

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois

SINGLE AUDIT AND COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act and
Applicable Federal Regulations)
FOR THE YEAR ENDED JUNE 30, 2020

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

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

Table of Contents

	Page
University Officials.....	1
Management Assertion Letter.....	2
Compliance Report	
Summary.....	3
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes.....	6
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.....	12
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results.....	16
Current Findings - <i>Government Auditing Standards</i>	17
Current Findings - Federal Compliance and Questioned Costs.....	28
Current Findings - State Compliance.....	34
Prior Findings Not Repeated.....	51
	Schedule
	Page
Supplementary Information for State Compliance Purposes	
Fiscal Schedules and Analysis	
Schedule of Expenditures of Federal Awards.....	1 53
Notes to the Schedule of Expenditures of Federal Awards.....	1 56
Schedule of Appropriations, Expenditures, and Lapsed Balances: Fiscal Year 2020.....	2 58
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances.....	3 59
Comparative Schedule of Net Expenditures by Major Activity.....	4 60
Comparative Schedule of Cash Receipts and Deposits into the State Treasury.....	5 61
Comparative Schedule of Income Fund Revenues and Expenses.....	6 62
Entity Financial Statements:	
Statement of Net Position - Auxiliary Facilities and Other Entities.....	7 63
Statement of Revenues, Expenses, and Changes in Net Position - Auxiliary Facilities and Other Entities.....	8 64

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

Table of Contents (Continued)

	Schedule	Page
Supplementary Information for State Compliance Purposes (Continued)		
Fiscal Schedules and Analysis (Continued)		
Schedule of Changes in Property.....	9	65
Schedule of Sources and Applications - Indirect Cost Reimbursements.....	10	66
Schedule of Federal and Nonfederal Financial Activity.....	11	67
Analysis of Operations (Unaudited)		
University Functions and Planning Program (Unaudited).....		68
Auxiliary Facilities, Activities, and Accounting Entities (Unaudited).....		70
Analysis of Significant Variations in Account Balances (Unaudited).....		72
Analysis of Significant Variations in Expenditures (Unaudited).....		75
Analysis of Significant Lapse Period Spending (Unaudited).....		76
Calculation Sheets for Current Excess Funds:		
Auxiliary Facilities (Unaudited).....		77
Activities (Unaudited).....		78
Indirect Cost Carryforward (Unaudited).....		79
Number of Employees (Unaudited).....		80
Cost Statistics (Unaudited).....		81
Analysis of Overtime and Compensatory Time (Unaudited).....		82
Housing Benefits (Unaudited).....		83
<i>University Guidelines</i> (as amended in 1997):		
Special Data Requirements for University Audits (Unaudited).....		84
Summary of Foundation Transactions with the University (Unaudited).....		87
Tuition and Fee Waivers (Unaudited).....		88

Other Reports Issued Under a Separate Cover:

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

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

University Officials

President	Ms. Zalduaynaka Scott, Esq.
Chief of Staff (03/01/20 - Present)	Mr. Kim Tran
Chief of Staff and External Affairs (07/01/19 - 02/29/20)	Mr. Ryan Green
Interim Provost and V.P. for Academic Affairs	Dr. Leslie Roundtree
Interim General Counsel, Chief Compliance Officer & V.P. of Legal Affairs (01/18/21 - Present)	Mr. Walter Pryor
V.P., General Counsel and Chief Compliance Officer of Labor & Legal Affairs (10/31/20 - Present)	Vacant
V.P., General Counsel and Chief Compliance Officer of Labor & Legal Affairs (07/01/19 - 10/30/20)	Ms. Stephanie Kelly, Esq.
CFO & V.P. of Financial Operations (09/16/20 - Present)	Mr. Craig Duetsch
Acting CFO & V.P. of Financial Operations (02/01/20 - 09/15/20)	Mr. Larry D. Owens, CPA
Interim CFO & V.P. of Financial Operations (07/01/19 - 01/31/20)	Ms. Ginger Ostro
Interim Executive Director/Controller	Mr. Larry D. Owens, CPA
Chief Internal Auditor (09/09/19 - Present)	Ms. Natalie Covello
Acting Chief Internal Auditor (07/01/19 - 09/08/19)	Ms. Michelle Wilson, MBA

Board of Trustees

Chair	Ms. Andrea Zopp, Esq.
Vice Chair	Ms. LaTanya McDade
Secretary	Mr. Mark Schneider, Esq.
Member	Mr. Louis Carr
Member	Mr. Brian Clay
Member	Ms. Mobley Smith
Member	Vacant
Student Member	Ms. Renee Singleton

University offices are located at:

9501 S. King Drive
Chicago, Illinois 60628



April 30, 2021

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Chicago State 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 assertions during the year ended June 30, 2020. Based on this evaluation, we assert that during the year ended June 30, 2020, the University has materially complied with the assertions below.

- A. The University has obligated, expended, received, and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received, and used public funds of the State in accordance with any limitations, restrictions, conditions, or mandatory directions imposed by law upon such obligation, expenditure, receipt, or use.
- C. Other than what has been previously disclosed and reported in the Schedule of Findings and Questioned Costs, 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,

Chicago State University

SIGNED ORIGINAL ON FILE

Ms. Zaldwaynaka Scott, Esq.
President

SIGNED ORIGINAL ON FILE

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

SIGNED ORIGINAL ON FILE

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

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

Compliance Report

Summary

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

Accountant’s Report

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

Summary of Findings

Number of	Current Report	Prior Report
Findings	14	10
Repeated findings	3	6
Prior recommendations implemented or not repeated	7	3

Schedule of Findings and Questioned Costs

Item No.	Page	Last/First Reported	Description	Finding Type
FINDINGS (GOVERNMENT AUDITING STANDARDS)				
2020-001	17	New	Weaknesses over Computer Security	Significant Deficiency and Noncompliance
2020-002	20	New	Change Control Weaknesses	Significant Deficiency and Noncompliance
2020-003	22	New	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance
FINDINGS (FEDERAL COMPLIANCE AND QUESTIONED COSTS)				
2020-004	28	2019/2019	Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Center for STEM Education and Research	Noncompliance and Significant Deficiency

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

Schedule of Findings and Questioned Costs (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (FEDERAL COMPLIANCE AND QUESTIONED COSTS) (CONTINUED)				
2020-005	30	New	Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Education Stabilization Fund	Noncompliance and Significant Deficiency
2020-006	32	New	Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards	Noncompliance and Significant Deficiency
FINDINGS (STATE COMPLIANCE)				
2020-007	34	2019/2016	Inadequate Controls over Contractual Services Expenditures	Noncompliance and Significant Deficiency
2020-008	37	2019/2018	Completion and Retention of Employment Eligibility Verification Form	Noncompliance and Significant Deficiency
2020-009	39	New	Noncompliance with the Illinois Articulation Initiative Act	Noncompliance and Significant Deficiency
2020-010	40	New	Noncompliance with Higher Education Student Assistance Act	Noncompliance and Significant Deficiency
2020-011	42	New	Inaccurate Accounts Receivable and Locally Held Funds Reporting	Noncompliance and Significant Deficiency
2020-012	44	New	Lack of Adequate Controls over Review of Internal Controls over Service Providers	Noncompliance and Significant Deficiency
2020-013	47	New	Weaknesses in Cybersecurity Programs and Practices	Noncompliance and Significant Deficiency
2020-014	50	New	Inadequate Disaster Recovery Process	Noncompliance and Significant Deficiency

In addition, the following findings which are reported as current findings under *Government Auditing Standards* for financial audits also meet the reporting requirements for State Compliance under the Illinois State Auditing Act.

2020-001	17	New	Weaknesses over Computer Security	Noncompliance and Significant Deficiency
2020-002	20	New	Change Control Weaknesses	Noncompliance and Significant Deficiency
2020-003	22	New	Inadequate Internal Controls over Census Data	Material Noncompliance and Material Weakness

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

Schedule of Findings and Questioned Costs (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED			
A	51	2019/2019	Inadequate Control over Financial Reporting
B	51	2019/2019	Noncompliance with Institutional Eligibility Requirements
C	51	2019/2019	Untimely Reporting to National Student Loan Data Systems
D	51	2019/2016	Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the TRIO Cluster
E	52	2019/2009	Subsidies Between Accounting Entities
F	52	2019/2015	Internal Audit
G	52	2019/2017	Weaknesses over System Access

Exit Conference

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on April 1, 2021.

Attending were:

Chicago State University

Ms. Zaldwanayka Scott, Esq., President

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

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

Ms. Natalie Covello, Chief Internal Auditor

Mr. Larry Owens, CPA, Interim Executive Director/Controller

Ms. Deidre Cato-Baker, External Audit Manager

Office of the Auditor General

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

Roth & Co, LLP

Ms. Leilani Rodrigo, CPA, CGMA, Partner

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

Ms. Rona Lagdamen, CPA, Manager

Mr. Lou Jonathan Cabrera, CISA, Supervisor

The responses to these recommendations were provided by Ms. Deidre Cato-Baker, External Audit Manager, in correspondences dated March 31, 2021, April 1, 2021, April 2, 2021 and April 30, 2021.

**Independent Accountant's Report on State Compliance,
on Internal Control Over Compliance, and on
Supplementary Information for State Compliance Purposes**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Chicago State University

Compliance

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

The specified requirements are:

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

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

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

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

Specified Requirement C

As described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003, the University had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material deviation from the specified requirements described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2020, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001, 2020-002, and 2020-007 through 2020-014.

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

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

Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the

examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the Audit Guide, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the specified requirements on a timely basis. *A material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003 to be a material weakness.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001, 2020-002, and 2020-007 through 2020-014 to be significant deficiencies.

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

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

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

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities and the discretely presented component unit of the University as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated April 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. We

have not performed any procedures with respect to the audited financial statements subsequent to April 30, 2021. The accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 through 11 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information is the responsibility of the University's management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 through 11 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 through 11 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2020.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the University's basic financial statements as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated December 23, 2019, which contained unmodified opinions on the respective financial statements of the business-type activities and the discretely presented component unit. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 3 through 9 is the responsibility of the University management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2019 financial statements. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 3 through 9 has been subjected to the auditing procedures applied in the audit of the June 30, 2019 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2019 in Schedules 3 through 9 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
April 30, 2021

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Chicago State University

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Chicago State University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements, and have issued our report thereon dated April 30, 2021. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the University’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting (internal control) or compliance and other matters that are reported on separately by those auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 through 2020-003.

Internal Control Over Financial Reporting

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

In planning and performing our audit of the financial statements, we considered the University's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2020-003 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2020-001 and 2020-002 to be significant deficiencies.

University's Responses to the Findings

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

Purpose of this Report

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
April 30, 2021

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Chicago State University

Report on Compliance for Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by the Chicago State University (University) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University’s major federal programs for the year ended June 30, 2020. The University’s major federal programs are identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

The University’s basic financial statements include the operations of the Chicago State Foundation, a component unit of the University, which is not included in the University’s Schedule of Expenditures of Federal Awards during the year ended June 30, 2020. Our audit, as described below, did not include the operations of this component unit because the component unit engaged other auditors to perform an audit of their financial statements and, if necessary, an audit of compliance.

Management’s Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the University’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-004 through 2020-006. Our opinion on each major federal program is not modified with respect to these matters.

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

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

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform

Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as items 2020-004 through 2020-006, that we consider to be significant deficiencies.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated April 30, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of

the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
April 30, 2021

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

CFDA Numbers	Name of Federal Program or Cluster
Various	Student Financial Assistance Cluster
84.382	Strengthening Minority-Serving Institutions
84.425E	Education Stabilization Fund

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

Auditee qualified as low-risk auditee? Yes No

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards

2020-001 - Weaknesses over Computer Security

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

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

- Three of eight (38%) user accounts of the University's Enterprise Application Software (EAS) tested had excessive access rights allowing them to access other information which was not required based on their job responsibilities.
- Three of 119 (3%) separated employees continued to have access in the EAS after separation; one of which accessed the system after the separation date. The University performed an assessment, and no malicious activity was noted.
- Access to confidential information granted was not based on job responsibilities. We noted 126 of 281 (45%) EAS users had the ability to search for social security numbers within the EAS and match them to University IDs, names, and birthdates. The job responsibilities of these users did not require access to this information.
- Network user accounts were not periodically reviewed. We noted 75 separated employees continued to have access to the domain, 5,277 users never accessed their accounts, and 1,939 users had not accessed their accounts in over six months.
- Encryption software was not consistently installed on laptops and workstations storing University data. We inspected laptops and workstations from departments that store confidential information and noted four of nine (44%) workstations tested did not have encryption software installed.
- Servers and workstations were not secured properly. We sampled 14 of 139 servers, and noted:
 - six servers (43%) had outdated operating system;
 - three servers (21%) were not supported; and
 - ten servers (71%) did not have antivirus software installed.

Additionally, we sampled 25 of 729 workstations, noting:

- 11 workstations (44%) had outdated operating system; and
- 14 workstations (56%) did not have antivirus software and endpoint security installed.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - *Government Auditing Standards* (Continued)

2020-001 - Weaknesses over Computer Security (Continued)

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

Generally accepted information systems technology guidance endorses the development of computer security policies that adequately addresses the current technological environment and well-designed and well-managed controls to protect computer systems and confidential data.

Further, the University had procedures to periodically review user accounts to ensure they are compatible with job responsibilities. The Information Technology Department (ITD) was required to send a user access report on a quarterly basis to the user department's supervisor or director with each of their employee's access rights for verification.

University management indicated the above issues were due to the University's failure to consistently apply a role-based access level. In addition, University management indicated the lack of staff and related resources had undermined the manual processes the University utilized to manage the end user experience.

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

Recommendation

We recommend the University:

- Establish a user access matrix based on job responsibilities to prevent excessive access rights.
- Ensure access rights are periodically reviewed and appropriate changes are made. As part of the review of access rights, the University should review and determine whether access rights of separated employees are removed or deactivated.
- Review access rights to ensure only users with job requirements have the ability to search for social security numbers within the systems and match them to University IDs, names, and birthdates.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - *Government Auditing Standards* (Continued)

2020-001 - Weaknesses over Computer Security (Continued)

Recommendation (Continued)

- Encrypt laptops and workstations that store, process and contain confidential and sensitive information.
- Ensure anti-virus software is running on all servers and operating systems are upgraded to ensure availability of vendor support for issues encountered.

University Response

The University agrees with these findings and is taking significant steps to resolve these issues. The following is a summary of steps being taken to resolve these findings:

- The University is sourcing a new identity access management (IAM) platform that will provide a smoother and more effective onboarding and off-boarding mechanism to ensure the University is effectively managing its user accounts. This platform will also help build and support a new role-based approach to security.
- The University is conducting a review of all access-based systems and integrating them into the IAM platform. This will ensure users only have access to systems they require.
- The University is working with a vendor to implement security and encryption around personally identifiable information within the EAS.
- The University has implemented an endpoint management technology and is in the process of walking the campus to add every endpoint (laptop, desktop, server) into the platform for centralized administration. The University is encrypting all laptops/mobile devices and at the same time, ensuring the most current University-supported anti-virus client is installed on each device.
- The University is currently reviewing each server in the datacenter and performing a security assessment against each server. The University intends to modernize, upgrade, or remove all outdated operating systems to implement an appropriate patching on each system.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards (Continued)

2020-002 - Change Control Weaknesses

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

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

- Eight changes (89%) did not have a change request documented.
- Eight changes (89%) did not have evidence of approval prior to the development of the change.
- Seven changes (78%) were developed and deployed to the production environment by the same individual without maintaining adequate segregation of duties.
- Seven changes (78%) did not have evidence of user acceptance testing and approval prior to deployment of the changes to the production environment.

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

Additionally, generally accepted information technology guidance endorses the implementation of change management procedures that require modifications to application systems be properly approved, thoroughly tested, and consistently documented. These procedures include restricting programmers from making a change and moving it into the production environment to ensure all changes have been independently authorized and implemented.

The University Change Management Process requires changes to be tracked via a Request for Change form and reviewed and approved prior to execution.

University management indicated the exceptions were due to staffing limitations.

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards (Continued)

2020-002 - Change Control Weaknesses (Continued)

Recommendation

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

University Response

The University agrees with the recommendation and is working on the following:

- Updating the change control policy.
- Establishing a Change Advisory Board (CAB) with appropriate members within the University community to ensure adequate oversight of proposed changes.
- Creation of a new process to funnel all change requests to CAB for assessment.
- Updating documentation requirements around change requests.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards (Continued)

2020-003 - Inadequate Internal Controls over Census Data

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

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

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

During testing, we noted the following:

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

Upon due consideration and based upon the significance of these issues alone, we concluded a material weakness exists within the University's internal controls related to ensuring both SURS and CMS can provide their respective actuaries with complete and accurate census data

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards (Continued)

2020-003 - Inadequate Internal Controls over Census Data (Continued)

related to the University. Even given these two exceptions, we performed detail testing and certain data analysis tests and noted the following additional exceptions:

- 1) One of 80 (1%) employees tested had a disability leave of absence reported as a termination by the University to SURS and the employee's eventual return from leave was not reported by the University to SURS.
- 2) We conducted data matches of (1) individuals pulled from the University's records whom the University believed should have been participating in SURS during the census data accumulation period throughout Fiscal Year 2018 and (2) the University's faculty members teaching a class during the census data accumulation period throughout Fiscal Year 2018 to SURS' records. As a result of this testing, we identified one individual who had been improperly excluded from participating in SURS, which resulted in this person not having any employee contributions collected by the University and reported to SURS during the census data accumulation period throughout Fiscal Year 2018.
- 3) Three of 80 (4%) employees tested had two events reported to CMS 305 and 453 days after the effective date of the event and one event where the employee's insurance should have terminated due to the employee reaching the maximum leave of absence period in September 2017 which was never reported by the University to CMS.
- 4) We performed an analysis of transactions reported by the University to SURS during the census data accumulation period throughout Fiscal Year 2018, noting the following problems:
 - Six of 120 (5%) employees reported as hired had actually been hired in other fiscal years. SURS determined the total potential impact to each employee's total service credit was it could be off by 1 to 2.75 years.
 - One of one (100%) employee reported as laid off by the University was untimely reported to SURS by the University. SURS determined the total potential impact to the employee's total service credit was it could be off by 1 year.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards (Continued)

2020-003 - Inadequate Internal Controls over Census Data (Continued)

- 5) As of the end of the census data accumulation year on June 30, 2018, we identified two employees where each employee's associated termination or rehire date(s) had been untimely reported to SURS. While these employees were all associated with the University at June 30, 2018, some or all of these untimely reports may have occurred at other public universities and community colleges across the State. SURS determined these errors resulted in the employees being misclassified between the active, retired, and inactive member categories within SURS. The total potential impact to each former employee's total service credit was it could be off between 0.0 and 1.75 years.

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

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

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards (Continued)

2020-003 - Inadequate Internal Controls over Census Data (Continued)

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

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

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

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Government Auditing Standards (Continued)

2020-003 - Inadequate Internal Controls over Census Data (Continued)

University management indicated the University did not have adequate internal controls or reconciliation structures in place to ensure accuracy of census data between SURS, CMS, and its own supporting records retained at the University.

Failure to ensure complete and accurate census data was reported to SURS and CMS could have resulted in a material misstatement of the University's financial statements and reduced the overall accuracy of pension/OPEB-related liabilities, deferred inflows and outflows of resources, and expense recorded by the State, the State's agencies, and other public universities and community colleges across the State. In addition, failure to reconcile active members' census data reported to and held by SURS and CMS to the University's internal records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the University's pension and OPEB balances, which could result in a material misstatement of these amounts. (Finding Code No. 2020-003)

Recommendation

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

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

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

Finally, due to the interrelatedness of SURS, the mobility of employees to change their employers within SURS, and a specific noncompliance matter regarding whether a person is eligible to participate in SURS identified during testing at Governors State University (please see Governors State University's Fiscal Year 2020 financial audit report for more information), we recommend the University work with both SURS and Governors State University to identify employees initially hired by Governors State University with a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - *Government Auditing Standards* (Continued)

2020-003 - Inadequate Internal Controls over Census Data (Continued)

who had not met the Internal Revenue Service's substantial presence test and started employment on and after July 1, 1991.

University Response

The University agrees with the recommendation. The University will work with SURS and CMS to develop a reconciliation process. The University will request necessary employee visa data from SURS and Governor State University and act accordingly based on information received. Internal workflows and procedures will be documented and improved to minimize mistakes. Additionally, cross-training will be performed to provide improved backup and a system of secondary review.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Federal Compliance and Questioned Costs

2020-004 - Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Center for STEM Education and Research

Federal Department:	U.S. Department of Education
CFDA Number:	84.382
Program Name:	The Center for STEM Education & Research at Chicago State University (CSER)
Program Expenditures:	\$413,134
Award Number:	P382A150041-19
Questioned Cost:	None

The Chicago State University's (University) internal controls over the compliance requirement of allowable costs and cost principles applicable to its Center for STEM Education and Research (CSER) program were not followed.

During our testing of 40 CSER program expenditures (the sample was not intended to be, and was not, a statistically valid sample) totaling \$101,702, we noted the following:

- One refund related to a canceled travel expenditure (totaling \$8,032) was incorrectly recoded resulting in an understatement of expenditures reported in the general ledger and Schedule of Expenditures of Federal Awards (SEFA) by \$16,064. University management corrected the SEFA for the year ended June 30, 2020 and the adjustment to the general ledger was posted after June 30, 2020.
- Three fiscal year 2019 expenditures related to goods and services (totaling \$6,116) were included in the total expenditures reported in the general ledger and SEFA for fiscal year 2020. This resulted in an overstatement of expenditures reported in the general ledger and SEFA by the same amount. University management corrected the SEFA for the year ended June 30, 2020; however, the adjustment to the general ledger was passed.

The above two exceptions were also reported in the finding 2020-006, Inadequate Controls over the Preparation of the Schedule of Expenditures of Federal Awards.

The Code of Federal Regulations (2 C.F.R. §200.303 (a)) requires the University establish and maintain effective internal control over the federal award to provide reasonable assurance the University is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure grant expenditures are properly recorded.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Federal Compliance and Questioned Costs (Continued)

**2020-004 - Lack of Adherence to Controls and Noncompliance with Requirements
Applicable to the Center for STEM Education and Research (Continued)**

University management indicated these issues were due to oversight.

Failure to properly record grant expenditures may result in federal expenditures being disallowed and could jeopardize future federal funding. (Finding Code No. 2020-004, 2019-004)

Recommendation

We recommend the University implement controls to ensure proper recording of grant expenditures.

University Response

The University agrees with the recommendation. The University has provided additional training to staff on the review and posting of applicable journal entries. Additionally, established internal control procedures over the year-end accrual process has been reiterated.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Federal Compliance and Questioned Costs (Continued)

2020-005 - Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Education Stabilization Fund

Federal Department:	U.S. Department of Education
CFDA Number:	84.425E
Program Name:	Education Stabilization Fund - COVID-19 - HEERF Student Portion
Program Expenditures:	\$839,500
Award Number:	P425E201661
Questioned Cost:	None

The Chicago State University (University) did not comply with the reporting requirement applicable to its Education Stabilization Fund - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted into Public Law 116-136. Section 18004(a)(1) of the CARES Act established the HEERF program which authorizes the Secretary of Education (Secretary) to allocate funding to eligible institutions of higher education to prevent, prepare for, and respond to COVID-19. On April 13, 2020, under the HEERF program, the University received grant funds totaling \$1,086,007 from the U.S. Department of Education (Department) to provide students with emergency financial aid grants to help cover expenses related to the disruption of campus operations due to COVID-19 (including eligible expenses under a student's cost of attendance such as food, housing, course materials, technology, health care, and childcare).

During our review of the University's compliance with the HEERF program, we noted the University failed to post certain information on its website within the required timeframe. Specifically, the University posted the required information on its website 52 days after the receipt of funds.

The University's Funding Certification and Agreement and the Department of Education's electronic announcement on May 6, 2020 direct each HEERF participating institutions to post the following information on the institution's primary website 30 days after the date when the institution received its allocation under 18004(a)(1) and update every 45 days thereafter: 1) an acknowledgement that the institution signed and returned to the 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;

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Federal Compliance and Questioned Costs (Continued)

2020-005 - Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the Education Stabilization Fund (Continued)

5) the total number of students who received the grant; 6) the methods used by the institution to determine which students received the grant and how much they would receive; and, 7) any instructions or directions provided by the institution to students about the grant.

Further, the Code of Federal Regulations (Code) (2 C.F.R. §200.303 (a)) requires the University establish and maintain effective internal control over the federal award to provide reasonable assurance the University is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure compliance with grant reporting requirements.

University management indicated the late posting was due to oversight.

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

Recommendation

We recommend the University implement controls to ensure timely posting of reporting requirements of the grant on the University website.

University Response

The University agrees with the recommendation. The University has developed controls to ensure CARES Act reports are posted in a timely manner. The instituted controls have allowed all subsequent reports to be posted timely.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Federal Compliance and Questioned Costs (Continued)

2020-006 - Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards

Federal Department:	U.S. Department of Education
CFDA Numbers:	84.268; 84.382
Program Names:	Federal Direct Student Loans and The Center for STEM Education & Research at Chicago State University (CSER)
Program Expenditures:	\$30,662,231; \$413,134
Award Numbers:	P268K201351; P382A150041-19
Questioned Cost:	None

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

The University provided its SEFA to the auditors on October 12, 2020. The following errors were noted during review of the SEFA:

- Federal awards expended for Federal Direct Student Loans and CSER grant were understated on the SEFA by \$1,292,960 and \$9,948, respectively.
- Federal awards provided to a subrecipient for the CSER grant, totaling \$52,671, were not included in the SEFA, resulting in an understatement of SEFA expenditures passed-through to subrecipients for the same amount.

The University subsequently corrected the above errors by updating the SEFA as required.

The Code of Federal Regulations (Code) (2 C.F.R. §200.510 (b)) requires the auditee to prepare the SEFA for the period covered by the auditee's financial statements. At a minimum, the SEFA must include the total amount provided to subrecipients from each Federal program.

Further, the Code (2 C.F.R. §200.303 (a)) also requires the University establish and maintain effective internal control over the Federal award to provide reasonable assurance the University is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure the preparation of an accurate SEFA.

University management indicated the financial data reported in the SEFA was generated by multiple units, but only reviewed by a small subset of those units, thus errors were not timely detected during preparation.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - Federal Compliance and Questioned Costs (Continued)

2020-006 - Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards (Continued)

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

Recommendation

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

University Response

The University agrees with the recommendation and will develop and implement an updated internal control procedure for preparing the annual SEFA.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance

2020-007 - Inadequate Controls over Contractual Services Expenditures

The Chicago State University (University) did not have adequate controls over its contractual service expenditures.

During our review of 25 contracts (totaling \$2,303,507), including purchase orders, executed during the fiscal year ended June 30, 2020, we noted the following:

- One contract (totaling \$900,000) was not approved by the University's Board of Trustees.
- Two exempt purchases (totaling \$260,581) were not published in the Illinois Procurement Bulletin.
- Five contracts (totaling \$1,096,695) were executed subsequent to the start date of the contracts. The contract execution dates ranged from 37 to 120 days from the commencement of services.
- Seven contracts (totaling \$376,075) were not submitted or submitted timely to the Office of Comptroller. Of the seven contracts, three contracts (totaling \$192,260) were filed 5 to 379 days late and the remaining four contracts (totaling \$183,815) were not filed.
- Two contracts (totaling \$183,178) did not contain disclosure of financial interest statements.
- Two contracts (totaling \$208,755) did not include standard vendor certifications.
- Three contracts (totaling \$174,754) were not supported by three price quotes from vendors on the University's bidders list.
- One contract (totaling \$18,000) was paid \$1,500 more than the amount indicated in the contract.

This finding was first reported during the year ended June 30, 2016. In the subsequent years, the University has been unsuccessful in implementing appropriate procedures.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-007 - Inadequate Controls over Contractual Services Expenditures (Continued)

The Illinois Procurement Code (Code) (30 ILCS 500 et seq.) and the Statewide Accounting Management System (Procedure 15.20 et seq. and 15.10.40) require contracts to contain certain signatures, disclosures, and certifications, and also require State agencies to file contracts and purchase orders exceeding \$20,000 with the Office of Comptroller within 30 calendar days after execution. Moreover, the Code (30 ILCS 500/1-13) requires notices of exempt purchases to be published in the Procurement Bulletin within 14 calendar days after contract execution and contractors are not to be paid for any supplies that were received or services that were rendered before the contract was reduced to writing and signed by all necessary parties.

Additionally, the University's policies and procedures require the requesting departments to obtain three price quotations from vendors on the University's bidders list for purchases of \$10,001 and up. Barring differences in quality or delivery time, the vendor with the lowest quotation will be awarded the contract or purchase order. In addition, purchases totaling \$250,000 or more require the approval from the Board of Trustees.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to maintain a system, or systems, of internal fiscal and administrative controls. Effective controls should include procedures to ensure contract payments are in accordance with the amounts stated in the contracts, procurement files are complete and accurate, and contracts contain all necessary disclosures, are properly approved and fully executed prior to performance.

University management indicated, as they did in the prior year, staffing shortages hindered their ability to adequately perform these functions.

Failure to fully execute a contract prior to the commencement of services leaves the University vulnerable to unnecessary liabilities and potential legal issues. In addition, failure to include all appropriate signatures and disclosures in contracts, failure to ensure contracts are supported by three price quotes, failure to file contracts with the Office of Comptroller on a timely basis, and failure to ensure total payments to vendors do not exceed contracted amounts result in noncompliance with University policies and procedures, and State statutes and regulations. (Finding Code No. 2020-007, 2019-006, 2018-004, 2017-010, 2016-010)

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-007 - Inadequate Controls over Contractual Services Expenditures (Continued)

Recommendation

We recommend the University establish appropriate procedures to ensure all contracts are completed, approved, and properly executed prior to the commencement of services and total payments to vendors do not exceed contracted amounts. Further, the University should review procedures to ensure disclosures are obtained prior to the execution of contracts, and contracts are supported by three price quotes when required, posted in the Illinois Procurement Bulletin, and filed with the Office of Comptroller in accordance with the State statutes and guidelines.

University Response

The University agrees with the recommendation. Many of the procurement policies and procedures were updated and re-written. In addition, regular training on key topics are being held monthly. A vendor audit will be conducted to reaffirm terms of engagement with all vendors that serve the University, and to enlist the vendors as partners in the University's compliance efforts.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-008 - Completion and Retention of Employment Eligibility Verification Form

The Chicago State University (University) did not ensure proper completion and retention of the Employment Eligibility Verification (I-9) forms.

During review of 40 employees' (current and terminated during the year) personnel records, we noted the following:

- I-9 forms for four (10%) employees were not found in their personnel files. Of the four employees, one was terminated during the fiscal year, and the remaining three were current employees with hire dates ranging from September 1997 to August 2003. Upon bringing the issue to their notice, the University completed I-9 forms for the three current employees.
- One (3%) employee's I-9 form did not have Section 2 of the I-9 form completed by the University.

This finding was first reported during the fiscal year ended June 30, 2018. In the subsequent years, the University has been unsuccessful in implementing appropriate procedures to enhance its controls over employee verifications.

Federal law (8 U.S.C. § 1324a) requires employers to complete and maintain an I-9 form to verify an individual's eligibility for employment in the United States.

Further, the United States Citizenship and Immigration Services (USCIS) instructions for I-9 require Section 1 to be completed no later than the employee's first day of employment (first day of work for pay) while Section 2 must be completed within three business days from the employee's first day of employment. Further, the USCIS instructions for I-9 require employers to retain each employee's completed I-9 for as long as the individual works for the employer and for a specified period after employment has ended. Once an individual's employment ends, the employer must retain the I-9 forms for either three years after the date of hire or one year after the date employment ended, whichever is later.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure I-9 forms are timely completed and retained by the University.

University management indicated these issues were due to oversight.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-008 - Completion and Retention of Employment Eligibility Verification Form (Continued)

Failure to complete and retain I-9 forms within the required timeframe is a violation of federal laws and USCIS requirements and could expose the University to penalties. (Finding Code No. 2020-008, 2019-009, 2018-008)

Recommendation

We recommend the University enhance its controls over employee verifications to ensure timely completion and proper retention of I-9 forms.

University Response

The University agrees with the recommendation. All missing I-9s were identified. Employees with missing I-9s were contacted and a process was created to re-verify the I-9s, including for employees who are working remotely. Procedures for I-9 completion and record management were updated.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-009 - Noncompliance with the Illinois Articulation Initiative Act

The Chicago State 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 111 institutions across the State, and an Initiative major, which are common courses at the lower-division level that can be used to ensure students are prepared for upper-division work at 79 institutions across the State.

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

The Illinois Articulation Initiative Act (110 ILCS 152/15) requires the University to 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 management indicated they held a different interpretation of the guidelines which resulted in the issue noted above.

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 State law. (Finding Code No. 2020-009)

Recommendation

We recommend the University review its process and consider changes necessary to ensure full participation in the Initiative by submitting the required number of courses to the Initiative.

University Response

The University agrees with the recommendation. The University has reviewed the guidelines for general education and major courses and sought clarity through the IAI program. A new process has been implemented to ensure compliance with the Illinois Articulation Initiative Act.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-010 - Noncompliance with the Higher Education Student Assistance Act

The Chicago State University (University) did not fully comply with the requirements of the Higher Education Student Assistance Act (Act).

The University established a merit-based scholarship pilot program known as the AIM HIGH Grant Pilot Program beginning with the 2019-2020 academic year as authorized by the Act (110 ILCS 947/65.100(c)). The Illinois Administrative Code (Code) (23 Ill. Admin. Code 2766) established rules to govern the AIM HIGH program. The purpose of this program is to make college more affordable using State appropriated funds, thereby increasing enrollment of Illinois residents at Illinois public universities, increasing overall retention of Illinois college students in Illinois, and encouraging Illinois residents to attain a college degree. In addition, each eligible public university campus shall match the amount of funds received with non-loan financial aid for eligible students. The Illinois Student Assistance Commission (ISAC) is responsible for administering the distribution of AIM HIGH grant funds to the public universities in compliance with the AIM HIGH Grant Agreement which requires each public university campus to be responsible for administering and making awards to students in compliance with the program requirements.

During review of the University's compliance with the requirements of the AIM HIGH Grant Pilot Program, we noted the University failed to do the following:

- Post on its Internet website one of eight eligibility criteria for awarding the grant specifying the applicant must not be incarcerated.
- Submit its most recent headcount enrollment to ISAC on time. The University submitted the information 2 days late.
- Communicate to students the renewal award of funds is contingent on funding availability.

The Act (110 ILCS 947/65.100(c)) authorizes public universities to award a grant to a student under this Section if it finds that the applicant meets certain criteria including the student is not incarcerated. Further, the Act (110 ILCS 947/65.100(e)) requires each participating public university to post on its Internet website the criteria and eligibility requirements for receiving awards under the Act.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-010 - Noncompliance with the Higher Education Student Assistance Act (Continued)

Additionally, the Code (23 Ill. Admin. Code 2766.30) requires ISAC to annually request from each public university campus provide the number of undergraduate students who are residents of Illinois and citizens, or eligible noncitizens of the U.S., and who were enrolled at that public university campus in the previous academic year. According to the correspondence sent by ISAC to all public universities dated August 27, 2019, the due date for submission of each university's enrollment headcount was September 4, 2019. Also, the Code (23 Ill. Admin. Code 2766.40 a-9) requires a public university campus to inform students each renewal award contingent upon the availability of funding for the academic year in which the award is used.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure compliance with the requirements of the AIM HIGH Grant Pilot Program.

University management indicated oversights occurred when posting the criteria and notifications to the website as well as in the submission of the headcount to ISAC.

Failure to comply with the requirements of the AIM HIGH Grant Pilot program resulted in noncompliance with the Act and the Code and could jeopardize future funding. (Finding Code No. 2020-010)

Recommendation

We recommend the University develop and implement procedures to ensure compliance with the requirements of the Act and the Code.

University Response

The University agrees with the recommendation. Updates have been made to ensure that the website reflects all required criteria. Procedures such as calendar reminders to review and verify the website as well as provide timely submission of email responses have been implemented.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-011 - Inaccurate Accounts Receivable and Locally Held Funds Reporting

The Chicago State University (University) did not accurately report accounts receivable and locally held fund balances to the Office of Comptroller.

On a quarterly basis, the University submits accounts receivable reports to the Office of Comptroller to report accounts receivables activity. These reports include the Quarterly Summary of Accounts Receivable - Accounts Receivable Activity (Form C-97), Aging of Total Gross Receivables (Form C-98), and External Collections Activity for Accounts over 180 Days Past Due (Form C-99).

During review of accounts receivable reports for the quarters ended September 30, 2019 and June 30, 2020, we noted the restricted accounts receivable activities (additions and collections) and aging of receivable balances were not adequately supported. As a result, we were unable to determine the accuracy of accounts receivable activities and aging information related to current restricted accounts receivable balances reported in Forms C-97, C-98, and C-99 as of September 30, 2019 and June 30, 2020. The net balance of restricted accounts receivable totaled \$3,960,010 and \$1,282,750 as of September 30, 2019 and June 30, 2020, respectively. The misclassification of activities between additions and collections had no effect on the net accounts receivable balances reported in the September 30, 2019 and June 30, 2020 quarterly reports.

Due to these conditions, we were unable to conclude whether the University's population records to support the quarterly accounts receivable reports for restricted accounts were sufficiently precise and detailed under the Attestation Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35) to test the University's reports.

Even given the population limitations noted above which hindered our ability to conclude whether the quarterly accounts receivable report for restricted accounts were complete and accurate, we performed a review of the University's quarterly accounts receivable reports.

Further, the University also submits, on a quarterly basis, the Report of Receipts and Disbursements for Locally Held Funds (Form C-17) for its 13 funds to report on the fiscal year-to-date receipts and disbursements for each fund. During review of the locally held funds reports for the quarters ended September 30, 2019 and June 30, 2020, we noted the receipts from student fees, totaling \$522,623, for one fund were improperly classified as licenses, fees or registration for the quarter ended September 30, 2019. The misclassification had no impact in the total receipts and cash balance reported in the September 30, 2019 quarterly report.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-011 - Inaccurate Accounts Receivable and Locally Held Funds Reporting (Continued)

The Office of Comptroller's Statewide Accounting Management System (SAMS) Procedure 26.30.10 requires the University to report receivable information to the Office of Comptroller on a quarterly basis. The summary information should include: (1) receivable activity by fund and major revenue source; (2) aging of receivables by fund and major source; and (3) external collection activity of accounts over 180 days past due by agency. Further, Procedure 33.13.20 of the SAMS Manual requires the University to file Form C-17 by reporting the fiscal year-to-date receipts and disbursements per the University's records, for each locally held fund maintained by the University.

In addition, 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. Effective internal controls should include procedures to ensure accounts receivable and locally held fund reports are accurate and adequately supported.

University management indicated these conditions were due to employee oversight.

Failure to accurately report accounts receivable and locally held fund balances and maintain supporting documentation inhibits the ability to perform tests of compliance of the reports and could result in inaccurate data being included in the State's annual report. (Finding Code No. 2020-011)

Recommendation

We recommend the University ensure quarterly accounts receivable and locally held fund reports are adequately supported and accurately prepared prior to the submission to the Office of Comptroller.

University Response

The University agrees with the recommendation. Retraining of staff in the preparation of the applicable reports to ensure proper support exists, is being done. Additionally, previously submitted Fiscal Year 2021 accounts receivable reports will be reviewed, corrected and resubmitted to the Office of Comptroller, as necessary.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-012 - Lack of Adequate Controls over Review of Internal Controls over Service Providers

The Chicago State University (University) did not obtain or conduct timely independent internal control reviews over its service providers.

The University entered into agreements with various service providers to assist in some of its needed processes to operate effectively and efficiently such as: (1) payment system for receipts and expenditures, (2) purchasing system, (3) processing payments to Perkins student loans, and (4) tracking of University property and equipment.

During our testing of six service providers, we noted the University had not:

- Obtained System and Organization Controls (SOC) reports. Subsequent to our request, the University was able to provide the SOC reports for five of the six service providers.
- Documented its review of each of the SOC reports.
- Monitored and documented the operation of the Complementary User Entity Controls (CUECs) relevant to the University's operations.
- Obtained and reviewed SOC reports for subservice organizations or performed alternative procedures to determine the impact on its internal control environment.

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

The University is responsible for the design, implementation, and maintenance of internal controls related to information systems and operations to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modifications, or destruction. This responsibility remains with the University even though the process was outsourced.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure controls that are outsourced to service providers, related to information systems and operations, are reviewed to ensure no

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-012 - Lack of Adequate Controls over Review of Internal Controls over Service Providers (Continued)

unauthorized modifications, or destruction. In addition, generally accepted information technology guidance endorses the review and assessment of internal controls related to information systems and operations to assure the accurate processing and security of information.

University management indicated they were not fully aware of the requirements to obtain, review and maintain annual SOC reports from their service providers.

Without obtaining and reviewing a SOC Report or conducting independent internal control review, the University does not have assurance the service providers' internal controls are adequate. (Finding Code No. 2020-012)

Recommendation

We recommend the University:

- Obtain SOC reports or perform independent reviews of internal controls associated with outsourced systems at least annually.
- Monitor and document the operation of the CUECs relevant to the University's operations.
- Review contracts with service providers to ensure applicable requirements over the independent review of internal controls are included.

In addition, if the SOC Report documents subservice providers, the University should:

- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy the usage of the subservice organizations would not impact the University's 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.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-012 - Lack of Adequate Controls over Review of Internal Controls over Service Providers (Continued)

University Response

The University agrees with the recommendation and is undertaking the following action to resolve this issue:

- Reviewing all vendors in the procurement system determining where SOC reports are required.
- Creating a file sharing site to establish a central repository for storing SOC reports.
- Obtaining and uploading annual SOC reports issued within the last 12 months.
- Build SOC reporting requirements within the procurement process, where appropriate.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-013 - Weaknesses in Cybersecurity Programs and Practices

The Chicago State University (University) did not maintain adequate internal controls related to its cybersecurity programs and practices.

Given the University's responsibilities, it maintains a substantial amount of personal and confidential information, including Social Security numbers, addresses, and educational records.

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 formalized its security policies. Additionally, the University had not developed policies related to:
 - Security training,
 - System development,
 - Project management,
 - Security incident response, and
 - Patch management.
- The University did not ensure an appropriate security structure was established to ensure its resources and data are adequately protected.
- The University did not classify its data to identify and ensure adequate protection of information.
- The University did not conduct cybersecurity training during the examination period.

Additionally, the University had not adopted a breach notification policy to comply with the requirements of the Personal Information Protection Act (815 ILCS 530).

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.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-013 - Weaknesses in Cybersecurity Programs and Practices (Continued)

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

University management stated the exceptions were due to lack of sufficient resources to proactively monitor, manage, and update the security posture. In addition, the University's existing infrastructure lacked the automation functionality found in most modern technologies.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the University's volumes of confidential and personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2020-013)

Recommendation

We recommend the University:

- Formalize, approve, and communicate information security policies. Additionally, the University should develop policies related to:
 - Security training,
 - System development,
 - Project management,
 - Security incident response,
 - Patch management, and
 - Breach notification.
- Establish a process that ensures appropriate security structure is established at service providers to ensure resources and data are adequately protected from unauthorized or accidental disclosure, modification, or destruction.
- Classify its data to ensure adequate protection of confidential or personal information most susceptible to attack.
- Establish a cybersecurity awareness program that includes required annual cybersecurity awareness training which covers identifying security threats, an overview of information security policies and procedures, and security incident response process.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-013 - Weaknesses in Cybersecurity Programs and Practices (Continued)

University Response

The University agrees with the recommendation and is undertaking the following actions in response:

- Engaging a firm to help update and enhance current IT policies, including IT security policies.
- Creating an IT security position and will begin hiring for this role. In the short-term, an interim security person will be hired until the permanent role is filled.
- Acquiring and deploying a third-party platform to support the cybersecurity awareness program.
- As part of the IT security policy updates, establishing a formal data classification program and policy for users throughout the campus.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Current Findings - State Compliance (Continued)

2020-014 - Inadequate Disaster Recovery Process

The Chicago State University (University) did not ensure an adequately updated and tested recovery plan existed to ensure timely recovery of critical computer systems.

The University had a disaster recovery plan (Plan) to guide the University in the recovery of its computing and network facilities in the event of a disaster. However, the Plan was last revised in 2016 and did not depict the current environment. Additionally, the University did not perform disaster recovery testing during the examination period.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources. Additionally, information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorses the formal testing of disaster recovery plans.

University Management stated the ongoing transition of the Information Technology Division and the lack of staff and related resources prevented the University in updating the Plan and regular testing of the disaster recovery capabilities of the University.

Failure to have adequately updated and tested disaster recovery plan leaves the University exposed to the possibility of major disruptions of services. (Finding Code No. 2020-014)

Recommendation

We recommend the University update its Plan and perform disaster recovery testing at least annually.

University Response

The University agrees with the recommendation and is pursuing the following actions:

- The University has recently updated its entire backup architecture. The next step in this process is to locate a suitable alternate site to locate backups. The University is in conversations with several sister universities around leveraging space in their data center, as well as talking to several third-party data centers in the Chicago area.
- Policies and procedures will be updated to reflect the new disaster recovery site design and incorporate an annual test into the plan.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Prior Findings Not Repeated

A. Inadequate Control over Financial Reporting

During the prior year, the Chicago State University (University) did not exercise adequate internal control over its financial reporting. Specifically, the University incorrectly reported funds received for a local grant, incorrectly recorded its computer equipment leases, and improperly classified various transactions. (Finding Code No. 2019-001)

During the current year, our testing showed the University strengthened its internal control over its financial reporting.

B. Noncompliance with Institutional Eligibility Requirements

During the prior year, the University did not timely report changes in University management to the Secretary of the U.S. Department of Education (Secretary). (Finding Code No. 2019-002)

During the current year, our testing noted the University timely reported the changes in University management to the Secretary.

C. Untimely Reporting to National Student Loan Data Systems

During the prior year, the University did not timely report changes in student enrollment within 60 days to the National Student Loan Data Systems (NSLDS). (Finding Code No. 2019-003)

During the current year, no exceptions were noted during our review of the timeliness of University's reporting to NLSDS.

D. Lack of Adherence to Controls and Noncompliance with Requirements Applicable to the TRIO Cluster

During the prior year, the University's internal controls over the compliance requirement of earmarking applicable to its TRIO Cluster were not followed. (Finding Code No. 2019-005, 2018-003, 2017-007, 2016-008)

During the current year, our testing did not identify instances of noncompliance with the earmarking requirement applicable to the University's TRIO Cluster program.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

Prior Findings Not Repeated (Continued)

E. Subsidies Between Accounting Entities

During the prior year, the University had subsidies between accounting entities. Specifically, Student Activities and Bond Fund accounting entities received subsidies. (Finding Code No. 2019-007, 2018-005, 2017-011, 2016-011, 2015-011, 2014-015, 2013-013, 12-23, 11-32, 10-33, 09-13)

During the current year, we noted the University Guidelines do not expressly prohibit the University from using moneys on deposit within its Income Fund from subsidizing its activities.

F. Internal Audit

During the prior year, the University failed to fully comply with the Fiscal Control and Internal Auditing Act (Act) and International Standards for the Professional Practice of Internal Auditing. (Finding Code No. 2019-008, 2018-006, 2017-014, 2016-014, 2015-014)

During the current year, the issues noted on the University's compliance with the Act were less severe than those of the prior year and were reported in the immaterial finding letter as finding IM2020-003. Also, our testing indicated the University complied with the International Standards for the Professional Practice of Internal Auditing.

G. Weaknesses over System Access

During the prior year, the University did not have adequate controls over computer system access. (Finding Code No. 2019-010, 2018-009, 2017-018)

During the current year, our testing indicated the University's controls over system access were further weakened and the exceptions were reported in the Financial Audit and Compliance Examination Reports as finding 2020-001.

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

SCHEDULE 1

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Entity Identifying Number	FY 2020 Expenditures	Passed-Through to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Educational Opportunity Grants	(M) 84.007		\$ 186,246	\$ -
Federal Work-Study Program	(M) 84.033		596,254	-
Federal Perkins Loan Program (Note 2)	(M) 84.038		1,445,570	-
Federal Pell Grant Program	(M) 84.063		6,136,335	-
Federal Direct Student Loans (Note 3)	(M) 84.268		30,662,231	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	(M) 84.379		32,887	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 39,059,523	\$ -
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			\$ 39,059,523	\$ -
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>U.S. DEPARTMENT OF DEFENSE</u>				
Centers for Academic Excellence <i>Intelligence and Cybersecurity Education and Research</i>	12.598		\$ 43,770	\$ -
Basic, Applied, and Advanced Research in Science and Engineering <i>Expo Exploring Polymers</i>	12.630		469,848	-
TOTAL U.S. DEPARTMENT OF DEFENSE			\$ 513,618	\$ -
<u>NATIONAL SCIENCE FOUNDATION</u>				
Mathematics and Physical Sciences <i>RUI: Studies of Relativistic Heavy Ions Collisions in ALICE at the LHC</i>	47.049		\$ 43,060	\$ -
<i>RUI: Heavy Ion Physics in ALICE at the LHC</i>	47.049		49,846	-
<i>MRI Consortium: Development of Fast Interaction Trigger Detector for the ALICE Experiment at the LHC</i>	47.049		38,892	-
			131,798	-
Biological Sciences <i>Digitization PEN: Functional Quantitative Characters for Ecology and Evolution (FuncQEE)</i>	47.074		21,215	1,811
Education and Human Resources <i>Support, Mentoring, Accountability, Research and Training: Connecting Physics & Engineering through A Modernization of the Advanced Laboratory Curriculum</i>	47.076		43,274	-
<i>Scaling Undergraduates STEM Transformation and Institutional Networks for Engaged Dissemination (SUSTAINED)</i>	47.076		11,372	-
<i>Louis Stokes Alliance for Minority Participation</i>	47.076		139,393	14,177
<i>Pilot Regional Louis Stokes Center: Midwest Center of Excellence</i>	47.076		186,668	153,828
<i>Louis Stokes STEM Pathways and Research Alliances: The Illinois LSAMP STEM Pathway and Research Alliance (ILSPRA)</i>	47.076		150,391	110,140
			531,098	278,145
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 684,111	\$ 279,956
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Biomedical Research and Research Training <i>Student Development at Chicago State University</i>	93.859		\$ 9,051	\$ -
<i>Improving DFT Modeling of EPR Data for Small Molecule Organic Photovoltaics</i>	93.859		103,979	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 113,030	\$ -
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 1,310,759	\$ 279,956

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

SCHEDULE 1
(Continued)

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Entity Identifying Number	FY 2020 Expenditures	Passed-Through to Subrecipients
CHILD NUTRITION CLUSTER:				
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Summer Food Service Program for Children Passed-Through Illinois State Board of Education <i>Project Fame/Upward Bound Summer Food Program</i>	10.559	15016315P00	\$ 9,974	\$ -
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 9,974	\$ -
TOTAL CHILD NUTRITION CLUSTER			\$ 9,974	\$ -
TRIO CLUSTER:				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
TRIO Upward Bound <i>Project Fame/Upward Bound</i>	84.047		\$ 859,183	\$ -
TRIO Educational Opportunity Centers	84.066		369,058	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 1,228,241	\$ -
TOTAL TRIO CLUSTER			\$ 1,228,241	\$ -
OTHER PROGRAMS:				
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Higher Education - Institution Challenge Grants Program Passed-Through University of Minnesota <i>Collaborating to Enhance Underrepresented Minority Student Participation in Plant Science</i>	10.217	H004972102	\$ 23,429	\$ -
TOTAL U.S. DEPARTMENT OF AGRICULTURE			\$ 23,429	\$ -
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Office of Stem Engagement (OSTEM) Passed-Through University of Illinois at Urbana-Champaign <i>Illinois Space Grant Consortium</i>	43.008	NNX154AI05H	\$ 68,117	\$ -
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			\$ 68,117	\$ -
<u>NATIONAL SCIENCE FOUNDATION</u>				
Education and Human Resources Passed-Through Moraine Valley Community College <i>SFS Capacity: A Streamlined Cyber-Security and Intelligence Pathway</i>	47.076	DGE1623591-06812093-5309004	\$ 4,363	\$ -
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 4,363	\$ -
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities <i>Promoting Effective Educational Relationships in Schools (PEERS)</i>	84.325		\$ 267,258	\$ -
Strengthening Minority-Serving Institutions <i>The Center for STEM Education & Research at Chicago State University</i>	(M) 84.382		413,134	52,671
Education Stabilization Fund <i>COVID-19 - Higher Education Emergency Relief Fund (HEERF) Student Aid Portion</i>	(M) 84.425E		839,500	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 1,519,892	\$ 52,671

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

SCHEDULE 1
(Continued)

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through Entity Identifying Number	FY 2020 Expenditures	Passed-Through to Subrecipients
OTHER PROGRAMS: (Continued)				
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Affordable Care Act (ACA) Health Profession Opportunity Grants <i>Partnerships to STEP-UP in Health Careers</i>	93.093		\$ 1,713,082	\$ 1,049,422
Passed-Through ABT Associates Inc. <i>National & Tribal Evolution on the 2nd Generation of the Health Profession Opportunity Grants</i>	93.093	HHSP2332010052 C	32,898	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 1,745,980	\$ 1,049,422
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
AmeriCorps Passed-Through Illinois Department of Public Health <i>AmeriCorps State and National</i>	94.006	07380056H	\$ 105,835	\$ -
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			\$ 105,835	\$ -
TOTAL OTHER PROGRAMS			\$ 3,467,616	\$ 1,102,093
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 45,076,113	\$ 1,382,049

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

SCHEDULE 1
(Continued)

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2020

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2020, and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 - LOANS OUTSTANDING AT FISCAL YEAREND

The University Perkins Loan Program's outstanding loan balance as of June 30, 2020 totaled \$1,332,669, for programs that are administered directly. There were no administrative costs charged to the Perkins Loan Program.

NOTE 3 - TOTAL NEW FEDERAL STUDENT LOANS

During the year ended June 30, 2020, the University awarded the following amounts of new loans under the Federal Direct Student Loans Program:

Direct Unsubsidized Loans	\$ 20,463,182
Direct Subsidized Loans	4,620,523
Direct Parent PLUS Loans	1,009,910
Direct Graduate PLUS Loans	4,568,616
Total	<u>\$ 30,662,231</u>

There were no administrative costs charged to the loan program.

NOTE 4 - NONMONETARY ASSISTANCE

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

NOTE 5 - INSURANCE DISCLOSURE

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

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

(CONTINUED)

For the Year Ended June 30, 2020

NOTE 6 - DONATED PERSONAL PROTECTIVE EQUIPMENT (UNAUDITED)

In April 2020, the University received a donation of Personal Protective Equipment (PPE) from an unaffiliated State institution (Cook County Emergency Response Team). The PPE received consisted of several boxes of N-95 masks. The estimated value of the donation is approximately \$3,000.

SCHEDULE 2

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2020**

For the Fifteen Months Ended September 30, 2020

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2020	Lapse Period		Balances Lapsed September 30, 2020
			Expenditures July 1 to September 30, 2020	Total Expenditures 15 Months Ended September 30, 2020	
Public Act No. 101-0007					
<u>APPROPRIATED FUNDS</u>					
EDUCATION ASSISTANCE FUND (007)					
Operational expenses	\$ 35,018,900	\$ 34,967,236	\$ 51,664	\$ 35,018,900	\$ -
GENERAL PROFESSIONS DEDICATED FUND (022)					
Lump sums and other purposes	307,000	160,111	146,889	307,000	-
CHICAGO ST UNIV ED IMPROVEMENT FUND (223)					
Lump sums and other purposes	1,600,000	1,210,272	389,728	1,600,000	-
GRAND TOTAL - ALL FUNDS	\$ 36,925,900	\$ 36,337,619	\$ 588,281	\$ 36,925,900	\$ -

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

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES, AND LAPSED BALANCES**
For the Years Ended June 30, 2020 and 2019

SCHEDULE 3

	Fiscal Year	
	2020	2019
<u>APPROPRIATED FUNDS</u>		
EDUCATION ASSISTANCE FUND (007)		
Expenditure Authority	\$ 35,018,900	\$ 33,351,300
Expenditures		
Operational expenses	35,018,900	33,351,300
Balances Lapsed	<u>\$ -</u>	<u>\$ -</u>
GENERAL PROFESSIONS DEDICATED FUND (022)		
Expenditure Authority	\$ 307,000	\$ 307,000
Expenditures		
Development, Support or Admin	307,000	307,000
Balances Lapsed	<u>\$ -</u>	<u>\$ -</u>
CHICAGO ST UNIV ED IMPROVEMENT FUND (223)		
Expenditure Authority	\$ 1,600,000	\$ 1,600,000
Expenditures		
Expenses incurred	1,600,000	1,600,000
Balances Lapsed	<u>\$ -</u>	<u>\$ -</u>
GRAND TOTAL, ALL FUNDS		
Expenditure Authority	\$ 36,925,900	\$ 35,258,300
Expenditures	36,925,900	35,258,300
Balances Lapsed	<u>\$ -</u>	<u>\$ -</u>

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

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

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF NET EXPENDITURES
BY MAJOR ACTIVITY
For the Years Ended June 30, 2020 and 2019

SCHEDULE 4

<u>EXPENDITURE STATISTICS</u>	<u>2020</u>	<u>2019</u>
All State Treasury Funds		
Total Operations Expenditures:	\$ 35,511,057	\$ 34,132,893
Percentage of Total Expenditures:	96%	97%
Personal Services	34,172,167	33,508,246
Other Payroll Costs	1,024,000	-
All Other Operating Expenditures	314,890	624,647
Total Awards and Grants Expenditures:	\$ 1,414,843	\$ 1,125,407
Percentage of Total Expenditures:	4%	3%
GRAND TOTAL - ALL EXPENDITURES	<u>\$ 36,925,900</u>	<u>\$ 35,258,300</u>

Note 1: Expenditures were obtained from the University's records and have been reconciled to the Office of Comptroller's records as of September 30, 2020, and October 31, 2019.

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
**COMPARATIVE SCHEDULE OF CASH RECEIPTS
AND DEPOSITS INTO THE STATE TREASURY**
For the Years Ended June 30, 2020 and 2019

SCHEDULE 5

	<u>2020</u>	<u>2019</u>
STATE TREASURY FUNDS		
Chicago St Univ Ed Improvement Fund (223)		
Cash transfer from State Gaming Fund 129	\$ 1,600,000	\$ 1,600,000
Interest deposited directly into the State Treasury	23,883	31,625
Total receipts	<u>\$ 1,623,883</u>	<u>\$ 1,631,625</u>
Receipts per University records	\$ 1,623,883	\$ 1,631,625
Plus deposits in transit, beginning of year	-	-
Less deposits in transit, end of year	-	-
Deposits per the Office of Comptroller	<u>\$ 1,623,883</u>	<u>\$ 1,631,625</u>

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
COMPARATIVE SCHEDULE OF INCOME FUND
REVENUES AND EXPENSES
For the Years Ended June 30, 2020 and 2019

SCHEDULE 6

	<u>2020</u>	<u>2019</u>
INCOME FUND		
REVENUES		
Tuition revenue	\$ 25,276,143	\$ 26,129,819
Laboratory fee	114,797	105,088
Late registration fee	24,100	23,550
NSF check fee	-	194,682
Graduation fee - undergraduate	19,300	17,350
Graduation fee - graduate	9,800	12,200
Transcript fee	66,935	83,495
Application fee	21,442	47,068
Interest income	281,723	484,073
Miscellaneous other income	247,922	1,249,833
	<u>\$ 26,062,162</u>	<u>\$ 28,347,158</u>
EXPENDITURES		
Personal services	\$ 9,349,327	\$ 9,306,581
SURS retirement	375,510	12,398
Social Security	641,242	1,665,107
Contractual services	12,188,157	11,153,353
Travel	107,240	207,974
Commodities	925,582	982,965
Equipment and library books	483,314	1,366,267
Telecommunications	569,824	495,841
Operation of automotive equipment	44,722	35,991
Permanent improvements	415,345	471,941
Awards, grants, and matching funds	-	2,272
Tuition and fee waivers	3,487,068	3,226,868
Other expenditures	177,250	158,363
	<u>\$ 28,764,581</u>	<u>\$ 29,085,921</u>

CHICAGO STATE UNIVERSITY
 A Component Unit of the State of Illinois
 ENTITY FINANCIAL STATEMENTS
 STATEMENT OF NET POSITION - AUXILIARY FACILITIES AND OTHER ENTITIES
 As of June 30, 2020

	Auxiliary Facilities				Activities				Total	
	Revenue Bonds				Services					
	University Facilities Revenue Bond Fund	Parking Facilities	Total Revenue Bonds		Student Health Services	Public Services	Activities Services	Student Activities		Continuing Education
ASSETS										
Current assets										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ (63,036)	\$ 959,534	\$ 5,688,410	\$ (9,005,389)	\$ 657,564	\$ (1,762,917)	\$ 490,004
Cash and cash equivalents - restricted	(631,789)	1,121,793	490,004	-	-	-	-	-	-	641,911
Accounts receivable, net	-	-	-	167,900	7,779	184,120	282,112	-	-	590,248
Accounts receivable, net - restricted	575,731	14,517	590,248	-	-	-	-	-	-	40,073
Prepaid expenses and other assets	-	-	-	1,469	-	38,604	-	-	-	1,500
Prepaid expenses and other assets - restricted	1,500	-	1,500	-	-	-	-	-	-	10,248
Inventories	-	-	-	-	-	-	-	-	-	-
Total current assets	(54,558)	1,136,310	1,081,752	106,333	967,313	5,921,382	(8,723,277)	657,564	(11,067)	596,600
Noncurrent assets										
Land and land improvements	-	596,600	596,600	-	-	-	-	-	-	21,383,179
Buildings and construction in progress	20,778,764	-	20,778,764	-	-	488,338	116,077	-	-	5,083,523
Equipment	105,402	302,247	407,649	39,747	3,121	4,492,756	140,250	-	-	974,155
Other noncurrent assets	74,004	-	74,004	-	-	900,151	-	-	-	(16,842,203)
Less: Accumulated depreciation	(10,832,628)	(749,444)	(11,582,072)	(20,893)	-	(5,189,180)	(50,058)	-	-	11,195,254
Total noncurrent assets	10,125,542	149,403	10,274,945	18,854	3,121	692,065	206,269	-	-	11,206,321
TOTAL ASSETS	10,070,984	1,285,713	11,356,697	125,187	970,434	6,613,447	(8,517,008)	657,564	11,206,321	
LIABILITIES										
Current liabilities										
Accounts payable and accrued liabilities	98,863	3,240	102,103	2,305	-	134,630	45,881	3,786	288,705	8,830
Unearned revenue	-	-	-	-	-	8,830	-	-	-	1,547,456
Long-term liabilities - current portion	1,547,456	-	1,547,456	-	-	-	-	-	-	1,844,991
Total current liabilities	1,646,319	3,240	1,649,559	2,305	-	143,460	45,881	3,786	288,705	1,547,456
Noncurrent liabilities										
Accrued compensated absences	56,371	40,684	97,055	55,584	12,786	60,854	57,279	-	283,558	56,141
Bonds payable	5,115,000	-	5,115,000	-	-	-	-	-	-	5,115,000
Premium on bonds	56,141	-	56,141	-	-	-	-	-	-	56,141
Total noncurrent liabilities	5,227,512	40,684	5,268,196	55,584	12,786	60,854	57,279	-	5,454,699	56,141
TOTAL LIABILITIES	6,873,831	43,924	6,917,755	57,889	12,786	204,314	103,160	3,786	7,299,690	1,547,456
NET POSITION										
Net investment in capital assets	3,406,945	149,403	3,556,348	18,854	3,121	692,065	206,269	-	4,476,657	882,594
Restricted	(209,792)	1,092,386	882,594	-	-	-	-	-	-	882,594
Unrestricted	-	-	-	48,444	954,527	5,717,068	(8,826,437)	653,778	(1,452,620)	-
TOTAL NET POSITION	\$ 3,197,153	\$ 1,241,789	\$ 4,438,942	\$ 67,298	\$ 957,648	\$ 6,409,133	\$ (8,620,168)	\$ 653,778	\$ 3,906,631	\$ 882,594

CHICAGO STATE UNIVERSITY
 A Component Unit of the State of Illinois
ENTITY FINANCIAL STATEMENTS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - AUXILIARY FACILITIES AND OTHER ENTITIES
For the Year Ended June 30, 2020

	Auxiliary Facilities						Activities											
	Revenue Bonds			Bonds			Student Health Services		Public Services		Activities Services		Student Activities		Continuing Education		Total	
	University Facilities Revenue Bond Fund	Parking Facilities	Total Revenue	Student Health Services	Public Services	Activities Services	Student Activities	Continuing Education	Total									
OPERATING REVENUES																		
Operating	\$ 2,016,504	\$ 407,924	\$ 2,424,428	\$ 27,767	\$ 120,439	\$ 399,320	\$ 602,585	\$ -	\$ 3,574,539									
Student fees	1,807,017	-	1,807,017	399,710	-	1,954,961	1,346,248	-	5,507,936									
Other	-	-	-	-	4,979	146,105	-	-	151,084									
Total operating revenues	3,823,521	407,924	4,231,445	427,477	125,418	2,500,386	1,948,833	-	9,233,559									
OPERATING EXPENSES																		
Instruction	3,041	-	3,041	189	-	777,931	-	3,160	784,321									
Public service	-	-	-	-	228,881	236	-	480	229,597									
Academic support	-	-	-	-	-	93,021	-	-	93,021									
Student services	1,652,228	526,336	2,178,564	480,295	820	451,659	3,175,467	-	6,286,805									
Institutional support	-	-	-	-	-	83,954	194	-	84,148									
Operations and maintenance of plant	228,078	42,117	270,195	-	-	708,145	3,736	-	982,076									
Depreciation	471,989	58,089	530,078	-	-	109,478	6,632	-	646,188									
Total operating expenses	2,355,336	626,542	2,981,878	480,484	229,701	2,224,424	3,186,029	3,640	9,106,156									
OPERATING INCOME (LOSS)	1,468,185	(218,618)	1,249,567	(53,007)	(104,283)	275,962	(1,237,196)	(3,640)	127,403									
NONOPERATING REVENUES (EXPENSES)																		
Investment income	734	-	734	-	-	-	-	-	734									
Transfer in	-	-	-	-	-	-	26,043	-	26,043									
Interest on capital assets - related debt	(375,849)	-	(375,849)	-	-	-	-	-	(375,849)									
Net nonoperating revenues (expenses)	(375,115)	-	(375,115)	-	-	-	26,043	-	(349,072)									
NET INCREASE (DECREASE) IN NET POSITION	1,093,070	(218,618)	874,452	(53,007)	(104,283)	275,962	(1,211,153)	(3,640)	(221,669)									
NET POSITION, BEGINNING OF YEAR	2,104,083	1,460,407	3,564,490	120,305	1,061,931	6,133,171	(7,409,015)	657,418	4,128,300									
NET POSITION, END OF YEAR	\$ 3,197,153	\$ 1,241,789	\$ 4,438,942	\$ 67,298	\$ 957,648	\$ 6,409,133	\$ (8,620,168)	\$ 653,778	\$ 3,906,631									

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

SCHEDULE OF CHANGES IN PROPERTY

For the Year Ended June 30, 2020

(in thousands)

SCHEDULE 9

	Balance				Balance
	June 30, 2019	Additions	Deletions	Net Transfers	June 30, 2020
Land	\$ 9,611	-	-	-	\$ 9,611
Works of art	41	-	-	-	41
Site improvements	17,551	-	-	-	17,551
Buildings and building improvements	201,795	552	-	-	202,347
Equipment and library books	35,475	1,338	(844)	-	35,969
Intangible assets	1,490	-	-	-	1,490
Construction in progress	13,191	1,790	-	-	14,981
Total	\$ 279,154	\$ 3,680	\$ (844)	\$ -	\$ 281,990

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

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

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

SCHEDULE 10

	<u>2020</u>
SOURCES:	
Federal funds	\$ 331,948
State funds	4,606
Local and private funds	<u>956</u>
Total sources	<u>337,510</u>
APPLICATIONS:	
Compensation and benefits	342,834
Contractual	54,585
Commodities	<u>1,392</u>
Total applications	<u>398,811</u>
DEFICIENCY OF SOURCES OVER APPLICATIONS	(61,301)
FUND BALANCE, BEGINNING OF YEAR	<u>91,963</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 30,662</u></u>

CHICAGO STATE UNIVERSITY**SCHEDULE 11**

A Component Unit of the State of Illinois

SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY**For the Year Ended June 30, 2020**

(in thousands)

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

Schedule A - Federal Financial Component

Total federal expenditures ¹	\$ 45,076
Total Schedule A	<u>\$ 45,076</u>

Schedule B - Total Financial Component

Total operating expenses ²	\$ 110,084
Total nonoperating expenses ²	1,267
Federal loan balances: ^{1,4}	
Federal Perkin Loans Program	1,446
Total value of new federal loans: ^{1,5}	
Federal Direct Student Loan	<u>30,662</u>
Total Schedule B	<u>\$ 143,459</u>

Schedule C - Computation of Nonfederal Expenses

Total Schedule B	\$ 143,459	100.00%
Total Schedule A	<u>45,076</u>	31.42%
Total nonfederal expenses	<u>\$ 98,383</u>	68.58%

¹ Obtained from Schedule of Expenditures of Federal Awards² Obtained from the Statement of Revenues, Expenses, and Changes in Net Position⁴ Balance at the beginning of the fiscal year with continuing compliance requirements⁵ Balance of loans issued during the fiscal year

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED)
For the Year Ended June 30, 2020

University Functions and Planning Program (Unaudited)

Chicago State University (University or CSU) is governed by the Chicago State University Board of Trustees, which is comprised of seven members appointed by the Governor with the advice and consent of the State Senate. There is also one voting student member elected by the student body. The seven board members have six-year appointments. The student member is elected for a one-year term.

The *Chicago State University Strategic Plan 2020* contains the strategic plan and the context for planning. The vision, mission, values, goals, and objectives of the University are incorporated into this document. The plan was approved by the Chicago State University Board of Trustees on December 16, 2019. In addition to the strategic plan, the University has utilized an annual planning process called Planning, Measurement and Effectiveness (PME) to implement and monitor the effectiveness of the strategic plan. Every unit in the University is involved in this planning and monitoring process.

Chicago State University Vision Statement

Chicago State University will be recognized for innovations in teaching and research, community development and civic engagement. CSU will promote excellence, ethical leadership, entrepreneurship, and social and environmental justice. CSU will embrace, engage, educate, propel and elevate our students and community to transform lives locally and globally.

Chicago State University Mission Statement

Chicago State University transforms students' lives by innovative teaching, research, and community partnerships through excellence in ethical leadership, cultural enhancement, economic development, and justice.

The University works toward these six strategic goals as it seeks to fulfill its mission:

- Academic Excellence, Innovation and Student Transformation
- Student Enrollment, Retention, and Graduation
- University Culture, Climate and Accountability
- Strengthened Infrastructure
- Cost Efficiencies and Diverse Revenue Streams
- Community Service, Urban Leadership and Economic Engagement

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

University Functions and Planning Program (Unaudited) (Continued)

Chicago State University Values:

- Personal and academic excellence
- Personal, professional and academic integrity
- Diversity, equity, and inclusion
- Leadership, service, philanthropy, social justice, and entrepreneurship
- Creative and innovative thinking and learning
- Pride in self, community, and the university
- Lifelong learning

University Significant Operational Challenges

With the outbreak of the novel coronavirus (COVID-19) in mid-fiscal year 2020, the University was faced with numerous and unique challenges. The immediate challenges faced required pivoting from in person instruction to a remote educational delivery environment. This included:

- Securing hardware and software to implement and support a predominately remote learning structure (purchasing of computers, improved internet connectivity, etc.).
- Providing enhanced training to faculty and staff on utilizing new operational tools.
- Ensuring a clean and safe work environment, for those continuing to be on the university's campus.
- While the University has made strategic cost reductions in certain areas, it is continuing with a comprehensive plan to ensure successful student outcomes.

The University experienced a 12% decrease in enrollment in Fall 2020 compared to the prior year. Such a change resulted in the University starting FY2021 with a projected \$5 million deficit. This unfortunate decrease came after the University had experienced in 2019 its first enrollment *increase* in over ten years.

While the University stepped up to meet these and other challenges, the costs associated with addressing COVID-19 related issues, along with certain reimbursements provided to students as a result of the change in delivery of instruction, has put a strain on the financial resources of the University.

CSU ranked 2nd out of 103 in Illinois among colleges and universities, and in the top 4% nationwide out of over 2,000 colleges and universities in economic mobility. CSU is ranked 1st in Illinois and tied 2nd nationwide among public universities for equity in educating and supporting African-American students. Maintaining these levels during the pandemic is challenging, as the students hit hardest by the pandemic are students of color, first-generation students, and low-income students. And these are CSU students. Enrolling these students, and ensuring their retention and success, is challenging yet critical.

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

Auxiliary Facilities, Activities, and Accounting Entities (Unaudited)

To comply with *University Guidelines* adopted by the State of Illinois Legislative Audit Commission in 1982, the Chicago State University (University) maintains separate sub-fund accounting entities to enforce legal prohibitions against inter-entity subsidies. Separate accounting entities are maintained for, and these financial statements cover the following auxiliary enterprises and activities.

Accounting entities as defined by the 1982 Legislative Audit Commission Guidelines and their primary revenue source are as follows:

Auxiliary Facilities:

University Facilities System Revenue Bond Fund

This entity represents all the activity of the Auxiliary Enterprises University Facilities System Revenue Bond Fund. This includes the student residence hall and student union. Construction of each of these facilities was either fully or partially funded through the issuance of revenue bonds. The primary sources of revenue include room and board fees, student fees, bookstore sales, food service operations, parking fees and facilities rental income. The combined net revenues of these facilities, plus activity fees and surcharges that are assessed to all enrolled students, are pledged as security for the Bondholders under the terms of the Bond Agreement. Accordingly, the facilities related to this entity are considered restricted assets in accordance with GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*.

Parking Facilities

The entity operates the University’s parking facilities and receives revenues from parking fees.

Student Health Services

This entity includes student health related operations of the Wellness Center and Insurance Support Services.

Activities:

Public Services

This entity is used for the operations of non-credit continuing education programs, training institutes, seminars and short courses. Revenues are derived from fees charged to participants in its programs, courses, etc. In addition, it provides testing services to various departments and students with its revenues derived from fees charged to its users.

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

Auxiliary Facilities, Activities, and Accounting Entities (Unaudited) (Continued)

Activities Services

Service departments provide products or services to University departments. Revenue is produced through charge backs to users.

Revenues and expenditures are offset against each other and reported net in the University's separately issued financial statements. This entity includes the following services with revenues resulting from user charges:

Printing, duplicating, photocopying, plate making, and design services primarily to University departments.

Purchasing, controlling, and dispensing common supplies to University departments through Central Stores.

Providing teaching and instruction aids to students and departments.

Providing telecommunication and mailing services.

Providing and coordinating office machine maintenance service.

Student Activities

This entity includes mandatory student fees and the expenditure of all student activities approved by the student government such as student newspaper and athletic activities.

Continuing Education

This entity includes the tuition revenues of credit-bearing courses that are requested and fully paid for by government units, community organizations or private businesses.

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

Analysis of Significant Variations in Account Balances (Unaudited)

Fiscal Year 2020 Compared to Fiscal Year 2019

The University's fiscal year 2020 Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position can be found on pages 16 and 17, respectively, within its previously (separately) released fiscal year 2020 financial audit report. Additionally, the University's fiscal year 2019 Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position can be found on pages 15 and 16, respectively, within its previously released fiscal year 2019 financial audit report.

Statement of Net Position

Cash and cash equivalents

The decrease was due to utilization of cash reserves to cover operating loss for the fiscal year.

Balance in State appropriation

The increase was due to State's efforts in managing cash by slowing voucher reimbursements, coupled with delayed vouchering at the end of fiscal year 2020.

Noncurrent cash and cash equivalents (restricted)

The increase was due primarily to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (\$1.1 million) and Chicagoland Regional College Program (\$1.1 million) funding received in the fiscal year.

Accounts payable and accrued liabilities

The decrease was due to a \$0.5 million reduction in year over year accruals for specific grant areas such as Scholarships for Health Professions Students from Disadvantaged Backgrounds Partnerships to STEP-UP in Health Careers (\$0.2 million), Louis Stokes Alliance for Minority Participation (\$0.1 million), National Collegiate Athletic Association (\$0.1 million), and grant control account (\$0.1 million), along with reduction in general accounts payable as a result of reduced fourth quarter spending in fiscal year 2020 (\$0.4 million).

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Analysis of Significant Variations in Account Balances (Unaudited) (Continued)

Unearned revenue

The increase was due to remaining unspent portion of funding received for three new programs in fiscal year 2020, namely the CARES Act (\$1.1 million), Chicagoland Regional College Program (\$1.1 million), and AIM HIGH Grant Pilot Program (\$0.2 million).

Bonds payable

The decrease represents the current portion of bonds that have become due and payable in fiscal year 2021.

Federal loan program contributions refundable

The increase was due to initial establishment of a liability for the net position held in the Federal Perkins Loan Program, as a result of the program's official close-out, offset by the return of \$0.3 million to the Department of Education during the fiscal year.

Deferred inflows for OPEB expense

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

Net position, restricted for loans

The decrease was due to the initial establishment of a liability for the net position held in the Federal Perkins Loan Program, as a result of the program's official close-out.

Statement of Revenues, Expenses, and Changes in Net Position

Research

The decrease was mainly due to reduced expenditures in three programs: (1) \$0.2 million reduction in National Science Foundation grant that ended in fiscal year 2019, (2) \$0.1 million reduction in MRI Consortium grant as significant expenditures for necessary equipment was made in prior years, and (3) \$0.1 million reduction in equipment spending for Connecting Physics grant and the associated allocation of the decrease in the on-behalf health related expenses.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Analysis of Significant Variations in Account Balances (Unaudited) (Continued)

Public service

The decrease was due to a \$0.4 million reduction in STEP-UP program costs, offset by a \$0.1 million increase for the new Americorps program, and the associated allocation of the decrease in the on-behalf related expenses.

Scholarship and fellowship

The increase was due to increase in spending due to the CARES Act funding received from the federal government resulting from the nationwide coronavirus (COVID-19) pandemic (\$0.8 million), federal Pell grant (\$0.2 million), Monetary Award Program (MAP) grant (\$0.8 million) and AIM HIGH Grant Pilot Program (\$0.5 million).

On-behalf payments

The income and offsetting expense, which is allocated among the operating expenses, is based on State's annual calculation of funding requirement to the University for fringe benefits. The required contribution rate decreased from the previous year, reflecting a decrease in health, dental and vision insurance costs.

State nonoperating grants

The change was due to an increase in MAP grant received for the academic year 2019-2020 (\$0.8 million) and grant monies received for the AIM HIGH Grant Pilot Program (\$0.5 million).

Investment income

The decrease was due to an overall \$7 million decrease in net cash balance, coupled with the slower conversion of cash, resulting in shorter interest earning periods.

Reclassification of restricted net position to a liability

The change in balance was due to establishing a liability for the net position held in the federal Perkins Loan Program because of the program's official close-out.

Capital appropriations

The increase was due to additional funding from the State for the Capital Development Board's capital projects.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Analysis of Significant Variations in Expenditures (Unaudited)

Fiscal Year 2020 Compared to Fiscal Year 2019

The University did not have any significant variations in expenditures for its Education Assistance Fund (007), General Professions Dedicated Fund (022), and Chicago State University Education Improvement Fund (223).

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Analysis of Significant Lapse Period Spending (Unaudited)

Fiscal Year 2020

Chicago State University Education Improvement Fund (223)

Lump sum and other purposes

The significant lapse period spending was primarily payments for operating expenditures and awards and grants paid locally by June 30, 2020 and submitted to the Office of Comptroller in the lapse period for reimbursement.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Calculation Sheets for Current Excess Funds - Auxiliary Facilities (Unaudited)

	University Facilities Revenue Bond Fund	Parking Facilities	Total Revenue Bonds	Student Health Services	Total Auxiliary Facilities
1. Current available funds					
Add:					
Cash and cash equivalents	\$ (631,789)	\$ 1,121,793	\$ 490,004	\$ (63,036)	\$ 426,968
Total current available funds	A. (631,789)	1,121,793	490,004	(63,036)	426,968
2. Working capital allowance					
Add:					
Highest month's expenditures	367,032	83,769	450,801	64,334	515,135
Encumbrances and current liabilities paid in lapse period	7,695	163,770	171,465	55,312	226,777
Allowance for sick leave / vacation payouts	56,371	40,684	97,055	55,584	152,639
Working capital allowance	B. 431,098	288,223	719,321	175,230	894,551
3. Current excess funds:					
Deduct B from A and enter here	C. \$ (1,062,887)	\$ 833,570	\$ (229,317)	\$ (238,266)	\$ (467,583)
4. Calculation of income fund remittance:					
An entity may offset excess capital or current funds within the entity					
Enter the amount to be offset, if any, here	D. \$ (1,748,935)	\$ (187,771)	\$ (1,936,706)	\$ (7,949)	\$ (1,944,655)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund					\$ (2,412,238)

Note: During the current year ended June 30, 2020, the University had subsidies between accounting entities. Economic subsidy was effectively provided within the University Facilities Revenue Bond Fund accounting entities. During this period, the University Facilities Revenue Bond Fund accounting entity, while having a net operating surplus of \$0.1 million, had beginning and ending negative net balances amounting to \$0.3 million and \$0.2 million, respectively.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Calculation Sheets for Current Excess Funds - Activities (Unaudited)

	Public Services	Activity Services	Student Activities	Continuing Education	Total Activities
1. Current available funds					
Add:					
Cash and cash equivalents	\$ 959,534	\$ 5,688,410	\$ (9,005,389)	\$ 657,564	\$ (1,699,881)
Total current available funds	A. 959,534	5,688,410	(9,005,389)	657,564	(1,699,881)
2. Working capital allowance					
Add:					
Highest month's expenditures	35,526	408,859	521,730	2,100	968,215
Encumbrances and current liabilities paid in lapse period	104,282	(276,852)	1,276,445	7,426	1,111,301
Deferred income / Refundable deposits	-	8,830	-	-	8,830
Allowance for sick leave / vacation payouts	12,786	60,854	57,279	-	130,919
Working capital allowance	B. 152,594	201,691	1,855,454	9,526	2,219,265
3. Current excess funds:					
Deduct B from A and enter here	C. \$ 806,940	\$ 5,486,719	\$ (10,860,843)	\$ 648,038	\$ (3,919,146)
4. Calculation of income fund remittance:					
An entity may offset excess capital or current funds within the entity					
Enter the amount to be offset, if any, here	D. \$ (119)	\$ (210,423)	\$ (6,458)	\$ -	\$ (217,000)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund					\$ (4,136,146)

Note: During the current year ended June 30, 2020, the University had subsidies between accounting entities. Economic subsidy was effectively provided within the Student Activities accounting entity. During this period, the Student Activities accounting entity realized a net operating deficit of \$1.2 million, and had beginning and ending negative net balances amounting to \$7.6 million and \$8.8 million, respectively.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

**Calculation Sheets for Current Excess Funds -
Indirect Cost Carryforward (Unaudited)**

Current Available Funds:	
Cash and cash equivalents	\$ 85,737
Less: Allowable Indirect Cost Carryforward:	
Allocated Reimbursements - Indirect cost reimbursements allocated for expenditure for the fiscal year completed (\$500,000 @ 30%)	150,000
Unallocated Reimbursements - the lesser of actual unallocated indirect cost reimbursement or 10% of total indirect cost allocations	-
Encumbrances and Current Liabilities	<u>-</u>
Total Allowable Indirect Cost Carryforward	<u>150,000</u>
Amount to be Remitted to the Income Fund	<u><u>\$ -</u></u>

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Years Ended June 30, 2020 and 2019

Number of Employees (Unaudited)

	<u>2020</u>	<u>2019</u>
<u>AVERAGE FULL-TIME EMPLOYEES</u>		
By Type		
Faculty	237	244
Academic Professionals	50	55
Support Staff	380	375
Other	<u>209</u>	<u>199</u>
 Total Full-Time Equivalent Employees	 <u><u>876</u></u>	 <u><u>873</u></u>

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

Note 2: The other category includes Federal Work Study students and extra help staff.

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.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Years Ended June 30, 2020 and 2019

Cost Statistics (Unaudited)

	2020	2019
<u>Appropriations Method</u>		
Total Costs	\$ 18,635,009	\$ 18,683,179
Full-Time Equivalent Students	4,832	4,777
Cost Per Full-Time Equivalent Student	<u>\$ 3,857</u>	<u>\$ 3,911</u>

Instructional Expenses Method

Total Costs	\$ 40,959,420	\$ 39,968,488
Full-Time Equivalent Students	4,832	4,777
Cost Per Full-Time Equivalent Student	<u>\$ 8,477</u>	<u>\$ 8,367</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 facilities, hospitals, appropriations for the State Universities Retirement System, and appropriations for workers' compensation, allocated by campus.

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: Full-time equivalent students is calculated by taking (1) the total undergraduate student hours divided by 30 and adding (2) the total graduate and professional student hours divided by 24.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Years Ended June 30, 2020 and 2019

Analysis of Overtime and Compensatory Time (Unaudited)

	<u>2020</u>	<u>2019</u>
OPERATIONAL DIVISIONS		
Office of the President		
Overtime Hours Paid	5,377	7,426
Value of Overtime Hours Paid	\$ 322,549	\$ 435,355
Office of the Provost		
Overtime Hours Paid	896	747
Value of Overtime Hours Paid	\$ 43,772	\$ 34,074
Financial Affairs		
Overtime Hours Paid	484	774
Value of Overtime Hours Paid	\$ 16,411	\$ 18,877
Enrollment Management		
Overtime Hours Paid	79	60
Value of Overtime Hours Paid	\$ 3,614	\$ 2,593
Administrative Services		
Overtime Hours Paid	12,862	14,171
Value of Overtime Hours Paid	\$ 914,474	\$ 912,413
GRAND TOTAL - UNIVERSITY		
Overtime Hours Paid	<u>19,698</u>	<u>23,178</u>
Value of Overtime Hours Paid	<u>\$ 1,300,820</u>	<u>\$ 1,403,312</u>

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

Housing Benefits (Unaudited)

Qualified Campus Lodging

The University provides a residence for the University President located off campus, in which the University President maintains their official residence. All maintenance, repairs and utilities on the house are paid for by the University, in accordance with the University President's contract. The University did not require a security deposit from the University President. The University has deemed this residence for the University President as a fringe benefit excluded from taxable income.

Lodging Provided for the Convenience of the Employer

The University, as a condition of employment with the Housing Director, provides an apartment within the dormitory so they can immediately respond to emergencies occurring during the term. All maintenance and repair costs, except for intentional damage or gross negligence, is paid for by the University, along with all utility costs in accordance with the Housing Director's employment terms. The University has deemed this arrangement as a fringe benefit excluded from taxable income.

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

Special Data Requirements for University Audits (Unaudited)

Purpose

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

Compliance Findings

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

Indirect Cost Reimbursements

13(b) A statement of the sources and application of indirect cost recoveries is presented on Schedule 10 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 79.

Tuition Diversions

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

Auxiliary Facilities, Activities, and Accounting Entities

13(e) An identification of each specific accounting entity and a description of each entity's sources of revenues and purpose are presented within this report on pages 70 and 71.

13(f) The present financial statements for each accounting entity are presented on Schedules 7 and 8 within this report. These financial statements should be read in conjunction with the University's audited financial statements for the year ended June 30, 2020.

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

Special Data Requirements for University Audits (Unaudited) (Continued)

- 13(g) The University's calculation sheets for current excess funds within each accounting entity and any required remittance to the University's Income Fund are presented within this report on pages 77 and 78.
- 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 59.
- 13(i) The present financial statements for the Revenue Facilities System Revenue Bond Fund and Parking Facilities which are covered by a bond indenture are presented in Schedules 7 and 8 within this report. A description of the Revenue Facilities System Revenue Bond Fund and Parking Facilities' sources of revenues and purpose are presented within this report on page 70.
- 13(j) There were no violations of the University's bond covenants identified during the financial audit and compliance examination for the year ended June 30, 2020.
- 13(k) The University does not currently have any non-instructional reserves established by the University's Board of Trustees.

University Related Organizations

- 13(l) The University recognizes the Chicago State Foundation (Foundation) as a University related organization. The University does not have any "Independent Organizations" under Section VII of the *University Guidelines*.
- 13(m) A summary of Foundation payments to the University for services and supports provided by the University is presented within this report on page 87.
- 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 87.
- 13(o) There were no cumulative unreimbursed subsidies from the University or appropriated funds to the Foundation for the year ended June 30, 2020.
- 13(p) There was no debt financed by the Foundation in fiscal year 2020.

CHICAGO STATE UNIVERSITY

A Component Unit of the State of Illinois

ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)

For the Year Ended June 30, 2020

Special Data Requirements for University Audits (Unaudited) (Continued)

Other Topics

- 13(q) The University's cash and cash equivalents and investments are disclosed within the financial audit report in Note 2 on pages 27 through 31.
- 13(r) The University's income from investments of pooled funds has been allocated and credited to the original sources of the funds, to the extent practical. There was no unallocated investment income required to be paid into the University's Income Fund
- 13(s) The cost per full-time equivalent student, prepared in accordance with the requirements of the State of Illinois, Board of Higher Education, is presented within this report on page 81.
- 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) There were no Certificates of Participation (COPS) or participation in lease or purchase arrangements involving COPS for the year ended June 30, 2020.

Other Schedules

- 13(1) An analysis of State appropriations to the University is presented in Schedule 2 through Schedule 4 within this report. In addition, the University's analysis of significant variations in expenditures and significant spending during the lapse period is presented within this report on page 75 and 76, respectively.
- 13(2) A Comparative Schedule of Revenues and Expenses for the University's Income Fund is presented in Schedule 6 within this report.
- 13(3) The schedule of tuition and fee waivers for undergraduate and graduate students is presented within this report on page 88.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Summary of Foundation Transactions with the University (Unaudited)

The Chicago State Foundation (Foundation) is considered a University-related organization under section VI of the *University Guidelines*. Its contractual relationship to the University is described in Note 12 - “Related Party Transactions” of the University’s financial statements. During the current fiscal year, the University provided administrative support services valued at \$404,205 to the Foundation. The contract requires the Foundation to provide the University with fund-raising and other services. These services resulted in the Foundation’s unrestricted expenditures described below, which qualify as “reimbursements” to the University in the *University Guidelines* computation. Current year Foundation-restricted expenditures, which do not qualify as “reimbursements,” are also described below.

Expenditures considered unrestricted for purposes of the University Guidelines computations:	
Total unrestricted	\$ 153,933
Restricted only as to college or department but generally available for ongoing University operations	<u>1,513,838</u>
Total funds considered unrestricted	<u>1,667,771</u>
Expenditures considered restricted for purposes of the University Guidelines computations:	
Given for scholarships	<u>575,124</u>
Total funds considered restricted	<u>575,124</u>
Total funds provided by the Foundation to support the University	<u><u>\$ 2,242,895</u></u>

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
ANALYSIS OF OPERATIONS (UNAUDITED) (CONTINUED)
For the Year Ended June 30, 2020

Tuition and Fee Waivers (Unaudited)

Undergraduate

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Waivers	Value of Waivers (In Thousands)	Number of Waivers	Value of Waivers (In Thousands)
MANDATORY WAIVERS					
ROTC	34	53	\$ 154.4	45	\$ 11.6
DCFS	11	21	44.1	23	26.8
Children of Employees	7	13	23.0	-	-
Senior Citizens	16	31	55.0	-	-
Other (please specify) **					
Illinois Veteran Grant (IVG)	30	52	115.7	36	35.1
Illinois National Guard***	18	37	124.1	26	1.9
Prisoners of War/MIA***	9	15	49.4	14	1.1
SUBTOTAL	125	222	565.7	144	76.5
DISCRETIONARY WAIVERS					
Faculty/Administrative (non-civil service)	1	2	2.0	2	1.7
Civil Service	46	82	97.1	88	54.1
Athletic	41	87	237.2	-	-
Gender Equity in					
Intercollegiate Athletics	26	64	267.3	-	-
Student Need-Special Programs	41	84	122.4	-	-
SUBTOTAL	155	319	726.0	90	55.8
TOTAL	280	541	\$ 1,291.7	234	\$ 132.3

Graduate

MANDATORY WAIVERS

Teacher Special Education	6	11	\$ 26.0	11	\$ 9.1
Senior Citizens	11	23	50.7	-	-
Illinois Veterans Grant (IVG)**	21	38	141.0	34	36.7
Illinois National Guard**	1	3	7.8	2	-
Prisoners of War/MIA**	2	3	7.8	3	-
SUBTOTAL	41	78	233.3	50	45.8

DISCRETIONARY WAIVERS

Faculty/Administrative (non-civil service)	24	44	55.2	44	30.7
Civil Service	24	43	64.4	43	28.9
Teaching Assistants	15	23	59.0	23	21.5
SUBTOTAL	63	110	178.6	110	81.1
TOTAL	104	188	\$ 411.9	160	\$ 126.9

* Unduplicated

** Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs).
Include only the waived (unfunded) portion of these grants.

*** Other waiver categories must be approved by the Board of Higher Education prior to reporting.