

**Northeastern
Illinois University**

A COMPONENT UNIT OF THE
STATE OF ILLINOIS

**STATE COMPLIANCE
EXAMINATION**

FOR THE YEAR ENDED
JUNE 30, 2021

PERFORMED AS SPECIAL
ASSISTANT AUDITORS FOR THE
AUDITOR GENERAL,
STATE OF ILLINOIS

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

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UNIVERSITY OFFICIALS

President	Dr. Gloria Gibson
Provost	Dr. Dennis Rome
Vice President for Finance and Administration/Treasurer	Mr. Manish Kumar
Vice President for Student Affairs (02/21/21 to Present)	Dr. Terry Mena
Interim Vice President for Student Affairs (07/21/20 to 02/20/21)	Dr. Dennis Rome
Vice President for Institutional Advancement	Ms. Liesl Downey
General Counsel (09/20/21 to Present)	Mr. G. A. Finch
Vice President for Legal Affairs (01/01/21 to 09/19/21)	Vacant
Vice President for Legal Affairs (07/01/20 to 12/31/20)	Ms. Melissa Reardon Henry
Associate Vice President for Finance (07/01/20 to 04/30/21)	Ms. Ann McNabb
Executive Director for Finance and Administration (05/01/21 to Present)	Ms. Beni Ortiz
Director of Financial Affairs/Controller (11/20/21 to Present)	Vacant
Interim Director of Financial Affairs/Controller (05/01/21 to 11/19/21)	Mr. Olegario Flores
Director of Financial Affairs/Controller (07/01/20 to 04/30/21)	Ms. Beni Ortiz
Director of Internal Audit	Ms. Rita Moore

BOARD OF TRUSTEES

Chair	Mr. Jim Palos
Vice Chair	Ms. Sherry Eagle
Secretary	Mr. Jonathan Stein
Member	Mr. Carlos Azcoitia
Member	Mr. Marvin Garcia
Member	Ms. Ann Kalayil
Member	Mr. Charles Serrano
Member	Vacant
Member	Vacant
Student Member (10/07/21 to Present)	Mr. Javonti Mordican
Student Member (07/01/21 to 10/06/21)	Vacant
Student Member (07/01/20 to 06/30/21)	Ms. Gabriela Loreda

UNIVERSITY OFFICE

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

Finance and Administration
5500 N. St. Louis Ave.
Chicago, IL 60625-4699
Phone: (773) 442-5100

May 9, 2022

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Northeastern Illinois University (University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following specified requirements during the year ended June 30, 2021. Based on this evaluation, we assert that during the year ended June 30, 2021, 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. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Yours truly,

Northeastern Illinois University

SIGNED ORIGINAL ON FILE

Dr. Gloria Gibson
President

SIGNED ORIGINAL ON FILE

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

SIGNED ORIGINAL ON FILE

Mr. G.A. Finch
General Counsel

NORTHEASTERN ILLINOIS UNIVERSITY
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STATE COMPLIANCE EXAMINATION
For the Year Ended June 30, 2021

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this 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*.

ACCOUNTANT’S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Reports</u>
Findings	16	20
Repeated Findings	14	14
Prior Recommendations Implemented or Not Repeated	6	6

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-001	10	2020/2020	Inadequate Internal Controls over Census Data	Material Weakness/ Noncompliance
2021-002	15	2020/2017	Weaknesses over Computer Security	Significant Deficiency/ Noncompliance
2021-003	17	2020/2019	Lack of Adequate Controls over Review of Internal Controls over Service Providers	Significant Deficiency/ Noncompliance
2021-004	20	2020/2020	Reporting of Disbursements to the Common Origination and Disbursement System	Significant Deficiency/ Noncompliance

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SCHEDULE OF FINDINGS (continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-005	22	2020/2019	Information Technology Risk Assessment Not Performed	Significant Deficiency/ Noncompliance
2021-006	24	2020/2020	Cost of Attendance for Student Financial Assistance	Significant Deficiency/ Noncompliance
2021-007	26	2020/2018	Inadequate Control Over Subrecipients	Significant Deficiency/ Noncompliance
2021-008	29	2020/2020	Noncompliance with Grant Report Requirements	Significant Deficiency/ Noncompliance
2021-009	33	2020/2018	Inadequate Controls over University Property and Equipment	Significant Deficiency/ Noncompliance
2021-010	36	2020/2018	Weakness Regarding Clearing of Data from Electronic Devices	Significant Deficiency/ Noncompliance
2021-011	38	New	Noncompliance with the Mental Health Early Action on Campus Act	Significant Deficiency/ Noncompliance
2021-012	40	2020/2019	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency/ Noncompliance
2021-013	43	2020/2015	Noncompliance with Payment Card Industry Security Standards	Significant Deficiency/ Noncompliance
2021-014	45	2020/2013	Lack of Disaster Contingency Plan	Significant Deficiency/ Noncompliance
2021-015	46	2020/2020	Noncompliance with the Illinois Articulation Initiative Act	Significant Deficiency/ Noncompliance

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SCHEDULE OF FINDINGS (continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-016	47	New	Noncompliance with the Identity Protection Act	Significant Deficiency/ Noncompliance
Prior Findings Not Repeated				
A	48	2020/2019	Student Notification of Disbursements of Direct Loans	
B	48	2020/2018	Noncompliance with the Federal Perkins Loan Cohort Default Rate	
C	48	2020/2017	Timesheets and Time and Effort Reports were not Submitted or Timely Submitted	
D	48	2020/2019	Weaknesses over Purchasing Credit Card Transactions	
E	49	2020/2019	Noncompliance with the College Student Immunization Act	
F	49	2020/2020	Weaknesses over Maintenance of Employment Eligibility Verification Forms	

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EXIT CONFERENCE

The University waived an exit conference in a correspondence from Beni Ortiz, Executive Director for Finance and Administration, on April 8, 2022. The responses to the recommendations were provided by Beni Ortiz, Executive Director for Finance and Administration, in a correspondence dated April 27, 2022.



INDEPENDENT ACCOUNTANT'S REPORT
ON STATE COMPLIANCE AND ON INTERNAL CONTROL OVER COMPLIANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Northeastern Illinois University

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Northeastern Illinois University (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2021. Management of the University is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.

The specified requirements are:

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

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

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

Our examination disclosed material noncompliance with specified requirement C applicable to the University during the year ended June 30, 2021. As described in the accompanying Schedule of Findings as item 2020-001, the University had not complied, in all material respect with applicable law and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2021, 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 as items 2021-002 through 2021-016.

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings. 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.

Report on 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, 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 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 as item 2021-001 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 as items 2021-002 through 2021-016 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. 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.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
May 9, 2022



NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-001. **FINDING** (Inadequate Internal Controls over Census Data)

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

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

We noted the University's employees are members of both the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, CMS' actuaries use census data for employees of the State's public universities provided by SURS along with census data for the other participating members which is provided by the State's four other pension plans to prepare the projection of the OPEB plan's liabilities.

During testing, we noted the following:

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

Based on information we obtained while performing our audit, we learned these deficiencies are pervasive across the public universities participating in SURS and across the State's agencies participating in one of the other four State pension plans, the State Employees' Retirement System

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For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-001. **FINDING** (Inadequate Internal Controls over Census Data) (continued)

of Illinois. These conditions significantly increase the risk there could be errors at one or more employers within the plans, and these errors could have a significant impact on SURS' and CMS' measurement of pension and OPEB liabilities, respectively.

In addition, we noted errors within CMS' allocation of OPEB-related balances across the State's funds, public universities, and the Illinois State Toll Highway Authority related to a failure by CMS to account for a separately financed specific OPEB liability for certain groups of employees at one component unit of the State. The impact of these errors resulted in the University restating its beginning net position by \$714,060 as of July 1, 2020.

Based upon the significance of these issues alone, we concluded a material weakness exists within the University's internal controls related to ensuring both SURS and CMS can provide their respective actuaries with complete and accurate census data related to the University's active employees. Even given these exceptions, we performed detail testing of a sample of employees and certain data analysis tests of the total population of the University's census data transactions reported to SURS and noted the following:

- Based on our analysis of transactions reported by the University to SURS during the census data accumulation period throughout Fiscal Year 2019, we noted one employee's status had been incorrectly reported as termination to SURS. SURS determined the total potential impact of the employee's total service credit could be off by 120 days.
- As of the end of the census data accumulation year on June 30, 2019, we identified six employees where each employee's associated termination had been untimely reported to SURS. While these employees were all associated with the University at June 30, 2019, 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 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

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For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-001. **FINDING** (Inadequate Internal Controls over Census Data) (continued)

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)).

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For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-001. **FINDING** (Inadequate Internal Controls over Census Data) (continued)

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 that funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

University official stated the findings noted above were due to staffing constraints.

Failure to ensure complete and accurate census data was reported to SURS could result 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 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. Finally, the allocation error involving one component unit in the OPEB plan resulted in misstatements within each employer's allocation, which resulted in a restatement at the University. (Finding Code No. 2021-001, 2020-001)

RECOMMENDATION

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

NORTHEASTERN ILLINOIS UNIVERSITY
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CURRENT FINDINGS

2021-001. **FINDING** (Inadequate Internal Controls over Census Data) (continued)

Further, we recommend the University work with SURS to annually reconcile its active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

Finally, 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.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-002. **FINDING** (Weaknesses over Computer Security)

Northeastern Illinois University (University) had computer security weaknesses.

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

- User access rights to the applications and network were not periodically reviewed.
- Access rights were not timely terminated.
- Users were granted excessive access rights.
- A change management process to configure network devices had not been developed.
- The infrastructure was not properly secured.
- Physical security weaknesses.
- Encryption software was not installed on certain University laptops.
- Weak password settings.

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

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Access Control section, requires the appropriateness of access rights, implementation of strong password settings, periodic review of access rights and installation of device encryption mechanism; Configuration Management section, requires the development of change and configuration management policy; System and Services Acquisition section, requires a properly secured infrastructure; System and Information Integrity section, requires the implementation of security protection mechanisms; and Physical and Environmental Protection section, requires adequate physical security.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-002. **FINDING** (Weaknesses over Computer Security) (continued)

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

University officials stated the issues were due to staffing constraints and competing priorities.

Failure to have adequate security over computing resources increases the risk of unauthorized access to the computing environment. Failure to control and safeguard confidential and sensitive information could result in unauthorized disclosure and inappropriate use of personal information. (Finding Code No. 2021-002, 2020-002, 2019-018, 2018-021, 2017-018)

RECOMMENDATION

We recommend the University:

- Perform a periodic review of system access rights to ensure access rights are appropriate and based on job requirements. In addition, the University should ensure timely deactivation of users no longer needing access.
- Develop a formal change management process for changes to network devices.
- Ensure security of the infrastructure.
- Ensure adequate physical security.
- Ensure required laptops are encrypted.
- Ensure strong password settings.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-003. **FINDING** (Lack of Adequate Controls over Review of Internal Controls over Service Providers)

Northeastern Illinois University (University) did not document independent internal control reviews over service providers.

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

We requested the University to provide a population of service providers. In response to this request, the University provided a listing of service providers. However, our testing noted the listing contained all vendors of the University Technology Services. In addition, we identified service providers from testing that were not on the list. Due to this deficiency, we were unable to conclude the University's records were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AU-C § 330, AU-C § 530, and AT-C § 205.35) to test the University's controls over service providers.

Even given the population limitation, we selected five service providers from the listing provided by the University. During our testing, we noted the University had not:

- Documented its review of the System and Organization Control (SOC) report for the five (100%) service providers tested;
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the University's operations for the five (100%) service providers tested;
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control for the five (100%) service providers tested;
- Ensured a requirement for an independent review to be completed within the contract between the University and service provider for the five (100%) service providers tested;
- Established a regular review process to monitor specified performance measures, problems encountered, and compliance with contractual terms with the service providers; and

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2021-003. **FINDING** (Lack of Adequate Controls over Review of Internal Controls over Service Providers) (continued)

- Established policy and procedures to ensure information assets and resources at the service provider were adequately protected from unauthorized or accidental disclosure, modification, or destruction. One of five (20%) service providers' agreements did not outline and document the security, availability, confidentiality, and privacy controls.

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

This finding was first reported in Fiscal Year 2019. In subsequent years, the University has been unsuccessful in implementing adequate controls and procedures to ensure appropriate security structure is established at the service providers.

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

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

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

Without maintaining a complete list of service providers and proper documentation of its review of the SOC report and CUECs relevant to the University, the University does not have assurance the service provider's internal controls are adequate. Failure to include a requirement in the contracts with service providers for independent review and monitor specified performance, problems encountered, and compliance with contractual terms may result in obligations and services not met and not timely detected and corrected. (Finding Code No. 2021-003, 2020-003, 2019-020)

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CURRENT FINDINGS

2021-003. **FINDING** (Lack of Adequate Controls over Review of Internal Controls over Service Providers) (continued)

RECOMMENDATION

We recommend the University strengthen its controls in identifying and documenting all service providers. Further, we recommend the University:

- Obtain and document its review of SOC reports or conduct independent internal control reviews at least annually.
- Monitor and document the operation of the CUECs relevant to the University's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the University, and any compensating controls.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.
- Establish a regular review process to monitor specified performance measures, problems encountered, and compliance with contractual terms with the service providers.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

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CURRENT FINDINGS

2021-004. **FINDING** (Reporting of Disbursements to the Common Origination and Disbursement System)

Federal Agency:	Department of Education
CFDA Numbers:	84.063
Program Names and Award Numbers:	Student Financial Assistance Cluster [Federal Pell Grant Program (P063Q191350 / P063Q201350)]
Program Expenditures:	\$11,988,465
Questioned Costs:	None

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

During testing of 23 students with 49 disbursement transactions who received Federal Pell Grant Program funds totaling \$99,972, we noted 5 (22%) students with 10 disbursement transactions totaling \$22,793 were reported to the COD System 9 days late. The sample was not intended to be, and was not, a statistically valid sample.

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

The Federal Register (Volume 85, No. 135 released on July 14, 2020) requires the University to submit Pell Grant disbursement records to the COD System, no later than 15 days after making the disbursement or becoming aware of the need to adjust a previously reported disbursement.

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

University officials stated the issue was attributable to lack of staff going over the error log files, thus, resulting in the late reporting to the COD System.

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CURRENT FINDINGS

2021-004. **FINDING** (Reporting of Disbursements to the Common Origination and Disbursement System) (continued)

Failure to submit disbursements records within the required timeframe may result in the rejection of all or part of the reported disbursements by the federal agency, a program review finding, or the initiation of an adverse action in accordance with the federal regulation. (Finding Code No. 2021-004, 2020-005)

RECOMMENDATION

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

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

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CURRENT FINDINGS

2021-005. **FINDING** (Information Technology Risk Assessment Not Performed)

Federal Agency:	Department of Education
CFDA Numbers:	84.007; 84.033; 84.038; 84.063; 84,379; 84.268
Program Names and Award Numbers:	Student Financial Assistance Cluster [(Federal Supplemental Educational Opportunity Grants (P007A191241 / P007A201241); Federal Work-Study Program (P033A201241); Federal Perkins Loan Program (None); Federal Pell Grant Program (P063P191350 / P063P201350); Teacher Education Assistance for College and Higher Education Grants (P379T211350); and Federal Direct Student Loans (P268K201350 / P268K211350)]
Program Expenditures:	\$417,685, \$217,085; \$1,052,780; \$11,988,465; \$44,740; and \$15,236,319
Questioned Costs:	None

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

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

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

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

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CURRENT FINDINGS

2021-005. **FINDING** (Information Technology Risk Assessment Not Performed) (continued)

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

In addition, the *Framework for Improving Critical Infrastructure Cybersecurity* published by the National Institute of Standards and Technology (NIST) requires entities to perform a risk assessment and establish a risk mitigation plan to minimize identified risks.

University officials stated the issues were due to competing priorities and the delay in procuring a vendor.

Without documentation of a risk assessment, the University is at risk of noncompliance with the GLBA. In addition, there is a risk the University's systems and information could be vulnerable to attacks or intrusions, and these attacks may not be detected in a timely manner. (Finding Code No. 2021-005, 2020-006, 2019-007)

RECOMMENDATION

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

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

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CURRENT FINDINGS

2021-006. **FINDING** (Cost of Attendance for Student Financial Assistance)

Federal Agency:	Department of Education
CFDA Numbers:	84.007; 84.033; 84.063; 84,379; 84.268
Program Names and Award Numbers:	Student Financial Assistance Cluster [(Federal Supplemental Educational Opportunity Grants (P007A191241 / P007A201241); Federal Work-Study Program (P033A201241); Federal Pell Grant Program (P063P191350 / P063P201350); Teacher Education Assistance for College and Higher Education Grants (P379T211350); and Federal Direct Student Loans (P268K201350 / P268K211350)]
Program Expenditures:	\$417,685, \$217,085; \$11,988,465; \$44,740; and \$15,236,319
Questioned Costs:	None

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

The University annually determines the cost of attendance (COA) based on the types of costs established under the Higher Education Act. The University's financial aid system automatically calculates the COA which can be manually adjusted based on special conditions, additional expenses and extenuating circumstances.

During testing of 40 students who received financial aid assistance during Academic Year 2020-2021, we noted manual adjustments in COA for 7 students (18%) without proper documentation being maintained in the students' file to support the manual changes made. The sample was not intended to be, and was not, a statistically valid sample.

The University's budgeting policy for Academic Year 2020 to 2021, Section 4.2, states that the University has the authority to use professional judgment to adjust the cost of attendance on a case-by-case basis to allow for special conditions, additional expenses and extenuating circumstances which must be documented in the student's comment record.

The Department of Education's 2020 – 2021 Federal Student Aid Handbook (Handbook) (Chapter 2 on Cost of Attendance and Chapter 5 on Application and Verification Guide) states financial aid administrator has the authority to use professional judgment to adjust the cost of attendance on a case-by-case basis to allow for special circumstances. Such adjustments must be documented in the student's file.

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CURRENT FINDINGS

2021-006. **FINDING** (Cost of Attendance for Student Financial Assistance) (continued)

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

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

Failure to keep required documentation for changes made in cost of attendance or the data that determines student's expected family contribution may result in incorrect financial assistance awarded to students. (Finding Code No. 2021-006, 2020-008)

RECOMMENDATION

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

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

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CURRENT FINDINGS

2021-007. **FINDING** (Inadequate Control Over Subrecipients)

Federal Agency:	National Science Foundation Department of Education
CFDA Numbers:	47.076; 84.031; 84.287; 84.334
Program Names and Award Numbers:	Research and Development Cluster Education and Human Resources [Robert Noyce Teacher Scholarship Program. University and Community College Collaboration for Mathematics and Biology Scholar Teacher Education (1660785)] Higher Education Institutional Aid [EXITO: Exit on Time in STEM (P031C160209)] [Title V: Developing Hispanic-Serving Institutions Program (P031S180151)] Twenty-First Century Community Learning Centers [Project 4421-19: Craft (4421-19-20 / 4421-19-21)] Gaining Early Awareness and Readiness for Undergraduate Programs (P334A140132)
Program Expenditures:	\$338,254; \$1,150,816; \$494,407; \$558,144; \$6,796,983
Questioned Costs:	None

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

During testing of eight subrecipients, with pass-through federal expenditures totaling \$1,472,962, on five programs of the Research and Development Cluster, Higher Education Institutional Aid, Twenty-First Century Community Learning Centers, and Gaining Early Awareness and Readiness for Undergraduate Programs, we noted the following:

- The University did not timely communicate the required federal award information to five subrecipients (63%) to comply with federal statutes, regulations, and terms and conditions of the award. The communication through the agreements were made 203 to 321 days late.
- The University did not communicate the required federal award information to three subrecipients (38%) to comply with federal statutes, regulations, and terms and conditions of the award.

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CURRENT FINDINGS

2021-007. **FINDING** (Inadequate Control Over Subrecipients) (continued)

- The University did not verify that subrecipients undergo an audit when the subrecipients' federal awards exceeded the threshold.
- The University erroneously classified a contractor as a subrecipient.

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

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

The Code of Federal Regulations (Code) (2 CFR § 200.332 (f)) requires all pass-through entities to verify that every subrecipient is audited as required by Subpart F of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 2 CFR § 200.501.

The Code (2 CFR § 200.331) requires all pass-through entities to make case-by-case determination whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of subrecipient or contractor.

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

University official stated the above issues were due to lack of staff during the fiscal year.

Failure to communicate required subaward information could result in subrecipients not properly administering the federal programs in accordance with federal regulations. Failure to verify

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2021-007. **FINDING** (Inadequate Control Over Subrecipients) (continued)

whether subrecipients meet the threshold for an audit may result in subrecipients not having adequate internal control to ensure compliance with the federal requirements. Erroneous classification of a contractor and subrecipients may result in inaccurate reporting of expenditures to the federal government. (Finding Code No. 2021-007, 2020-009, 2019-004, 2018-008)

RECOMMENDATION

We recommend the University implement uniform procedures across all departments to serve as guideline in communicating required subaward information to subrecipients, verify subrecipients to determine whether or not an audit is required, and properly classify contractors from subrecipients.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

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CURRENT FINDINGS

2021-008. **FINDING** (Noncompliance with Grant Report Requirements)

Federal Agency:	Department of Education
CFDA Numbers:	84.287; 84.425, 84.334
Program Names and Award Numbers:	Twenty-First Century Community Learning Centers [Project 4421-13: Austin (4421-13-19 / 4421-13-20); Project 4421-15: Pathways (4421-15-19 / 4421-15-20); Project 4421-19: Craft (4421-19-19 / 4421-19-20); and Project 4421-25: Morton (4421-25-19 / 4421-25-20)] Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act [COVID-19 Higher Education Emergency Relief Fund: MSI Portion (P425L200096)); COVID-19 Higher Education Emergency Relief Fund: Institution Portion (P425F200852); COVID-19 Higher Education Emergency Relief Fund: Student Portion (P425E201821); and COVID-19 Governor's Emergency Education Relief Fund (21GEERNEIU)] Gaining Early Awareness and Readiness for Undergraduate Programs (P334A140132)
Program Expenditures:	\$1,720,525; \$14,157,060; \$6,796,983
Questioned Costs:	None

Northeastern Illinois University (University) did not timely submit the required reports per grant agreements and statutory requirements.

In testing the University compliance with the grant reporting requirements for the Twenty-First Century Community Learning Centers grant, we noted the following:

- 12 of 12 (100%) Quarterly Grant Performance Reports for Award Year 2021 were submitted to the pass-through entity 4 to 278 days late.
- Five of 39 (13%) State Evaluation Benchmarking Reports were submitted to the pass-through entity 3 days late and eight of 39 (21%) State Evaluation Benchmarking Reports were not submitted to the pass-through entity.

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2021-008. **FINDING** (Noncompliance with Grant Report Requirements) (continued)

The Grant Request for Proposal and Application Agreement of the University for the Twenty-First Century Community Learning Centers grant with Illinois State Board of Education (ISBE) requires submission of a periodic performance report 30 days after the end of each quarter. In addition, ISBE required State Evaluation Benchmarking Report for Summer 2020 and Spring 2021 to be submitted on September 14, 2020 and July 19, 2021, respectively.

In testing the University compliance with the grant reporting requirements for the Education Stabilization Fund - Governor's Emergency Education Relief (GEER) Fund, we noted the following:

- Six of eight (75%) deliverables were submitted to the pass-through entity 3 to 101 days late and two of 8 (25%) deliverables were not prepared and submitted to the pass-through entity.
- One of eight (13%) deliverables did not have the required report certification of the accuracy and completeness of the deliverables.
- Three of eight (38%) grant Reimbursement Request forms were submitted to the pass-through entity 11 to 193 days late.

The Grant Agreement of the University with the Illinois Board of Higher Education (IBHE) requires submission of deliverables that contain at a minimum the (a) programmatic detail which supports the Project Description; (b) expenditure detail for the reporting period; and (c) report certification. The deliverable reports and grant reimbursement forms were due October 31, 2020, January 31, 2021, April 30, 2021 and July 31, 2021.

In testing the University compliance with the grant reporting requirements for the Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF), we noted the University did not review the required reports to ensure accuracy and compliance with the reporting requirements of the grant agreement. We noted the following:

- Four of 4 (100%) Quarterly Public Reports for the Student Aid portion were not completed.

The Federal Register Document No. 2020-19041 released on August 31, 2020 directs each HEERF – Student Portion participating institutions to post the following information on

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2021-008. **FINDING** (Noncompliance with Grant Report Requirements) (continued)

the institution's primary website no later than 10 days after the end of each calendar quarter (September 30, and December 31, March 31, June 30) thereafter: 1) an acknowledgement that the institution signed and returned to the Department of Education (Department) the Certification and Agreement and the assurance that the institution has used, or intends to use, no less than 50 percent of the funds; 2) the total amount of funds that the institution will receive or has received from the Department; 3) the total amount of grants distributed to students; 4) the estimated total number of students at the institution eligible to participate and receive the grant; 5) the total number of students who have received the grant; 6) the method(s) used by the institution to determine which students receive the grant and how they would receive; and, 7) any instructions, directions or guidance provided by the institution to students concerning the grant.

- Four of 4 (100%) Quarterly Public Reports (Report) for the Institutional Portion and Minority Serving Institutions (MSI) were not correctly completed. The award amount and the disbursements for the Institutional Portion and MSI were not reported in the appropriate sections of the reports.

The Department of Education Quarterly Budget and Expenditure Reporting Form (Form) requires the University to report the amount of funds awarded and the amount expended for the Institutional Portion and MSI in the appropriate section of the Form.

- Five of 8 (63%) Quarterly Public Reports were posted to the University website 2 to 3 days late.

The Department of Education Quarterly Budget and Expenditure Reporting Form requires the University to post the Quarterly Public Reports covering each quarterly reporting period (September 30, December 31, March 31, June 30), no later than 10 days after the end of each calendar quarter.

- The Annual Report submitted to the Department of Education was not accurately completed. The Student Aid Portion was not separately reported, the Institutional Portion and MSI were not correctly reported in the appropriations sections of the annual report.

The Federal Register Document No. 2020-16429 released on July 29, 2020 requires the University to prepare and submit an annual report to the Department using a data collection form. The annual data collection form requires the Student Aid portion separately reported and Institutional Portion and MSI in the appropriate section of the data collection form.

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CURRENT FINDINGS

2021-008. **FINDING** (Noncompliance with Grant Report Requirements) (continued)

In testing the University's compliance with the grant reporting requirements for Gaining Early Awareness and Readiness for Undergraduate Programs, we noted the University did not report sub-awards of two subrecipients (100%) who received sub-award over \$30,000 through the Federal Funding Accountability Transparency Act (FFATA) Subaward Reporting System (FSRS).

The Code of Federal Regulations on Reporting Subaward and Executive Compensation Information (2 CFR § 170) requires the University to file a FFTA sub-award report by the end of the month following the month in which the University awards any sub-grant equal to or greater than \$30,000.

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

University officials stated required reports were not submitted or timely submitted due to oversight and technical errors encountered by the program director.

Failure to meet grant reporting requirements is a noncompliance with the related grant request for proposal and application agreement and could result in loss of grant funding in future years. (Finding Code No. 2021-008, 2020-011)

RECOMMENDATION

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

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

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CURRENT FINDINGS

2021-009. **FINDING** (Inadequate Controls over University Property and Equipment)

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

- During our tracing of 80 equipment items totaling \$297,168 to the annual inventory report submitted to the Department of Central Management Services, we noted 2 (3%) equipment items consisting of a laptop cart and an oversized printer totaling \$2,365 purchased prior to the annual inventory report date could not be traced to the annual inventory report. It was determined the equipment items were not timely recorded in the University's property records to allow for the equipment to be included in the annual inventory report. These items were recorded 236 to 309 days after the acquisition dates.

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

- During our review of the University's annual inventory count certification, we noted the University did not accurately report the results of its annual inventory count to CMS. The University performed its annual inventory count between July 2020 to October 2020. During this timeframe, the University identified 153 unlocated items totaling \$108,724 consisting of 127 non-computer items totaling \$72,062, and 26 computers and laptops totaling \$36,662. The University prepared and submitted deletion requests for these unlocated items prior to the submission of its annual inventory certification to CMS, allowing the University to report discrepancy of only 2 items totaling \$2,026 between its records and its annual inventory count.

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

- The University did not have approved written policies and procedures on certain critical functions and processes related to equipment management such as:
 - Proper conduct of the physical count process including the objective of the count, timing and types of counts, instructions for counting and recording, and researching and adjusting discrepancies, as well as procedures and trainings to new employees to perform the count.

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CURRENT FINDINGS

2021-009. **FINDING** (Inadequate Controls over University Property and Equipment)
(continued)

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

- Adequate accounting and monitoring of electronic devices individually costing below \$1,000. During testing of 42 equipment vouchers totaling \$1,573,517, we noted 7 vouchers totaling \$116,242, which included purchases of various electronic data storage devices individually costing less than \$1,000 were not recorded in the University's property records as of June 30, 2021. Without tracking these items, the University will not be able to monitor the use, transfer, administration, and destruction of these items.

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

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

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

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

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CURRENT FINDINGS

2021-009. **FINDING** (Inadequate Controls over University Property and Equipment)
(continued)

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

University officials stated the exceptions noted above were due to lack of an updated University Policies and Procedures that clearly defines the roles, responsibilities, and required actions of each department/employee, lack of coordination among departments, and employees consistently not following existing University Policy and Procedures.

Inadequate controls over University property may result in inaccurate financial reporting and loss of University property not being timely detected. In addition, failure to provide a full accounting of all unlocated items during the University's annual inventory count represents noncompliance with the CMS Property Control Rules and may result in stolen equipment items not properly identified and investigated in order to apply appropriate actions. (Finding Code No. 2021-009, 2020-013, 2019-011, 2018-017)

RECOMMENDATION

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

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-010. **FINDING** (Weakness Regarding Clearing of Data from Electronic Devices)

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

During testing of 25 deleted equipment items totaling \$111,897, including 20 electronic devices totaling \$37,974 consisting of laptops, tablets, central processing unit (CPU), and computers, we noted:

- Two CPUs (10%) totaling \$6,216 were not wiped or cleared before items were transferred to the Department of Central Management for surplus.
- The University did not perform a complete assessment of two stolen and eight lost/missing electronic devices (50%) totaling \$16,816 to determine whether these devices contained confidential and personal information and whether notification was required as outlined in the Personal Information Protection Act.
- The University did not formalize a policy to address the requirements of the Data Security on State Computers Act to mandate all hard drives of surplus data processing equipment be erased, wiped, sanitized, or destroyed in a manner that prevents retrieval of sensitive data and software before being sold, donated, or transferred.

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

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

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

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

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

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-010. **FINDING** (Weakness Regarding Clearing of Data from Electronic Devices)
(continued)

Failure to wipe, clear of data, or destroy computer hard drives or other electronic storage media before transfer or disposal may result in unauthorized disclosure of sensitive information and may expose the University to unnecessary litigation risks. (Finding Code No. 2021-010, 2020-014, 2019-010, 2018-014)

RECOMMENDATION

We recommend the University ensure storage media of electronic devices be erased, wiped, sanitized, or destroyed in a manner that prevents retrieval of sensitive data and software before they are sold, donated, or transferred. We also recommend the University formalize its policy regarding data wiping on electronic storage devices. We further recommend the University conduct an assessment to determine if the devices, lost or stolen, contained confidential or personal information and complete the notification requirements as documented in Personal Information Protection Act.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-011. **FINDING** (Noncompliance with the Mental Health Early Action on Campus Act)

Northeastern Illinois University (University) did not comply with the provisions of the Mental Health Early Action on Campus Act (Act).

During testing of the University's compliance with the Act, we noted:

- The University did not implement mental health awareness into the school curriculum in Fiscal Year 2021.

The Act (110 ILCS 58/25 (2)) requires the University to assess courses and seminars available to students through their regular academic experiences and implement mental health awareness curricula if opportunities for integration exist.

- The Board of Trustees did not designate an expert panel to develop and implement policies and procedures regarding mental health and provide training if appropriate.

The Act (110 ILCS 58/30) requires the University to designate an expert panel to develop and implement policies and procedures that (i) advise students, faculty, and staff on the proper procedures for identifying and addressing the needs of students exhibiting symptoms of mental health conditions, (ii) promote understanding of the rules of Section 504 of the federal Rehabilitation Act of 1973 and the federal Americans with Disabilities Act of 1990 to increase knowledge and understanding of student protections under the law, and (iii) provide training if appropriate.

- The University did not form strategic partnerships with local mental health service providers and maintain a clinical benchmark ratio of 1:1,250 required by the Act. The University's clinical benchmark ratio is 1:1,780.

The Act (110 ILCS 58/40 (a)) requires the University to form strategic partnerships with local mental health service providers to improve overall campus mental wellness and augment on-campus capacity. The Act (110 ILCS 58/40 (b)) requires the University to attempt to meet a benchmark ratio of one clinical, non-student staff member to 1,250 students.

- The University did not have formal evaluation of its awareness and training program and peer support program implemented to comply with the Act for effectiveness and quality.

The Act (110 ILCS 58/50) requires the University to evaluate the programs under the Act to monitor the effectiveness and quality of the programs.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-011. **FINDING** (Noncompliance with the Mental Health Early Action on Campus Act)
(continued)

University officials stated the exceptions were due to lack of clarity as to the guidelines of the Act and the lack of funding to implement various provisions of the Act.

Failure to comply with the Act could result in an increase in the number of unidentified students with mental health needs and places undue burden on students seeking leave for their mental health conditions. (Finding Code No. 2021-011)

RECOMMENDATION

We recommend the University comply with the requirements of the Act.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-012. **FINDING** (Weaknesses in Cybersecurity Programs and Practices)

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

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

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

- Developed a formal security program or framework (policies and procedures) to ensure its resources and data were adequately protected.
- Ensured all faculty, staff members and contractors completed cybersecurity training upon employment, and annually thereafter.
- Developed a process to ensure all faculty, staff members and contractors acknowledge understanding of information security policies.
- Performed a risk assessment to classify its data to identify and ensure adequate protection of information.
- Evaluated and implemented appropriate controls to reduce the risk of attack.
- Established a process to identify events and manage security incidents.
- Established a vulnerability assessment and penetration testing process to monitor applications and networks to identify security vulnerabilities.
- Established a project management framework.

This finding was first reported in Fiscal Year 2019. In subsequent years, the University has been unsuccessful in establishing adequate controls related to cybersecurity.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-012. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (continued)

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

In addition, the *Framework for Improving Critical Infrastructure Cybersecurity* (Framework) published by the National Institute of Standards and Technology (NIST) requires the implementation of the Framework to develop an organizational understanding to manage cybersecurity risk to systems, people, assets, data, and capabilities and implement appropriate safeguards, and activities to identify, detect and respond to any cybersecurity event or incident. Further, the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by NIST requires entities to consider risk management practices, threat environments, legal and regulatory requirements, mission objectives and constraints in order to ensure the security of their applications, data, and continued business mission.

University officials stated the issues were due to staffing constraints and competing priorities.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the University's volumes of confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2021-012, 2020-018, 2019-019)

RECOMMENDATION

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

- Develop a formal security program or framework (policies and procedures) to ensure its resources and data are adequately protected.
- Perform a comprehensive risk assessment to identify and classify data to ensure adequate protection of confidential or personal information most susceptible to attack.
- Evaluate identified risks and implement appropriate controls to reduce risk.
- Ensure all faculty, staff members and contractors complete cybersecurity training and acknowledge understanding of information security policies at least annually.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-012. **FINDING** (Weaknesses in Cybersecurity Programs and Practices) (continued)

- Establish a process to identify and manage security incidents. The process should cover, but is not limited to, the following: event/incident/problem classification, severity levels, scope and impact analysis, documentation requirements, root cause analysis, and escalation and reporting requirements, among others.
- Establish a vulnerability assessment and penetration testing process to monitor the University's network, applications, and data to identify security vulnerabilities.
- Develop and maintain a project management framework to ensure new applications are developed and implemented in accordance with University's intentions.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-013. **FINDING** (Noncompliance with Payment Card Industry Security Standards)

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

The University accepted credit card payments for tuition, student fees, ticket sales, and parking fees. In Fiscal Year 2021, the University handled approximately 20,000 transactions totaling approximately \$22 million.

During testing, we noted the University had not:

- Formally assessed each program accepting credit cards, the methods in which payments could be made, matched these payments to the appropriate Self-Assessment Questionnaire (SAQ), and contacted service providers and obtained relevant information and guidance as deemed appropriate.
- Completed an SAQ addressing all elements of its environment utilized to store, process, and transmit cardholder data.
- Maintained agreements with service providers or obtained and reviewed documentation supporting the service providers' PCI compliance.
- Ensured a requirement to comply with PCI DSS within the service agreement or contract between the University and service provider.
- Established a process to monitor the PCI compliance status of the service provider's services and/or solutions.

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

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

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

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-013. **FINDING** (Noncompliance with Payment Card Industry Security Standards)
(continued)

University officials stated the issues noted above were mainly due to the delay in procuring a vendor to perform the requirements of the PCI DSS.

The lack of validation of proper controls increases the risk of unauthorized disclosure of cardholder data. (Finding Code No. 2021-013, 2020-017, 2019-017, 2018-020, 2017-016, 2016-017, 2015-014)

RECOMMENDATION

We recommend the University:

- At least annually, assess each program accepting credit card payments and match the payment method to the appropriate SAQ.
- Complete the appropriate SAQ(s) for its environment and maintain documentation supporting its validation efforts.
- Maintain agreements with service providers or obtain and review documentation of service providers to ensure PCI compliance.
- Ensure a requirement to comply with PCI data security standards within the service agreement or contract between the University and service provider.
- Contact service providers, at least annually, and obtain relevant information regarding the PCI compliance status of the service provider's services and/or solutions.

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-014. **FINDING** (Lack of Disaster Contingency Plan)

Northeastern Illinois University (University) did not ensure an adequately developed and tested disaster recovery plan existed for critical applications.

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

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

In addition, the *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Contingency Planning section, calls for developing and documenting a business continuity plan addressing roles, responsibilities, and coordination among entities, keeping the plan up-to-date, and testing the plan.

University officials stated the issues were due to competing priorities.

Without an adequately developed and tested disaster recovery plan, the University cannot ensure its critical applications could be recovered in the event of disaster. Failure to adequately update and test the disaster recovery plan leaves the University exposed to the possibility of major disruptions of services. (Finding Code No. 2021-014, 2020-016, 2019-016, 2018-019, 2017-015, 2016-016, 2015-013, 2014-015, 2013-014)

RECOMMENDATION

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

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-015. **FINDING** (Noncompliance with the Illinois Articulation Initiative Act)

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

The Initiative, through its itransfer.org 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 110 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 78 institutions across the State.

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

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

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

Failure to fully participate in the Initiative by submitting at least one course per Initiative major could hinder students looking to transfer to other institutions and represents noncompliance with the Act. (Finding Code No. 2021-015, 2020-020)

RECOMMENDATION

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

UNIVERSITY'S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

CURRENT FINDINGS

2021-016. **FINDING** (Noncompliance with the Identity Protection Act)

Northeastern Illinois University (University) did not provide all employees who have access to social security numbers (SSNs) with training in compliance with the Identity Protection Act (Act).

During our testing of 9 newly hired employees, we noted 4 (44%) employees who had access to SSNs in the course of performing their duties were not provided training to protect the confidentiality of SSNs. The University, in lieu of training, customarily requests new employees to sign a “Confidentiality Agreement” which did not have the required essential information prescribed by the Act, such as instruction on the proper handling of information that contains social security numbers from the time of collection through the destruction of the information.

The Act (5 ILCS 179/37) requires all employees of the University identified as having access to social security numbers in the course of performing their duties to be trained to protect the confidentiality of social security numbers. The training should include instructions on proper handling of information that contains social security numbers from the time of collection through the destruction of the information.

The University Identity Protection Policy requires all employees who have access to SSNs be trained by the Office of Human Resources to protect the confidentiality of SSNs.

University officials stated the University uses the “Confidentiality Agreement” as training under the Act.

Failure to provide required training on the proper handling of information that contains social security numbers may result in unauthorized disclosure of confidential information and may expose the University to unnecessary litigation risks. (Finding Code No. 2021-016)

RECOMMENDATION

We recommend the University review its internal policies and procedures to ensure required training is provided to applicable employees as prescribed by the Act.

UNIVERSITY’S RESPONSE

The University agrees with the audit finding and will implement correction action plan with all responsible parties.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

PRIOR FINDINGS NOT REPEATED

A. FINDING (Student Notification of Disbursements of Direct Loans)

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

During the current audit, our sample testing indicated the University timely notified the students in writing when the Federal Direct Student Loans funds were credited to the students' accounts. (Finding Code No. 2020-004, 2019-001)

B. FINDING (Noncompliance with the Federal Perkins Loan Cohort Default Rate)

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

During the current audit, the Federal Perkins Loan cohort default rate has improved and did not exceed the threshold for administrative capability stipulated by the U.S. Department of Education. (Finding Code No. 2020-007, 2019-002, 2018-004)

C. FINDING (Timesheets and Time and Effort Reports were not Submitted or Timely Submitted)

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

During the current audit, our sample testing indicated time sheets and time and effort reports were submitted or timely submitted by employees. (Finding Code No. 2020-010, 2019-003, 2018-007, 2017-006)

D. FINDING (Weaknesses over Purchasing Credit Card Transactions)

During the prior examination, Northeastern Illinois University (University) had weaknesses over employee use of purchasing credit cards (P-Card).

During the current examination, our sample testing disclosed lesser exceptions. These were not considered to be as significant as in the prior year; thus was reported in the University's *Report of Immaterial Findings*. (Finding Code No. 2020-012, 2019-014)

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS
For the Year Ended June 30, 2021

PRIOR FINDINGS NOT REPEATED

E. FINDING (Noncompliance with the College Student Immunization Act)

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

During the current examination, our sample testing did not disclose similar exceptions. (Finding Code No. 2020-015, 2019-013)

F. FINDING (Weaknesses over Maintenance of Employment Eligibility Verification Forms)

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

During the current examination, our sample testing disclosed lesser exceptions. These were not considered to be as significant as in the prior year; thus was reported in the University Report of Immaterial Findings. (Finding Code No. 2020-019)

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
DISCLOSURES ACCOMPANYING A STATE COMPLIANCE EXAMINATION REPORT
For the Year Ended June 30, 2021

DISCLOSURES REPORT

SUMMARY

A reading of the accompanying report components of the Northeastern Illinois University (University) was performed by Roth & Company, LLP.

ACCOUNTANT'S REPORT

The accountants did not conclude an omission or uncorrected material misstatement of the other information exists in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report.

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Beni Ortiz, Executive Director for Finance and Administration, on April 8, 2022. The responses to the recommendations were provided by Beni Ortiz, Executive Director for Finance and Administration, in a correspondence dated April 27, 2022.



INDEPENDENT ACCOUNTANT’S REPORT
ON DISCLOSURES ACCOMPANYING A STATE
COMPLIANCE EXAMINATION REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Northeastern Illinois University

Disclosures Accompanying a State Compliance Examination Report

Management of the Northeastern Illinois University (University) is responsible for the *Disclosures Accompanying a State Compliance Examination Report* (other information), which consists of the Fiscal Schedules and Analysis and Analysis of Operations report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant’s Report on State Compliance and on Internal Control over Compliance* found in the separate *State Compliance Examination Report* included within this document. Our opinion on the University’s State compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the University, our responsibility is to read the other information and consider whether:

- 1) a material inconsistency exists between the other information and our knowledge and facts of the University we obtained as part of the University’s State compliance examination;
- 2) the other information appears to have been omitted; or,
- 3) the other information appears to be materially misstated.

If, based on the work performed, we concluded an omission or uncorrected material misstatement of the other information exists, we are required to describe it in this report.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
May 9, 2022

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
Expenditure Authority for Fiscal Year 2021
For the Fifteen Months Ended September 30, 2021

Public Act No. 101-0637	Expenditure Authority (Net After Transfers)	Expenditures Through 06/30/21	Lapse Period Expenditures 07/01/21 - 09/30/21	Total Expenditures 15 Months Ended 09/30/21	Balances Lapsed 09/30/21
Fiscal Year 2021					
APPROPRIATED FUNDS					
Education Assistance Fund - 007					
Personal services	\$ 34,494,300	\$ 34,323,424	\$ 170,876	\$ 34,494,300	\$ -
Group insurance	1,072,600	1,072,600	-	1,072,600	-
GRAND TOTAL - ALL FUNDS	<u>\$ 35,566,900</u>	<u>\$ 35,396,024</u>	<u>\$ 170,876</u>	<u>\$ 35,566,900</u>	<u>\$ -</u>

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2021.

Note 2: Expenditures amount are vouchers approved for payment by the University and submitted to the State Comptroller for payment to the vendor.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES
For the Years Ended June 30,

	2021	2020
Education Assistance Fund - 007		
Expenditure Authority	\$ 35,566,900	\$ 35,566,900
Expenditures		
Personal services	34,494,300	34,494,300
Group insurance	1,072,600	1,072,600
Total expenditures	35,566,900	35,566,900
Balances Lapsed	\$ -	\$ -
GRAND TOTAL - ALL FUNDS		
Expenditure Authority	\$ 35,566,900	\$ 35,566,900
Expenditures	35,566,900	35,566,900
Balances Lapsed	\$ -	\$ -

Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2021 and September 30, 2020.

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

Note 3: The University received appropriations during Fiscal Year 2021 from Public Act 101-0637. In addition, the University received appropriations during Fiscal Year 2020 from Public Act 101-0007.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF NET EXPENDITURES BY MAJOR ACTIVITY
For the Years Ended June 30,

	2021	2020
<u>EXPENDITURE STATISTICS</u>		
All State Treasury Funds		
Total Operating Expenditures	\$ 35,566,900	\$ 35,566,900
Percentage of Total Expenditures	100%	100%
Expenditures		
Personal services	34,494,300	34,494,300
Group insurance	1,072,600	1,072,600
GRAND TOTAL - ALL EXPENDITURES	\$ 35,566,900	\$ 35,566,900

Note 1: Expenditures were obtained from the University's records and have been reconciled to the State Comptroller's records as of September 30, 2021 and September 30, 2020.

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES
For the Year Ended June 30, 2021

Fiscal Year 2021 Compared to Fiscal Year 2020

Education Assistance Fund - 007

Personal Services and Group Insurance

There were no significant variations in expenditures during Fiscal Year 2021.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
For the Year Ended June 30, 2021

Education Assistance Fund - 007

Personal Services and Group Insurance

There were no significant lapse period spending during the lapse period.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF CHANGES IN PROPERTY
For the Year Ended June 30, 2021

	Beginning Balance	Additions	Deletions	Net Transfers	Ending Balance
Land	\$ 26,442,932	\$ -	\$ -	\$ -	\$ 26,442,932
Land improvements	12,145,086	-	-	-	12,145,086
Building and building improvements	227,898,447	559,023	-	-	228,457,470
Equipment	31,307,956	3,033,757	3,503,000	-	30,838,713
Library books	27,338,492	380,766	202,777	-	27,516,481
Construction in progress	3,854,762	1,328,653	559,023	-	4,624,392
Total	\$ 328,987,675	\$ 5,302,199	\$ 4,264,800	\$ -	\$ 330,025,074

Note 1: The balances were obtained from the University's records and have been reconciled to the University's quarterly *Agency Report of State Property* reports submitted to the Office of the Comptroller for the year ended June 30, 2021.

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Year Ended June 30, 2021

Fiscal Year 2021 Compared to Fiscal Year 2020

The University's Fiscal Year 2021 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 19-20 and 21, respectively, within its separately released Fiscal Year 2021 financial audit report. Additionally, the University's Fiscal Year 2020 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on pages 18-19 and 20, respectively, within its previously released Fiscal Year 2020 financial audit report.

Statement of Net Position

Cash and cash equivalents

The increase in cash and cash equivalents was mainly due to the late release of the State Appropriation monies. The monies were received during the last few months of Fiscal Year 2021.

Prepaid expenses

The increase in prepaid expenses was mainly due to an increase in information technology related contracts and projects entered into by the University to improve its online classes, remote learning/working and online security. Most of these contracts required advance payments to be made to the vendors under the terms of the contract.

Deferred outflows of resources - Other postemployment benefits

The decrease in deferred outflows of resources - other postemployment benefits was mainly due to changes in assumptions in the valuation of the University's other postemployment benefits.

Accounts payable and accrued liabilities

The increase in accounts payable and accrued liabilities was due to the increase in expenses towards the end of Fiscal Year 2021 as the University activities slowly resumed after being suspended during the pandemic.

Other postemployment benefits liability

The decrease in other postemployment benefits liability was mainly due to changes in assumptions in the valuation of the University's other postemployment benefits.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES (Continued)
For the Year Ended June 30, 2021

Statement of Net Position

Deferred inflows of resources - Other postemployment benefits

The increase in deferred inflow of resources - other postemployment benefits was mainly due to changes in assumptions in the valuation of the University's other postemployment benefits.

Unrestricted net assets

The increase in unrestricted net assets was mainly due to the effect of the adjustment in the postemployment benefits due to the changes in the valuation assumptions.

Statement of Revenues, Expenses, and Changes in Net Position

Federal grants and contracts

The decrease in federal grants and contracts was mainly due to the decrease in the GEAR UP 4 and GEAR UP 5 grant. The GEAR UP grant was in a no cost extension year and the University did not receive additional funding during the fiscal year. The GEAR UP grant ended on September 24, 2021.

State and local grants

The decrease in the State and local grants was mainly due to the sunseting of the Grow Your Own grant in Fiscal Year 2020. There were no similar grants received in Fiscal Year 2021.

Other operating revenues

The decrease in other operating revenues was due to the overall decline in space rental of various University facilities and other miscellaneous activities because of the campus closure due to the pandemic.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES (Continued)
For the Year Ended June 30, 2021

Statement of Revenues, Expenses, and Changes in Net Position

Instruction

The increase in instruction was mainly due to the increase in the State proportionate share in pension and OPEB (employee benefits) expense allocated to the University as a result of changes in the actuarial valuation assumptions during the year; and this was slightly decreased by the compensation as instructors/student aids/graduate assistance classes or teaching/working hours significantly decline during the pandemic.

Public service

The decrease in public service was mainly due to the decrease in the GEAR UP 4 and GEAR UP 5 grant. The GEAR UP grant was in a no cost extension year and the University did not receive additional funding during the fiscal year. The GEAR UP grant ended on September 24, 2021.

Institutional support

The increase in institutional support was mainly due to the increase in the State proportionate share in pension and OPEB (employee benefits) expense allocated to the University as a result of changes in the actuarial valuation assumptions during the year; and this was slightly decreased by the compensation as instructors/student aids/graduate assistance classes or teaching/working hours significantly decline during the pandemic.

Depreciation

The decrease in depreciation expense was due to some buildings being fully depreciated in Fiscal Year 2020.

Return of federal loan program

The increase of federal loan program was due to the net effect of the reclassification of Federal Perkins contribution from capital/fund balance to liability as a result of the final closeout of the program.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES (Continued)
For the Year Ended June 30, 2021

Statement of Revenues, Expenses and Changes in Net Position

Special funding revenue

The increase in special funding revenue was mainly due to an increase in the State's proportionate share for pension and other postemployment benefits allocated to the University as a result of changes in the actuarial valuation assumptions.

Payments on behalf of the University

The increase in payments on behalf of the University was due to the increase in the percentage share of the General Revenue Fund contribution on behalf of the universities.

Federal grants - HEERF and GEERF

The increase in federal grants - HEERF and GEERF was due to the COVID-19 funding received during the fiscal year.

Investment income

The decrease in investment income was due to interest rates holding at or near zero percentages throughout the pandemic. This reduced the overall return on investments in assets held with the Illinois Funds.

Capital additions provided by State of Illinois

The increase of capital additions provided by State of Illinois was due the increase in expenses as the projects and renovations resumed after they were suspended during the pandemic.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF SOURCES AND APPLICATION
INDIRECT COST REIMBURSEMENTS
For the Year Ended June 30, 2021

Sources

Student tuition and fees	\$	714,182
Federal grants and contracts		904,713
State and local grants		20,073
Nongovernmental grants and contracts		63,377
Auxiliary enterprises		200,735
		200,735
Total sources		1,903,080

Applications

Personal services, retirement, social security and group insurance		537,159
Contractual services		537,116
Travel		208
Commodities		70,666
Equipment		153,777
Telecommunications		3,670
Awards and grants		38,954
		38,954
Total applications		1,341,550

Excess of sources over applications 561,530

Transfers

Transfers to other funds		-
		-

Excess of sources over applications after transfers 561,530

Fund Balance, Beginning of Year 798,724

Fund Balance, End of Year \$ 1,360,254

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES
For the Year Ended June 30, 2021

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

Activities

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

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

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

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

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

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

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

Auxiliary Enterprises

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

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

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENSES
For the Years Ended June 30,

	2021	2020
FUND BALANCE, BEGINNING OF YEAR		
Fund balance, beginning of year, as previously reported	\$ 6,047,164	\$ 452,153
Adjustments on beginning year balance	714,060	218,541
Fund balance, beginning of year, as restated	6,761,224	670,694
Income fund revenues:		
Tuition	58,442,720	58,323,169
Rental income	90,261	137,688
Investment income	55,325	839,019
Miscellaneous	582,974	4,011,288
Total income fund revenues	59,171,280	63,311,164
Income fund expenditures:		
Personal services (including change in accrued compensated absences)	28,440,173	30,776,571
Social Security, Medicare, health, and life insurance	2,053,704	3,723,401
Contractual services	11,000,446	12,381,314
Travel	19,212	124,109
Commodities	427,820	559,923
Equipment and library books	324,279	427,325
Telecommunications	245,141	180,309
Operation of automotive	38,221	50,275
Awards, grants, and matching funds	1,407,033	1,331,742
Tuition and fee waivers	3,624,130	4,177,016
Loss on cancelled capital project	-	39,257
Other expenses	1,885,729	4,163,452
Total income fund expenditures	49,465,888	57,934,694
FUND BALANCE, END OF YEAR	\$ 16,466,616	\$ 6,047,164

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ENTITY FINANCIAL STATEMENTS
STATEMENT OF NET POSITION - OTHER ENTITIES AND AUXILIARY ENTERPRISES
For the Year Ended June 30, 2021

	Activities							Auxiliary Enterprises				
	Student Fee Programs	Indirect Cost	Public Service Activities	Student and Staff Services	Service Departments	Educational Services	Educational Contracts	Student Union	Revenue Bonds		Other Auxiliary Enterprises	
									Parking Lot Administration	Total Revenue Bonds		
Assets												
Current assets												
Cash and cash equivalents, unrestricted	\$ 8,992,189	\$ 1,449,328	\$ 365,602	\$ 640,001	\$ 2,899,261	\$ 60,145	\$ 573,341	\$ 371,739	\$ 1,283,397	\$ 1,655,136	\$ 413,920	
Cash and cash equivalents, restricted	4,268,405	-	318,777	170,007	2,502,159	66,256	-	1,687,802	882,000	2,569,802	383,622	
Accounts receivable, net	1,567,489	-	-	14,765	-	-	25,005	133,920	191,276	325,196	-	
Prepaid expenses	743,270	46,742	10,673	12,452	2,400	-	-	-	-	-	-	
Inventories and other assets	26,842	-	-	-	10,663	-	-	1,083	-	1,083	-	
Total current assets	15,598,195	1,496,070	695,052	837,225	5,414,483	126,401	598,346	2,194,544	2,356,673	4,551,217	797,542	
Noncurrent assets												
Land and land improvements	971,871	-	18,813	30,301	247,354	5,337	-	838,630	-	838,630	55,600	
Buildings and construction in progress	14,943,196	-	289,259	465,899	3,803,245	82,068	-	3,096,771	9,830,495	12,927,266	854,896	
Equipment	2,258,309	-	1,633,776	768,836	12,502,012	1,747,786	127,641	10,701	3,616	14,317	89,941	
Total noncurrent assets	18,173,376	-	1,941,848	1,265,036	16,552,611	1,835,191	127,641	3,946,102	9,834,111	13,780,213	1,000,437	
Total assets	33,771,571	1,496,070	2,636,900	2,102,261	21,967,094	1,961,592	725,987	6,140,646	12,190,784	18,331,430	1,797,979	
Liabilities												
Current liabilities												
Accounts payable and accrued liabilities	1,583,855	135,713	19,149	18,762	225,957	1,897	13,408	67,816	318,541	386,357	125,862	
Unearned revenues	189,388	103	-	955	-	-	560,988	14,636	11,147	25,783	-	
Total current liabilities	1,773,243	135,816	19,149	19,717	225,957	1,897	574,396	82,452	329,688	412,140	125,862	
Noncurrent liabilities												
Revenue bonds payable	-	-	-	-	-	-	-	-	13,072,352	13,072,352	-	
Total noncurrent liabilities	-	-	-	-	-	-	-	-	13,072,352	13,072,352	-	
Total liabilities	1,773,243	135,816	19,149	19,717	225,957	1,897	574,396	82,452	13,402,040	13,484,492	125,862	
Net position												
Net investment in capital assets	20,986,319	-	2,260,625	1,435,043	19,046,625	1,901,447	127,641	5,509,367	(1,453,569)	4,055,798	1,384,059	
Restricted	-	-	-	-	-	-	-	-	-	-	-	
Unrestricted	11,012,009	1,360,254	357,126	647,501	2,694,512	58,248	23,950	548,827	242,313	791,140	288,058	
Total net position	\$ 31,998,328	\$ 1,360,254	\$ 2,617,751	\$ 2,082,544	\$ 21,741,137	\$ 1,959,695	\$ 151,591	\$ 6,058,194	\$ (1,211,256)	\$ 4,846,938	\$ 1,672,117	
Total liabilities and net position	\$ 33,771,571	\$ 1,496,070	\$ 2,636,900	\$ 2,102,261	\$ 21,967,094	\$ 1,961,592	\$ 725,987	\$ 6,140,646	\$ 12,190,784	\$ 18,331,430	\$ 1,797,979	

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ENTITY FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - OTHER ENTITIES AND
AUXILIARY ENTERPRISES
For the Year Ended June 30, 2021

	Activities							Auxiliary Enterprises				
	Student Fee Programs	Indirect Cost	Public Service Activities	Student and Staff Services	Service Departments	Educational Services	Educational Contracts	Student Union	Revenue Bonds		Other Auxiliary Enterprises	
									Administration	Parking Lot		Total Revenue Bonds
OPERATING REVENUES												
Student tuition and fees	\$ 14,391,123	\$ 714,182	\$ -	\$ 215,521	\$ -	\$ -	\$ -	\$ 1,773,066	\$ -	\$ -	\$ 1,773,066	\$ -
Federal grants and contracts	-	904,713	-	-	-	-	-	-	-	-	-	-
State and local grants	-	20,073	-	-	-	-	-	-	-	-	-	-
Nongovernmental grants and contracts	-	63,377	-	-	-	-	-	-	-	-	-	-
Auxiliary enterprises	-	200,735	-	-	-	-	-	-	1,381,050	-	1,381,050	854,481
Other operating revenues	-	-	183,662	294,801	2,734,000	52,108	-	-	-	-	-	-
Total operating revenues	14,391,123	1,903,080	183,662	510,322	2,734,000	52,108	-	1,773,066	1,381,050	-	3,154,116	854,481
OPERATING EXPENSES												
Personal services, retirement, social security, and group insurance	1,228,988	537,159	46,068	55,934	169,202	33,073	174,189	491,503	544,360	1,035,863	572,336	
Contractual services	3,283,977	537,116	167,056	161,345	1,909,618	19,585	25,661	182,807	168,372	351,179	30,522	
Travel	1,612	208	-	350	-	-	-	-	-	-	-	-
Commodities	83,926	70,666	7,678	38,720	1,803	993	6,820	6,820	14,000	14,000	45,622	
Equipment	1,351,574	153,777	48,422	3,764	44,855	6,786	4,288	-	2,372	2,372	-	
Telecommunications	-	3,670	-	-	40,142	-	-	-	13,036	13,036	-	
Operation of automotive equipment	-	-	-	37	799	-	-	-	-	-	-	-
Awards and grants	2,980	38,954	150	4,985	-	-	-	-	-	-	-	
Permanent improvements	1,336	-	-	-	-	-	-	-	-	-	-	
Depreciation	-	-	-	-	-	-	-	175,067	549,517	724,584	-	
Total operating expenses	5,954,393	1,341,550	269,374	265,135	2,166,419	60,437	210,958	849,377	1,291,657	2,141,034	648,480	
Operating income (loss)	8,436,730	561,530	(85,712)	245,187	567,581	(8,329)	(210,958)	923,689	89,393	1,013,082	206,001	
NONOPERATING REVENUES (EXPENSES)												
Investment income	-	-	-	-	-	-	-	205	-	-	205	-
Interest on indebtedness	-	-	-	-	-	-	-	-	(521,250)	(521,250)	-	-
Net nonoperating revenues (expenses)	-	-	-	-	-	-	-	205	(521,250)	(521,045)	-	-
INCOME (LOSS) BEFORE TRANSFER IN (OUT)	8,436,730	561,530	(85,712)	245,187	567,581	(8,329)	(210,958)	923,894	(431,857)	492,037	206,001	
TRANSFERS IN (OUT) OTHER FUNDS	(872,247)	-	(431,044)	(370,521)	(1,025,388)	(184,767)	(323,856)	(1,331,088)	1,152,315	(178,773)	(243,281)	
NET INCREASE (DECREASE) IN NET POSITION	7,564,483	561,530	(516,756)	(125,334)	(457,807)	(193,096)	(534,814)	(407,194)	720,458	313,264	(37,280)	
NET POSITION, BEGINNING OF YEAR	24,433,845	798,724	3,134,507	2,207,878	22,198,944	2,152,791	686,405	6,465,388	(1,931,714)	4,533,674	1,709,397	
NET POSITION, END OF YEAR	\$ 31,998,328	\$ 1,360,254	\$ 2,617,751	\$ 2,082,544	\$ 21,741,137	\$ 1,959,695	\$ 151,591	\$ 6,058,194	\$ (1,211,256)	\$ 4,846,938	\$ 1,672,117	

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FUNCTIONS AND PLANNING
For the Year Ended June 30, 2021

Description of Planning System

Functions

Mission

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

Vision

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

Values

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

Planning

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

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FUNCTIONS AND PLANNING (Continued)
For the Year Ended June 30, 2021

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

Metrics

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

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

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FUNCTIONS AND PLANNING (Continued)
For the Year Ended June 30, 2021

Under the current leadership, the University places particular importance on the achievement gap among the various populations the University serves. The retention rate for the 2020 freshman class was 60.8 percent, with the gap in retention between Latino students and white students shrinking substantially. There remains a gap between African American and white students, but it has closed quite a bit in the last three years. An intentional push to have students connected to success programs and satellite locations helped to drive the improvement in this important metric.

The achievement gap between different populations for transfer students is also an important metric that has seen significant improvement. Overall, the transfer student retention rate from the 1st to 2nd year has improved over the last four years, from 67.9 percent for the 2016 transfer cohort to 73.0 percent for the 2020 transfer cohort.

Significant Challenges

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NUMBER OF EMPLOYEES
For the Years Ended June 30,

<u>AVERAGE FULL-TIME EMPLOYEES</u>	<u>2021</u>	<u>2020</u>
Faculty	378	396
Academic Professionals	133	164
Administration	141	142
Other Professionals	259	259
Support Staff	100	106
Total	<u>1,011</u>	<u>1,067</u>

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

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

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COST STATISTICS
For the Year Ended June 30,

<u>Appropriation Method</u>	<u>2021</u>	<u>2020</u>
Undergraduates		
Total Costs	\$ 18,491,575	\$ 19,118,398
Student Credit Hours	119,952	126,945
Cost per Student Credit Hours	<u>\$ 154</u>	<u>\$ 151</u>
Graduates		
Total Costs	\$ 4,723,096	\$ 4,044,782
Student Credit Hours	30,638	26,857
Cost per Student Credit Hours	<u>\$ 154</u>	<u>\$ 151</u>
 <u>Instructional Method</u>		
Undergraduates		
Total Costs	\$ 71,325,186	\$ 64,508,928
Full-time Equivalent Students	3,998	4,231
Cost per Full-time Equivalent Students	<u>\$ 17,840</u>	<u>\$ 15,247</u>
Graduates		
Total Costs	\$ 22,781,957	\$ 17,061,094
Full-time Equivalent Students	1,277	1,119
Cost per Full-time Equivalent Students	<u>\$ 17,840</u>	<u>\$ 15,247</u>

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

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

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
HOUSING BENEFITS
For the Year Ended June 30, 2021

Qualified Campus Lodging

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

Lodging Provided for the Convenience of the Employer

The University does not provide lodging to employees for the convenience of the University.

Other Lodging

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

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OVERTIME AND COMPENSATORY TIME
For the Year Ended June 30,

	<u>2021</u>	<u>2020</u>
<u>Overtime Hours Paid</u>		
Faculty ¹	-	-
Other Academic Professional ²	1,432	213
Administration	5	193
Other Professionals ³	7,083	10,663
Civil Service	827	356
Total	<u>9,347</u>	<u>11,425</u>
<u>Compensatory Hours Granted</u>		
Faculty ¹	-	-
Other Academic Professional ²	-	-
Administration	-	-
Other Professionals ⁴	303	416
Civil Service	-	-
Total	<u>303</u>	<u>416</u>
Total Overtime and Compensatory Hours	<u>9,650</u>	<u>11,841</u>
<u>Value of Overtime Hours Paid</u>		
Faculty ¹	\$ -	\$ -
Other Academic Professional ²	47,969	6,347
Administration	181	6,443
Other Professionals ³	355,443	488,325
Civil Service	28,822	10,088
Total	<u>\$ 432,415</u>	<u>\$ 511,203</u>
<u>Value of Compensatory Hours Granted</u>		
Faculty ¹	\$ -	\$ -
Other Academic Professional ²	-	-
Administration	-	-
Other Professionals ⁴	15,473	19,268
Civil Service	-	-
Total	<u>15,473</u>	<u>19,268</u>
Total Value of Overtime and Compensatory Hours	<u>\$ 447,888</u>	<u>\$ 530,471</u>

¹ Includes tenure line faculty, instructors, and librarians.

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

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

⁴ Include campus security only.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
MAJOR CONSTRUCTION PROJECTS
For the Year Ended June 30, 2021

Detention Basin Expansion

The University has completed the approximately \$974,800 expansion of the existing detention basin located at the south end of the main campus. The project involves expanding and deepening the existing detention basin to accommodate the additional stormwater detention resulting from the new proposed Education Building (a CDB Project #817-010-055). The project began in November 2018 and completed in September 2020.

Replace Electric Cable

The University continued progress on the approximately \$1.89 million replacement of existing electric cabling on the main campus. The project (a CDB Project #817-010-079) involves replacement of old existing medium voltage aluminum cabling and outdated tap boxes in the various buildings on the main campus. The project began in March 2019 and is currently in the pre-construction phase. It is expected to be completed in August 2022.

Campus Roof Replacement

The University continued progress on the approximately \$4.8 million replacement of existing roofs and related masonry restoration of various buildings on the main campus. The project (a CDB Project #817-010-080) involves replacement of existing old (out of warranty) roofs and related building envelope and masonry restoration to prevent moisture penetration in the interior spaces of the buildings. The project began in April 2019 and is currently in the pre-contract phase. It is expected to be completed in November 2022.

Entrance and Walkways

The University continued progress on the approximately \$5.13 million repairs/improvements of pavement and parking structure on the main campus. The project (a CDB Project #817-010-081) involves analysis, recommendation, design and implementation of repairs and improvements of asphalt roads, parking pavements, concrete parking decks, parking structure, concrete sidewalks and concrete entrance plazas. The project is currently in pre-bid phase and is expected to be completed in October 2022.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS
For the Year Ended June 30, 2021

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, 2021, where such special data is found.

Compliance Findings

- 13(a) There were no violations of the compliance requirements of the *University Guidelines* identified during the financial audit and compliance examination of the University for the year ended June 30, 2021.

Indirect Cost Reimbursements

- 13(b) A statement of the sources and application of indirect cost recoveries is presented on page 62 within this report.
- 13(c) The University's calculation sheet for indirect cost carryforward and any required remittance to the University's Income Fund is presented within this report on page 81.

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, 2021.

Auxiliary Enterprises, Activities and Accounting Entities

- 13(e) An identification of each specific accounting entity and a description of each entity's sources of revenues and purpose are presented within this report on page 63.
- 13(f) The present financial statements for each accounting entity are presented on pages 65 and 66 within this report. These financial statements should be read in conjunction with the University's audited financial statements for the year ended June 30, 2021.
- 13(g) The University's calculation sheets for current excess funds within each accounting entity and any required remittance to the University's Income Fund are presented within this report on page 80.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS (Continued)
For the Year Ended June 30, 2021

Auxiliary Enterprises, Activities and Accounting Entities (Continued)

- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the University's financial audit report in the Table of Operating Expenses on page 75.
- 13(i) The present financial statements for University Facilities System Revenue Bond Funds which are covered by a bond indenture are presented in pages 65 and 66 within this report. A description of the University Facilities System Revenue Bond Funds' sources of revenues and purpose are presented within this report on page 63.
- 13(j) There were no violations of the University's bond covenants identified during the financial audit and compliance examination for the year ended June 30, 2021.
- 13(k) The University does not currently have any non-instructional reserves established by the University's Board of Trustees.

University Related Organizations

- 13(l) The University recognizes the Northeastern Illinois University Foundation (the "Foundation") as University related organization. The University does not have any "Independent Organizations" as defined in Section VII of the *University Guidelines*.
- 13(m) A summary of Northeastern Illinois University Foundation payments to the University for services and supports provided is presented within this report on page 78.
- 13(n) A summary of University payments to the Foundation for services and supports provided by the Foundation is presented within this report on page 78.
- 13(o) At June 30, 2021, there was no unreimbursed subsidies to the Foundation from the University or appropriated funds.
- 13(p) There is no debt financing provided by the Foundation.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY ENGAGEMENTS (Continued)
For the Year Ended June 30, 2021

Other Topics

- 13(q) Schedules of cash and cash equivalents, and investments are disclosed within the financial statements in Note 2 on page 35.
- 13(r) Income from the investment of pooled funds is credited to the University's Income Fund. Income from the investment of non-pooled funds is credited to the fund making the investment.
- 13(s) The cost per full-time equivalent student, prepared in accordance with the requirements of the State of Illinois, Board of Higher Education, is presented within this report on page 71.
- 13(t) The University did not purchase any real estate with an acquisition cost in excess of \$250,000 that was not funded by a separate, specific appropriation from the General Assembly.
- 13(u) The University's certificates of participation are presented in Note 9 on pages 43 through 46 of the June 30, 2021 financial statements.

Other Schedules

- 13(1) An analysis of State appropriations to the University is presented in pages 52 through 54 within this report. In addition, the University's analysis of significant variations in expenditures and significant spending during the lapse period is presented within this report on pages 55 and 56, respectively.
- 13(2) A Comparative Schedule of Revenues and Expenses for the University's Income Fund is presented in page 64 within this report.
- 13(3) Separate schedules of tuition and fee waivers for undergraduate and graduate students, respectively, are presented within this report on page 79.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SUMMARY OF FOUNDATION TRANSACTIONS WITH THE UNIVERSITY
For the Year Ended June 30, 2021

During Fiscal Year June 30, 2021, the University engaged the Foundation, under contract, to provide fundraising services. As provided in the contract agreement, the University advanced \$0 in funds and provided an additional \$784,045 of services to the Foundation. As required by the contract, the Foundation repaid the University, using funds considered unrestricted for purposes of the *University Guidelines* computations. In addition, the Foundation gave the University non-qualifying restricted funds.

During the fiscal year ended June 30, 2021, the University and Foundation had the following inter-entity transactions:

Northeastern Illinois University	Northeastern Illinois University Foundation	
	Other operating expenses (Program services)	Other operating revenues (Support and program revenue)
<u>Operating Revenues</u>		
Student tuition and fees, net	\$ 251,663	\$ -
Nongovernmental grants and contracts	448,883	-
<u>Operating Expenses</u>		
Compensation and benefits	-	742,777
Supplies and services	-	4,621
Use of space	-	36,647
	\$ 700,546	\$ 784,045

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
UNDERGRADUATE AND GRADUATE TUITION AND FEE WAIVERS
For the Year Ended June 30, 2021

	Undergraduate						Graduate						
	Tuition Waivers			Fee Waivers			Tuition Waivers			Fee Waivers			
	Number of Recipients (unduplicated)	Number of Recipients (duplicated)	Value of Waivers (in thousands)	Number of Recipients (duplicated)	Value of Waivers (in thousands)	Number of Recipients (unduplicated)	Number of Recipients (duplicated)	Value of Waivers (in thousands)	Number of Recipients (duplicated)	Value of Waivers (in thousands)	Number of Recipients (unduplicated)	Number of Recipients (duplicated)	Value of Waivers (in thousands)
Mandatory Waivers													
Teacher Special Education	14	14	\$ 137.5	14	\$ 51.0	17	17	\$ 102.4	17	17	17	17	\$ 31.3
Reserve Officer's Training Corps	8	8	48.7	8	18.0	-	-	-	-	-	-	-	-
Department of Children and Family Services	16	16	73.9	16	27.4	-	-	-	-	-	-	-	-
Children of Employees	23	23	65.8	23	24.0	-	-	-	-	-	-	-	-
Senior Citizens	6	6	20.0	-	-	4	4	21.2	-	-	-	-	-
Veterans Grants and Scholarships	71	71	314.3	71	116.5	35	35	146.2	35	35	35	35	44.6
Total Mandatory Waivers	138	138	\$ 660.2	132	\$ 236.9	56	56	\$ 269.8	56	56	52	52	\$ 75.9
Discretionary Waivers													
Faculty/Administrators	-	-	\$ -	-	\$ -	30	30	\$ 64.3	30	30	30	30	\$ 19.6
Civil Service	12	12	38.1	12	14.1	50	50	155.2	50	50	50	50	47.4
Academic/Other Talent	476	476	1,043.2	-	-	178	178	269.3	-	-	-	-	-
Foreign Exchange Students	13	13	95.4	13	35.4	2	2	22.0	2	2	2	2	6.7
Student Need-Financial Aid	130	130	246.9	-	-	17	17	24.7	-	-	-	-	-
Cooperating Professionals	4	4	6.1	-	-	38	38	74.6	-	-	-	-	-
Research Assistants	-	-	-	-	-	24	24	52.0	24	24	24	24	15.9
Teaching Assistants	-	-	-	-	-	60	60	189.2	60	60	60	60	57.8
Other Assistants	-	-	-	-	-	34	34	120.3	34	34	34	34	36.7
Interinstitutional/Related Agencies	17	17	54.4	17	20.2	18	18	76.4	18	18	18	18	23.3
Contract/Training Grants	29	29	225.0	29	83.6	19	19	105.5	19	19	19	19	32.2
Total Discretionary Waiver	681	681	\$ 1,709.1	71	\$ 153.3	470	470	\$ 1,153.5	470	470	237	237	\$ 239.6

Note 1: Tuition and Fee Waiver Report submitted to the Illinois Board of Higher Education (IBHE) covers data for Academic Year 2020-2021.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
OTHER ENTITIES AND AUXILIARY ENTERPRISES
For the Year Ended June 30, 2021

	Activities										Auxiliary Enterprises										
	Student Fee Programs	Public Service Activities	Student and Staff Services	Service Departments	Other Educational Services	Educational Contracts	Student Union	Revenue Bonds		Other Auxiliary Enterprises											
								Administration	Parking Lot		Revenue	Total									
A. 1. Current Available Funds:																					
Cash	\$ 8,992,189	\$ 365,602	\$ 640,001	\$ 2,899,261	\$ 60,145	\$ 573,341	\$ 371,739	\$ 1,283,397	\$ 1,655,136												\$ 413,920
2. Working capital allowance:																					
Highest month's expenditures	4,019,981	103,239	61,805	403,539	10,773	47,107	297,048	1,637,001	1,934,049												98,606
Current liabilities	104,619	19,149	18,762	152,491	1,897	13,408	67,816	57,916	125,732												81,360
Deferred income	189,388	-	955	-	-	560,988	22,848	2,935	25,783												-
Refundable deposits	-	-	-	65,321	-	-	-	-	-												44,502
Encumbrances	222,110	41,620	324,871	464,029	2,305	32,751	11,570	67,484	79,054												38,061
Total working capital allowance	4,536,098	164,008	406,393	1,085,380	14,975	654,254	399,282	1,765,336	2,164,618												262,529
B.																					
3. Current Excess Funds:																					
Deduct B from A	4,456,091	201,594	233,608	1,813,881	45,170	(80,913)	(509,482)														151,391
4. Calculation of Income Fund Remittance																					
An entity may offset excess capital or current funds within the entity.																					
Enter the amount to be offset:																					
Allowable capital reserves (see below)	(4,634,596)	(143,399)	(201,878)	(1,786,934)	(321,722)																(34,598)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	(178,504)	58,195	31,730	26,947	(276,552)																116,793
Excess Funds Offset																					
Allowable capital reserves	7,447,539	462,176	371,885	4,280,948	387,978																418,220
Actual capital reserves	2,812,943	318,777	170,007	2,494,014	66,256																383,622
Total Excess Funds Offset	4,634,596	143,399	201,878	1,786,934	321,722																34,598

As further described in the Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report, the accountants do not express an opinion or any form of assurance on this report component.

NORTHEASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
INDIRECT COST CARRYFORWARD
For the Year Ended June 30, 2021

1. Cash and cash equivalents balance:		
Cash and cash equivalents	\$	1,449,328
2. Allocated reimbursements:		
Indirect cost reimbursements allocated for expenditure for the fiscal year completed: (\$2,226,558 @ 30%)		667,967
3. Unallocated reimbursements:		
Lesser of actual unallocated indirect cost reimbursements for the year completed OR 10% of total indirect cost allocations for the year completed		222,656
4. Encumbrances and current liabilities paid in the lapse period:		
Current liabilities and encumbrances		296,986
5. Indirect cost carry-forward		1,187,609
EXCESS CASH TO BE DEPOSITED TO THE UNIVERSITY INCOME FUND	\$	261,719

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.