

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION

**(In Accordance With the Single Audit Act
and Applicable Federal Regulations)**

For the Year Ended June 30, 2020

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



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NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
For the Year Ended June 30, 2020

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NORTHERN ILLINOIS UNIVERSITY
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For the Year Ended June 30, 2020

UNIVERSITY OFFICIALS

President	Dr. Lisa C. Freeman
Executive Vice President and Provost	Beth Ingram
Vice President for Administration and Finance and Chief Financial Officer	Sarah Chinniah
Associate Vice President for Finance and Treasury	Shyree Sanan
Vice President for Research and Innovation Partnerships	Gerald Blazey
Vice President and General Counsel	Bryan Perry
Vice President for Enrollment Management, Marketing and Communications	Sol Jensen
Vice President for Outreach, Engagement and Regional Development	Anne C. Kaplan
Vice President for University Advancement	Catherine Squires
Director of Internal Audit	Danielle Schultz

Financial Staff

Controller	Jason Askin
Deputy Controller	Greg Martyn
Financial Reporting Manager	Kathy Marshall

NIU Board Members

Chair	Dennis L. Barsema
Vice Chair	Eric Wasowicz
Secretary	Robert W. Pritchard
Trustees	Rita Athas John R. Butler Montel Gayles Veronica Herrero
Student Trustee	Madalynn Mershon

NIU Office is located at:
300 Altgeld Hall
DeKalb, Illinois 60115



NORTHERN ILLINOIS UNIVERSITY

**Division of Administration
and Finance**

May 19, 2021

CliftonLarsonAllen LLP
1301 West 22nd Street – Suite 1100
Oak Brook, IL 60523

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 Northern Illinois University (the University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University’s compliance with the following assertions during the period ended June 30, 2020. Based on this evaluation, we assert that during the year ended June 30, 2020 the University has materially complied with the 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. 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,

Northern Illinois University

SIGNED ORIGINAL ON FILE

Lisa Freeman
President

SIGNED ORIGINAL ON FILE

*Vice President for Administration and Finance
and Chief Financial Officer*

SIGNED ORIGINAL ON FILE

Bryan Perry
Vice President and General Counsel

Your Future. Our Focus.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
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* (GAS) and in accordance with the Illinois State Auditing Act.

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance and on Internal Control over Compliance for State Compliance Purposes does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies a material weakness over internal controls over compliance.

SUMMARY OF FINDINGS

Number of	Current report	Prior report
Findings	16	12
Repeated findings	9	9
Prior recommendations implemented or not repeated	3	4

Schedule of Findings and Questioned Costs

Item No.	Page	Last/First Reported	Description	Finding Type
<u>Findings (Government Auditing Standards)</u>				
2020-001	17	New	Inadequate Internal Controls over Census Data	Material weakness
<u>Findings (Federal Compliance)</u>				
2020-002	21	2019/2017	Enrollment Status Reporting	Significant deficiency and noncompliance
2020-003	23	New	Inadequate Controls over Awarding of Direct Loans	Significant deficiency and noncompliance
2020-004	25	New	Information Technology Risk Assessment Not Performed	Significant deficiency and noncompliance

NORTHERN ILLINOIS UNIVERSITY
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For the Year Ended June 30, 2020

Schedule of Findings and Questioned Costs

Item No.	Page	Last/First Reported	Description	Finding Type
<u>Findings (State Compliance)</u>				
2020-005	27	2019/2012	Inadequate Internal Controls over Contracts	Significant deficiency and noncompliance
2020-006	29	2019/2005	Failure to Submit Proper Time Reporting	Significant deficiency and noncompliance
2020-007	30	2019/2018	Lack of Annual Performance Reviews	Significant deficiency and noncompliance
2020-008	31	2019/2018	Inadequate Controls Over I-9 Forms	Significant deficiency and noncompliance
2020-009	32	2019/2019	Inadequate Controls over Employee Terminations	Significant deficiency and noncompliance
2020-010	33	2019/2019	Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act	Significant deficiency and noncompliance
2020-011	34	2019/2018	Subsidies between Accounting Entities	Significant deficiency and noncompliance
2020-012	35	2019/2015	Inadequate Controls over Property and Equipment	Significant deficiency and noncompliance
2020-013	37	New	Noncompliance with the Illinois Articulation Initiative Act	Significant deficiency and noncompliance
2020-014	38	New	Lack of Annual Employee Trainings	Significant deficiency and noncompliance
2020-015	39	New	Lack of Adequate Controls Over the Review of Internal Controls over External Service Providers	Significant deficiency and noncompliance
2020-016	41	New	Weaknesses in Cybersecurity Programs and Practices	Significant deficiency and noncompliance

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In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also meets the reporting requirements for State Compliance.

Item No.	Page	Last/First Reported	Description	Finding Type
2020-001	17	New	Inadequate Internal Controls over Census Data	Material weakness and material noncompliance

Prior Findings Not Repeated

Item No.	Page	Last/First Reported	Description
A	43	2019/2019	Failure to Notify Student of Loan Disbursement
B	43	2019/2018	Noncompliance with Campus Security Enhancement Act of 2008
C	43	2019/2017	Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems

Exit Conference

On May 4, 2021, the University waived the exit conference relating to the Single Audit and State Compliance examination.

The responses to the recommendation were provided in correspondence from Shyree Sanan, Associate Vice President for Finance and Treasury, on May 13, 2021.



Independent Accountants' Report on State Compliance,
on Internal Control over Compliance, and on
Supplementary Information for State Compliance Purposes

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the Northern Illinois 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 Northern Illinois University (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.

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

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

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

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

Specified Requirement C

As described in the accompanying Schedule of Findings and Questioned Costs as item 2020-001, the University had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material deviations 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*, issued by the Illinois Office of the Auditor and are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-005 through 2020-016.

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 compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance 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

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

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 2020-001 to be a material weakness.

A significant deficiency in internal control is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control described in the accompanying Schedule of Findings and Questioned Costs as items 2020-005 through 2020-016 to be significant deficiencies.

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

The University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings 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 of the University as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated May 11, 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

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

financial statements subsequent to May 11, 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 University management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2020, in Schedules 1 through 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 and have issued our report thereon dated December 20, 2019, which contained unmodified opinions on the respective financial statements. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 3 through 5 is the responsibility of 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 5 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 5 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year June 30, 2019.

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

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CliftonLarsonAllen LLP

Oak Brook, Illinois
May 19, 2021, except for our report on the Supplementary information
For State Compliance Purposes, as to which the date is May 11, 2021



Independent Auditors' 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*

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General of the State of Illinois, 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 of the Northern Illinois University (the University) and its aggregate discretely presented component units, 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 May 11, 2021.

Our report includes a reference to other auditors who audited the financial statements of the aggregate discretely presented component units, as described in our report on Northern Illinois University's financial statements. The financial statements of the Northern Illinois University Foundation, the Northern Illinois University Alumni Association, and the Northern Illinois Research Foundation, component units of Northern Illinois University, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include compliance and other matters associated with these component units.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 as item 2020-001.

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

Internal Control Over Financial Reporting

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

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

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

University's Response to Findings

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

Purpose of this Report

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

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CliftonLarsonAllen LLP

Oak Brook, Illinois
May 11, 2021



Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

Report on Compliance for Each Major Federal Program

As Special Assistant Auditors for the Audit General, we have audited Northern Illinois University's (the University) compliance 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 auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

The University's basic financial statements include the operations of Northern Illinois University Foundation, the Northern Illinois University Alumni Association, and the Northern Illinois Research Foundation, component units of the University, which are not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2020. Our audit, as described below, did not include the operations of these component units because the component units engaged other auditors to perform an audit of their financial statements and, if necessary, an audit of compliance.

Management's Responsibility

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

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

Auditors' 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 of its major federal programs. However, our audit does not provide a legal determination of the University's compliance.

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2020-002 through 2020-004. 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.

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

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 2020-002 through 2020-004, 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.

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
And
The Board of Trustees
Northern Illinois University

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 aggregate discretely presented component units of the University, 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. We issued our report thereon dated May 11, 2021 which contained unmodified opinions on those financial statements. Our report was modified to include a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University’s basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to May 11, 2021. 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 basic 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 basic financial statements. The information 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 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

CliftonLarsonAllen LLP

Oak Brook, Illinois
May 19, 2021, except for the Schedule of Expenditures
of Federal Awards, as to which the date is May 11, 2021

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2020

(1) Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiencies identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiencies identified? x yes none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
84.007/84.033/84.038/84.063/ 84.268/84.379	Student Financial Assistance Cluster
84.425E/84.425F	Coronavirus Aid, Relief, and Economic Security Act
Various	Research and Development Cluster
84.366	Northern Illinois STEM Ready

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 807,986
- Auditee qualified as low-risk auditee? yes x no

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – Government Auditing Standards
For the Year Ended June 30, 2020

Finding 2020-001 – Inadequate Internal Controls over Census Data

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

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

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

During testing, we noted the following:

- 1) 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.
- 2) After establishing a base year, the University had not developed a process to annually obtain from SURS and CMS the incremental changes recorded by SURS and CMS in their census data records and reconcile these changes back to the University's internal supporting records.

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

- 1) 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 eight individuals who had been improperly excluded from participating in SURS, which resulted in these people not having any employee contributions collected by the University and reported to SURS during the census data accumulation period throughout Fiscal Year 2018. Additionally, we identified three individuals who did not qualify to participate in SURS. As these persons had been deemed SURS-eligible, the University collected and reported employee contributions to SURS during the census data accumulation period throughout Fiscal Year 2018.
- 2) We performed an analysis of transactions reported by the University to SURS during the census data accumulation period throughout Fiscal Year 2018, noting the following problems:

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Current Findings – Government Auditing Standards
For the Year Ended June 30, 2020

- 9 of 542 (2%) 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 one-quarter to 1 year.
 - 1 of 5 (20%) employees reported as laid off by the University were untimely reported to SURS by the University. SURS determined the total potential impact to the former employee's total service credit was it could be off by one-quarter year.
 - 5 of 26 (19%) employees with a departure on a leave of absence had the start date of the leave of absence untimely reported to SURS by the University. SURS determined the total potential impact to each of these employees' total service credit was it could be off by three-quarters to 23.5 years.
 - 1 of 13 (8%) employees with a return from a leave of absence had the end date of the leave of absence untimely reported to SURS by the University. SURS determined the total potential impact to the former employee's total service credit was it could be off by one-half year.
- 3) As of the end of the census data accumulation year on June 30, 2018, we identified five employees where each employee's associated termination or rehire date(s) had been untimely reported to SURS. While these employees were all associated with the University at June 30, 2018, some or all of these untimely reports may have occurred at other public universities and community colleges across the State. SURS determined these errors resulted in the employees being misclassified between the active, retired, and inactive member categories within SURS. The total potential impact to each former employee's total service credit was it could be off between 0.0 and 1.75 years.

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

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

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;
- 7) not a patient in a hospital or home;

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE EXAMINATION
Current Findings – Government Auditing Standards
For the Year Ended June 30, 2020

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

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

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

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

University officials indicated the University has not performed a complete base year reconciliation of the SURS and CMS census data as the census data used in the actuarial valuations has not been provided to the University. The University has not established a process or procedure for performing a complete annual reconciliation of the incremental changes during the year with SURS and CMS due to oversight. The untimely event notices were likely a result of individuals not following university policy and procedures.

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

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – *Government Auditing Standards*
For the Year Ended June 30, 2020

RECOMMENDATION

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

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

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

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

UNIVERSITY RESPONSE

Accepted. The University currently has real time processes and procedures in place for processing certifications, changes, and terminations in the SURS and CMS systems. The University has initiated correction action to revise its current processes and procedures to ensure that census data submitted to its pension and other postemployment benefits (OPEB) plans is complete and accurate.

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE EXAMINATION
Current Findings – Federal Compliance
For the Year Ended June 30, 2020

Finding 2020-002 – Enrollment Status Reporting

Federal Agency: U.S. Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

CFDA # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379 (\$122,348,220)

Award Numbers: P007A161243/P033A161243/P063P161370/P268K171370/P379T171370

Questioned Costs: None

CONDITION FOUND

Northern Illinois University (the University) did not complete enrollment status reporting to the U.S. Department of Education accurately or consistently with program enrollment requirements.

During our testing from a statistically valid sample, we noted 2 of 40 students tested (5%) had instances in which the effective date and status inside the National Student Loan Data System (NSLDS) program-level enrollment reporting was not the same as the NSLDS campus-level enrollment reporting for effective date and status.

CRITERIA OR REQUIREMENT

The NSLDS Enrollment Reporting Guide section 4.4.10 requires, a student’s Program-Level enrollment status should be reported with the same Enrollment Status as that student’s Campus-Level Enrollment status for all programs the student is enrolled in at that location, even if the student is not currently taking coursework that applies to a particular program. If the student has withdrawn or graduated from an academic program, a “terminal enrollment status” of ‘W’ or ‘G,’ as appropriate, should be reported for that program, even if the student is still taking coursework applicable to other programs in which the student is enrolled.

The Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards establish and maintain effective internal controls designed to reasonably ensure compliance with Federal laws and regulations, and program compliance requirements. Effective Internal controls should be in place to ensure that the University is properly reporting between Program-Level enrollment and Campus-Level for NSLDS.

CAUSE

University officials stated that the data inconsistency between enrollment and program-level is a result of incorrect data submission due to system-entry error.

POSSIBLE ASSERTED EFFECT

If the program level reporting is inconsistent with the enrollment level reporting, the University risks noncompliance. (Finding Code No. 2020-002, 2019-001, 2018-003, 2017-006)

STATISTICAL SAMPLING

This sample was a statistically valid sample.

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE EXAMINATION
Current Findings – Federal Compliance
For the Year Ended June 30, 2020

RECOMMENDATION

We recommend the University establish and maintain internal controls to ensure program-level reporting is consistent with the campus-level enrollment status reporting.

UNIVERSITY RESPONSE

Accepted. The University has corrected the system error that caused the initial discrepancy, has re-trained current staff, and has implemented a review process to ensure program-level reporting is consistent with the campus-level enrollment status reporting.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – Federal Compliance
For the Year Ended June 30, 2020

Finding 2020-003 – Inadequate Controls over Awarding of Direct Loans

Federal Agency: U.S. Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

CFDA # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379 (\$122,348,220)

Award Numbers: P007A161243/P033A161243/P063P161370/P268K171370/P379T171370

Questioned Costs: None

CONDITION FOUND

Northern Illinois University (the University) did not appropriately re-evaluate student financial need after the fall semester.

During our testing from a statistically valid sample, we noted one instance out of 40 students tested (3%), where the subsidized Stafford loan awarded to the student was less than the maximum amount for which they were eligible. The student was under-awarded by \$1,500.

CRITERIA OR REQUIREMENT

The Federal Student Aid Handbook (Volume 3, pg. 3-191) prohibits a student from receiving a Direct Unsubsidized Loan unless the student has received a Direct Subsidized Loan for the maximum amount for which the student is eligible.

The Code of Federal Regulations, 34 CFR 685.203(a) outlines the maximum subsidized loan amounts for students based on their dependency status, year of education, and other factors.

Uniform Grant Guidance (2 CFR 200.303) requires the University establish and maintain effective internal control over the Federal awards that provides 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 University offers students appropriate financial aid.

CAUSE

University officials stated that the student was under awarded due to a manual input error as a result of an employee not following University policies and procedures.

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE EXAMINATION
Current Findings – Federal Compliance
For the Year Ended June 30, 2020

POSSIBLE ASSERTED EFFECT

The students received additional unsubsidized loans to make up for the under-award of subsidized loans. (Finding Code No. 2020-003)

STATISTICAL SAMPLING

This sample was a statistically valid sample.

RECOMMENDATION

We recommend the University ensure student financial aid offered is appropriate based on federal regulations.

UNIVERSITY RESPONSE

Accepted. The University took immediate action to update its processes and to retrain staff to ensure compliance with federal regulations.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – Federal Compliance
For the Year Ended June 30, 2020

Finding 2020-004 – Information Technology Risk Assessment Not Performed

Federal Agency: U.S. Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

CFDA # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379 (\$122,348,220)

Award Numbers: P007A161243/P033A161243/P063P161370/P268K171370/P379T171370

Questioned Costs: None

CONDITION FOUND

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

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

CRITERIA OR REQUIREMENT

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

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

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

Furthermore, generally accepted information technology guidance endorses the implementation of a process to identify risk and ensure appropriate safeguards are in place to protect IT systems and data.

CAUSE

According to University officials, limited resources and competing priorities have impacted the University’s ability to perform a comprehensive risk assessment.

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE EXAMINATION
Current Findings – Federal Compliance
For the Year Ended June 30, 2020

POSSIBLE ASSERTED EFFECT

Without performing an adequate comprehensive risk assessment, the University is at risk of noncompliance with the GLBA. In addition, there is a risk that University systems and information could be vulnerable to attacks or intrusions, and these attacks may not be detected in a timely manner. (Finding Code No. 2020-004)

STATISTICAL SAMPLING

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

RECOMMENDATION

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

UNIVERSITY RESPONSE

Accepted. The University currently has safeguards in place that ensure the security of student information. However, the University will evaluate the feasibility of performing a comprehensive information technology risk assessment.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-005 – Inadequate Internal Controls over Contracts

Northern Illinois University (the University) has not established adequate internal controls over contracts to ensure they are approved prior to performance and comply with all applicable State requirements.

During our review of a sample of 40 contracts for year ending June 30, 2020, we noted the following:

- Fifteen contracts (38%) totaling \$2,213,921 were not approved prior to goods or services being provided. The contracts were executed between 2 to 85 days after the commencement of the services or the receipt of the goods.
- Five contracts (13%) totaling \$8,347,139 contained contract obligation documents that were not filed within 30 days of execution of the contract. The contract obligation documents were filed between 1 to 116 days late.
- Two contracts (5%) totaling \$49,987 did not have a change order contract obligation document filed with the Illinois Office of Comptroller. Each contract contained an order for delivery that exceeded \$20,000. The change order contract obligation documents were not yet filed as of June 30, 2020.
- Two contracts (5%) totaling \$15,500 did not obtain the vendor certification agreement prior to the approval of the contract. In one instance, the certification agreement was signed 33 days late. In the second instance, the certification agreement was not yet obtained as of June 30, 2020.
- One contract (3%) totaling \$1,766 did not contain the vendor's federal taxpayer identification number as required within the certification agreement.

During our review of 2 contracts with payments greater than \$3 million for the year ending June 30, 2020, we noted the following:

- One contract (50%) totaling \$4,711,032, contained a contract obligation document not filed within 30 days of execution of the contract. The contract obligation document was filed 31 days late.

During our review of 2 Real Property Leases for the year ending June 30, 2020, we noted the following:

- One contract (50%) totaling \$62,624 contained a contract obligation document not filed within 30 days of execution of the contract. The contract obligation document was filed 40 days late.

Finally, during our testing over 145 expenditures (totaling \$644,002), we noted the following:

- One expenditure's underlying contract (0.7%) (totaling \$592) was not properly approved prior to the expenditure being incurred. The contract was executed 9 days after the commencement of the services or the receipt of the goods.

The Illinois Administrative Code (44 Ill. Admin Code 4.15) defines a contract to be all types of State agreements, regardless of what they may be called, for the procurement, use, or disposal of supplies, services, professional or artistic services, or construction or for leases of real property for which the State is the lessee, or capital improvements, and including renewals, master contracts, contracts for financing through use of installment or lease-purchase arrangements, renegotiated contracts, amendments to contracts, and change orders.

The Illinois Procurement Code (Code) (30 ILCS 500 et seq.) and the Statewide Accounting System (Procedure 15.20 et seq. and 15.10.40) require contracts to contain certain signatures, clauses, 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.

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Current Findings – State Compliance
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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 ensure contracts have all the required disclosures, contracts are executed prior to the receipt of goods and services, approval for expenditures are obtained where required, and that the University comply with State laws and regulations.

This finding was first noted during the examination of the year ended June 30, 2012. In subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials stated the errors and deficiencies noted above were due to several factors: a) departments/divisions did not follow University policies and procedures to ensure services/deliveries are not received prior to issuance of contracts; b) resource availability and swift change in work modality due to the pandemic contributed to contract obligation document delays; and c) the lack of financial disclosures and certifications was due to incorrect assessment of an exempted procurement type, including failure to obtaining Federal Taxpayer Identification Number.

Failure to include all required certifications may result in goods or services received failing to comply with State statutes and regulations, while not filing contract obligation documents with the Office of Comptroller is noncompliance with the Code and State regulation. Not fully executing a contract prior to the commencement of services or delivery of goods leaves the University vulnerable to unnecessary liabilities and potential legal problems. (Finding Code No. 2020-005, 2019-003, 2018-004, 2017-008, 2016-003, 2015-005, 2014-006, 2013-007, 12-7)

RECOMMENDATION

We recommend the University establish and maintain internal control procedure over contracts to ensure contracts are complete and properly approved prior to performance, and that contract obligation documents are filed timely. We also recommend the University adhere to State laws and regulations.

UNIVERSITY RESPONSE

Accepted. The University will implement the following corrective actions:

1. Educate campus departments on university policies and procedures.
2. Create vendor awareness and issue reminders through an improved workflow process in efforts to mitigate performance prior to the completion of a purchase order.
3. Implement filing requirements for all purchases exceeding \$20K, and
4. Retrain staff to obtain necessary documentation and process Emergency contracts in accordance with the Chief Procurement Office guidelines.

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-006 – Failure to Submit Proper Time Reporting

Northern Illinois University (the University) did not require all employees to submit time sheets as required by the State Officials and Employees Ethics Act.

During our testing of a sample of 40 payroll transactions, we noted 19 employees (48%) (10 faculty and 9 Graduate Assistants) did not submit time sheets documenting the time spent each day on official State business to the nearest quarter hour. We also noted 3 employees (8%) whose time sheets did not contain supervisory approval signatures.

The State Officials and Employees Ethics Act (the Act) (5 ILCS 430) requires the University to adopt personnel policies consistent with the Act. The Act (5 ILCS 430/5-5(c)) further states, “The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.”

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 ensure compliance with the Act and appropriate supervisory review of timesheets.

This finding was first noted during the examination of the year ended June 30, 2005. In subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials stated the University has a system in place to capture time worked as required by the State Officials and Employees Ethics Act for salaried supportive professional staff and civil service employees. There are ongoing efforts to explore alternative strategies to capture such data for employees fitting the faculty and graduate assistant classifications. The missing supervisory approval signatures were a result of University personnel failing to comply with the written University policy.

By not obtaining appropriate time sheets from all of its employees, the University lacks complete documentation of the time spent by faculty and staff on official State business as contemplated by the Act. In addition, by supervisors failing to review employee timesheets, errors could go undetected. (Finding Code No. 2020-006, 2019-004, 2018-005, 2017-009, 2016-009, 2015-004, 2014-003, 2013-004, 12-6, 11-3, 10-1, 09-4, 08-4, 07-7, 06-4, 05-6)

RECOMMENDATION

We recommend the University continue its efforts to develop and implement a program to require all employees to submit time sheets in accordance with the Act. We also recommend the University enforce existing policies and procedures requiring appropriate supervisory review of timesheets.

UNIVERSITY RESPONSE

Accepted. The University will continue to work with legislators to remove the requirement for faculty and graduate assistants and engage the University’s legislative team to collaborate with the other universities to initiate legislation to remove the requirement. Until new legislation is passed, the University will continue to remind departments of the current written University policy.

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-007 – Lack of Annual Performance Reviews

Northern Illinois University (the University) did not conduct annual performance reviews for all its employees.

During our testing of 45 employees, we noted the University was unable to provide evidence 19 employees (42%) received an annual performance evaluation during the year.

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 ensure all employees receive an annual performance review.

This finding was first noted during the examination of the year ended June 30, 2018. In subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials stated the corrective measures implemented during the fiscal year were hindered by the unforeseen impacts of the global pandemic, including remote working environments, employee turnover, and shortages of staff, which resulted in the delayed completion of these employee performance evaluations.

Performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Performance evaluations should serve as the foundation for salary adjustments, promotion, demotion, discharge, recall, and reinstatement decisions. (Finding Code No. 2020-007, 2019-006, 2018-007)

RECOMMENDATION

We recommend the University take appropriate measures to ensure employee performance reviews are conducted annually.

UNIVERSITY RESPONSE

Accepted. The University will continue to establish a reminder for supervisors of Supportive Professional Staff and required Civil Service evaluations.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-008 – Inadequate Controls over I-9 Forms

Northern Illinois University (the University) has not established adequate controls over the completion of I-9 forms for employees hired by the University.

During our review of a sample of forty (40) employee hires, we noted the following:

- Nine employees (23%) did not complete the preparer and/or translator certification portion of section 1 of the I-9 form.
- Three employees (8%) did not complete section 1 of the I-9 form on or before their respective hire date.
- Two employees (5%) did not have their verification of employee eligibility performed timely (within 3 days) by the University.
- Two employees (5%) did not input their name on section 2 of the I-9 form.
- Two employees (5%) failed to date their completion of section 1 of the I-9 form.
- One employee (3%) dated and completed the I-9 form prior to accepting the job offer.
- One employee (3%) did not provide their address in section 1 of the I-9 form.
- One employee (3%) did not have their first date of employment documented in Section 2 of the I-9 form.
- One employee personnel file (3%) failed to document the accepted job offer date and therefore couldn't be matched to the I-9 form.

U.S. Citizenship and Immigration Services (USCIS) instructions for Form I-9 require Section 1 be completed no later than the first day of employment. After completing Section 1, the employee is to sign their name and document the date signed. Employers are to examine evidence of identity and employment authorization within 3 business days of the employee's first day of employment. The employer is to document the hire date and their signature and date of their review in Section 2 of the I-9 form.

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 ensure I-9 forms are properly completed and adequately reviewed.

This finding was first noted during the examination of the year ended June 30, 2018. In subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University Officials stated the responsible departments did not follow the requirements of the I-9 form and NIU Human Resource Service policies and procedures around hiring.

The failure to properly complete I-9 forms results in violation of USCIS requirements and could expose the University to penalties. (Finding Code No. 2020-008, 2019-007, 2018-008)

RECOMMENDATION

We recommend the University enhance their controls over the process for preparing and reviewing the I-9 Forms to ensure compliance with USCIS requirements.

UNIVERSITY RESPONSE

Accepted. The University implemented a new process in FY21 for Form I-9 employment eligibility verification. The I-9 verification has been centralized and is now automated as part of the new employee onboarding process and expected to address this audit recommendation.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-009 – Inadequate Controls over Employee Terminations

Northern Illinois University (the University) has failed to ensure necessary personnel actions occur timely for terminated employees.

During our testing of 10 terminated employees, we noted five (5) terminated employees (50%) were not properly removed from payroll timely resulting in these employees being paid past their termination date. The five employees received additional paychecks amounting to total gross pay of approximately \$10,906. After these overpayments were identified, the University was able to recover the overpayment amounts from four of the five former employees.

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 ensure terminated employees are appropriately removed from payroll and that improper payment of payroll does not occur.

University officials stated separation policies and procedures were not performed in a timely manner due to competing priorities, thereby resulting in overpayment of payroll to five terminated employees.

Failure to properly remove terminated employees from payroll in a timely manner can result in improper payments. (Finding Code No. 2020-009, 2019-008)

RECOMMENDATION

We recommend the University enhance control procedures to ensure timely removal of terminated employees from the University payroll. Additionally, we recommend the University determine whether there were other instances of terminated employees receiving unearned compensation and take necessary actions to recover any other overpayments.

UNIVERSITY RESPONSE

Accepted. The University continues to educate hiring departments, clarify current guidelines, and review strategies to better implement and streamline the termination process of non-status employees.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-010 – Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act

Northern Illinois University (the University) did not comply with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (Act).

The Business Enterprise for Minorities, Women, and Persons with Disabilities Act (30 ILCS 575/8i) states that “State agencies and public institutions of higher education shall review all existing contracts prior to the time of renewal to determine if the contract goal is being met by the prime vendor; review all existing contracts prior to the time of renewal to determine if the contract goal should be increased based upon market conditions and availability of firms certified pursuant to this Act; review existing contracts with no contract goal to determine if a goal can be established; if it is determined that a contract goal can be established, the State agency or public institution of higher education shall encourage the prime vendor to amend the contract to include the contract goal; a prime contractor shall be required to complete a utilization plan to demonstrate how it intends to meet the contract goal; and review renewals at least 6 months prior to renewal to allow adequate time to rebid if it is determined that the prime contract has not demonstrated good faith efforts towards meeting the contract goal.”

During our review of seven contract renewals (totaling \$2,637,000) for the year ending June 30, 2020, we noted seven contract renewals (100%) did not have sufficient evidence to determine whether they were reviewed 6 months prior to their renewal.

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 Act.

University officials stated all of the contract renewals were completed 6 months prior to their renewal; however, the part of the corrective action plan to address documenting support of the review was not finalized until the end of the fiscal year.

Failure to implement policies and procedures evidencing contract review results in noncompliance with the Act. (Finding Code No. 2020-010, 2019-009)

RECOMMENDATION

We recommend the University adhere to written procedures and establish internal controls to ensure compliance with applicable statutory and regulatory requirements.

UNIVERSITY RESPONSE

Accepted. The University has made substantive steps to implement the various requirements of the Act and associated Administrative requirements. The University will continue to make steps towards full implementation of controls and procedures necessary to ensure documentation of efforts to review renewals six months in advance to ensure compliance with the Act.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-011 – Subsidies between Accounting Entities

Northern Illinois University (the University) had subsidies between accounting entities during the current fiscal year.

During our testing of the University Guidelines, we noted the “Student Programs and Services” had negative cash balances (a negative cash balance is in effect an unbooked interfund payable/receivable), along with negative current funds balances at the beginning and the end of the fiscal year, thereby causing a subsidy between funds to occur.

The University Guidelines (Chapter III, Section D, Part 1) state: “there shall be no subsidies between accounting entities. Subsidies include cash advances and interfund payables/ receivables, outstanding for more than one year.”

This finding was first noted during the examination of the year ended June 30, 2018. In subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials stated the Student Programs and Services activity was in a subsidy position for the first time in FY18 due to the lingering impact of a two-year budget impasse and declining enrollment. The University has a plan to balance revenues and expenses of this activity, however, the plan requires longer than the University Guidelines allowable one year timeframe.

The subsidy between accounting entities is a violation of the University Guidelines. (Finding Code No. 2020-011, 2019-010, 2018-011)

RECOMMENDATION

We recommend the University review the activities of the accounting entities, ensure fees charged for services are sufficient to cover expenditures, and ensure subsidies between accounting entities do not occur.

UNIVERSITY RESPONSE

Accepted. The University implemented a multi-year plan to balance revenues and expenses of this activity, however, the plan has been delayed as a result of the COVID-19 pandemic. The University will resume its multi-year planning efforts in FY22 which will address subsidies between accounting entities.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

2020-012 – Inadequate Controls over Property and Equipment

Northern Illinois University (the University) did not fully comply with requirements applicable to its property and equipment.

We reviewed the University’s property inventory certification, dated November 11, 2019, which was submitted to the Illinois Department of Central Management Services (DCMS). The inventory certification to DCMS reported 105 items (totaling to \$151,926) that could not be located by the University, of which 47 items (45%) were missing electronic data processing (EDP) equipment. These assets were acquired by the University during past fiscal years. Included in this listing were chairs, computers, projectors, servers, iPads, electronic storage devices, microscopes, and other lab equipment.

During our review of the University’s adherence to policies and procedures over protecting and tracking equipment with confidential and sensitive information, we sampled five items from the 47 EDP items within the DCMS inventory certification and noted the following:

- Four of five missing pieces of EDP equipment (80%) did not have a Missing Asset Internal Investigation Form filed in a timely manner, ranging from 84 to 1,122 days late.
- Two of five missing pieces of EDP (40%) did not have police reports filed in a timely manner, ranging from 258 to 867 days late.
- One of five missing pieces of EDP equipment (20%) did not have a Stolen Asset Police Report.
- One of five missing pieces of EDP equipment (20%) did not have an accurately filed police report, as the University failed to provide the appropriate asset number when filing the police report.

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

University policies and procedures require for items that have gone missing, the responsible officers must complete a “Missing Asset Internal Investigation Form” and submit the form to Property Control.

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. The University’s system of internal controls should include procedures to ensure all missing or presumed stolen State property is timely and accurately reported to the University Property Control Department and the University Police Department.

This finding was first noted during the examination of the year ended June 30, 2015. In the subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University Officials stated the responsible officers assigned across the campus did not follow the state laws and regulations, as well as University policies and procedures.

The lack of proper controls over equipment may result in theft and misuse of assets, resulting in a loss to the University, as well as additional spending to replace those assets. (Finding Code No. 2020-012, 2019-011, 2018-012, 2017-010, 2016-011, 2015-010)

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

RECOMMENDATION

We recommend the University continue to strengthen its internal controls over the accountability of University property and equipment.

UNIVERSITY RESPONSE

Accepted. The University has established policies and procedures for accountability of missing items including review from senior leadership. The University will continue to remind responsible officers on these policies and procedures.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-013 – Noncompliance with the Illinois Articulation Initiative Act

Northern Illinois University (the 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, early childhood education, physics, and psychology degree programs.

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

The University officials stated full implementation of the Act requires coordination across multiple academic units and as a result implementation was delayed due to limited resources and competing priorities.

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. 2020-013)

RECOMMENDATION

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

UNIVERSITY RESPONSE

Accepted. The University has taken action to identify applicable majors, has completed an internal review to determine which courses met the criteria for attachment to the major, and has submitted the findings to the Illinois Board of Higher Education for final determination.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-014 – Lack of Annual Employee Trainings

Northern Illinois University (the University) did not conduct trainings for its employees as required by The State Officials and Employees Ethics Act (Act).

During our testing of 40 employees, we noted the following:

- Of the 10 new hires:
 - 5 employees (12.5%) did not complete their sexual harassment training within 30 days of being hired. The number of days late ranged from 12 days to 235 days.
 - 2 employees (5.0%) did not complete a sexual harassment training upon being hiring.
- Of the 30 active employees, 4 employees (10.0%) did not complete an annual sexual harassment training during fiscal year 2020.

The Act (5 ILCS 430/5-10.5(a)) requires each officer, member, and employee must complete, at least annually, a sexual harassment training program. A person who fills a vacancy in an elective or appointed position that requires training under this subsection must complete his or her initial sexual harassment training program within 30 days after commencement of his or her office or employment.

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 ensure all employees receive appropriate employee trainings as required.

The University officials stated the required employee trainings were not completed timely due to conflicts between the employee work schedules and the training dates offered and due to high staff turnover.

Failure to ensure employees receive timely sexual harassment training could result in employees being unaware of their responsibilities under the State Official and Employees Ethics Act. (Finding Code No. 2020-014)

RECOMMENDATION

We recommend the University ensure required employee trainings are conducted annually in accordance with the Act.

UNIVERSITY RESPONSE

Accepted. The University will evaluate trainings completed as part of the employee onboarding process to ensure trainings are completed timely after hiring. Additionally, the University will implement a reminder system to ensure that required annual trainings are completed timely.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-015 – Lack of Adequate Controls Over the Review of Internal Controls over External Service Providers

Northern Illinois University (the University) had weaknesses regarding the review of independent internal control reviews over its service providers.

We requested the University provide the population of service providers utilized by the University to determine if they had reviewed the internal controls over the service providers. In response to our request the University provided a listing of service providers; however, they did not provide documentation demonstrating the listing was complete.

Due to these conditions, we were unable to conclude the University's population records were sufficiently precise and detailed under the Professional Standards promulgated by the American Institute of Certified Public Accountants (AT-C § 205.35)

Even give the population limitations noted above, we performed testing of the service providers utilized by the University from the listing provided by the University.

The University utilized service providers for various services:

- Credit card transaction processing;
- Student loan processing;
- Hosting services.

During our testing, we noted:

- The University had not established procedures to obtain and review System and Organization Control (SOC) reports to ensure adequate controls had been established within the service providers' environment.
- Although the University had obtained SOC reports for the list of service providers provided, an analysis of the reports and complementary user entity controls (CUECs) had not been conducted.

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

The University management indicated they maintain a listing of vendors, however, the list does not designate vendors as service providers. University management also indicated they performed a review of the SOC reports but did not document their review over the specific considerations because of oversight.

Without having obtained and reviewed a SOC report or another form of independent internal control reviews, the University does not have assurance the service providers' internal controls are adequate to ensure services provided are accurate and secure. (Finding Code No. 2020-015)

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

RECOMMENDATION

We recommend the University strengthen its controls in identifying and documenting all service providers utilized. Further, we recommend the University obtain or perform independent reviews of internal controls with service providers at least annually. In additions, we recommend the University:

- Established procedures to obtain and review System and Organization Control (SOC) reports to ensure adequate controls had been established within the service providers' environment.
- Monitor and document the operation of the CUECs relevant to the University's operations.
- Either obtain and review SOC reports for subservice organizations or perform alternative procedures to satisfy itself that the existence of the subservice organization would not impact its internal control environment.
- Document its review of the SOC reports and review all significant issues with subservice organizations to ascertain if a corrective action plan exists and when it will be implemented, any impacts to the University, and any compensating controls.

UNIVERSITY RESPONSE

Accepted. The University has procedures to obtain and review SOC reports for its service providers. However, the University will establish a process for documenting all service providers utilized and establish procedures for documenting its request and review of the SOC reports.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

Finding 2020-016 – Weaknesses in Cybersecurity Programs and Practices

Northern Illinois University (the University) has not implemented adequate internal controls related to cybersecurity programs and practices.

The University carries out its mission through the use of Information Technology, including various applications, which contains large volumes of confidential or personal information such as names, addresses, Social Security numbers and health information of its students.

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:

- A formal risk management framework specifying how risks are identified, managed, and mitigated where appropriate had not been established.
- Documentation was not provided illustrating new hires had completed information security training as part of the onboarding process.
- 24 of 60 (40%) employees had not completed the annual information security training.
- 9 of 60 (15%) terminated employees' application accounts had logged in after their termination date.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources. Furthermore, generally accepted information technology guidance, including the National Institute of Standards and Technology, endorses the development of well-designed and well managed controls to protect computer systems and data.

University officials indicated the University experienced employee turnover that impacted the tracking and facilitation of the required training programs. Additionally, the process for deactivating user accounts for terminated employees was reliant on a manual process.

The lack of adequate cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the University's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2020-016)

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Current Findings – State Compliance
For the Year Ended June 30, 2020

RECOMMENDATION

We recommend the University:

- Establish a risk management framework to assist in ensuring its risks are identified, managed and mitigated where appropriate.
- Review the process and controls related to requiring new hires to complete information security training as part of the onboarding process. In addition, requirements for active employees to complete information security training should also be reviewed to ensure each employee completes the required training and maintain documentation of such.
- Review the process and controls related to disabling terminated users' accounts in all application systems to prevent unauthorized access or activity.

UNIVERSITY RESPONSE

Accepted. The University will evaluate the feasibility of performing a comprehensive information technology risk assessment. The University has implemented an on-going process for tracking new hire security training. The University has also implemented process enhancements to improve security training completion and is working to further enhance the process through automation. The University has implemented an automatic solution for disabling terminated user accounts access.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Prior Findings Not Repeated
For the Year Ended June 30, 2020

Federal Compliance

A. Failure to Notify Student of Loan Disbursement

Northern Illinois University (the University) did not notify a student of their direct loan disbursement.

During the current year audit, we noted the University strengthened its controls over notifying students of their direct loan disbursements. Similar exceptions were not noted during our current year testing. (Finding Code No. 2019-002)

State Compliance

B. Noncompliance with Campus Security Enhancement Act of 2008

During the prior examination, Northern Illinois University (the University) did not have adequate controls in place to ensure that required criminal background investigations were conducted prior to employment for those employees hired for security sensitive positions.

During the current examination, we noted the University improved controls to ensure that required criminal background investigations were conducted prior to employment for those employees hired for security sensitive positions. Similar exceptions were not noted during our current year testing. (Finding Code No. 2019-005, 2018-006)

C. Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems

During the prior examination, Northern Illinois University (the University) did not adequately plan for the recovery of its applications and data.

During the current examination, the University had updated its Disaster Recovery Plan and had conducted testing of its computer environment. (Finding Code No. 2019-012, 2018-013, 2017-014)

A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass- Through Number	FY 2020 Expenditures	To Subrecipients	
U.S. DEPARTMENT OF EDUCATION					
<u>STUDENT FINANCIAL ASSISTANCE CLUSTER</u>					
Federal Supplemental Educational Opportunity Grants	84.007	*	P007A161243	\$ 1,139,748	\$ -
Federal Work-Study Program	84.033	*	P033A161243	723,918	-
Federal Pell Grant Program	84.063	*	P063P161370	24,681,173	-
Federal Direct Student Loans Program (Perkins), Beginning Loan Balance	84.268	*		6,022,179	-
Federal Direct Student Loans Program (Perkins), New Loans	84.268	*		-	-
Federal Direct Student Loans Program (Perkins), Administrative Cost Allowance	84.268	*		-	-
Federal Direct Student Loans	84.268	*	P268K171370	89,666,500	-
Teacher Education Assistance for College and Higher Education Grants	84.379	*	P379T171370	114,702	-
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				122,348,220	-
<u>CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT</u>					
Higher Education Emergency Relief Fund (HEERF)					
HEERF Student Aid Portion (COVID-19)	84.425E	*	P425F202766	5,511,853	-
HEERF Institutional Portion (COVID-19)	84.425F	*	P425E200392	7,412,589	-
TOTAL CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT				12,924,442	-
TOTAL U.S. DEPARTMENT OF EDUCATION				135,272,662	-
RESEARCH AND DEVELOPMENT CLUSTER					
<u>DEPARTMENT OF AGRICULTURE</u>					
Agricultural Research_Basic and Applied Research					
USDA Identification of Regulatory Genes in A. Flavus and A. Nidulans...involved in Mycotoxin Product	10.001	*	58-6435-4-015	1,012	-
Identification of Regulatory Genes in A. Flavus...involved in Mycotoxin Prod, Morphogenesis, and Virulence	10.001	*	58-6054-9-009	10,621	-
				11,633	-
Grants for Agricultural Research, Special Research Grants					
Pass-Through Kansas State University					
Department of Defense Family Advocacy Program FASOR	10.200	*	S18065	640,356	-
				640,356	-
TOTAL DEPARTMENT OF AGRICULTURE				651,989	-
<u>DEPARTMENT OF COMMERCE</u>					
National Oceanic and Atmospheric Administration					
Weather and Air Quality Research					
Tornadoes and Mobile Homes: An Inter-science Approach to Reducing Vulnerabilities and Improving Capacities for the Southeast's Most Susceptible Population	11.459	*	NA17OAR4590192	14,864	-
Measurement and Engineering Research and Standards					
Characterization and standardization of in-situ powder flow monitoring methods for directed energy deposition	11.609	*	70NANB19H149	39,978	-
Manufacturing Extension Partnership					
Pass-Through Illinois Manufacturing Extension Center					
FY19 IMEC Partnership	11.611	*	IMECDOC2019	308,632	-
FY20 IMEC Partnership	11.611	*	IMECDOC2020	791,723	-
				1,100,355	-
TOTAL DEPARTMENT OF COMMERCE				1,155,197	-
<u>DEPARTMENT OF DEFENSE</u>					
Social Sim Modeling Repast HPC Programming Support	12.999	*	FA865018C7823	129,274	-
TOTAL DEPARTMENT OF DEFENSE				129,274	-
<u>DEPARTMENT OF INTERIOR</u>					
State Wildlife Grants					
Inventory of Amphibian & Reptile - Green River Conservation Area	15.634	*	T-111-R-1	28,218	-
Great Lakes Restoration					
Status & Population Viability Assessment of the Blanding's Turtle within the Chiwaukee- Illinois State Beach	15.662	*	F16AP01040	5,023	-
TOTAL DEPARTMENT OF INTERIOR				33,241	-
<u>DEPARTMENT OF JUSTICE</u>					
National Institute of Justice Research, Evaluation, and Development Project Grants					
Development of Next Generation Fingerprint Lifters and on-the-spot visualization devices	16.560	*	2017-DN-BX-0167	213,360	123,131
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program					
Pass-through Winnebago County					
Domestic Violence Homicide Prevention Demonstration Initiative (DVHPDI)	16.590	*	2016-HI-AX-K002	323,784	-
TOTAL DEPARTMENT OF JUSTICE				537,144	123,131

A Component Unit of the State of Illinois
COMPLIANCE EXAMINATION
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number		Federal Project or Pass- Through Number	FY 2020 Expenditures	To Subrecipients
DEPARTMENT OF LABOR					
H-1B Job Training Grants Pass-Through Illinois Manufacturing Extension Center IMEC 2019	17.268	*	IMECDC02020	\$ 72	\$ -
TOTAL DEPARTMENT OF LABOR				72	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION					
Science The Study of phototrophic oxygen production on Earth and exoplanets	43.001	*	80NSSCC19K0478	87,010	-
Office of STEM Engagement Pass-Through University of Illinois NIU/IGSC NASA Internships & Scholarships, STEM, Institutional Engagement, Educator Professional Development Project	43.008	*	078131-17628	3,000	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				90,010	-
NATIONAL SCIENCE FOUNDATION					
Engineering Grants CAREER: Advanced Photochemical Paradigms for Enhanced Photovoltaics, Photocatalysis and Photocatalysis	47.041	*	CBET-1150617	(1,106)	-
Collaborative Research: Design of a Novel Photo-Thermo-Catalyst for Enhanced Activity and Stability of Dry Reforming of Methane	47.041	*	1924574	40,811	-
Pass-Through New York University Causal Relationships Underlying the Collective Dynamic Behavior of Swarms	47.041	*	1433670	700	-
Pass-Through Purdue University Northwest CloudMEMS: Cybermanufacturing of Micro-Electro-Mechanical Systems	47.041	*	10001466-005	1,513	-
				<u>41,918</u>	<u>-</u>
Mathematical and Physical Sciences Collaborative Research: ATD: Dynamical Sampling and Reconstruction for Sensing Networks	47.049	*	DMS-1322127	(1,342)	-
Searching for New Phenomena with Leptons	47.049	*	1506017	2,043	-
Development of Ultra-cold Quantum-degenerate Relativistic Electron Beams for Research and Applications	47.049	*	1535401	30,166	-
Search for New Phenomena at the Energy Frontier	47.049	*	1506173	(10,392)	-
Accelerator Science for Storage Ring measurements of Electric Dipole Moments of Subatomic Particles	47.049	*	1623691	30,225	-
REU Site: Integrated Experimental and Computational REU Site at NIU	47.049	*	1659548	40,761	-
Phenomenology of Electroweak Symmetry Breaking, Supersymmetry, and the Frontiers of the Standard Model	47.049	*	1719273	60,555	-
REU Site: Undergraduate and teacher research in physics at NIU	47.049	*	1757597	66,681	-
Fundamental Study of Dopants Effect for Stable Hybrid Perovskite Materials	47.049	*	1806152	75,537	-
Searches for New Phenomena at the Energy Frontier	47.049	*	1806639	302,015	-
Collaborative Research: Second-Order Variational Analysis in Structured Optimization and Algorithms with Sensitivity Analysis	47.049	*	1816449	25,710	-
EAGER: Controlling Photochemistry via Spatially Selective Excitation	47.049	*	1901671	102,088	-
Frustration and Crystallization of Vortices in Artificial Spins/Superconductor Hybrids	47.049	*	1901843	60,579	-
Development of Controlled Polymerization for Hierarchically Organized Conjugated Polymers	47.049	*	2004117	2,298	-
Pass-Through Research Foundation for SUNY US ATLAS Operations (flow-through Stony Brook)	47.049	*	PHY-1624739	209,407	-
Pass-Through Research Foundation for SUNY US ATLAS - Research & Development (flow-through Stony Brook)	47.049	*	1624739	31,617	-
Pass-Through from Cornell University Optical Transport and Beam Manipulation for Optical Stochastic Cooling	47.049	*	75548-11307	30,602	-
				<u>1,058,550</u>	<u>-</u>
Geosciences Holocene Precipitation Changes	47.050	*	1502989	49,647	-
Diatom & Oxygen Isotope Evidence of Pliocene Antarctic Ice Sheet Dynamics & Ross Sea Paleoceanography	47.050	*	1443420	7,955	-
Collaborative Proposal: REU Site: Water Quality and Tourism in the Riviera Maya, Mexico	47.050	*	1560045	29,417	-
The Role of Mesoscale Convective System Precipitation in the Hydroclimate of the Conterminous United States	47.050	*	1637225	71,166	-
Collaborative Research: Observed and Future Dynamically Downscaled Estimates of Precipitation Associated	47.050	*	1800582	14,603	-
REU Site: Collaborative Research: Water Resources and Quality in the Riviera Maya, Mexico	47.050	*	1852290	12,782	-
Pass-Through Columbia University Participation of Justin Dodd on Expedition 374	47.050	*	OCE 1450528	3,975	-
Pass-Through Columbia University Participation of Reed Scherer on IODP Expedition #379	47.050	*	OCE 1450528	41,185	-
Pass-Through from University Corporation for Atmospheric Research Bringing back weather.niu.edu: A multifaceted server at Northern Illinois University	47.050	*	SUBAWD001422	19,469	-
				<u>250,199</u>	<u>-</u>
Computer and Information Science and Engineering Inclusive Design for Engaging All Learners (IDEAL) Designing Technology for Cultural Brokerin	47.070	*	1839194	219,308	-
Pass-Through Digital Promise Global Workshop: Robots, Children, and Alternative Input Methods (RCA)	47.070	*	NSFRCA2018	(67)	-
				<u>219,241</u>	<u>-</u>

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Biological Sciences				
Dimensions NASA: Collaborative Research: The biogeography and evolution of drought tolerance in grasses	47.074	*	1342782	\$ 16,973 \$ -
Ecosystem Consequences of Management Disturbances: Examining the Community-Trait-Function Relationships of Consumers in a Restored Grassland	47.074	*	1647502	12,396 -
CAREER: Evolutionary Genomics of Enzymes for Complex Carbohydrate Metabolism	47.074	*	1652164	(1) -
			<u>29,368</u>	<u>-</u>
Social, Behavioral, and Economic Sciences				
CAREER: Assessing Long-Term Social, Cultural, and Political Impacts of the Depart of INGOs Rural Haiti	47.075	*	1455142	63,787 12,427
Scholars Award: Understanding iconoclastic violence through the early science of optics Pass-Through University of Chicago	47.075	*	1755099	104,643 -
Center for Robust Decision-Making on Climate and Energy Policy Pass-Through Temple University	47.075	*	FP043343-02-C	9,113 -
Understanding and Promoting Spatial Learning Processes in the Geosciences	47.075	*	259066-NIU	4,423 -
			<u>181,966</u>	<u>12,427</u>
Education and Human Resources				
Collaborative Research: Learning & Teaching Engineering Dynamics Through Interactive Simulations	47.076	*	1432289	9,448 -
Interactive Virtual Laboratory: Using Renewable Energy Experiments to Enhance Student Engagement in STEM	47.076	*	1712146	55,243 -
Fellowship for Wieteke Holthuijzen	47.076	*	1842161	46,567 -
GeoClick: The Value of Click-on-Diagram Questions in Geoscience	47.076	*	1835950	41,316 -
Collaborative Research: Broadening the fusion of STEM and business curricula in undergraduate sustainability education	47.076	*	1914909	24,812 -
PROMISE: Providing Resources and Opportunities to Maximize Interest in STEM Education	47.076	*	1068463	5 -
Scholarships and Enhanced Mentoring to Support Graduation of Students in Science and Mathematics	47.076	*	1834076	173,510 -
Pass-through from Louisiana University				
Collaborative Research: Developing a Storyline_Support for Evidence-based Modeling of Impacts of Disturbance	47.076	*	LP201803	86,260 -
			<u>437,161</u>	<u>-</u>
Polar Programs				
Collaborative Research: Testing the Linchpin of WAIS Collapse with Diatoms and IRD in Pleistocene and Late Pliocene Strata	47.078	*	1939139	427 -
Office of International and Integrative Activities				
IREs: US-Estonia Research Partnership in Reconstructing Past Climate Dynamics	47.079	*	1827135	54,948 -
			<u>2,273,778</u>	<u>12,427</u>
TOTAL NATIONAL SCIENCE FOUNDATION				
DEPARTMENT OF ENERGY				
Office of Science Financial Assistance Program				
Polarized X-Rays as a Probe of Spin Polarization	81.049	*	DE-FG02-03ER46097	31,467 -
Studies of Conventional & ERL-Based Recirculator Electron Cooling for an Electron Ion	81.049	*	DE-SC0008588	71,743 -
DOE Optical Stochastic Cooling	81.049	*	DE-SC0013761	22,844 -
eSHIVA in IOTA: Experiment on Stochasticity in high intensity	81.049	*	DE-SC0015500	4,553 -
High-current electron sources for superconducting radiofrequency injectors	81.049	*	DE-SC0018367	169,867 -
Phase space tailoring and cooling of charged particle beams for energy and intensity frontier applications	81.049	*	DE-SC0018656	83,821 -
Nonlinear Dynamics of Integrable Hamiltonian Systems	81.049	*	DE-SC0020064	11,145 -
High-Performance Electron Sources: Numerical Methods and Beam Dynamics at the Frontier	81.049	*	DE-SC0020241	28,501 -
Pass-Through RadiaBeam Technologies, LLC				
Nano-patterned cathode surfaces for high efficiency injectors	81.049	*	DE-SC0009656	6,628 -
Pass-Through from Illinois Institute of Technology				
Chicagoland Accelerator Science Traineeship	81.049	*	A-20-0036-001	49,374 -
			<u>479,943</u>	<u>-</u>
Department of Energy Managed Labs				
Development of the MUZE Preliminary Design	81.000	*	PO 608549	73,991 -
Synthesis and characterization of Fe-based pnictide superconductors	81.000	*	4J-30341-0002A	15,856 -
Jt Appt - Swapan Chattopadhyay	81.000	*	PO 620655 Rev3	119,862 -
Structural investigations	81.000	*	4J-30341-0012A	29,265 -
Contributions to the development of a photon detector system	81.000	*	308939	3,775 -
System Software Integration and Development	81.000	*	4J-30341-0013A	177,885 -
High Luminosity (HL) LHC CMS Detector Upgrade Project - Endcap Calorimeter	81.000	*	PO 636821	36,021 -
Joint Appointment - Dr. Tao Li	81.000	*	PRJ1003447/PT1397	19,474 -
Synthesis, Single Crystal Growth and Diffraction Studies of Multiferroic and Functional Oxides	81.000	*	4J-30341-0022A	35,421 -
Cycling stable electrode interfaces for lithium batteries with covalently bonded monolayers	81.000	*	4J-30341-0023A	12,222 -
Search for Pair Production of Higgs Bosons Through Vector Boson Fusion Using the Final with the ATLAS Detector	81.000	*	DE-SC0012704	5,509 -
High Performance Computing Research	81.000	*	4J-30341-0024A	84,786 -
Development of innovative high-energy magnetized electron cooling for an electron-ion collide	81.000	*	PO 650832	8,628 -
Investigating the interfacial stability of battery materials	81.000	*	DE-AC02-06CH11357	26,271 -
Andreas Glatz, Joint Appointment	81.000	*	FRLA229	24,138 -
Zhili Xiao Jt Appointment	81.000	*	FRLA2019	6,139 -
Investigating the Solvation Behavior of Electrolytes for Battery Materials	81.000	*	4J-30341-0030A	5,776 -

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Deep Underground Neutrino Experiment (DUNE)	81.000	*	\$ 22,671	\$ -
Nuclear Resonance Time-domain Interferometry	81.000	*	16,474	-
High pressure effects on NV centers in diamonds	81.000	*	40,973	-
Cell design to advance the performance of flow battery at Argonne	81.000	*	1,276	-
PIP-II Warm Unit Design	81.000	*	3,081	-
US ATLAS Physics Support Manager Travel	81.000	*	2,931	-
High Luminosity (HL) LHC CMS Detector Upgrade Project Endcap Calorimeter	81.000	*	157,284	-
FNAL-funded Mechanical Engineering Project for Assistant Professor Salehinia	81.000	*	80,096	-
Studying the Pore Formation of Atomic Layer Deposited Overlayer	81.000	*	40,670	-
Graduate student support in Lead Battery Science Research	81.000	*	28,297	-
Research on Ion Transport in Nanostructured Liquids Observed by X-Ray Photon Spectroscopy	81.000	*	42,519	-
Engineering Design of Mu2e Degradier	81.000	*	12,184	-
Modeling and Analysis of Data in support of Muon g-2	81.000	*	16,960	-
ANL Graduate Support for Mr. Danylo Lykov	81.000	*	11,680	-
Development of a damping-ring-free electron injector for Future Linear Colliders	81.000	*	825	-
Fabrication and Characterization of Nanomagnets for Creating Local Magnetic Field in Anvil Cell	81.000	*	32,592	-
Material Development for Energy Efficiency and Renewable Energy Applications	81.000	*	21,698	-
Dark Matter Searches Employing Quantum Metrology	81.000	*	27,466	-
Joint Appointment ANL/NIU	81.000	*	114,819	-
It Appointment NIU/ANL FY20	81.000	*	72,853	-
New ANL Proposal	81.000	*	102,509	-
Joint Appointment	81.000	*	116,128	-
Supporting for a Visiting Professor Andrey Varlamov in NIU Physics Department	81.000	*	1,502	-
Predicting Scientific Fields using Machine Learning and Text Mining Techniques	81.000	*	21,482	-
Synthesis and characterization of superconducting pnictide materials	81.000	*	23,968	-
Investigating the electrolyte solvation behavior for battery materials	81.000	*	27,300	-
Research on Ion Transport in Nanostructured Liquids Observed by X-Ray Photon Spectroscopy	81.000	*	56,589	-
Piot Joint Appointment NIU-ANL FY20	81.000	*	78,517	-
Development of the MUZE Preliminary Design	81.000	*	72,309	-
X-ray Photon Correlation Spectroscopy (XPCS) and Grazing Incidence x-ray scattering (GIXS)	81.000	*	61,192	-
Deep Underground Neutrino Experiment (DUNE)	81.000	*	17,904	-
Development of innovative high-energy magnetized electron cooling for an electron-ion collide	81.000	*	62,857	-
Fundamental Studies on the Scalable Synthesis of Electrocatalysts under Microfluidics	81.000	*	3,849	-
It Appt - Michael Syphers	81.000	*	129,610	-
Development of Training Program to Support Warranty & Maintenance of Security	81.000	*	16,420	-
			<u>2,224,504</u>	<u>-</u>
Renewable Energy Research and Development				
On-device Lead Detention for Perovskite Solar Cells	81.087	*	46,348	-
TOTAL DEPARTMENT OF ENERGY			<u>2,750,795</u>	<u>-</u>
DEPARTMENT OF EDUCATION				
Education Research, Development and Dissemination				
Testing the on PAR Model in Developmental Literacy Education	84.305	*	127,992	53,124
			<u>127,992</u>	<u>53,124</u>
Statewide Longitudinal Data Systems				
Pass-Through Illinois State Board of Education				
Early Childhood - Return on Investment Study	84.372	*	173,938	-
Pass-through from Illinois State Board of Education				
ISBE High School to College Success Project	84.372	*	172,677	-
			<u>346,615</u>	<u>-</u>
Promoting Readiness of Minors in Supplemental Security Income				
Pass-Through University of Wisconsin-Madison				
Wisconsin Promoting Readiness of Minors in Supplemental Security Income Project	84.418	*	7,259	-
TOTAL DEPARTMENT OF EDUCATION			<u>481,866</u>	<u>53,124</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Research on Healthcare Costs, Quality and Outcomes				
Pass-Through Northwestern University				
Midwest Consortium: Accelerating the Dissemination & Implementation of PCOR into Primary Care Practice	93.226	*	605	-
Mental Health Research Grants				
Feasibility of group vs individual self-management of depression using a mobile app	93.242	*	25,457	-
Occupational Safety and Health Program				
Pass-through from University of Illinois at Chicago				
Biomechanical Evaluation of Exoskeletons during Patient Handling	93.262	*	14,880	-
Pass-through form University of Washington				
Multi-tasking to Hyper-tasking: Investigating the Impact of the Next Generation 911	93.262	*	(2,510)	-
			<u>12,370</u>	<u>-</u>
Cancer Treatment Research				
Pass-Through from Proton VDA				
A Proton Tomography System for Optimization of Proton Therapy	93.395	*	46,535	-

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ACL National Institute on Disability, Independent Living, and Rehabilitation Research Pass-Through University of Wisconsin - Madison Rehabilitation Research and Training Center on Employer Practices Leading to Employment Outcomes for Individuals with Disabilities	93.433	* 888K834	\$ 5,565	\$ -
Every Student Succeeds Act/Preschool Development Grants Pass-through from Illinois State Board of Education Early Childhood Needs Assessment Cost Modeling and Unduplicated Count Scope and Deliverables	93.434	* MY194410	145,000	-
ACA-Transforming Clinical Practice Initiative: Practice Transformation Networks (PTNs) Pass-Through Northwestern University Great Lakes Practice Transformation Network	93.638	* 60041550 NIU	94,381	49,508
Cardiovascular Diseases Research Sex-Specific mechanisms of exercise underlying resilience to social stress	93.837	* 1R15HL147179-01A1	32,449	-
Biomedical Research and Research Training Generation and Biophysical Evaluation of Generic Fab Antibody pH Switches	93.859	* R15GM124607	92,409	-
The Food Master Initiative	93.859	* RGM129216B	155,909	62,995
Conjugate Addition in the Synthesis of Biologically Active N-Herocycles	93.859	* 1R15GM126498-01	159,048	-
A New Approach to Quantitative Analysis of Biomarkers	93.859	* 1R15GM135796-01	13,621	-
Control of Polarized Basement Membrane Secretion of Epithelial Cells	93.859	* 1R15GM137236-01	11,021	-
			<u>432,008</u>	<u>62,995</u>
Aging Research Septohippocampal neuroplasticity influences on spatial orientation	93.866	* R15AG060613-01	136,572	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			930,942	112,503
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Pass-Through University of Illinois Drinking water lead remediation strategies for Illinois homes with domestic wells	14.906	* 17806-00	5,024	-
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			9,039,332	301,185
HIGHWAY SAFETY CLUSTER				
DEPARTMENT OF TRANSPORTATION National Priority Safety Programs Pass-Through Illinois Department of Transportation Project to Provide Child Safety Seats	20.616	OP-19-0214, 19-05	237	-
TOTAL DEPARTMENT OF TRANSPORTATION			237	-
TOTAL HIGHWAY SAFETY CLUSTER			237	-
TRIO CLUSTER				
DEPARTMENT OF EDUCATION TRIO Upward Bound Upward Bound	84.047	P047A171430	492,915	-
TOTAL DEPARTMENT OF EDUCATION			492,915	-
TOTAL TRIO CLUSTER			492,915	-
CCDF CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES Child Care and Development Block Grant Pass-Through Illinois Department of Human Services	93.575	16-019-5430-51	8,018	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			8,018	-
TOTAL CCDF CLUSTER			8,018	-
OTHER PROGRAMS				
DEPARTMENT OF AGRICULTURE Child and Adult Care Food Program Pass-Through Illinois State Board of Education	10.558	ISBE2020	50,000	-
TOTAL DEPARTMENT OF AGRICULTURE			50,000	-

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DEPARTMENT OF JUSTICE				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus Northern Illinois University: Violence Prevention Project	16.525	2018-WA-AX-0045	\$ 56,255	\$ 1,128
TOTAL DEPARTMENT OF JUSTICE			56,255	1,128
DEPARTMENT OF LABOR				
H-1B Job Training Grants				
Pass-Through Illinois Manufacturers' Association Education Foundation IAAC Implementation Management Support	17.268	AP-27959-15-60-A-17	111,790	-
Occupational Safety and Health_Susan Harwood Training Grants	17.502	SH05021SHB	53,298	-
Susan Harwood Training Grants	17.502	SH05125SH9	57,021	-
Susan Harwood Training Program 2019-2020: Targeted Training Program	17.502			
TOTAL DEPARTMENT OF LABOR			222,109	-
DEPARTMENT OF STATE				
Academic Exchange Programs - Undergraduate Programs				
Leading and Organizing for Change in Southeast Asia	19.009	S-ECAGD-15-CA-1058	(81,017)	-
Leading and Organizing for Change in Southeast Asia	19.009	S-ECAGD-15-CA-1058	(81,017)	-
Leading and Organizing for Change in Southeast Asia	19.009	S-ECAGD-15-CA-1058	(40,508)	-
			(202,542)	-
Academic Exchange Programs - Graduate Students				
2019 Fulbright Gateway Orientation	19.400	FST1901_NIU_4.1.19	7,389	-
2019 Fulbright Gateway Orientation	19.400	FST1901_NIU_4.1.19	30,878	-
			38,267	-
Professional and Cultural Exchange Programs - Citizen Exchanges				
FY2017 Southeast Asia Youth Leadership Program	19.415	S-ECAGD-17-CA-1025	(531)	-
SEAYLP	19.415	S-ECAGD-17-CA-1025	(105)	-
PYLP: Engaging Young Advocates in Environmental Preservation and Peacebuilding	19.415	S-ECAGD-18-CA-0025	11,444	-
PYLP: Engaging Young Advocates in Environmental Preservation and Peacebuilding	19.415	S-ECAGD-18-CA-0025	17,540	-
Southeast Asia Youth Leadership Program	19.415	S-ECAGD-17-CA-1025	88,231	-
Southeast Asia Youth Leadership Program	19.415	S-ECAGD-17-CA-1025	5,290	-
Follow-on Alumni Conference	19.415	S-ECAGD-17-CA-1025-M002	60,165	-
PYLP FY 2020	19.415	SECAGD-18-CA-0025-M001	19,275	-
PYLP FY2020	19.415	S-ECAGD-18-CA-0025-M001	180,022	176,227
Southeast Asia Youth Leadership Program	19.415	S-ECAGO-20-CA-0022	18,679	-
Southeast Asia Youth Leadership Program	19.415	S-ECAGD-20-CA-0022	42,756	-
			442,766	176,227
TOTAL DEPARTMENT OF STATE			278,491	176,227
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Space Shuttle Institute				
Pass-Through Cornerstones of Sciences Library Patron Interest Development	43.001	COS 2020	1,228	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			1,228	-
INSTITUTE OF MUSEUM AND LIBRARY SCIENCES				
Museums for America				
Burma Art Collection Rehousing Project	45.301	MA-30-19-0712-19	119,094	-
Laura Bush 21st Century Librarian Program				
Professional Development Institutes for Digital Preservation	45.313	RE-85-17-0012-17	819	-
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SCIENCES			119,913	-
DEPARTMENT OF EDUCATION				
Department of Education				
Pass-Through Rockford Public School District #205 Scientific Argumentation in Transportable Invention Space (SAITIS) in Rockford School District	84.000	R1903930/PO 193861	706	-
Migrant Education_State Grant Program				
Pass-Through Illinois State Board of Education				
Migrant Education Program Coordination	84.011	22041691, MY19452	598,852	-
Migrant Education State Grant Program - Year Round	84.011	S011A180013	1,170	-
FY19 Title 1 Migrant Summer	84.011	586-44-0415-4340 F	48,999	39,742
FY20 Year Round Migrant	84.011	586-44-0415-4340 F	44,970	32,310
FY20 Summer Migrant	84.011	S011A190013	14,550	-
			708,541	72,052
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship				
National Resource Center (NRC)	84.015	P015A180131	219,186	-
Foreign Language and Areas Studies Fellowships (FLASF)	84.015	P015B180131	236,281	-
			455,467	-

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Career and Technical Education -- Basic Grants to States Pass-Through Illinois Community College Board Transitional Math - CTE	84.048	F-NIU-CTE19	\$ 3,182	\$ -
Pass-Through Illinois Community College Board Bending the Curve: Early Indicators of Community College Student Success	84.048	CTE-NIU-20	27,965	-
			<u>31,147</u>	<u>-</u>
Rehabilitation Long-Term Training Preparation of Vision Rehabilitation Therapists and Orientation & Mobility Specialists to Prepare Individuals with Visual Disabilities	84.129	H129P190012.1.1&2.1	129,457	-
			<u>129,457</u>	<u>-</u>
Migrant Education_Coordination Program Pass-Through Illinois State Board of Education Migrant Education Incentive Grant Summer 2019	84.144	586-44-0419-4341 F	1,663	-
			<u>1,663</u>	<u>-</u>
Rehabilitation Services Demonstration and Training Programs: Preparing the USA for the UEB: A Massive Open Online Course for Personnel Providing Vocational Rehabilitation Services or Educational Services to You G1B66771	84.235	H235E140006	14,858	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities Program for Training of Teachers and Orientation and Mobility Instructor Project Prevent and Address Bullying (PPAB) for Student with Disabilities: A Multitiered Behavioral Framework	84.325	H325K130217	73,108	-
Preparing new teachers of students with visual impairments	84.325	H325K150309	226,906	-
Project Fusion: Bringing Together Scholars in Teacher of the Visually Impaired and	84.325	H325K160016	239,146	-
			154,639	-
			<u>693,799</u>	<u>-</u>
Child Care Access Means Parents in School CCAMPIS 2018	84.335	P335A180233	136,187	-
Mathematics and Science Partnerships Northern Illinois STEM Ready (NISR)	84.366 *	S366B160014	1,129,725	126,852
Improving Teacher Quality State Grants Pass-Through Illinois Community College Board Bridging the Gap	84.367	BTGNIU18	2,978	-
Preschool Development Grants Pass-Through Illinois State Board of Education Preschool Development Grant - Expansion	84.419	MY 18448	72,953	9,478
TOTAL DEPARTMENT OF EDUCATION			<u>3,377,481</u>	<u>208,382</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Environmental Public Health and Emergency Response A Comprehensive Public Health Approach to Asthma Control Through Evidence-Based Interventions	93.070	03203001H	47,385	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance B-SAFER at NIU	93.243	SM062531	36,410	-
Pass-Through Winnebago County Regional Planning & Development Research and Evaluations of the Winnebago County Adult Drug Court Program	93.243	1H79TI081068-01	46,810	-
			<u>83,220</u>	<u>-</u>
Every Student Succeeds Act/Preschool Development Grants Pass-Through Illinois State Board of Education Early Childhood Cost Modeling	93.434	ISBE2020	2,154	-
Affordable Care Act (ACA) - Consumer Assistance Program Grants Pass-Through Altarum Institute MACRA: Quality Improvement Direct Technical Assistance	93.519	HHSM-500-2017-0004C	169,744	-
MACRA: Quality Improvement Direct Technical Assistance	93.519	HHSM-500-2017-0004C	109,281	-
			<u>279,025</u>	<u>-</u>
Child Abuse and Neglect Discretionary Activities IL Domestic Violence Co-Location Program - Program Assistant Contract	93.670	3083	34,380	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>446,164</u>	<u>-</u>
TOTAL OTHER PROGRAMS			<u>4,551,641</u>	<u>385,737</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 149,364,805</u>	<u>\$ 686,922</u>

*Cluster, program, or award tested as a major program.
 See accompanying independent accountants' report.

Note 1 Significant Accounting Policy

The accompanying Schedule of Expenditures of Federal Awards (Schedule) of Northern Illinois University (University) has been prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule does not purport to present the results of operations or the net income or loss for the respective period as would a statement of income or a statement of revenues and expenses. Pass-through entity identifying numbers are presented on the Schedule where available.

Note 2 Nature of Programs

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies and departments of the federal government and all sub-awards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. The U.S. Department of Education has been designated as the University's overall cognizant agency for the audit performed in accordance with the requirements of the Uniform Guidance. The U.S. Department of Health and Human Services has been designated as the University's cognizant agency for the Facilities and Administrative Cost Rates. The University did not receive federal noncash assistance during the fiscal year ended June 30, 2020. No federal insurance was received by the University during the year ended June 30, 2020.

Note 3 Cost Allocation

The University has a plan for allocation of common and indirect costs related to grant programs in accordance with Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The University allocates amounts to grant programs using an indirect cost rate based on a federally negotiated indirect cost rate agreement, and therefore does not use the 10 percent de minimis rate provided for under the Uniform Guidance.

Note 4 Reconciliation of the Schedule of Expenditures of Federal Awards to the Statement of Revenues, Expenses, and Changes in Net Position

The following is a reconciliation of total expenditures as reported on the accompanying Schedule of Expenditures of Federal Awards to the operating revenue item of federal and state grants and other contracts and the nonoperating revenue item of Pell grants on the Statement of Revenues, Expenses, and Changes in Net Position included in the University's financial statements:

	<u>(in Thousands)</u>
Total expenditures as reported in the Schedule of Expenditures of Federal Awards	\$ 149,365
Remove the following:	
Federal Perkins Loan Program, Beginning Fund Balance	(6,022)
Federal Perkins Loan Program, New Loans	-
Federal Direct Loans Program	(89,667)
Add the following:	
Direct state grants/contracts	<u>12,575</u>
Total federal and state grants and other contracts, FSEOG, and Pell Grants revenues as reported in the Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 66,251</u></u>

Note 5 Federal Student Loan Program

During the fiscal year ended June 30, 2020, the University issued new loans to students under the Federal Direct Student Loan Program (FDSLPL). The loan program includes subsidized and unsubsidized Stafford Loans, Parents' Loans for Undergraduate Students (PLUS), and PLUS Loans for graduate and professional students. The value of loans issued for the FDSLPL is based on disbursed amounts. The loan amounts issued during the year are disclosed on the Schedule. The University is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the University's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the University at June 30, 2020.

The Federal Perkins loan program is directly administered by the University and was considered a revolving loan program whereby collections received on past loans, including interest, is loaned out to current students. The beginning balance on these loans are disclosed in the Schedule. The outstanding balance at June 30, 2020 was \$5,142,000. There were no new loans issued through the Federal Perkins Loan Program during the year ended June 30, 2020. Loans outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule.

While institutions cannot make new loan advances, institutions may continue servicing their Perkins Loan portfolio and may choose to liquidate by assigning all loans to the Department of Education at any time in the future. NIU has selected to service the portfolio and will re-evaluate not less than annually.

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Schedule of Appropriations, Expenditures, and Lapsed Balances

Fourteen Months Ended August 31, 2020

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2020	Lapse Period Expenditures July 1 to August 31, 2020	Total Expenditures	Balances Lapsed
Public Act 101-0007					
EDUCATION ASSISTANCE FUND - 0007					
Public Act 101-0007					
Lump sum appropriation	\$ 87,804,400	\$ (87,804,400)	\$ -	\$ (87,804,400)	\$ -
TOTAL EDUCATION ASSISTANCE FUND	87,804,400	(87,804,400)	-	(87,804,400)	-
STATE COLLEGE AND UNIVERSITY TRUST FUND - 0417					
Public Act 101-0007					
Scholarship fund	36,000	(20,450)	-	(20,450)	15,550
TOTAL STATE COLLEGE AND UNIVERSITY TRUST FUND	36,000	(20,450)	-	(20,450)	15,550
TOTAL APPROPRIATIONS	\$ 87,840,400	\$ (87,824,850)	\$ -	\$ (87,824,850)	\$ 15,550

Note 1: Public Act 101-0007 signed into law on June 5, 2019 provides a lump sum appropriation for fiscal year ending June 30, 2020.

Note 2: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of June 30, 2020, and have been reconciled to University records.

See accompanying independent accountants' report.

**A Component Unit of the State of Illinois
COMPLIANCE REPORT
Comparative Schedule of Net Appropriations, Expenditures,
and Lapsed Balances
For the Year Ended June 30, 2020 and 2019**

	Fiscal Years	
	2020	2019
	PA101-0007	PA100-0586
Education Assistance Fund - 0007		
Appropriations (net after transfers)	\$ 87,804,400	\$ 83,623,200
Expenditures		
Personal services	(83,157,026)	(79,027,074)
Contributions to Social Security and Medicare	(1,106,074)	(1,054,826)
Contractual services	-	-
CMS health insurance	(3,541,300)	(3,541,300)
Commodities	-	-
Equipment	-	-
Telecommunication services	-	-
Automotive	-	-
Total expenditures	<u>(87,804,400)</u>	<u>(83,623,200)</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>
State College and University		
Trust Fund - 0417		
Appropriations (net after transfers)	\$ 36,000	\$ 36,000
Expenditures		
Scholarship Grant Awards	(20,450)	(23,823)
Lapsed Balances	<u>\$ 15,550</u>	<u>\$ 12,177</u>
Grand Total - All Funds		
Appropriations (net after transfers)	\$ 87,840,400	\$ 83,659,200
Total expenditures	<u>(87,824,850)</u>	<u>(83,647,023)</u>
Lapse balances	<u>\$ 15,550</u>	<u>\$ 12,177</u>

Note 1: Public Act 101-0007 signed into law on June 5, 2019 provides a lump sum appropriation for fiscal year ending June 30, 2020.

Note 2: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of June 30, 2020 and have been reconciled to University records.

See accompanying independent accountants' report.

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Comparative Schedule of Net Expenditures by Major Activity

For the Year Ended June 30, 2020 and 2019

EXPENDITURE STATISTICS**All State Treasury Funds**

	<u>2020</u>	<u>2019</u>
Total Operations Expenditures:	\$ 87,804,400	\$ 83,623,200
Percentage of Total Expenditures:	100.0%	100.0%
Personal Services	83,157,026	79,027,074
Other Payroll Costs	4,647,374	4,596,126
Total Awards and Grants Expenditures:	\$ 20,450	\$ 23,823
Percentage of Total Expenditures:	0.0%	0.0%
GRAND TOTAL - ALL EXPENDITURES:	<u>\$ 87,824,850</u>	<u>\$ 83,647,023</u>

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

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

See accompanying independent accountants' report.

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Comparative Schedule of Income Fund Revenues and Expenses
For the Year Ended June 30, 2020 and 2019

	2020	2019
Income Fund Revenues		
Tuition and fees, net of waivers	\$ 148,995,661	\$ 151,560,888
Lab and other fees	1,200,101	1,161,162
Other	1,885,105	162,067
Transfer in from local funds	3,523,235	1,007,487
	<u>\$ 155,604,102</u>	<u>\$ 153,891,604</u>
Income Fund Expenses		
Personal services	\$ 87,690,608	\$ 85,972,504
FICA/Medicare	1,287,955	1,251,381
Unemployment compensation benefits	58,097	19,151
Group insurance	(633,970)	(1,205,465)
Contractual services	38,736,113	43,111,029
Travel	756,590	1,217,712
Commodities	1,976,224	2,771,660
Equipment and library books	5,641,197	6,778,044
Telecommunications	317,113	733,747
Automotive	415,642	474,847
Award/grants and matching funds	6,606,478	4,832,040
Permanent improvements	683,751	784,463
Transfers out for nonrevenue bond debt service	5,488,628	5,511,392
Expense Subtotal	<u>149,024,426</u>	<u>152,252,505</u>
GASB No. 35 Adjustments		
Depreciation Expense	4,721,097	3,937,059
Capital asset additions/disposals	<u>(1,908,274)</u>	<u>(4,123,892)</u>
GASB No. 35 Adjustments Total	<u>2,812,823</u>	<u>(186,833)</u>
Total Income Fund Expenses	<u>\$ 151,837,249</u>	<u>\$ 152,065,672</u>

Note 1: Income fund revenues and expenses are reported gross of scholarship discounts, except those due to tuition and fee waivers.

Note 2: The University expanded the number of revenue lines disclosed for added clarity.

Note 3: GASB Statement No. 35 expense adjustments are reported separately to allow the University's income fund expenses to be shown on the same basis as other state agencies.

Note 4: Certain amounts in the 2019 column have been reclassified to conform to the 2020 presentation.

See accompanying independent accounts' report.

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Condensed Financial Information

Balance Sheet

Educational Activities

June 30, 2020

	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services	Total
Assets					
Current fund:					
Cash and cash equivalents	\$ 4,813,743	\$ 10,119,720	\$ 6,531,798	\$ -	\$ 21,465,261
Accounts receivable	93,009	262,266	473,224	448,136	1,276,635
Inventories	-	-	-	-	-
Other assets	30,357	125,368	129,474	292,719	577,918
Subtotal current fund	4,937,109	10,507,354	7,134,496	740,855	23,319,814
Plant fund					
Plant fund assets	41,512	636,280	281,778	820,672	1,780,242
Total assets	\$ 4,978,621	\$ 11,143,634	\$ 7,416,274	\$ 1,561,527	\$ 25,100,056
Liabilities					
Accounts payable and accrued expenses	\$ 136,772	\$ 1,688,067	\$ 1,357,978	\$ 56,306,320	\$ 59,489,137
Unearned revenue	94,670	86,228	84,636	4,524,973	4,790,507
Subtotal liabilities	231,442	1,774,295	1,442,614	60,831,293	64,279,644
Fund balances					
Current fund	4,705,667	8,733,059	5,691,882	(60,090,438)	(40,959,830)
Plant fund	41,512	636,280	281,778	820,672	1,780,242
Subtotal fund balances	4,747,179	9,369,339	5,973,660	(59,269,766)	(39,179,588)
Total liabilities and fund balances	\$ 4,978,621	\$ 11,143,634	\$ 7,416,274	\$ 1,561,527	\$ 25,100,056

See accompanying independent accountants' report.

A Component Unit of the State of Illinois
COMPLIANCE REPORT
 Condensed Financial Information (continued)
 Schedule of Revenues, Expenditures, and Changes
 in Current and Plant Fund Balances
 Educational Activities (continued)
 For the Year Ended June 30, 2020

	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services	Total
Current fund					
Beginning current fund balances	\$ 5,033,667	\$ 9,357,986	\$ 6,445,450	\$ (43,941,835)	\$ (23,104,732)
Revenues	2,090,439	10,851,059	6,654,826	24,697,549	44,293,873
Expenditures	(2,332,531)	(11,628,950)	(6,654,184)	(41,613,735)	(62,229,400)
Transfers	(85,908)	152,964	(754,210)	767,583	80,429
Ending current fund balances	\$ 4,705,667	\$ 8,733,059	\$ 5,691,882	\$ (60,090,438)	\$ (40,959,830)
Plant fund					
Beginning plant fund balances	\$ 43,818	\$ 498,553	\$ 291,989	\$ 768,949	\$ 1,603,309
Revenues	3,002	212,451	42,168	174,651	432,272
Expenditures	(5,308)	(74,724)	(52,379)	(122,928)	(255,339)
Ending plant fund balances	41,512	636,280	281,778	820,672	1,780,242
Total fund balances	\$ 4,747,179	\$ 9,369,339	\$ 5,973,660	\$ (59,269,766)	\$ (39,179,588)

See accompanying independent accountants' report.

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Condensed Financial Information (continued)

Balance Sheet

Auxiliary Business Operations, Service Departments,
and Indirect Cost Support

June 30, 2020

	Auxiliary Business Operations	Service Departments	Indirect Cost Support	Total
Assets				
Current fund:				
Cash and cash equivalents	\$ 5,847,758	\$ 6,008,083	\$ -	\$ 11,855,841
Accounts receivable	172,790	272,395	140,749	585,934
Inventories	8,745	1,478,636	-	1,487,381
Other assets	86,961	683,091	44,943	814,995
Subtotal current fund	6,116,254	8,442,205	185,692	14,744,151
Plant fund				
Plant fund assets	195,073	5,606,069	1,686,440	7,487,582
Total assets	\$ 6,311,327	\$ 14,048,274	\$ 1,872,132	\$ 22,231,733
Liabilities				
Accounts payable and accrued expenses	\$ 148,081	\$ 8,641,601	\$ 6,186,082	\$ 14,975,764
Unearned revenue	1,858,617	6,844	-	1,865,461
Subtotal liabilities	2,006,698	8,648,445	6,186,082	16,841,225
Fund balances				
Current fund	4,109,556	(206,240)	(6,000,390)	(2,097,074)
Plant fund	195,073	5,606,069	1,686,440	7,487,582
Subtotal fund balances	4,304,629	5,399,829	(4,313,950)	5,390,508
Total liabilities and fund balances	\$ 6,311,327	\$ 14,048,274	\$ 1,872,132	\$ 22,231,733

See accompanying independent accountants' report.

A Component Unit of the State of Illinois
COMPLIANCE REPORT
 Condensed Financial Information (continued)
 Schedule of Revenues, Expenditures, and Changes
 in Current and Plant Fund Balances
 Auxiliary Business Operations, Service Departments,
 and Indirect Cost Support (continued)
 For the Year Ended June 30, 2020

	Auxiliary Business Operations	Service Departments	Indirect Cost Support	Total
Current Fund				
Beginning current fund balances	\$ 6,367,772	\$ 2,002,530	\$ (3,273,456)	\$ 5,096,846
Revenues	6,638,604	13,870,424	1,308,563	21,817,591
Expenditures	(5,385,439)	(16,079,194)	(4,196,062)	(25,660,695)
Transfers	(3,511,381)	-	160,565	(3,350,816)
Ending current fund balances	\$ 4,109,556	\$ (206,240)	\$ (6,000,390)	\$ (2,097,074)
Plant Fund				
Beginning plant fund balances	\$ 9,261	\$ 6,791,650	\$ 1,739,516	\$ 8,540,427
Revenues	191,262	594,280	174,457	959,999
Expenditures	(5,450)	(1,779,861)	(227,533)	(2,012,844)
Transfers	-	-	-	-
Ending plant fund balances	195,073	5,606,069	1,686,440	7,487,582
Total fund balances	\$ 4,304,629	\$ 5,399,829	\$ (4,313,950)	\$ 5,390,508

See accompanying independent accountants' report.

A Component Unit of the State of Illinois
COMPLIANCE REPORT
 Condensed Financial Information (continued)
 Balance Sheet
 Auxiliary Enterprises - Debt Financed Projects
 June 30, 2020

	Student Housing Public Private Partnership		Student Housing Revenue Bond Funds			Total
	Residence Halls	Residence Halls	Student Services	Recreation Facilities	Parking	
Assets						
Current fund:						
Cash and cash equivalents	\$ -	\$ 77,369,040	\$ 9,389,021	\$ -	\$ 455,596	\$ 87,213,657
Accounts receivable	206,628	2,259	281,333	1,520	45,273	537,013
Inventories	-	310,848	45,634	-	-	356,482
Other assets	68,821	980,542	110,158	7,720	8,892	1,176,133
Due from plant fund	-	-	-	-	-	-
Subtotal current fund	275,449	78,662,689	9,826,146	9,240	509,761	89,283,285
Plant fund						
Accounts receivable	-	-	-	-	-	-
Prepaid insurance	-	2,041,484	-	-	-	2,041,484
Deferred loss on refunding	-	-	-	-	-	-
Restricted cash and investments	-	1,287,683	-	-	-	1,287,683
Land, buildings & equipment	103,966,513	63,331,289	35,220,474	31,608,741	1,328,531	235,455,548
Subtotal plant fund	103,966,513	66,660,456	35,220,474	31,608,741	1,328,531	238,784,715
Total assets	\$ 104,241,962	\$ 145,323,145	\$ 45,046,620	\$ 31,617,981	\$ 1,838,292	\$ 328,068,000
Liabilities						
Current fund:						
Accounts payable and accrued expenses	\$ 11,110,369	\$ 4,351,034	\$ 930,420	\$ 1,542,893	\$ 136,256	\$ 18,070,972
Unearned revenue	203,728	1,709,979	1,211,636	1,477,380	-	4,602,723
Subtotal current fund	11,314,097	6,061,013	2,142,056	3,020,273	136,256	22,673,695
Plant fund						
Accounts payable and accrued expenses	2,099,913	1,709,086	-	-	-	3,808,999
Due to current fund	-	-	-	-	-	-
Debt	127,444,474	179,172,437	-	-	-	306,616,911
Subtotal plant fund	129,544,387	180,881,523	-	-	-	310,425,910
Total liabilities	140,858,484	186,942,536	2,142,056	3,020,273	136,256	333,099,605
Fund balances						
Current fund	(11,038,648)	72,601,676	7,684,090	(3,011,033)	373,505	66,609,590
Plant fund	(25,577,874)	(114,221,067)	35,220,474	31,608,741	1,328,531	(71,641,195)
Total fund balances	(36,616,522)	(41,619,391)	42,904,564	28,597,708	1,702,036	(5,031,605)
Total liabilities and fund balances	\$ 104,241,962	\$ 145,323,145	\$ 45,046,620	\$ 31,617,981	\$ 1,838,292	\$ 328,068,000

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Condensed Financial Information (continued)

Schedule of Revenues, Expenditures, and Changes

In Current and Plant Fund Balances

Auxiliary Enterprises - Debt Financed Projects (continued)

June 30, 2020

Schedule of Revenue, Expenditures and Changes in Current and Plant Fund Balances	Student Housing Public Private Partnership		Student Housing Revenue Bond Funds			Total
	Residence Halls	Residence Halls	Student Services	Recreation Facilities	Parking	
Current fund:						
Beginning fund balances	\$ (7,744,003)	\$ 66,841,543	\$ 8,094,457	\$ (943,764)	\$ 1,066,782	\$ 67,315,015
Revenues	1,616,817	36,962,794	(2,323,144)	4,092,332	1,653,692	42,002,491
Expenditures	(2,605,679)	(27,739,406)	(6,131,532)	(4,309,101)	(1,922,198)	(42,707,916)
Transfers	(2,305,783)	(3,463,255)	8,044,309	(1,850,500)	(424,771)	-
Ending current fund balances	\$ (11,038,648)	\$ 72,601,676	\$ 7,684,090	\$ (3,011,033)	\$ 373,505	\$ 66,609,590
Plant fund:						
Beginning fund balances	\$ (24,600,693)	\$ (96,231,872)	\$ 27,778,447	\$ 33,595,871	\$ 1,422,190	\$ (58,036,057)
Revenues	10,627,496	564,023	8,562,890	24,357	-	19,778,766
Expenditures	(11,604,677)	(18,553,218)	(1,120,863)	(2,011,487)	(93,659)	(33,383,904)
Transfers	-	-	-	-	-	-
Ending plant fund balances	(25,577,874)	(114,221,067)	35,220,474	31,608,741	1,328,531	(71,641,195)
Total fund balances	\$ (36,616,522)	\$ (41,619,391)	\$ 42,904,564	\$ 28,597,708	\$ 1,702,036	\$ (5,031,605)

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE REPORT
Schedule of Changes in Property
For the Year Ended June 30, 2020 and 2019

Schedule 9

	Balance				Balance
	June 30, 2019	Additions	Transfers	Deductions	June 30, 2020
Land	\$ 19,280,619	\$ -	\$ -	\$ -	\$ 19,280,619
Land improvements	92,465,815	-	586,781	-	93,052,596
Buildings	716,899,633	-	23,164,777	-	740,064,410
Leasehold Improvements	431,320	-	-	-	431,320
Equipment	239,448,241	3,753,101	-	(4,201,326)	239,000,016
Intangible assets	3,820,547	-	-	-	3,820,547
Construction in progress	19,056,329	12,399,290	(23,751,558)	(197,125)	7,506,936
Totals	\$ 1,091,402,504	\$ 16,152,391	\$ -	\$ (4,398,451)	\$ 1,103,156,444

Note 1: This summary schedule was prepared using State property records required by the Illinois Administrative Code (Code). The capitalization policy in the Code is different than the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles.

See accompanying independent accountants' report.

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Analysis of Indirect Cost Reimbursements

Sources and Applications of Indirect Cost Reimbursements

For the Year Ended June 30, 2020

Balance, beginning of year	\$ (3,273,456)
Sources	
Sales and services of educational activities	191,678
Other sources	255,746
Auxiliary enterprises	325,635
State appropriations - on-behalf payments	<u>535,504</u>
Total sources	1,308,563
Applications	
Research	2,679,570
Instruction	36,656
Public service	2,459
Academic support	597,341
Student services	6,165
Operation and maintenance of plant	66,350
Institutional support	802,086
Student aid	<u>5,435</u>
Total applications	<u>4,196,062</u>
Transfers	<u>160,565</u>
Net increase/(decrease)	<u>(2,726,934)</u>
Balance, end of year	<u><u>\$ (6,000,390)</u></u>

See accompanying independent accountants' report.

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Schedule of Federal, Nonfederal Expenses, and New Loans

For the Year Ended June 30, 2020 (Accrual Basis)

(Expressed in Thousands)

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA schedule	\$ 149,365	
Total new loans made not included on SEFA schedule	-	*
Amount of federal loan balances at beginning of the year (not included on the SEFA schedule) and continued compliance required	-	*
Administrative cost allowance on federal loan programs (not included on SEFA schedule)	-	*
Other noncash federal award expenditures (not included on SEFA schedule)	-	
Total Schedule A	<u>\$ 149,365</u>	

Schedule B - Total Financial Component

Total operating expenses (from financial statements)	\$ 515,382
Total nonoperating expenses and losses (from financial statements)	19,974
Total new loans made	89,667
Amount of federal loan balances at beginning of year	<u>6,022</u>
Total Schedule B	<u>\$ 631,045</u>

Schedule C

	<u>Amount</u>	<u>Percent</u>
Total Schedule A	\$ 149,365	23.7%
Total nonfederal expenses	<u>481,680</u>	<u>76.3%</u>
Total Schedule B	<u>\$ 631,045</u>	<u>100%</u>

* Loan amounts and associated cost allowances (which reduced expense amounts reported in the financial statements) are included on the SEFA schedule.

These schedules are used to determine the University's single audit costs in accordance with the Uniform Grant Guidance.

See accompanying independent accountants' report.

NIU Vision, Mission, and Values

Northern Illinois University's vision is to be an engine for innovation to advance social mobility; promote personal, professional and intellectual growth; and transform the world through research, artistry, teaching and outreach.

The mission of Northern Illinois University is to empower students through educational excellence and experiential learning as we pursue knowledge, share our research and artistry, and engage communities for the benefit of the region, state, nation and world.

In pursuing our vision and fulfilling our mission, we value and practice:

- Curiosity and creativity
 - We provide our students active learning experiences
 - We champion innovation
 - We commit our resources to supporting students, faculty and staff in their research, artistry and professional development
- Equity and inclusion
 - We seek and are strengthened by the diverse perspectives and experiences of our university community members
 - We use an inclusive decision-making process
 - We appreciate and respect every member of our community
- Ethics and integrity
 - We prepare our students to become global leaders who work to build a better society
 - We model ethical behavior in and out of the classroom
 - We are transparent and accountable to our stakeholders
- Service and stewardship
 - We serve society and confront local, national and global challenges through collaborations that improve our learning, teaching and research
 - We make accessible the knowledge and resources we create
 - We promote our students' success through advising and mentoring

These statements were updated and approved by the NIU Board of Trustees in March 2019.

Governing Board Priorities/Presidential Goals

The processes associated with university shared governance and resource allocation are most effective, when the institutional mission and the goals of the president are in alignment. Moreover, sharing such goals with the university community encourages a culture of transparency and accountability. In collaboration, the Board and the President used these priorities to establish presidential goals, and associated criteria for success [<https://www.niu.edu/president/priorities/index.shtml>]. These priorities and goals are detailed below. They provided a strategic framework to guide university planning and budget functions in FY2021.

Fiscal Year 2021 Goals for Northern Illinois University and President Lisa Freeman

Background/Introduction

Since March 2020, the faculty, staff and students at NIU have dealt with the immense changes, both personal and professional, caused by COVID-19. Although NIU will continue to respond to this disruption, we must now look beyond the present to position NIU for future success. The FY21 goals articulate how we will do so over the next year.

These goals were created in alignment with NIU's mission, vision and values as well as with the Strategic Action Planning Framework presented to the Board of Trustees and university community in FY20. Together, they emphasize the following six themes: empowerment and shared responsibility; student recruitment, student success and student experience; academic excellence and curriculum innovation; diversity, equity and inclusion; research, artistry and engagement; and resource development and fiscal responsibility.

The goals reflect feedback received from the university community, including opportunities to position NIU to recover from the financial shock of the pandemic and emerge stronger. They connect cost containment and investment decisions to our enduring commitments to strategic enrollment management, equity in attainment, inclusive academic excellence and a robust research and innovation portfolio.

Additionally, the FY21 goals were constructed recognizing that NIU's dedicated faculty and staff are already balancing extraordinary responsibilities in a demanding time. The intention is not only to direct focus to the university's most essential priorities, but also to encourage members of our community to set aside or suspend less-essential activities.

As a research institution, NIU appreciates the breadth of approaches to what constitutes evidence in various disciplines. The metrics in this plan reflect the diversity of methodology and include both quantitative (e.g., numerical targets or statistical analysis that measure specific numerical outcomes) and qualitative measures (e.g., focus groups that provide insight on how people experience NIU). The assessment of NIU's success will be guided by effective practice research and expertise about how best to measure progress on our goals.

In this context, as we continue the process of moving to multiyear planning, the university will pursue the actions described below to assess and align programs and functions with NIU's strategic priorities. In some instances, supporting work is already underway due to previously announced workgroups and plans. In others, final action will be taken after further analysis, data collection and collaborative decision-making across departments, colleges and divisions. Unquestionably, the current economic and public health crises are accelerating trends that were already in place, and we must respond.

1. EMPOWERMENT AND SHARED RESPONSIBILITY

Our strategic action planning framework emphasizes our commitments to supporting the development of leaders, communicating transparently and effectively, and creating a culture of shared responsibility. These actions will be heightened in importance as we pivot and expand our focus from crisis response to crisis recovery. To be successful, NIU leaders will need to think beyond this fall and fiscal year to plan for long-term sustainability in an environment that has been significantly and permanently altered by the COVID-19 pandemic.

EMPOWERMENT AND SHARED RESPONSIBILITY GOALS			
	Goal	Metric(s)	Synergies
1A.	Use expertise available through internal and external partnerships to address our organizational need to align decision-making at all levels with the university's strategic priorities, keeping both immediate and long-term goals in mind as we respond to complex, rapidly changing circumstances.	<p>Participation in and assessment of workshops/professional development sessions, and deployment of associated tools and techniques.</p> <p>FY21 deliverables that demonstrate strategic focus, such as multiyear, unit-level plans.</p>	This work will enhance our ability to see new opportunities embedded in present circumstances and enable our success in attaining all other annual and longer-term objectives.
1B.	Continue to identify and revise practices, policies and procedures that need to be transformed, simplified or eliminated.	<p>Development and implementation of simplified administrative and academic processes and workflows in three or more areas prioritized by the university community.</p> <p><i>Note:</i> Areas identified include contract approval; payroll-related procedures including approval and processing of additional pay; classroom scheduling; academic program review; assessment of student learning; and topics historically covered by the Academic Policy and Procedures Manual.</p>	<p>Simplification of work is needed across NIU to alleviate stress, improve productivity and responsiveness, and create opportunities for resource reallocation. These outcomes will</p> <p>enhance our success in attaining all other annual and longer-term objectives.</p>

2. STUDENT RECRUITMENT, STUDENT SUCCESS AND STUDENT EXPERIENCE

We will continue to pursue the goals articulated in NIU's [Strategic Enrollment Management \(SEM\) plan](#), [SEM Accountability Plan](#), and our recently finalized [ILEA Equity plan](#), refreshing the plans as needed to reflect our dynamic environment so that our strategies, tactics and activities continue to support the three overarching SEM goals.

- Strengthen our distinctive identity as a public university that combines educational opportunity with student engagement.
- Achieve student enrollment that respects our mission and values while positioning NIU for fiscal sustainability.
- Support equitable access, opportunity and success for students from diverse backgrounds where [diversity is defined broadly](#).

We will also take specific actions to support the aspirations in NIU’s equity statement:

- Northern Illinois University strives to improve outcomes for all students by identifying and removing barriers that hinder the academic achievement and student experience of historically and currently underserved populations.

STUDENT RECRUITMENT, STUDENT SUCCESS AND STUDENT EXPERIENCE GOALS			
	Goal	Metric(s)	Synergies
2A.	Create an NIU-specific set of social mobility outcomes data to complement our current narrative-driven approach and include outcomes-related content in promotional materials shared with prospective students and families, as well as current and prospective employees, partners and donors.	Development of the social mobility outcomes data set, integration with promotional materials, and deployment by Enrollment Management Marketing and Communications (EMMC) and other units (ex: Career Services; Human Resource Services (HRS); Research and Innovation Partnerships (RIPS); Outreach, Engagement and Regional Development (OERD); and University Advancement) Fall 2021 student enrollment equal to or greater than SEM target of 17,005.	The main driver for this work is unrealized opportunity to reinforce our brand identity and more clearly articulate the value of an NIU education to prospective students and families. However, it should be noted that development of the social mobility dataset will also support our efforts in pursuit of academic excellence and curricular innovation, diversity, equity and inclusion, strategic development of research and engagement initiatives, and fiscal sustainability.
2B.	Maintain focus on closing gaps in degree attainment for low-income, Black and Latinx students using the institutional strategies, objectives and tactics presented in our SEM plan , SEM Accountability Plan , and ILEA Equity plan , and look for additional ways to support NIU equity goals through participation in a	Fall 2021 student enrollment equal to or greater than SEM target of 17,005. Achieve a fall-to-fall retention rate for first-time, full-time students between 76% and 80%, sustaining the progress demonstrated in Fall 2020 when first-year retention rate increased from 72% to 78%, and	Efforts focused on equitable outcomes for students across racial and socioeconomic groups address institutional goals beyond those related to student success, most specifically our strategic goals

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	<p>new state-wide collaboration of public and private sector leaders, “The Equity Working Group for Black Student Access and Success in Illinois Higher Education,” and implementation of our Higher Learning Commission Quality Improvement Project which focuses on student success in gateway courses with a special emphasis on underserved students.</p>	<p>retention rates for Asian, Black and Latinx students each increased by 10 percentage points.</p> <p>Sustaining this progress is consistent with the five-year plan that NIU committed to in 2017 to eliminate achievement gaps in retention rates:</p> <ul style="list-style-type: none"> • Maintain the first-year retention rates for Latinx and Asian American students at or above the institutional average, understanding that “at average” can fluctuate annually by 1% or 2%. • Reduce the first-year retention rate gaps for Black new freshmen to 10% or less within three years, understanding that success will mean consistently staying within 1% to 2% of that range for at least three years. <p>Participate in the “The Equity Working Group for Black Student Access and Success in Illinois Higher Education.”</p> <p>Implement our Higher Learning Commission Quality Improvement Project.</p>	<p>related to diversity, equity and inclusion, resource development and fiscal responsibility.</p>
2C.	<p>Initiate a review of the policies and practices that NIU uses to maintain an environment conducive to</p>	<p>External benchmarking of the model and processes that NIU uses to recognize and allocate resources to student groups and</p>	<p>These analyses are an important first step toward identifying and</p>

	<p>learning and engagement, focusing this year on those used to recognize and allocate resources (including but not limited to funding and space) to student groups and activities; and those used to address academic, residential, student conduct and disciplinary conflicts.</p>	<p>activities, completed and used to recognize and address issues associated with unnecessary complexity, excess risk to the university, or real and perceived inequities.</p> <p>Analysis of institutional data related to student conduct referrals and outcomes, disaggregated by gender, ethnicity and race, completed and then used to recognize and address any issues associated with real and/or perceived inequities in the student conduct pipeline and processes.</p>	<p>addressing any inequity or perceptions of inequity associated with the systems that impact the experience of our diverse students and their organizations.</p> <p>In addition to advancing our strategic priorities related to the student experience, this work will support our commitments to seek and be strengthened by the diverse experiences of our university community members, and relentlessly confront the challenges associated with structural inequity.</p> <p>Moreover, this work is complemented by initiatives described in the ILEA Equity Plan.</p>
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3. ACADEMIC EXCELLENCE AND CURRICULUM INNOVATION

The questions that the university should be using to drive curricular change are broad, and might seem overwhelming: How do we align our academic programs with NIU’s mission, vision, values and strategic priorities? How do we differentiate our programs from competitors’ programs to enhance NIU’s impact and stature? What do we need to stop doing so that we have resources to invest in program enhancement and incentives for curriculum innovation?

The global pandemic provides a compelling reason to be aggressive and imaginative in questioning how effectively our current academic programs are meeting the needs of our undergraduate and graduate students, promoting enriched and dynamic interactions among students and faculty, and addressing the needs of our region, nation and world. We must respond.

Feedback received from students, faculty, staff and administrators suggests that there is genuine desire to reshape the undergraduate academic portfolio to streamline undergraduate degree

offerings; increase the integration and focus of our general education program; reduce course redundancy and the reliance on small courses; and provide clear pathways to graduation. Work to address these issues is in progress through the collaborative efforts of faculty and deans with support from the provost’s office, and the goals will be evident in their multiyear plans.

For our graduate students, we have an ethical obligation to ensure that the graduate programs that we offer recruit students from diverse backgrounds who can successfully complete and enter the career they desire. This means that we must not only understand the graduate experience more fully, but that we must rebalance the graduate program portfolio to eliminate programs that are underperforming and invest in programs that are high quality and in high demand. Our FY21 goals lay groundwork critical to achieving these outcomes.

Across our university, there is also strong interest in rethinking, reframing and reconstructing our undergraduate and graduate curricula to make them more relevant, more inclusive, more interdisciplinary and more integrated with each other. The work to realize these aspirations will not and cannot be completed in the course of one fiscal year, but it must begin. And, the processes employed must allow us to work with speed consistent with the needs of the university, our students, faculty and staff and the communities we serve.

ACADEMIC EXCELLENCE AND CURRICULUM INNOVATION GOALS			
	Goal	Metric(s)	Synergies
3A.	Identify and begin to remove structural barriers that inhibit transdisciplinary scholarship, and discourage curricular innovation and experimentation, appreciating that doing so might also help dismantle systems that contribute to inequitable outcomes for faculty who are Black, indigenous or people of color (BIPOC).	<p>Formal recommendations about ways to remove existing barriers and promote transdisciplinary scholarship and curricular innovation. (The expectation is that these will be developed through collaborative processes with leadership from EVP/Provost, VP Research and Innovation Partnerships, Faculty Senate President and VP Diversity, Equity and Inclusion.)</p> <p>Recommendations used to produce a multiyear strategy and timeline for implementing necessary change.</p>	Academic excellence and innovation are the essence of our work. Our goals related to student recruitment, success, and experience; diversity, equity and inclusion; and research, scholarship, artistry and engagement are critical and synergistic elements for achieving academic excellence and fostering

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3B.	Identify opportunities for strengthening graduate programs and enhancing the graduate student experience.	<p>Metrics for evaluation of graduate programs developed through collaborative efforts of Office of the Provost, deans and graduate faculty.</p> <p>Established plan for collecting and distributing relevant graduate program data.</p> <p>Graduate program assessment and follow-up incorporated into college multiyear plans.</p> <p>Timeline and strategy for acquiring, reviewing and acting on data needed to understand and improve the graduate student experience from recruitment and admissions to degree completion and career placement, with a special emphasis on the experience of BIPOC and international graduate students.</p>	<p>curricular innovation.</p> <p>Our dedication to the academic mission drives our efforts to align resources with strategic priorities and achieve long term financial sustainability.</p>
3C	Leverage lessons learned about course modalities during COVID-19 to position NIU to provide expanded degree opportunities for adult learners and place-bound students and respond to workforce needs of region and state.	<p>Propose two or three streamlined and relevant degree and certificate programs that enable timely completion.</p> <p>In collaboration with external partners, define the target student audience for these programs.</p> <p>Develop and deploy a communications and marketing strategy to also include messaging to students who left NIU prior to degree completion.</p>	

4. DIVERSITY, EQUITY AND INCLUSION

All Huskies strive to live NIU’s commitment to social justice, equity and inclusivity. Those traits are woven throughout our mission, vision and values, underpin our efforts to foster a welcoming

university and inspire us to go beyond to identify, address and eradicate inequitable practices. We have demonstrated our willingness to recognize and remove barriers that disproportionately hinder the academic achievement and student experience of historically and currently underserved populations. For example, we removed consideration of standardized test scores from the general admission and merit scholarship processes; worked to close gaps in degree attainment for low-income, first-generation, African American and Latinx students; required implicit bias training for hiring committees; and instituted cultural competency training for staff and faculty.

To advance social and racial justice we must work to sustain the successes we are seeing from these ongoing efforts, as we continue to examine and question our policies and practices. This approach will help us to focus talent, time and resources on dismantling and rebuilding the systems that will have the greatest impact. We have recently heard from numerous students, faculty and staff members who want to be part of these efforts and including their voices and energy will enhance the success of our efforts to achieve positive change. Accordingly, this year’s goals are informed both by our progress to date and by feedback received from members of our university community.

DIVERSITY, EQUITY AND INCLUSION GOALS			
	Goal	Metric(s)	Synergies
4A.	Expand social justice education and training to include anti-racism training and continue promoting social justice topics and programs that convey NIU’s values and support an environment where Huskies can grow, achieve, serve and transform themselves and their communities.	Design and implementation of anti-racism training. Continued delivery of current social justice programming	We know that our dedication to being welcoming and inclusive to diverse students with different lived experiences resonates with prospective students, high school counselors, current students, staff and faculty and alumni. Thus, it is not surprising that the diversity, equity and inclusion initiatives proposed in this section synergize with the university’s goals related to enhancing student outcomes and experiences, increasing academic excellence, encouraging innovative research, scholarship, artistry and engagement,
4B.	Continue our efforts to increase the recruitment, hiring, retention and professional advancement of diverse faculty, staff and administrators. In addition to sustaining and strengthening the recruitment, retention and onboarding practices that we have found to be effective, we will take action to recognize and remove additional barriers that impede the success of NIU employees who are BIPOC.	Develop and begin to implement professional development and mentoring plans that support the retention and success of BIPOC faculty and staff. Tangible progress made with respect to analysis and revision of the policies, practices and processes used by NIU to evaluate faculty and staff members’ contributions and accomplishments at critical stages of their careers. Specifically, evidence that the EVP/Provost and the VP for Diversity, Equity and Inclusion are working with deans, division	

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		leaders and shared governance groups to examine the standards, assumptions, priorities and processes used to evaluate faculty and staff members' contributions and accomplishments at critical stages of their careers.	achieving fiscal sustainability. In FY21, our work to support our ongoing commitment to equity, inclusivity and social justice will go beyond pursuit of goals 4A-C. We will strive to achieve important, related outcomes detailed elsewhere in this document, especially those focused on equitable outcomes and student experiences for undergraduate and graduate students across racial and socioeconomic groups.
4C.	Create a new webpage that not only highlights NIU's diversity, equity and inclusion goals, but also shares our plans and progress. The intent is to enhance transparency and accountability, as well as to provide a place for members of the Huskie community to become more engaged in this work.	Active webpage that highlights NIU's diversity, equity and inclusion goals, engagement opportunities, action plans and progress; included will be an indicator of NIU progress toward increasing vendor diversity and expenditures under the Business Enterprise Program (BEP) Act, 30 ILCS 585.	

5. RESEARCH, SCHOLARSHIP, ARTISTRY AND ENGAGEMENT

NIU will continue to prepare our students and the communities we serve for a century of change by bringing our resources to bear on complex challenges, such as responding to environmental and ecosystem change and adaptation; advancing technology; preparing for shifting demographics; and interpreting the world around us. We will leverage the university's established and emerging strengths to support opportunities for transdisciplinary research, scholarship, artistry and innovation that contribute to our teaching and service missions; strengthen our designation by Carnegie as a community-engaged institution; and enhance our recognition by the Association of Public and Land-grant Universities (APLU) as an Innovation & Economic Prosperity University.

RESEARCH, SCHOLARSHIP, ARTISTRY AND ENGAGEMENT GOALS			
	University Goal	Metric(s)	Synergies
5A.	Launch a strategic development team comprised of members from the divisions of RIPS, OERD and University Advancement to link university expertise, networks and philanthropy and mobilize collective assets to advance	Formal establishment of the strategic development team. Identification and development of public and private funding opportunities and partnerships (ex: grants, gifts and collaborative relationships) with the potential to advance key	This strategic development team models the creative and collaborative approach being encouraged throughout the university.

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	institutional research, artistry and engagement priorities.	university initiatives- specifically, projects associated with COVID, the Northern Illinois Center for Community Sustainability (NICCS) and/or the Emerging Research Initiatives prioritized by the competitive process initiated and paused in FY20.	The work of this team and the outcomes of its efforts have the potential to accelerate the progress of university priorities beyond research, scholarship, artistry, engagement and innovation, including those associated with student recruitment and student success; academic excellence and curricular innovation; diversity equity and inclusion; and resource development and fiscal responsibility.
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6. RESOURCE DEVELOPMENT AND FISCAL RESPONSIBILITY

In March 2020, the COVID-19 pandemic and the resulting disruption of normal university operations preempted FY21 budget development because of the immediate need to address concerns related to the health and well-being of our students, faculty and staff. Since that time, COVID-19 has continued to present university leadership with mounting uncertainties, while adversely impacting NIU’s financial position. The adverse financial impact of COVID-19 is being felt across our university, and the decisions that NIU makes in FY21 will determine how the university is positioned to recover and emerge stronger. NIU will incorporate lessons learned from the COVID-19 pandemic as we continue to implement our multiyear budget and financial planning processes in support of university priorities.

As we transform our operations, respond to and create change, we will be mindful of the need to make financial decisions that both protect strategic priorities and provide for long-term sustainability. This will mean investing in some areas and cutting back in others. Our immediate and longer-term goals reflect these challenges.

RESOURCE DEVELOPMENT AND FISCAL RESPONSIBILITY GOALS			
	Goal	Metric(s)	Synergies
6A.	Continue to refine and implement a multiyear budget and financial planning process. In recognition of the complex, rapidly changing circumstances associated with the global pandemic, we commit to engaging the	Quarterly budget updates to the Board of Trustees and NIU community.	NIU is committed to making financial decisions that are academically responsive and fiscally responsible.

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	Board of Trustees quarterly to communicate the status and progress toward targets, and to communicating transparently with the university community about the financial health of NIU.		As the university grapples with the unanticipated, pandemic-associated increase in expenses and decrease in revenue, we will avoid risking our strategic priorities.
6B.	Assess and modify our space use and physical footprint in light of our changing needs and in support of other strategic goals.	Effective rationalization for space use, with improved utilization rates. Actions taken to align NIU's physical footprint with evolving academic priorities and economic conditions.	We will work collaboratively across divisions to develop multi-disciplinary solutions to challenges we face.
6C.	Partner with the NIU Foundation to finalize campaign readiness and ensure that the university begins a multiyear fundraising initiative by July 1, 2022.	Achieve \$20 million in total philanthropy. Complete comprehensive case for support. Launch feasibility study no later than October 1, 2021.	Fundraising efforts and campaign priorities will align with the university's strategic action planning framework and support student success; student experiences; academic excellence; equity and inclusion initiatives; research, scholarship, artistry, and engagement.

Strategic Enrollment Management Plan

The University Strategic Enrollment Management Plan (SEM) 2019-2023 provides goals and strategies that will guide our recruitment- and retention-related efforts over the next five years. To view the plan, please see <https://www.niu.edu/enrollment-plan/pdf/strategic-enrollment-plan.pdf> and to view the accountability plan supporting the implementation and prioritization of the Strategic Enrollment Management Plan, please see <https://www.niu.edu/enrollment-plan/pdf/accountability-plan.pdf>.

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Strategic Action Planning Framework

The University Strategic Action Planning Framework provides themes and guiding principles to align actions and pursued outcomes with the University's mission, vision and values. To view the Strategic Action Planning Framework see <https://www.niu.edu/president/pdf/planning-framework.pdf>.

Location, Address, and Head of the University

Lisa C. Freeman, President
Northern Illinois University
DeKalb, Illinois 60115

NORTHERN ILLINOIS UNIVERSITY
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COMPLIANCE REPORT
Description of Accounting Entities (Unaudited)
June 30, 2020

A listing of the University's auxiliary enterprise accounting entities, their purpose, and their sources of revenue as of June 30, 2020 is provided below:

AUXILIARY ENTERPRISES

Debt Financed Projects

Revenue Bond Funds

This entity represents all the activity of the Auxiliary Enterprises Revenue Bond Funds. This includes the student residence halls, student center, recreational facilities, and campus parking. 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 income, student fees, bookstore sales, food service operations, parking fees and fines, and investment 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.

Student Housing - Public Private Partnership

This entity represents the operations of two additional alternative housing facilities, the Northern View Apartments (off-campus) and First Year Residence hall (on-campus) both of which are currently managed by the University, but leased from the facilities owner, CHF-DeKalb, L.L.C., through July 1, 2048. The facilities owner financed construction of these two housing facilities with the proceeds of tax-exempt revenue bonds issued by the Illinois Finance Authority and determines the annual lease payments based on an annual operating budget submitted by the University. This entity is operated separately from the activity of the Auxiliary Enterprises Revenue Bond Funds.

A Revenue Fund has been established to deposit receipts from the rental operations of the facilities as collected, and amounts then disbursed to fund debt service, repairs and maintenance, Trustee expenses, and operational contingencies. Accordingly, the facilities related to this entity are considered restricted assets in accordance with GASB Statement No. 34.

Auxiliary Business Operations

This entity consists of auxiliary services primarily supported by student fees. The sub-entities are:

Lorado Taft - The purpose of this account is to support the operations of the Lorado Taft dormitory and food service. Income is from food sales, dorm rentals, conference fees, and facility use fees.

Student Contract Busing - This is the student campus bus operation. Income is from student fees.

University Health Service - The Health Service provides clinic-type services to University students. It is supported from student fees.

SERVICE DEPARTMENTS

This group of accounts provides service to various University departments on a charge-back basis. Rates are established and reviewed periodically to operate each service department on a break-even basis.

INDIRECT COST SUPPORT

These accounts are supported by indirect cost reimbursements or accounts that receive funding as a by-product of federal grants. The funds pay for administrative costs, physical plant costs, including utilities, and grant proposals.

EDUCATIONAL ACTIVITIES

This entity consists of educational activities primarily supported by program fees. The sub-entities are:

Continuing Education Contract Courses

These activities are established to provide credit courses to individuals and groups external to the institution. Revenues are mainly from tuition for the courses.

Continuing Education and Public Service

These activities are established primarily to provide noncredit services to individuals and groups external to the institution. These activities include community service programs and cooperative extension services. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, and similar noninstructional services to particular sectors of the community.

Sales and Services of Educational Activities

Sales and services of educational activities support instruction and help demonstrate classroom or related educational techniques to students. Revenues are from services or materials furnished which are incidental to the department. Receipts are from testing, cartographic services, book sales, sales of instructional materials, and public opinion services.

Student Programs and Services

These programs are supported by student activity fees, gate receipts from athletic events, and income from concerts and performances sponsored by the Student Association.

In addition to the intercollegiate athletics program, the funds sponsor a variety of student functions, including speakers, acquisition of art objects, artist series, legal assistance, orientation, and grant-in-aid.

NORTHERN ILLINOIS UNIVERSITY**A Component Unit of the State of Illinois****COMPLIANCE REPORT****Analysis of Significant Variations in Account Balances (Unaudited)**

June 30, 2020 and 2019

(in Thousands)

Following are explanations for significant variances between asset and liability accounts reported in the Statement of Net Position in the financial audit report exceeding \$2,000,000 and 10%:

	2020	2019	Increase (Decrease)	Percent Changes	Explanation
Current Assets:					
Cash and cash equivalents	\$ 3,125	\$ 7,941	\$ (4,816)	-61%	Cash and cash equivalents were spent down to subsidize unforeseen lost revenues and expenses incurred as a result of the COVID-19 pandemic.
Investments	34,976	58,550	(23,574)	-40%	Investments were spent down to subsidize unforeseen lost revenues and expenses incurred as a result of the COVID-19 pandemic.
Appropriations receivable from state	15,887	549	15,338	2794%	Appropriation payments were delayed as a result fo the COVID-19 pandemic.
Noncurrent Assets:					
Restricted investments and marketable securities	30,763	48,431	(17,668)	-36%	The decrease is due to the planned spend down of unspent bond proceeds on capital projects.
Current Liabilities:					
Accounts payable and accrued liabilities	37,421	46,809	(9,388)	-20%	The decrease primarily relates to fewer FY20 construction projects at year end resulting in a decrease in accounts payable.
Unearned revenue and grants	4,973	2,014	2,959	147%	The increase is primarily related to the unearned portion of CARES institutional funds received.
Noncurrent Liabilities:					
Performance contracts payable	22,217	25,252	(3,035)	-12%	The decrease is attributed to scheduled payments against debt based on amortization schedules.
Accrued compensated absences	16,372	13,241	3,131	24%	Compensated absences increased due to an increase in unused vacation hours as a result of the COVID-19 pandemic.

See accompanying independent accounts' report

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Analysis of Significant Variations in Revenues (Unaudited)

June 30, 2020 and 2019

(in Thousands)

Following are explanations for significant variances between revenue accounts reported in the Statement of Revenues, Expenses, and Changes in Net Position in the financial audit report exceeding \$2,000,000 and 10%:

	2020	2019	Increase (Decrease)	Percent Changes	Explanation
Sales and service of educational activities	\$ 24,787	\$ 28,539	\$ (3,752)	-13%	The decrease is primarily due to COVID-19 pandemic related impacts on student activity and conference fees.
Auxiliary enterprises	66,334	86,650	(20,316)	-23%	The decrease is primarily due to COVID-19 pandemic related impacts on housing, parking and other related auxiliary services.
On-Behalf for fringe benefits	25,062	31,679	(6,617)	-21%	The decrease is attributed to the decrease in the on-behalf benefit allocation.
Special funding for fringe benefits	75,461	53,736	21,725	40%	The increase is attributed to an increase in the SURS benefit allocation.
Federal and state grants and other contracts	12,911	-	12,911	100%	The increase is attributed to new nonoperating revenues received from the CARES Act and the AIM High program.
Net investment income	2,386	4,856	(2,470)	-51%	The decrease is due to economic changes, decreases in interest rates, and reductions in investment balances due to the COVID-19 pandemic.

See accompanying independent accounts' report

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Analysis of Significant Variations in Expenses (Unaudited)

June 30, 2020 and 2019

(in Thousands)

Following are explanations for significant variances between expense accounts reported in the Statement of Revenues, Expenses, and Changes in Net Position in the financial audit report exceeding \$2,000,000 and 10%:

	2020	2019	Increase (Decrease)	Percent Changes	Explanation
Operation and maintenance of plant	\$ 21,772	\$ 28,036	\$ (6,264)	-22%	The decrease is a result of fewer maintenance projects and a pullback in spending as a result of the COVID-19 pandemic.
Scholarships and fellowships	44,783	32,733	12,050	37%	The increase is attributed to the implementation of new student aid programs during fiscal year 2020.
Interest expense	19,935	22,266	(2,331)	-10%	The decrease is a result of a refunding bond issuance used to refund the remaining balance of the Series 2010 and 2011 bonds.

See accompanying independent accounts' report

NORTHERN ILLINOIS UNIVERSITY

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Analysis of Significant Lapse Period Spending (Unaudited)

For the Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	<u>Percentage Changes</u>
Education Assistance Fund - 0007				
Personal services	\$ -	\$ -	\$ -	-
Commodities	-	-	-	-
Equipment	-	-	-	-
Telecommunication services	-	-	-	-

Note 1: Public Act 101-0007, which was signed into law on June 5, 2019, provided a lump sum for fiscal year 2020 and allowed timely vouchering of expenditures to the State requiring no lapse spending.

See accompanying independent accounts' report

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE REPORT
Comparative Enrollment Statistics (Unaudited)
June 30, 2020 and 2019

Although the size of the new freshmen and new transfer cohorts has stabilized over the past four years, earlier cohorts were markedly larger. As a result, NIU is now graduating the earlier, larger cohorts while bringing in consistently-sized new cohorts. This explains the decreased enrollment at the undergraduate level. Graduate and Law enrollment as remained relatively stable.

	<u>On Campus</u>		<u>Off Campus</u>		<u>Totals</u>	
	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2019</u>
Undergraduate						
Summer	2,453	2,344	367	422	2,820	2,766
Fall	11,894	12,479	237	309	12,131	12,788
Spring	10,812	11,181	272	334	11,084	11,515
Undergraduate Total	25,159	26,004	876	1,065	26,035	27,069
Graduate						
Summer	1,382	1,464	1,304	1,105	2,686	2,569
Fall	3,015	2,717	1,189	1,404	4,204	4,121
Spring	2,951	2,650	1,116	1,351	4,067	4,001
Graduate Total	7,348	6,831	3,609	3,860	10,957	10,691
Professional						
Summer	69	82	-	1	69	83
Fall	274	259	-	1	274	260
Spring	268	239	-	-	268	239
Professional Total	611	580	-	2	611	582
Total	33,118	33,415	4,485	4,927	37,603	38,342

Note:

1. Headcounts as of the 10th day of each semester.
2. Graduate includes Masters, Law (JD), and Doctorate

Full-time Equivalent Enrollment, All Students

	<u>FY 2020</u>	<u>FY 2019</u>
Undergraduate	10,944	10,984
Graduate	2,797	2,795
Total	13,741	13,779

Note:

1. Full time equivalents include full-time plus the full-time equivalent of part-time students. The full-time equivalent of the part-time students is estimated using different factors depending on the type of student enrollment and level of student. The credit hours per semesters baseline for a full-time equivalent of the part-time student enrolled as Undergraduate is 12.0 or more; Graduate is 9.0 or more; and Law is 13.0 or more.
2. Graduate includes Masters, Law (JD), and Doctorate

Degrees Awarded

	<u>FY 2020</u>	<u>FY 2019</u>
Bachelors	3,216	3,440
Masters	1,207	1,371
Law--J.D.	80	85
Doctorate	145	152
Total	4,648	5,048

Note:

1. FY 2020 includes Summer 2019, Fall 2019 and Spring 2020.
2. FY 2019 includes Summer 2018, Fall 2018 and Spring 2019.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Calculation Sheet for Current Excess Funds

Educational Activities (Unaudited)

June 30, 2020

		Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services	Totals
1. Current available funds:						
Cash	A. \$	4,813,743	\$ 10,119,720	\$ 6,531,798	\$ -	\$ 21,465,261
2. Working capital allowance:						
Highest month's expenditures		210,799	1,539,499	605,021	10,665,072	13,020,391
Encumbrances and current liabilities paid in lapse period		136,772	1,688,067	1,357,978	56,306,320	59,489,137
Unearned revenue		94,670	86,228	84,636	4,524,973	4,790,507
Total working capital allowance	B.	<u>442,241</u>	<u>3,313,794</u>	<u>2,047,635</u>	<u>71,496,365</u>	<u>77,300,035</u>
3. Current excess funds:						
Deduct B from A and enter here.	C.	4,371,502	6,805,926	4,484,163	(71,496,365)	(55,834,774)
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.	<u>(3,602,226)</u>	<u>(1,698,369)</u>	<u>(2,075,872)</u>	<u>(2,219,037)</u>	<u>(9,595,504)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund.						<u>\$ (65,430,278)</u>
Excess funds offset calculation						
Buildings	\$	50,436,794	\$ -	\$ -	\$ -	\$ 50,436,794
Maximum rate		5%	5%	5%	5%	5%
Building capital offset		<u>2,521,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,521,840</u>
Equipment	\$	5,401,928	\$ 8,491,845	\$ 10,379,362	\$ 11,095,186	\$ 35,368,321
Maximum rate		20%	20%	20%	20%	20%
Equipment capital offset		<u>1,080,386</u>	<u>1,698,369</u>	<u>2,075,872</u>	<u>2,219,037</u>	<u>7,073,664</u>
Total excess funds offset	\$	<u>3,602,226</u>	\$ <u>1,698,369</u>	\$ <u>2,075,872</u>	\$ <u>2,219,037</u>	\$ <u>9,595,504</u>

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Calculation Sheet for Current Excess Funds (continued)

Auxiliary Business Operations (Unaudited)

June 30, 2020

1.	Current available funds:		
	Add:		
	Cash and cash equivalents	\$	5,847,758
	Total current available funds	A.	5,847,758
2.	Working capital allowance:		
	Add:		
	Highest month's expenditures		1,794,772
	Encumbrances and current liabilities paid in lapse period		148,081
	Unearned revenue		<u>1,858,617</u>
	Working capital allowance	B.	<u>3,801,470</u>
3.	Current excess funds:		
	Deduct B from A and enter here	C.	2,046,288
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.		
	Building offset		(398,738)
	Equipment offset		<u>(149,338)</u>
	Total offset	D.	(548,076)
	Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.		<u>\$ 1,498,212</u>

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Calculation Sheet for Current Excess Funds (continued)

Service Departments (Unaudited)

June 30, 2020

1.	Current available funds:	
	Cash and cash equivalents	A. \$ 6,008,083
2.	Working capital allowance:	
	Highest month's expenditures	6,034,194
	Encumbrances and current liabilities paid in lapse period	8,641,601
	Unearned revenue	<u>6,844</u>
	Total working capital allowance	B. <u>14,682,639</u>
3.	Current excess funds:	
	Deduct B from A and enter here	C. (8,674,556)
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. <u>(8,319,670)</u>
	Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<u>\$ (16,994,226)</u>

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Analysis of Indirect Cost Reimbursements

Calculation Sheet for Indirect Cost Support Carryforward (Unaudited)

June 30, 2020

1. Cash and cash equivalents balance:

Enter the June 30 indirect cost entity balance for cash and cash equivalents:

Add:

Cash and cash equivalents \$ -

2. Allocated reimbursements:

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

\$7,964,914. Enter 30 percent of this amount. 2,389,474

3. Unallocated reimbursements:

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

796,491

4. Encumbrances and current liabilities paid in the lapse period:

Enter the amount of:

Current liabilities 6,186,082

Indirect cost carryforward:

Enter the total of Items 2, 3, and 4 9,372,047

Subtract from Item 1 (9,372,047)

If a positive number results, enter here and remit for deposit in the Income Fund

\$ (9,372,047)

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Auxiliary Enterprises - Debt Financed Projects

Schedule of Indentured Capital Reserves (Unaudited)

June 30, 2020

Replacement cost of buildings	\$ 853,632,918
Replacement cost of equipment	<u>54,387,540</u>
Total replacement cost of buildings and equipment	<u>\$ 908,020,458</u>
Allowable indentured capital reserves:	
5 percent of total replacement cost of buildings	\$ 42,681,646
20 percent of total replacement cost of equipment	10,877,508
Less actual indentured capital reserve at June 30	<u>-</u>
Margin of compliance	<u>\$ 53,559,154</u>

Note 1: Replacement costs shown above were calculated based on provisions of the University Guidelines 1982, as amended in 1997, and the bond indenture, using the original cost of the facilities adjusted for the change in the building cost index as reported in the "Engineering News Record".

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Comparative Employment Statistics (Unaudited)

June 30, 2020 and 2019

	Instructional Activities	Organized Research	Public Service	Academic Support	Student Services	Institutional Support	Operations and Maintenance Physical Plant	Independent Operations	Total All Functions
Year ended June 30, 2020:									
Appropriated funds:									
Facility/administrative	1,186.7	22.2	26.5	102.2	48.9	75.6	3.6	-	1,465.7
Civil service	302.8	21.1	23.3	150.4	83.6	190.4	67.4	-	839.0
Student employees	29.5	0.3	-	9.3	7.6	3.6	1.8	-	52.1
Miscellaneous contracts	5.9	0.3	0.1	4.3	3.9	6.5	0.4	-	21.4
	1,524.9	43.9	49.9	266.2	144.0	276.1	73.2	-	2,378.2
Nonappropriated funds:									
Facility/administrative	37.1	101.5	123.9	13.4	90.2	17.9	1.7	31.4	417.1
Civil service	13.9	14.7	81.2	14.4	44.6	78.3	294.6	175.3	717.0
Student employees	5.3	13.8	7.1	1.6	46.5	7.2	4.3	93.3	179.1
Miscellaneous contracts	4.3	13.8	20.6	1.2	2.8	10.2	13.3	8.7	74.9
	60.6	143.8	232.8	30.6	184.1	113.6	313.9	308.7	1,388.1
Total All Funds	1,585.5	187.7	282.7	296.8	328.1	389.7	387.1	308.7	3,766.3
Year ended June 30, 2019:									
Appropriated funds:									
Facility/administrative	1,239.9	26.4	27.1	130.0	66.7	88.0	4.3	-	1,582.4
Civil service	260.1	16.5	6.8	148.6	75.4	186.5	59.0	-	752.9
Student employees	34.0	0.2	0.1	13.2	12.9	5.1	2.8	-	68.3
Miscellaneous contracts	9.6	0.8	-	4.1	4.7	5.4	-	-	24.6
	1,543.6	43.9	34.0	295.9	159.7	285.0	66.1	-	2,428.2
Nonappropriated funds:									
Facility/administrative	46.8	93.0	144.6	18.4	99.1	23.1	1.7	31.6	458.3
Civil service	8.0	8.7	33.6	23.4	51.7	87.5	310.8	153.1	676.8
Student employees	7.9	16.8	10.1	4.2	63.0	11.3	5.2	116.5	235.0
Miscellaneous contracts	3.0	15.1	15.9	7.1	4.3	8.7	14.6	14.7	83.4
	65.7	133.6	204.2	53.1	218.1	130.6	332.3	315.9	1,453.5
Total All Funds	1,609.3	177.5	238.2	349.0	377.8	415.6	398.4	315.9	3,881.7

Amounts calculated by methods determined by the Illinois Board of Higher Education. Amounts are based on time actually worked. Amounts are Full-Time Equivalents. One FTE equals 1,950 hours worked in a Fiscal Year.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE REPORT
Annual Cost Statistics (Unaudited)
June 30, 2020 and 2019

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

	<u>2020</u>		<u>2019</u>
Total education and general expenses /expenditures from current appropriated funds	\$ 87,824,850 *		\$ 83,647,023 *
Expenses /expenditures from locally held University Income Fund	<u>149,024,424</u>		<u>142,804,641</u>
Total expenses from current appropriated and locally held funds	236,849,274		226,451,664
Twelve month full-time equivalent (FTE) students	÷ <u>14,251</u> **	÷	<u>14,722</u> **
COST PER FULL-TIME EQUIVALENT STUDENT	<u>\$ 16,620</u>		<u>\$ 15,382</u>

* Amount represents direct State appropriations made to the University and does not include payments made on behalf of the University.

** This figure is the final unduplicated FTE enrollment for fiscal year (Summer, Fall, and Spring semesters) as reported to the Integrated Postsecondary Education Data System (IPEDS) using the specific federal definitions.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
COMPLIANCE REPORT
Emergency Purchases (Unaudited)
For the Year Ended June 30, 2020

Following is a list of emergency purchase affidavits filed by the University with the Office of the Auditor General during the year:

Blackboard Transact, Inc. dba Transact Campus, Inc. – Actual Cost: \$118,560.00

This emergency purchase was required due to a situation in which immediate action was needed to prevent any disruption in University services. The University awarded a contract for Campus Identification Card & Point-of-Sale System.

Broadcasters General Store, Inc. – Actual Cost: \$118,457.00

This emergency purchase was required due to a situation in which immediate action was needed to prevent any disruption in University services. The University awarded a contract for Northern Public Radio Transmitter.

Frontier North, Inc. – Actual Cost: \$50,317.17

This emergency purchase was required due to a situation in which immediate action was needed to prevent any disruption in University services. The University awarded a contract for Telephone Trunking Services.

See accompanying independent accountants' report.

Lodging Provided for the Convenience of the Employer

Residence hall directors and complex coordinators are assigned to work in the university-operated residence halls and apartments. The University, as a condition of employment with the residence hall directors and complex coordinators, provides a small apartment within the University housing so they can immediately respond to emergencies occurring during the term of employment. All maintenance and repairs to the apartment, except for intentional damage or gross negligence, is paid for by the University, along with all utility costs in accordance with employees' contract. The University has deemed these apartments for its residence hall directors and complex coordinators as a fringe benefit excluded from taxable income.

The University, as a condition of employment and for the convenience of the University, also provides housing benefits to seasonal education staff at its Lorado Taft campus. The seasonal educational staff are required to be onsite and available between the hours of 7:00 a.m. and 10:00 p.m. due to the limited regularity in the outdoor residential education program. All maintenance and repairs to the housing, except for intentional damage or gross negligence, is paid for by the University, along with all utility costs in accordance with employees' contract. The University has deemed the housing benefits provided to its seasonal education staff as a fringe benefit excluded from taxable income.

Other Lodging

The University Department of Intercollegiate Athletics may offer transitional housing benefits to new hires, including coaches and assistant coaches, for up to 30 days, with additional authorization and approvals required for longer durations. Temporary housing may include an extended stay in a hotel, unfurnished apartment, or similar housing. All transition benefits are considered taxable fringe benefits subject to applicable employment taxes and withholdings.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Analysis of Overtime and Compensatory Time

For the Fiscal Year Ended June 30, 2020 and 2019

(Unaudited)

	Hours Paid/Granted		Value of Hours Paid/Granted	
	2020	2019	2020	2019
Academic Division				
Overtime	2,855	4,342	\$ 74,776	\$ 104,371
Compensatory time	914	1,303	14,701	21,311
Total	3,769	5,645	\$ 89,477	\$ 125,682
Administration & Finance				
Overtime	11,558	13,992	\$ 457,010	\$ 526,658
Compensatory time	887	7,583	38,033	86,407
Total	12,445	21,575	\$ 495,043	\$ 613,065
Central Services				
Overtime	1,675	2,850	\$ 42,833	\$ 70,784
Compensatory time	-	47	-	11
Total	1,675	2,897	\$ 42,833	\$ 70,795
Div Information Technology				
Overtime	2,885	2,524	\$ 108,732	\$ 93,680
Compensatory time	293	368	3,784	8,998
Total	3,178	2,892	\$ 112,516	\$ 102,678
Div Intercollegiate Athletics				
Overtime	559	782	\$ 13,486	\$ 15,497
Compensatory time	214	454	3,714	2,370
Total	773	1,236	\$ 17,200	\$ 17,867
Enrollment Mgmt, Mktg & Comms Div				
Overtime	871	893	\$ 22,125	\$ 21,420
Compensatory time	172	316	2,183	4,291
Total	1,043	1,209	\$ 24,308	\$ 25,711
Office of Diversity				
Overtime	106	105	\$ 4,230	\$ 4,055
Compensatory time	25	-	309	-
Total	131	105	\$ 4,539	\$ 4,055
Outreach Engagemt Regl Dev Div				
Overtime	2,692	3,029	\$ 71,941	\$ 78,526
Compensatory time	387	602	5,170	6,970
Total	3,079	3,631	\$ 77,111	\$ 85,496
Research and Innv Prtnrshp Div				
Overtime	51	40	\$ 1,059	\$ 825
Compensatory time	14	56	441	-
Total	65	96	\$ 1,500	\$ 825
Student Affairs				
Overtime	4,607	7,089	\$ 178,543	\$ 250,431
Compensatory time	4,747	6,293	77,728	101,321
Total	9,354	13,382	\$ 256,271	\$ 351,752
Univ Administrative Services				
Overtime	4,955	5,415	\$ 181,227	\$ 202,532
Compensatory time	687	2,616	18,042	25,256
Total	5,642	8,031	\$ 199,269	\$ 227,788
University Advancement				
Overtime	410	668	\$ 12,163	\$ 19,632
Compensatory time	124	293	3,620	5,578
Total	534	961	\$ 15,783	\$ 25,210
Grand Total - NIU				
Overtime	33,224	41,729	\$ 1,168,125	\$ 1,388,411
Compensatory time	8,464	19,931	167,725	262,513
Total	41,688	61,660	\$ 1,335,850	\$ 1,650,924

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Comparative Schedule of Assaults on Staff (Unaudited)

For the Fiscal Year Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
NIU DeKalb, IL		
On-campus	7	3
Off-campus	<u>1</u>	<u>1</u>
Total	<u>8</u>	<u>4</u>

See accompanying independent accountants' report.

Holmes Student Center – Phase I Redevelopment – DeKalb, Illinois

The University continued progress on the approximately \$21 million renovation of the Holmes Student Center in DeKalb, Illinois. Since the Holmes Student Center opened its doors in 1962, originally called the University Center, it has been a landmark of the University. However, it has not seen significant upgrades in more than 25 years and has not undergone major renovations since it was first built. The first phase of the renovation includes a coffee shop, a convenience store, an updated bookstore, lounge space, space for the Student Association, the Campus Activities Board and a branch office for Student Affairs and a restaurant featuring live entertainment space.

The construction project began in October 2018, and the renovated space opened in October 2019, with the exception of the Qdoba food venue, which was completed in March 2020. As of June 30, 2020, Contractors were completing remaining punch list items and final work items were being reviewed for execution. The project was considered complete.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Debt Financed by University-Related Organization (Unaudited)

For the Year Ended June 30, 2020

The Northern Illinois University Foundation issued bonds in connection with the construction of the Kenneth and Ellen Chessick Practice Center. At June 30, 2020, the amount of outstanding bonds were \$441,300. The bonds were issued at an interest rate of 1.62% and are due March 2021. An 89-month operating lease with the University secured these bonds.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

**Acquisition of Real Estate Costing in Excess of
\$250,000 and Not Funded by a Separate Appropriation (Unaudited)
For the Year Ended June 30, 2020**

During fiscal year 2020, the University and UROs did not purchase any real estate costing in excess of \$250,000.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY**A Component Unit of the State of Illinois****COMPLIANCE REPORT****Summary of Foundation Payments****On Behalf of the University (Unaudited)****For the Year Ended June 30, 2020**

During fiscal year 2020, the University engaged the Northern Illinois University Foundation (the Foundation), under contract, to provide fundraising services. As provided in the contract agreement, the University paid \$744,000 for fundraising services. Additionally, the University provided services to the Foundation valued at \$709,000. As required by the contract, the Foundation fully repaid the University for the services provided; using funds considered unrestricted for purpose of the University Guidelines computations.

Presented below is a summary of all funds that the Foundation provided on behalf of the University during fiscal year 2020:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Program Services				
Scholarships	\$ 2,966,756	\$ -	\$ -	\$ 2,966,756
University Departments and Programs	4,799,345	-	-	4,799,345
Total Program Services	<u>7,766,101</u>	<u>-</u>	<u>-</u>	<u>7,766,101</u>
Foundation Operations				
Management and General Expenses	1,595,913	-	-	1,595,913
Fundraising Expenses	1,347,414	-	-	1,347,414
Total Foundation Operations	<u>2,943,327</u>	<u>-</u>	<u>-</u>	<u>2,943,327</u>
Total funds provided on behalf of the University by the Foundation	<u>\$ 10,709,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,709,428</u>

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY**A Component Unit of the State of Illinois****COMPLIANCE REPORT****Summary of Alumni Association Payments****On Behalf of the University (Unaudited)****For the Year Ended June 30, 2020**

In accordance with a memorandum of understanding between the University and the Alumni Association with regard to funding staffing costs in the alumni relations area, the Alumni Association did not make any contributions during 2020. There were no amounts paid by the University to the Alumni Association.

Presented below is a summary of all funds that the Alumni Association provided on behalf of the University during fiscal year 2020:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Program Services				
Scholarships	\$ 25,950	\$ -	\$ -	\$ 25,950
Events/Programs	299,361	-	-	299,361
Travel Programs	831,754	-	-	831,754
Total Program Services	<u>1,157,065</u>	<u>-</u>	<u>-</u>	<u>1,157,065</u>
Alumni Association Operations				
Management and General Expenses	292,791	-	-	292,791
Total Alumni Operations	<u>292,791</u>	<u>-</u>	<u>-</u>	<u>292,791</u>
Total funds provided on behalf of the University by the Alumni Association	<u>\$ 1,449,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,449,856</u>

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Summary of Research Foundation Payments

On Behalf of the University (Unaudited)

For the Year Ended June 30, 2020

During fiscal year 2020, the University engaged the Northern Illinois Research Foundation (NIRF), under contract, to provide services to aid the University in its economic development, public service/research and educational missions. Presented below is a summary of all funds that the NIRF provided on behalf of the University during fiscal year 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Total Program Services	\$ 670,555	\$ -	\$ 670,555
Total Support Services	214,772	-	214,772
Total funds provided on behalf of the University by the Research Foundation	\$ 885,327	\$ -	\$ 885,327

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Current Unrestricted Funds - Auxiliary Enterprises -

Debt Financed Projects - Occupancy Report

of Residence Halls (Unaudited)

For the Year Ended June 30, 2020

Student Residence Hall	Designed Capacity	Fall Semester Occupancy	Spring Semester Occupancy	Average Occupancy
Neptune Complex	1,138	569	530	550
Gilbert Hall	280	224	193	209
Northern View	239	216	202	209
Grant Towers	1,660	612	538	575
Stevenson Towers	1,280	1,065	904	985
New Hall	1,008	981	912	947
Total Residence Halls	5,605	3,667	3,279	3,475

Student Residence Hall	Rates			
	Single	Double	Suite w/Bath	Suite w/o Bath
Neptune Complex ^{1,2,4}	\$ 11,550	\$ 9,784	\$ -	\$ -
Gilbert Hall ^{1,2,4}	12,646	10,880	-	-
Northern View ^{1,2,3}	11,259	10,098	-	-
Grant Towers ^{1,2,4}	12,646	10,880	-	-
Stevenson Towers ^{1,2,4}	12,646	10,880	10,880	10,880
New Hall ^{1,2,4}	13,656	-	-	-

1. Assumes 9-month occupancy rate
2. Price includes a meal plan (Manually added the cost for a meal plan - \$1,195 per semester, total of \$2,390 - into NVC. It does not come standard in the apartments.)
3. NVC rates include a \$92 technology fee per semester
4. All other residence halls include \$92 Technology fee and \$50 housing surcharge per semester

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Current Unrestricted Funds – Auxiliary Enterprises –

Debt Financed Projects – Insured Value Summary (Unaudited)

For the Year Ended June 30, 2020

The University obtains its property insurance, including boiler and machinery, through the Midwestern Higher Education Compact’s Master Property Program (MHEC MPP). This program provides comprehensive property coverage that is tailored specifically for college campuses while reducing cost and risk for the college’s assets. The University purchases limits of \$1 billion over multiple layers through multiple insurers. State and University self-insurance programs and commercial insurance are in force to provide liability coverage for University operations, including Revenue Bond.

	Insured Value		
	Building	Contents	Business Interruption
Total:	<u>\$ 717,418,688</u>	<u>\$ 47,492,244</u>	<u>\$ 42,115,500</u>

See accompanying independent accountants’ report.

NORTHERN ILLINOIS UNIVERSITY**A Component Unit of the State of Illinois****COMPLIANCE REPORT****Cross-Reference Table of Reporting Requirements (Unaudited)****For the Year Ended June 30, 2020**

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

Reference Number from T. Loobey's Memorandum Dated July 25, 2000, on University Guidelines	Report and Page Number Where Information is Disclosed Supplementary Information for State Compliance Purposes
13a. Violation of University Guidelines, 1982 as Amended	34
13b. Sources and Application of Indirect Cost Reimbursements	64
13c. Calculation Sheet for Indirect Cost Support Carryforward	90
13d. Amount of Tuition Diverted to Auxiliary Enterprise Operations	107
13e. List of Accounting Entity and Description of Sources and Purpose of Revenues	79
13f. Financial Statements for Each Accounting Entity	57
13g. Calculations of Current Excess Funds for Each Accounting Entity	86
13h. Support to Auxiliary Enterprise from State Appropriated Funds	107
13i. Statement of Receipts and Disbursements for Bond Indentures	62
13j. Conformity of Bond Fund Accounting to Terms of Bond Issues	62, 107
13k. List of Noninstructional Facilities Reserves	107
13l. List of Organizations Recognized as University Related Organizations (UROs)	107
13m. Amounts Paid by UROs to the University for Services Provided by the University	101-103
13n. Amounts Paid by the University to UROs for Services Provided by the URO	101-103
13o. Amount of Unreimbursed Subsidies to UROs	107
13p. Debt Financing of UROs	99
13q. Schedule of Cash and Investments Held by the University	Financial Statements pg 33
13r. Allocation Method on Interest from Pooled Investments	107
13s. Costs Per Full-Time Equivalent Student	93
13t. Acquisition of Real Estate by University or URO Greater Than \$250,000 and Not Specifically Funded	100
13u. Issuance of Certificates of Participation (COPs) or Participation in Lease or Purchase Arrangements Involving COPs	107
<u>Other Financial Related Schedules for Universities</u>	
1 Schedule of Appropriations, Expenditures, and Lapsed Balances by Major Line Item	53
2 Schedule of Income Fund Revenues and Expenses	56
3 Schedule of Tuition and Fee Waivers	109

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Comments on Certain Matters (Unaudited)

For the Year Ended June 30, 2020

AUXILIARY ENTERPRISES, ACTIVITIES, AND ACCOUNTING ENTITIES

1. All employer contributions, except for certain restricted federal funds, to the University retirement system are made from the General Revenue Fund appropriation to the State Universities Retirement System for this purpose. Accordingly, the portion of the retirement contribution attributable to employees in auxiliary enterprise operations is paid from appropriated funds and amounted to approximately \$18,040,173 and \$15,878,549 for the years ended June 30, 2020 and June 30, 2019, respectively.
2. The University's governing board has established no noninstructional facilities (development) reserves.

TUITION, CHARGES, AND FEES

Northern Illinois University does not have statutory authority to divert and is not diverting tuition to auxiliary enterprise operations.

BOND COVENANTS

There were no violations of revenue bond covenants noted during the audit of Northern Illinois University for the year ended June 30, 2020.

UNIVERSITY RELATED ORGANIZATIONS

1. Northern Illinois University Foundation, Northern Illinois University Alumni Association, and Northern Illinois Research Foundation are recognized by Northern Illinois University as related organizations.
2. There are no organizations considered by the University to be independent organizations as defined in Section VII of University Guidelines 1982, as amended in 1997.
3. There are no unreimbursed subsidies between the University and its related organizations.

COMMENTS ON OTHER TOPICS

1. Income from investments of pooled funds is allocated and credited monthly to the original sources of the funds based on their respective cash balances.
2. In April 2014, the University issued Certificates of Participation (Capital Improvement Projects) in the amount of \$11,975,000 at a premium of \$1,140,000. The proceeds were used to refinance a 113,000 square foot facility located on the campus of and for the use of Northern Illinois University by redeeming all of the Illinois Development Finance Authority Lease Revenue Bonds (Northern Illinois Naperville Project) Series 1999 in the amount of \$11,630,000 and prepaying an Installment Payment Contract between the Board and Energy Systems Group, LLC in the amount of \$1,182,000. This resulted in approximate savings of \$916,000 in future debt service payments on the old debt. The Series 2014 COPs are payable through installments that commenced in 2015, for a period of eleven years. The interest is 4%-5%; the principal balance at June 30, 2020 is \$6,695,000.
3. On April 1, 2020, the University issued Auxiliary Facilities Systems Refunding Revenue Bonds, Series 2020A and Series 2020B to refund the remaining outstanding balance of the Auxiliary Facilities Systems

NORTHERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

COMPLIANCE REPORT

Comments on Certain Matters (Unaudited)

For the Year Ended June 30, 2020

Revenue Bonds, Series 2010 and Series 2011 as well as to pay for issuance costs associated with the refunding. As a result of the refunding, the University achieved cash flow savings of \$52.1 million and an economic gain on the refunding of \$43.1 million. The Series 2020A interest rate is variable and determined by the Bank Index Rate while the Series 2020B interest rate is fixed with rates ranging from 4.00% to 5.00%. The Series 2020A and 2020B bonds mature in varying amounts from 2021 through 2041.

See accompanying independent accountants' report.

NORTHERN ILLINOIS UNIVERSITY**A Component Unit of the State of Illinois****COMPLIANCE REPORT****Schedule of Tuition and Fee Waivers (Unaudited)****For the Year Ended June 30, 2020****(in Thousands)**

	Tuition Waivers			Fee Waivers		
	Undergraduate	Graduate	Total	Undergraduate	Graduate	Total
Mandatory waivers:						
Teacher/special education	478.5	61.5	540.0	156.5	2.5	159.0
ROTC	221.3	-	221.3	1.6	-	1.6
DCFS	174.8	11.1	185.9	37.2	-	37.2
Children of employees	603.1	-	603.1	-	-	-
Senior citizens	19.2	3.2	22.4	-	-	-
Veterans grants and scholarships	1,505.6	690.7	2,196.3	155.4	72.7	228.1
Mandatory waivers total	3,002.5	766.5	3,769.0	350.7	75.2	425.9
Discretionary waivers:						
Faculty/administrative	9.0	441.9	450.9	3.3	-	3.3
Civil service	225.7	619.6	845.3	55.9	-	55.9
Academic/other talent	1,363.3	2,396.5	3,759.8	-	-	-
Athletic	1,420.8	-	1,420.8	-	-	-
Gender equity in intercollegiate athletics	1,391.3	-	1,391.3	-	-	-
Foreign students	-	172.2	172.2	-	-	-
Cooperating professionals	26.9	889.7	916.6	-	-	-
Research assistants	-	3,100.7	3,100.7	-	-	-
Teaching assistants	-	6,375.8	6,375.8	-	-	-
Interinstitutional/related agencies	22.0	99.0	121.0	-	-	-
Retired university employees	2.1	46.5	48.6	0.7	-	0.7
Children of deceased employees	48.5	-	48.5	10.9	-	10.9
Student need - financial aid	9.5	-	9.5	-	-	-
Student need - special programs	-	39.7	39.7	-	-	-
Other assistants	44.0	1,327.6	1,371.6	-	-	-
Fellowships	-	31.7	31.7	-	-	-
Contract/training grants	-	148.2	148.2	-	-	-
Discretionary waivers total	4,563.1	15,689.1	20,252.2	70.8	-	70.8
Grand Total	7,565.6	16,455.6	24,021.2	421.5	75.2	496.7

See accompanying independent accountants' report.

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