



EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois

FEDERAL SINGLE AUDIT

**(In Accordance with the Single Audit Act
and Applicable Federal Regulations)
For the Year Ended June 30, 2021**

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

The background of the lower half of the page is an abstract, grayscale geometric pattern consisting of overlapping, semi-transparent planes and lines, creating a sense of depth and complexity.

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FEDERAL SINGLE AUDIT

In Accordance with the Single Audit Act and Applicable Federal Regulations

For the Year Ended June 30, 2021

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For the Year Ended June 30, 2021

UNIVERSITY OFFICIALS

President	Dr. David M. Glassman
Provost and Vice President for Academic Affairs	Dr. Jay D. Gattrell
Vice President for Business Affairs (through 3/31/22)	Mr. Sean D. Reeder
Vice President for Business Affairs (4/1/22 - Present)	Vacant
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	Mr. Paul A. McCann
General Counsel	Ms. Laura McLaughlin
Director of Internal Auditing (through 7/31/21)	Ms. Leigh C. Moon
Director of Internal Auditing (8/1/21 - 4/3/22)	Vacant
Director of Internal Auditing (4/4/22 - Present)	Mr. Chifundo Biliwita, CIA, CFE

BOARD OF TRUSTEES (as of June 30, 2021)

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

University offices are located at:
600 Lincoln Avenue
Charleston, Illinois 61920

EASTERN ILLINOIS UNIVERSITY
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In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2021

FEDERAL COMPLIANCE REPORT

SUMMARY

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

AUDITOR’S REPORT

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

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Reports</u>
Findings	2	5
Repeated Findings	1	1
Prior Recommendations Implemented or Not Repeated	4	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding – Government Auditing Standards				
2021-001	10	2020/2020	Inadequate internal controls over census data	Material Weakness and Noncompliance
Current Finding – Federal Compliance				
2021-002	15	New	Report requirement not met	Noncompliance
Prior Findings Not Repeated				
A	17	2020/2019	Federal work study hours during scheduled class hours	
B	17	2020/2020	FISAP records maintained did not agree to the actual amounts reported	

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

FEDERAL SINGLE AUDIT

In Accordance with the Single Audit Act and Applicable Federal Regulations

For the Year Ended June 30, 2021

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>
C	17	2020/2020	Exit counseling not properly conducted
D	17	2020/2020	Loan improperly disbursed

EXIT CONFERENCE

Eastern Illinois University waived an exit conference in correspondence from Paul McCann, Director of Business Services and Treasurer, on June 9, 2022. The response to the recommendation in finding 2021-001 was provided by Paul McCann, Director of Business Services and Treasurer, in correspondence dated June 2, 2022. The response to the recommendation in finding 2021-002 was provided by Paul McCann, Director of Business Services and Treasurer, on June 13, 2022.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Eastern Illinois University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and its aggregate discretely presented component units of Eastern Illinois University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements, and we have issued our report thereon dated June 6, 2022. Our report includes a reference to other auditors who audited the financial statements of the University’s discretely presented component units, as described in our report on the University’s financial statements. This report does not include the results of the other auditors’ testing of internal control over financial reporting (internal control) or compliance and other matters of the Eastern Illinois University Foundation and the Eastern Illinois University Alumni Association, component units of the University, that are reported on separately by those auditors.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as item 2021-001.

Internal Control Over Financial Reporting

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings as item 2021-001 that we consider to be a material weakness.

University's Response to the Finding

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

Purpose of this Report

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



Decatur, Illinois
June 6, 2022

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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Eastern Illinois University

Report on Compliance for Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by Eastern Illinois University (University) with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2021. The University's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

The University's basic financial statements include the operations of the Eastern Illinois University Foundation and the Eastern Illinois University Alumni Association, component units of the University, which are not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2021. Our audit, as described below, did not include the operations of these component units because the component units engaged other auditors to perform an audit of their financial statements and, if necessary, an audit of compliance.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government*

Auditing Standards issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-002. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over

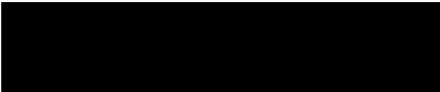
compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

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

We have audited the financial statements of the business-type activities, the fiduciary activities, and the aggregate discretely presented component units of the University as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively compromise the University's basic financial statements. We issued our report thereon dated June 6, 2022, which contained an unmodified opinion on those financial statements. Our report includes a reference to other auditors, who audited the financial statements of the University's discretely presented component units, as described in our report on the University's financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively compromise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. In addition, the accompanying Schedule of Federal and Nonfederal Financial Activity is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and the Schedule of Federal and Nonfederal Financial Activity are fairly stated in all material respects in relation to the basic financial statements as a whole.



Decatur, Illinois
June 14, 2022

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2021

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

Type of report the auditor issued on compliance for major federal programs: *Unmodified*

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

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, 84.408	Student Financial Aid Cluster
84.425C, 84.425E, 84.425F, 84.425M	Higher Education Emergency Relief Fund Cluster

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

Auditee qualified as a low-risk auditee? Yes No

EASTERN ILLINOIS UNIVERSITY
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2021

2021-001. **FINDING** (Inadequate internal controls over census data)

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

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

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

During testing, we noted the following:

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

Based on information we obtained while performing our audit, we learned these deficiencies are pervasive across the public universities participating in SURS and across the State's agencies participating in one of the other four State pension plans, the State Employees' Retirement System of Illinois. These conditions significantly increase the risk there could be errors at one or more employers within the plans, and these errors could have a significant impact on SURS' and CMS' measurement of pension and OPEB liabilities, respectively.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS*

For the Year Ended June 30, 2021

In addition, we noted errors within CMS' allocation of OPEB-related balances across the State's funds, public universities, and the Illinois State Toll Highway Authority related to a failure by CMS to account for a separately financed specific OPEB liability for certain groups of employees at one component unit of the State. The impact of these errors resulted in the University restating its beginning net position by \$1,455,287 as of July 1, 2020.

Based upon the significance of these issues alone, we concluded a material weakness exists within the University's internal controls related to ensuring both SURS and CMS can provide their respective actuaries with complete and accurate census data related to the University's active employees. Even given these exceptions, we performed detail testing of a sample of employees and certain data analysis tests of the total population of the University's census data transactions reported to SURS. Based on our analysis of transactions reported by the University to SURS during the census data accumulation period throughout fiscal year 2019, we noted the following exceptions:

- One of 40 (3%) employees tested was terminated during the census data accumulation period throughout fiscal year 2019, however, the event had not been timely reported by the University to SURS.
- In a separate test, we noted 31 of 537 (6%) instructors were deemed ineligible by the University, when they should have been reported to SURS. SURS determined the total potential impact to each instructor's total service credit to be that it could be off by .25 to 6 years.

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

Additionally, eligibility criteria for participation in SURS under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in SURS. Under the Code (40 ILCS 5/15-107), an employee is any member of the educational, administrative, secretarial, clerical, mechanical, labor, or other staff of an employer whose employment in a position in which services are expected to be rendered on a continuous basis for at least four months or an academic term, whichever is less:

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS*

For the Year Ended June 30, 2021

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;
- 7) not a patient in a hospital or home;
- 8) not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
- 9) not providing military courses pursuant to a federally-funded contract where the University has filed a written notice with SURS electing to exclude these persons from the definition of an employee;
- 10) currently on lay-off status of not more than 120 days after the lay-off date;
- 11) not on an absence without pay of more than 30 days; and,
- 12) a nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

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

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

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

University officials stated they did not have the information from SURS.

EASTERN ILLINOIS UNIVERSITY

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS*

For the Year Ended June 30, 2021

Failure to ensure complete and accurate census data was reported to SURS could result in a material misstatement of the University’s financial statements and reduced the overall accuracy of pension/OPEB-related liabilities, deferred inflows and outflows of resources, and expense recorded by the State, the State’s agencies, and other public universities and community colleges across the State. In addition, failure to reconcile active members’ census data reported to and held by SURS to the University’s internal records could result in each plan’s actuary relying on incomplete or inaccurate census data in the calculation of the pension and OPEB balances, which could result in a material misstatement of these amounts. Finally, the allocation error involving one component unit in the OPEB plan resulted in misstatements within each employer’s allocation, which resulted in a restatement at the University. (Finding Code No. 2021-001, 2020-001)

RECOMMENDATION

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

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

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

UNIVERSITY RESPONSE

The University agrees with the recommendation that data used by SURS and CMS needs to be reconciled and improved. We continue to work on this extensive project.

The definition of an employee for SURS participation was established by SURS in Illinois Administrative Code Title 80, Section 1600.200. The rule is effective beginning January 1, 2023. In the meantime, the rule states that we are to use a reasonable and good faith interpretation of Section 15-107 of the Pension Code to determine who is an employee for SURS purposes. We believe that we are using a reasonable and good faith interpretation of Section 15-107 of the Pension Code to determine who is an employee subject to SURS participation.

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS*

For the Year Ended June 30, 2021

With the improvement of computerized systems, we have suggested to SURS that they consider taking all or selected pay information from us each payday. This would reduce or eliminate factors that raise questions years later. In addition, this may help with issues created by the mobility of employees.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS - FEDERAL COMPLIANCE
For the Year Ended June 30, 2021

2021-002. **FINDING** (Reporting requirement not met)

Federal Agency:	U.S. Department of Education
Program Name:	Higher Education Emergency Relief Fund Cluster
ALN Numbers:	84.425C, 84.425E, 84.425F, 84.425M
Program Expenditures:	\$11,244,652
Award Number(s):	P425E201466, P425F200946, P425M200667, 21GEEREIU, 21RFP09
Questioned Costs:	N/A

Eastern Illinois University (University) did not comply with a reporting requirement applicable to Higher Education Emergency Relief Fund (HEERF) grantees.

During our review of the University's compliance with HEERF program reporting requirements, we noted the University failed to post certain information on its website within the required timeframe for one of four (25%) required quarterly reports. Specifically, the University posted the required information for the report quarter ending December 31, 2020, 26 days late.

We consider this condition to be an instance of noncompliance relating to the Reporting compliance requirement.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted into Public Law 116-136. Section 18004(a)(1) of the CARES Act established the HEERF program which authorizes the Secretary of Education to allocate funding to eligible institutions of higher education to prevent, prepare for, and respond to COVID-19. A University receiving Institutional funds under Section 18004 of the CARES Act must publicly post seven required reporting items on its website no later than thirty days after award, and update that information every forty-five days thereafter. On August 31, 2020, the Department of Education revised the frequency of reporting after the initial thirty-day period from every forty-five days thereafter to ten days after the end of every calendar quarter.

University management stated they believed the extension of the annual report also applied to the quarterly report.

Failure to comply with grant reporting requirements of the HEERF program results in noncompliance with the CARES Act. (Finding Code No. 2021-002)

RECOMMENDATION

We recommend the University comply with all reporting requirements applicable to Higher Education Emergency Relief Fund (HEERF) grantees.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
CURRENT FINDINGS - FEDERAL COMPLIANCE
For the Year Ended June 30, 2021

UNIVERSITY RESPONSE

The University agrees with the recommendation. The University misunderstood the difference between the extended annual reporting requirement and the quarterly reporting requirement. Both the annual reporting requirement for calendar 2020 and the quarterly reporting requirement for December, 2020, were met on February 8, 2021, the extended due date of the annual report. All other reporting requirements were met on a timely basis.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2021

A. **FINDING** (Federal work study hours during scheduled class hours)

During the prior engagement we noted the University did not review federal work study (FWS) hours worked against class hours scheduled and timesheets to ensure students were not working during a scheduled class and they were paid for the correct number of hours.

During the current engagement, our sample testing showed no students receiving FWS who were working during scheduled class hours or were paid for the incorrect number of hours. (Finding Code No. 2020-002, 2019-002)

B. **FINDING** (FISAP records maintained did not agree to the actual amounts reported)

During the prior engagement we noted the Fiscal Operations Report and Application to Participate (FISAP) records did not agree to actual amounts reported.

During the current engagement, our sample testing did not identify any differences between records maintained to the amounts reported on the FISAP. (Finding Code No. 2020-003)

C. **FINDING** (Exit counseling not properly conducted)

During the prior engagement we noted the University did not properly conduct exit counseling.

During the current engagement, our sample testing did not identify any students who did not properly complete exit counseling. (Finding Code No. 2020-004)

D. **FINDING** (Loan improperly disbursed)

During the prior engagement, we noted an instance where the University did not disburse direct loans properly to students.

During the current engagement, our sample testing did not identify any instances in which the University incorrectly disbursed direct loans to students. (Finding Code No. 2020-005)

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY21 Expenditures</u>	<u>Passed Through to Subrecipients</u>
MAJOR PROGRAM - STUDENT FINANCIAL AID CLUSTER				
U.S. DEPARTMENT OF EDUCATION				
<i>Federal Perkins Loans, beginning loan balance</i>	84.038		\$ 4,863,670	\$ -
<i>Federal Direct Student Loans</i>	84.268		27,645,423	-
<i>Federal Work-Study Program</i>				
FY21	84.033	P033A201143	259,287	-
			<u>259,287</u>	<u>-</u>
<i>Federal Pell Grant Program</i>				
FY20	84.063	P063P190106	546,858	-
FY21	84.063	P063P200106	10,306,281	-
			<u>10,853,139</u>	<u>-</u>
<i>Federal Supplemental Educational Opportunity Grants</i>				
FY20	84.007	P007A191143	21,551	-
FY21	84.007	P007A201143	225,536	-
			<u>247,087</u>	<u>-</u>
<i>Teacher Education Assistance For College And Higher Education Grants</i>				
FY20	84.379	P379T200106	3,764	-
FY21	84.379	P379T210106	49,218	-
			<u>52,982</u>	<u>-</u>
<i>Iraq and Afghanistan Service Grant</i>				
FY21	84.408	P408A200106	5,970	-
			<u>5,970</u>	<u>-</u>
Total Student Financial Aid Cluster			<u>43,927,558</u>	<u>-</u>
MAJOR PROGRAM - HIGHER EDUCATION EMERGENCY RELIEF FUND CLUSTER				
U.S. DEPARTMENT OF EDUCATION				
<i>CARES Act: Higher Education Emergency Relief Fund</i>	84.425E	P425E201466	719,882	-
<i>CRRSAA CARES II Student</i>	84.425E	P425E201466	1,795,915	-
<i>Higher Education Emergency Relief Fund Institutional Portion</i>	84.425F	P425E200946	1,094,743	-
<i>CARES Strengthening Institutions</i>	84.425M	P425M200667	155,431	-
<i>CRRSAA CARES II Institutional</i>	84.425F	P425F200946	5,563,485	-
<i>ARPA CARES III</i>	84.425F	P425F200946	1,275,045	-
Passed-Through the Illinois Board of Higher Education				
<i>Illinois Governor's Emergency Education Relief Fund (GEER)</i>	84.425C	21GEEREIU	607,962	-
Passed-Through the Illinois Board of Higher Education				
<i>Illinois Governor's Emergency Education Relief Fund (GEER)</i>	84.425C	21RFP09	32,189	-
			<u>11,244,652</u>	<u>-</u>
Total Higher Education Emergency Relief Fund Cluster			<u>11,244,652</u>	<u>-</u>
RESEARCH AND DEVELOPMENT CLUSTER				
NATIONAL SCIENCE FOUNDATION				
<i>Mathematical and Physical Sciences</i>				
RUI Microsolvation	47.049	CHE 1664900	8,584	-
			<u>8,584</u>	<u>-</u>
TOTAL NATIONAL SCIENCE FOUNDATION			<u>8,584</u>	<u>-</u>
U.S. DEPARTMENT OF THE INTERIOR				
Passed-Through the Illinois Department of Natural Resources				
<i>Sport Fish Restoration Program</i>				
IDNR Wabash FY21	15.605	RC21F186R9	211,454	-
			<u>211,454</u>	<u>-</u>
Passed-Through the University of Illinois				
<i>Great Lakes Restoration</i>				
Asian Carp	15.662	103088-18282	16,396	-
Asian Carp FY20	15.662	098886-17844	38,475	-
			<u>54,871</u>	<u>-</u>
Passed-Through Southern Illinois University				
<i>Great Lakes Restoration</i>				
SIU Asian Carp	15.662	F20AP11146	14,041	-
			<u>14,041</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF THE INTERIOR			<u>280,366</u>	<u>-</u>
Total Research and Development Cluster			<u>288,950</u>	<u>-</u>
TRIO CLUSTER				
U.S. DEPARTMENT OF EDUCATION				
<i>TRIO - Student Support Services</i>	84.042A	P042A201555-20	232,343	-
<i>TRIO - Student Support Services</i>	84.042A	P042A151584-19	56,729	-
Total TRIO Cluster			<u>289,072</u>	<u>-</u>
CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through the Illinois Department of Human Services				
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund (CCRR CCAP FY21)</i>	93.596	FCSZI104630	160,173	-
<i>Child Care and Development Block Grant (CCRR CORE FY21)</i>	93.575	FCSZI104630	455,256	-
<i>Child Care and Development Block Grant (CCRR QRIS FY21)</i>	93.575	FCSZI104630	36,240	-
Total CCDF Cluster			<u>651,669</u>	<u>-</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY21 Expenditures</u>	<u>Passed Through to Subrecipients</u>
OTHER PROGRAMS				
U.S. DEPARTMENT OF EDUCATION				
Passed-Through Southern Illinois University - Edwardsville				
<i>IHE Partnership</i>	84.323A	762232-001	11,358	-
			<u>11,358</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>11,358</u>	<u>-</u>
U.S. DEPARTMENT OF JUSTICE				
Passed-Through the Illinois State Police				
<i>Bulletproof Vest Partnership Program</i>	16.607		2,413	-
			<u>2,413</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>2,413</u>	<u>-</u>
INSTITUTE OF MUSEUM AND LIBRARY SERVICES				
Passed-Through the Illinois State Library				
<i>Grants to States</i>	45.310	20-1010-EIU	8,642	-
			<u>8,642</u>	<u>-</u>
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES			<u>8,642</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE ARTS				
Passed-Through Arts Midwest				
<i>NEA Big Read</i>	45.024	1844334-52-C-18	14,000	-
			<u>14,000</u>	<u>-</u>
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			<u>14,000</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Passed-Through the Universities Space Research Association				
<i>USRA/NASA FY19</i>	93.667	02291-01	15,887	-
			<u>15,887</u>	<u>-</u>
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			<u>15,887</u>	<u>-</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through the Illinois Department of Human Services				
<i>Block Grants for Preventions and Treatment of Substance Abuse</i>				
IDHS SRSAPS FY21	93.959	43CZZ03550	93,203	-
			<u>93,203</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>93,203</u>	<u>-</u>
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION				
Passed-Through the Public Broadcasting Service (PBS)				
<i>Warning, Alert, and Response Network Act (WARN)</i>				
Warning, Alert, and Response Network Equipment (in-kind)	11.553	51-51-W10606-3086	17,599	-
			<u>17,599</u>	<u>-</u>
TOTAL NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION			<u>17,599</u>	<u>-</u>
Total Other Programs			163,102	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 56,565,003</u>	<u>\$ -</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards (Schedule) presents the activity of all federal award programs of Eastern Illinois University for the year ended June 30, 2021. All federal awards received directly from federal agencies as well as federal awards passed through other government and nonprofit agencies are included on the Schedule.

This Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of Eastern Illinois University.

Following is a legend of acronyms used in the Schedule of Expenditures of Federal Awards:

CARES	Coronavirus Aid, Relief, and Economic Security
CCAP	Child Care Assistance Program
CCRR	Child Care Resource and Referral
IDNR	Illinois Department of Natural Resources
IHE	Illinois Higher Education
NSF	National Science Foundation
PBS	Public Broadcasting System
QRIS	Quality Recognition and Improvement System
RUI	Research in Undergraduate Institutions
SRSAPS	State and Regional Substance Abuse Prevention Services
WARN	Warning, Alert, and Response Network

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. SUBRECIPIENTS

The University provided no sub-awards during the fiscal year ended June 30, 2021.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

4. STUDENT LOAN PROGRAMS

During the fiscal year ended June 30, 2021, the University issued new loans to students under the Federal Direct Student Loan Program. The loan amounts issued during the year are disclosed on the Schedule of Expenditures of Federal Awards. The University is responsible only for the performance of certain administrative duties with respect to federally-guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the University's basic financial statements. It is not practicable to determine the balance of loans outstanding to students and former students of the University at June 30, 2021.

The University has previously participated in the federal Perkins Loan Program. The beginning loan balance is included on the federal expenditures presented in the Schedule. Under the current Perkins Loan Program, new Perkins loans cannot 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.

Perkins Loan Program ALN #84.038

Outstanding loan balance, July 1, 2020	<u>\$ 4,863,670</u>
Decreases:	
Principal collected	459,335
Principal canceled	<u>45,677</u>
Total	<u>505,012</u>
Outstanding loan balance, June 30, 2021	<u>\$ 4,358,658</u>

There were no administrative costs charged to loan programs during fiscal year 2021.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

5. MAJOR PROGRAMS

The following federal program expenditures comprise major program expenditures under OMB Uniform Guidance for the year ended June 30, 2021:

Major program expenditures:	
Student Financial Aid Cluster	\$43,927,558
Higher Education Emergency Relief Fund Cluster	11,244,652
Non-major program expenditures	<u>1,392,793</u>
Total federal expenditures	<u><u>\$56,565,003</u></u>

As part of the Student Financial Aid Program, Eastern Illinois University administers loan proceeds under the Perkins Loan Program and the William D. Ford Federal Direct Loan Program (as described in Note 4).

6. NONCASH TRANSACTION INFORMATION

The University received an in-kind item of WARN equipment for its public television station through the Public Broadcasting System under ALN #11.553. The value of the equipment was \$17,599.

7. INDIRECT COST RATE

The University has elected not to use the ten-percent *de minimus* indirect cost rate allowed under the Uniform Guidance.

8. INSURANCE PAYMENTS

There was no federally-funded insurance in effect during the fiscal year ended June 30, 2021.

EASTERN ILLINOIS UNIVERSITY

A Component Unit of the State of Illinois

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

9. FEDERAL DEPOSITORY LIBRARY PROGRAM

The University's Library serves as a depository library for the U.S. Government Publishing Office's Federal Depository Library Program. The University is the legal custodian of government publications received under this program, however, these publications remain the property of the federal government.

10. RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The following is a reconciliation of total expenditures as reported on the accompanying Schedule of Expenditures of Federal Awards to the revenue items reported as federal and state grants and contracts on the Statement of Revenues, Expenses and Changes in Net Position included in Eastern Illinois University's financial statements.

Funds, derived from federal aid, gifts or grants, may be used only to meet expenditures for the purposes specifically identified by sponsoring agencies. The federal aid, gifts or grants are recognized as revenue in Eastern Illinois University's financial statements as expended.

Therefore, expenditures on the Schedule of Expenditures of Federal Awards agree with revenues on the Statement of Revenues, Expenses and Changes in Net Position, except as noted below:

Total expenditures as shown on the Schedule of Expenditures of Federal Awards	\$56,565,003
Add:	
Direct state grants/contracts	9,549,341
Subtract:	
Federal Perkins loan program – federal capital contributions included on the Schedule of Expenditures of Federal Awards not included in the financial statements (less administrative costs)	(4,863,670)
Direct loans included in the Schedule of Expenditures of Federal Awards not included in the financial statements	<u>(27,645,423)</u>
Total federal and state grants and contracts revenues shown on the Statement of Revenues, Expenses and Changes in Net Position	<u><u>\$33,605,251</u></u>

EASTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2021

(IN THOUSANDS)

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

Schedule A: Federal Financial Component

Total federal expenditures	\$ 56,565
Total, Schedule A	<u>\$ 56,565</u>

Schedule B: Total Financial Component

Total operating expenses	\$ 195,335
Total nonoperating expenses	4,625
Federal loan balances:	
Perkins Loan Program	4,864
Total value of new federal loans:	
Federal Direct Loans	27,645
Other noncash federal award expenditures	-
Total, Schedule B	<u>\$ 232,469</u>

Schedule C: Computation of Nonfederal Expenses

Total, Schedule B	\$ 232,469	100.000%
Total, Schedule A	<u>56,565</u>	<u>24.332%</u>
Total nonfederal expenses	<u>\$ 175,904</u>	<u>75.668%</u>