

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY**

**COMPLIANCE EXAMINATION
(In Accordance With the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2015**

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



State of Illinois
Northern Illinois University
Compliance Examination
(In Accordance With the Single Audit Act and OMB Circular A-133)
For the Year Ended June 30, 2015

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FINANCIAL STATEMENT REPORT

The University's financial statement report for the year ended June 30, 2015, which includes the independent auditors' report, management's discussion and analysis, basic financial statements and notes, has been issued separately. The University's report required under *Government Auditing Standards* for the year ended June 30, 2015 which includes the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards* has also been issued separately.

State of Illinois
Northern Illinois University
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**State of Illinois
Northern Illinois University**

Agency Officials

Douglas D. Baker	President
Lisa C. Freeman	Executive Vice President and Provost
Bill Nicklas (outgoing 10/31/14)	Vice President, Operations and Community Relations
Alan Phillips (incoming 3/1/15)	Vice President of Administration and Finance & Chief Financial Officer
Anne C. Kaplan	Vice President, Outreach, Engagement, and Regional Development
Brett Coryell	Vice President, Information Technology
Lesley Rigg (outgoing 6/30/15)	Vice President, Research and Innovation Partnerships
Jerry Blazey (incoming 6/30/15)	Interim Vice President, Research and Innovation Partnerships
Sean T. Frazier	Associate Vice President and Director, Intercollegiate Athletics
Eric A. Weldy	Vice President, Student Affairs and Enrollment Management
Raymond W. Alden III (outgoing 3/31/15)	Vice President, International Affairs
Michael P. Malone (outgoing 6/30/15)	Vice President, University Advancement
Catherine Squires (incoming 5/1/15)	Vice President, University Advancement
Harlan Teller	Interim Vice President, Marketing and Communications
Jerry D. Blakemore	Vice President and General Counsel
Vernese Edghill-Walden (incoming 7/1/15)	Senior Associate Vice President for Academic Diversity
Mike Mann (incoming 3/1/15)	Associate Vice President of State Government Relations & Board Liaison
Danielle Schultz	Director of Internal Audit

Financial Staff

Nancy D. Suttentfield (outgoing 2/28/15)	Interim Chief Financial Officer
Alan Phillips (incoming 3/1/15)	Chief Financial Officer
Linda J. Blair (outgoing 4/30/15)	Acting Controller
Shyree Sanan (incoming 5/1/15)	Acting Controller

University offices are located at:

300 Altgeld Hall
DeKalb, Illinois 60115



Northern Illinois University

*Division of Administration
and Finance*

DeKalb, Illinois 60115-2828
815-753-1695
Fax 815-753-1950

March 4, 2016

RSM US LLP
20 N. Martingale Rd.
Suite 500
Schaumburg, IL 60173

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the University. We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following assertions during the period ended June 30, 2015. Based on this evaluation, we assert that during the year ended June 30, 2015 the University has materially complied with the assertions below.

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

Yours truly,

Northern Illinois University

Douglas D. Baker, President

Shyree Sanan, Acting Controller

Alan D. Phillips, Vice President for Administration
and Finance & Chief Financial Officer

Jerry D. Blakemore, Vice President and
General Counsel

**State of Illinois
Northern Illinois University**

**Compliance Report Summary
For the Year Ended June 30, 2015**

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, on Internal Control over Compliance and on Supplementary Information for State Compliance Purposes does not contain scope limitations or disclaimers. The report refers to other auditors. However, there is no other significant nonstandard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	10	9
Repeated findings	7	3
Prior recommendations implemented or not repeated	2	6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Item No.	Page	Description	Finding Type
Findings (Government Auditing Standards)			
2015-001	14	Financial Reporting Process	Significant Deficiency
Findings and Questioned Costs (Federal Compliance)			
2015-002	17	Untimely After-the-Fact Verification of Time and Effort	Significant Deficiency
2015-003	19	Inadequate Documentation for Federal Program Expenditures	Significant Deficiency and Noncompliance
Findings (State Compliance)			
2015-004	20	Failure to Submit Proper Time Reporting	Significant Deficiency and Noncompliance
2015-005	21	Lack of Prior Approval for Contracts	Significant Deficiency and Noncompliance
2015-006	22	Incomplete TA-2 Forms	Significant Deficiency and Noncompliance
2015-007	24	Failure to Comply with the University Faculty Research and Consulting Act	Significant Deficiency and Noncompliance
2015-008	25	Improper Voucher Processing	Significant Deficiency and Noncompliance

**State of Illinois
Northern Illinois University**

**Compliance Report Summary (Continued)
For the Year Ended June 30, 2015**

Item No.	Page	Description	Finding Type
Findings (State Compliance) (Continued)			
2015-009	27	Procurement Card Use	Significant Deficiency and Noncompliance
2015-010	29	Inadequate Controls over Property and Equipment	Significant Deficiency and Noncompliance

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

2015-001	14	Financial Reporting Process	Significant Deficiency and Noncompliance
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Prior Findings Not Repeated

A	31	Failure to Comply with the Fiscal Control and Internal Auditing Act
B	31	Failure to Comply with the Illinois Pension Code

EXIT CONFERENCE

In correspondence received from Larry Pinkelton, Associate Vice President, Finance and Budget, on February 29, 2016, the University elected to waive a formal exit conference. The responses to the recommendations were provided by Larry Pinkleton, Associate Vice President, Finance and Budget, in correspondence dated March 2, 2016.



RSM US LLP

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

Honorable Frank J. Mautino
Auditor General
State of Illinois and

Cherilyn G. Murer, Honorable Chair of the
Compliance, Audit, Risk Management, and Legal Affairs Committee

Compliance

As Special Assistant Auditors for the Auditor General, we have examined Northern Illinois University's (University) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2015. The management of the University is responsible for compliance with these requirements. Our responsibility is to express an opinion on the University's compliance based on our examination.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the University's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the University's compliance with specified requirements.

In our opinion, Northern Illinois University complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2015. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-004 through 2015-010.

Internal Control

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the University's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the University's 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 the requirements listed in the first paragraph of this report on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-001 and 2015-004 through 2015-010 that we consider to be significant deficiencies.

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

The University's responses to the findings identified in our examination are described in the accompanying schedule of findings and questioned costs. We did not examine the University's responses and, accordingly, we express no opinion on the responses.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities and aggregate discretely presented component units of Northern Illinois University as of and for the year ended June 30, 2015, and have issued our report thereon dated February 3, 2016, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors and an emphasis of a matter paragraph for the implementation of Governmental Accounting Standards Board Statements No. 68 and 71. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to February 3, 2016. The accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 15 and 21 through 24 is presented for the purposes of

additional analysis and is not a required part of the basic financial statements of the University. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 15 and 21 through 24 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2015 in Schedules 1 through 15 and 21 through 24 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the University's basic financial statements as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated January 21, 2015 which contained unmodified opinions on financial statements of the business-type activities and the aggregate discretely presented component units. Our report included a reference to other auditors. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 2 through 10 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2014 financial statements. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 2 through 10 has been subjected to the auditing procedures applied in the audit of the June 30, 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2014 in Schedules 2 through 10 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

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

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, University management, the University's Board of Trustees and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Schaumburg, Illinois

March 4, 2016, except for our report on the Supplementary Information for State Compliance Purposes, as to which the date is February 3, 2016.

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

Honorable Frank J. Mautino
Auditor General
State of Illinois and

Cherilyn G. Murer, Honorable Chair of the
Compliance, Audit, Risk Management, and Legal Affairs Committee

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 of Northern Illinois University (University) and its aggregate discretely presented component units, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 3, 2016. Our report contains an emphasis of matter paragraph for the implementation of Governmental Auditing Standards Board Statement Nos. 68 and 71 which resulted in the restatement of the University's opening net position and the reporting of deferred outflows of resources related to pension contributions. Our opinion is not modified with respect to this matter. 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 or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as item 2015-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Northern Illinois University's Response to Findings

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

Purpose of this Report

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

RSM US LLP

Schaumburg, Illinois
February 3, 2016



RSM US LLP

**Independent Auditors' Report on Compliance for
Each Major Federal Program, on Internal Control
Over Compliance, and on the Schedule of Expenditures
of Federal Awards Required by OMB Circular A-133**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Cherilyn G. Murer, Honorable Chair of the
Compliance, Audit, Risk Management, and Legal Affairs Committee

Report on Compliance for Each Major Federal Program

We have audited Northern Illinois University's (University) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 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, 2015. 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 schedule of expenditures of federal awards and our audit described below does not include expenditures of federal awards for those agencies determined to be component units of the University for financial statement purposes.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-003. 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 OMB Circular A-133, 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-002 and 2015-003 that we consider to be significant deficiencies.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated February 3, 2016, which contained unmodified opinions on those financial statements. Our report included a reference to other auditors and an emphasis of matter paragraph for the implementation of Governmental Accounting Standards Board Statement Nos. 68 and 71. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to February 3, 2016. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RSM US LLP

Schaumburg, Illinois
March 4, 2016, except for the Schedule of Expenditures
of Federal Awards, as to which the date is February 3, 2016

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Summary of Auditors' Results
For the Year Ended June 30, 2015**

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? X Yes _____ None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? X Yes _____ None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? X Yes _____ No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Student Financial Assistance Cluster	84.007 84.033 84.038 84.063 84.268 84.379
Professional and Cultural Exchange Programs - Citizen Exchanges	19.415
English Language Acquisition State Grants	84.365
National Resource Centers Program for Foreign Language and Area Studies or Foreign Language and International Studies Program and Foreign Language and Area Studies Fellowship Program	84.015

Dollar threshold used to distinguish between Type A and Type B programs: \$415,132

Auditee qualified as low-risk auditee? _____ Yes X No

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – Government Auditing Standards
For the Year Ended June 30, 2015**

Finding 2015-001 Financial Reporting Process

Northern Illinois University's (the University) internal controls over financial reporting are not sufficient to prevent misstatements.

During our review of the draft financial statements provided by the University, several errors and deficiencies were identified. The following error was corrected in the financial statements:

- The University had mathematical and typographical errors in its cash flows worksheet which when corrected increased the amount of cash used by operating activities by \$9,130,676 and increased the amount of cash provided by noncapital financing activities by the same amount.

The following errors were not corrected in the financial statements:

- In fiscal year 2014, the University entered into an intergovernmental agreement with the Illinois Board of Examiners (ILBOE). In the agreement the University agreed to collect and hold revenues earned by the ILBOE and pay expenses incurred by the ILBOE with those revenues. The University has reported the revenues and expenses of the ILBOE in its financial statements since the start of the agreement. These transactions should have been eliminated from the University's statement of revenues, expenses, and changes in net position as the agreement with ILBOE establishes it as an agency fund of the University. GASB 34, paragraph 110 states that agency fund transactions are not recognized in the statement of revenues, expenses, and changes in net position. As a result of this condition, fiscal year 2015 revenues and expenses are overstated by \$774,078 and \$1,232,001, respectively, beginning of year net position is overstated by \$434,412, and end of year net position is understated by \$23,511.
- During the closing process, the University expensed \$2,582,960 of construction in progress rather than including it as part of capital assets in accordance with GAAP.
- The University improperly capitalized \$1,267,471 of asbestos remediation costs as capital assets instead of expensing them when the remediation obligation was incurred.
- The University improperly excluded \$1,283,285 from its calculation of revenues that are earned over the course of the summer session and are therefore only partially earned as of year-end. This resulted in the University recognizing \$898,300 more summer session revenue in fiscal year 2015 than was earned and reporting \$898,300 less of unearned tuition and fees.
- The University did not record all revenues and indirect expenses associated with a grant in the grant fund. This resulted in the University improperly recognizing \$289,707 of grant revenue as revenue from other sales, recognizing \$289,707 more expenses than were actually incurred, and recognizing \$496,434 as unearned grant revenue when it was actually earned. As it could not be determined that this error was isolated to a specific grant, the error was extrapolated. The results indicate that an additional \$516,928 of reported unearned grant revenue was actually earned during fiscal year 2015.
- The University initially expenses all fixed asset additions and then reverses the expense in subsequent entries prior to year-end. In the current year, the University did not properly match-up the accounts used to reverse the expense with where the expense was recorded. This resulted in \$9,192,396 more of Operation and Maintenance of Plant expense being recognized than was actually incurred and \$9,192,396 less of Institutional Support expense.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – Government Auditing Standards
For the Year Ended June 30, 2015**

Finding 2015-001 Financial Reporting Process (Continued)

The following errors did not have adjustments proposed as the amounts were not considered significant to the financial statements but are listed as additional deficiencies noted during our audit of the financial statements:

- The University did not properly eliminate a transfer of resources between University departments. This elimination decreased the amount of revenue and expense reported by the University by \$80,272.
- The University used salary rates in effect as of July 15, 2015 to determine its year-end accrual for compensated absences instead of using rates in effect as of June 30, 2015. When the correct salary rates were obtained it was determined that this caused the accrual to be overstated by \$25,530.
- The University did not properly account for scholarships awarded to students. An institutional waiver of \$6,667 was charged as scholarship expense instead of reducing gross tuition revenue while \$3,081 was charged to expense in fiscal year 2015 when it was a fiscal year 2014 scholarship expense.
- The University did not post all faculty tuition waivers for the summer session prior to year-end and failed to record the reversal of dorm room charges for a student who dropped out of the University. This resulted in the University reporting \$3,415 more in accounts receivable than was actually owed to the University and recognizing \$3,415 more in net revenues than was actually earned.

Governmental Accounting Standards Board Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting*, states that, “a statement of cash flows should classify cash receipts and cash payments as resulting from operating, noncapital financing, capital and related financing, or investing activities.”

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus - an Amendment of GASB Statements No. 21 and No. 34*, states that, “capital assets should be reported at historical cost. The cost of a capital asset should include ancillary charges necessary to place the asset into its intended location and condition for use. Ancillary charges include costs that are directly attributable to asset acquisition — such as freight and transportation charges, site preparation costs, and professional fees.”

Governmental Accounting Standards Board Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, states that, except in certain circumstances, “pollution remediation outlays, including outlays for property, plant, and equipment, should be reported as an expense.” None of the circumstances applied to the University.

Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by Governmental Accounting Standards Board Statement No. 37, *Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments: Omnibus - an Amendment of GASB Statements No. 21 and No. 34*, states that, “the statement of net position and the statement of revenues, expenses, and changes in net position should be prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions should be recognized when the exchange takes place.”

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – Government Auditing Standards
For the Year Ended June 30, 2015**

Finding 2015-001 Financial Reporting Process (Continued)

Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, states that “compensated absences liability should be calculated based on the pay or salary rates in effect at the balance sheet date.”

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State’s resources.

According to University management, the errors noted above were due to human oversight.

Submitting incomplete and inaccurate draft financial statements delays completion of the audit process and delays the timely release of the University’s financial reports to users. Also insufficient and/or ineffective controls over financial reporting could lead to significant reporting inaccuracies in the financial statements. (Finding Code Nos. 2015-001, 2014-001, 2013-001, 2012-001, 2011-001)

Recommendation

We recommend the University improve controls over financial reporting to ensure accurate presentation and disclosure of the University’s annual financial statements.

University Response

The University accepts the Auditor’s recommendation. Management has conducted a process review of each component of this finding and has implemented corrective actions that include the following:

- 1) Expand training for staff accountants on accounting guidelines, standards and reconciliation procedures.
- 2) Expand use of technology and systems to automate manual processes.
- 3) Update and refine policies and procedures for departments that provide data feeds to the accounting function.

These steps will eliminate all material exceptions referenced in this audit finding.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – Federal Compliance
For the Year Ended June 30, 2015**

Finding 2015-002 Untimely After-the-Fact Verification of Time and Effort

Federal Programs Impacted: All programs to which payroll and benefit expenses are allocated
Questioned Costs: None

Northern Illinois University (University) did not verify the allocation of payroll and benefits charged to federal grants was accurate in a timely manner.

The University initially allocates payroll and related benefit charges to federal grants during the year based on the approved grant budgets and verifies that the allocation is reasonable and appropriate using after-the-fact time and effort reports. As part of our compliance review over expenditures, we selected a sample of employees charged to programs to ascertain they were allowable per program requirements and appropriately supported in accordance with OMB Circular A-21. We noted that management did not initiate the time and effort certification process for the fall 2014 academic term until May 2015 and the spring 2015 academic term until December 2015, which is considered untimely. An important component of effective internal controls over salary distribution is obtaining time and effort certifications in a timely fashion so that if a correction is needed it can be recorded in the correct period.

Allowable Costs/Cost Principles for educational institutions are located in OMB Circular A-21. Section J.10 (b) (c) describes the acceptable methods for distributing salaries. At least annually a statement must be signed by the employee, principal investigator, or responsible official(s) using suitable means of verification that the work was performed, stating that salaries and wages charged to sponsored agreements as direct charges and to residual, facilities and administrative costs or other categories are reasonable in relation to work performed. For professorial and professional staff, the reports must be prepared each academic term, but no less frequently than every six months. For other employees, unless alternate arrangements are agreed to, the reports will be prepared no less frequently than monthly and will coincide with one or more pay periods.

Additionally, OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations*, requires nonfederal entities receiving federal awards to establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to verify allocations in a timely manner so that if adjustments are necessary they can be recorded in the proper period.

University officials stated that institutional policy nor A-21 define timeliness, but acknowledge the certification process was delayed in fiscal year 2015, partially due to staff turnover.

The lack of timely submission of time and effort can lead to unsupported, inaccurate, or incomplete charges to sponsored awards due to either the passage of time or inappropriate oversight. Additionally, if a time and effort certification indicate that an adjustment needs to be made to amounts allocated to a grant, the delay in obtaining the certification may result in the adjustment being made in a different grant funding period. (Finding Code No 2015-002)

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – Federal Compliance
For the Year Ended June 30, 2015**

Finding 2015-002 Untimely After-the-Fact Verification of Time and Effort (Continued)

Recommendation

We recommend that the University obtain time and effort certifications closer to the period in which the effort was expended.

University Response

The University accepts the Auditor's recommendation. The University will review its current process for managing time and effort reports and will implement a system of distributing them in a more timely fashion.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – Federal Compliance
For the Year Ended June 30, 2015**

Finding 2015-003 Inadequate Documentation for Federal Program Expenditures

Federal Department: Department of State

CFDA Number: 19.415

Program Name: Professional and Cultural Exchange Programs - Citizen Exchanges

Questioned Cost: \$338

Northern Illinois University (University) did not have supporting documentation for certain expenditures charged to Federal programs.

During our review of 60 expenditures, we noted the following.

- 2 of the 60 expenditures (3%) totaling \$29,809 were withdraws from a working cash fund set up for the grant and \$248 of the withdraws (1%) were not supported by receipts.
- 1 of the 60 expenditures (2%) totaling \$496 was an allocation of retirement expense in which there was miscalculation. The miscalculation resulted in the grant being overcharged by \$90.

OMB Circular A-110 Section 53(b) requires financial records, supporting documentation, statistical records, and other records pertinent to an award to be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of submission of the quarterly or annual financial report, as authorized by the Federal awarding agency.

Additionally, OMB Circular A-110 requires nonfederal entities receiving federal awards to establish and maintain internal control designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to verify that all expenditures charged to federal programs have supporting documentation and are accurate.

University officials stated that human error contributed to the overcharge of \$90 and unsupported charges.

Failure to maintain adequate documentation of the expenditure of Federal funds may result in the need to refund monies received from the granting agency and may jeopardize future Federal funding. (Finding Code No. 2015-003)

Recommendation

We recommend the University improve control procedures to ensure that all charges made to a grant are supported.

University Response

The University accepts the Auditor's recommendation. The University will remove the charges from the grant award in question totaling \$248 of unsupported documentation, as well as the overcharge of \$90 for retirement expense. The University will review its procedures to strengthen controls to ensure grant charges are supported with proper documentation.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-004 Failure to Submit Proper Time Reporting

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

We noted that the University had not fully implemented the requirement to collect data from all employees to be in compliance with the Act. For hourly employees tested (11), a timesheet broken down to the nearest quarter hour was submitted. However, for non-hourly employees tested (14), no time sheets were maintained.

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

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law; obligations and costs are in compliance with applicable law; funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

University officials stated that the University has a process in place to track time reporting, however, discussions for implementing faculty time reporting are continuing.

By not requiring appropriate time sheets from all of its employees, the University lacks complete documentation of the time spent by faculty and staff on official state business as contemplated by the Act. (Finding Code Nos. 2015-004, 2014-003, 2013-004, 12-6, 11-3, 10-1, 09-4, 08-4, 07-7, 06-4, 05-6)

Recommendation

We recommend the University continue its efforts to develop and implement a program to require all employees to submit time sheets in accordance with the Act.

University Response

The University accepts the Auditor's recommendation. The University has instituted a process that captures time worked and benefit usage for Non-Faculty and Civil Service employees. Negotiations to employ this same process with the Faculty are ongoing.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-005 Inadequate Controls over Contracts

Northern Illinois University has not established adequate internal controls over contracts to ensure that they are approved prior to performance.

During our review of 40 contracts executed during the year ending June 30, 2015 totaling \$15,164,394, we noted that 2 (5%) contracts totaling \$61,500 (1%) were not approved prior to goods and services being provided.

Northern Illinois University Business Procedure Manual (Procedure No. 9-12) states all contracts must be fully executed prior to performance. No work on any contract may begin until all authorized parties to the contract have signed a formal written document.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law; obligations and costs are in compliance with applicable law; funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

University officials stated that University departments initiated purchases for the two noted contracts prior to requesting authorization to make the purchase.

Failure to fully execute a contract prior to the commencement of services leaves the University vulnerable to unnecessary liabilities and potential legal problems. (Finding Code Nos. 2015-005, 2014-006, 2013-007, 12-7)

Recommendation

We recommend that the University implement appropriate procedures to ensure contracts are properly approved prior to performance.

University Response

The University accepts the Auditor's recommendation. Corrective actions implemented have resulted in substantial improvement over contract review and approval, reducing the number of audit exceptions from 18 of 66 tested in FY 14 to 2 of 40 tested in FY 15. The University is also expanding the contract management and review process. Additional staff resources and modifications to the procurement department's workflow will combine to ensure this finding is eliminated in the FY '16 audit cycle.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-006 Incomplete TA-2 Forms

Northern Illinois University (University) submitted incomplete TA-2 forms to the Legislative Audit Commission (Commission). The University also improperly reimbursed an employee for travel to and from headquarters during fiscal year 2014 and did not recoup the disbursement until fiscal year 2016.

TA-2 forms are filed semi-annually with the Commission to report when the official headquarters of an employee differs from the location the employee performs most of his/her official duties and the reason for the difference. Northern Illinois University has each of its departments complete a TA-2 form listing the employees within the department meeting this criterion for filing with the Commission. Out of the 80 TA-2 forms tested, we noted the following errors:

- 1 form (1%) was submitted to the Commission a day after the due date.
- 1 form (1%) did not specify the official headquarters of the employees listed on the form and why it would differ from where they performed a majority of their official duties.
- 2 forms (3%) did not include the last four digits of an employee's social security number.

During our testing of travel expenditures in fiscal year 2014 we noted that \$31,945 of the \$46,501 tested (69%) were reimbursements to an employee for travel between the employee's home and the official headquarters listed on the TA-2 forms. Travel expenses between an employee's official headquarters and home are automatically considered unreimbursable. It was recommended that the University recoup this improper disbursement, but an agreement with the employee was not reached until fiscal year 2016 at which point \$17,515 (55%) was returned to the University.

The State Finance Act (Act) (30 ILCS 105/12-3) states, each State agency, as defined by Section 1-7 of the Illinois State Auditing Act, shall file reports of all of its officers and employees for whom official headquarters have been designated at any location other than that at which their official duties require them to spend the largest part of their working time. The report shall list, for each such officer or employee, the place designated as his or her official headquarters and the reason for that designation. Agencies with no officers or employees in this status shall file negative reports.

Higher Education Travel Control Board (80 Illinois Administrative Code, Section 2900.60: Allowable Transportation Expenses) states that as a condition of employment, employees expect to incur commuting expenses between their residence and headquarters. These expenses are not reimbursable. Meals, lodging and per diem are not reimbursable at headquarters or at residence.

University officials stated that issues with fiscal year 2015's TA-2 forms were due to a combination of lack of knowledge, departmental oversight, and forms being filed prior to corrective action put in place to address the errors found with fiscal year 2014's filings.

Not including all required information on the TA-2 forms results in noncompliance with the Act while submitting inaccurate official headquarter locations can result in the University reimbursing expenses that are considered unreimbursable. (Finding Code Nos. 2015-006, 2014-005)

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-006 Incomplete TA-2 Forms (Continued)

Recommendation

We recommend the University implement procedures to ensure all required fields of the TA-2 forms are accurately completed prior to filing the forms with the Legislative Audit Commission.

University Response

The University accepts the Auditor's recommendation. The University has amended procedures to provide additional training to departments on accurate completion of TA-2 forms and timely follow-up on incomplete submissions. These corrective actions will ensure accurate TA-2 filings and further reduce exceptions from 4 out of 80 tested, to full compliance.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-007 Failure to Comply with the University Faculty Research and Consulting Act

Faculty members of Northern Illinois University (University) performed outside consulting work without prior approval from the University.

The University has established a reporting system to comply with the requirements of the University Faculty Research and Consulting Act that requires faculty to annually request permission from the Office of the Provost to engage in personal outside research or consulting. During our testing over this reporting system, we noted that 63 requests were submitted for approval in fiscal year 2015. We selected 7 of these requests for testing and noted that 4 (57%) faculty members performed outside consulting work prior to receiving approval from the Office of the Provost. The approvals were noted to be from 15 to 84 days subsequent to the date outside work was reported to have begun.

The University Faculty Research and Consulting Act (110 ILCS 100/1) states that no full time member of the faculty of any State-supported institution of higher learning may undertake, contract for or accept anything of value in return for research or consulting services for any person other than that institution on whose faculty he serves unless (a) he has the prior written approval of the President of that institution, or a designee of such President [the Office of the Provost], to perform the outside research or consulting services, such request to contain an estimate of the amount of time which will be involved, and (b) he submits to the President of that institution or such designee, annually, a statement of the amount of actual time he has spent on such outside research or consulting services.

University officials stated that the instances sited predate corrections put in place by the University to ensure compliance with the University Faculty Research and Consulting Act.

Failure to comply with this mandate may result in faculty providing services for others instead of dedicating their time to their University duties for which they are employed. (Finding Code Nos. 2015-007, 2014-008)

Recommendation

We recommend that the University implement appropriate controls to reasonably ensure that faculty members do not begin outside consulting work prior to approval by the President's designee.

University Response

The University accepts the Auditor's recommendation. The University has amended procedures to give Department Chairs' Presidential designation for approving faculty outside consulting. In addition, the approval process has been automated in an effort to eliminate delays, shorten approval time, and to maintain record of authentication. These efforts will ensure full compliance.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-008 Improper Voucher Processing

Northern Illinois University (University) did not process certain expenditures accurately and did not pay certain expenditures in a timely manner.

We tested 245 expenditures for purposes of State Compliance from Contractual Services, Travel, Printing, Commodities, Equipment, Electronic Data Processing, Telecommunications, and Operation of Automotive Equipment and noted the following:

- Two expenditures (1%) included charges for goods or services that were recorded in the wrong fiscal year. The two charges amounted to \$1,413.
- One expenditure (1%) exceeded the approved expenditure amount due to shipping and freight charges. The total amount of the expenditure exceeded the approved amount by \$20.
- Three expenditures (1%) were for goods or services purchased before authorization for the purchase was given.
- Five expenditures (2%) were not approved for payment within 30 days. These expenditures were approved for payment between 32 and 146 days (2 to 116 days late).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that: (1) resources are utilized efficiently, effectively, and in compliance with applicable law; (2) obligations and costs are in compliance with applicable law; (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; (4) revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and (5) funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

The State Prompt Payment Act (30 ILCS 540/3-2(1.1) et seq.) requires state agencies to review in a timely manner each bill or invoice after its receipt.

Northern Illinois University Business Procedure Manual (Procedure No. 4-13) states all contracts must be signed prior to any performance.

Northern Illinois University Business Procedure Manual (Procedure No. 9-12) states all contracts must be fully executed prior to performance. No work on any contract may begin until all authorized parties to the contract have signed a formal written document.

University officials stated that the noted invoices were not approved by the required 30 days by the approving department, and charged to the incorrect fiscal year due to the manner in which the vendor invoiced. For the noted invoices current University procedures were not followed by the approving department.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-008 Improper Voucher Processing (Continued)

Late approval of invoices and lack of required approvals could result in a loss of State funds. Recording expenditures in the incorrect fiscal year results in inaccurate financial statements. (Finding Code Nos. 2015-008, 2014-007)

Recommendation

We recommend the University improve controls to ensure that expenditures are approved timely, are posted to the correct fiscal year, and that vouchers are properly prepared and comply with State law.

University Response

The University accepts the Auditor's recommendation. The University began implementing corrective actions in FY 14 that have substantially improved voucher processing reducing exceptions from 28 out of 223 items tested to 11 out of 245 items tested. University will continue to communicate with vendors on proper submission of invoices and educate University departments on requirements for timely authorization of invoices.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-009 Procurement Card Use

Northern Illinois University (University) has not established adequate internal controls over procurement card (P-card) transactions.

The University operates a procurement card program that allows individuals throughout the University to make smaller purchases (defined as less than \$5,000) on a credit card, which is directly paid by the University on a monthly basis. The University's policies require employees assigned a procurement card to complete training on policies and procedures and to sign an agreement stipulating that they will use the card in accordance with the University's policies. The University's procedures also require that all purchases on the cards be reviewed by an assigned liaison and that receipts or other documentation of the purchases on the card be given to the liaison for review and that these documents be maintained.

We tested the purchases made by 20 individuals during 4 months of the fiscal year (57 purchase logs detailing 295 transactions totaling \$67,795) and noted the following:

- Two transactions (1%) totaling \$207 included the payment of sales tax (\$12) which is a prohibited charge as the University is tax-exempt.
- Three transactions (1%) totaling \$92 were not allocated to the correct expense account, but were instead left in an unallocated expense account.
- Two purchase logs (4%) contained sales tax errors that should have been detected during review but were not investigated until we inquired about the charges.

The University had approximately 528 procurement cards active during the fiscal year and incurred \$7,513,484 of expenditures during the year ended June 30, 2015.

Per section 2C Purchasing with the P-Card of the Manual, no sales tax is to be charged to the card. If a vendor does charge sales tax, the cardholder is to seek a credit for the charge.

Per section 2M Transaction Log and Supporting Documentation of the Manual, original receipts for purchases made with the card must be submitted monthly to the assigned liaison. Additionally, per the Definition of Roles and Terms section, the liaison is responsible for reviewing the transactions and making sure they are legitimate expenses.

Per section 2D How it Works of the Manual, the card holder or their liaison must reallocate each charge from the unallocated account to the correct account number.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system or systems of internal fiscal and administrative controls, which shall provide assurance that: (1) resources are utilized effectively, and in compliance with applicable law; (2) obligations and cost are in compliance with applicable law; (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; (4) revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and (5) fund held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-009 Procurement Card Use (Continued)

Management stated that the University had appropriate policies in place which stipulate P-Card holders are not to pay sales tax or must request a refund if charged inappropriately and that charges must be reallocated to the correct account number, however, there were a few instances in which the University's policies were not followed.

Paying for sales tax is an unnecessary use of the University's limited resources and not allocating charges to the correct accounts may result in the University's financials being misstated. Additionally, not performing thorough reviews of the purchasing logs can result in inappropriate charges not being detected. (Finding Code Nos. 2015-009, 2014-009)

Recommendation

We recommend that the University review its current process for reviewing and approving procurement card transactions and consider any changes necessary to ensure charges are made in accordance with the University's policies and procedures.

University Response

The University accepts the Auditor's recommendation. The University recognizes that from the sample as tested in the amount of \$67,795 from a p-card expenditure base of \$7,513,484 in FY 15 that sales tax of \$12 was paid, \$92 was allocated to incorrect expense account, and the two noted sales tax errors were corrected during the fiscal year by the department although not made aware of by the P-card administrator. Corrective actions already implemented have resulted in substantial improvement reducing exceptions from 33 in FY '14 to 7 in FY 15. The University will continue to provide ongoing training with P-card holders, enhance communications on policies and procedures, and provide additional review of purchase documentation. The University will also monitor compliance with P-card policy. Employees with repeated exceptions, will come under review which could lead to P-card privileges being revoked.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-010 Inadequate Controls over Property and Equipment

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

We reviewed the University's property inventory certification as of January 8, 2015 that was submitted to the Department of Central Management Services (DCMS). The inventory certification to DCMS reported 244 items (\$322,539) of equipment that could not be located by the University. These assets were acquired by the University during the current as well as past fiscal years. Included in this listing were approximately 57 computers, servers, CPUs, or other electronic storage devices.

In addition, when we were testing our sample of 6 electronic devices that were determined to be lost during fiscal year 2015, we noted that 1 (17%) of the items, a computer, had been transferred to another institution in 2006. The computer had been purchased with grant funds and when the individual working on the grant left his employment with the University the computer was transferred to his next place of employment so that work on the grant could continue. When we inquired as to why the University had not removed the computer from its inventory records until fiscal year 2015, the University was unable to provide documentation showing that it retained title to the laptop after the transfer and that it was proper to include in its inventory records after 2006.

We also noted the University filed amended Agency Reports of State Property (C-15) in September 2015 for all four quarters of fiscal year 2015 to correct errors in the reported additions to construction in progress. When we tested the amended C-15s however, we noted that there were still errors in the reported amounts of construction in progress as additions were being reported a quarter after the addition occurred. This caused reported additions to construction in progress to be over/(under) stated by approximately (\$711,034), (\$1,610,724), \$193,804, and \$2,165,672 during quarters one through four, respectively, on the C-15 reports.

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

The State Comptroller Act (15 ILCS 405/17) requires the University to report to the Comptroller of the State of Illinois (Comptroller), on forms prescribed by the Comptroller, all property acquired or disposed of by the University in such detail and at such times as the Comptroller requires in order to allow the Comptroller to maintain a current inventory record of all property held by or on behalf of the State or any State agency.

Statewide Accounting Management System (SAMS) (Procedure 01.10.50) states that Agency heads have the overall responsibility to see that the fiscal management programs and procedures prescribed by the Comptroller are carried out.

SAMS (Procedure 29.20.10) requires the University to report all additions in each asset category that occurred during the quarter being reported. Any additions being reported that relate to the prior period that were not previously reported are to be separately identified in the "Amount of additions not previously reported" line item.

**State of Illinois
Northern Illinois University
Schedule of Findings and Questioned Costs
Current Findings – State Compliance
For the Year Ended June 30, 2015**

Finding 2015-010 Inadequate Controls over Property and Equipment (Continued)

SAMS (Procedure 29.20.10) states that the cost of land, land improvements, site improvements, buildings and equipment should include the agency's cost of completed and substantially completed (i.e., ready for its intended use) facilities whether constructed or acquired by the Capital Development Board or the agency.

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

University officials stated that records regarding the transfer of the computer would have been included in the grant documents but that as the grant had ended several fiscal years prior to 2015, the records had not been maintained. The errors in the C-15 reports occurred as reports used to prepare the filing were generated using incorrect dates.

Inadequate controls over property and equipment can lead to the University reporting more assets than it actually owns and can increase the risk that property and equipment will be misplaced or stolen. Failure to submit accurate C-15 reports to the Comptroller results in non-compliance with SAMS and could lead to errors in the University's financial reporting. (Finding Code No. 2015-010)

Recommendation

We recommend the University strengthen its internal controls over the accountability of University property and equipment. We also recommend the University implement procedures to ensure the accuracy of its quarterly property reporting to the Comptroller's office.

University Response

The University accepts the Auditor's recommendation. The University recognizes that the 244 un-located equipment items, including the 1 noted exception totals \$322,539 representing .13% of the total dollar amount of inventoried items of \$500 or more, minus land, buildings, and fixed improvements. The University will review its processes, amend procedures to strengthen control over University assets, and retrain staff to ensure accurate quarterly reporting.

State of Illinois

**Northern Illinois University
Prior Findings Not Repeated
For the Year Ended June 30, 2015**

A. Finding: Failure to Comply with the Fiscal Control and Internal Auditing Act

During the prior examination, it was noted that the University did not maintain sufficient documentation to support that an evaluation of the University's internal controls had been conducted in accordance with the guidelines established by the Illinois Comptroller as required by the Fiscal Control and Internal Auditing Act.

Disposition

In the current year, the University had documentation to support that it had performed an evaluation in accordance with the guidelines established by the Illinois Comptroller. (Finding Code No. 2014-002)

B. Finding: Failure to Comply with the Illinois Pension Code

During the prior examination, it was noted that the University did not notify the State University Retirement System of annuitants it had hired within 60 days of hire date as required by the Illinois Pension Code.

Disposition

In the current year, our sample testing did not indicate any noncompliance with this requirement. (Finding Code No. 2014-004)

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
* STUDENT FINANCIAL ASSISTANCE CLUSTER				
DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity Grants G7B70075	84.007	P007A111243	\$ 771,406	\$ -
Federal Work-Study Program G7B70118/G7B70125	84.033	P033A111243	707,765	-
Federal Pell Grant Program G7B70007/G7B70076	84.063	P063P111370	30,080,020	-
Teacher Education Assistance for College and Higher Education Grants (TEACH) G7B70077	84.379	P379T121370	105,540	-
Total Student Financial Assistance Cluster			31,664,731	-
RESEARCH AND DEVELOPMENT CLUSTER				
NATIONAL SCIENCE FOUNDATION				
Engineering Grants:				
CAREER: Advanced Photochemical Paradigms for Enhanced Photovoltaics and Photocatalysis and Photocatalysis G1A62475	47.041	None	72,280	-
I-Corps L: Tinkering Labs G1A62565	47.041	1505499	24,497	-
Wireless Communication Integrated Active Noise Reduction System G6A64172	47.041	None	1,688	-
			<u>98,465</u>	<u>-</u>
Mathematical and Physical Sciences:				
Detector Research for ILD G1A62372	47.049	PHY-0935322	38,645	-
Research in High Energy Physics: Theory and Phenomenology of Supersymmetry G1A62461	47.049	PHY-1068369	23,519	-
Application of Statistics in Assessing Nanoreliability G1A62493	47.049	DMS-1208273	28,636	-
Synthetic Methodologies Utilizing Superelectrophiles G1A62523	47.049	CHE-1300878	51,255	-
Unconventional Electrodynamics in Unconventional Solids G1A62530	47.049	DMR-1310199	17,970	-
Collaborative Research: ATD: Dynamical Sampling and Reconstruction for Sensing Networks G1A62531	47.049	DMS-1322127	42,182	-
Phenomenology of electroweak Symmetry Breaking, Supersymmetry, and the Frontiers of the Standard Model G1A62548	47.049	None	23,847	-
Creation and Crystallinity Control of Artificial Ices Using Superconducting Vortices G1A62551	47.049	None	92,385	-
Passed-Through Columbia University:				
US ATLAS Operations: Empowering us Universities for Discoveries at the Energy Frontier G6A64044	47.049	5-25191 PO G03010	148,163	-
Passed-Through University of Chicago				
Development of Ultrafast Tracking Electronics for the ATLAS Trigger G6A64070	47.049	FP048009-C	1,007	-
			<u>467,609</u>	<u>-</u>
Geosciences:				
Catalyzing Early Career partnerships to Promote Discipline-Based Education Research in the Geosciences G1B66767	47.050	1425927	12,505	-
Collaborative Research: RUI Tropical Holocene Climate Insights from Andean Paloglacier Dynamics G1A62514	47.050	1344476	6,645	-
Copper & Gold in Sulfur-rich Magmatic-hydrothermal Systems G1A62552	47.050	1347782	36,417	-
Passed-Through the UCAR - Univ Corporation for Atmospheric Research Tropical Holocene Climate Insights from Andean Paleoglacier Dynamics G6A64117	47.050	EAR1344476	8,586	-
			<u>64,153</u>	<u>-</u>
Computers and Information Science and Engineering:				
Passed-Through Technical Education Centers, Inc. (TERC)				
FUN: A Finland US Network for Engagement and STEM Learning in Games G6A64077	47.070	4352	22,915	-
HCC: Collaborative Research: Integrating Cognitive and Computational Models of Narrative G1A62525	47.070	1319974	57,454	-
CC-NIE Integration: Collaborative Research: EPSON: Embracing Parallel Networks and Storage for Predictable End-to-End Data Movement G1A62561	47.070	1440797	27,791	-
			<u>108,160</u>	<u>-</u>
Biological Sciences:				
Subgenomic RNAs in Genetic Reco G1A62366	47.074	MCB-0920617	17,452	-
CAREER: Library Based Design of Linked Equilibria to Control Protein Interactions G1A62395	47.074	MCB-0953323	137,477	-
Collaborative Research: LTREB: Climatic Change and Community Organization Across three Tropic Levels: Long-Term Research at a Sentinel Site in Semiarid North-Central Chile G1A62396	47.074	DEB-097224	6,224	-
Dimensions NASA: Collaborative Research: The Biogeography and Draught Tolerance in Grasses G1A62529	47.074	DEB-1342782	24,156	-
Passed-Through Washington University:				
Evolutionary Diversification of Photosynthesis & the Anoxygenic to Oxygenic Transition G6A64110	47.074	0950550	19,986	-
Collaborative Research: Ecological Diversification and molecular Evolution of Grasses (Poaceae) G1A62459	47.074	DEB-1120761	37,356	-
			<u>242,651</u>	<u>-</u>
Social, Behavioral, and Economic Sciences:				
REU Site: Operation Etank: Moving Toward a Sustainable World G1A62478	47.075	SMA-1156789	39,176	-
Collaborative Research: Cultural Models of Nature Across Cultures: Space, Causality, and Primary Food Producers G1A62528	47.075	None	55,011	21,539
CAREER: Exit Strategies: Assessing Long-Term Social, Cultural, and Political Impacts of the Depart of INGOs in Rural Haiti G1A62571	47.075	1455142	16,349	11,832
			<u>110,536</u>	<u>33,371</u>

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards (Continued)
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
<u>NATIONAL SCIENCE FOUNDATION (Continued)</u>				
Education and Human Resources:				
IMUSLE-Incremental Mindset and Utility for Science Learning and Engagement G1A62460	47.076	1136143	\$ 162,580	\$ -
Renewable Energy Technology Across the Engineering Technology Curriculum G1A62480	47.076	1140447	47,493	-
Empowering Teachers to Enhance Adolescents' Motivation for Science G1A62481	47.076	1102925	84,214	-
Internet Accessible Remote Laboratories with Collaborative Design G1A62490	47.076	1140502	37,433	-
Collaborative Research: WILSIM2, The Next Generation Landform Simulator G1A62492	47.076	1140375	55,744	11,061
Doctoral Dissertation Research: The Effects of Honeysuckle Encroachment on White Oak Savannas in Relation to Understory light, soil and Dispersal G1A62499	47.076	None	2,946	-
Fellowship for Christopher Budnick G1A62516	47.076	Fellowship	46,667	-
Collaborative Research: The Geo-CC&CP Foundry - Building Institutional Capacity for Broadening Participation in the Geoscience Workforce G1A62557	47.076	1445228	38,654	-
Collaborative Research: Learning & Teaching Engineering Dynamics Through Interactive Simulations G1A62558	47.076	1432289	27,988	-
Passed-Through University of Missouri on behalf of Missouri University of Science and Technology Engineering Uncertainty Repository G6A64098	47.076	1245070	12,174	-
			<u>515,893</u>	<u>11,061</u>
Polar Programs:				
Collaborative Research: REU Site Svalbard REU: Holocene and Modern Climate Change in the Norwegian High Arctic G1A62526	47.078	PLR-1262871	38,344	-
			<u>38,344</u>	<u>-</u>
Trans-NSF Recovery Act Research Support:				
RAGES-Collaborative Research: Integrative Study of Marine Ice Sheet Stability and Subglacial Life Habitats-Robotic Access to Grounding Zones - ARRA G1A62368	47.082	ANT-0839107	240,082	-
LISSARD-Collaborative Research: Integrative Study of Marine Ice Sheet Stability and Subglacial Life Habitats-Lake & Ice Stream Subglacial Access- ARRA G1A62369	47.082	ANT-0839059	49,182	-
Searches for New Phenomena with High Energy Particle Colliders G1A62483	47.082	PHY-1206092	256,395	-
Total NSF Recovery Act Research Support			<u>545,659</u>	<u>-</u>
Total National Science Foundation			<u>2,191,470</u>	<u>44,432</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Human Genome Research:				
Micro-Inversions and Improvement of Alignment Quality G1A62415	93.172	1R15HG005913-01	941	-
			<u>941</u>	<u>-</u>
Research Related to Deafness and Communication Disorders:				
Processing of Spoken Language in Young Children who use cochlear Implants G1A62450	93.173	1R15DC011605-01	82,731	25,667
			<u>82,731</u>	<u>25,667</u>
Research on Healthcare Costs, Quality and Outcomes:				
Passed-Through Northwestern University Healthcare Research and Quality/DHHS G6A64178	93.226	1 R18 HS023921 - 01	2,851	-
			<u>2,851</u>	<u>-</u>
Mental Health Research Grants:				
Biomarkers for Posttraumatic Stress in Women Following a Campus Mass Shooting G1A62501	93.242	1 R15MH099521-01	123,589	-
Automatic 3D Quantification of Synapse Distribution in Complex Dendritic Arbor G1A62527	93.242	1R15MH099569-01A1	144,961	52,264
Passed-Through Illinois Institute of Technology: Adherence and Empowerment Service Participation and Meaningful Outcomes G6A64036	93.242	SA455-1114-6157	6,654	-
			<u>275,204</u>	<u>52,264</u>
Cancer Cause and Prevention Research:				
Lung Cancer Recurrence and Survival: Statistical Methods and Models for Ethnic and Gender Disparities, Epigenetics and related Issues G1A62442	93.393	1R15CA152896-01A1	43,571	7,107
			<u>43,571</u>	<u>7,107</u>
Cancer Treatment Research:				
Targeting the tumor microenvironment in B-Cell malignancies G1A62542	93.395	IR03CA175872-01A1	82,165	-
			<u>82,165</u>	<u>-</u>
PPHF: Community Transformation Grants -Small Communities Program financed solely by Public Prevention and Health Funds Partnership for a Healthy Community Contract G6A64146				
	93.737	None	41,857	-
			<u>41,857</u>	<u>-</u>
Cardiovascular Diseases Research:				
Mechanisms of Social Isolation and Environmental Enrichment in an Animal Model G1A62491	93.837	1R15EY020995-01	76,165	-
Passed-Through Medical College of Wisconsin, Inc. Biophysics of HDL Dysfunction G6A64074	93.837	1R01HL112270-01A1	779	-
			<u>76,944</u>	<u>-</u>
Allergy, Immunology and Transplantation Research:				
Role of VeA-Dependent Genes and Proteins in Mycotoxin Production and Development G1A62479	93.855	2R15AI081232-02	90,259	-
Design and Study of IspF Inhibitors as Antibacterial Agents G1A62550	93.855	1R15I113653-01	76,964	-
Pass-Through Seattle Biomedical Research, Inc. Rickettsia Met AP functional study G6A64148	93.855	None	14,905	-
			<u>182,128</u>	<u>-</u>

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards (Continued)
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Allergy, Immunology and Transplantation Research (Continued): Orphan genes in pathogenic bacteria G1A62570	93.859	None	\$ 13,953 13,953	\$ - -
Child Health and Human Development Extramural Research: Maternal Self-Regulation and Parenting: Contributions to the Emergence of Infant Self-Regulation G1A62468	93.865	NONE	16,890	-
An Innovative Approach to Assessing Implicit Processes in Physical Abuse Risk G1A62474 Passed-Through University of Minnesota	93.865	1R15HD069347-01A1	32,138	-
Chicago Longitudinal Survey G6A64087	93.865	CPS#0000641036	(293) 48,735	- -
Total Department of Health and Human Services			851,080	85,038
DEPARTMENT OF EDUCATION				
Office of Special Education and Rehabilitative Services: Peer Health Navigation for Medicaid Beneficiaries with Physical Disabilities: A Community-Based Participatory Research Intervention Development Study G4A63067	84.133	None	569 569	- -
Education Research, Development and Dissemination: Passed-Through Learning Partnership: An Examination of the Qualities of Interactive Science Learning Environments that Promote Optimal Motivation G6A64022	84.305	LP201101	47,611	-
Passed-Through University of Kansas: Development and Validation of Online Adaptive Reading Motivation Measures G6A64017	84.305	FY2011-103	37,622	-
Passed-Through University of Illinois at Chicago: Reading for Understanding Across Grades 6-12: Evidence-based Argumentation for Disciplinary learning G4A63051	84.305	2010-01569-01-00	418,554	42,526
Passed-Through Education Testing Services (ETS): Reading for Understanding G6A63997	84.305	NIU-IES 305F	17,381 521,168	- 42,526
Statewide Longitudinal Data Systems: Passed-Through University of Minnesota Chicago Longitudinal Survey G6A64171	84.372	None	29,400	-
Passed-Through Illinois State Board of Education 41-FN17260	84.372	None	21,000 50,400	- -
Total Department of Education			572,137	42,526
DEPARTMENT OF AGRICULTURE				
Agricultural Research-Basic and Applied Research: USDA Identification of Regulatory Genes in A. Flavus and A. Nidulans that are involved in Mycotoxin Product G2A62555	10.001	58-6435-9-386	12,811 12,811	- -
Farmers' Market and Local Food Promotion Program: USDA Farmers to Markets to Consumers: Removing the Obstacles to Growth G2A62567	10.168		10,865 10,865	- -
Grants for Agricultural Research, Special Research Grants: Passed-Through Kansas State University: Family Advocacy System of Records (FASOR) G6A64084 Intimate Partner Risk Assessment Quality Assurance Project G6A64159	10.200 10.200	2012-39575-20317 S15042	2,394 80,525 82,919	- - -
Cooperative Extension Service: Passed-Through Kansas State University: KSU/Air force Family Advocacy Research Analysis and Support Project FASOR G6A64037	10.500	2011-48740-31167	26,237 26,237	- -
Total Department of Agriculture			132,832	-
DEPARTMENT OF COMMERCE				
National Oceanic & Atmospheric Administration: Sea Grant Support Passed-Through Ohio State University Research Foundation Delayed Neonatal Growth in the Lake Erie Watersnake G6A64130	11.417	NA10OAR4170074	6,587 6,587	2,664 2,664
National Institute of Standards and Technology: Measurement and Engineering Research and Standards Dev/Val of Physics Based AM Models for Process Control & Quality Assurance G2A62519 Passed-Through the Northwestern University Development of Roadmap & Consortium for Innovation in Sheet Metal Forming G6A64149	11.609 11.609	70NANB13H194 SP0026516-PROJ0007766	1,026,896 29,027 1,055,923	581,104 - 581,104
Manufacturing Extension Partnership: Pass-Through Illinois Manufacturing Extension Center Training Module Dev to Exploit the Synergy between Lean Manufacturing & Green Supply Chain Practices G6A64119 Regional Host Organization for Illinois Manufacturing Excellence Center G6A64144	11.611 11.611	None None	10,128 604,601 614,729	- - -
Total Department of Commerce			1,677,239	583,768

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards (Continued)
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
DEPARTMENT OF DEFENSE				
Passed-Through Rock Island Arsenal Illinois Center for Defense Manufacturing (ICDM) G2A62378	12.000	W56HZV-09-0656	\$ 63,386	\$ 9,998
US Army Research Institute (ARI) for the Behavioral and Social Sciences Specification of Effective Monitoring Behaviors for Leadership Competency Development and Adaptability G2A62503	12.000	AFS-ALCS2010-7	94,196	31,567
Passed-Through Kansas State University Illinois Center for Defense Manufacturing (ICDM) G6A64109	12.000	S14036	136,661	-
			<u>294,243</u>	<u>41,565</u>
Basic Scientific Research-Combating Weapons of Mass Destruction: Defense Threat Reduction Agency: Experimental & Numerical Investigation of Compact Dielectric Wakefield Accelerators G2A62397	12.351	HDTRA-1-10-1-0051	13,225	-
			<u>13,225</u>	<u>-</u>
Military Medical Research and Development: Particle Therapy Research and Treatment G2A62386, G2A62435, G2A62436, G2A62437	12.420	W81XWH-10-0170	350,739	207,240
			<u>350,739</u>	<u>207,240</u>
Air Force Defense Research Sciences Program: Pass-Through from Bridge 12 Technologies V-Band Microwave Power Module Based on an Overmoded TWT G6A64102	12.800	FA8650-13-C-1604	82,159	-
			<u>82,159</u>	<u>-</u>
:Advanced Research Projects Agency Research and Technology Development: DARPA-Rapid Manufacturing Processes, Process Controls, Process Models and Simulations - Aerospace Micro-Mesocale Manufacturing (AM3) Demonstration Facility G2A62487	12.910	W15QKN-12-1-0001	139,874	39,749
			<u>139,874</u>	<u>39,749</u>
Total Department of Defense			<u>880,240</u>	<u>288,554</u>
DEPARTMENT OF INTERIOR				
Fish and Wildlife Management Assistance: Assessing Management Needs to Enhance the Recovery for the Eastern Mississauga G2A62410/G2A62538	15.608	F13AC00624	31,836	-
Continued Assessment of Management Needs to Enhance Recovery for the Eastern Mississauga G2A62500	15.608	F12AC01171	(943)	-
			<u>30,893</u>	<u>-</u>
Great Lakes Restoration: Annual Lake Erie Watersnake Census (LEWS) G2A62495	15.662	F12AP00909	96,719	-
			<u>96,719</u>	<u>-</u>
Assistance to State Water Resources Research Institutes: Hydro-meteorological responses to tropical system precipitation in Illinois G4A63063	15.805	2011-03502-03, A1313	5,091	-
			<u>5,091</u>	<u>-</u>
U.S. Geological Survey Research and Data Collection: Seismic Monitoring of the Asian Carp Water Gun Deployment in the Chicago Area Waterway System, the Illinois River, and Other Systems. G2A62554	15.808	G14AC00279	34,986	-
			<u>34,986</u>	<u>-</u>
Total Department of Interior			<u>167,689</u>	<u>-</u>
US OFFICE OF PERSONNEL MANAGEMENT				
Intergovernmental Personnel Act Mobility Program: US Army Medical Command IPA Joint Appt. G2A62549	27.011	None	123,509	-
Hines VA Hospital - Veterans Affairs G2A62566	27.011	None	14,810	-
OTSP-Washington, D.C. G2A62453	27.011	None	44,345	-
			<u>182,664</u>	<u>-</u>
Total US Office of Personnel Management			<u>182,664</u>	<u>-</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Science Estimating Global Volume of Excavation by Fluvial Processes on Mars: Inferring Volume of Water and its Implications G2A62517	43.001	NNX13AK65G	58,730	-
Pass-Through AMSENG The Conductive Thermal Control Material Systems for Space Applications G2A62553	43.001	PO-14-009	30,000	-
Passed-Through University of Nevada, Las Vegas Exploration of Biological Dark Matter in Geothermal Springs G6A64069	43.001	13-725F-03	41,712	-
			<u>130,442</u>	<u>-</u>
Total National Aeronautics and Space Administration			<u>130,442</u>	<u>-</u>
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Promotion of the Humanities Fellowships and Stipends: The Humanitarian Eye: Photography and the 20th-Century Quest to Save Innocents Abroad G2A62541	45.160	FA-57772-14	46,200	-
Islamic Literacy in Early America G2A62539	45.160	FA-57571-14	25,200	-
			<u>71,400</u>	<u>-</u>
Total Department of National Endowment for the Humanities			<u>71,400</u>	<u>-</u>

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards (Continued)
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
DEPARTMENT OF ENERGY				
Office of Science Financial Assistance Program:				
Polarized X-Rays as a Probe of Spin Polarization G2A62156	81.049	DE-FG02-03ER46097	\$ 113,090	\$ -
Nonlinear Dynamics of High-Brightness Electron Beams G2A62296	81.049	DE-FG02-08ER41532	25,228	-
Design & Prototyping High Granularity Scintillator Calorimeter G2A62429	81.049	DE-SC0005164	51,019	-
Studies of Conventional & ERL-Based Recirculator Electron Cooling for an Electron Ion G2A62502	81.049	DE-SC0008588	45,831	-
Searching for Physics Beyond the Standard Model at the Intensity Frontier G2A62543	81.049	DE-SC0012231	119,086	-
Nonlinear Dynamics & Phase Space Manipulations of High-Brightness Beams G2A62547	81.049	DE-SC0011831	66,384	-
Passed-Through the Kansas State University				
Nano-patterned cathode surfaces for high efficiency photoinjectors G6A64156	81.049	DE-SC0009656 2NPC	21,033	-
Passed-Through the Kansas State University G6A64179	81.049	DE-SC0013162	5,568	-
			<u>447,239</u>	<u>-</u>
Fossil Energy Research and Development:				
Assessing the Geomechanical Response of CO2 Disposal in Flood Basalt Reservoirs G2A62559	81.089	None	35,350	4,941
			<u>35,350</u>	<u>4,941</u>
Nuclear Energy Research, Development and Demonstration				
Reaching Lower Concentration Detection Limits of Special Nuclear Materials w/ Quasi-monochromatic, tunable and highly polarized X-ray Beams G6A64150	81.121	None	36,603	-
			<u>36,603</u>	<u>-</u>
Department of Energy Managed Labs:				
Integrated Laboratory/Industry Research Program ILIRP G2A62423	81.000	9J-30261-0018A	18,831	-
Joint Appointment: Zhili Xiao G2A62424	81.000	DE-AC02-06CH11357	110,608	-
Joint Appointment: Philippe Piot G2A62425	81.000	PO 589180 Rev 1 & 2	73,146	-
Joint Appointment: David Murphy G2A62456	81.000	DE-AC02-06CH11357	31,983	-
Material Development for Energy Efficiency and Renewable Energy Applications G2A62462	81.000	9J-30261-0027A	10,325	-
Joint Appointment: Young Min Shin G2A62467	81.000	PO 602342	45,229	-
Synthesis and Characterizations of Fe-Based pnictide G2A62471	81.000	9J-30261-0028A	20,289	-
Beam Dynamics Studies for the Matter Radiation Interaction at Extreme Project at Los Alamos G2A62472	81.000	None	(4,231)	-
Development of the MUZE Preliminary Design G2A62494	81.000	PO 608549	82,169	-
G-2 Tracking Detector G2A62496	81.000	PO 609097	37,064	-
Joint Appointment: Andres Glatz G2A62497	81.000	DE-AC02-06CH11357	116,106	-
System Software Integration and Development G2A62511	81.000	3F-31421	194,130	-
Single Crystal Diffuse X-ray & Neutron Scattering Experiments G2A62515	81.000	9J-30261-0042A	36,182	-
Upgrade the Thomas Jefferson National Accelerator Facility G2A62522	81.000	9J-30261-0044A	24,769	-
Beam Emittance Measurements for Muon Collider R & D G2A62534	81.000	13-F-14	8,725	-
Development of Fast Imaging Cameras and the Associated Software for XPCS Measurements G2A62535	81.000	9J-30261-0047A	538	-
Community Dashboard Development G2A62540	81.000	9J-30261-0049A	42,482	-
Investigation of Field-Emission Electron Source G2A62544	81.000	FRA-2013-0006	52,181	-
Atomic-scale Surface Structure & Dynamics G2A62546	81.000	9J-30261-0050A	28,775	-
Study of Ceramic Ion Conductors G2A62556	81.000	9J-30261-0051A	103,901	-
Searching for New Physics w/ Higgs Bosons at ATLAS G2A62560	81.000	277858	34,736	-
Support for Visiting Professor G2A62562	81.000	4J-30341-0001A	24,508	-
Synthesis and characterization of Fe-based pnictide superconductors G2A62563	81.000	4J-30341-0002A	17,144	-
Materials Development for Energy Efficiency and Renewable Energy Applications G2A62564	81.000	4J-30341-0003A	15,221	-
Support for Steven Boi G2A62568	81.000	PO 620398	28,084	-
Joint Appointment for Swapna Chattopadhyay NIU/FERMI G2A62569	81.000	None	119,654	-
Fabrication and Characterization of Superconducting Nanostructures G2A62572	81.000	None	9,708	-
DOE Optical Stochastic Cooling G2A62573	81.000	DE-AC02-06CH11357	3,577	-
Passed-Through Universities Research Association, Inc.				
Channeling Radiation Experiment at Fermilab ASTA User Facility G6A64152	81.000	14-F-08	21,296	-
			<u>1,307,130</u>	<u>-</u>
Total Department of Energy			<u>1,826,322</u>	<u>4,941</u>
Total Research and Development Cluster			<u>8,683,515</u>	<u>1,049,259</u>
ECONOMIC DEVELOPMENT CLUSTER				
DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION				
Economic Adjustment Assistance:				
Economic Adjustment: The Rockford Area Aerospace Cluster Jobs and Innovation Accelerator G2B66752	11.307	06-79-05726	68,891	4,500
			<u>68,891</u>	<u>4,500</u>
Total Economic Development Cluster			<u>68,891</u>	<u>4,500</u>
HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction:				
Passed-Through Illinois Department of Transportation: IDOT Bicycle Maps Project G4B67427	20.205	11T0011	44,888	-
			<u>44,888</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>44,888</u>	<u>-</u>

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards (Continued)
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
HIGHWAY SAFETY CLUSTER				
DEPARTMENT OF TRANSPORTATION				
National Priority Safety Programs				
FY15 Sustained Traffic Enforcement Program G4B67536	20.616	None	\$ 6,467	\$ -
			<u>6,467</u>	<u>-</u>
Total Highway Safety Cluster			<u>6,467</u>	<u>-</u>
TRIO CLUSTER				
DEPARTMENT OF EDUCATION				
TRIO - Student Support Services G1B66736	84.042	P042A101432	335,572	-
			<u>335,572</u>	<u>-</u>
TRIO - Upward Bound G1B66755	84.047	P047A121484	478,699	-
			<u>478,699</u>	<u>-</u>
Total Trio Cluster			<u>814,271</u>	<u>-</u>
CCDF CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Child Care and Development Block Grant				
Pass-Through Illinois Department of Human Services				
41-CP30140 / 41-MC24596	93.575	None	193,000	-
			<u>193,000</u>	<u>-</u>
Total CCDF Cluster			<u>193,000</u>	<u>-</u>
SPECIAL EDUCATION CLUSTER (IDEA)				
DEPARTMENT OF EDUCATION				
Special Education Grants to States				
Passed-Through Southern Illinois University:				
IDEA: State Personnel Development Grant-IL IHE Partnership G4B67517	84.027	763944	9,995	-
IDEA: State Personnel Development Grant-IL IHE Partnership G4B67538	84.027	763944-007	3,008	-
			<u>13,003</u>	<u>-</u>
Total Special Education Cluster (IDEA)			<u>13,003</u>	<u>-</u>
NATIONAL SCIENCE FOUNDATION				
Mathematical and Physical Sciences:				
Passed-Through University of Notre Dame:				
The Quarknet Project G6B70137	47.049	PHY-1219444	9,204	-
			<u>9,204</u>	<u>-</u>
Education and Human Resources:				
PROMISE: Providing Resources and Opportunities to Maximize Interest				
in STEM Education G1B66748	47.076	DUE-1068463	220,705	10,872
			<u>220,705</u>	<u>10,872</u>
Total National Science Foundation			<u>229,909</u>	<u>10,872</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES ARRA				
Health Information Technology Regional Extension Centers Program:				
Office of National Coord for Health Information Technology				
Illinois Health Information Technology Exchange Program Collaborative				
ARRA G1B66725	93.718	90RC0023/01	365,229	-
			<u>365,229</u>	<u>-</u>
Total Department of Health and Human Services ARRA			<u>365,229</u>	<u>-</u>
DEPARTMENT OF EDUCATION				
Overseas Programs - Group Projects Abroad				
The Philippines: Ethno-Religious Diversity & Human Rights in a Transitioning Democracy in SE Asia				
G1B66774	84.021	P021A140025	90,005	-
			<u>90,005</u>	<u>-</u>
* National Resource Centers Program for Foreign Language and Area Studies or Foreign Language				
and International Studies Program and Foreign Language and Area Studies Fellowship Program:				
National Resource Center at Northern Illinois University G1B66733	84.015	P015A100167	7,342	-
Foreign Language and Area Studies Fellowships G1B66734	84.015	P015A100167	10,371	-
National Resource Center at Northern Illinois University G1B66768	84.015	P015A140055	159,251	-
Foreign Language and Area Studies Fellowships G1B66769	84.015	P015B140055	244,347	-
			<u>421,311</u>	<u>-</u>

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards (Continued)
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
DEPARTMENT OF EDUCATION (Continued)				
Rehabilitation Long-Term Training:				
Preparation of Rehabilitation Teachers and Orientation & Mobility of Specialists to Serve Adults with Visual Disabilities G1B66711	84.129	H129P090006	\$ 2,438	\$ -
Rehabilitation of Individuals Who are Deaf or Hard of Hearing G1B66738	84.129	H129Q100002	83,873	-
			<u>86,311</u>	<u>-</u>
Rehabilitation Services Demonstration and Training Programs:				
Preparing the USA for the UEB: A Massive Open Online Course for Personnel Providing Vocational Rehabilitation Services or Educational Services to You G1B66771	84.235	H235E140006	92,756	-
			<u>92,756</u>	<u>-</u>
* Twenty-First Century Community Learning Centers:				
Passed-Through Illinois State Board of Education: 21st Century Community Learning Center Grant-Herget Middle School G6B69839	84.287	None	127	-
			<u>127</u>	<u>-</u>
Special Education Personnel Development to Improve Services and Results for Children With Disabilities:				
Combined Priority for Personnel Development G1B66713	84.325	H325K090232	56,057	-
Program for Training of Teachers and Orientation and Mobility Instructors G1B66760	84.325	H325K130217	277,176	-
Passed Through Salus University: Fellowship Support for Sean Tikkun G6B70049	84.325	H325V090001/83401	26,285	-
			<u>359,518</u>	<u>-</u>
English Language Acquisition State Grants:				
Passed-Through Illinois State Board of Education: Development of Reading ESL, Early Childhood, Math and Science: Project Dreams G1B66750	84.365	T365Z110199-12	632,980	-
			<u>632,980</u>	<u>-</u>
Mathematics and Science Partnerships:				
Passed-Through Illinois State Board of Education: Engineering the Next Gen Initiative for Northern Illinois Engagement G4B67510	84.366	4936-50-16-019-5430-51	66,858	-
			<u>66,858</u>	<u>-</u>
Improving Teacher Quality State Grants:				
Passed-Through Illinois Board of Higher Education NIU Higher Ed Transitions Committee: Regional College Readiness Partnership G4B63061	84.367	IBHE	119,977	-
FY13 Promoting Achievement thru Literacy Skills Across High School Curriculum G4B67505	84.367	IBHE	82,745	42,746
FY14 Promoting Achievement thru Literacy Skills Across High School Curriculum G4B67521	84.367	IBHE	101,108	26,992
			<u>303,830</u>	<u>69,738</u>
Race to the Top – Early Learning Challenge				
Passed-Through Illinois Board of Higher Education Northern Illinois Consortium for Early Childhood Articulations G3B67546	84.412	IBHE	21,053	-
			<u>21,053</u>	<u>-</u>
Total Department of Education			<u>2,074,749</u>	<u>69,738</u>
DEPARTMENT OF AGRICULTURE				
Child and Adult Care Food Program				
Passed Through Illinois State Board of Education: Federal School Lunch Program 41-CP30140/41-MC24596	10.558	None	55,000	-
			<u>55,000</u>	<u>-</u>
Total Department of Agriculture			<u>55,000</u>	<u>-</u>
DEPARTMENT OF DEFENSE				
Department of the Army				
National Guard Economic Impact Study G2B66763	12.000	W91SMC-13-P-0186	5,612	-
			<u>5,612</u>	<u>-</u>
Total Department of Defense			<u>5,612</u>	<u>-</u>
DEPARTMENT OF COMMERCE				
Manufacturing Extension Partnership:				
Passed-Through the Illinois Manufacturing Extension Center				
Bradley University:				
Regional Host Organization for Illinois Manufacturing Extension Center FY13 G6B70099	11.611	None	495	-
Illinois Manufacturing Extension Center FY 13 G6B70099/ FY 14 G6B70162	11.611	IMEC-FY13/FY14	5,389	-
Building Environmental, Health, Safety and Sustainability in Very Small Businesses G6B70179	11.611	None	13,657	-
CBeLSS - Case-Based e-Learning for Six Sigma G6B70181	11.611	None	17,688	-
Energy Efficient Workshops G6B70182	11.611	None	9,127	-
			<u>46,356</u>	<u>-</u>
Total Department of Commerce			<u>46,356</u>	<u>-</u>

State of Illinois
Northern Illinois University
Schedule of Expenditures of Federal Awards (Continued)
as of June 30, 2015

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2015 Expenditures	To Subrecipients
DEPARTMENT OF JUSTICE				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault and Stalking on Campus:				
Northern Illinois University Coordinated Community Response Project G2B66739	16.525	2010-WA-AX-0008	\$ 3,286	\$ -
			3,286	-
Total Department of Justice			3,286	-
DEPARTMENT OF LABOR				
WIA/WIOA Pilots, Demonstrations, and Research Projects				
Pass-Through Illinois State Board of Education 41-FN17260	17.261	None	48,000	-
			48,000	-
Employment Training Administration				
H-1B Job Training Grants:				
Job Innovation Accelerator Challenge G2B66753	17.268	JA-22454-11-60-A-17	223,892	109,764
			223,892	109,764
Total Department of Labor			271,892	109,764
DEPARTMENT OF STATE				
* Professional and Cultural Exchange Programs - Citizen Exchanges				
Youth Leadership Program 2013: Philippines: Environmental Leadership in the Philippines G2B66757	19.415	S-ECAPY-12-CA-154(RJ)	8,826	-
Youth Leadership Program 2013 - Philippines: Environmental Leadership in the Philippines G2B66758	19.415	S-ECAPY-12-CA-154 (RJ)	32,504	-
Belizean Youth Sport Coalition for Youth Development and Social Change G2B66762	19.415	S-ECAGD-13-GR-177 (DT)	43,070	-
Southeast Asia Youth Leadership Program 2014 G2B66765	19.415	S-ECAGD-14-CA-1039	189,611	-
Citizens Exchange Programs: Youth Programs Project: GLOBAL G2B66772 / G2B66773	19.415	S-ECAPY-12-CA-154	202,100	132,088
FY2014 Southeast Asia Youth Leadership Program G2B66775 / G2B66776	19.415	S-ECAGD-14-CA-1039	217,451	-
2015 Fulbright Gateway Orientation G2B66779	19.415	S-ECAGD-15-CA-1015	200	-
			693,762	132,088
Public Diplomacy Programs				
SummerNITE's MARAT/SADE in Adana, Turkey G2B66778	19.040	None	27,312	-
			27,312	-
Academic Exchange Programs - Undergraduate Programs				
Study of the US Institutes for Student Leaders from SE Asia on Civic Engagement G2B66780	19.009	None	964	-
			964	-
Total Department of State			722,038	132,088
NATIONAL ENDOWMENT FOR THE HUMANITIES				
Promotion of the Humanities_Division of Preservation and Access				
Textile Storage and Environmental Monitoring G2B66766	45.149	PG-52231-14	6,534	-
From Theory to Practice: Extending the Reach of Digital Power Preservation Workshops G2B66777	45.149	None	33,453	-
			39,987	-
Promotion of the Humanities_Professional Development				
NEH Enduring Questions Course on "What is the Role of Women in an Ideal Society?" G2B66759	45.163	AQ-50947-13	9,656	-
			9,656	-
Total National Endowment for the Humanities			49,643	-
INSTITUTE OF MUSEUM AND LIBRARY SCIENCES				
Museums for America				
Anthropology Museum Rehousing Project G2B66770	45.301	MA-30-14-0414-14	47,546	-
			47,546	-
National Leadership Grants				
ADOPT(Achieving Digital Object Preservation Together): Securing and Presenting Local Culture Heritage for Global Access G2B66754	45.312	LG-05-11-0156-11	142,426	-
			142,426	-
Total Institute of Museum and Library Sciences			189,972	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			45,502,452	1,376,221
NON-CASH FEDERAL FINANCIAL ASSISTANCE				
	CFDA Number		2015	
* Federal Loans				
Federal Perkins Loan Program - Federal Capital Contributions (1)	84.038		-	
Federal Direct Loans Program (2) - G7B69987/G7B70010/G7B70016/G7B70071	84.268		124,128,523	
(1)	Loans advanced during the year as of June 30, 2015 was \$1,339,747. Loans outstanding as of July 1, 2014 \$8,572,477.			
(2)	The University acts as a Direct Loan Servicing Center for students who borrow directly from the Federal Government.			
*	Cluster/program was tested as a major program in fiscal year 2015			

**State of Illinois
Northern Illinois University**

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015**

Note 1. Significant Accounting Policy

The accompanying Schedule of Expenditures of Federal Awards (Schedule) of Northern Illinois University (University) has been prepared on the accrual basis of accounting. Expenditures are recognized following the cost principles contained in OMB Circular A-21, Cost Principles for Educational Institutions, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Schedule does not purport to present the results of operations or the net income or loss for the respective period as would a statement of income or a statement of revenues and expenses. Pass-through entity identifying numbers are presented on the Schedule where available.

Note 2. Nature of Programs

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies and departments of the federal government and all sub-awards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

Note 3. Reconciliation of the Schedule of Expenditures of Federal Awards to the Statement of Revenues, Expenses, and Changes in Net Position

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

	<u>(in Thousands)</u>
Total expenditures as reported in the Schedule of Expenditures of Federal Awards	\$ 45,502
Add the following:	
Direct state grants/contracts	<u>14,596</u>
Total federal and state grants and other contracts, FSEOG, and Pell Grants revenues as reported in the Statement of Revenues, Expenses, and Changes in Net Position	<u><u>\$ 60,098</u></u>

**Supplementary Information for State Compliance Purposes
Summary**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- **Fiscal Schedules and Analysis:**

- Schedule of Appropriations, Expenditures, and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
- Comparative Schedule of Income Fund Revenues and Expenses
- Schedule of Changes in Capital Assets
- Comparative Schedule of Cash and Temporary Cash Equivalents, at Cost
- Comparative Schedule of Investments, at Cost
- Analysis of Receivables and Inventories
- Analysis of Significant Variations in Expenses
- Analysis of Significant Variations in Revenues
- Analysis of Significant Variations in Account Balances
- Analysis of Significant Lapse Period Spending
- Schedule of Federal Expenditures, Nonfederal Expenses, and New Loans
- Entity Financial Statements:
 - Other Entities:
 - Condensed Financial Information:
 - Balance Sheet
 - Schedule of Revenues, Expenditures and Changes in Current Fund Balances
 - Schedule of Revenues, Expenditures and Changes in Plant Fund Balances
 - Auxiliary Business Operations, Service Departments, and Indirect Cost Support:
 - Condensed Financial Information:
 - Balance Sheet
 - Schedule of Revenues, Expenditures and Changes in Current Fund Balances
 - Schedule of Revenues, Expenditures and Changes in Plant Fund Balances
 - Auxiliary Enterprises - Revenue Bond Funds:
 - Condensed Financial Information:
 - Balance Sheet
 - Schedule of Revenues, Expenditures and Changes in Current Fund Balances
 - Schedule of Revenues, Expenditures and Changes in Plant Fund Balances
 - Schedule of Indentured Capital Reserves (Unaudited)
 - Calculation Sheet for Current Excess Funds:
 - Other Entities (Unaudited)
 - Auxiliary Business Operations (Unaudited)
 - Service Departments (Unaudited)
 - Auxiliary Enterprises - Revenue Bond Funds (Unaudited)
 - Indirect Cost Support - Sources and Application of Indirect Cost Recoveries
 - Calculation Sheet for Indirect Cost Support Carryforward
 - Description of Accounting Entities
 - Auxiliary Enterprises - Revenue Bond Funds - Schedule of Revenues, Expenses, and Changes in Net Position

**Supplementary Information for State Compliance Purposes
Summary (Continued)**

- Analysis of Operations (Unaudited):
 - Cross-Reference Table of Reporting Requirements
 - University Functions and Planning Program (Unaudited)
 - Comparative Employment Statistics (Unaudited)
 - Emergency Purchases (Unaudited)
 - Comparative Enrollment Statistics (Unaudited)
 - Schedule of Tuition and Fee Waivers (Unaudited)
 - Debt Financed by University-Related Organization (Unaudited)
 - Acquisition of Real Estate Costing in Excess of \$250,000 and Not Funded
by a Separate Appropriation (Unaudited)
 - Bookstore Operations (Unaudited)
 - Comments on Certain Matters Regarding Auxiliary Enterprises, Activities, and
Accounting Entities, and Tuition, Charges, and Fees (Unaudited)
 - Comments on Certain Matters Regarding University-Related Organizations and
Other Matters (Unaudited)
 - Summary of Foundation Payments to/from the University (Unaudited)
 - Summary of Alumni Association Payments to/from the University (Unaudited)
 - Summary of Research Foundation Payments to/from University (Unaudited)
 - Current Unrestricted Funds - Auxiliary Enterprises - Revenue Bond Funds -
Occupancy Report of Residence Halls (Unaudited)
 - Current Unrestricted Funds - Auxiliary Enterprises - Revenue Bond Funds -
Insured Value Summary (Unaudited)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented on page 5 in the Introductory Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, except for that portion marked "unaudited" on which the auditors expressed no opinion, it is fairly stated in all material respects in relation to the basic financial statements, from which it has been derived, taken as a whole. The accountants' report also states that the Analysis of Operations section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, they do not express an opinion or provide any assurance on this section.

Schedule of Appropriations, Expenditures, and Lapsed Balances*
Appropriations for Fiscal Year 2015
Fourteen Months Ended August 31, 2015

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2015	Lapse Period Expenditures July 1 to 31-Aug-15	Total Expenditures	Balances Lapsed
Public Act 99-0001					
GENERAL REVENUE FUND-007					
Personal services	\$ 82,410,600	\$ 82,410,600	\$ -	\$ 82,410,600	\$ -
Contributions to Social Security and Medicare	883,500	883,500	-	883,500	-
Group insurance	1,770,650	1,770,650	-	1,770,650	-
Contractual services	3,695,115	3,695,115	-	3,695,115	-
Commodities	1,000,440	892,940	-	892,940	107,500
Equipment	717,027	717,027	-	717,027	-
Telecommunication services	511,068	511,068	-	511,068	-
Automotive	104,300	104,300	-	104,300	-
Total General Revenue Fund	91,092,700	90,985,200	-	90,985,200	107,500
STATE COLLEGE AND UNIVERSITY					
TRUST FUND-417					
Scholarship fund	36,000	20,600	-	20,600	15,400
TOTAL APPROPRIATED FUNDS	\$ 91,128,700	\$ 91,005,800	\$ -	\$ 91,005,800	\$ 122,900

*The information contained in this schedule was taken from the University records which have been reconciled to those of the State Comptroller.

Note 1: Expenditure amounts are vouchers approved for payment and paid by the University which are then submitted to the State Comptroller for reimbursement.

Comparative Schedule of Net Appropriations, Expenditures,
and Lapsed Balances
For the Years Ended June 30, 2015 and 2014

	Fiscal Years	
	2015	2014
	PA99-0001	PA98-0035
General Revenue Fund - 001		
Appropriations (net after transfers)	\$ 91,092,700	\$ 93,412,600
Expenditures		
Personal services	82,410,600	82,633,700
Contributions to Social Security and Medicare	883,500	883,500
Contractual services	3,695,115	4,240,800
Commodities	892,940	1,412,500
Equipment and library books	717,027	1,073,500
Telecommunications services	511,068	724,600
Automotive	104,300	106,700
CMS health insurance	1,770,650	2,337,300
Total expenditures	90,985,200	93,412,600
Lapsed balances	\$ 107,500	\$ -
State College and University		
Trust Fund - 417		
Appropriations (net after transfers)	\$ 36,000	\$ 36,000
Expenditures - scholarship grant awards	20,600	20,725
	\$ 15,400	\$ 15,275
Grand Total - All Funds		
Appropriations (net after transfers)	\$ 91,128,700	\$ 93,448,600
Total expenditures	91,005,800	93,433,325
Lapse balances	\$ 122,900	\$ 15,275

**Comparative Schedule of Income Fund Revenues and Expenses
For the Years Ended June 30, 2015 and 2014**

	2015	2014
Income Fund Revenues		
Tuition, net of waivers	\$ 153,511,711	\$ 149,997,163
Material fees	7,880,215	7,948,370
Other	2,105,688	1,955,274
	<hr/>	<hr/>
Total Income Fund Revenues	\$ 163,497,614	\$ 159,900,807
	<hr/> <hr/>	<hr/> <hr/>
Income Fund Expenses		
Personal services	\$ 84,201,999	\$ 89,284,746
FICA/Medicare	2,550,579	2,386,535
Contractual services	33,191,030	34,670,280
Travel	738,015	1,420,249
Commodities	2,970,530	2,817,444
Award/grants and matching funds	7,698,700	7,516,421
Equipment and library books	8,739,306	20,634,840
Telecommunications	734,841	522,708
Automotive	492,737	644,207
Capital repairs and permanent improvements	2,605,897	1,253,785
CMS health insurance	1,770,650	1,204,000
Unemployment compensation benefits	42,097	63,228
	<hr/>	<hr/>
Total Income Fund Expenses	\$ 145,736,381	\$ 162,418,443
	<hr/> <hr/>	<hr/> <hr/>

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

State of Illinois
Northern Illinois University

Schedule 4

Schedule of Changes in Capital Assets*
For the Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Transfers	Deductions	Balance June 30, 2015
Land	\$ 19,280,619	\$ -	\$ -	\$ -	\$ 19,280,619
Land improvements	77,924,187	4,213,177	-	-	82,137,364
Buildings	667,377,956	4,756,343	-	-	672,134,299
Equipment	254,252,263	10,007,568	-	8,764,061	255,495,770
Intangible assets	3,820,547	-	-	-	3,820,547
Construction in progress	20,753,909	27,441,702	-	14,300,805	33,894,806
Totals	<u>\$ 1,043,409,481</u>	<u>\$ 46,418,790</u>	<u>\$ -</u>	<u>\$ 23,064,866</u>	<u>\$ 1,066,763,405</u>

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

**Comparative Schedule of Cash and Temporary
Cash Equivalents, at Cost
(Excluding Foundation and Alumni Association)
June 30, 2015 and 2014**

	2015	2014
Cash on hand	\$ 97,820	\$ 111,865
Checking accounts (1)		
National Bank and Trust Co. of Sycamore, Sycamore, Illinois	13,823,574	12,394,650
Amalgamated Bank, Chicago, Illinois	-	141,681
Castle Bank, DeKalb, Illinois	3,779,224	4,274,544
Temporary cash investments		
Illinois Funds - U.S. Bank, Springfield, Illinois	43,227,592	47,171,160
Money market mutual funds:		
The Bank of New York Mellon Trust Co., NA, Chicago, Illinois:		
Hoffman Estates Debt Reserves Fund and Communications Ducts Reserve Fund	650,384	650,170
Old National Wealth Management Evansville, Indiana:		
Performance contract 11, Escrow fund	-	6,910,259
Amalgamated Bank, Chicago, Illinois	9,542,695	13,894,882
	<u>\$ 71,121,289</u>	<u>\$ 85,549,211</u>

(1) These amounts represent bank balances.

Comparative Schedule of Investments, at Cost
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
U.S. Treasury obligations, U.S. agency obligations, treasury notes and strips, 0.0 to 1.75 percent	<u>\$ 123,637,232</u>	<u>\$ 113,571,149</u>

Note: Interest rates for June 30, 2015.

Analysis of Receivables and Inventories
June 30, 2015 and 2014

Receivables

Reported receivables as of June 30, 2015 and 2014 are summarized below (\$000s):

	<u>June 30</u>	
	<u>2015</u>	<u>2014</u>
Accounts receivable	\$ 44,090	\$ 41,114
Less allowance for doubtful accounts	<u>(14,304)</u>	<u>(13,213)</u>
Net accounts receivable	<u>\$ 29,786</u>	<u>\$ 27,901</u>
Student loans receivable	\$ 8,572	\$ 8,999
Less allowance for doubtful accounts	<u>(71)</u>	<u>(93)</u>
Net student loans receivable	<u>\$ 8,501</u>	<u>\$ 8,906</u>

Accounts receivable consists primarily of amounts due from students (\$35.5 million in 2015 and \$32.1 million in 2014) and other agencies (\$8.6 million and \$9.0 million in 2015 and 2014, respectively).

Student loans receivable consists primarily of student loans issued under the federal government's Perkins Loan Program.

The University provides for an allowance for doubtful accounts to account for nonpayment of student tuition.

The allowance for doubtful accounts relating to student notes is the result of the difficulty of collecting Perkins Loan receivables.

The University utilizes the State offset system as well as private collection services to supplement University collection procedures.

Analysis of Receivables and Inventories (Continued)
June 30, 2015 and 2014

Inventories

Reported inventories as of June 30, 2015 and 2014 are summarized below (\$000s):

	June 30	
	2015	2014
Food	\$ 496	\$ 396
Books	1,690	1,853
Inventories for resale	841	855
Commodities and supplies	271	272
Other miscellaneous items	23	35
Total	<u>\$ 3,321</u>	<u>\$ 3,411</u>

Inventories are valued at cost (first-in and first-out or average cost method, depending on the nature of the inventory item) or market, whichever is lower.

**Analysis of Significant Variations in Expenses
For the Years Ended June 30, 2015 and 2014
(in Thousands)**

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

	2015	2014	Increase (Decrease)	Percent Changes	Explanation
Research	\$ 14,660	\$ 11,692	\$ 2,968	25%	Increase due to an increased investment in research expenditures.
Public Service	21,525	32,827	(11,302)	-34%	Decrease due to decline in compensation and benefit expenses, and supplies and service expenses related to a Federal grant (Broadband Technology Opportunities) that finished in fiscal year 2014.
Operation and maintenance of plant	39,660	33,681	5,979	18%	Increase due to increase in utilities and additional repair and renovation expenses.
Institutional support	21,746	34,700	(12,954)	-37%	Decrease due to a reduction in compensation and benefit expenses, and a capitalization offset of renovation expenses categorized in operation and maintenance of plant.

**Analysis of Significant Variations in Revenues
For the Years Ended June 30, 2015 and 2014
(in Thousands)**

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

	2015	2014	Increase (Decrease)	Percent Changes	Explanation
Federal and state grants and other contracts	\$ 29,347	\$ 40,960	\$ (11,613)	-28%	Decrease is due to overall decrease in federal grant award expenditures, mainly due to the completion of the Broadband Technology Opportunities grant in fiscal year 2014.
Other sources	6,832	9,695	(2,863)	-30%	FY2014 included several large items, including recognizing unearned revenue from non-credit course fees, and other miscellaneous income.
Capital appropriations	9,143	2,559	6,584	257%	Increase is due to appropriations received from the State for Stevens Hall renovation.

Analysis of Significant Variations in Account Balances
June 30, 2015 and 2014
(in Thousands)

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

	2015	2014	Increase (Decrease)	Percent Changes	Explanation
Cash and cash equivalents (Restricted and Unrestricted)	\$ 24,567	\$ 35,035	\$ (10,468)	-30%	Decrease is due to an increase in capital construction paid for through the use of restricted funds.
Appropriations receivable from state	16,965	19,788	(2,823)	-14%	Decrease in the outstanding appropriation receivable from the state.
Investments	101,932	91,232	10,700	12%	Increase due to investment purchases made using available cash.

**Analysis of Significant Lapse Period Spending
Year Ended June 30, 2015**

No significant lapse period spending was noted for the General Revenue Fund or the State College and University Trust Fund.

**Schedule of Federal Expenditures, Nonfederal Expenses,
and New Loans
For the Year Ended June 30, 2015 (Accrual Basis)
(Expressed in Thousands)**

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA schedule	\$ 45,502
Total new loans made not included on SEFA schedule	124,129
Amount of federal loan balances at beginning of the year (not included on the SEFA schedule) and continued compliance required	8,572
Other noncash federal award expenditures (not included on SEFA schedule)	-
	<hr/>
Total Schedule A	\$ 178,203
	<hr/> <hr/>

Schedule B - Total Financial Component

Total operating expenses (from financial statements)	\$ 568,930
Total nonoperating expenses (from financial statements)	23,916
Total new loans made	124,129
Amount of federal loan balances at beginning of year	8,572
Other noncash federal award expenditures	-
	<hr/>
Total Schedule B	\$ 725,547
	<hr/> <hr/>

Schedule C

	<u>Amount</u>	<u>Percent</u>
Total Schedule A	\$ 178,203	24.6 %
Total nonfederal expenses	<hr/> 547,344	<hr/> 75.4
Total Schedule B	\$ 725,547	100 %
	<hr/> <hr/>	

These schedules are used to determine the University's single audit costs in accordance with OMB Circular A-133.

Other Entities
Condensed Financial Information
June 30, 2015

Balance Sheet	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services
Assets				
Current fund:				
Cash and cash equivalents	\$ 4,837,351	\$ 8,282,010	\$ 7,921,993	\$ 4,927,858
Other assets	11,199	530,777	703,693	120,330
Total current fund	4,848,550	8,812,787	8,625,686	5,048,188
Plant fund:				
Plant fund assets	55,229	673,124	272,283	1,040,724
Total Assets	<u>\$ 4,903,779</u>	<u>\$ 9,485,911</u>	<u>\$ 8,897,969</u>	<u>\$ 6,088,912</u>
Liabilities				
Accounts payable and accrued expenses	\$ 38,582	\$ 355,255	\$ 1,600,504	\$ 282,084
Unearned revenue	59,921	497,268	84,870	6,419,535
Total liabilities	98,503	852,523	1,685,374	6,701,619
Fund balances				
Current fund	4,750,047	7,960,264	6,940,312	(1,653,431)
Plant fund	55,229	673,124	272,283	1,040,724
Total fund balances	4,805,276	8,633,388	7,212,595	(612,707)
Total liabilities and fund balances	<u>\$ 4,903,779</u>	<u>\$ 9,485,911</u>	<u>\$ 8,897,969</u>	<u>\$ 6,088,912</u>

**Schedule of Revenues, Expenditures and
Changes in Current Fund Balances
For the Year Ended June 30, 2015**

Beginning current fund balances	\$ 3,732,342	\$ 7,852,293	\$ 8,703,776	\$ 7,728,720
Revenues	3,350,634	13,128,490	7,129,953	25,881,276
Expenditures	(2,431,406)	(11,587,749)	(8,562,133)	(37,099,616)
Transfers	98,477	(1,432,770)	(331,284)	1,836,189
Ending current fund balances	<u>\$ 4,750,047</u>	<u>\$ 7,960,264</u>	<u>\$ 6,940,312</u>	<u>\$ (1,653,431)</u>

Other Entities
Condensed Financial Information (Continued)
Schedule of Revenues, Expenditures and Changes
in Plant Fund Balances
For the Year Ended June 30, 2015

	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services
Beginning plant fund balances	\$ 63,393	\$ 473,492	\$ 168,414	\$ 965,613
Revenues	-	263,010	126,042	209,716
Expenditures	(8,164)	(63,378)	(22,173)	(134,605)
Ending plant fund balances	<u>\$ 55,229</u>	<u>\$ 673,124</u>	<u>\$ 272,283</u>	<u>\$ 1,040,724</u>

**Auxiliary Business Operations, Service Departments,
and Indirect Cost Support
Condensed Financial Information
June 30, 2015**

Balance Sheet	Auxiliary Business Operations	Service Departments	Indirect Cost Support
Assets			
Current fund:			
Cash and cash equivalents	\$ 6,080,170	\$ 12,236,192	\$ 2,940,259
Accounts receivable	10,470	79,233	81,811
Inventories	9,812	735,046	-
Other assets	-	532,386	-
Total current fund	<u>6,100,452</u>	<u>13,582,857</u>	<u>3,022,070</u>
Plant fund:			
Plant fund assets	<u>169,892</u>	<u>6,187,160</u>	<u>941,418</u>
Total assets	<u><u>\$ 6,270,344</u></u>	<u><u>\$ 19,770,017</u></u>	<u><u>\$ 3,963,488</u></u>
Liabilities			
Accounts payable and accrued expenses	\$ 272,651	\$ 3,440,727	\$ 631,868
Unearned revenue	3,020,404	-	-
Total liabilities	<u>3,293,055</u>	<u>3,440,727</u>	<u>631,868</u>
Fund balances			
Current fund	2,807,397	10,142,130	2,390,202
Plant fund	169,892	6,187,160	941,418
Total fund balances	<u>2,977,289</u>	<u>16,329,290</u>	<u>3,331,620</u>
Total liabilities and fund balances	<u><u>\$ 6,270,344</u></u>	<u><u>\$ 19,770,017</u></u>	<u><u>\$ 3,963,488</u></u>

**Schedule of Revenues, Expenditures and
Changes in Current Fund Balances
For the Year Ended June 30, 2015**

Beginning current fund balances	\$ 2,249,967	\$ 12,335,841	\$ 3,141,874
Revenues	9,066,230	40,618,724	4,040,632
Expenditures	(8,477,577)	(42,812,435)	(4,719,332)
Transfers	(31,223)	-	(72,972)
Ending current fund balances	<u><u>\$ 2,807,397</u></u>	<u><u>\$ 10,142,130</u></u>	<u><u>\$ 2,390,202</u></u>

**Auxiliary Business Operations, Service Departments,
and Indirect Cost Support
Condensed Financial Information (Continued)
Schedule of Revenues, Expenditures and Changes
in Plant Fund Balances
For the Year Ended June 30, 2015**

	Auxiliary Business Operations	Service Departments	Indirect Cost Support
Beginning plant fund balances	\$ 57,691	\$ 6,793,143	\$ 691,221
Revenues	166,359	3,337,272	429,257
Expenditures	(54,158)	(3,943,255)	(179,060)
Ending plant fund balances	<u>\$ 169,892</u>	<u>\$ 6,187,160</u>	<u>\$ 941,418</u>

Auxiliary Enterprises - Revenue Bond Funds
Condensed Financial Information
June 30, 2015

Balance Sheet	Residence Halls	Student Services	Recreation Facilities	Parking
Assets				
Current fund:				
Cash and cash equivalents	\$ 138,366,161	\$ (13,958,680)	\$ (38,868,272)	\$ (4,217,238)
Accounts receivable	1,302,845	132,702	2,350	115
Inventories	738,598	1,696,711	-	-
Other assets	-	-	-	-
Total current fund	140,407,604	(12,129,267)	(38,865,922)	(4,217,123)
Plant fund:				
Restricted investments	31,378,112	-	-	-
Land, Buildings & Equipment	206,130,017	19,083,109	39,369,169	4,984,375
Total assets	\$ 377,915,733	\$ 6,953,842	\$ 503,247	\$ 767,252
Liabilities				
Accounts payable and accrued expenses	\$ 22,122,433	\$ (58,606)	\$ 36,649	\$ 4,290
Unearned revenue	1,371,636	155,388	134,996	-
Plant fund:				
Debt	318,381,990	-	-	-
Total liabilities	341,876,059	96,782	171,645	4,290
Fund balances				
Current fund	116,913,535	(12,226,049)	(39,037,567)	(4,221,413)
Plant fund	(80,873,861)	19,083,109	39,369,169	4,984,375
Total fund balances	36,039,674	6,857,060	331,602	762,962
Total liabilities and fund balances	\$ 377,915,733	\$ 6,953,842	\$ 503,247	\$ 767,252

**Schedule of Revenues, Expenditures and
Changes in Current Fund Balances
For the Year Ended June 30, 2015**

Beginning current fund balances	\$ 111,295,125	\$ (9,374,902)	\$ (33,743,978)	\$ (4,630,368)
Revenues	48,903,832	11,589,824	(5,683,927)	1,999,148
Expenditures	(43,285,422)	(14,440,971)	390,338	(1,590,193)
Ending current fund balances	\$ 116,913,535	\$ (12,226,049)	\$ (39,037,567)	\$ (4,221,413)

**Auxiliary Enterprises - Revenue Bond Funds
Condensed Financial Information (Continued)
Schedule of Revenues, Expenditures and
Changes in Plant Fund Balances
For the Year Ended June 30, 2015**

	Residence Halls	Student Services	Recreation Facilities	Parking
Beginning plant fund balances	\$ (69,162,180)	\$ 17,384,680	\$ 34,194,880	\$ 5,254,410
Revenues	10,348,830	2,678,646	11,001,043	11,238
Expenditures	(22,060,511)	(980,217)	(5,826,754)	(281,273)
Ending plant fund balances	<u>\$ (80,873,861)</u>	<u>\$ 19,083,109</u>	<u>\$ 39,369,169</u>	<u>\$ 4,984,375</u>

Auxiliary Enterprises - Revenue Bond Funds
Schedule of Indentured Capital Reserves
June 30, 2015
(Unaudited)

Replacement cost of buildings	\$ 752,604,157
Replacement cost of equipment	<u>47,938,767</u>
Total replacement cost of buildings and equipment	<u>\$ 800,542,924</u>
Allowable indentured capital reserves - 5 percent of total replacement cost of buildings and equipment	\$ 40,027,146
Less actual indentured capital reserve at June 30	<u>-</u>
Margin of compliance	<u>\$ 40,027,146</u>

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

Other Entities
Calculation Sheet for Current Excess Funds
June 30, 2015
(Unaudited)

	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services
1. Current available funds:				
Add:				
Cash	\$ 4,837,351	\$ 8,282,010	\$ 7,921,993	\$ 4,927,858
Total current available funds	A. 4,837,351	8,282,010	7,921,993	4,927,858
2. Working capital allowance:				
Add:				
Highest month's expenditures	2,182,135	7,904,395	8,068,952	13,872,022
Encumbrances and current liabilities paid in lapse period	38,582	355,255	1,600,504	282,084
Unearned revenue	59,921	497,268	84,870	6,419,535
Working capital allowance	B. 2,280,638	8,756,918	9,754,326	20,573,641
3. Current excess funds:				
Deduct B from A and Enter here.	C. 2,556,713	(474,908)	(1,832,333)	(15,645,783)
4. Calculation of income fund remittance:				
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.	D. (2,817,250)	(1,546,825)	(1,961,803)	(1,991,758)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund.	(260,537)	(2,021,733)	(3,794,136)	(17,637,541)
Excess funds offset				
Buildings	\$ 35,124,045	\$ -	\$ -	\$ -
Equipment	\$ 5,305,238	\$ 7,734,124	\$ 9,809,013	\$ 9,958,789
Maximum - 5 percent for buildings	\$ 1,756,202	\$ -	\$ -	\$ -
Maximum - 20 percent for equipment	1,061,048	1,546,825	1,961,803	1,991,758
Total excess funds offset	\$ 2,817,250	\$ 1,546,825	\$ 1,961,803	\$ 1,991,758

Note: Assets subject to the excess fund calculation are recorded in the University Plant Fund. Separate ledgers are maintained detailing the composition and source of these assets for the excess fund calculation.

Auxiliary Business Operations
Calculation Sheet for Current Excess Funds
June 30, 2015
(Unaudited)

1.	Current available funds:		
	Add:		
	Cash and cash equivalents	\$	6,080,170
	Total current available funds	A.	6,080,170
2.	Working capital allowance:		
	Add:		
	Highest month's expenditures		6,384,706
	Encumbrances and current liabilities paid in lapse period		272,651
	Unearned revenue		<u>3,020,404</u>
	Working capital allowance	B.	<u>9,677,761</u>
3.	Current excess funds:		
	Deduct B from A and enter here	C.	(3,597,591)
4.	Calculation of income fund remittance:		
	An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.	D.	<u>(507,096)</u>
	Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.		<u><u>\$ (4,104,687)</u></u>

Service Departments
Calculation Sheet for Current Excess Funds
June 30, 2015
(Unaudited)

1.	Current available funds:	
	Add:	
	Cash and cash equivalents	\$ 12,236,192
	Total current available funds	A. <u>12,236,192</u>
2.	Working capital allowance:	
	Add:	
	Highest month's expenditures	11,012,124
	Encumbrances and current liabilities paid in lapse period	3,440,727
	Unearned revenue	<u>-</u>
	Working capital allowance	B. <u>14,452,851</u>
3.	Current excess funds:	
	Deduct B from A and enter here	C. (2,216,659)
4.	Calculation of income fund remittance:	
	An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.	D. <u>(9,417,663)</u>
	Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<u>\$ (11,634,322)</u>

Auxiliary Enterprises - Revenue Bond Funds
Calculation Sheet for Current Excess Funds
June 30, 2015
(Unaudited)

	Residence Halls	Student Services	Recreation Facilities	Parking
1. Current available funds:				
Add:				
Cash	\$ 138,366,161	\$ (13,958,680)	\$ (38,868,272)	\$ (4,217,238)
Total current available funds	A. 138,366,161	(13,958,680)	(38,868,272)	(4,217,238)
2. Working capital allowance:				
Add:				
Highest month's expenditures	63,823,080	4,791,738	1,635,460	468,645
Encumbrances and current liabilities paid in lapse period	22,122,433	(58,606)	36,649	4,290
Unearned revenue	1,371,636	155,388	134,996	-
Working capital allowance	B. 87,317,149	4,888,520	1,807,105	472,935
3. Current excess funds:				
Deduct B from A and enter here.	C. 51,049,012	(18,847,200)	(40,675,377)	(4,690,173)
Capital offset	D. (51,049,012)	-	-	-
Sum	\$ -	\$ (18,847,200)	\$ (40,675,377)	\$ (4,690,173)

Indirect Cost Support
Sources and Application of Indirect Cost Recoveries
For the Year Ended June 30, 2015

Balance, beginning of year	<u>\$ 3,141,874</u>
Sources	
Federal and state grants and contracts	<u>4,040,632</u>
Applications	
Research	2,013,855
Instruction	16,067
Public service	(59,169)
Academic support	729,656
Student services	9,941
Operation and maintenance of plant	116,187
Institutional support	1,891,824
Staff Benefits	<u>971</u>
Total applications	<u>4,719,332</u>
Transfers	<u>(72,972)</u>
Net decrease	<u>(751,672)</u>
Balance, end of year	<u><u>\$ 2,390,202</u></u>

Calculation Sheet for Indirect Cost
Support Carryforward
June 30, 2015

1.	Cash and cash equivalents balance:	
	Enter the June 30 indirect cost entity balance for cash and cash equivalents:	
	Add:	
	Cash and cash equivalents	<u>\$ 2,940,259</u>
2.	Allocated reimbursements:	
	Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed: \$7,768,740. Enter 30 percent of this amount.	<u>2,330,622</u>
3.	Unallocated reimbursements:	
	Enter the lesser of the actual unallocated indirect cost reimbursements for the year completed OR 10 percent of total indirect cost allocations for the year completed.	<u>404,063</u>
4.	Encumbrances and current liabilities paid in the lapse period:	
	Enter the amount of:	
	Current liabilities	631,868
	Indirect cost carryforward:	
	Enter the total of Items 2, 3, and 4	<u>3,366,553</u>
	Subtract from Item 1	(426,294)
	If a positive number results, enter here and remit for deposit in the Income Fund	<u>\$ -</u>

**Description of Accounting Entities
June 30, 2015**

A listing of the University's auxiliary enterprise accounting entities, their purpose, and their sources of revenue as of June 30, 2015 is provided below:

AUXILIARY ENTERPRISES

Revenue Bond Funds

This entity represents all of the activity of the Auxiliary Enterprises Revenue Bond Funds. This includes the student residence halls, student center, recreational facilities, and campus parking. Construction of each of these facilities was either fully or partially funded through the issuance of revenue bonds. The primary sources of revenue include room and board income, student fees, bookstore sales, food service operations, parking fee and fines, and investment income.

Auxiliary Business Operations

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

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

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

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

SERVICE DEPARTMENTS

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

INDIRECT COST SUPPORT

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

Description of Accounting Entities (Continued)
June 30, 2015

OTHER ENTITIES

Continuing Education Contract Courses

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

Continuing Education and Public Service

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

Sales and Services of Educational Activities

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

Student Programs and Services

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

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

**Auxiliary Enterprises - Revenue Bonds Funds -
Schedule of Revenues, Expenses, and
Changes in Net Position
For the Year Ended June 30, 2015**

Revenues

Food and other merchandise sales	\$ 18,208,217
Room and other rentals	39,635,286
Parking revenue	2,720,174
Student fees	15,796,645
Interest in investments	276,212
Other revenues	<u>4,131,830</u>
Total revenues	<u>80,768,364</u>

Expenses

Cost of food and other merchandise sales	8,503,029
Personal services	18,518,901
Student services	4,386,767
Employee meals furnished	23,578
Insurance	414,261
Laundry	160,722
General and administrative	2,922,213
Repairs and other services	12,852,699
Telephone service - student rooms	60,812
Utilities	6,393,627
Interest expense	22,230,829
Depreciation	<u>11,527,295</u>
Total expenses	<u>87,994,733</u>

Change in net position	<u><u>\$ (7,226,369)</u></u>
-------------------------------	-------------------------------------

**State of Illinois
Northern Illinois University**

**Cross-Reference Table of Reporting Requirements
June 30, 2015
(Unaudited)**

In accordance with an Office of the Auditor General, July 25, 2000 memorandum entitled *Matters Regarding University Audits* (Memorandum), certain supplemental data is required to be reported by the University. The table below cross-references the Memorandum requirements (indicated by number and letter paragraph references) to the University financial statements, compliance examination; and audit reports for the year ended June 30, 2015, where such special data is found.

Reference Number from T. Loobey's Memorandum Dated July 25, 2000, <u>on University Guidelines</u>	Report and Page Number Where Information is Disclosed <u>Supplementary Information for State Compliance Purposes</u>
13a. Violation of <i>University Guidelines, 1982 as Amended</i>	N/A
13b. Sources and Application of Indirect Cost Recoveries	67
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13d. Amount of Tuition Diverted to Auxiliary Enterprise Operations	84
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13f. Financial Statements for Each Accounting Entity	56-62
13g. Calculations of Current Excess Funds for Each Accounting Entity	63-66
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13i. Statement of Receipts and Disbursements for Bond Indentures	71
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13k. List of Noninstructional Facilities Reserves	N/A
13l. List of Organizations Recognized as University Related Organizations (UROs)	85
13m. Amounts Paid by UROs to the University for Services Provided by the University	86-88
13n. Amounts Paid by the University to UROs for Services Provided by the URO	86, 88
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13s. Costs Per Full-Time Equivalent Student	N/A
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Other Financial Related Schedules for Universities

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**State of Illinois
Northern Illinois University**

**University Functions and Planning Program
For the Year Ended June 30, 2015
(Unaudited)**

NIU Statement of Vision and Mission

The vision of Northern Illinois University is to be a premier student-centered, research-focused public university, contributing to the advancement of knowledge for the benefit of the people of the region, the state, the nation, and the world.

With this vision, the mission of the University is to promote excellence and engagement in teaching and learning, research and scholarship, creativity and artistry, and outreach and service.

Our Keystone Goal

Students who invest in an NIU education are committed to achieving fulfilling careers and being responsible citizens in our changing world. Our goal is to provide them a broad-based education and enriching student experience, ensuring their timely degree completion and success in securing employment in their field of interest or graduate school enrollment within six months of graduation, if they so choose.

Our Core Values

The following three pillars reflect NIU Core Values.

- We will practice **ethically inspired leadership** in all that we do, and ensure our graduates are prepared to be ethical and inspired leaders in their fields and communities.
- We are committed to building **thriving communities** at NIU, embracing diversity, and engaging with other stakeholder communities we serve regionally and globally. We inspire students to become actively engaged and form bonds that will serve them as students and into their careers.
- We recognize NIU's financial **sustainability** as our responsibility and fundamental to our existence. We practice and advance principles of environmental, economic and social sustainability which enrich the lives of our students, faculty, staff and the world we live in.

Our Collaborative Strategic Culture

Our strategic planning process is designed to achieve an institutional norm of ongoing, aligned strategic thinking that ensures NIU's continued relevancy and leadership during a time of unprecedented change in higher education. We build on our previous planning initiatives as well as our current knowledge of changing student demographics, emerging pedagogies and players, and realities of government funding and job markets.

**State of Illinois
Northern Illinois University**

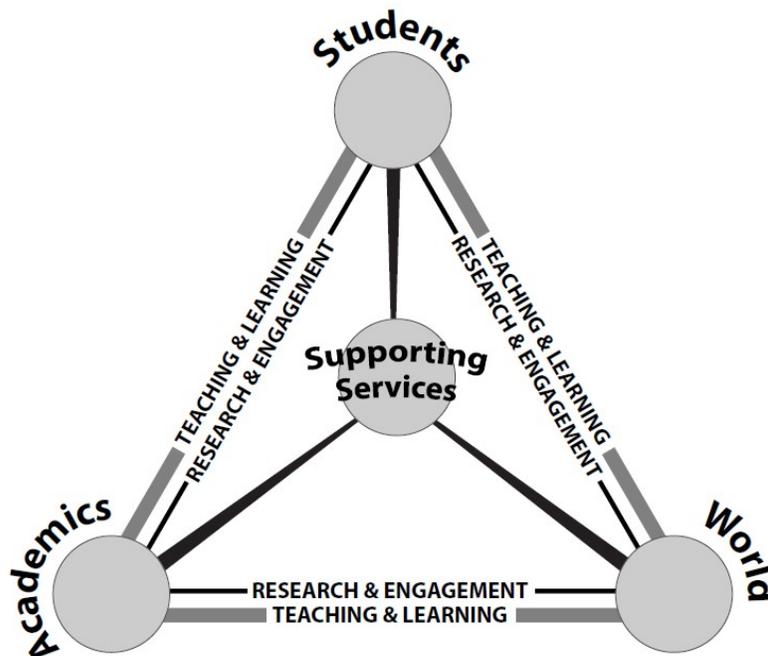
**University Functions and Planning Program (Continued)
For the Year Ended June 30, 2015
(Unaudited)**

All academic and supporting services units are encouraged to engage in an ongoing process of exploring ideas and creating their program scenarios, goals and action plans guided by this Framework and our Strategic Imperatives.

This process is enabled by NIU's rich legacy, our strong programs and engaged stakeholders. All are encouraged to participate responsibly through our system of shared governance, taking ownership of their own and their university's bold futures. Through these bonds of shared values, agreements, teamwork and trust, we nurture an environment for unleashing and empowering a collaborative culture of innovation and change among faculty, students, staff, alumni and community.

Our Triangle Strategy

The Triangle Map provides a big-picture of our strategic and organizational playing field. By mapping our individual unit scenarios and action plans on this field, we further collaborate our individual initiatives and encourage our big-picture awareness of opportunities and direction.



**State of Illinois
Northern Illinois University**

**University Functions and Planning Program (Continued)
For the Year Ended June 30, 2015
(Unaudited)**

This Triangle Map connects three fields representing Students, Academics and the World, and a fourth field representing Supporting Services. Strategy and action plans can be developed to address initiatives within each of these fields, as well as addressing connections among the fields. NIU's distinguishing roles in research and engagement provide additional opportunities and purpose for connecting each.

The four fields -

1. **Students** are NIU's purpose, passion and economic engine. NIU is committed to being the school of choice for a strong, diverse student population including first-generation students.
2. Our **Academic** programs and faculty define who we are as an institution, providing an integrated liberal arts education offering vibrant research projects and engagement opportunities, and being internationally recognized for the diversity and accomplishment of our faculty and staff.
3. The **World** around us provides changing global and societal needs for our teaching, research and engagement activities, job markets for our students, partners for our programs, diversity in our students and faculty, and accomplished alumni supporting our people, programs, and place.
4. **Supporting Services** facilitate our ability to focus on Students, Academics and the World by providing enabling services and supporting our student and academic initiatives.

Our Strategic Imperatives

The following Strategic Imperatives are provided as touchstones, points of significant opportunity for NIU to change and thrive at this time. They are not intended to be fully inclusive and permanent. Not every initiative needs to address these imperatives to be vital. By referring to the imperatives while engaging in our individual planning initiatives, it is expected we will consider possibilities for advancing each, and ensure a basis for connecting our distributed strategic initiatives into our collaborative culture and direction as an institution. As we achieve goals and are informed by our environment over time, strategic imperatives will change.

1. **Come together as a collaborative, mutually supportive and aligned NIU community** to take control of our destiny and realize our full potential.
2. **Develop face-to-face connections with every NIU student** to understand their needs, choices and experiences, and achieve desired retention and enrollment goals and learning and graduation outcomes.

**State of Illinois
Northern Illinois University**

**University Functions and Planning Program (Continued)
For the Year Ended June 30, 2015
(Unaudited)**

3. **Achieve career fulfillment and fair compensation for faculty and staff**, ensuring NIU's national recognition for excellence and engagement in teaching and learning, research and scholarship, creativity and artistry, and outreach and service.
4. **Increase affordability of a high quality NIU education** by focusing on opportunities such as innovative use of technology, seeking efficiencies in administration and operations, attracting diversified sources of funding, and ensuring timely graduation and career readiness through effective advising and course scheduling.
5. **Maximize the value of the residential campus experience** in order to enhance learning outcomes and recruitment, and build a sense of place that connects and inspires while serving the unique needs of our diverse populations including both regional and international students.
6. **Significantly grow NIU as a leading public research university**, building on our existing areas of research strength and the Chicago region as a world leader in innovation, while continuing to engage undergraduate and graduate students in faculty-driven and student-initiated research and artistry.
7. **Enhance the global competitiveness and livability of our local economies** by integrating the talent and resources of NIU faculty, staff and students with those of our region to positively impact economic and workforce development, innovation and entrepreneurship, and the quality of life.

Program Prioritization

Last fall, NIU began a program prioritization process that will be critical to the growth of the university and our ability to deliver on our cornerstone goal of student career success. Its goal is to build a strong foundation for maintaining and improving the quality of academic and administrative programs across NIU, by assuring that our programs reflect our institutional mission and strategic goals. Program prioritization will help accelerate our ability to create stronger and more lasting connections across our "triangle" of students, faculty, and the outside world. More information about program prioritization can be found at: www.niu.edu/program-prioritization.

2015 Update

Location, Address, and Head of the University

Douglas D. Baker, President
Northern Illinois University
DeKalb, Illinois 60115

**State of Illinois
Northern Illinois University**

**Comparative Employment Statistics*
June 30, 2015 and 2014
(Unaudited)**

	Instructional Activities	Organized Research	Public Service	Academic Support	Student Services	Institutional Support	Operations and Maintenance Physical Plant	Independent Operations	Total All Functions
Year ended June 30, 2015:									
Appropriated funds:									
Facility/administrative	1,353.7	7.0	25.7	152.5	95.7	111.9	6.0	-	1,752.5
Civil service	259.8	2.8	18.6	141.6	57.1	173.0	226.7	-	879.6
Student employees	50.6	0.2	0.1	25.8	11.1	4.7	14.0	-	106.5
Miscellaneous contracts	29.6	0.2	0.1	10.3	7.8	6.8	7.7	-	62.5
	<u>1,693.7</u>	<u>10.2</u>	<u>44.5</u>	<u>330.2</u>	<u>171.7</u>	<u>296.4</u>	<u>254.4</u>	<u>-</u>	<u>2,801.1</u>
Nonappropriated funds:									
Facility/administrative	109.6	126.0	130.9	29.3	118.7	12.9	1.7	42.0	571.1
Civil service	7.6	7.1	22.9	23.7	71.4	37.6	73.7	270.5	514.5
Student employees	27.3	10.8	7.1	4.9	96.8	10.9	0.9	222.3	381.0
Miscellaneous contracts	7.3	18.9	32.4	6.6	4.6	5.6	2.1	41.4	118.9
	<u>151.8</u>	<u>162.8</u>	<u>193.3</u>	<u>64.5</u>	<u>291.5</u>	<u>67.0</u>	<u>78.4</u>	<u>576.2</u>	<u>1,585.5</u>
Total All Funds	<u>1,845.5</u>	<u>173.0</u>	<u>237.8</u>	<u>394.7</u>	<u>463.2</u>	<u>363.4</u>	<u>332.8</u>	<u>576.2</u>	<u>4,386.6</u>
Year ended June 30, 2014:									
Appropriated funds:									
Facility/administrative	1,374.1	10.7	27.0	153.3	88.0	113.4	9.1	-	1,775.6
Civil service	277.2	1.8	23.9	144.3	55.7	189.2	236.8	-	928.9
Student employees	43.1	0.3	0.1	22.0	8.7	4.8	10.1	-	89.1
Miscellaneous contracts	29.3	-	-	9.1	8.7	5.7	9.6	-	62.4
	<u>1,723.7</u>	<u>12.8</u>	<u>51.0</u>	<u>328.7</u>	<u>161.1</u>	<u>313.1</u>	<u>265.6</u>	<u>-</u>	<u>2,856.0</u>
Nonappropriated funds:									
Facility/administrative	103.9	100.6	134.9	32.1	117.6	19.7	1.1	49.8	559.7
Civil service	7.8	6.8	20.7	22.9	69.1	43.6	74.2	287.0	532.1
Student employees	21.6	11.5	7.2	4.0	83.5	10.4	0.2	207.1	345.5
Miscellaneous contracts	5.8	24.1	31.0	6.4	7.7	5.4	3.1	54.9	138.4
	<u>139.1</u>	<u>143.0</u>	<u>193.8</u>	<u>65.4</u>	<u>277.9</u>	<u>79.1</u>	<u>78.6</u>	<u>598.8</u>	<u>1,575.7</u>
Total All Funds	<u>1,862.8</u>	<u>155.8</u>	<u>244.8</u>	<u>394.1</u>	<u>439.0</u>	<u>392.2</u>	<u>344.2</u>	<u>598.8</u>	<u>4,431.7</u>

*Provided by the Office of Budget and Planning.

This is the employment information reported to the State of Illinois Board of Higher Education. Staff years are computed by dividing an employee's number of months of employment during the fiscal year by 12 and multiplying that number by a factor of one for full-time and multiplying by the percentage of appointment for part-time. One example of staff year computation is as follows:

1 full-time employee employed 12 months of fiscal year counts as 1 staff year.

**State of Illinois
Northern Illinois University**

**Emergency Purchases
For the Year Ended June 30, 2015
(Unaudited)**

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

Pepper Construction Company – Actual Cost: \$241,204

The services of Pepper Construction were engaged to repair the structure of a concrete deck to prevent the possible collapse of a ceiling structure.

Otto Baum – Actual Cost: \$124,347

The services of Otto Baum were engaged to repair a portion of the north wall of Still Hall. The north wall in Still Hall was severely deteriorated and causing the roof in the area to be in danger of collapsing.

Pepper Construction Company – Actual Cost: \$135,242

The services of Pepper Construction were engaged to repair frozen pipes at Northern View student housing, which was due to the extreme cold temperatures experienced during the winter of 2014.

Energy Systems Group – Actual Cost: \$80,650

The services of Energy Systems Group were engaged to repair a ruptured underground soft water line which flooded the lower main mechanical room at Huskie Stadium

Lipman Hearne, Inc. – Actual Cost: \$814,000

The services of Lipman Hearne, Inc. were engaged to provide Northern Illinois University the strategic and operational leadership needed to achieve its student enrollment and retention goals.

**State of Illinois
Northern Illinois University**

**Comparative Enrollment Statistics*
June 30, 2015
(Unaudited)**

	Semesters					
	Summer 2014	Fall 2014	Spring 2015	Summer 2013	Fall 2013	Spring 2014
On-Campus:						
Undergraduate	1,827	13,394	12,035	1,895	13,794	12,464
Graduate	1,428	2,367	2,259	1,496	2,268	2,205
Professional	33	343	320	55	377	354
Subtotal	3,288	16,104	14,614	3,446	16,439	15,023
Off-Campus:						
Undergraduate	360	327	320	359	323	300
Graduate	1,222	717	740	1,171	749	539
Subtotal	1,582	1,044	1,060	1,530	1,072	839
Total	4,870	17,148	15,674	4,976	17,511	15,862

Note: All full-time equivalents are computed as follows:

Fall and Spring semesters:

$$\text{Undergraduate full-time equivalent} = \frac{\text{Credit hours}}{15.00}$$

$$\text{Graduate full-time equivalent} = \frac{\text{Credit hours}}{12.00}$$

$$\text{Professional full-time equivalent} = \frac{\text{Credit hours}}{12.00}$$

Summer sessions:

$$\text{Undergraduate full-time equivalent} = \frac{\text{Credit hours}}{7.50}$$

$$\text{Graduate full-time equivalent} = \frac{\text{Credit hours}}{6.00}$$

* Provided by Office of Budget and Planning based on beginning of semester count for Fall and Spring semesters and end of the semester count for Summer.

**State of Illinois
Northern Illinois University**

**Schedule of Tuition and Fee Waivers
For the Year Ended June 30, 2015
(in Thousands)**

(Unaudited)

	Tuition Waivers			Fee Waivers		
	Undergraduate	Graduate	Total	Undergraduate	Graduate	Total
Mandatory waivers:						
Teacher/special education	424	51	475	156	16	172
General Assembly	19	-	19	-	-	-
ROTC	359	-	359	3	-	3
DCFS	131	2	133	15	1	16
Children of employees	629	-	629	-	-	-
Senior citizens	12	-	12	-	-	-
Discretionary waivers:			-			-
Faculty/administrative	22	349	371	8	109	117
Civil service	182	202	384	57	63	120
Academic/other talent	2,237	1,461	3,698	-	2	2
Athletic	1,481	-	1,481	-	-	-
Gender equity in intercollegiate athletics	1,674	-	1,674	-	-	-
Foreign students	-	126	126	-	-	-
Cooperating professionals	21	1,294	1,315	-	-	-
Graduate assistants	-	15,714	15,714	-	-	-
Interinstitutional/related agencies	14	83	97	-	-	-
Retired University employees	3	28	31	1	10	11
Children of deceased employees	28	-	28	10	-	10
Student need - financial aid	486	-	486	-	-	-
Student need - special programs	-	25	25	-	-	-
Other assistants	21	-	21	-	-	-
Fellowships	-	102	102	-	-	-
Contract/training grants	-	1,332	1,332	-	-	-
Total	\$ 7,743	\$ 20,769	\$ 28,512	\$ 250	\$ 201	\$ 451

**State of Illinois
Northern Illinois University**

**Debt Financed by University-Related Organization
For the Year Ended June 30, 2015
(Unaudited)**

The Northern Illinois University Foundation has issued bonds in connection with the construction of the Jeffrey and Kimberly Yordon Center. At June 30, 2015, the amount of outstanding bonds was \$1,046,527. The bonds were issued at an effective interest rate of 4.66 percent and are due in August 2016. In March 2013, the rate was negotiated to 1.875%. A ten-year operating lease with the University secures these bonds.

The Northern Illinois University Foundation issued bonds in connection with the construction of the Kenneth and Ellen Chessick Practice Center. At June 30, 2015, the amount of outstanding bonds were \$3,162,554. The bonds were issued at an interest rate of 1.62% and are due March 2021. An 89-month operating lease with the University secures these bonds.

The Northern Illinois Research Foundation has issued a \$200,000 note payable for the acquisition of EIGERlab. At June 30, 2015 the amount of the note outstanding was \$198,486. The note was issued at an interest rate of 4% with monthly payments to be made until December 2019.

**State of Illinois
Northern Illinois University**

**Acquisition of Real Estate Costing in Excess of
\$250,000 and Not Funded by a Separate Appropriation
For the Year Ended June 30, 2015
(Unaudited)**

The University and UROs did not purchase any real estate costing in excess of \$250,000.

**State of Illinois
Northern Illinois University**

**Bookstore Operations
For the Year Ended June 30, 2015
(Unaudited)**

Contracted/rents to students/University operated	University operated
Contractor	N/A
Contract term	N/A
Amount of gross sales for Bookstore in FY 15	\$4,381,407
Amount (if any) to be paid to Bookstore for FY 15 by University	N/A
Commissions	N/A
Commission terms	N/A
Given exclusive rights	No
Competition/"other" nearby/on-campus bookstores	Yes

**State of Illinois
Northern Illinois University**

**Comments on Certain Matters Regarding Auxiliary
Enterprises, Activities, and Accounting Entities,
and Tuition, Charges, and Fees
June 30, 2015
(Unaudited)**

AUXILIARY ENTERPRISES, ACTIVITIES, AND ACCOUNTING ENTITIES

1. All employer contributions, except for certain restricted federal funds, to the University retirement system are made from the General Revenue Fund appropriation to the State Universities Retirement System for this purpose. Accordingly, the portion of the retirement contribution attributable to employees in auxiliary enterprise operations is paid from appropriated funds and amounted to approximately \$10,272,420 and \$9,835,742 for the years ended June 30, 2015 and June 30, 2014, respectively.
2. The University's governing board has established no non-instructional facilities (development) reserves.

TUITION, CHARGES, AND FEES

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

BOND COVENANTS

There were no violations of revenue bond covenants noted during the audit of Northern Illinois University for the year ended June 30, 2015.

**State of Illinois
Northern Illinois University**

**Comments on Certain Matters Regarding
University-Related Organizations
and Other Matters
June 30, 2015
(Unaudited)**

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

Comment on Other Topics

1. Income from investments of pooled funds is allocated and credited monthly to the original sources of the funds based on their respective cash balances.
2. In August 1993, the University issued \$8,485,000 of Certificates of Participation to refinance an educational center occupied by Northern Illinois University in Hoffman Estates, Illinois, payable through installments commencing in 1994, for a period of twenty-three years. Balance at June 30, 2015 was \$1,855,000.
3. In April 2014, the University issued Certificates of Participation (Capital Improvement Projects) in the amount of \$11,975,000 at a premium of \$1,140,000. The proceeds were used to refinance a 113,000 square foot facility located on the campus of and for the use of Northern Illinois University by redeeming all of the Illinois Development Finance Authority Lease Revenue Bonds (Northern Illinois Naperville Project) Series 1999 in the amount of \$11,630,000 and prepaying an Installment Payment Contract between the Board and Energy Systems Group, LLC in the amount of \$1,182,000. This resulted in approximate savings of \$916,000 in future debt service payments on the old debt. The Series 2014 COPs are payable through installments commencing in 2015, for a period of eleven years. The interest is 4%-5%; the balance at June 30, 2015 was \$11,975,000.

**State of Illinois
Northern Illinois University**

**Summary of Foundation Payments
To/From the University
For the Year Ended June 30, 2015
(Unaudited)**

During fiscal year 2015, the University engaged the Foundation, under contract, to provide fundraising services. As provided in the contract agreement, the University paid \$630,000 for fundraising services. Additionally, the University provided services to the Foundation valued at \$721,000. As required by the contract, the Foundation fully repaid the University for the services provided, using funds considered unrestricted for purpose of the University Guidelines computations.

Presented below is a summary of all funds that the Foundation gave to the University during fiscal year 2015:

Funds considered unrestricted for purposes of the Guidelines computations:	
Totally unrestricted - administrative services	\$ 698,807
Restricted only as to campus, college, or department and generally available for ongoing University operations:	
Support for University programs and departments	5,824,592
Administrative and office expense	1,213,925
Provided for library books, equipment, and property and improvements	<u>24,710</u>
Total funds considered unrestricted	<u>7,762,034</u>
Funds considered restricted for purposes of the Guidelines computations:	
Provided for scholarships and awards	1,998,919
Provided for library books, equipment, and property and improvements	38,196
Other restricted funds provided to the University:	
Restricted fund	1,496,528
Endowment fund	<u>400,087</u>
Total funds considered restricted	<u>3,933,730</u>
Total funds provided to the University by the Foundation	<u>\$ 11,695,764</u>

**State of Illinois
Northern Illinois University**

**Summary of Alumni Association Payments
To/From the University
For the Year Ended June 30, 2015
(Unaudited)**

In accordance with a memorandum of understanding between the University and the Alumni Association with regard to funding staffing costs in the alumni relations area, the Alumni Association contributed \$83,737 during 2015. There were no amounts paid by the University to the Alumni Association.

Presented below is a summary of all funds that the Association gave to the University during fiscal year 2015:

Funds considered unrestricted for purposes of the Guidelines computations:

Restricted only as to campus, college, or department and generally available for ongoing University operations:

Support for University programs and departments \$ 364,343

Total funds considered unrestricted 364,343

Funds considered restricted for purposes of the Guidelines computations:

Endowment fund 24,125

Total funds considered restricted 24,125

Total funds provided to the University by the Association \$ 388,468

**State of Illinois
Northern Illinois University**

**Summary of Research Foundation Payments
To/From University
For the Year Ended June 30, 2015
(Unaudited)**

During fiscal year 2015, the University engaged the Research Foundation, under contract, to provide services to aid the University in its economic development, public service/research and educational missions, valued at \$673,229.

Presented below is a summary of all funds that the Research Foundation gave to the University during fiscal year 2015:

Funds considered unrestricted for purposes of the
Guidelines computations:

Total unrestricted - administrative services	\$ 336,385
Support for University programs and departments	<u>1,002,408</u>
Total funds considered unrestricted	<u>\$1,338,793</u>

**State of Illinois
Northern Illinois University**

**Current Unrestricted Funds - Auxiliary Enterprises -
Revenue Bond Funds - Occupancy Report
of Residence Halls
For the Fiscal Year 2015
(Unaudited)**

	Design Capacity	Fall Semester Occupancy	Spring Semester Occupancy	Average Occupancy	Room and Board Rate
Neptune Complex	1,117	1,068	946	1,007	9,406
Gilbert Hall	270	220	205	213	10,492
Douglas Hall	240	199	175	187	11,580
Grant Towers	1,660	657	585	621	10,492
Stevenson Towers	1,280	1,256	1,101	1,179	10,492
New Hall	1,008	993	941	967	15,638
Total Residence Halls	5,575	4,393	3,953	4,174	

Based on 9 month occupancy.

**State of Illinois
Northern Illinois University**

**Current Unrestricted Funds - Auxiliary Enterprises -
Revenue Bond Funds - Insured Value Summary
For the Year Ended June 30, 2015
(Unaudited)**

	Insured Value		
	Building	Contents	Business Interruption
Barsema Alumni & Visitors Center	\$ 8,025,000	\$ 473,000	\$ -
Campus Life Building	9,220,000	1,579,000	-
Campus Child Care Center	3,113,000	254,000	-
Center for Black Studies	657,000	-	-
Convocation Center	54,521,000	6,248,000	-
Douglas Hall	-	-	-
Gilbert Hall	17,338,000	-	-
Grant Towers Complex	105,465,000	2,615,000	-
Holmes Student Center	59,755,000	5,467,000	-
Huskie Stadium	29,395,000	3,232,000	-
Huskie Stadium Field Turf	512,000	-	-
Latino Center	845,000	204,000	-
Lincoln Hall	36,341,000	1,937,000	-
Neptune Complex	33,651,000	2,430,000	-
Neptune North	13,199,000	447,000	-
Parking Services/Duramad House	178,000	208,000	-
Parking Structure	10,842,000	-	-
Stevenson Towers Complex	104,665,000	8,268,000	-
Student Recreation Building	14,338,000	890,000	-
University Resources for Women	408,000	-	-
Evans Field House	12,410,000	1,125,000	-
Dorland Warehouse	9,750,000	2,781,000	-
Soccer Field Building	850,000	-	-
Yordon Center/Academic & Athletic Ctr	10,007,000	1,112,000	-
Northern View Community	14,530,000	348,000	-
New Hall	76,462,000	3,381,000	-
Western Intramural Facilities	5,873,000	1,854,000	-
Business interruption	-	-	40,322,000
Total	\$ 632,350,000	\$ 44,853,000	\$ 40,322,000

The University obtains its property insurance, including boiler and machinery coverage, through the Midwestern Higher Education Compact's Master Property Program. The University purchases limits of \$1 billion in layers: the first layer provides \$100 million in individual limits and the next two layers provide a total of \$900 million on a shared, but per occurrence, basis. The Holmes Student Center has coverage for silverware and silverplate, and State and University self-insurance programs and commercial insurance are in force to provide liability coverage for University operations, including Revenue Bond.