



EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois

FINANCIAL AUDIT

For the Years Ended June 30, 2020 and 2019

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



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

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Other Reports Issued Under Separate Cover:

The University’s Compliance Examination report (including the Single Audit) for the year ended June 30, 2020, which includes the Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes, and the Schedule of Findings has been issued separately.

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

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

UNIVERSITY OFFICIALS

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

BOARD OF TRUSTEES (as of June 30, 2020)

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

University offices are located at:

600 Lincoln Avenue
Charleston, Illinois 61920

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

FINANCIAL STATEMENT REPORT
SUMMARY

The audit of the accompanying financial statements of Eastern Illinois University (University) was performed by Sikich LLP.

Based on their audit, the auditors expressed an unmodified opinion on the University's basic financial statements.

EXIT CONFERENCE

An exit conference was held on May 6, 2021. Attending were:

Eastern Illinois University

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

Office of the Auditor General

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

Sikich, LLP

Thomas Leach, Partner

INDEPENDENT AUDITOR'S REPORT

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Eastern Illinois University

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the business-type activities and aggregate discretely presented component units of Eastern Illinois University (University), collectively a component unit of the State of Illinois, as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for aggregate discretely presented component units, is based solely on the reports of other auditors. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audits and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of Eastern Illinois University, as of June 30, 2020 and 2019, and the respective changes in its financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Share of Net Pension Liability, the Schedule of Contributions, the Schedule of the Proportionate Share of the University's Total OPEB Liability and Notes to Required Supplementary Information on pages 6-15 and 54-57 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements.

The Tables of Operating Expenses (accompanying supplementary information) and the Unaudited Data Required by Bond Resolutions (accompanying other information) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary 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. Such 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 by us and other auditors. In our opinion, based on our audits

and procedures performed as described above, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying other 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2021, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

Original signature on file
in confidential folder

Decatur, Illinois
May 17, 2021

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Management's Discussion and Analysis

For the Years Ended June 30, 2020 and 2019

This section of the Eastern Illinois University (the University) annual financial report presents management's discussion and analysis (MD&A) of the financial performance of the University during the fiscal years ended June 30, 2020 and 2019 with comparative information for the year ended June 30, 2018. This discussion should be read in conjunction with the accompanying financial statements and footnotes. The financial statements, footnotes and this discussion are the responsibility of the University's management.

Reporting Entity

Eastern Illinois University is an institution of higher education and is considered to be a component unit of the State of Illinois because the Governor of the State of Illinois appoints its Board of Trustees. Accordingly, the University is included in the State's financial statements as a discrete component unit. Transactions with the State of Illinois relate primarily to appropriations for operations, grants from various State agencies, funding of capital projects and payments for employee benefits.

The University is a comprehensive, regional service institution located in Charleston, Illinois on approximately 320 acres. The University consists of 73 buildings, including 12 residence halls and 17 apartment buildings. The University enrolls approximately 7,800 students and employs approximately 1,100 faculty and staff. The University is primarily an undergraduate institution. Originally established in 1895 as a teachers' college, today the University encompasses four colleges and a graduate school. Undergraduate degrees are offered through the College of Liberal Arts and Sciences, the Lumpkin College of Business and Technology, the College of Health and Human Services, and the College of Education. Master degrees, and in some cases specialist degrees, are offered at the graduate level in each of the colleges. In addition to its on-campus programs, the University maintains a strong continuing education program.

Using the Annual Report

These financial statements are prepared in accordance with guidance found in the statements issued by the Governmental Accounting Standards Board (GASB), including GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*; GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*; GASB Statement No. 37, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments: Omnibus*; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*; and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. These statements focus on the financial condition of the University, the results of operations and cash flows of the University as a whole.

As prescribed by GASB Statement No. 35, this annual report includes three financial statements: the Statement of Net Position; Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. The financial statements encompass the University and its discretely presented component units. The Combining Statements of Net Position; Combining Statements of Revenues, Expenses and Changes in Net Position; and Combining Statements of Cash Flows show the combining of the major discretely presented component units and are not discussed in this MD&A. The accompanying notes to the financial statements provide more detailed information regarding the items presented on the face of the financial statements. Information regarding these component units, including their separately issued financial statements, is summarized in Note 1 to the financial statements. This MD&A focuses on the University excluding the discretely presented component units. An explanation of the financial statement presentation follows.

The Statement of Net Position reflects the assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the University using the accrual basis of accounting and presents the financial position of the University at a specified point in time. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, known as net position, is one indicator of the current financial condition of the University. The increase or decrease in net position that occurs over time indicates the improvement or erosion of the University's financial condition.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Management's Discussion and Analysis

For the Years Ended June 30, 2020 and 2019

The Statement of Revenues, Expenses and Changes in Net Position presents the revenues earned and expenses incurred during the fiscal year. Revenues and expenses are reported as either operating or nonoperating. Under the current reporting model, a significant portion of the University's revenue is considered nonoperating. State appropriations of \$41,432,300 and \$39,459,700, respectively, and payments on behalf for benefits and benefits provided under special funding situations of the University of \$37,990,520 and \$30,487,385, respectively, are reported as nonoperating revenues and results in the University showing operating losses of \$105,318,825 and \$96,202,340 for the years ended June 30, 2020 and 2019, respectively.

The Statement of Cash Flows presents information related to cash inflows and outflows summarized by operating, noncapital financing, capital and related financing, and investing activities.

Financial Highlights

During the year ended June 30, 2020, the University's net position decreased by approximately \$1.6 million to \$196.5 million. During the year ended June 30, 2019, the University's net position decreased by approximately \$6.0 million to \$198.1 million. The University restated its net position by \$9,750,275 as of the beginning of fiscal year 2018 to comply with GASB Statement No. 75.

Statement of Net Position

Condensed Statement of Net Position, as of June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets			
Current assets	\$ 59,840,778	\$ 57,146,726	\$ 58,718,575
Noncurrent assets			
Capital	236,460,211	246,122,072	255,863,505
Other	10,012,990	10,469,988	10,873,398
Total noncurrent assets	<u>246,473,201</u>	<u>256,592,060</u>	<u>266,736,903</u>
Total assets	<u>306,313,979</u>	<u>313,738,786</u>	<u>325,455,478</u>
Deferred outflows of resources	<u>880,514</u>	<u>700,265</u>	<u>907,387</u>
Total assets and deferred outflows of resources	<u>307,194,493</u>	<u>314,439,051</u>	<u>326,362,865</u>
Liabilities			
Current liabilities	19,308,738	18,508,370	18,662,223
Noncurrent liabilities	86,894,652	94,302,588	102,182,860
Total liabilities	<u>106,203,390</u>	<u>112,810,958</u>	<u>120,845,083</u>
Deferred inflows of resources	4,509,052	3,552,040	1,436,613
Total liabilities and deferred inflows of resources	110,712,442	116,362,998	122,281,696
Net Position			
Net investment in capital assets	162,858,218	167,528,791	172,394,792
Restricted			
Nonexpendable	5,265,422	5,325,269	5,240,695
Expendable	15,272,424	17,979,612	21,477,395
Unrestricted	13,085,987	7,242,381	4,968,287
Total net position	<u>\$ 196,482,051</u>	<u>\$ 198,076,053</u>	<u>\$ 204,081,169</u>

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Management's Discussion and Analysis

For the Years Ended June 30, 2020 and 2019

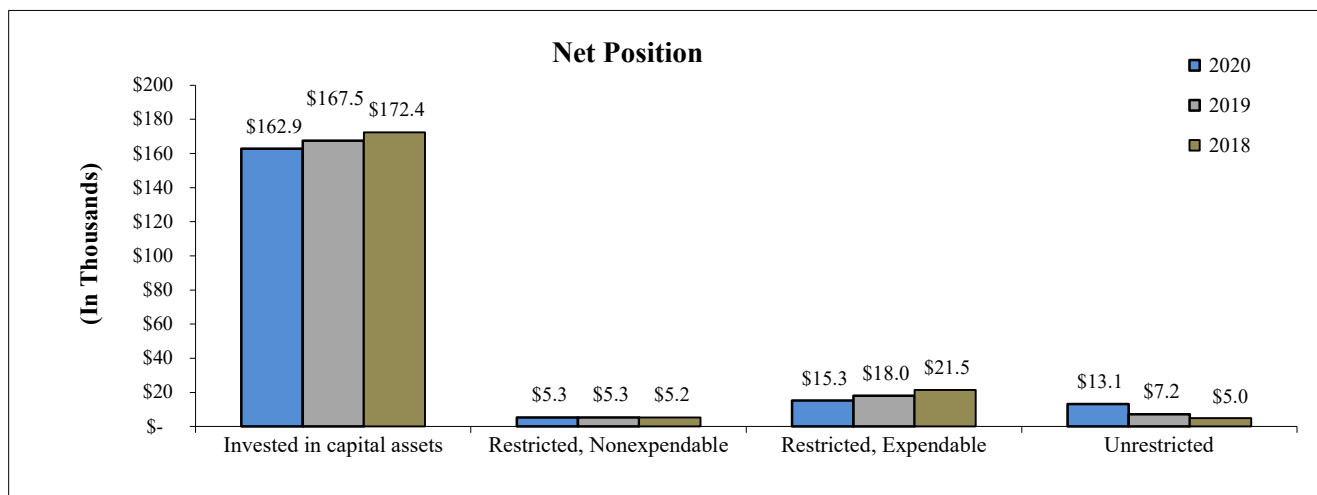
University assets totaled about \$306.3 and \$313.7 million at June 30, 2020 and 2019, respectively. The largest asset of the University is its net investment in land, buildings, and equipment, which totaled approximately \$236.5 and \$246.1 million at June 30, 2020 and 2019, respectively.

University liabilities totaled approximately \$106.2 and \$112.8 million at June 30, 2020 and 2019, respectively. Long-term debt of approximately \$93.9 and \$101.5 million at June 30, 2020 and 2019, respectively, is the largest portion of the liability. Long-term liabilities consisted of bonds payable, certificates of participation, accrued compensated absences, housing and registration deposits, and the University's obligation to refund certain amounts under federal loan programs.

During the year ended June 30, 2018, the University implemented GASB Statement No. 75, which required the University to include a liability for other post-employment benefits (OPEB). The State of Illinois has responsibility for paying OPEB. The State allocated the University a liability of approximately \$5.8 and \$7.5 million at June 30, 2020 and 2019, respectively.

The University's current assets of approximately \$59.8 and \$57.1 million for June 30, 2020 and 2019, respectively, were sufficient to cover the current liabilities of approximately \$19.3 and \$18.5 million for June 30, 2020 and 2019, respectively. The current ratio of current assets to current liabilities was 3.09 and 3.09 in current assets for every \$1 in current liabilities at June 30, 2020 and 2019, respectively.

The following graph shows net position by classification and restriction:



Capital Assets and Related Financing Activities

Eastern Illinois University's facilities include 73 buildings totaling about 3 million gross square feet. Funding from state, private, borrowed, and internal sources are used to accomplish the capital objectives of the University.

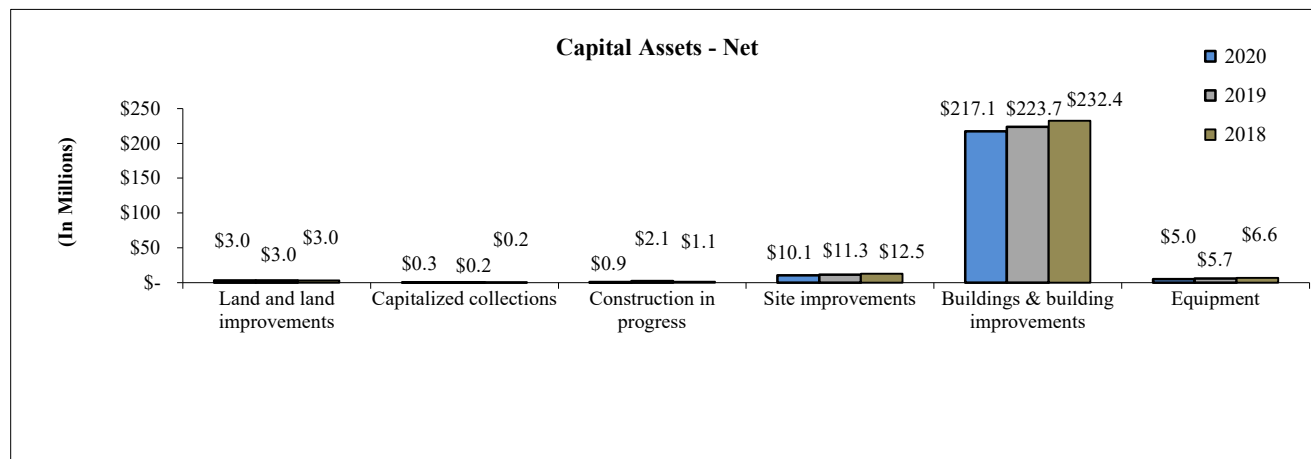
Capital additions totaled approximately \$5.4 and \$5.8 million for fiscal years 2020 and 2019, respectively. This includes building improvements to campus buildings, classroom renovations and improvements, and work on utility infrastructure and athletic facilities.

The University had approximately \$6.9 and \$7.6 million of bonded debt outstanding and \$70.1 and \$74.4 million of certificates of participation (COPS) outstanding at June 30, 2020 and 2019, respectively. For more information concerning capital assets, construction in progress, bonds payable, lease obligations, and COPS payable, see Notes 6, 7, 10, 11, 12, and 13.

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Management's Discussion and Analysis
For the Years Ended June 30, 2020 and 2019

More information on the University's net liability for pensions and other postemployment benefits (OPEB) can be found in Notes 14 and 15.

The following chart shows the breakdown of the University's capital assets, net of depreciation, by category:



Statement of Revenues, Expenses and Changes in Net Position

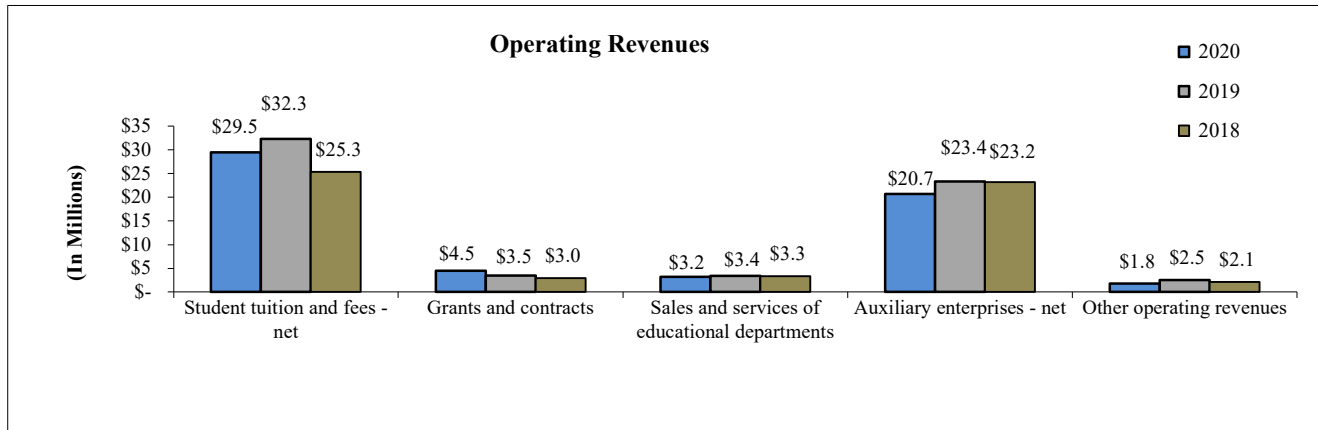
Condensed Statement of Revenues, Expenses and Changes in Net Position
For the years ended June 30,

	2020	2019	2018
Operating revenues			
Tuition and fees, net	\$ 29,483,534	\$ 32,286,965	\$ 25,329,798
Grants and contracts	4,517,319	3,468,861	2,954,232
Auxiliary enterprises	20,698,217	23,365,802	23,209,418
Other operating revenues	4,961,433	5,920,989	5,426,262
Total operating revenues	59,660,503	65,042,617	56,919,710
Operating expenses	165,642,594	161,244,957	198,377,803
Operating income (loss)	(105,982,091)	(96,202,340)	(141,458,093)
Nonoperating revenues (net of expenses)			
State appropriations	41,432,300	39,459,700	55,439,800
On behalf/special funding situations	37,990,520	30,487,385	69,174,352
Other net nonoperating revenues (expenses)	22,237,495	19,074,181	25,779,435
Net nonoperating revenues and expenses	101,660,315	89,021,266	150,393,587
Income (loss) before capital contributions	(4,321,776)	(7,181,074)	8,935,494
Assets donated by other State agencies	2,058,093	1,075,958	249,364
Other revenues and expense	669,681	100,000	(8,403,849)
Total increase (decrease) in net position	(1,594,002)	(6,005,116)	781,009
Net position-beginning of year	198,076,053	204,081,169	213,050,435
Restatement for GASB No. 75	-	-	(9,750,275)
Net position-end of year	\$ 196,482,051	\$ 198,076,053	\$ 204,081,169

EASTERN ILLINOIS UNIVERSITY
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Management's Discussion and Analysis
For the Years Ended June 30, 2020 and 2019

Operating Revenues

Total operating revenues for fiscal year 2020 and 2019 totaled \$59.7 and \$65.0 million, respectively. The decrease in operating revenues is primarily due to a lower enrollment and the refunding of housing revenues to students in the spring 2020 semester due to COVID-19. The most significant sources of operating revenues were tuition and fees, grants and contracts, and auxiliary services as shown in the graph on the next page:



The University was awarded approximately \$4.5 million allocated for higher education relief under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act), an additional \$225 thousand through the Strengthening Institutions Program, approximately \$1.1 million through the GEER Program, and approximately \$8.2 million allocated for higher education relief under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA). Of the money received through the CARES Act, the University is required to allocate half of it to students as aid grants. As of June 30, 2020, the University had distributed approximately \$1.5 million to eligible students. The remainder will be used to offset the University's costs associated with the outbreak of COVID-19 and reimburse the University for housing and dining refunds given during the spring semester 2020.

Other nonoperating revenues of \$22.2 and \$19.1 million in fiscal years 2020 and 2019, respectively, were primarily due to federal Pell grants and State MAP grants.

During fiscal year 2005, the "Truth in Tuition" regulations took affect (a first time attendee is guaranteed the same tuition rate for four years as long as they are undergraduates). For fiscal year 2020, tuition was increased 2.5% over fiscal year 2019. Tuition was increased 1.4% from fiscal year 2018 to 2019. Decreases in enrollment and inconsistent state appropriations to the University and the Monetary Assistance Program (MAP) caused net tuition and fee revenue to decrease between fiscal years 2017 and 2018.

Tuition and Fees

The University's tuition and fees have consistently been one of the lowest out of the nine State universities in Illinois. It is currently only one of two public universities to continue to offer textbook rental as a service to students, rather than requiring students to spend hundreds of dollars for textbooks each year. The following explains the rates for tuition and fees for a student attending 12 or more hours during the fall and spring semesters of fiscal years 2020 through 2018.

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	2020	2019	2018
Full-time Undergraduates			
In-State			
Continuing Non-Guaranteed	\$296.00/hour + \$1,391.12	\$292.00/hour + \$1,388.24	\$289.00/hour + \$1,385.36
New Students FY15	\$283.00/hour + \$1,391.12	\$283.00/hour + \$1,388.24	\$283.00/hour + \$1,385.36
New Students FY16	\$285.00/hour + \$1,391.12	\$285.00/hour + \$1,388.24	\$285.00/hour + \$1,385.36
New Students FY17	\$289.00/hour + \$1,391.12	\$289.00/hour + \$1,388.24	\$289.00/hour + \$1,385.36
New Students FY18	\$292.00/hour + \$1,391.12	\$292.00/hour + \$1,388.24	\$292.00/hour + \$1,385.36
New Students FY19	\$296.00/hour + \$1,391.12	\$296.00/hour + \$1,388.24	
New Students FY20	\$302.00/hour + \$1,391.12		
Out-of-State			
Continuing Non-Guaranteed	\$378.00/hour + \$1,391.12	\$370.00/hour + \$1,388.24	\$365.00/hour + \$1,385.36
New Students FY15	\$356.00/hour + \$1,391.12	\$356.00/hour + \$1,388.24	\$356.00/hour + \$1,385.36
New Students FY16	\$356.00/hour + \$1,391.12	\$356.00/hour + \$1,388.24	\$356.00/hour + \$1,385.36
New Students FY17	\$361.00/hour + \$1,391.12	\$361.00/hour + \$1,388.24	\$361.00/hour + \$1,385.36
New Students FY18	\$365.00/hour + \$1,391.12	\$365.00/hour + \$1,388.24	\$365.00/hour + \$1,385.36
New Students FY19	\$370.00/hour + \$1,391.12	\$370.00/hour + \$1,388.24	
New Students FY20	\$378.00/hour + \$1,391.12		
Full-time Graduates			
In-State	\$306.50/hour + \$1,394.12	\$299.00/hour + \$1,391.24	\$292.00/hour + \$1,388.36
Out-of-State	\$735.60/hour + \$1,394.12	\$718.00/hour + \$1,391.24	\$701.00/hour + \$1,388.36

Room and Board

The University currently has 12 traditional residence halls and a village of fraternity and sorority residences (“Greek Court”), with a capacity of approximately 4,700 students. In addition, there are 90 married and graduate student apartments (“University Apartments”) and 146 undergraduate apartment units in 11 buildings (“University Court”). For fall 2019 and 2018, respectively, the residence halls were about 38% and 34% occupied, the University Apartments were about 44% and 35% occupied, and University Court was 86% and 81% occupied.

EASTERN ILLINOIS UNIVERSITY
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Management's Discussion and Analysis
For the Years Ended June 30, 2020 and 2019

The following table outlines the rates charged for room and board:

	2020	2019	2018
University Apartments			
Efficiency	\$488/month	\$488/month	\$488/month
One bedroom	\$513/month	\$513/month	\$513/month
University Court	Rates vary from \$2,460 to \$3,290 per semester	Rates vary from \$2,460 to \$3,290 per semester	Rates vary from \$2,460 to \$3,290 per semester
	2020	2019	2018
Residence Halls			
7 Plus Meal Plan	\$4,447/semester	\$4,381/semester	\$4,317/semester
10 Plus Meal Plan	\$4,646/semester	\$4,577/semester	\$4,510/semester
12 Plus Meal Plan	\$4,821/semester	\$4,750/semester	\$4,680/semester
15 Plus Meal Plan	\$5,015/semester	\$4,941/semester	\$4,868/semester
Unlimited Meal Plan	\$5,293/semester	\$5,215/semester	

The Plus Meal Option permits each student the flexibility to make purchases at various campus locations, including any residence hall dining center, the food court within the University Union, and campus convenience centers.

Operating Expenses

GASB Statement No. 35 gives the reporting entities the choice of reporting expenses in functional or natural classifications. The University chose to report the expenses in their functional categories on the face of the statement and has displayed the natural categories in the footnotes to the financial statements. The operating expenses for fiscal year 2020, including depreciation of \$15.0 million, totaled \$165.6 million. Under the functional classifications, \$86.5 million, or 52%, was used for instruction, scholarships and fellowships, and student services; \$25.1 million, or 15%, was used for auxiliary services; \$27.4 million, or 17%, was used for operations and maintenance of plant and depreciation; \$8.6 million, or 5%, was used for institutional support, which includes such areas as computer services and University police; \$12.7 million, or 7%, was used for academic support, for such areas as the library and various deans' offices; and \$5.4 million, or 4%, was used for research and public service, for such areas as grants and contracts.

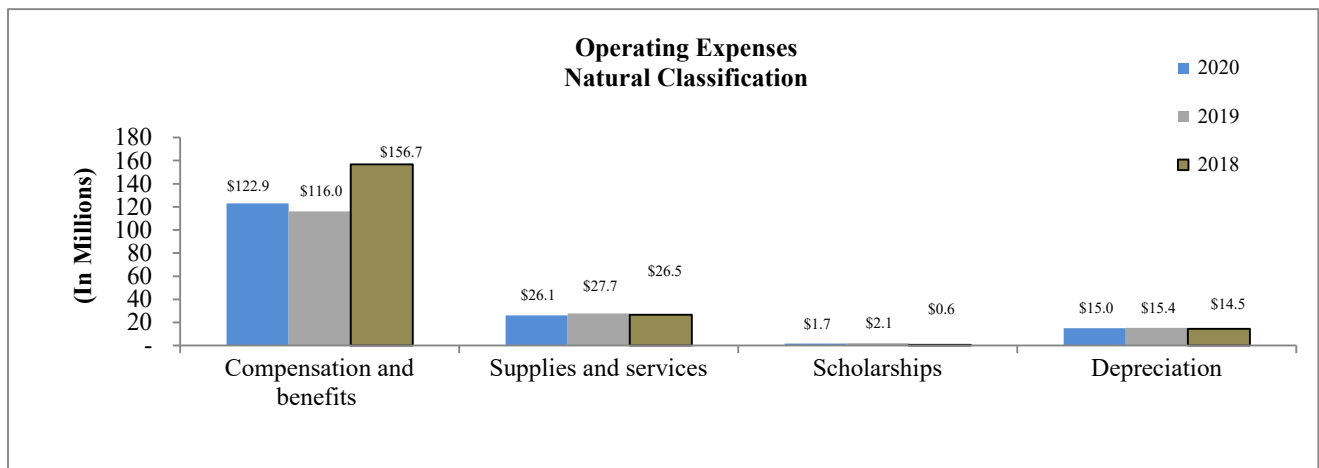
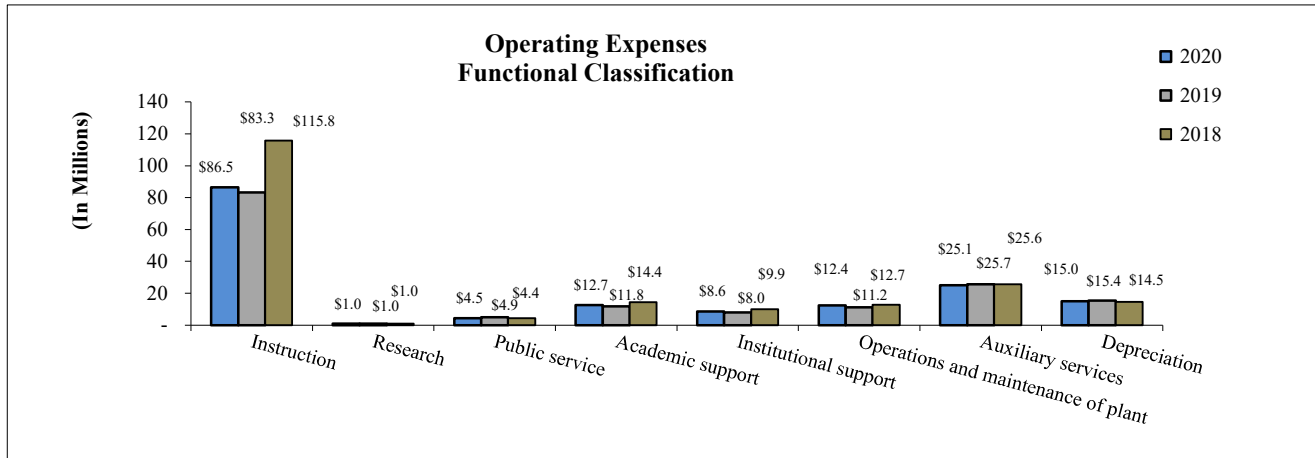
Under the natural classifications, \$122.9 million, or 74%, was used for compensation and benefits; \$26.1 million, or 16%, was used for supplies, contractual services, travel, repairs and maintenance, utilities and other; \$1.7 million, or 1%, was used for scholarships; and \$15.0 million, or 9%, was depreciation.

The operating expenses for fiscal year 2019, including depreciation of \$15.4 million, totaled \$161.2 million. Under the functional classifications, \$83.3 million, or 52%, was used for instruction, scholarships and fellowships, and student services; \$25.7 million, or 16%, was used for auxiliary services; \$26.6 million, or 16%, was used for operations and maintenance of plant and depreciation; \$8.0 million, or 5%, was used for institutional support, which includes such areas as computer services and University police; \$11.8 million, or 7%, was used for academic support, for such areas as the library and various deans' offices; and \$5.9 million, or 4%, was used for research and public service, for such areas as grants and contracts.

Under the natural classifications, \$116.0 million, or 72%, was used for compensation and benefits; \$27.7 million, or 17%, was used for supplies, contractual services, travel, repairs and maintenance, utilities and other; \$2.1 million, or 1%, was used for scholarships; and \$15.4 million, or 10%, was depreciation.

EASTERN ILLINOIS UNIVERSITY
 A Component Unit of the State of Illinois
 Management's Discussion and Analysis
 For the Years Ended June 30, 2020 and 2019

Operating expenses are shown in the following graphs, by both functional and natural classifications:



Other

For fiscal year 2020, the largest source of nonoperating revenue was State appropriations of \$41.4 million and payments on behalf of the University and special funding situations relating to OPEB and pension at \$38.0 million. For fiscal year 2019, the largest source of nonoperating revenue was State appropriations of \$39.5 million and payments on behalf of the University and special funding situations relating to OPEB and pension at \$30.5 million.

Interest expense on outstanding debt was the largest category of nonoperating expenses at \$4.8 and \$5.0 million for fiscal years 2020 and 2019, respectively.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Years Ended June 30, 2020 and 2019

Statement of Cash Flows

The Statement of Cash Flows provides information about the University's sources and uses of cash and cash equivalents during the fiscal year.

Condensed Statement of Cash Flows
For the years ended June 30,

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash provided (used) by:			
Operating activities	\$ (54,907,256)	\$ (51,149,838)	\$ (51,192,421)
Noncapital financing activities	60,876,262	62,634,873	85,700,860
Capital and related financing activities	(12,623,581)	(15,047,472)	(10,402,019)
Investing activities	<u>871,719</u>	<u>1,016,513</u>	<u>903,843</u>
Net increase (decrease) in			
cash and cash equivalents	(5,782,856)	(2,545,924)	25,010,263
Cash and cash equivalents, beginning of year	<u>38,869,324</u>	<u>41,415,248</u>	<u>16,404,985</u>
Cash and cash equivalents, end of year	<u>\$ 33,086,468</u>	<u>\$ 38,869,324</u>	<u>\$ 41,415,248</u>

Major sources of funds included in operating activities are student tuition and fees and auxiliary services. Student tuition and fees provided \$30.3 and \$32.6 million for fiscal years 2020 and 2019, respectively. Auxiliary enterprises income provided \$20.5 and \$22.9 million for fiscal years 2020 and 2019, respectively. The major source of funds included in noncapital financing activities for each year is State appropriations, which provided \$34.6 and \$39.5 million for fiscal years 2020 and 2019, respectively. Another major source and use of funds included in noncapital financing activities is student loan receipts and disbursements, which were \$28.5 and \$30.2 million in fiscal years 2020 and 2019, respectively.

The net cash used by capital and related financing activities represents numerous purchases of capital assets, as well as costs incurred for many campus construction projects in progress.

Other University Items of Note

During 2020, the University was significantly impacted by the COVID-19 pandemic. It is expected that the University will incur more than \$7 million of expenses in connection with the pandemic by the end of fiscal year 2021. In the spring semester of 2020, the University transitioned to a fully remote learning modality. In the fall semester of 2020, the University is using on-line, in-person, and hybrid modalities in roughly equal proportions. The University has received approximately \$2.2 million from the federal CARES Act to help offset these costs.

The year 2020 represents the University's 125th anniversary. The University continues to be the highest-rated independent public university in the State of Illinois by U.S. News and World Report.

During 2020, the University was able to obtain approval for a traditional nursing program. The Gail and Richard Lumpkin School of Nursing will begin accepting students in fiscal year 2021. The School was made possible through a gift from a generous donor. In addition, the University's Graduate School introduced an accelerated program for graduate students that has proven extremely popular, helping the School generate a 4.5% increase in enrollment in the fall 2020 semester.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois
Management's Discussion and Analysis
For the Years Ended June 30, 2020 and 2019

The University's Economic Outlook

The University's mission is to "provide superior, yet accessible, undergraduate and graduate education." The University's ability to meet that mission is directly related to its enrollment, State support, and private gifts.

State appropriations . State appropriations increased \$1.9 million, from \$39.5 million in fiscal year 2019 to \$41.4 million in fiscal year 2020. For fiscal year 2021, the University has received a flat appropriation of \$41.4 million.

Tuition and fees . Since 2003, the University has been limited in its ability to increase tuition. Under Public Act 93-0228, tuition charged to an undergraduate student cannot increase, above the amount charged when the student enrolled, for four continuous academic years, with limited exceptions. Consequently, the University must establish a tuition rate for incoming students that takes into account all potential cost increases and the rate of inflation. For the fall semester of 2020, the University increased tuition and fee rates for incoming students \$6.08 per credit hour, or 2%, over the rate paid by students starting in the fall semester of 2019. The University is unable to estimate potential tuition and fee increases for fiscal year 2022.

Enrollment . After several years of declining enrollment, the University is striving to stabilize its enrollment. The University has rebranded itself and expanded its marketing efforts to let people know the value of the University. For fall of 2020, the University's first-time freshmen enrollment increased 10.5% over fall of 2019. This is the second year of enrollment increases and the first time since 2008 that credit hours have increased.

Housing . University-owned housing rates are not under the same limitations as tuition. However, they are limited by rates charged in the local housing market for similar accommodations. All freshman are required to live in University-owned housing, and all other students are encouraged to live there, because it has been the University's experience that students living in University-owned housing graduate at a higher rate and with higher grade point averages. For the fall semester of 2020, the typical room and board rate for a full-time student increased \$116 to \$5,131 from the fall semester of 2019.

In response to COVID-19, the University has also opted to provide single rooms to almost all of its students for the 2020-2021 academic year.

Gifts and grants . As other funding sources decline, private gifts become a more important source of funding for University operations. In association with the Eastern Illinois University Foundation, about \$6.2 million was raised in new gifts and additions to the endowment during fiscal year 2020. The Foundation's annual return on its endowment in fiscal year 2020 was 1.5%, which is 3.4% lower than the Broad Policy Index return of 4.9. The lower rate was caused by the asset mix of the Foundation's endowment.

Bargaining agreements . The University approved an agreement with the University Professionals of Illinois (UPI) Local 4100 (the union representing University faculty members) through August of 2022. UPI represents approximately 400 faculty members on campus and is the single largest union representing employees on campus. The University believes it has good working relationships with the various unions representing its employees.

Users of these financial statements with additional questions or requests for additional financial information should contact:

Eastern Illinois University
Business Office
600 West Lincoln Avenue
Charleston, IL 61920

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Statements of Net Position
June 30, 2020 and 2019

	University		Component Units	
	2020	2019	2020	2019
Assets				
Current assets:				
Cash and cash equivalents	\$ 20,590,938	\$ 25,521,903	\$ 901,998	\$ 836,747
Restricted cash and cash equivalents	12,495,530	13,347,421	11,386,294	8,417,881
Short-term investments	-	-	2,671,909	2,716,744
Restricted short-term investments	119,423	92,263	1,307,944	1,299,285
Accounts receivable, net	16,848,953	15,135,864	177,180	123,464
State appropriation receivable	6,791,140	-	-	-
Inventories	1,433,205	1,389,735	4,089	32,111
Notes receivable, current portion, net	702,387	793,955	-	-
Other assets	859,202	865,585	42,247	14,686
Total current assets	59,840,778	57,146,726	16,491,661	13,440,918
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	515,550	(44,536)
Notes receivable, less current portion, net	4,197,862	4,601,770	-	-
Endowment investments	5,346,649	5,396,985	53,568,053	56,199,407
Restricted investments	464,451	465,188	25,491,250	20,513,182
Other long-term assets	4,028	6,045	5,659,379	5,789,018
Capital assets, net	236,460,211	246,122,072	1,756,281	1,789,891
Total noncurrent assets	246,473,201	256,592,060	86,990,513	84,246,962
Total assets	306,313,979	313,738,786	103,482,174	97,687,880
Deferred Outflows of Resources				
Other postemployment benefits	738,556	592,059	-	-
Pension	141,958	108,206	-	-
Total deferred outflows of resources	880,514	700,265	-	-
Total assets and deferred outflows of resources	307,194,493	314,439,051	103,482,174	97,687,880

Continued on next page.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Statements of Net Position (Continued)
June 30, 2020 and 2019

	University		Component Units	
	2020	2019	2020	2019
Liabilities				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 7,410,205	\$ 7,781,902	\$ 66,776	\$ 108,003
Unearned revenue	4,927,034	3,557,478	32,133	21,678
Liability for other postemployment benefits, current portion	194,915	122,107	-	-
Long-term liabilities, current portion	6,776,584	7,046,883	21,979	21,979
Total current liabilities	19,308,738	18,508,370	120,888	151,660
Noncurrent liabilities:				
Long-term liabilities, less current portion	76,626,192	81,171,399	88,415	102,095
Liability for other postemployment benefits	5,642,344	7,335,237	-	-
Federal loan program contributions refundable	4,626,116	5,795,952	-	-
Total noncurrent liabilities	86,894,652	94,302,588	88,415	102,095
Total liabilities	106,203,390	112,810,958	209,303	253,755
Deferred Inflows of Resources				
Other postemployment benefits	4,044,601	3,086,852	-	-
Split interest agreements	464,451	465,188	-	-
Total deferred inflows of resources	4,509,052	3,552,040	-	-
Total liabilities and deferred inflows of resources	110,712,442	116,362,998	209,303	253,755
Net position				
Net investment in capital assets	162,858,218	167,528,791	1,756,281	1,789,891
Restricted:				
Nonexpendable				
Endowments	5,265,422	5,325,269	58,914,451	58,339,753
Expendable				
Scholarships and fellowships	675,986	534,553	-	-
Instructional department uses	4,459,455	3,883,258	-	-
Loans	1,371,574	1,526,502	-	-
Debt service	3,142,810	2,503,154	-	-
Bond system	5,622,599	9,532,145	-	-
Other	-	-	37,193,913	32,358,613
Unrestricted	13,085,987	7,242,381	5,408,226	4,945,868
Total net position	\$ 196,482,051	\$ 198,076,053	\$ 103,272,871	\$ 97,434,125

The accompanying notes are an integral part of these financial statements.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Statements of Revenues, Expenses, and Changes in Net Position

For the Years Ended June 30, 2020 and 2019

	University		Component Units	
	2020	2019	2020	2019
Operating Revenues				
Student tuition and fees (net of scholarship allowance of \$30,211,694 in fiscal year 2020 and \$26,790,194 in fiscal year 2019)	\$ 29,483,534	\$ 32,286,965	\$ -	\$ -
Federal grants & contracts	1,476,590	485,412	-	-
State grants & contracts	2,181,288	2,039,644	-	-
Local grants & contracts	87,903	82,777	-	-
Private grants & contracts	771,538	861,028	-	-
Sales and services of educational departments	3,194,428	3,402,794	-	-
Auxiliary enterprises (net of scholarship allowances of \$3,679,113 in fiscal year 2020 and \$3,378,193 in fiscal year 2019)	20,698,217	23,365,802	-	-
Gifts	-	-	4,475,289	1,262,522
Budget allocation from the University	-	-	324,124	333,327
Membership dues	-	-	52,775	30,272
Royalties and merchandise sales	-	-	20,000	32,000
Other operating revenues	1,767,005	2,518,195	119,450	160,231
Total operating revenues	59,660,503	65,042,617	4,991,638	1,818,352
Operating Expenses				
Operating expenses				
Educational and general				
Instruction	67,996,118	63,908,621	-	-
Research	960,809	957,144	-	-
Public service	4,472,111	4,942,289	-	-
Academic support	12,670,979	11,804,429	-	-
Student services	16,529,624	16,906,509	-	-
Institutional support	8,555,507	7,950,960	802,456	905,537
Operations and maintenance of plant	12,380,491	11,167,262	-	-
Scholarships and fellowships	1,966,000	2,467,340	-	-
Auxiliary enterprises	25,065,087	25,707,222	-	-
Depreciation expense	15,045,868	15,433,181	33,610	33,610
Total operating expenses	165,642,594	161,244,957	836,066	939,147
Operating income (loss)	(105,982,091)	(96,202,340)	4,155,572	879,205

Continued on next page.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Statements of Revenues, Expenses, and Changes in Net Position (Continued)

For the Years Ended June 30, 2020 and 2019

	University		Component Units	
	2020	2019	2020	2019
Nonoperating Revenues (Expenses)				
State appropriations	\$ 41,432,300	\$ 39,459,700	\$ -	\$ -
Payments on behalf of the University	9,970,058	12,692,848	-	-
Special funding situation relating to OPEB	(19,634,304)	(23,803,797)	-	-
Special funding situation relating to pensions	47,654,766	41,598,334	-	-
Gifts	2,822,155	2,881,988	-	-
Investment income (net)	908,389	1,147,055	2,265,874	2,622,414
Net increase (decrease) in fair value of investments	(59,846)	(15,426)	1,656,988	(2,403,356)
Scholarships	-	-	(1,367,816)	(1,194,969)
Distributions to annuity/unitrust beneficiaries	-	-	(66,196)	(578,000)
Actuarial adjustments	-	-	-	-
Interest on capital asset-related debt	(4,790,823)	(5,037,683)	-	-
Nonoperating grants & contracts	22,008,884	18,750,104	-	-
Amortization of premiums and discounts	(5,599)	(6,711)	-	-
Grants to the University	-	-	(2,580,627)	(2,668,643)
Payments to the Foundation	(5,091)	(24,280)	-	-
Net gain (loss) on disposal of capital assets	(37,782)	(72,144)	-	-
Other nonoperating activity	1,397,208	1,451,278	-	-
Total nonoperating revenues (expenses)	101,660,315	89,021,266	(91,777)	(4,222,554)
Income (loss) before other revenues (expenses)	(4,321,776)	(7,181,074)	4,063,795	(3,343,349)
Additions to permanent endowments	-	100,000	1,774,951	1,374,206
Capital grants and gifts	669,681	-	-	-
Asset transfers from Capital Development Board	2,058,093	1,075,958	-	-
Increase (decrease) in net position	(1,594,002)	(6,005,116)	5,838,746	(1,969,143)
Net Position				
Net position, beginning of year	198,076,053	204,081,169	97,434,125	99,403,268
Net position, end of year	<u>\$ 196,482,051</u>	<u>\$ 198,076,053</u>	<u>\$ 103,272,871</u>	<u>\$ 97,434,125</u>

The accompanying notes are an integral part of these financial statements.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Statements of Cash Flows
For the Years Ended June 30, 2020 and 2019

	University	
	2020	2019
Cash flows from operating activities		
Tuition and fees	\$ 30,290,828	\$ 32,626,616
Grants and contracts (noncapital)	3,673,343	3,444,189
Sales and services of educational departments	3,190,467	3,278,313
Auxiliary enterprises	20,576,648	22,934,789
Payments to suppliers	(26,349,779)	(27,260,503)
Payments to employees	(77,809,746)	(78,754,051)
Payments for employee benefits	(7,536,306)	(7,882,133)
Payments for scholarships and fellowships	(1,656,951)	(2,126,836)
Federal loan program contributions refundable	(1,169,836)	56,755
Loans issued to students	(160,147)	(226,195)
Collection of loans from students	655,622	800,991
Other receipts	1,388,601	1,958,227
	<u>(54,907,256)</u>	<u>(51,149,838)</u>
Net cash used in operating activities		
Cash flows from noncapital financing activities		
State appropriations	34,641,160	39,459,700
Grants to the University	2,822,155	2,981,988
Payments to the Foundation	(5,091)	(24,280)
Direct lending student loan receipts	28,526,552	30,217,078
Direct lending student loan disbursements	(28,526,552)	(30,217,078)
Other nonoperating activities	1,397,208	1,451,279
Nonoperating grants	22,020,830	18,766,186
	<u>60,876,262</u>	<u>62,634,873</u>
Net cash provided by noncapital financing activities		
Cash flows from capital and related financing activities		
Principal paid on capital debt and leases	(4,970,000)	(4,795,000)
Interest paid on capital debt and leases	(4,838,068)	(5,079,142)
Capital grants and gifts	659,305	450
Purchases of capital assets	(3,474,818)	(5,173,780)
	<u>(12,623,581)</u>	<u>(15,047,472)</u>
Net cash used in capital and related financing activities		
Cash flow from investing activities		
Proceeds from the sale and maturities of investments	84,868	119,549
Interest received on investments	908,389	1,149,166
Purchase of investments	(121,538)	(252,202)
	<u>871,719</u>	<u>1,016,513</u>
Net cash provided by investing activities		
Net decrease in cash and cash equivalents	(5,782,856)	(2,545,924)
Cash and cash equivalents, beginning of year	38,869,324	41,415,248
Cash and cash equivalents, end of year	<u>\$ 33,086,468</u>	<u>\$ 38,869,324</u>

Continued on next page.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Statements of Cash Flows (Continued)

For the Years Ended June 30, 2020 and 2019

	University	
	2020	2019
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (105,982,091)	\$ (96,202,340)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	15,045,868	15,433,181
On behalf benefits and benefits provided under special funding situations	37,990,520	30,487,385
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(1,711,377)	(1,211,295)
(Increase) decrease in inventory	(43,470)	61,590
(Increase) decrease in notes receivable	495,476	574,796
(Increase) decrease in other assets	5,951	91,165
(Increase) decrease in pension deferred outflows	(33,752)	(2,012)
(Increase) decrease in net OPEB liability and deferred outflows	(808,833)	(422,814)
Increase (decrease) in accounts payable	(213,329)	109,034
Increase (decrease) in unearned revenue	1,366,276	255,156
Increase (decrease) in compensated absences	275,208	(466,705)
Increase (decrease) in federal loan program refundable	(1,169,836)	56,755
Increase (decrease) in other long-term liabilities	(99,950)	33,016
Increase (decrease) in deposits	(23,917)	53,250
Net cash used in operating activities	<u>\$ (54,907,256)</u>	<u>\$ (51,149,838)</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:		
Cash and cash equivalents classified as current assets	\$ 20,590,938	\$ 25,521,903
Restricted cash and cash equivalents classified as current assets	12,495,530	13,347,421
Total cash and cash equivalents, end of year	<u>\$ 33,086,468</u>	<u>\$ 38,869,324</u>
Noncash investing, capital, and financing activities:		
On behalf benefits and benefits provided under a special funding situation	\$ 37,990,520	\$ 30,487,385
Change in fair value of investments	(59,846)	(15,426)
Change in accrued interest affecting interest paid	(47,244)	(41,502)
Change in accrued costs relating to capital assets	(111,124)	(485,848)
Donation of property, plant and equipment	2,058,093	1,075,958

The accompanying notes are an integral part of these financial statements.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Eastern Illinois University is a comprehensive, state-assisted, regional service institution. It is primarily an undergraduate institution. Established in 1895 as a normal school, Eastern is a multi-purpose institution, continuing its heritage in teacher preparation while at the same time offering a comprehensive undergraduate program in the arts, sciences, humanities, and professions. The Graduate School complements and builds upon the undergraduate curriculum, providing programs of excellence at the master's and specialist's levels.

Financial Reporting Entity

The financial reporting entity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Based upon the factors discussed below, these financial statements include the accounts of Eastern Illinois University (the University) as the primary government, and the component units of the Eastern Illinois University Foundation (the Foundation) and the Eastern Illinois University Alumni Association, Inc., (the Alumni Association), discretely presented.

A primary government is financially accountable for a component unit if it appoints a voting majority of the organization's governing body and (1) is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government.

The University and the related organizations have also implemented GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* (an amendment of GASB Statement No. 14, *The Financial Reporting Entity*) and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus* (an amendment of GASB Statements No. 14 and No. 34), which increased the factors to consider when determining if a component unit should be included in the financial reporting entity of a primary government.

As stated in GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, a legally separate organization should be considered a component unit of the primary government if the following three factors are met: 1) the separate organization's economic resources are almost entirely held for the direct benefit of the primary government; 2) the primary government is entitled to or has access to the majority of the resources held or received by the separate organization; and 3) the resources held or received by the separate organization are significant to the primary government.

The Foundation is a legally separate, tax-exempt component unit. It acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. The board of the Foundation is self-perpetuating and consists of graduates and friends of the University. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests is restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University and its students, the Foundation is considered a component unit of the University and is discretely presented in the University's financial statements. Complete financial statement for the Foundation can be obtained from the University's Business Office at 600 Lincoln Avenue, Charleston, IL 61920.

The Alumni Association is also a legally separate, tax-exempt component unit. The Alumni Association is governed by a separately elected Board of Directors and its primary functions are to foster loyalty and fellowship among the alumni of the University and to receive gifts, which are contributed for the welfare of the University. The Alumni Association uses its resources entirely or almost entirely for the direct benefit of the University or its constituents. In addition, the University is entitled to or has access to the majority of the resources of the Alumni Association, and such resources are significant to the University. Therefore, the Alumni Association is considered a component unit of the University and is discretely presented in the University's financial statements. Complete financial statements for the Alumni Association can be obtained from the University's Business Office at 600 Lincoln Avenue, Charleston, IL 61920.

The University is a component unit of the State of Illinois for financial reporting purposes. The financial balances and activities included in these financial statements are therefore included in the State of Illinois' Comprehensive Annual Financial Report.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

The Foundation and Alumni Association are private, not-for-profit organizations that report under accounting standards promulgated by the Financial Accounting Standards Board (FASB). As such, certain revenue criteria and other accounting rules are different from the revenue recognition criteria and accounting rules promulgated by the Governmental Accounting Standards Board (GASB), which the University follows. The Foundation and Alumni Association follow FASB standards for financial statement presentation. No modifications have been made to the Foundation or Alumni Association's financial information in the University's financial reporting entity for these differences. Only certain reclassifications have been made for consistency with the University's GASB presentation.

Cash and Cash Equivalents

Cash and cash equivalents of the University includes bank accounts and all highly liquid investments with an original maturity of three months or less at the date of purchase. Funds invested through the Illinois Funds are considered cash equivalents.

Investments

The University accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, and GASB Statement No. 72, *Fair Value Measurement and Application*. Additionally, the University accounts for land held by endowments at fair value in accordance with GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowment*. Net investment income includes interest and dividends, and net increase in fair value includes both realized and unrealized gains and losses as reported within the statement of revenues, expenses and changes in net position.

Inventories

Inventories are carried at the lower of cost (first-in, first-out method) or market.

Accounts Receivable

Accounts receivable consist of tuition and fee charges to students and auxiliary enterprise services provided to students, faculty, and staff, the majority of each residing in the State of Illinois. Accounts receivable also include amounts due from the federal government, state and local governments, or private sources, in connection with the reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Restricted Assets

Restricted assets consist of cash and investments that are restricted by external sources and are classified as either current or noncurrent assets in the Statement of Net Position depending upon when the assets become available for use.

Capital Assets

Capital assets are recorded at cost or acquisition value at the date of donation in the case of gifts. The University's capitalization policy for capital assets is as follows: equipment \$5,000 or greater, land or buildings \$100,000 or greater and site or building improvements \$25,000 or greater. Renovations to buildings and equipment that significantly increase the value or extend the useful life of the asset are capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. The University purchases textbooks and library materials for its textbook rental service and library. The University capitalizes all library book and textbook purchases.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings, 15 to 20 years for site and building improvements, 5 years for library books, 4 to 7 years for equipment and 2 years for textbooks. Depreciation also includes amortization of capitalized leased equipment.

Unearned Revenues

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Compensated Absences

Employee vacation pay, sick pay, and compensable time are accrued at year-end for financial statement purposes. The liabilities outstanding are reported as accrued liabilities in the Statement of Net Position, and the expenses incurred are reported as functionalized expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

Long-Term Liabilities

Long-term liabilities include (1) principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year and (2) estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Net Position

The University's net position is classified as follows:

Net investment in capital assets: This represents the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Restricted net position - nonexpendable: Nonexpendable restricted net position consists of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Restricted net position - expendable: Restricted expendable net position includes resources for which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Unrestricted net position: Unrestricted net position represent resources derived from student tuition and fees, State appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the financial manager of the University account uses discretion in deciding which resources to apply.

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Deferred Inflows/Outflows of Resources

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows or outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense until then. The University has two items that qualify for reporting in this category, the deferral of employer pension contributions and the deferral of other postemployment benefits (OPEB) due to differences in expected and actual experience and changes in proportion. The separate financial statement element, deferred inflows of resources, represents an increase in net position that applies to a future period. The University will not recognize the related revenue until a future event occurs. The University has two items that qualifies for reporting in this category, the deferral of other postemployment benefits and the University's interest in split-interest agreements.

The University has deferred its fiscal years 2020 (to fiscal year 2021) and 2019 (to fiscal year 2020) pension and OPEB contributions as required by GASB Statements No. 71 and 75. The pension and OPEB contributions will be recognized as expense during the fiscal year noted above.

The University implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, during fiscal year 2018. The University's postemployment benefits are provided by the State of Illinois under statute. Although the University is not liable for OPEB, the University is required to report a net OPEB liability as well as deferred inflows and outflows of resources under GASB Statement No. 75.

Income Taxes

The University, as a political subdivision of the State of Illinois, is generally excluded from Federal income taxes under Section 115(I) of the Internal Revenue Code, as amended. Certain activities of the University are subject to sales tax, and some activities may be subject to taxation as unrelated business income under the Internal Revenue Code.

Reclassifications and Restatements

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Classification of Revenues

The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues: Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, State and local grants and contracts and federal appropriations, and (4) interest on institutional student loans.

Nonoperating revenues: Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, such as State appropriations and investment income.

On-Behalf Transactions

The University had outside sources of financial assistance provided by the State on behalf of the University during the year ended June 30, 2020.

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Substantially all active employees participate in group insurance plans provided by the State and administered by CMS, primary providing healthcare benefits. In order to fund SEGIP's pay-as-you-go obligations for both current employees and retirees, SEGIA (5 ILCS 375/11) requires contributions based upon total employee compensation paid from any State fund or university component unit, except the university component units shall not be required to make contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary enterprises. Pursuant to a long-standing State policy, the State's General Fund covers the contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary enterprises. This relationship may be modified through the enactment of a Public Act by the State's highest level of decision-making authority exercised by the Governor and the General Assembly pursuant to the State's Constitution.

During the year ended June 30, 2020, total estimated group insurance contributions for the University's employees paid from the University's Income Fund and auxiliary enterprises were \$11,558,258. The University made a voluntary appropriation repayment from its State appropriation that was not considered a contribution of \$1,588,200 to help offset the amount the State needed to provide for current employees under the situation described in the preceding paragraph. As such, the State contributed the estimated remaining balance of \$9,970,058 on-behalf of the University to meet this obligation for current employees.

During the year ended June 30, 2019, total estimated group insurance contributions for the University's employees paid from the University's Income Fund and auxiliary enterprises were \$13,780,137. The University made a voluntary appropriation repayment from its State appropriation that was not considered a contribution of \$1,088,098 to help offset the amount the State needed to provide for current employees under the situation described in the preceding paragraph. As such, the State contributed the estimated remaining balance of \$12,693,039 on-behalf of the University to meet this obligation for current employees.

As the University is not legally responsible to pay for the on-behalf support provided by the State, the University recognizes non-operating revenues and operating expenses allocated to the related function performed by the employees within the University's financial statements for its current employees' participation in group insurance.

Scholarship Discounts and Allowances

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as other federal, state or nongovernmental programs, are recorded as operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

Pensions

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS) and additions to/deductions from SURS' plan net position have been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and its public universities and community colleges are considered to be under a special funding situation. A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity (the University) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to a pension plan. The University recognizes its proportionate share of the State's pension expense relative to the University's employees as non-operating revenue and pension expense, with the expense further allocated to the related function performed by the employees.

Other Postemployment Benefits (OPEB)

The State Employees Group Insurance Act of 1971 (SEGIA) (5 ILCS 375), as amended, authorizes the State Employees Group Insurance Program (SEGIP), which includes activity for both active employees and retirees, to provide health, dental, vision, and life insurance benefits as a single-employer defined benefit OPEB plan not administered as a trust. Substantially all State and university component unit employees become eligible for these OPEB plan benefits when they become annuitants of one of the State sponsored pension plans. The Illinois Department of Central Management Services (CMS) administers these benefits for the annuitants with the assistance of the public retirement systems sponsored by the State, including the General Assembly Retirement System (GARS), Judges Retirement System (JRS), State Employees Retirement System (SERS), Teachers' Retirement System (TRS), and SURS.

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In order to fund SEGIP's pay-as-you-go obligations for both current employees and retirees, SEGIA (5 ILCS 375/11) requires contributions based upon total employee compensation paid from any State fund or university component unit, except the university component units shall not be required to make contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary enterprises. Pursuant to a long-standing State policy, the State's General Fund covers the contributions for employees who are totally compensated from each individual university's Income Fund and auxiliary enterprises. This relationship may be modified through the enactment of a Public Act by the State's highest level of decision-making authority exercised by the Governor and the General Assembly pursuant to the State's Constitution.

Given the preceding environment, the University has two separate components of OPEB administered within SEGIP. The (1) State of Illinois and its public universities are under a special funding situation for employees paid from the University's Income Fund or auxiliary enterprises, while (2) the University is responsible for OPEB employer contributions for employees paid from trust, federal, and other funds.

Special Funding Situation Portion of OPEB

A special funding situation exists when a non-employer entity (the State) is legally responsible for making contributions directly to an OPEB plan that is used to provide OPEB to the employees of another entity (the University) and the non-employer (the State) is the only entity with a legal obligation to make contributions directly to an OPEB plan.

During the OPEB measurement period ended June 30, 2019, the University made a voluntary appropriation repayment from either its State appropriation or locally-held resources that was not considered a contribution of \$625,012 to help offset the amount the State needed to provide for retirees under the special funding situation described in the preceding paragraph.

The University recognizes the proportionate share of the State's OPEB expense relative to the University's employees as non-operating revenue and OPEB expense, with the expense further allocated to the related function performed by the employees.

University's Portion of OPEB

The University reports a liability, expense allocated to the related function performed by the employees, and related deferred inflows and outflows of resources for OPEB based on the University's proportionate share of amounts paid to SEGIP pursuant to SEGIA for its employees paid from trust, federal, and other funds compared to the collective amounts paid to SEGIP pursuant to SEGIA. The collective amounts paid to SEGIP pursuant to SEGIA includes (1) payments from State agencies for State employees, (2) the amount calculated by CMS to represent the amount paid by the General Fund related to the special funding situation, (3) the total voluntary appropriation repayment from all of the universities, and (4) the total of all payments from the universities for employees paid from trust, federal, and other funds. This methodology has been determined by the State to be the best estimate of how future OPEB payments will be determined.

Deferred inflows and outflows of resources are recognized in OPEB expense at the beginning of the current period, using a systematic and rational method over a closed period, equal to the average expected remaining service lives of all employees, either active or inactive, provided with OPEB through SEGIP, determined as of the beginning of the measurement period.

New Accounting Pronouncements

During fiscal year 2020, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This delayed the effective dates of provisions of certain pronouncements.

During fiscal year 2021, the University expects to implement GASB Statement No. 87, *Leases*, and GASB Statement No. 84, *Fiduciary Activities*. The University currently is reviewing the effects of those Statements.

2 CASH AND CASH EQUIVALENTS, OTHER DEPOSITS, AND INVESTMENTS

Cash and Cash Equivalents

The University maintains deposits at financial institutions authorized by the Board of Trustees. The carrying amount of these deposits were \$178,784 and \$204,834 at June 30, 2020 and 2019, respectively, and were fully covered by depository insurance. In addition, the University had cash on hand in various petty cash and change funds in the amount of \$23,689 and \$27,078, at June 30, 2020 and 2019, respectively.

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Investments

Illinois Statutes and the Board of Trustees authorize the University to invest in United States Government securities, securities guaranteed by the full faith and credit of the United States Government, interest-bearing savings accounts, certificate and time deposits in financial institutions fully insured by the FDIC, and any other security or investment permitted by law and approved by the Board. The Vice President for Business Affairs (VPBA) has the authority to prescribe guidelines consistent with the Board of Trustees' Regulations, the provisions of the Public Funds Investment Act (30 ILCS 235/2.5 et seq.) and the Uniform Management of Institutional Funds Act (760 ILCS 50/1-10).

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University has established a maximum maturity of up to four years for any investment. State statutes limit maturity on commercial paper investments to 180 days. Effective maturity ranges for investments as of June 30, 2020 and 2019, are as follows:

Effective Maturity	At June 30, 2020		
	0-1 Years	1-5 Years	6-10 Years
The Illinois Funds	\$ 31,109,813	\$ -	\$ -
Bond mutual funds	-	83,918	551,080
	<u>\$ 31,109,813</u>	<u>\$ 83,918</u>	<u>\$ 551,080</u>

Effective Maturity	At June 30, 2019		
	0-1 Years	1-5 Years	6-10 Years
The Illinois Funds	\$ 36,684,928	\$ -	\$ -
Bond mutual funds	-	-	721,215
	<u>\$ 36,684,928</u>	<u>\$ -</u>	<u>\$ 721,215</u>

Credit Risk. Credit risk is the risk that an issuer or other counterparty to a debt investment will not fulfill its obligations. Credit ratings for University investments are shown below. The bond funds are not rated. The University's investment policy has no specific guidelines addressing the credit rating of Mutual Bond Funds.

Quality Rating	At June 30, 2020	
	AAA	Not Rated
The Illinois Funds	\$ 31,109,813	\$ -
Bond mutual funds	-	634,998
	<u>\$ 31,109,813</u>	<u>\$ 634,998</u>

Quality Rating	At June 30, 2019	
	AAA	Not Rated
The Illinois Funds	\$ 36,684,928	\$ -
Bond mutual funds	-	721,215
	<u>\$ 36,684,928</u>	<u>\$ 721,215</u>

Custodial Credit Risk. Custodial credit risk is the risk that when, in the event a financial institution or counterparty fails, the University would not be able to recover value of deposits, investments, or collateral securities that are in the possession of an outside party. All of the University's investments are held by the University's agent in the University's name and are not subject to creditors of the custodial bank.

The University's investments in The Illinois Funds and mutual funds are not subject to detailed disclosure because the University owns shares of each investment fund and not the physical securities.

Concentration Risk. The University does not have any investments representing 5% or more of total assets in any single issuer other than the U.S. Government, its agencies or sponsored corporations. State statutes limit investment in short term debts of corporations to one-third of the agency's funds, and no more than 10% of any one corporation's outstanding obligations. The University has limited commercial paper investments to two million dollars per issuer.

The University has not held foreign currency positions other than the purchase of foreign payment drafts to vendors, nor has it participated in securities lending.

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The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than market value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Illinois Funds do not have any direct or indirect investments in derivative instruments. The mutual funds have not disclosed to the University whether derivatives are used, held, or were written during the period covered by the financial statements.

Fair Value Measurements. The University categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation methods used to measure the fair value of the asset. Level 1 inputs are quoted prices for identical assets in active markets that the University can access. Level 2 inputs are observable prices, either directly or indirectly, for an asset. Level 3 inputs are unobservable inputs for an asset.

During fiscal years 2020 and 2019, there were no changes in valuation techniques that would have a significant impact on the results.

Investments and Derivative Instruments Measured at	Totals	Quoted Prices in	Observable Inputs	Unobservable
Bond mutual funds	\$ 634,998	\$ 634,998	\$ -	\$ -
Equity mutual funds	2,264,847	2,264,847	-	-
Split interest agreements	464,451	-	-	464,451
Farm assets	2,566,227	-	-	2,566,227
	<u>\$ 5,930,523</u>	<u>\$ 2,899,845</u>	<u>\$ -</u>	<u>\$ 3,030,678</u>

Investments and Derivative Instruments Measured at	Totals	Quoted Prices in	Observable Inputs	Unobservable
Bond mutual funds	\$ 721,215	\$ 721,215	\$ -	\$ -
Equity mutual funds	2,209,207	2,209,207	-	-
Split interest agreements	465,188	-	-	465,188
Farm assets	2,558,827	-	-	2,558,827
	<u>\$ 5,954,437</u>	<u>\$ 2,930,422</u>	<u>\$ -</u>	<u>\$ 3,024,015</u>

Reconciliation to the Statement of Net Position

A reconciliation of cash and investments as presented previously to amounts reported in the Statement of Net Position as of June 30, 2020 and 2019, are as follows:

	At June 30, 2020		
	Current	Noncurrent	Total
Cash and cash equivalents	\$ 20,590,938	\$ -	\$ 20,590,938
Restricted cash and cash equivalents	12,495,530	-	12,495,530
Restricted investments	119,423	-	119,423
Split interest agreements	-	464,451	464,451
Endowment investments	-	5,346,649	5,346,649
	<u>\$ 33,205,891</u>	<u>\$ 5,811,100</u>	<u>\$ 39,016,991</u>

	At June 30, 2019		
	Current	Noncurrent	Total
Cash and cash equivalents	\$ 25,521,903	\$ -	\$ 25,521,903
Restricted cash and cash equivalents	13,347,421	-	13,347,421
Short-term investments	-	-	-
Restricted investments	92,263	-	92,263
Split interest agreements	-	465,188	465,188
Endowment investments	-	5,396,985	5,396,985
	<u>\$ 38,961,587</u>	<u>\$ 5,862,173</u>	<u>\$ 44,823,760</u>

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Breakdown and carrying amounts of the cash and investments are as follows:

	2020	2019
Cash deposits	\$ 178,785	\$ 204,834
Petty cash funds	23,689	27,078
The Illinois Funds accounts	31,109,813	36,684,928
Trust accounts	1,070	4,365
Charles Schwab account	2,115	2,110
Commercial paper sweep accounts	1,770,996	1,946,008
Total cash and cash equivalents	<u>33,086,468</u>	<u>38,869,323</u>
Bond mutual funds	634,998	721,215
Equity mutual funds	2,264,847	2,209,207
Split interest agreements	464,451	465,188
Farm assets	2,566,227	2,558,827
Total investments	<u>5,930,523</u>	<u>5,954,437</u>
As reported in the Statement of Net Position	<u>\$ 39,016,991</u>	<u>\$ 44,823,760</u>

3 ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30:

	2020	2019
Sales and service	\$ 925,442	\$ 1,107,702
Student tuition and fees	8,781,282	8,313,689
Auxiliary enterprises and other operating activities	8,216,668	8,206,619
Federal, State, and private grants and contracts	1,792,941	749,524
Others	23,264,793	19,464,044
Total	<u>42,981,126</u>	<u>37,841,578</u>
Less allowance for doubtful accounts	<u>(26,132,173)</u>	<u>(22,705,714)</u>
Net accounts receivable	<u>\$ 16,848,953</u>	<u>\$ 15,135,864</u>

4 INVENTORIES

Inventories consisted of the following at June 30:

	2020	2019
Union Bookstore	\$ 606,711	\$ 558,924
Facilities Planning and Management	604,573	617,054
Dining Services	134,147	128,063
Union operations	34,376	33,270
Postage	37,701	38,326
Pharmacy	8,604	6,345
Other	7,093	7,753
Total inventories	<u>\$ 1,433,205</u>	<u>\$ 1,389,735</u>

5 NOTES RECEIVABLE

Student loans made through the Federal Perkins Loan Program (the "Program") comprise substantially all of the notes receivable as of June 30, 2020 and 2019. Under this Program, the federal government provides funds for approximately 75% of the total contribution for student loans with the University providing the balance. Under certain conditions such loans can be forgiven at annual rates of 15% to 30% of the original balance up to maximums of 50% to 100% of the original loan. The federal government reimburses the University according to a formula. Amounts refundable to the U.S. Government upon cessation of the Program of \$4,626,116 and \$5,795,952, as of June 30, 2020 and 2019, respectively, are reflected in the accompanying Statement of Net Position as noncurrent liabilities.

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As the University determines that loans are uncollectible and not eligible for reimbursement by the Federal government, the loans may be assigned to the U.S. Department of Education. The allowance for uncollectible loans only applies to University funded loans and the University portion of federal student loans, as the University is not obligated to fund the federal portion of uncollected student loans. The University has provided an allowance for uncollectible loans, which, in management's opinion, is sufficient to absorb loans that will ultimately be written off. At June 30, 2020 and 2019, the allowance for uncollectible loans was \$113,879 and \$116,209, respectively.

The previous extension of the Program has expired. New Perkins loans can not be disbursed after September 30, 2017. Borrowers who received a loan disbursement prior to October 1, 2017 for the 2017-2018 award year could still receive subsequent disbursements through June 30, 2018. No Perkins loan disbursements have been permitted after June 30, 2018 under any circumstances. The University is waiting for further guidance from the U.S. Department of Education, which may include returning the Program's federal share.

6 CAPITAL ASSETS

Capital assets activity is summarized as follows:

	For the Year Ended June 30, 2020				
	6/30/2019	Additions	Deletions	Transfers	6/30/2020
Capital assets not being depreciated					
Land and land improvements	\$ 3,007,015	\$ -	\$ -	\$ -	\$ 3,007,015
Capitalized collections	247,830	20,000	-	-	267,830
Construction in progress	2,085,328	3,253,369	33,558	(4,401,044)	904,095
Total capital assets not being depreciated	5,340,173	3,273,369	33,558	(4,401,044)	4,178,940
Other capital assets being depreciated					
Site improvements	31,628,880	-	-	-	31,628,880
Buildings & building improvements	416,006,173	3,269	-	4,401,044	420,410,486
Equipment	77,537,099	2,150,651	1,098,951	-	78,588,799
Total capital assets being depreciated	525,172,152	2,153,920	1,098,951	4,401,044	530,628,165
Less accumulated depreciation for:					
Site improvements	20,337,575	1,164,998	-	-	21,502,573
Buildings & building improvements	192,265,132	11,005,708	-	-	203,270,840
Equipment	71,787,546	2,875,162	1,089,227	-	73,573,481
Total accumulated depreciation	284,390,253	15,045,868	1,089,227	-	298,346,894
Intangible assets being amortized					
Software	380,146	-	-	-	380,146
Less amortization	380,146	-	-	-	380,146
Total intangible assets being amortized	-	-	-	-	-
Total capital assets, being depreciated or amortized, net	240,781,899	(12,891,948)	9,724	4,401,044	232,281,271
Capital assets, net	\$ 246,122,072	\$ (9,618,579)	\$ 43,282	\$ -	\$ 236,460,211

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	For the Year Ended June 30, 2019				
	6/30/2018	Additions	Deletions	Transfers	6/30/2019
Capital assets not being depreciated					
Land and land improvements	\$ 3,007,015	\$ -	\$ -	\$ -	\$ 3,007,015
Capitalized collections	247,830	-	-	-	247,830
Construction in progress	1,136,215	3,364,046	65,506	(2,349,427)	2,085,328
Total capital assets not being depreciated	4,391,060	3,364,046	65,506	(2,349,427)	5,340,173
Other capital assets being depreciated					
Site improvements	31,585,872	3,594	-	39,414	31,628,880
Buildings & building improvements	413,660,837	35,323	-	2,310,013	416,006,173
Equipment	77,142,023	2,361,529	1,966,453	-	77,537,099
Total capital assets being depreciated	522,388,732	2,400,446	1,966,453	2,349,427	525,172,152
Less accumulated depreciation for:					
Site improvements	19,113,172	1,224,403	-	-	20,337,575
Buildings & building improvements	181,226,949	11,038,183	-	-	192,265,132
Equipment	70,576,166	3,170,595	1,959,215	-	71,787,546
Total accumulated depreciation	270,916,287	15,433,181	1,959,215	-	284,390,253
Intangible assets being amortized					
Software	380,146	-	-	-	380,146
Less amortization	380,146	-	-	-	380,146
Total intangible assets being amortized	-	-	-	-	-
Total capital assets, being depreciated or amortized, net	251,472,445	(13,032,735)	7,238	2,349,427	240,781,899
Capital assets, net	\$ 255,863,505	\$ (9,668,689)	\$ 72,744	\$ -	\$ 246,122,072

7 CONSTRUCTION IN PROGRESS

Below is a listing of the major construction projects in progress at June 30, 2020:

	Project Estimate	Expended to 6/30/2020	Committed
Other utility work	\$ 6,151,969	\$ 479,777	\$ 5,672,192
Various athletic facilities renovations	254,214	104,211	150,003
Various classroom renovations	60,586	24,509	36,077
Residence hall renovations	88,258	67,533	20,725
Other miscellaneous	967,821	228,065	739,756
Total	\$ 7,522,848	\$ 904,095	\$ 6,618,753

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Below is a listing of the major construction projects in progress at June 30, 2019:

	Project Estimate	Expended to 6/30/2019	Committed
Other utility work	\$ 7,347,954	\$ 672,912	\$ 6,675,042
Various athletic facilities renovations	90,786	48,803	41,983
Various classroom renovations	136,578	27,063	109,515
Residence hall renovations	120,458	95,101	25,357
Other miscellaneous	3,186,020	1,241,449	1,944,571
	<u>\$ 10,881,796</u>	<u>\$ 2,085,328</u>	<u>\$ 8,796,468</u>

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following as of June 30:

	2020	2019
Accounts payable	\$ 1,407,250	\$ 1,806,431
Accrued wages	4,588,241	4,500,670
Accrued expenses	1,150,848	1,234,510
Other	263,866	240,291
	<u>\$ 7,410,205</u>	<u>\$ 7,781,902</u>

9 UNEARNED REVENUE

Unearned revenue consisted of the following at June 30:

	2020	2019
Prepaid tuition and fees	\$ 3,155,125	\$ 1,818,127
Sales and service	29,322	215,543
Auxiliary enterprises	316,064	303,638
Grants and contracts	1,421,181	1,220,170
Miscellaneous	5,342	-
	<u>\$ 4,927,034</u>	<u>\$ 3,557,478</u>

10 CHANGES IN NONCURRENT LIABILITIES

Noncurrent liabilities activity is summarized as follows:

	For the Year Ended June 30, 2020				
	Balance 6/30/2019	Additions	Reductions	Balance 6/30/2020	Current Portion
Revenue bonds, notes payable, and Certificates of Participation					
Revenue bonds payable (1)	\$ 7,605,000	\$ -	\$ 700,000	\$ 6,905,000	\$ 730,000
Revenue bond discounts	(5,712)	-	(751)	(4,961)	(694)
Revenue bond premiums	16,674	-	4,326	12,348	3,656
Certificates of Participation (2)	74,365,000	-	4,270,000	70,095,000	4,225,000
COPS discount	(22,030)	-	(6,728)	(15,302)	(5,465)
Other liabilities					
Accrued compensated absences (3)	5,561,660	468,416	193,208	5,836,868	1,250,264
Deposits (3)	697,690	-	123,867	573,823	573,823
Other postemployment benefits	7,457,344	-	1,620,085	5,837,259	194,915
Federal loan program contributions	5,795,952	-	1,169,836	4,626,116	-
Total noncurrent liabilities	<u>\$ 101,471,578</u>	<u>\$ 468,416</u>	<u>\$ 8,073,843</u>	<u>\$ 93,866,151</u>	<u>\$ 6,971,499</u>

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	For the Year Ended June 30, 2019				
	Balance 6/30/2018	Additions	Reductions	Balance 6/30/2019	Current Portion
Revenue bonds, notes payable, and Certificates of Participation					
Revenue bonds payable (1)	\$ 8,280,000	\$ -	\$ 675,000	\$ 7,605,000	\$ 700,000
Revenue bond discounts	(6,522)	-	(810)	(5,712)	(751)
Revenue bond premiums	21,692	-	5,018	16,674	4,326
Certificates of Participation (2)	78,485,000	-	4,120,000	74,365,000	4,270,000
COPS discount	(30,057)	-	(8,027)	(22,030)	(6,728)
Other liabilities					
Accrued compensated absences (3)	6,028,365	13,666	480,371	5,561,660	1,382,346
Deposits (3)	611,423	86,267		697,690	697,690
Other postemployment benefits	10,206,993	-	2,749,649	7,457,344	122,107
Federal loan program contributions	5,739,197	56,755	-	5,795,952	-
Total noncurrent liabilities	\$ 109,336,091	\$ 156,688	\$ 8,021,201	\$ 101,471,578	\$ 7,168,990

(1) See Note 11 for more information on revenue bonds.

(2) See Note 13 for more information on Certificates of Participation.

(3) Due to limitations in the University's accounting system, the gross amounts for additions and reductions is not readily available.

Total interest incurred for the years ended June 30, 2020 and 2019 was \$4,790,823 and \$5,037,683, respectively. Due to implementation of GASB Statement No. 89, no interest was capitalized as part of capital projects in progress during the years ended June 30, 2020 and 2019.

11 REVENUE BONDS

Revenue bonds payable are comprised of the following at June 30:

	2020	2019
\$19,345,000, Auxiliary Facilities System Revenue Bonds, Series 2005, term bonds due in annual installments (principal only) of \$885,000 to \$1,370,000 through April 1, 2013; \$965,000 to \$1,595,000 through April 1, 2018, \$540,000 to \$635,000 through April 1, 2023, \$665,000 to \$730,000 through April 1, 2026; interest ranges from 3.0% to 5.0%.	\$ 3,925,000	\$ 4,485,000
\$4,230,000, Auxiliary Facilities System Revenue Bonds, Series 2008B, term bonds due in annual installments (principal only) of \$95,000 to \$300,000 through October 1, 2033; interest ranges from 2.0% to 5.80%.	2,980,000	3,120,000
Total bonds outstanding	\$ 6,905,000	\$ 7,605,000

On July 1, 2005, the Series 2005 Bonds were issued in the principal amount of \$19,345,000. Proceeds from the sale of the Series 2005 Bonds were used to advance refund all of the Series 1997 Bonds and portions of the outstanding Series 1998 and Series 2000 Bonds. The net proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1997 Series Bonds as well as the portions of the Series 1998 and Series 2000 Bonds that were advance refunded. As a result, the 1997 Bonds and refunded portions of the 1998 and 2000 Bonds are considered defeased and the liability for those bonds has been removed from the University's Statement of Net Position.

Although the advance refunding resulted in the recognition of an accounting loss of \$1,164,045, the University in effect reduced its aggregate debt service payments by \$951,513 over the next 21 years and also gained the University the release of the Series 1997 Debt Service Reserve Fund in the amount of \$953,416.

All bonds outstanding are payable by the Board of Trustees solely from the net revenue of the Eastern Illinois University Auxiliary Facilities System (the "System") and from pledged tuition and fees, as well as from certain other funds pledged to pay the principal, redemption premiums, if any, and interest on the bonds.

At June 30, 2020 and 2019, no previously refunded bonds were outstanding.

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The estimated annual amounts required for the payment of principal and interest on the outstanding revenue bonds as of June 30, 2020, are set forth in the following table:

Fiscal Year ending June 30	Principal	Interest	Total Payments
2021	\$ 730,000	\$ 328,362	\$ 1,058,362
2022	765,000	296,774	1,061,774
2023	795,000	263,343	1,058,343
2024	835,000	227,882	1,062,882
2025	880,000	190,170	1,070,170
2026-2030	1,800,000	509,160	2,309,160
2031-2034	1,100,000	132,530	1,232,530
Total	<u>\$ 6,905,000</u>	<u>\$ 1,948,221</u>	<u>\$ 8,853,221</u>

The following reserve accounts were established by the bond resolutions for the 2005 and 2008B Bond Series:

Retirement of Indebtedness -- These accounts include the Bond and Interest Sinking Account.

The bond indenture requires the University to set aside in the Bond and Interest Sinking Account on or before five banking days prior to April 1 and October 1, amounts sufficient to equal the next semi-annual payment (principal and interest). These amounts are to be provided after payment of current operating and maintenance costs.

Repair and Replacement Reserve Account -- Under the terms of the bond indenture, a transfer is made each fiscal year, if approved by the Board, to the Repair and Replacement Reserve Account. The maximum amount which may be accumulated in this account, including investments thereof, shall not exceed 5 percent of the replacement costs of the facilities constituting the System, plus either 10 percent of the historical costs of the parking lots or 100 percent of the estimated cost of resurfacing any one existing parking lot. This account will be used to pay the cost of unusual or extraordinary maintenance or repairs, renewals, replacements and renovating of the facilities or replacement of fixed equipment not paid as part of the ordinary maintenance and operations. Funds can be transferred from this account to the Bond and Interest Sinking Account if a deficiency occurs in that account which cannot be funded from the Debt Service Reserve Account.

Development Reserve Account -- Under the terms of the bond indenture, funds approved by the Board for expenditure for new space or construction of a facility are deposited in this account.

Equipment Reserve Account -- Under the terms of the bond indenture, funds approved by the Board for expenditure in connection with the acquisition of movable equipment to be installed in the facilities are deposited in this account. The maximum amount accumulated shall not exceed 20 percent of the cost of the movable equipment of the System.

Surplus Revenues -- After all mandatory transfers to the above accounts have been made, any excess funds may be used to: redeem or purchase bonds, advance refund bonds, credit funds to a utility reserve to provide for the payment of utilities (amount not to exceed 5 percent of the operating costs during such fiscal year), or to establish a self-insurance fund in connection with claims against or damage to the System.

The amounts required by the bond resolution for these purposes as of June 30 compared with the amounts included within the accounts as of June 30 are as follows:

	Minimum Amount Required By Bond Resolution	Cash and Investments Deposited in the Account
Repair and Replacement Reserve Account - June 30, 2020	<u>\$ -</u>	<u>\$ 3,778,661</u>
Repair and Replacement Reserve Account - June 30, 2019	<u>\$ -</u>	<u>\$ 4,559,208</u>

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Pledged Revenues and Debt Service Requirements

The University has pledged specific revenues, net of specified operating expenses, to repay the principal and interest of revenue bonds. The following is a schedule of the pledged revenues and related debt for June 30:

Pledged Revenues - Year Ended June 30, 2020					
Bond Issue	Purpose	Source of Revenue Pledged	Future Revenues Pledged ¹	Term of Commitment	Debt Service to Pledged Revenues
Auxiliary Facilities System (AFS)	Refundings, various improvements and additions to the System	Net AFS revenue, student tuition and fees	\$ 8,853,221	2033	2.42%

Pledged Revenues - Year Ended June 30, 2019					
Bond Issue	Purpose	Source of Revenue Pledged	Future Revenues Pledged ¹	Term of Commitment	Debt Service to Pledged Revenues
Auxiliary Facilities System (AFS)	Refundings, various improvements and additions to the System	Net AFS revenue, student tuition and fees	\$ 9,911,209	2033	2.47%

¹ Total future principal and interest payments on bonds.

For the years ended June 30, 2020 and 2019, principal and interest paid by the University were \$1,057,989 and \$1,061,123, respectively. For the years ended June 30, 2020 and 2019, the total net revenues pledged were \$42,917,799 and \$43,046,243, respectively.

12 LEASES

The University made rental payments under operating leases during fiscal years 2020 and 2019 of \$86,079 and \$102,889, respectively, primarily for storage for surplus equipment storage, the shuttle buses, and various short-term equipment rentals.

13 CERTIFICATES OF PARTICIPATION

The Certificates of Participation (COPS) are comprised of the following at June 30:

	2020	2019
\$9,730,000 Certificates of Participation, Series 2005; due in annual installments (principal only) of \$260,000 beginning February 15, 2008, to \$1,020,000 through February 15, 2025, interest ranges from 3.0% to 4.3%; certificates are subject to redemption, in whole, at the price of par (100%), plus accrued interest to the date fixed for redemption in the Event of Nonappropriation as defined in the Indenture and are subject to mandatory redemption, in whole, at the price of the principal amount, plus accrued interest, on February 15, 2025 should the Board renew the Purchase Contract. The certificates are also callable at the option of the Board on any date on or after February 15, 2015 at the price of the principal amount, plus accrued interest.	4,700,000	5,535,000
\$84,930,000 Certificates of Participation, Series 2009A; due in annual installments (principal only) of \$960,000 beginning April 1, 2013, to \$3,710,000 through April 1, 2036; interest ranges from 3.5% to 6.35%; certificates are subject to redemption, in whole, at the price of par (100%), plus accrued interest to the date fixed for redemption in the Event of Nonappropriation as defined in the Indenture. The certificates due April 1, 2020 and thereafter are also callable at the option of the Board on any date on or after April 1, 2019 at the price of the principal amount, plus accrued interest.	65,395,000	68,830,000
Total Certificates of Participation	<u>\$ 70,095,000</u>	<u>\$ 74,365,000</u>

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Per the COPS Series 2005 and the COPS Series 2009A Official Statements, the Board is obligated to make installment payments either from funds derived from State appropriations or from legally available non-appropriated funds. Such legally available non-appropriated funds will include payments from the auxiliary facilities system using the savings derived from improvements within the system that are part of the energy services component of the issues. In addition, for the COPS Series 2005, such legally available funds include an increase in the campus improvement fee. The estimated annual amounts required for the payment of principal and interest on the outstanding Certificates of Participation as of June 30, 2020, are set forth in the following table:

Year ending June 30	Principal	Interest	Build America Subsidy ¹	Total
2021	4,225,000	4,254,319	(1,419,856)	7,059,463
2022	4,185,000	4,027,118	(1,352,824)	6,859,294
2023	4,245,000	3,799,463	(1,286,139)	6,758,324
2024	4,415,000	3,564,902	(1,217,787)	6,762,115
2025	4,590,000	3,317,153	(1,145,652)	6,761,501
2026-2030	20,130,000	12,861,913	(4,501,669)	28,490,244
2031-2035	24,595,000	5,989,638	(2,096,373)	28,488,265
2036	3,710,000	235,585	(82,455)	3,863,130
Total	\$ 70,095,000	\$ 38,050,091	\$ (13,102,755)	\$ 95,042,336

¹ assuming no future effects from the Federal government's sequestration.

14 DEFINED BENEFIT PENSION PLANS

General Information about the Pension Plan

Plan Description. The University contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit pension plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing its web site at www.surs.org.

Benefits Provided. A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election whether to participate in either the traditional or portable benefit plans. A summary of the benefit provisions as of June 30, 2019 can be found in the SURS' comprehensive annual financial report.

Contributions. The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a statutory funding plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members within SURS to reach 90% of the total Actuarial Accrued Liability by the end of fiscal year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal years 2020 and 2019 respectively, was 13.02% and 12.29% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary, except for police officers and fire fighters, who contribute 9.5% of their earnings. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

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Participating employers make contributions toward separately financed specific liabilities under Section 15-139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of “affected annuitants” or specific return to work annuitants), Section 15-155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period), and Section 15-155(j-5) (relating to contributions payable due to earnings exceeding the salary set for the Governor).

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability. The net pension liability (NPL) was measured as of June 30, 2019. At June 30, 2019, SURS reported a net pension liability (NPL) of \$28,720,071,173.

Employer Proportionate Share of Net Pension Liability. The amount of the proportionate share of the net pension liability to be recognized for the University is \$0. The proportionate share of the State’s net pension liability associated with the University is \$442,260,376, or 1.5399%. This amount is not recognized in the University’s financial statements. The net pension liability and total pension liability as of June 30, 2019 was determined based on the June 30, 2018 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2019.

Pension Expense. For the year ended June 30, 2019, SURS reported a collective net pension expense of \$3,094,666,252.

Employer Proportionate Share of Pension Expense. The employer proportionate share of collective pension expense is recognized as nonoperating revenue with matching operating expense (compensation and benefits) in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2019. As a result, the University recognized revenue and pension expense of \$47,654,766 from this special funding situation for the fiscal year ended June 30, 2020.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods. Conversely, deferred inflows of resources are the acquisition of net position by SURS that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 160,132,483	\$ 80,170,745
Changes in assumption	773,321,300	-
Net difference between projected and actual earnings on pension plan investments	-	55,456,660
Total	<u>\$ 933,453,783</u>	<u>\$ 135,627,405</u>

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

June 30	Net Deferred Outflows of Resources
2020	\$ 786,021,133
2021	(11,534,848)
2022	(6,661,326)
2023	30,001,419
2024	-
Thereafter	-
	<u>\$ 797,826,378</u>

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Employer Deferral of Fiscal Year 2020 Pension Contributions

The University paid \$141,958 in federal, trust, or grant contributions for the fiscal year ended June 30, 2020. These contributions were made subsequent to the pension liability measurement date of June 30, 2019 and are recognized as Deferred Outflows of Resources as of June 30, 2020.

Assumptions and Other Inputs

Actuarial Assumptions . The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period June 30, 2014 – 2017. The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25 percent
Salary increases	3.25 to 12.25 percent, including inflation
Investment rate of return	6.75 percent beginning with the actuarial valuation as of June 30, 2018

Mortality rates were based on the RP-2014 White Collar, gender distinct tables with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultants and actuary. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2019, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	5.25%
Private Equity	6%	8.65%
Non-U.S. Equity	19%	6.75%
Global Equity	8%	6.25%
Fixed Income	19%	1.85%
Treasury-Inflation Protected Securities	4%	1.20%
Emerging Market Debt	3%	4.00%
Real Estate REITS	4%	5.70%
Direct Real Estate	6%	4.85%
Commodities	2%	2.00%
Hedged Strategies	5%	2.85%
Opportunity Fund	1%	7.00%
Total	100%	4.80%
Inflation		2.75%
Expected Arithmetic Return		7.55%

Discount Rate. A single discount rate of 6.59% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 6.75% and a municipal bond rate of 3.13% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under SURS' funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2075. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2075, and the municipal bond rate was applied to all benefit payments after that date.

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Sensitivity of SURS' Net Pension Liability to Changes in the Discount Rate. Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the State's net pension liability, calculated using a single discount rate of 6.59%, as well as what the State's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
5.59%	6.59%	7.59%
<u>\$34,786,851,779</u>	<u>\$28,720,071,173</u>	<u>\$23,712,555,197</u>

Additional information regarding the SURS basic financial statements, including the plan's net position, can be found in the SURS comprehensive annual financial report by accessing the website at www.surs.org.

15 POST EMPLOYMENT BENEFITS

Plan description. SEGIA, as amended, authorizes the SEGIP to provide health, dental, vision, and life insurance benefits for certain retirees and their dependents. Substantially all of the University's full-time employees are members of SEGIP. Members receiving monthly benefits from the GARS, JRS, SERS, TRS, and SURS are eligible for these OPEB. The eligibility provisions for SURS are defined within Note 14.

The Department of Central Management Services administers OPEB for annuitants with the assistance of GARS, JRS, SERS, TRS and SURS. The State recognizes SEGIP as a single-employer defined benefit plan, which does not issue a stand-alone financial report.

Benefits provided. The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and the various unions representing the State's and the university component units' employees in accordance with limitations established in SEGIA. Therefore, the benefits provided and contribution amounts are subject to periodic change. Coverage through SEGIP becomes secondary to Medicare after Medicare eligibility has been reached. Members must enroll in Medicare Parts A and B to receive the subsidized SEGIP premium available to Medicare eligible participants. SEGIA requires the State to provide life insurance benefits for annuitants equal to their annual salary as of the last day of employment until age 60, at which time, the benefit amount becomes \$5,000.

Funding policy and annual other postemployment benefit cost. OPEB offered through SEGIP are financed through a combination of retiree premiums, SEGIP contributions pursuant to SEGIA (5 ILCS 375/11), and Federal government subsidies from the Medicare Part D program. These contributions are deposited in the Health Insurance Reserve Fund, which covers both active employees and retired members. Annuitants may be required to contribute towards health and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the GARS, JRS, SERS, TRS, and SURS do not contribute toward health and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State, allowing those annuitants with twenty or more years of credited service to not have to contribute towards health and vision benefits. All annuitants are required to pay for dental benefits regardless of retirement date. CMS' Director, on an annual basis, determines the amount of contributions necessary to fund the basic program of group benefits. The State's contributions are made primarily from the State's General Fund on a pay-as-you-go basis. No assets are accumulated or dedicated to funding the retiree benefits, and a separate trust has not been established for the funding of OPEB.

For fiscal year 2020, the annual cost of the basic program of group health, dental, and vision benefits before the State's contribution was \$11,681 (\$6,704 if Medicare eligible) per member if the annuitant chose benefits provided by a health maintenance organization and \$14,959 (\$5,592 if Medicare eligible) per member if the annuitant chose other benefits. The State is not required to fund the plan other than the pay-as-you-go amount necessary to provide the current benefits to retirees.

CMS' changes in estimates. For the measurement date of June 30, 2018, CMS experienced two significant changes within its estimation process. The OPEB for both the special funding situation and the portion of OPEB where the University is responsible for employer contributions are both significantly impacted by (1) the University's number of participants in SEGIP and (2) the average cost per employee within SEGIP. CMS made changes to its estimation methodology that resulted in significant differences within its estimates which represent an outcome of estimation uncertainty that, as time has passed and new sources of better data have become available, continued to be refined to achieve a more representative reflection of the actual outcome of the estimate in future periods. As such, this change in estimate was amortized for subsequent recognition in the University's OPEB expense over a period of approximately five years, which began in fiscal year 2019.

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Special funding situation portion of OPEB. The proportionate share of the State's OPEB expense relative to the University's employees totaled (\$19,634,304) and (\$23,803,797) during the years ended June 30, 2020 and 2019, respectively. This amount was recognized by the University as non-operating special funding situation revenue and operating expense allocated to the related function performed by the employees during each fiscal year.

While the University is not required to record the portion of the State's OPEB liability related to the University's employees resulting from the special funding situation, the University is required to disclose this amount. The following chart displays the proportionate share of the State's contributions related to the University's special funding situation relative to all employer contributions during the years ended June 30, 2019 and 2018, each based on the June 30, 2018 and 2017, respectively, actuarial valuation rolled forward:

Measurement date	June 30, 2019	June 30, 2018
State of Illinois' OPEB liability related to the University under the special funding situation	369,918,510	322,231,183
SEGIP total OPEB liability	43,889,169,017	40,093,248,494
Proportionate share of the total OPEB liability	0.84%	0.80%

University's Portion of OPEB and Disclosures Related to SEGIP Generally

Total OPEB liability, deferred outflows of resources, deferred inflows of resources, and expense related to OPEB. The University's total OPEB liability, as reported at June 30, 2019, was measured as of the measurement date on June 30, 2019, with an actuarial valuation as of June 30, 2018, which was rolled forward to the measurement date. The following chart displays the proportionate share of the University's contributions relative to all employer contributions during the years ended June 30, 2019 and 2018, each based on the June 30, 2018 and June 30, 2017, respectively, actuarial valuation rolled forward:

Measurement date	June 30, 2019	June 30, 2018
University's OPEB liability	5,837,259	7,457,344
SEGIP total OPEB liability	43,889,169,017	40,093,248,494
Proportionate share of the total OPEB liability	0.01%	0.02%

The University's portion of the OPEB liability was based on the University's proportionate share amount determined under the methodology described in Note 1 during the year ended June 30, 2019. As of the current year measurement date of June 30, 2019, the University's proportionate share declined 0.0053% from its proportion measured as of the prior year measurement date of June 30, 2018.

The University recognized OPEB expense for the years ended June 30, 2019 and 2018, respectively, of (\$613,918) and (\$300,706). At June 30, 2020 and 2019, the University reported deferred outflows and deferred inflows of resources, as of the measurement dates of June 30, 2019 and 2018, from the following sources:

	2020	2019
Deferred outflows of resources		
Differences between expected and actual experience	8,380	1,910
Contributions subsequent to the measurement date	194,915	122,107
Changes in assumptions	202,942	-
Changes in proportion	332,319	468,042
Total deferred outflows of resources	738,556	592,059
Deferred inflows of resources		
Differences between expected and actual experience	89,047	164,208
Changes in assumptions	360,206	700,319
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,595,348	2,222,325
Total deferred inflows of resources	4,044,601	3,086,852

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The amounts reported as deferred outflows of resources related to OPEB resulting from University contributions subsequent to the measurement date will be recognized as a reduction to the OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal year ending June 30	Total amount recognized of deferred inflows and outflows over the remaining service life of all employees (5.145386 years)
2021	(979,785)
2022	(990,160)
2023	(491,622)
2024	<u>(59,608)</u>
Total	<u>\$ (2,521,175)</u>

Actuarial methods and assumptions. The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified. The actuarial valuation for the SEGIP was based on GARS, JRS, SERS, TRS, and SURS active, inactive, and retiree data as of June 30, 2018, for eligible SEGIP employees, and SEGIP retiree data as of June 30, 2018.

The valuation date of June 30, 2018, below was rolled forward to June 30, 2019.

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry Age Normal
Inflation rate	2.50%
Projected salary increases*	2.75% - 12.25%
Discount rate	3.13%
Healthcare cost trend rate	
Medical (pre-Medicare)	8.0% grading down 0.50% in the first year to 7.50%, then grading down 0.11% in the second year to 7.39%, following by grading down of 0.50% per year over 5 years to 4.89 in year 7.
Medical (post-Medicare)	9.0% grading down 0.5% per year over 9 years to 4.5%
Dental and Vision	6.0% grading down 0.5% per year over 3 years to 4.5%
Retirees' share of benefit-related costs	Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement. Members who retired before January 1, 1998, are eligible for single coverage at no cost to the member. Members who retire after January 1, 1998, are eligible for single coverage provided they pay a portion of the premium equal to 5 percent for each year of service under 20 years. Eligible dependents receive coverage provided they pay 100 percent of the required dependent premium. Premiums for plan year 2019 and 2020 are based on actual premiums. Premiums after 2020 were projected based on the same healthcare cost trend rates applied to per capita claim cost but excluding the additional trend rate that estimates the impact of the excise tax.

* Dependent upon service and participation in the respective retirement systems. Includes inflation rate listed.

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Additionally, the demographic assumptions used in the this OPEB valuation are identical to those used in the June 30, 2018 valuations for GARS, JRS, SERS, TRS, and SURS as follows:

	Retirement Age Experience Study*	Mortality**
GARS	July 2012 - June 2015	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales
JRS	July 2012 - June 2015	RP-2014 White Collar Total Healthy Annuitant mortality table, sex distinct, set forward 1 year for males and set back 1 year for females and generational mortality improvements using MP-2014 two-dimensional mortality improvement scales
SERS	July 2012 - June 2015	105 percent of the RP-2014 Healthy Annuitant mortality table, sex distinct, with rates projected to 2015; generational mortality improvement factors were added
TRS	July 2014 - June 2017	RP-2014 with future mortality improvements on a fully generational basis using projection table MP-2017
SURS	July 2014 - June 2017	RP-2014 White Collar, gender distinct, projected using MP-2014 two-dimensional mortality improvement scale, set forward one year for male and female annuitants

* The actuarial assumptions used in the respective actuarial valuations are based on the results of actuarial experience studies for the periods defined. A modified experience review was completed for SERS for the three-year period ended June 30, 2015. Changes were made to the assumptions regarding investment rate of return, projected salary increases, inflation rate, and mortality based on this review. All other assumptions remained unchanged.

** Mortality rates are based on mortality tables published by the Society of Actuaries' Retirement Plans Experience Committee.

Since the last measurement date on June 30, 2019, the State has not made any significant changes to the benefit terms affecting the measurement of the collective total OPEB liability. Further, no changes have occurred since the measurement date and the University's fiscal year end on June 30, 2020, that are expected to have a significant impact on the University's proportionate share of the total collective OPEB liability.

Discount rate. Retirees contribute a percentage of the premium rate based on service at retirement. The State contributes additional amounts to cover claims and expenses in excess of retiree contributions. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. A single discount rate of 3.62% at June 30, 2018, and 3.13% at June 30, 2019, was used to measure the total OPEB liability.

Sensitivity of total OPEB liability to changes in the single discount rate. The following presents the University's share of the plan's total OPEB liability, measured as of June 30, 2019, calculated using a single discount rate of 3.13%, as well as what the plan's total OPEB liability would be if it were calculated using a single discount rate that is one percentage point higher (4.13%) or lower (2.13%) than the current rate:

	1% Decrease 2.13%	Current Single Discount Rate Assumption 3.13%	1% Increase 4.13%
University's proportionate share of total OPEB liability	\$6,874,908	\$5,837,259	\$5,007,240

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Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the University's proportionate share of the plan's total OPEB liability measured as of June 30, 2019, calculated using the healthcare cost trend rates as well as what the University's proportionate share of the plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates. For calculating the healthcare cost trend rates assumption, the key trend rates are 8.0% in 2020 decreasing to an ultimate trend rate of 4.89% in 2027, for non-Medicare coverage, and 9.0% decreasing to an ultimate trend rate of 4.5% in 2029 for Medicare coverage. For the 1% decrease for calculating the healthcare cost trend rates assumption, the key trend rates are 7.0% in 2020 decreasing to an ultimate trend rate of 3.89% in 2027, for non-Medicare coverage, and 8.0% in 2020 decreasing to an ultimate trend rate of 3.5% in 2029 for Medicare coverage. For the 1% increase for calculating the healthcare cost trend rates assumption, the key trend rates are 9.0% in 2020 decreasing to an ultimate trend rate of 5.89% in 2027, for non-Medicare coverage, and 10.0% in 2020, decreasing to an ultimate trend rate of 5.5% in 2029 for Medicare coverage.

	Current Healthcare Cost Trend Rates		
	1% Decrease	Assumption	1% Increase
University's proportionate share of total OPEB liability	\$4,894,564	\$5,837,259	\$7,058,197

Total OPEB liability associated with the University, regardless of funding source. The University is required to disclose all OPEB liabilities related to it, including (1) the portion of the State's OPEB liability related to the University's employees resulting from the special funding situation the University is not required to record and (2) the portion of OPEB liability recorded by the University for its employees paid from trust, federal, and other funds. The following chart displays the proportionate share of contributions, regardless of funding source, associated with the University's employees relative to all employer contributions during the years ended June 30, 2019 and 2018, each based on the June 30, 2018 and 2017, respectively, actuarial valuation rolled forward:

Measurement date	June 30, 2019	June 30, 2018
State of Illinois' OPEB liability related to the University under the special funding situation	369,918,510	322,231,183
University's OPEB liability	5,837,259	7,457,344
Total OPEB liability associated with the University	375,755,769	329,688,527
SEGIP total OPEB liability	43,889,169,017	40,093,248,494
Proportionate share of the OPEB liability associated with the University	0.86%	0.82%

16 SELF-INSURANCE

The University carries commercial excess general liability coverage with coverage up to \$11 million with a \$350,000 self-insured retention. Settled claims have not exceeded commercial general liability coverage in any of the three preceding years.

In addition, the University offers a self-insured health plan to its students and is the administrator of this plan. A student health insurance fee is assessed each semester to fund this plan. Students who enroll for nine or more hours are automatically covered, and students who enroll for six to eight hours can request to be included under the plan. Dependents of an eligible student are not allowed to enroll in this plan. Students who are enrolled for nine or more hours may elect not to participate in the plan if they can provide proof of existing medical insurance that exceeds the benefits offered under the University's plan.

This plan is considered secondary or excess insurance if the student possesses any other medical insurance. This plan has a \$100 deductible per diagnosis and allows benefits up to 70%, subject to some limitations. The maximum annual benefits of the plan are \$15,000. Total claims of \$684,017 and \$669,414 were paid for the years ended June 30, 2020 and 2019, respectively.

The University has established a reserve for its self-insurance costs to offset claims incurred but not submitted and the continuing rise of health care costs. This reserve is based on estimated ultimate cost of settling claims applying historical experience. Changes in the reserve balance for the years ended June 30, 2020 and 2019 are as follows:

	2020	2019	2018
Reserve balance, June 30 (prior year)	\$ 622,143	\$ 633,235	\$ 745,134
Transfers and fees	768,848	798,686	875,252
Administrative costs	(134,815)	(140,364)	(97,453)
Claims incurred	(684,017)	(669,414)	(889,698)
Reserve balance, June 30 (current year)	\$ 572,159	\$ 622,143	\$ 633,235

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17 TRANSACTIONS WITH RELATED PARTIES

The University, being a State university, is a component unit of the State of Illinois (the State). The State provided the University \$41,424,300 and \$39,451,700 for general and educational purposes, and \$8,000 and \$8,000 for scholarships during fiscal years 2020 and 2019, respectively.

The University also received funds from the Capital Development Board (CDB), another agency of the State of Illinois. CDB administered various capital improvement projects at the University. During fiscal years 2020 and 2019, the University received \$2,058,093 and \$1,075,958, respectively, of capital improvements that were funded and paid for directly by CDB.

The University has a contract with Eastern Illinois University Foundation (Foundation) in which the Foundation has agreed to aid and assist the University in achieving its education, research, and service goals by developing and administering gifts made to the Foundation to be used for the benefit of the University for scholarships, grants, and other supporting programs. The University agreed, as part of this contract, to furnish certain services necessary to the operation of the Foundation which are to be repaid by the Foundation either in the form of money or its equivalent in services or resources.

During the years ended June 30, 2020 and 2019, the University provided cash, services and other resources to the Foundation, totaling \$47,168 and \$72,805, respectively, to help defray the Foundation's costs incurred under the contract. During the years ended June 30, 2020 and 2019, the Foundation incurred expenses of \$47,168 and \$72,805, respectively, under the contract.

During the years ended June 30, 2020 and 2019, the Foundation gave the University \$2,640,982 and \$2,738,549 of cash, services, and resources, unrestricted or restricted only as to department, which are generally for on-going operations of the University. In addition, the Foundation gave the University restricted scholarships, grants, and awards of \$1,362,816 and \$1,189,969, respectively, during the years ended June 30, 2020 and 2019. These amounts were generally applied directly to the students' accounts. Services and resources totaling \$87,798 and \$68,699, respectively, for the years ended June 30, 2020 and 2019, are included above, but not reflected in the financial statements. The University provided in-kind support in the form of personnel and office space valued at \$216,432 and \$222,297 for the years ended June 30, 2020 and 2019, respectively. Also, the Foundation received \$2,122 and \$1,293, respectively, for the years ended June 30, 2020 and 2019, in gifts from the University's restricted gift account with the donor's consent.

The effect to the University of these transactions with the Foundation for the years ended June 30, 2020 and 2019 are summarized in the following tables:

Eastern Illinois University	Fiscal year 2020	
	Eastern Illinois Foundation	
	Operating revenues	Nonoperating expense
Operating expenses	\$ 126,447	\$ -
Nonoperating revenue	-	2,553,184
Nonoperating expense	2,122	-
Total	<u>\$ 128,569</u>	<u>\$ 2,553,184</u>

There was additional in-kind support to/from the University as follows:

Provided to University students from the Foundation	\$ 1,362,816
Provided to the University from the Foundation	\$ 87,798
Provided to the Foundation from the University	\$ 2,188

Eastern Illinois University	Fiscal year 2019	
	Eastern Illinois Foundation	
	Operating revenues	Nonoperating expense
Operating expenses	\$ 151,335	\$ -
Nonoperating revenue	-	2,669,850
Nonoperating expense	1,293	-
Total	<u>\$ 152,628</u>	<u>\$ 2,669,850</u>

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There was additional in-kind support to/from the University as follows:

Provided to University students from the Foundation	\$ 1,189,969
Provided to the University from the Foundation	\$ 68,699
Provided to the Foundation from the University	\$ 2,263

The University also has a contract with the Eastern Illinois University Alumni Association, Inc. (Association) to coordinate the University's alumni activities. The University agreed to provide the Association with money or in-kind services in an amount not to exceed the Association's cost of coordinating these activities. The Association has also agreed to pay the University for all facilities, services, and resources used. The payment is to be either in the form of money or its equivalent in services or resources. During the years ended June 30, 2020 and 2019, the University provided the Association with \$62,652 and \$70,502, respectively, in services in accordance with the contract.

In fulfilling its fiscal year 2020 and 2019 contracts with the University, the Association incurred \$135,967 and \$138,265, respectively, of expenses and \$107,692 and \$111,030, respectively, of in-kind expenses. Included in the fiscal years 2020 and 2019 expenses of \$135,967 and \$138,265, respectively, are unrestricted gifts, grants, and scholarships of \$42,520 and \$16,520, respectively, to the University. In addition, the Association provided the use of its facilities at no charge to the University. The value of these facilities was \$52,729 and \$52,283, respectively, for the years ended June 30, 2020 and 2019.

The effect to the University of these transactions with the Association for the years ended June 30, 2020 and 2019 are summarized in the following tables:

<u>Eastern Illinois University</u>	Fiscal year 2020	
	<u>Eastern Illinois Alumni Association</u>	
	Operating revenues	Nonoperating expense
Operating expenses	\$ 107,567	\$ -
Nonoperating revenue	-	37,520
Total	<u>\$ 107,567</u>	<u>\$ 37,520</u>

There was additional in-kind support to/from the University as follows:

Provided to University students from the Alumni Association	\$ 5,000
Provided to the University from the Alumni Association	\$ 52,729
Provided to the Association from the University	\$ 125

<u>Eastern Illinois University</u>	Fiscal year 2019	
	<u>Eastern Illinois Alumni Association</u>	
	Operating revenues	Nonoperating expense
Operating expenses	\$ 110,917	\$ -
Nonoperating revenue	-	11,520
Total	<u>\$ 110,917</u>	<u>\$ 11,520</u>

There was additional in-kind support to/from the University as follows:

Provided to University students from the Alumni Association	\$ 5,000
Provided to the University from the Alumni Association	\$ 52,283
Provided to the Association from the University	\$ 113

18 COMMITMENTS AND CONTINGENT LIABILITIES

The University is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of University management, the ultimate resolution of these matters will not have a material adverse effect upon the University's financial position.

The University participates in certain Federal and State Government agencies grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

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19 NATURAL CLASSIFICATIONS OF EXPENSES

Operating expenses by natural classification for the years ended June 30 are as follows:

	2020	2019
Salaries	\$ 77,897,314	\$ 78,540,960
Benefits	44,959,449	37,477,986
Supplies	2,985,379	3,147,365
Contractual services	5,218,302	6,447,958
Utilities	12,414,089	11,808,791
Travel	451,635	732,173
Repairs and maintenance, equipment and buildings	1,243,695	1,173,650
Scholarships	1,656,951	2,126,836
Other	3,769,912	4,356,057
Depreciation	15,045,868	15,433,181
	<u>\$ 165,642,594</u>	<u>\$ 161,244,957</u>

20 SEGMENT REPORTING

Segments are identifiable activities reported as or within the University for which bonds or other debt is outstanding and a revenue stream has been pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately.

The University's Auxiliary Facilities System (AFS) has issued revenue bonds with the system's net revenues pledged to pay the bond interest and principal. The AFS segment is comprised of University-owned housing units, the student union, recreation and athletic facilities, and its textbook rental service.

The following are the condensed financial statements at June 30, 2020 and 2019, for the University's AFS segment.

Condensed Statements of Net Position

June 30,

	2020	2019
Assets		
Current assets	\$ 10,735,982	\$ 14,062,567
Noncurrent assets		
Capital	42,745,882	46,551,624
Other	1,703	2,423
Total noncurrent assets	<u>42,747,585</u>	<u>46,554,047</u>
Total assets	<u>53,483,567</u>	<u>60,616,614</u>
Liabilities		
Current liabilities	1,751,088	2,729,992
Noncurrent liabilities	7,131,150	6,912,387
Total liabilities	<u>8,882,238</u>	<u>9,642,379</u>
Net Position		
Net investment in capital assets	35,833,496	38,935,662
Restricted - expendable	8,767,834	12,038,573
Total net position	<u>\$ 44,601,330</u>	<u>\$ 50,974,235</u>

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Condensed Statements of Revenues, Expenses, and Changes in Net Position

For the years ended June 30,

	2020	2019
Operating revenues		
Room and board	\$ 16,100,534	\$ 17,392,477
Student fees	4,716,919	4,894,852
Sales and service	2,712,260	3,554,170
Other operating revenues	339,736	404,903
Total operating revenues	23,869,449	26,246,402
Operating expenses other than depreciation	25,037,953	28,898,585
Depreciation expense	4,919,587	4,938,942
Total operating expenses	29,957,540	33,837,527
Operating income (loss)	(6,088,091)	(7,591,125)
Nonoperating revenues (net of expenses)		
Investment income (net)	66,050	138,526
Interest expense	(350,613)	(379,162)
Gain/(loss) on disposal of capital assets	(2,976)	(1,026)
Other net nonoperating revenues (expenses)	2,725	1,857,834
Net nonoperating revenues and expenses	(284,814)	1,616,172
Total increase (decrease) in net position	(6,372,905)	(5,974,953)
Net position-beginning of year	50,974,235	56,949,188
Net position-end of year	\$ 44,601,330	\$ 50,974,235

21 COMPONENT UNITS

The financial statements of the Foundation and Alumni Association follow Financial Accounting Standards Board (FASB) standards. Consequently, reclassifications have been made to reformat their financial statements to the GASB format for inclusion in the component units columns of the financial statements and disclosures in this note.

Below are condensed financial statements for the Foundation and Alumni Association:

Condensed Statement of Net Position

As of June 30, 2020

	Foundation	Alumni Association	Total
Assets			
Current assets	\$ 14,196,050	\$ 2,295,611	\$ 16,491,661
Noncurrent assets			
Capital	1,614,000	142,281	1,756,281
Other	85,224,732	9,500	85,234,232
Total noncurrent assets	86,838,732	151,781	86,990,513
Total assets	101,034,782	2,447,392	103,482,174
Liabilities			
Current liabilities	90,557	30,331	120,888
Noncurrent liabilities	88,415	-	88,415
Total liabilities	178,972	30,331	209,303
Net Position			
Net investment in capital assets	1,614,000	142,281	1,756,281
Restricted - nonexpendable	58,914,451	-	58,914,451
Restricted - expendable	37,193,913	-	37,193,913
Unrestricted	3,133,446	2,274,780	5,408,226
Total net position	\$ 100,855,810	\$ 2,417,061	\$ 103,272,871

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Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2020

	Alumni		
	Foundation	Association	Total
Operating revenues	\$ 4,806,835	\$ 184,803	\$ 4,991,638
Operating expenses	634,927	201,139	836,066
Operating income (loss)	4,171,908	(16,336)	4,155,572
Net nonoperating revenues and expenses	(100,439)	8,662	(91,777)
Additions to permanent endowments	1,774,951	-	1,774,951
Total increase (decrease) in net position	5,846,420	(7,674)	5,838,746
Net position-beginning of year	95,009,390	2,424,735	97,434,125
Net position-end of year	\$ 100,855,810	\$ 2,417,061	\$ 103,272,871

Condensed Statement of Net Position
As of June 30, 2019

	Alumni		
	Foundation	Association	Total
Assets			
Current assets	\$ 11,137,024	\$ 2,303,894	\$ 13,440,918
Noncurrent assets			
Capital	1,642,643	147,248	1,789,891
Other	82,449,671	7,400	82,457,071
Total noncurrent assets	84,092,314	154,648	84,246,962
Total assets	95,229,338	2,458,542	97,687,880
Liabilities			
Current liabilities	117,853	33,807	151,660
Noncurrent liabilities	102,095	-	102,095
Total liabilities	219,948	33,807	253,755
Net Position			
Net investment in capital assets	1,642,643	147,248	1,789,891
Restricted - nonexpendable	58,339,753	-	58,339,753
Restricted - expendable	32,358,613	-	32,358,613
Unrestricted	2,668,381	2,277,487	4,945,868
Total net position	\$ 95,009,390	\$ 2,424,735	\$ 97,434,125

Condensed Statement of Revenues, Expenses, and Changes in Net Position
For the fiscal year ended June 30, 2019

	Alumni		
	Foundation	Association	Total
Operating revenues	\$ 1,640,572	\$ 177,780	\$ 1,818,352
Operating expenses	706,372	232,775	939,147
Operating income (loss)	934,200	(54,995)	879,205
Net nonoperating revenues and expenses	(4,302,574)	80,020	(4,222,554)
Additions to permanent endowments	1,374,206	-	1,374,206
Total increase (decrease) in net position	(1,994,168)	25,025	(1,969,143)
Net position-beginning of year	97,003,558	2,399,710	99,403,268
Net position-end of year	\$ 95,009,390	\$ 2,424,735	\$ 97,434,125

As the cash, investments and liabilities of the Foundation are considered material to the University's financial statements taken as a whole, the following disclosures are made regarding these items.

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Cash and Cash Equivalents

The Foundation's cash deposits mainly represent funds held by the University in The Illinois Funds. The Illinois Funds are pooled short term fully collateralized money market accounts administered by the Treasurer of the State of Illinois. The Foundation also maintains deposits at those depository institutions authorized by the Foundation Board of Directors. These deposits are fully covered by Federal Depository Insurance.

	2020		2019	
	Bank	Carrying	Bank	Carrying
Cash and cash equivalents	229,697	214,494	46,289	41,389

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, deposits may not be returned. The Foundation's cash and cash equivalents caption in its Statements of Financial Position total \$12,735,623 and \$9,183,229 at June 30, 2020 and 2019, respectively. These amounts consist of funds held within The Illinois Funds. The Illinois Funds are pooled, short-term, fully collateralized money market accounts administered by the Treasurer of the State of Illinois. In addition, funds are held in money market mutual funds in various investment accounts maintained by the Foundation. These funds are insured in an amount up to \$500,000 by the Securities Investor Protection Corporation. The balances were \$1,293,502 and \$1,169,252 at June 30, 2020 and 2019, respectively.

Carrying amounts of cash and cash equivalents at June 30:

	2020	2019
Unrestricted cash and cash equivalents	\$ 833,779	\$ 809,884
Restricted cash and cash equivalents	11,901,844	8,373,345
Restricted cash and cash equivalents - held in investments	1,290,774	1,169,031
Restricted cash and cash equivalents - held in split-interest agreements	1,364	221
Total cash and investments	\$ 14,027,761	\$ 10,352,481

Reconciliations of cash and investments as shown on the June 30 Statements of Net Position are as follows:

	At June 30, 2020		
	Current	Noncurrent	Total
Cash and cash equivalents	\$ 833,779	\$ -	\$ 833,779
Restricted cash and cash equivalents	11,386,294	515,550	11,901,844
Short-term investments	1,758,505	-	1,758,505
Long-term investments	-	79,059,303	79,059,303
Other long-term assets (partial)	-	279,545	279,545
Total cash and investments	\$ 13,978,578	\$ 79,854,398	\$ 93,832,976

	At June 30, 2019		
	Current	Noncurrent	Total
Cash and cash equivalents	\$ 809,884	\$ -	\$ 809,884
Restricted cash and cash equivalents	8,417,881	-	8,417,881
Short-term investments	1,744,270	-	1,744,270
Long-term investments	-	76,712,589	76,712,589
Other long-term assets (partial)	-	408,585	408,585
Total cash and investments	\$ 10,972,035	\$ 77,121,174	\$ 88,093,209

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A breakdown and carrying amount of the cash and investments are as follows:

	2020	2019
Cash and cash equivalents	\$ 214,494	\$ 41,389
Money market mutual funds	13,813,267	10,311,092
Investments		
Open ended mutual bond funds	9,119,205	10,411,451
Open ended mutual equity funds	29,050,048	22,814,584
Corporate equities (Student Investment)	357,871	316,234
Fixed income (Student Investment)	965	990
Alternative investments	37,882,001	40,663,489
Life insurance cash values	40,579	179,434
Real estate	3,354,546	3,354,546
Total cash and investments	<u>\$ 93,832,976</u>	<u>\$ 88,093,209</u>

Fair Value Measurements

The Foundation categorizes its fair value measurements within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation methods used to measure the fair value of the asset. Level 1 inputs are quoted prices for identical assets in active markets that the Foundation can access. Level 2 inputs are observable prices, either directly or indirectly, for an asset. Level 3 inputs are unobservable inputs for an asset.

During the fiscal years 2020 and 2019, there were no changes in valuation techniques that would have a significant impact on the results.

Investments and Derivative Instruments Measured at Fair Market Value at June 30, 2020	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market mutual funds	\$ 1,290,773	\$ 1,290,773	\$ -	\$ -
Bond mutual funds	8,976,356	8,976,356	-	-
Equity mutual funds	28,955,296	28,955,296	-	-
Common stock	357,871	357,871	-	-
Corporate bonds	965	965	-	-
	<u>39,581,261</u>	<u>\$ 39,581,261</u>	<u>\$ -</u>	<u>-</u>

Investments measured at the net asset value (NAV)

Investments administered by Mercer	947,828
Investments administered by Neuberger Berman	1,660,258
Investments administered by Park Street Capital	269,145
Investments administered by Goldman Sachs	109,335
Investments administered by Portfolio Advisors	2,489,830
Investments administered by Montauk	218,175
Investments administered by Harvest	1,831,270
Investments administered by RWC Emerging Markets	4,354,669
Investments administered by ABS	3,644,035
Investments administered by BlackRock	4,228,257
Investments administered by Evanston	4,670,065
Investments administered by FEG Select	12,673,406
Investments administered by Falcon	7,104
Investments administered by RCP	(8,675)
Investments administered by Edge	440,042
Investments administered by Accolade	130,912
Investments administered by BPC Opportunities Fund	216,345
Total investments measured at the NAV	<u>37,882,001</u>
Total investments measured at fair value	<u>\$ 77,463,262</u>

EASTERN ILLINOIS UNIVERSITY

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Notes to Financial Statements

For the Years Ended June 30, 2020 and 2019

Assets held under split-interest agreements measured at fair value

Money market mutual funds	\$	1,364
Bond mutual funds		142,849
Equity mutual funds		94,752
	\$	<u>238,965</u>

Beneficial interests in trusts	\$	-	\$	-	\$	-	\$	-	\$	1,270,523
Beneficial interests in split-interest agreements	\$	-	\$	-	\$	-	\$	-	\$	<u>3,731,237</u>
Obligations under split-interest agreements	\$	-	\$	-	\$	-	\$	-	\$	<u>(110,394)</u>

Investments and Derivative Instruments Measured at Fair Market Value at June 30, 2019	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)		Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
		\$		\$	\$
Money market mutual funds	\$ 1,169,026	\$ 1,169,026	\$ -	\$ -	-
Bond mutual funds	10,288,581	10,288,581	-	-	-
Equity mutual funds	22,663,993	22,663,993	-	-	-
Common stock	316,234	316,234	-	-	-
Corporate bonds	990	990	-	-	-
	<u>34,438,824</u>	<u>\$ 34,438,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

Investments measured at the net asset value (NAV)

Investments administered by Mercer	1,102,194
Investments administered by Neuberger Berman	1,555,150
Investments administered by Park Street Capital	431,417
Investments administered by Goldman Sachs	192,420
Investments administered by Portfolio Advisors	2,492,450
Investments administered by Montauk	186,517
Investments administered by Harvest	1,456,483
Investments administered by RWC Emerging Markets	4,447,250
Investments administered by ABS	3,473,354
Investments administered by BlackRock	4,169,852
Investments administered by Evanston	4,262,467
Investments administered by FEG Select	12,853,183
Investments administered by Pinehurst	4,040,752
Total investments measured at the NAV	<u>40,663,489</u>
Total investments measured at fair value	<u>\$ 75,102,313</u>

Assets held under split-interest agreements measured at fair value

Money market mutual funds	\$	226
Bond mutual funds		122,870
Equity mutual funds		150,591
	\$	<u>273,687</u>

Beneficial interests in trusts	\$	-	\$	-	\$	-	\$	-	\$	1,298,046
Beneficial interests in split-interest agreements	\$	-	\$	-	\$	-	\$	-	\$	<u>3,928,859</u>
Obligations under split-interest agreements	\$	-	\$	-	\$	-	\$	-	\$	<u>(124,074)</u>

As part of the Foundation's investment portfolio, there are investments in entities in which purchases and withdrawals within these entities are not made in an open market. Instead, the purchases and withdrawals occur with the entities, and in certain circumstances, those transactions are entirely controlled and/or restricted by the entity. The fair value of these investments is determined by the management of the entities and is reported to the Foundation as the Foundation's proportionate share of the net asset fair value of the entity.

The following tables provide information relative to these types of investments. The additional information that follows the tables provides information associated with these investments. None of the investments are probable of being sold at an amount different from net asset value per share.

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For the investments shown, the Foundation is not able to redeem the investments until the termination date of the fund. As such, there is no redemption frequency or redemption notice period shown. The final termination date of each fund is presented in the table. The terminate date is estimated as most funds have an option of extending the fund for an additional period of time, if needed or desired.

Category	Fair Value		Unfunded Commitments	Termination Date of Fund
	6/30/2020	6/30/2019		
Park Street Capital Private Equity Funds VII, L.P.	\$ 141,685	\$ 245,607	\$ 20,000	4/14/2018 to 4/14/2019
Park Street Natural Resources Fund IV	127,460	185,810	13,750	9/30/2024
Portfolio Advisors Private Equity Fund VI	530,807	647,058	251,114	7/30/2022 to 7/30/2024
Portfolio Advisors Private Equity Fund VII	575,368	584,803	247,591	4/18/2024 to 4/15/2026
Portfolio Advisors Private Equity Fund VIII	1,383,655	1,260,589	\$ 435,894	10/15/2026 to 10/15/2028
Mercer Private Investment Partners III	947,828	1,102,194	317,500	7/10/2027
Goldman Sachs & Company GS Distressed Opportunities Fund IV, L.P.	109,335	192,420	469,650	5/15/2018
Montauk TriGuard V	218,175	186,517	120,000	7/1/2023 to 7/1/2025
Neuberger Berman Secondary Opportunities Fund III	176,786	275,116	145,618	1/5/2022
Neuberger Berman Crossroads Fund XXI	1,483,472	1,280,034	405,000	10/23/2025 to 10/23/2027
Accolade Partners VII L.P.	130,912	-	854,720	5/21/2029
Falcon Private Credit Partners VI L.P.	7,104	-	1,000,000	3/31/2029 to 3/31/2032
Edge Principal Investment IV, L.P.	440,042	-	560,873	7/1/2029 to 7/1/2031
BPC Opportunities Fund IV, L.P.	216,345	-	1,301,803	5/1/2026
Rivercrest II	-	-	1,000,000	7/1/2030
RCP Fund XIV	(8,675)	-	1,980,000	12/20/2031
	<u>\$ 6,480,299</u>	<u>\$ 5,960,148</u>	<u>\$ 9,123,513</u>	

The following investments are also valued at the Foundation's proportionate share of the net asset value of the entity. However, these funds are liquid and can be redeemed with the required notification period.

	Fair Value		Unfunded Commitments	Redemption Frequency	Redemption Notice Period
	6/30/2020	6/30/2019			
PIMCO RAE International Equity	\$ 5,079,759	\$ 5,249,595	\$ -	Daily	5 days
PIMCO RAE US Equity (FEG Select)	7,593,647	7,603,588	-	Daily	5 days
Harvest MLP Income Fund II	1,831,270	1,456,483	-	Monthly	5 days
RWC Emerging Markets	4,354,669	4,447,250	-	Quarterly	45 days
ABS Offshore SPC Global (G)	3,644,035	3,473,354	-	Quarterly	45 days
BlackRock Appreciation Fund IV	4,228,257	4,169,852	-	Monthly	0 days
Evanston Weatherlow Offshore Funds,	4,670,065	4,262,467	-	Quarterly	65 days
Pinehurst Institutional, Ltd.	-	4,040,752	-	25% Quarterly,	100 days
	<u>\$ 31,401,702</u>	<u>\$ 34,703,341</u>	<u>\$ -</u>		

More detailed information on each entity valued at the net asset value is available within the Foundation's audited financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Required Supplementary Information
For the Year Ended June 30, 2020

SCHEDULE OF SHARE OF NET PENSION LIABILITY

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
(a) Proportionate percentage of the collective net pension liability	0%	0%	0%	0%	0%	0%
(b) Proportionate amount of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(c) Portion of nonemployer contributing entities' total proportion of collective net pension liability associated with employer	\$ 510,532,400	\$ 514,473,091	\$ 496,551,246	\$ 426,069,573	\$ 425,918,178	\$ 442,260,376
Total (b) + (c)	\$ 510,532,400	\$ 514,473,091	\$ 496,551,246	\$ 426,069,573	\$ 425,918,178	\$ 442,260,376
Employer covered employee payroll	\$ 84,737,974	\$ 78,757,272	\$ 69,102,566	\$ 59,076,892	\$ 55,390,217	\$ 55,707,769
Proportion of collective net pension liability associated with employer as a percentage of defined benefit covered payroll	602.48%	653.24%	718.57%	721.21%	768.94%	793.89%
SURS Plan Net Position as a percentage of total pension liability	44.39%	42.37%	39.57%	42.04%	41.27%	40.71%

SCHEDULE OF CONTRIBUTIONS

	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Federal, trust, grant, and other contributions	\$ 138,371	\$ 120,181	\$ 158,747	\$ 160,167	\$ 106,194	\$ 108,206	\$ 141,958
Contribution in relation to required contribution	\$ 138,371	\$ 120,181	\$ 158,747	\$ 160,167	\$ 106,194	\$ 108,206	\$ 141,958
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer covered payroll	\$ 84,737,974	\$ 78,757,272	\$ 69,102,566	\$ 59,076,892	\$ 72,776,773	\$ 74,015,292	\$ 72,626,494
Contributions as a percentage of covered payroll	0.16%	0.15%	0.23%	0.27%	0.15%	0.15%	0.20%

EASTERN ILLINOIS UNIVERSITY
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Required Supplementary Information
For the Year Ended June 30, 2020

	<u>Fiscal Year 2018</u>	<u>Fiscal Year 2019</u>	<u>Fiscal Year 2020</u>
SCHEDULE OF PROPORTIONATE SHARE OF THE UNIVERSITY'S TOTAL OPEB LIABILITY			
Proportionate percentage of the collective total OPEB liability	0.023%	0.025%	0.013%
Proportionate amount of the collective total OPEB liability	\$ 10,206,993	\$ 7,457,344	\$ 5,837,259
Estimated proportionate amount of collective total OPEB liability associated with the University - State supported portion	<u>459,000,000</u>	<u>322,231,183</u>	<u>369,918,510</u>
Total	<u>\$ 469,206,993</u>	<u>\$ 329,688,527</u>	<u>\$ 375,755,769</u>
Employer covered-employee payroll	\$ 69,509,441	\$ 68,693,087	\$ 72,094,379
Proportionate amount of the collective total OPEB liability as a percentage of covered-employee payroll	14.68%	10.86%	8.10%

EASTERN ILLINOIS UNIVERSITY
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Notes to Required Supplementary Information
For the Year Ended June 30, 2020

The pension schedules are presented to illustrate the requirements of the Governmental Accounting Standards Board Statement No. 68 to show information for ten years. However, until a full ten-year trend is compiled, the University will only present available information measured in accordance with the requirements of GASB Statement No. 68.

1. Changes of Benefit Terms

There were no benefit changes recognized in the Total Pension Liability as of June 30, 2020.

2. Changes of Assumptions

In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2014 to June 30, 2017 was performed in February 2018, resulting in the adoption of new assumptions as of June 30, 2018.

- * Salary increase. Decrease in the overall assumed salary increase rates, ranging from 3.25% to 12.25% based on years of service, with underlying wage inflation of 2.25%.
- * Investment return. Decrease the investment return assumption to 6.75%. This reflects maintaining an assumed real rate of return of 4.50% and decreasing the underlying assumed price inflation to 2.25%.
- * Effective rate of interest. Decrease the long-term assumption for the effective rate of interest for crediting the money purchase accounts to 6.75% (effective July 2, 2019).
- * Normal retirement rates. A slight increase in the retirement rate at age 50. No change to the rates for ages 60-61, 67-74, and 80+, but a slight decrease in rates at all other ages. A rate of 50 % if the member has 40 or more years of service and is younger than age 80.
- * Early retirement rates. Decrease in rates for all Tier 1 early retirement eligibility ages (55-59).
- * Turnover rates. Change rates to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service.
- * Mortality rates. Maintain the RP-2014 mortality tables with projected generational mortality improvement. Update the projection scale from the MP-2014 to the MP-2017 scale.
- * Disability rates. Decrease current rates to reflect that certain members who receive disability benefits do not receive the benefits on a long-term basis.

EASTERN ILLINOIS UNIVERSITY
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Notes to Required Supplementary Information
For the Year Ended June 30, 2020

The OPEB schedules are presented to illustrate the requirements of the Governmental Accounting Standards Board Statement No. 75 to show information for ten years. However, until a full ten-year trend is compiled, the University will present only available information measured in accordance with the requirements of GASB Statement No. 75.

1. Payment of Benefits

No assets are accumulated or dedicated to funding the retiree health insurance benefit, nor has a separate trust been established for the funding of the OPEB. State contributions are made primarily from the General Revenue Fund on a pay-as-you-go basis.

2. Factors that Affect Trends in the Amounts Reported

An actuarial valuation was performed as of June 30, 2017, for the years ended June 30, 2015 to June 30, 2017, with a measurement date of June 30, 2018. The following assumptions were used:

- * Mortality rates. RP-2014 White Collar, gender distinct, projected using MP-2014 two dimensional mortality improvement scale, set forward one year for male and female annuitants.
- * Salary increase. Dependent upon service and participation in the respective retirement systems. Includes inflation rate of 2.75%, salary increase 3.0% - 15.0%.
- * Healthcare Cost Trend Rate: Medical (Pre-Medicare) 8.0% grading down 0.5% in the first year to 7.5%, then grading down 0.08% in the second year to 7.42%, followed by grading down of 0.5% per year over five years to 4.92% in year 7; Medical (Post-Medicare) 9.0% grading down 0.5% per year over nine years to 4.5%; Dental and Vision 6.0% grading down 0.5% per year over 3 years to 4.5%.
- * Retiree's share of benefit-related costs: Healthcare premium rates for members depend on the date of retirement and the years of service earned at retirement.

SUPPLEMENTARY INFORMATION

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

The following table presents a further breakdown of the University's operating expenses for the year ended June 30, 2020.

	Compensation and Benefits							Total Operating Expenses		
	Expenses Paid by the University		Expenses Paid by the State of Illinois			Total	Other Expenses			
	Salaries	Benefits	Subtotal	Benefits	OPEB				Pension	Subtotal
Educational and General										
Instruction	38,044,255	4,695,957	42,740,212	6,321,317	(12,448,741)	30,214,557	24,087,133	66,827,345	1,168,773	67,996,118
Research	492,022	37,560	529,582	31,822	(62,667)	152,100	121,255	650,837	309,972	960,809
Public service	2,419,929	144,070	2,563,999	38,929	(76,663)	186,071	148,337	2,712,336	1,759,775	4,472,111
Academic support	6,303,325	613,740	6,917,065	1,075,595	(2,118,199)	5,141,118	4,098,514	11,015,579	1,655,400	12,670,979
Student services	8,099,092	422,421	8,521,513	729,206	(1,436,045)	3,485,450	2,778,611	11,300,124	5,229,500	16,529,624
Institutional support	7,905,769	700,590	8,606,359	1,270,718	(2,502,459)	6,073,762	4,842,021	13,448,380	(4,892,873)	8,555,507
Operations and maintenance of plant	3,051,056	280,143	3,331,199	502,471	(989,530)	2,401,707	1,914,648	5,245,847	7,134,644	12,380,491
Depreciation									15,045,868	15,045,868
Scholarships and fellowships									1,966,000	1,966,000
Auxiliary facilities	11,581,866	74,449	11,656,315	-	-	-	-	11,656,315	13,408,772	25,065,087
Total	77,897,314	6,968,930	84,866,244	9,970,058	(19,634,304)	47,654,765	37,990,519	122,856,763	42,785,831	165,642,594

The following table presents a further breakdown of the University's operating expenses for the year ended June 30, 2019.

	Compensation and Benefits							Total Operating Expenses		
	Expenses Paid by the University		Expenses Paid by the State of Illinois			Total	Other Expenses			
	Salaries	Benefits	Subtotal	Benefits	OPEB				Pension	Subtotal
Educational and General										
Instruction	38,436,362	4,115,971	42,552,333	8,166,756	(15,315,696)	26,764,950	19,616,010	62,168,343	1,740,278	63,908,621
Research	584,243	59,649	643,892	49,811	(93,416)	163,247	119,642	763,534	193,610	957,144
Public service	2,577,801	106,963	2,684,764	45,010	(84,410)	147,512	108,112	2,792,876	2,149,413	4,942,289
Academic support	6,542,415	675,287	7,217,702	1,371,573	(2,572,208)	4,495,064	3,294,429	10,512,131	1,292,298	11,804,429
Student services	8,193,954	567,905	8,761,859	917,200	(1,720,090)	3,005,943	2,203,053	10,964,912	5,941,597	16,906,509
Institutional support	7,399,335	755,183	8,154,518	1,577,781	(2,958,924)	5,170,869	3,789,726	11,944,244	(3,993,284)	7,950,960
Operations and maintenance of plant	2,846,288	289,133	3,135,421	564,717	(1,059,053)	1,850,749	1,356,413	4,491,834	6,675,428	11,167,262
Depreciation									15,433,181	15,433,181
Scholarships and fellowships									2,467,340	2,467,340
Auxiliary facilities	11,960,562	420,509	12,381,071	-	-	-	-	12,381,071	13,326,151	25,707,222
Total	78,540,960	6,990,600	85,531,560	12,692,848	(23,803,797)	41,598,334	30,487,385	116,018,945	45,226,012	161,244,957

OTHER INFORMATION
(UNAUDITED)

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
Unaudited Data Required by Revenue Bond Resolutions
For the Year Ended June 30, 2020

SCHEDULE OF INSURANCE

Insurance Coverage:

Insurance covers property damage to buildings, contents, business interruption, and electronic data processing. Coverage is for fire, lightning, windstorms, hail, explosion, riot, civil commotion, vandalism and malicious mischief, and flood and earthquake.

	<u>Coverage Amount</u>	<u>Deductible</u>
Most building, contents, business interruption, and builder's risk	\$ 500,000,000	\$ 100,000
Boiler and machinery	\$ 100,000,000	\$ 100,000
Flood	\$ 100,000,000	\$ 100,000
Earthquake	\$ 100,000,000	\$ 100,000
Computer systems	\$ 1,000,000	\$ 100,000

Insurance companies: Zurich American Insurance Company, as primary, and various others, as secondary

Policy period: July 1, 2019 to July 1, 2020

EASTERN ILLINOIS UNIVERSITY
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Unaudited Data Required by Revenue Bond Resolutions (Continued)
For the Year Ended June 30, 2020

RATES	<u>Double Occupancy</u>	<u>Single Occupancy</u>
Residence halls		
Summer 2019 (8 week session)	\$ 1,623	\$ 2,034
Fall 2019		
7 meals	\$ 4,447	\$ 5,297
10 meals	4,646	5,496
12 meals	4,821	5,671
15 meals	5,015	5,865
Unlimited meal plan	5,293	6,143
Spring 2020		
7 meals	\$ 4,447	\$ 5,297
10 meals	4,646	5,496
12 meals	4,821	5,671
15 meals	5,015	5,865
Unlimited meal plan	5,293	6,143
Summer 2020 (8 week session)	\$ 1,647	\$ 2,065

RATES	<u>Efficiency</u>	<u>1 Bedroom Apartment</u>
Married student housing (monthly rent)		
Fall 2019	\$ 488	\$ 513
Spring 2020	\$ 488	\$ 513
Summer 2020	\$ 488	\$ 513

	<u>Range</u>		
University Court (semester)			
Fall 2019	\$ 2,460	to	\$ 3,302
Spring 2020	\$ 2,460	to	\$ 3,302
Summer 2020	\$ 980	to	\$ 1,100

	<u>Fees</u>
Bond revenue fees	
Summer 2019	\$ 603.72
Fall 2019	\$ 755.44
Spring 2020	\$ 755.44
Summer 2020	\$ 755.44

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

Unaudited Data Required by Revenue Bond Resolutions (Continued)

For the Year Ended June 30, 2020

ENROLLMENT DATA

<u>Enrollment Date</u>	<u>Undergraduate Students</u>	<u>Graduate Students</u>	<u>Extension Students</u>	<u>Total</u>
Summer 2019	410	458	1,857	2,725
Fall 2019	4,028	889	2,889	7,806
Spring 2020	3,618	857	3,146	7,621
Summer 2020	133	250	2,350	2,733

OCCUPANCY DATA

OCCUPANCY	<u>Occupancy</u>	<u>Rated Occupancy</u>	<u>% of Occupancy</u>
Residence halls			
Summer 2019	1	602	0%
Fall 2019	1,799	4,722	38%
Spring 2020	1,645	4,722	35%
Summer 2020	-	602	0%
Married student housing			
Summer 2019	18	130	14%
Fall 2019	40	90	44%
Spring 2020	34	90	38%
Summer 2020	19	90	21%
University Court			
Summer 2019	48	146	33%
Fall 2019	125	146	86%
Spring 2020	121	146	83%
Summer 2020	23	146	16%