

Chicago State University

A COMPONENT UNIT OF THE
STATE OF ILLINOIS

FEDERAL SINGLE AUDIT

In Accordance with the
Single Audit Act and
Applicable Federal Regulations

FOR THE YEAR ENDED
JUNE 30, 2023

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
University Officials	1
Compliance Report	
Summary	2
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	4
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, and the Schedule of Federal and Nonfederal Financial Activity	6
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results	11
Current Findings - <i>Government Auditing Standards</i>	12
Current Findings - Federal Compliance and Questioned Costs	20
Prior Findings Not Repeated	26
Supplementary Information	
Schedule of Expenditures of Federal Awards	27
Notes to the Schedule of Expenditures of Federal Awards	30
Schedule of Federal and Nonfederal Financial Activity	32
Other Reports Issued Under a Separate Cover	
The Chicago State University’s <i>Financial Audit and State Compliance Examination</i> for the year ended June 30, 2023, were issued under separate covers.	

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2023

UNIVERSITY OFFICIALS

President	Ms. Zaldwaynaka Scott, Esq.
Chief of Staff	Mr. Kim Tran
Interim Provost and V.P. for Academic Affairs	Dr. Leslie Roundtree
V.P., General Counsel, Chief Compliance Officer & V.P. of Legal Affairs	Mr. Jason Carter
CFO & V.P. of Financial Operations (03/22/23 – Present)	Ms. Nicole Latimer-Williams
Interim CFO & V.P. of Financial Operations (10/24/22 – 03/30/23)	Mr. Dennis Stark
CFO & V.P. of Financial Operations (07/01/22– 10/23/22)	Mr. Craig Deutsch
Executive Director/Controller (01/03/24 – Present)	Ms. Evelyn Romero
Executive Director/Controller (11/25/23 – 01/02/24)	Vacant
Executive Director/Controller (07/01/22 – 11/24/23)	Ms. Rona Lagdamen, CPA
Chief Internal Auditor (07/01/23 – Present)	Vacant
Chief Internal Auditor (10/17/22 – 06/30/23)	Mr. Stetson Marshall
Chief Internal Auditor (07/01/22 – 10/16/22)	Ms. Natalie Covello

BOARD OF TRUSTEES

Chair	Ms. Andrea Zopp, Esq.
Vice Chair (01/14/23 – Present)	Vacant
Vice Chair (07/01/22 – 01/13/23)	Mr. Mark Schneider, Esq.
Secretary	Ms. Angelique David
Member (03/07/23 – Present)	Vacant
Member (07/01/22 – 03/06/23)	Mr. Brian Clay, M.D.
Member	Mr. Cory Thames
Member	Ms. Cheryl Watkins
Member	Mr. Jason Quaira
Student Member (07/01/23 – Present)	Mr. James Elam
Student Member (07/01/22 – 06/30/23)	Ms. Essence Smart

UNIVERSITY OFFICE

The University's primary administrative office is located at:

9501 S. King Drive
Chicago, Illinois 60628

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2023

FEDERAL COMPLIANCE REPORT

SUMMARY

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

AUDITOR’S REPORT

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

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Reports</u>
Findings	6	6
Repeated Findings	3	3
Prior Recommendations Implemented or Not Repeated	3	2

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Government Auditing Standards				
2023-001	12	2022/2020	Inadequate Internal Controls over Census Data	Noncompliance and Significant Deficiency
2023-002	16	2022/2020	Weaknesses over Computer Security	Noncompliance and Significant Deficiency
2023-003	18	New	Inadequate Controls to Ensure Compliance with the Illinois Pension Code	Noncompliance and Material Weakness

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2023

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Federal Compliance and Questioned Costs				
2023-004	20	New	Failure to Provide Uniform Resource Locator to the Department of Education	Noncompliance and Significant Deficiency
2023-005	22	2022/2022	Failure to Notify Students and Parents Upon Disbursement of Funds	Noncompliance and Significant Deficiency
2023-006	24	New	Failure to Comply with Established Procurement Procedures	Noncompliance and Significant Deficiency

Prior Findings Not Repeated

A	26	2022/2022	Failure to Obtain Student Verification Documents
B	26	2022/2022	Noncompliance with Special Tests and Provisions – Student Financial Aid Information Security
C	26	2022/2020	Lack of Adherence to Controls and Noncompliance with Requirement Applicable to the Education Stabilization Fund

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Ms. Zaldwaynaka Scott, Esq., President, on March 4, 2024. The responses to the recommendations were provided by Ms. Natalie Covello, Consultant, in a correspondence dated March 13, 2024.



**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Chicago State University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of the Chicago State University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated January 31, 2024. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters of the Chicago State Foundation, a component unit of the University, associated with this component unit that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

In planning and performing our audit of the financial statements, we considered the University's internal control as a basis of 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.

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 were not identified. However, as described in the accompanying Schedule of Findings

as items 2023-001, 2023-002, and 2023-003, we identified certain deficiencies in internal control that we consider to be a material weakness and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings as item 2023-003 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2023-001 and 2023-002 to be significant deficiencies.

Report on 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 items 2023-001, 2023-002, and 2023-003.

University's Responses to the Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's responses to the findings identified in our audit described in the accompanying Schedule of Findings. The University's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

Purpose of this Report

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
January 31, 2024





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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Chicago State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by the Chicago State University (University) with the types of compliance requirements identified as subject to audit 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, 2023. The University's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The University's basic financial statements include the operations of Chicago State Foundation, which is not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2023. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the Chicago State Foundation because we decided to not assume responsibility for, and accordingly make reference to, the audit of the component auditor in our *Independent Auditor's Report* on the University's financial statements.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.



- obtain an understanding of the University’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the University’s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Instances of Noncompliance

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 2023-004 through 2023-006. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the University’s responses to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned Costs. The University’s responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Corrective Action Plan

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

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as described below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2023-004 through 2023-006 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Internal Control Findings

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

Corrective Action Plan

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Report on the Schedule of Federal and Nonfederal Financial Activity

We have audited the financial statements of the business-type activities, the fiduciary activities, and the discretely presented component unit of the University as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon, dated January 31, 2024, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. In addition, the accompanying Schedule of Federal and Nonfederal Financial Activity is presented for the purposes of additional analysis and is not a required part of the 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



and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Federal and Nonfederal Financial Activity is fairly stated in all material respects in relation to the basic financial statements as a whole.

SIGNED ORIGINAL ON FILE

Chicago, Illinois

March 13, 2024, except for our Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and the Report on the Schedule of Federal and Nonfederal Financial Activity, for which the date is January 31, 2024.



CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2023

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, and 93.925	Student Financial Aid Assistance Cluster
43.002, 43.008, 47.049, 47.070, 47.074, 47.076, 93.846, and 93.859	Research and Development Cluster
84.382A	Strengthening Minority – Serving Institutions

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

Auditee qualified as a low-risk auditee? Yes No

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards

2023-001. **FINDING** Inadequate Internal Controls over Census Data

The Chicago State University (University) did not have adequate internal control over reporting its census data 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 the 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 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. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by SURS, along with census data for the other participating members provided by the State's four other pension plans, to prepare their projection of the liabilities of CMS' plan. Finally, SURS' actuary and CMS' actuary used census data transmitted by the University during Fiscal Year 2021 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2022, which is incorporated into the University's Fiscal Year 2023 financial statements.

During testing, we noted the following:

- During our previous cut-off testing of data transmitted by the University to SURS, we noted 1 instance of an active employee becoming inactive was reported to SURS after the close of the fiscal year in which the event occurred. We also noted 2 instances whereby service credit was different by a total of

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards (Continued)

2023-001. **FINDING** Inadequate Internal Controls over Census Data (Continued)

3.25 years. All of these instances have been previously reported, however still impacted the June 30, 2021 census data.

- During our testing of instructor eligibility testing, we noted 2 instructors were not reported as eligible to participate in SURS by the University. For the June 30, 2021 census data, it was determined the service credit was different by a combined total of ½ of a year.

We provided SURS' actuary and CMS' actuary with the exceptions we identified during our testing, along with the results of census data testing at the State Employees Retirement System of Illinois, and determined the net effect of these errors, along with the errors of other plan participants, was immaterial to SURS' and CMS' pension and OPEB-related balances and activity at the plans during Fiscal Year 2022.

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 reports and to maintain accountability over the State's resources.

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 any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less:

- 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;

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards (Continued)

2023-001. **FINDING** Inadequate Internal Controls over Census Data (Continued)

- 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.

In addition, the 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.

Finally, 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)).

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

Failure to ensure complete and accurate census data was reported to SURS reduces the overall reliability of pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. Further, failure to report all eligible employees to SURS may result in employees not receiving the pension and OPEB benefits they are entitled to receive under the Code and the Act. (Finding Code No. 2023-001, 2022-001, 2021-003, 2020-003)

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards (Continued)

2023-001. **FINDING** Inadequate Internal Controls over Census Data (Continued)

RECOMMENDATION

We recommend the University continue to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

Further, we recommend the University ensure all events occurring within a census data accumulation year are timely reported to SURS so these events can be incorporated into the census data provided to SURS' actuary and CMS' actuary.

Finally, we recommend the University ensure all eligible employees are reported to SURS along with any required employee and employer contributions.

UNIVERSITY RESPONSE

The University agrees with the recommendation. The University is developing processes to ensure all events occurring within a census data accumulation year are timely reported to SURS. Documentation and cross-training are still ongoing to improve processes and minimize errors. The University will continue to review and update incremental changes to the census data file to ensure that all errors are promptly corrected.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards (Continued)

2023-002. **FINDING** Weaknesses over Computer Security

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

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

- Separated employees continued to have access to the University’s environment.
- Information Technology (IT) infrastructure was not secured properly.

This finding was first reported in Fiscal Year 2020. In subsequent years, the University has been unsuccessful in implementing appropriate procedures to improve its controls over computer security.

The Security and Privacy Controls for Information Systems and Organizations (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control section, requires timely termination of access rights and System and Services Acquisition section requires a properly secured infrastructure.

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

University management indicated the issue regarding separated employees having access to the network was due to breaks in communication with the Human Resource during the time of leadership transition. The other issue was due to the lack of resources to upgrade University hardware and acquire a centralized identity management software.

Failure to have adequate security controls over computing resources increases the risk of unauthorized access to the computing environment and the risk that confidentiality, integrity, and availability of systems and data will be compromised. (Finding Code No. 2023-002, 2022-002, 2021-001, 2020-001)

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards (Continued)

2023-002. **FINDING** Weaknesses over Computer Security (Continued)

RECOMMENDATION

We recommend the University ensure timely deactivation of separated users' access and ensure the IT infrastructure is properly secured.

UNIVERSITY RESPONSE

The University agrees with the finding and is developing a corrective action plan to address the lack of controls over computer systems.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards (Continued)

2023-003. **FINDING** Inadequate Controls to Ensure Compliance with the Illinois Pension Code

The Chicago State University (University) did not have adequate internal controls to ensure compliance with the Illinois Pension Code (Code).

During testing, we requested the University provide the populations of retired employees, persons receiving a retirement annuity (Annuitants) from the State Universities Retirement System (SURS) and re-employed by the University, and employees who filed for disability benefits during Fiscal Year 2023. The University could not provide the populations generated from its internal records. Subsequently, the University provided the populations obtained from SURS; however, these populations were not reconciled to the University's records and vice versa.

Due to this condition, 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 (AU-C § 500.08 and AT-C § 205.36) to test the University's compliance with the Code.

Even given the population limitations noted above which hindered our ability to conclude whether selected samples were representative of the population as a whole, we performed the testing to determine whether the University accurately reported to SURS about unused sick leave of retired employees, certificates of disability for employees who filed for disability benefits stating the employee is unable to perform the duties, and re-employment of annuitants. Our testing indicated the University did not timely notify SURS of the re-employment of two of seven (29%) annuitants. The University notified SURS 320 days late.

The Illinois Pension Code (40 ILCS 5/15-139.5(a)) requires the University to notify SURS within 60 days after employing an annuitant.

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

University management stated there was a leadership transition within the Human Resources Department which impacted the current employees' ability to generate reports from the University's information system and timely comply with the reporting requirements of the Code.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Government Auditing Standards (Continued)

2023-003. **FINDING** Inadequate Controls to Ensure Compliance with the Illinois Pension Code (Continued)

Failure to maintain adequate internal controls resulted in noncompliance with the Code and reduces the overall reliability of activity reported in the University's financial statements. (Finding Code No. 2023-003)

RECOMMENDATION

We recommend the University implement controls to ensure completeness and accuracy of the populations of retirees, re-employed annuitants, and employees who filed for disability benefits. Further, we recommend the University timely notify SURS of re-employment of annuitants in accordance with the Code.

UNIVERSITY RESPONSE

The University agrees with the finding and is developing a corrective action plan to ensure compliance with the Code.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Current Findings - Federal Compliance and Questioned Costs

2023-004.	<u>FINDING</u>	Failure to Provide Uniform Resource Locator to the Department of Education
	Federal Agency:	U.S. Department of Education
	Assistance Listing Numbers:	84.063; 84.268; 84.379; 84.007; 84.033
	Program Names:	Student Financial Assistance Cluster - Federal Pell Grant Program Federal Direct Student Loans Teacher Education Assistance for College and Higher Education Grants Federal Supplemental Educational Opportunity Grants Federal Work Study
	Program Expenditures:	\$4,329,746; \$20,224,493; \$25,460; \$289,515; \$505,494
	Award Numbers:	P063P211351; P268K221351; P379T221351; P007A221121; P033A221121
	Questioned Costs:	None

The Chicago State University (University) entered into an arrangement with a servicer to make direct payments of financial aid credit balances to its students. During testing, we noted the arrangement with the servicer and related costs were disclosed on the University’s website. However, the University did not provide the Department of Education with the uniform resource locator (URL) of its website where the disclosure of its contract with the servicer and related contract information is posted.

The Code of Federal Regulations (Code) (34 CFR § 668.164(e)(2)(viii)) requires the University to provide the Department of Education with an up-to-date URL for the contract and contract data with the servicer for publication on the Department of Education’s Cash Management Contract Database accessible to the public.

University management indicated the failure to provide the Department of Education with an up-to-date URL for its contract with the servicer and related contract data was due to oversight.

Failure to provide the Department of Education with an up-to-date URL for the University’s contract with the servicer and related contract information is a noncompliance with the Code. (Finding Code No. 2023-004)

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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

2023-004. **FINDING** Failure to Provide Uniform Resource Locator to the Department of Education (Continued)

RECOMMENDATION

We recommend the University provide the Department of Education with the URL of the contract with the servicer and related contract information in accordance with the Code.

UNIVERSITY RESPONSE

The University agrees with the finding and has submitted proper documentation to the Department of Education for proper posting of the URL.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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

2023-005. **FINDING** Failure to Notify Students and Parents Upon Disbursement of Funds

Federal Agency:	U.S. Department of Education
Assistance Listing Numbers:	84.379; 84.268
Program Names:	Student Financial Assistance Cluster - Teacher Education Assistance for College and Higher Education Grants Federal Direct Student Loans
Program Expenditures:	\$25,460; \$20,224,493
Award Number:	P379T221351; P268K221351
Questioned Costs:	None

The Chicago State University (University) did not notify the students and parents upon disbursement of grant funds and loans.

During testing of five students, who received Teacher Education Assistance for College and Higher Education Grants (TEACH) totaling \$14,145, we noted five (100%) students were not notified by the University indicating the funds were credited to the students' accounts. The sample methods used in performing this testing were not statistically valid.

In addition, during testing of 40 students, who received Federal Direct Loans totaling \$700,656, we noted 38 (95%) students with grant disbursements totaling \$695,212 were not notified by the University indicating the funds were credited to the students' accounts. The sample methods used in performing this testing were not statistically valid.

The Code of Federal Regulations (Code) (34 CFR § 668.165 (a)(3)(i)) requires the University to notify students or parents in writing no earlier than 30 days before, and no later than 30 days after, crediting the student's ledger account at the University with TEACH Grant funds and Federal Direct Loans.

Further, the Code (2 CFR § 200.303) requires the nonfederal entity receiving federal awards to establish and maintain effective internal control over the federal award to provide reasonable assurance the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls include procedures to ensure timely notification of disbursements to students receiving TEACH Grants and Federal Direct Loans.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

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

2023-006. **FINDING** Failure to Comply with Established Procurement Procedures

Federal Agency:	National Science Foundation
Assistance Listing Number:	47.076
Program Names:	Research and Development Cluster - Conference: 2023 NSF Louis Stokes Alliances for Minority Participation Principal Investigators/ Project Directors Meeting Collaborative Research: Louis Stokes Regional Center of Excellence: Louis Stokes Midwest Region Center of Excellence for Broadening Participation in STEM
Program Expenditures:	\$478,648; \$256,713
Award Numbers:	2312141; 1826719
Questioned Costs:	None

The Chicago State University (University) did not ensure procurements exempt from solicitation and competitive bidding were published in the Illinois Procurement Bulletin.

During testing, two of 13 (15%) exempt contracts, each exceeding \$100,000, were not published in the Illinois Procurement Bulletin. The sample methods used in performing this testing were not statistically valid.

The Code of Federal Regulations (Code) (2 CFR § 200.318(a)) requires the University to use documented procurement procedures consistent with State, local, and tribal laws and regulations and the standards of the Code, for the acquisition of property or services required under a Federal award or subaward.

The Illinois Procurement Code (30 ILCS 500/1-13(b)) requires the University to publish notices of each contract with an annual value of more than \$100,000 in the Procurement Bulletin within 14 calendar days after contract execution.

University management indicated the failure to publish the notices in the Procurement Bulletin was due to oversight.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2023

Prior Findings Not Repeated

A. **FINDING** Failure to Obtain Student Verification Documents

During the prior year, the Chicago State University (University) did not obtain and review student verification documents.

During the current year, our sample testing did not identify similar exceptions. (Finding Code No. 2022-003)

B. **FINDING** Noncompliance with Special Tests and Provisions – Student Financial Aid Information Security

During the prior year, the University did not perform risk assessment procedures and document safeguards for each risk identified in relation to student financial aid information.

During the current year, the University conducted a risk assessment to identify potential risks associated with student financial aid information and documented safeguards for each identified risk. (Finding Code No. 2022-004)

C. **FINDING** Lack of Adherence to Controls and Noncompliance with Requirement Applicable to the Education Stabilization Fund

During the prior year, the University did not utilize the updated quarterly reporting form to report its Higher Education Emergency Relief Fund (HEERF) student and institutional aid awards.

During the current year, the University did not receive or spent HEERF funds; thus, no further reporting was required. (Finding Code No. 2022-006, 2021-004, 2020-005)

CHICAGO STATE UNIVERSITY
A component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program/Grant Title	Assistance Listing Number	Pass-Through Entity Identifying Number	FY 2023 Expenditures	Passed-Through to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Educational Opportunity Grants	(M) 84.007		\$ 289,515	\$ -
Federal Work Study Program	(M) 84.033		505,494	-
Federal Perkins Loan Program (Note 2)	(M) 84.038		1,196,204	-
Federal Pell Grant Program	(M) 84.063		4,329,746	-
Federal Direct Student Loans (Note 3)	(M) 84.268		20,224,493	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	(M) 84.379		25,460	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 26,570,912	\$ -
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
Scholarships for Health Professions Students from Disadvantaged Backgrounds <i>Scholarships for Disadvantaged Students</i>	(M) 93.925		\$ 600,001	\$ -
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ 600,001	\$ -
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			\$ 27,170,913	\$ -
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Aeronautics				
Passed-Through University of Illinois at Urbana-Champaign <i>Development of the Cryogenic Hydrogen-Energy Electric Transport Aircraft (CHEETA) Design Concept</i>	(M) 43.002	80NSSC19M0125	\$ 27,034	\$ -
Office of Stem Engagement (OSTEM) Passed-Through University of Illinois at Urbana-Champaign <i>Illinois Space Grant Consortium</i>	(M) 43.008	80NSSC20M0046	49,803	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			\$ 76,837	\$ -
<u>NATIONAL SCIENCE FOUNDATION</u>				
Mathematical & Physical Sciences				
<i>RUI: Heavy Ion Physics in ALICE at LHC</i>	(M) 47.049		\$ 55,482	\$ -
<i>RUI: Collaboration for Studies of Cosmic Ray Muon Radiation and its Application to Archaeometry</i>	(M) 47.049		17,432	-
<i>RUI: Studies of Relativistic Heavy Ions Collisions in ALICE at LHC</i>	(M) 47.049		13,010	-
<i>RUI: Studies of Relativistic Heavy Ions Collisions in ALICE at LHC- Continuation</i>	(M) 47.049		84,586	-
Passed-Through University of Chicago <i>QLCI-CI NSF Quantum Leap Challenge Institute for Quantum Sensing in Biophysics and Bioengineering - QUBBE</i>	(M) 47.049	OMA-212104	281,922	-
			452,432	-
Computer and Information Science and Engineering <i>Collaborative Research:HDR DSC: the Metropolitan Chicago Data Science Corps (MDCDC): Learning from Data to Support Communities</i>	(M) 47.070		4,585	-
Biological Sciences				
<i>CAREER: Museomic Approach for Exploring the Evolution of Past, Persistent, and Emerging Orthopozvirs Outbreaks</i>	(M) 47.074		15,500	-
<i>Digitization Pen: Functional Quantitative Characters for Ecology and Evolution (FuncQEE)</i>	(M) 47.074		7,625	-
			23,125	-
STEM Education (formerly Education and Human Resources)				
<i>Conference: 2023 NSF Louis Stokes Alliances for Minority Participation (LSAMP) Principal Investigators/Project Directors Meeting</i>	(M) 47.076		478,648	-
<i>Louis Stokes STEM Pathways and Research Alliances: The Illinois LSAMP STEM Pathway and Research Alliance (ILSPRA) -Illinois Post-Baccalaureate Research Experiences for LSAMP Students (IPRELS)</i>	(M) 47.076		22,355	-
<i>Collabrative Research: Louis Stokes Regional Center of Excellence: Louis Stokes Midwest Region Center of Excellence for Boardening Participation in STEM</i>	(M) 47.076		256,713	32,466
<i>Louis Stokes STEM Pathways and Research Alliances: The Illinois LSAMP STEM Pathway and Research Alliance (ILSPRA)</i>	(M) 47.076		559,480	206,173
<i>The Louis Stokes Alliances for Minority Participation (LSAMP) 2021 Principal Investigators/Project Directors Meeting</i>	(M) 47.076		8,914	-
Passed-Through Northeastern Univeristy <i>NSF INCLUDES Alliance: Engineering PLUS (Partnerships Launching Underrepresented Students)</i>	(M) 47.076	2119930	76,077	-
			1,402,187	238,639
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 1,882,329	\$ 238,639

CHICAGO STATE UNIVERSITY
A component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program/Grant Title	Assistance Listing Number	Pass-Through Entity Identifying Number	FY 2023 Expenditures	Passed-Through to Subrecipients
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Arthritis, Musculoskeletal and Skin Diseases Research Passed-Through Northwestern University <i>Social Determinants and Timeliness of Total Knee Replacement: A National Perspective</i>	(M) 93.846	5R01AR078342-02	\$ 22,884	\$ -
Biomedical Research and Research Training <i>A Novel Mechanism in the Pathogenesis of Atherosclerosis</i> Passed-Through University of Chicago <i>IRACDA at the University of Chicago</i>	(M) 93.859	1K12GM146658-01	27,074	-
			3,006	-
			30,080	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 52,964	\$ -
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 2,012,130	\$ 238,639
TRIO CLUSTER:				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
TRIO Upward Bound <i>Project Fame/Upward Bound</i>	84.047A		\$ 245,392	\$ -
<i>Upward Bound Program</i>	84.047A		56,048	-
			301,440	-
TRIO Educational Opportunity Centers	84.066A		347,592	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 649,032	\$ -
TOTAL TRIO CLUSTER			\$ 649,032	\$ -
OTHER PROGRAMS				
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Connecting Minority Communities Pilot Program <i>Advancing Adaptive Lifelong Digital Literacy to Promote Equity in Greater Chicago</i>	11.028		\$ 6,463	\$ -
TOTAL U.S. DEPARTMENT OF COMMERCE			\$ 6,463	\$ -
<u>U.S. DEPARTMENT OF ENERGY</u>				
Office of Science Financial Assistance Program <i>Community Research on Climate and Urban Science</i>	81.049		\$ 38,496	\$ -
TOTAL U.S. DEPARTMENT OF ENERGY			\$ 38,496	\$ -
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Higher Education - Institutional Aid <i>Predominantly Black Institutions Program - Formula Grants</i>	84.031P		\$ 306,876	\$ -
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities <i>Promoting Effective Educational Relationships in Schools (PEERS)</i>	84.325K		18,161	-
Strengthening Minority - Serving Institutions <i>Resiliency and Capacity Expansion for Student Success in the Health Professions (RECESS-HP)</i>	(M) 84.382A		466,889	-
<i>The Center for STEM Education & Research at Chicago State University</i>	(M) 84.382A		310,162	23,431
			777,051	23,431
Child Care Access Means Parents in School <i>CCAMPIS Grant Program for Providing Needed Child Care for Chicago State University Students</i>	84.335A		88	-
Higher Education Stabilization Fund Passed-Through Illinois Board of Higher Education <i>COVID-19 Governor's Emergency Education Relief Fund</i>	84.425C	601-GEE-2200-CSU	89,758	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 1,191,934	\$ 23,431

CHICAGO STATE UNIVERSITY
A component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program/Grant Title	Assistance Listing Number	Pass-Through Entity Identifying Number	FY 2023 Expenditures	Passed-Through to Subrecipients
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Health Profession Opportunity Grants Passed-Through ABT Associates <i>National and Tribal Evaluation of the 2nd Generation of Health Profession Opportunity Grants</i>	93.093	HHSP233201500052C	\$ 1,412	\$ -
Child Care and Development Block Grant <i>Early Childhood Access Consortium</i>	93.575		317,077	-
Headstart Passed-Through OHS & ACF via Henry Booth House <i>Head Start / Early Head Start Program</i>	93.600	05CH012056-01-00	201,791	-
<i>Early Head Start Program</i>	93.600	05CH012056-01-00	139,750	-
			341,541	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 660,030	\$ -
<u>THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
Grants to States Passed-Through The Illinois State Library <i>Gwendolyn Brooks Library – Career Information Collection Program</i>	45.310	22-7040-PAN	\$ 26,247	\$ -
National Leadership Grants <i>Information Justice Institute</i>	45.312		24,188	-
TOTAL THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES			\$ 50,435	\$ -
TOTAL OTHER PROGRAMS			\$ 1,947,358	\$ 23,431
Grand Total			\$ 31,779,433	\$ 262,070

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2023

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2023, and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 LOANS OUTSTANDING AT FISCAL YEAR END

The University Perkins Loan Program's outstanding loan balance as of June 30, 2023 totaled \$888,511, for programs that are administered directly. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the schedule. There were no administrative costs charged to the Perkins Loan Program.

NOTE 3 TOTAL NEW FEDERAL STUDENT LOANS

During the year ended June 30, 2023, the University awarded the following amounts of new loans under the Federal Direct Student Loans Program:

Direct Unsubsidized Loans	\$	12,123,956
Direct Subsidized Loans		2,237,277
Direct Parent PLUS Loans		546,639
Direct Graduate PLUS Loans		5,316,621
Total	\$	20,224,493

There were no administrative costs charged to the loan program.

NOTE 4 NONMONETARY ASSISTANCE

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

NOTE 5 INSURANCE DISCLOSURE

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2023

NOTE 6 DONATED PERSONAL PROTECTIVE EQUIPMENT

During Fiscal Year 2023, the University did not receive any donated personal protective equipment.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2023
(in thousands)

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

Schedule A - Federal Financial Component

Total federal expenditures ¹	\$ 31,779
Total Schedule A	<u>\$ 31,779</u>

Schedule B - Total Financial Component

Total operating expenses ²	\$ 97,877
Total nonoperating expenses ²	143
Federal loan balances: ^{1,4}	
Federal Perkin Loans Program	1,196
Total value of new federal loans: ^{1,3,5}	
Federal Direct Student Loan	<u>20,224</u>
Total Schedule B	<u>\$ 119,440</u>

Schedule C - Computation of Nonfederal Expenses

		<u>Percent</u>
Total Schedule B	\$ 119,440	100.00%
Total Schedule A	<u>31,779</u>	26.61%
Total nonfederal expenses	<u>\$ 87,661</u>	73.39%

¹ Obtained from Schedule of Expenditures of Federal Awards

² Obtained from the Statement of Revenues, Expenses, and Changes in Net Position

³ Obtained from the Notes to the Schedule of Expenditures of Federal Awards

⁴ Balance at the beginning of the fiscal year with continuing compliance requirements

⁵ Balance of loans issued during the fiscal year