SUBTOTAL	9	9	75.0	-	-

DISCRETIONARY WAIVERS

Faculty/Administrators (Non-Civil Service)	34	34	71.4	34	15.9
Civil Service	23	23	42.0	23	11.2
Academic/Other Talent	-	-	-	-	-
Athletic	-	-	-	-	-
Gender Equity in Intercollegiate Athletics	-	-	-	-	-
Foreign Exchange Students	1	1	14.0	1	1.6
Out-of-State Students	-	-	-	-	-
Foreign Students	69	69	218.7	-	-
Student Need - Financial Aid	-	-	-	-	-
Student Need - Special Programs	1	1	0.9	-	-
Cooperating Professionals	119	119	131.5	49	8.8
Research Assistants	88	88	564.2	-	-
Teaching Assistants	110	110	962.0	-	-
Other Assistants	276	276	2,183.7	-	-
Student Employment	-	-	-	-	-
Interinstitutional/Related Agencies	36	36	89.8	-	-
Retired University Employees	8	8	9.5	8	3.4
Children of Deceased Employees	-	-	-	-	-
Contract/Training Grants	11	11	4.1	-	-
Others:	-	-	-	-	-
SUBTOTAL	745	745	4,291.8	115	40.9

TOTAL	753	753	\$ 4,366.8	115	\$ 40.9
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* Subtotals are unduplicated