

STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION

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

For the Year Ended June 30, 2019

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



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OUTSOURCING
AUDIT, TAX, AND
CONSULTING**

State of Illinois
Northern Illinois University
Compliance Examination
For the Year Ended June 30, 2019

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UNIVERSITY OFFICIALS

Acting President (July 1, 2018 - September 19, 2018) President (from September 20, 2018)	Dr. Lisa C. Freeman
Acting Executive Vice President and Provost (July 1, 2018 - May 15, 2019) Executive Vice President and Provost (from May 16, 2019)	Christopher McCord Beth Ingram
Vice President for Administration and Finance and Chief Financial Officer	Sarah McGill
Acting Associate Vice President for Finance and Treasury (July 1, 2018 - July 31, 2018) Associate Vice President for Finance and Treasury (from August 1, 2018)	Shyree Sanan
Vice President for Research and Innovation Partnerships	Gerald Blazey
Acting Vice President and General Counsel (July 1, 2018 - June 30, 2019) Vice President and General Counsel (from July 1, 2019)	Gregory A. Brady Bryan Perry
Vice President for Enrollment Management, Marketing, and Communications	Sol Jensen
Vice President for Outreach, Engagement and Regional Development	Anne C. Kaplan
Vice President for University Advancement	Catherine Squires
Director of Internal Audit	Danielle Schultz

Financial Staff

Controller (from March 18, 2019)	Jason Askin
Deputy Controller (from April 15, 2019)	Greg Martyn
Financial Reporting Manager	Kathy Marshall

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



NORTHERN ILLINOIS UNIVERSITY

**Division of Administration
and Finance**

March 6, 2020

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Northern Illinois University (the University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following assertions during the period ended June 30, 2019. Based on this evaluation, we assert that during the year ended June 30, 2019 the University has materially complied with the assertions below.

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

Yours truly,

Northern Illinois University

SIGNED ORIGINAL ON FILE

Lisa Freeman
President

SIGNED ORIGINAL ON FILE

Sarah (McGill) Chinniah
*Vice President for Administration and Finance
and Chief Financial Officer*

SIGNED ORIGINAL ON FILE

Bryan Perry
General Counsel

State of Illinois
Northern Illinois University
Compliance Examination
For the Year Ended June 30, 2019

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANTS' REPORT

The Independent Accountants' Report on State Compliance, 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	12	13
Repeated findings	9	7
Prior recommendations implemented or not repeated	4	7

Schedule of Findings and Questioned Costs

Item No.	Page	Last Reported	Description	Finding Type
<u>Findings (Federal Compliance)</u>				
2019-001	15	2018	Enrollment Status Reporting	Noncompliance and significant deficiency
2019-002	16	New	Failure to Notify Student of Loan Disbursement	Noncompliance and significant deficiency
<u>Findings (State Compliance)</u>				
2019-003	17	2018	Inadequate Internal Controls over Contracts	Noncompliance and significant deficiency
2019-004	20	2018	Failure to Submit Proper Time Reporting	Noncompliance and significant deficiency
2019-005	21	2018	Noncompliance with Campus Security Enhancement Act of 2008	Noncompliance and significant deficiency
2019-006	22	2018	Lack of Annual Performance Reviews	Noncompliance and significant deficiency
2019-007	23	2018	Inadequate Controls Over I-9 Forms	Noncompliance and significant deficiency
2019-008	24	New	Inadequate Controls over Employee Terminations	Noncompliance and significant deficiency
2019-009	25	New	Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act	Noncompliance and significant deficiency
2019-010	26	2018	Subsidies between Accounting Entities	Noncompliance and significant deficiency
2019-011	27	2018	Inadequate Controls over Property and Equipment	Noncompliance and significant deficiency
2019-012	28	2018	Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems	Noncompliance and significant deficiency

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Prior Findings Not Repeated

Item No.	Page	Last Reported	Description	Finding Type
A	29	2018	Financial Reporting Process	-
B	29	2018	Untimely Cash Reconciliations	-
C	29	2018	Noncompliance with Tuition and Fee Waiver Requirements	-
D	29	2018	Noncompliance with the Reporting Requirements over Capital Projects	-

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on February 24, 2020. Attending were:

University:

Sarah McGill	Vice President for Administration and Finance and Chief Financial Officer
Shyree Sanan	Associate Vice President for Finance and Treasury
Danielle Schultz	Director of Internal Audit
Gregory Martyn	Deputy Controller
Kathy Marshall	Financial Report Manager

Office of the Auditor General:

Thomas Kizziah	Senior Audit Manager
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CliftonLarsonAllen LLP:

Charles S. Kozlik	Principal
Sybil Thomas	Manager
Eric Gubatan	Senior Associate
Francis Zaharieva	Senior Associate

The responses to the recommendations were provided by Gregory Martyn, Deputy Controller, in correspondence dated February 27, 2020.



**Independent Accountant’s 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
Board of Trustees
Northern Illinois University

Compliance

As Special Assistant Auditors for the Auditor General, we have examined Northern Illinois University’s compliance with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies* (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2019. Management of Northern Illinois University is responsible for compliance with these specified requirements. Our responsibility is to express an opinion on Northern Illinois University’s compliance with the specified requirements based on our examination.

The specified requirements are:

- A. Northern Illinois 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. Northern Illinois 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. Northern Illinois 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 Northern Illinois 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 Northern Illinois University on behalf of the State or held in trust by Northern Illinois 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*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether Northern Illinois complied with the specified requirements in all material respects. An examination involves performing procedures to obtain evidence about whether Northern Illinois complied with the specified requirements.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

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

In our opinion, Northern Illinois University complied with the specified requirements during the year ended June 30, 2019, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-003 to 2019-012.

Northern Illinois University's responses to the findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. Northern Illinois University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Internal Control Over Compliance

Management of Northern Illinois University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control).

In planning and performing our examination, we considered the Northern Illinois University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Northern Illinois University's compliance with the specified requirements and to test and report on the Northern Illinois University's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Northern Illinois University's internal control. Accordingly, we do not express an opinion on the effectiveness of the Northern Illinois 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, noncompliance with the specified requirements 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 material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material

weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-003 through 2019-012 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.

The Northern Illinois University's responses to the internal control findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. The Northern Illinois University's responses were not subjected to the procedures applied in the examination and, accordingly, we express no opinion on it.

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

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities and aggregate discretely presented component units of Northern Illinois University as of and for the year ended June 30, 2019, and have issued our report thereon dated December 20, 2019, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northern Illinois University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 20, 2019. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 1 through 9 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of Northern Illinois 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 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, 2019 in Schedules 1 through 9 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Northern Illinois University's basic financial statements as of and for the year ended June 30, 2018, and have issued our report thereon dated February 13, 2019, which contained unmodified opinions on the respective financial statements. The accompany supplementary information for the year ended June 30, 2018, in Schedules 3 through 7 are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2018 financial statements. The accompanying supplementary information for the year ended June 30, 2018 in Schedules 3 through 7 has been subjected to the auditing procedures applied in the audit of the June 30, 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare

Auditor General, State of Illinois
and
Board of Trustees
Northern Illinois University

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, 2018 in Schedules 3 through 7 is fairly stated in all material respects in relation to the basic financial statements as a whole for year ended June 30, 2018.

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

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CliftonLarsonAllen LLP

Oak Brook, Illinois
March 6, 2020, except for our report on the Supplementary Information
for State Compliance Purposes, as to which the date is December 20, 2019



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

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Trustees
Northern Illinois University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities 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, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 20, 2019.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Illinois 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*.

Internal Control Over Financial Reporting

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

In planning and performing our audit of the financial statements, we considered Northern Illinois University's internal control to determine the audit procedures that are appropriate in the circumstances

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Trustees
Northern Illinois University

for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Northern Illinois University's internal control. Accordingly, we do not express an opinion on the effectiveness of Northern Illinois 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. 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.

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 Northern Illinois 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 Northern Illinois University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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CliftonLarsonAllen LLP

Oak Brook, Illinois
December 20, 2019



**Independent Auditor’s Report on Compliance for Each Major
Federal Program; Report on Internal Control Over Compliance; and
Report on the Schedule of Expenditures of Federal Awards
Required by the Uniform Guidance**

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Trustees
Northern Illinois University

Report on Compliance for Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited Northern Illinois University’s (the University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University’s major federal programs for the year ended June 30, 2019. The University’s major federal programs are identified in the summary of auditors’ results section of the accompanying Schedule of Findings and Questioned Costs.

The 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Northern Illinois 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, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 through 2019-002. Our opinion on each major federal program is not modified with respect to these matters.

Northern Illinois University's responses to the noncompliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Northern Illinois 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.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or 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 2019-001 through 2019-002 that we consider to be significant deficiencies.

Auditor General, State of Illinois
and
Board of Trustees
Northern Illinois University

Northern Illinois 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. Northern Illinois University's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Northern Illinois University, a component unit of the State of Illinois, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Northern Illinois University's basic financial statements. We issued our report thereon dated December 20, 2019, which contained unmodified opinions on those financial statements. Our report was modified to include a reference to other auditors. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Northern Illinois University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 20, 2019. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statement 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.

SIGNED ORIGINAL ON FILE

CliftonLarsonAllen LLP

Oak Brook, Illinois
March 6, 2020, except for the Schedule of Expenditures
of Federal Awards, as to which the date is December 20, 2019

State of Illinois
Northern Illinois University
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

Summary of Auditors' Results

Financial Statements

Type of auditor's report issued on whether the financial statements

audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified? _____ Yes X 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 deficiency(ies) identified that are
not considered to be material weakness? X Yes _____ No

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 2 CFR 200.516(a) X Yes _____ No

Identification of major programs

CFDA Numbers

84.007/84.033/84.038/84.063/84.268/84.379

Name of Federal Program or Cluster

Student Financial Assistance Cluster

Dollar threshold used to distinguish between

Type A and Type B programs: \$ 750,000

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

State of Illinois
Northern Illinois University
Current Findings – Federal Compliance
For the Year Ended June 30, 2019

Finding 2019-001 – Enrollment Status Reporting

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

Program Name: Student Financial Assistance Cluster

CFDA # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379 (\$132,387,802)

Award Numbers: Various

Questioned Costs: None

Northern Illinois University (the University) did not complete enrollment status reporting to the U.S. Department of Education accurately and in a timely manner.

During our testing from a statistically valid sample, we noted 2 of 25 students whose enrollment status was not reported timely to the National Student Loan Data System (NSLDS). The enrollment status changes were submitted between 3 and 67 days late.

The Code of Federal Regulations (34 CFR 685.309(b)(2)(i)) requires enrollment status changes for students be reported to NSLDS within 30 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status.

The Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws and regulations, and program compliance requirements. Effective internal controls should include procedures to ensure enrollment status changes are submitted to NSLDS in a timely manner.

During the prior examination period, University officials stated the errors identified were a result of a misinterpretation of attendance dates for the individual's students which led to delay in reporting enrollment status change to NSLDS. In the current year audit, University officials stated the first error resulted from data submitted to the National Student Clearinghouse (NSC) being rejected by the NSC and therefore was not updated timely within the NSLDS as intended. The second error resulted from delays in processing status changes related to a specific program.

If the NSLDS system is not updated timely with correct enrollment status this can cause students to not properly enter the repayment period. (Finding Code No. 2019-001, 2018-003, 2017-006)

Recommendation

We recommend the University establish and maintain internal controls to ensure enrollment status reporting by the University to the NSLDS is complete, accurate, and performed in a timely manner in accordance with U.S. Department of Education regulations.

University Response

Accepted. The University has initiated corrective actions to revise its current processes and enrollment reporting schedule to ensure all reporting timeframes are met.

State of Illinois
Northern Illinois University
Current Findings – Federal Compliance
For the Year Ended June 30, 2019

Finding 2019-002 – Failure to Notify Student of Loan Disbursement

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

Program Name: Student Financial Assistance Cluster

CFDA # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379 (\$132,387,802)

Award Numbers: Various

Questioned Costs: None

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

During our testing from a statistically valid sample, we noted 1 of 40 students was not appropriately notified of their direct loan disbursement.

The Code of Federal Regulations, 34 CFR 668.165(a)(3) requires notification be sent to students no earlier than 30 days before the disbursement and no later than 30 days after the Direct Loans are disbursed to their accounts if the College obtains active confirmation. If the College does not obtain active confirmation, notifications are required to be sent no earlier than 30 days before the disbursement and not later than seven days to the student when loan funds are disbursed to their accounts.

The Uniform Grant Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws and regulations, and program compliance requirements. Effective internal controls should include procedures to ensure students are notified of financial aid awards prior to and when disbursed.

University officials stated loan disbursement notifications are produced through a highly automated process, utilizing multiple codes to allow for specific disbursement rules. The student identified during testing was issued a code that was not setup properly resulting in a disbursement notification not being generated.

Lack of notification results in the student (or parent) not being properly informed of the loan details which compromises their rights to cancel all or a portion of a loan and have the proceeds returned to the U.S. Department of Education. (Finding Code No. 2019-002)

Recommendation

We recommend the University establish and maintain internal controls to ensure student direct loan disbursement notification is completed as required by the Code of Federal Regulations.

University Response

Accepted. The University has implemented corrective actions to resolve the system error and has updated processes to ensure completeness.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-003 – Inadequate Internal Controls over Contracts

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

During our review of a sample of 40 contracts for year ending June 30, 2019, we noted the following:

- Nine (9) contracts (23%) totaling \$318,561 were not approved prior to goods or services being provided. The contracts were executed between 5 to 146 days after the commencement of the services or the receipt of the goods.
- Three (3) contracts (8%) totaling \$113,444 contained contract obligation documents that were not filed within 30 days of execution of the contract. The contract obligation documents were filed between 10 to 60 days late.
- Three (3) contracts (8%) totaling \$904,512 did not have a contract obligation document filed with the Illinois State Comptroller's Office. Each contract contained an order for delivery that exceeded \$20,000. The contract obligation documents were not yet filed as of June 30, 2019.
- One (1) contract (3%) totaling \$65,000 contained a contract obligation document that was not properly completed.
- Two (2) contracts (5%) totaling \$176,699 did not contain the Financial/Conflict of Interest Disclosure prior to the approval of contract. In these two instances, disclosures were not yet obtained as of June 30, 2019.

During our review of 2 emergency contracts for the year ending June 30, 2019, we noted the following:

- One (1) contract totaling \$55,000, did not have the notice of emergency contract provided to the Procurement Policy Board and published in the online electronic Bulletin within 5 calendar days after the contract was awarded. The notice of the emergency contract was provided 6 days late.
- One (1) contract totaling \$55,000 exceeded the emergency contract duration limit of 90 calendar days by 1 calendar day (without proper extension).

During our review of 13 grant contracts for the year ending June 30, 2019, we noted the following:

- Two (2) contracts totaling \$6,007, were not posted to the Procurement Bulletin within 14 calendar days after the execution of the contract.

Finally, during our testing over 225 expenditures (totaling \$937,068), we noted the following:

- One (1) purchase order (with an obligation amount of \$20,000) associated with 1 expenditure (totaling \$4) did not receive the appropriate level of approval.
- Four (4) expenditures (totaling \$15,317) were not properly approved prior to expenditures being incurred.

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

The Illinois Procurement Code (Code) (30 ILCS 500 et seq.) and the Statewide Accounting System (Procedure 15.20 et seq. and 15.10.40) require contracts to contain certain signatures, clauses, and certifications, and also require State agencies to file contracts and purchase orders exceeding \$20,000 with the Office of the State Comptroller within 30 calendar days after execution.

The Illinois Administrative Code (44 Ill. Admin. Code 4.5035) states that disclosures of financial interests and potential conflicts of interest be obtained for all submissions to a vendor portal and from all bidders and offerors when the annual value of the bid or offer exceeds \$50,000. It also states these disclosures must also be obtained for small purchases [i.e. below the bid threshold] exceeding \$50,000.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-003 – Inadequate Internal Controls over Contracts (continued)

The Code (30 ILCS 500/20-30(a)) states that the term of the emergency purchase shall be limited to the time reasonably needed for a competitive procurement, not to exceed 90 calendar days. A contract may be extended beyond 90 calendar days if the chief procurement officer determines additional time is necessary and that the contract scope and duration are limited to the emergency.

The Code (30 ILCS 500/20-30(b)) states that notice of all emergency procurements shall be provided to the Procurement Policy Board and published in the online electronic Bulletin no later than 5 calendar days after the contract is award. Notice of intent to extend an emergency contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 calendar days before the public hearing.

Northern Illinois University Business Procedure Manual Procedure No. 9-2 states all purchases must be made with a purchase order or P-Card, and that a purchase order requires, at minimum, an authorized buyer's signature. Purchase orders of \$5,000 and above require an authorized buyer signature along with the signature of the Director, Associate Director, or Manager of Procurement Services.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should ensure contracts have all the required disclosures, are executed prior to the receipt of goods and services, that approval for expenditures are obtained where required and should ensure compliance with all State laws, regulations and University policies and procedures.

During the prior examination period, University officials stated errors and deficiencies noted were due to several factors: a) the lack of financial disclosures and certifications were due to an employee oversight; b) resource availability contributed to contract obligation document delays and oversight, along with approval date discrepancies identified during the audit review; c) department/divisions did not follow University policies and procedures to ensure services were not received prior to issuance of contracts; d) Real Estate Disclosure Statement was due to an employee retirement and transition of workflow responsibilities; and e) late submission of signature card has been corrected to eliminate expenditures deemed unauthorized.

During the current period's condition, University officials stated that the errors and deficiencies noted above were due to several factors: a) the lack of financial disclosures and certifications was due to an employee oversight; b) resource availability contributed to contract obligation document delays and oversight, along with approval date discrepancies identified during the audit review; c) departments/divisions did not follow University policies and procedures to ensure services/deliveries are not received prior to issuance of contracts; d) employee failure to obtain proper approval for transaction greater than \$5K was due to oversight; e) emergency procurement was due to an employee departure and transition of workflow responsibilities; and f) failure to publish grant contracts was due to employee oversight.

Failure to include all required certifications may result in goods or services received failing to comply with State statutes and regulations, while not filing contract obligation documents with the Comptroller's office results in noncompliance with State regulations. Not fully executing contracts prior to the commencement of services or delivery of goods leaves the University vulnerable to unnecessary liabilities and potential legal problems. Not providing the notice of intent to extend emergency contracts and failure to publish contracts timely on the online electronic Bulletin results in noncompliance with the Illinois Procurement Code. Finally, not obtaining required conflict of interest forms could result in the University procuring goods or services at a higher rate than would have been otherwise paid. (Finding Code No. 2019-003, 2018-004, 2017-008, 2016-003, 2015-005, 2014-006, 2013-007, 12-7)

Recommendation

We recommend the University establish and maintain internal control procedures to ensure contracts are complete and properly approved prior to performance. We also recommend the University adhere to State laws, regulations, and University policies and procedures.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-003 – Inadequate Internal Controls over Contracts (continued)

University Response

Accepted. The University will continue to educate campus departments through direct communications, training, reminders, and through the policy library website. In addition, the University is creating vendor awareness and issuing reminders through an improved workflow process in efforts to mitigate performance prior to the completion of a purchase order. The University has implemented the filing requirements for all purchases exceeding \$20K as of FY2018, and the University will continue to provide written and verbal reminders to staff to obtain necessary documentation and process Emergency contracts in accordance with the Chief Procurement Office guidelines.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-004 – Failure to Submit Proper Time Reporting

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

During our testing of a sample of 45 payroll transactions, we noted 17 employees (15 faculty and 2 graduate assistants) did not submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.

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

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should ensure compliance with the Act.

During the prior and current examination period, University officials stated there are ongoing efforts to explore alternative strategies to capture time reporting faculty and graduate assistant classifications.

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 No. 2019-004, 2018-005, 2017-009, 2016-009, 2015-004, 2014-003, 2013-004, 12-6, 11-3, 10-1, 09-4, 08-4, 07-7, 06-4, 05-6)

Recommendation

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

University Response

Accepted. The University will work with legislators to remove the requirement for faculty and graduate assistants and engage the University’s legislative team to collaborate with the other universities to initiate legislation to remove the requirement.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-005 – Noncompliance with Campus Security Enhancement Act of 2008

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

During our testing over the hiring of a sample of 25 employees in security sensitive positions, we noted four (4) employees were hired prior to the completion of the criminal background investigation. These background investigations were performed between 1 to 7 days after the employee was hired.

The Campus Security Enhancement Act of 2008 (Act) (110 ILCS 12/5) requires that each public institution of higher education shall, through written policy and procedures, identify security-sensitive positions and make provision for the completion of criminal background investigations prior to employing individuals in those positions.

Additionally, University policy states no offer of employment may be extended to a candidate prior to completion of the pre-employment criminal background investigation and approval by Human Resource Services.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure that all employees hired for security sensitive positions have a completed criminal background investigation prior to their employment with the university in accordance with the Act and University policies.

During the prior and current examination period, University officials stated the responsible departments did not follow the requirements of the Act and Human Resource Service policies and procedures.

Failure to obtain the required criminal background investigations prior to employment of individuals in security sensitive positions results in noncompliance with the Act and University policy and may result in the University allowing access to security sensitive information to individuals who otherwise should not be trusted. (Finding Code No. 2019-005, 2018-006)

Recommendation

We recommend the University comply with the requirements of the Act and existing University policies and procedures.

University Response

Accepted. The University will continue to educate hiring departments and will improve processes around documentation of employment offers.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-006 – Lack of Annual Performance Reviews

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

During our testing of 45 employees we noted 11 employees (24%) that did not have an annual evaluation during the year and 5 employees (11%) where we were unable to determine the timeliness of the annual evaluation.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls would ensure that all employees receive an evaluation on an annual basis.

During the prior and current examination period, University officials stated these evaluations were not completed timely due to management turnover, shortage of staff, and competing priorities campus-wide.

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

Recommendation

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

University Response

Accepted. The University will take actions to establish a reminder for Supportive Professional Staff and required Civil Service evaluations.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-007 – Inadequate Controls over I-9 Forms

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

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

- One (1) employee (3%) dated and completed the I-9 form prior to accepting the written job offer.
- Three (3) employees (8%) did not complete section 1 of the I-9 form on or before their respective hire date.
- Three (3) employees (8%) did not have their respective hire date documented in Section 2 of the I-9 form.
- Two (2) employees (5%) failed to date their completion of section 1 of the I-9 form.
- One (1) employee (3%) did not have their verification of employee eligibility performed timely by the University.
- One (1) employee's I-9 form (3%) failed to document the date of the University's verification of the employee's eligibility.

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

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should ensure that the forms are properly completed and adequately reviewed.

During the prior and current examination period, University officials stated the hiring process is decentralized with the exception of civil service employees. The exceptions noted within this finding are the result of the various hiring departments not following University procedures.

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

Recommendation

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

University Response

Accepted. The University continues to educate and establish training sessions for hiring departments and will review its current approval process of the I-9 forms.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-008 – Inadequate Controls over Employee Terminations

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

During our testing of a sample of 16 terminated employees, we noted two (2) terminated employees were not properly removed from payroll timely resulting in these employees being paid past their termination date. The two employees received additional paychecks amounting to total gross pay of approximately \$16,357. After these overpayments were discovered, the University was able to recover the overpayment amounts from the two former employees.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should ensure that employees are properly terminated from payroll and that improper payment of payroll does not occur.

University officials stated separation procedures were not performed in a timely manner thereby resulting in overpayment of payroll to two terminated employees.

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

Recommendation

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

University Response

Accepted. The University continues to educate hiring departments and has developed corrective actions to clarify current guidelines.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-009 – Noncompliance with the Business Enterprise for Minorities, Women, and Persons with Disabilities Act

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

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

During our review of a sample of seven (7) contract renewals (totaling \$592,394) for the year ending June 30, 2019, we noted the following:

- Four (4) contract renewals were not reviewed timely. The review of the contract renewals were performed from 70 to 179 days late.
- Three (3) contract renewals were not reviewed 6 months prior to their renewal.
- Six (6) contract renewals where no contract goal was originally established did not include documentation of whether a contract goal should be established.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure compliance with the requirements of the Act.

University officials stated the conditions noted were due to a combination of employee turnover, shortage of staff, and lack of written policies and procedures.

Failure to implement policies and procedures results in noncompliance with the Act. (Finding Code No. 2019-009)

Recommendation

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

University Response

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

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-010 – Subsidies between Accounting Entities

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

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

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

During the prior and current examination period, University officials stated the Student Programs and Services activity was in a subsidy position for the first time in FY 2018 due to the lingering impact of a two-year budget impasse and declining enrollment.

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

Recommendation

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

University Response

Accepted. The University has implemented a plan to balance revenues and expenses of this activity, however, the plan requires longer than the University Guidelines allowable one-year timeframe for subsidies.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

2019-011 – Inadequate Controls over Property and Equipment

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

We reviewed the University’s property inventory certification as of November 29, 2018, which was submitted to the Illinois Department of Central Management Services (DCMS). The inventory certification to DCMS reported 474 items (\$549,994) of equipment that could not be located by the University. These assets were acquired by the University during the past fiscal years. Included in this listing were missing chairs, sofas, computers, servers, CPUs, or other electronic storage devices.

Additionally, during our review of the University’s adherence to policies and procedures over protecting and tracking equipment with confidential and sensitive information, we noted twelve (12) (60%) out of a sample of twenty (20) missing electronic data processing equipment, where a Missing Asset Internal Investigation Form was not submitted.

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.

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

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. The University’s system of internal controls should include procedures to ensure all State property is safeguarded, and that University policy and procedures are adhered to.

During the prior examination period, University officials stated responsible officers assigned across campus did not follow State laws and regulations. During the current period examination, University officials stated they transitioned the Missing Asset Internal Investigation Forms process from paper to electronic processing during the year which resulted in missed submissions during this transition. Additionally, responsible officers assigned across the campus did not follow State laws and regulations, as well as University policies and procedures.

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

Recommendation

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

University Response

Accepted. The University has established procedures for accountability of missing items including review from senior leadership.

State of Illinois
Northern Illinois University
Current Findings – State Compliance
For the Year Ended June 30, 2019

Finding 2019-012 – Lack of Contingency Planning or Testing to Ensure Recovery of Computer Systems

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

The University carries out its mission through the use of Information Technology, including various applications, such as student information, financial information, and human resource systems.

During our examination, we noted the University had updated their disaster recovery plan; however, they had not performed recovery testing since 2013.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

Additionally, information technology guidelines (including those promulgated by the National Institute of Standards and Technology and Government Accountability Office) endorse the formal development and testing of disaster recovery plans. Test of disaster recovery plans (and the associated documentation of the test results) verify the plan, procedures, and resources provide the capability to recover critical systems within the required timeframe.

During the prior examination, University officials stated high staff turnover, including personnel responsible for maintaining the plan, had impacted the University's ability to perform disaster recovery testing. During the current examination, University officials stated high turnover, including personnel responsible for maintaining the plan, overall reduction in staff, and reduction in budget had impacted the University's ability to perform disaster recovery testing.

Failure to continually update and test a disaster recovery plan leaves the University exposed to the possibility of major disruptions of services. (Finding Code No. 2019-012, 2018-013, 2017-014)

Recommendation

We recommend the University review and update its disaster recovery plan at least annually or when significant changes occur. The University should also perform and document tests of its disaster recovery plan at least once a year.

University Response

Accepted. The University has reviewed and updated its disaster recovery (DR) plan as of September 2019.

State of Illinois
Northern Illinois University
Prior Findings Not Repeated
For the Year Ended June 30, 2019

GOVERNMENT AUDITING STANDARDS

A. Financial Reporting Process

Northern Illinois University's (the University) internal controls over financial reporting were not sufficient to prevent misstatements. During the prior audit, we noted errors related to the recording of capital assets, errors and deficiencies related to inter-entity transactions, and errors and deficiencies related to revenue recognition. (Finding Code No. 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, 12-1, 11-1)

In the current year audit, there were no exceptions noted during the samples tested over capital assets, inter-entity transactions, and revenue recognition.

B. Untimely Cash Reconciliations

Northern Illinois University's (the University) monthly reconciliations for cash accounts were not prepared and reviewed on a timely basis. During the prior audit, we noted cash reconciliations were being completed and reviewed between 1 to 3 months after the close of the monthly general ledger for the period of July through December 2017. (Finding Code No. 2018-002, 2017-004)

In the current year, this finding was moved to the immaterial letter as finding IM2019-001.

State Compliance

C. Noncompliance with Tuition and Fee Waiver Requirements

Northern Illinois University (the University) did not comply with certain statutory and regulatory requirements regarding the administration of tuition and fee waiver programs. (Finding Code No. 2018-009)

In the current year examination, similar exceptions were not noted in our testing of tuition and fee waiver requirements.

D. Noncompliance with the Reporting Requirements over Capital Projects

Northern Illinois University (the University) did not meet all of the reporting and documentation requirements of its non-instructional capital projects submitted to the Illinois Board of Higher Education (IBHE) for approval. (Finding Code No. 2018-010)

In the current year examination, there were no exceptions noted during our review of construction or capital projects.

Northern Illinois University

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2019 Expenditures	To Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER				
DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity Grants	84.007	* P007A161243	\$ 1,068,480	\$ -
Federal Work-Study Program	84.033	* P033A161243	746,222	-
Federal Pell Grant Program	84.063	* P063P161370	26,087,384	-
Federal Direct Student Loans Program (Perkins), Beginning Loan Balance	84.268	* -	7,098,455	-
Federal Direct Student Loans Program (Perkins), New Loans	84.268	* -	-	-
Federal Direct Student Loans Program (Perkins), Administrative Cost Allowance	84.268	* -	-	-
Federal Direct Student Loans	84.268	* P268K171370	97,318,705	-
Teacher Education Assistance for College and Higher Education Grants	84.379	* P379T171370	68,556	-
TOTAL DEPARTMENT OF EDUCATION			132,387,802	-
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			132,387,802	-
RESEARCH AND DEVELOPMENT CLUSTER				
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 that are involved in Mycotoxin Product	10.001	58-6435-4-015	89,973	-
Developing Genomics Resources for Tropical Perennial Crops Economically Important to the United States	10.001	NACA 58-8042-7-072	11,388	-
			<u>101,361</u>	<u>-</u>
Grants for Agricultural Research, Special Research Grants				
Pass-Through Kansas State University				
Family Advocacy Program Quality Assurance Project	10.200	S16034	(188)	-
Department of Defense Family Advocacy Program FASOR	10.200	S18065	376,785	-
			<u>376,597</u>	<u>-</u>
Sustainable Agriculture Research and Education				
Pass-Through Sustainable Agriculture Research and Education - UIUC				
Agriculture Opportunities and Obstacles	10.215	SARE2018	497	-
Integrated Programs				
Pass-Through Michigan State University				
Starting and Managing Community Supported Enterprises	10.303	RC107820D	15,390	-
TOTAL DEPARTMENT OF AGRICULTURE			493,845	-
DEPARTMENT OF COMMERCE				
National Oceanic and Atmospheric Administration				
Weather and Air Quality Research				
Tomatoes and Mobile Homes: An Inter-science Approach to Reducing Vulnerabilities and Improving Capacities for the Southeast's Most Susceptible Population	11.459	NA170AR4590192	39,883	-
Manufacturing Extension Partnership				
Pass-Through Illinois Manufacturing Extension Center				
Regional Host Organization for Illinois Manufacturing Excellence Center	11.611	IMECDOC2017	2,158	-
IMEC 2018	11.611	IMECDOC2018	296,855	-
FY19 IMEC Partnership	11.611	IMECDOC2019	659,609	-
			<u>958,622</u>	<u>-</u>
TOTAL DEPARTMENT OF COMMERCE			998,505	-
DEPARTMENT OF INTERIOR				
State Wildlife Grants				
Inventory of Amphibian & Reptile - Green River Conservation Area	15.634	T-111-R-1	57,091	-
Great Lakes Restoration				
Status & Population Viability Assessment of the Blanding's Turtle within the Chiwaukee-Illinois State Beach	15.662	F16AP01040	37,919	-
TOTAL DEPARTMENT OF INTERIOR			95,010	-
DEPARTMENT OF JUSTICE				
National Institute of Justice Research, Evaluation, and Development Project Grants				
Development of Next Generation Fingerprint Lifters and on-the-spot visualization devices	16.560	2017-DN-BX-0167	176,301	77,886
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program				
Pass-through Winnebago County				
Domestic Violence Homicide Prevention Demonstration Initiative (DVHPDI)	16.590	2016-HI-AX-K002	274,998	-
Criminal and Juvenile Justice and Mental Health Collaboration Program				
Pass-Through City of DeKalb				
Development of a Comprehensive Strategic Plan in Support of a Department of Justice Mental Health Collaboration Grant	16.745	2018-072	29,820	-
TOTAL DEPARTMENT OF JUSTICE			481,119	77,886

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DEPARTMENT OF LABOR				
H-1B Job Training Grants				
Pass-Through Illinois Manufacturing Extension Center IMEC 2019	17.268	IMECDOC2019	\$ 20	\$ -
TOTAL DEPARTMENT OF LABOR			20	-
US OFFICE OF PERSONNEL MANAGEMENT				
Intergovernmental Personnel Act (IPA) Mobility Program				
U.S. Securities and Exchange Commission It appt Lei Zhou	27.011	SECIPA2018	21,054	-
TOTAL US OFFICE OF PERSONNEL MANAGEMENT			21,054	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
Science				
Genomics of Chlorophyll d as a model for remotely biosignatures adapted to other stars	43.001	80NSSC18M0130	12,407	-
The Study of phototrophic oxygen production on Earth and exoplanets	43.001	80NSSC19K0478	4,853	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			17,260	-
NATIONAL SCIENCE FOUNDATION				
Engineering Grants				
CAREER: Advanced Photochemical Paradigms for Enhanced Photovoltaics, Photocatalysis and Photocatalysis	47.041	CBET-1150617	17,389	-
Pass-Through New York University				
Causal Relationships Underlying the Collective Dynamic Behavior of Swarms	47.041	1433670	5,980	-
			23,369	-
Mathematical and Physical Sciences				
Unconventional Electrodynamics in Unconventional Solids	47.049	DMR-1310199	2,272	-
Collaborative Research: ATD: Dynamical Sampling and Reconstruction for Sensing Networks	47.049	DMS-1322127	38,692	-
Searching for New Phenomena with Leptons	47.049	1506017	221,666	-
Using the Higgs boson to probe and test the Standard Model at ATLAS	47.049	1505989	73,854	-
Development of Ultra-cold Quantum-degenerate Relativistic Electron Beams for Research and Applications	47.049	1535401	107,303	-
Search for New Phenomena at the Energy Frontier	47.049	1506173	160,130	-
Accelerator Science for Storage Ring measurements of Electric Dipole Moments of Subatomic Particles	47.049	1623691	69,351	-
REU Site: Integrated Experimental and Computational REU Site at NIU	47.049	1659548	66,773	-
Phenomenology of Electroweak Symmetry Breaking, Supersymmetry, and the Frontiers of the Standard Model	47.049	1719273	44,304	-
MRI: Acquisition of Liquid Chromatograph/Mass Spectrometer for Research and Education	47.049	1726931	(1,853)	-
REU Site: Undergraduate and teacher research in physics at NIU	47.049	1757597	21,611	-
Fundamental Study of Dopants Effect for Stable Hybrid Perovskite Materials	47.049	1806152	81,140	-
Searches for New Phenomena at the Energy Frontier	47.049	1806639	96,785	-
Collaborative Research: Second-Order Variational Analysis in Structured Optimization and Algorithms with Sensitivity Analysis	47.049	1816449	13,512	-
EAGER: Controlling Photochemistry via Spatially Selective Excitation	47.049	1901671	35,646	-
Pass-Through Research Foundation for SUNY				
US ATLAS Operations (flow-through Stony Brook)	47.049	PHY-1624739	241,759	-
Pass-Through Research Foundation for SUNY				
US ATLAS - Research & Development (flow-through Stony Brook)	47.049	1624739	32,851	-
Pass-Through University of Notre Dame				
The Quarknet Project	47.049	PHY-1806631	1,000	-
			1,306,796	-
Geosciences				
Copper & Gold in Sulfur-rich Magmatic-hydrothermal Systems	47.050	1347782	48,078	-
Holecene Precipitation Changes	47.050	1502989	65,021	-
Diatom & Oxygen Isotope Evidence of Pliocene Antarctic Ice Sheet Dynamics & Ross Sea Paleoceanography	47.050	1443420	27,542	-
Collaborative Proposal: REU Site: Water Quality and Tourism in the Riviera Maya, Mexico	47.050	1560045	94,639	-
The Role of Mesoscale Convective System Precipitation in the Hydroclimate of the Conterminous United States	47.050	1637225	15,376	-
Collaborative Research: Observed and Future Dynamically Downscaled Estimates of Precipitation Associated	47.050	1800582	17,248	-
Pass-Through Columbia University				
Participation of Justin Dodd on Expedition 374	47.050	1450528	18,903	-
Pass-Through Columbia University				
Participation of Reed Scherer on IODP Expedition #379	47.050	OCE 1450528	12,439	-
			299,246	-
Computer and Information Science and Engineering				
Inclusive Design for Engaging All Learners (IDEAL) Designing Technology for Cultural Brokering	47.070	1839194	220,070	-
Pass-Through University of Chicago				
MRI: Development of an Urban Scale Instrument for Interdisciplinary Research (Array of Things (AoT))	47.070	1532133	35,482	-
Pass-Through Digital Promise Global				
Workshop: Robots, Children, and Alternative Input Methods (RCA)	47.070	NSFRCA2018	67,596	-
			323,148	-

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Biological Sciences				
Dimensions NASA: Collaborative Research: The biogeography and evolution of drought tolerance in grasses	47.074	1342782	\$ 10,375	\$ -
Ecosystem Consequences of Management Disturbances: Examining the Community-Trait-Function Relationships of Consumers in a Restored Grassland	47.074	1647502	34,754	-
CAREER: Evolutionary Genomics of Enzymes for Complex Carbohydrate Metabolism	47.074	1652164	109,799	-
			<u>154,928</u>	<u>-</u>
Social, Behavioral, and Economic Sciences				
CAREER: Assessing Long-Term Social, Cultural, and Political Impacts of the Depart of INGOs in Rural Haiti	47.075	1455142	31,178	12,427
RAPID: Leveraging civil society and rebuilding Haiti following Hurricane Matthew	47.075	1722749	324	-
Scholars Award: Understanding iconoclastic violence through the early science of optics	47.075	1755099	109,976	-
Pass-Through University of Chicago Center for Robust Decision-Making on Climate and Energy Policy	47.075	FP043343-02-C	9,114	-
Pass-Through Temple University Understanding and Promoting Spatial Learning Processes in the Geosciences	47.075	259066-NIU	13,136	-
			<u>163,728</u>	<u>12,427</u>
Education and Human Resources				
Collaborative Research: Learning & Teaching Engineering Dynamics Through Interactive Simulations	47.076	1432289	38,462	-
Interactive Virtual Laboratory: Using Renewable Energy Experiments to Enhance Student Engagement in STEM	47.076	1712146	78,942	-
Fellowship for Wieteke Holthuijzen	47.076	1842161	38,208	-
GeoClick: The Value of Click-on-Diagram Questions in Geoscience	47.076	1835950	6,445	-
PROMISE: Providing Resources and Opportunities to Maximize Interest in STEM Education	47.076	1068463	125,422	-
Scholarships and Enhanced Mentoring to Support Graduation of Students in Science and Mathematics	47.076	1834076	21,352	-
Pass-Through American Institutes for Research STEM Interest and Engagement	47.076	374300101	54,277	6,816
Collaborative Research: Developing a Generalized Storyline that Organizes the Supports for Evidence-based Modeling of Long-Term Impacts of Disturbance	47.076	LP201803	20,209	-
			<u>383,317</u>	<u>6,816</u>
Office of International and Integrative Activities				
IREs: US-Estonia Research Partnership in Reconstructing Past Climate Dynamics	47.079	1827135	23,165	-
TOTAL NATIONAL SCIENCE FOUNDATION			<u>2,677,697</u>	<u>19,243</u>
DEPARTMENT OF ENERGY				
Office of Science Financial Assistance Program				
Polarized X-Rays as a Probe of Spin Polarization	81.049	DE-FG02-03ER46097	160,875	-
Studies of Conventional & ERL-Based Recirculator Electron Cooling for an Electron Ion	81.049	DE-SC0008588	72,212	-
Searching for Physics Beyond the Standard Model at the Intensity Frontier	81.049	DE-SC0012231	(5,012)	-
DOE Optical Stochastic Cooling	81.049	DE-SC0013761	47,235	-
eSHIVA in IOTA: Experiment on Stochasticity in high intensity	81.049	DE-SC0015500	80,860	-
Development of a damping-ring-free electron injector for the International Linear Collide	81.049	DE-DC0018234	(2,655)	-
High-current electron sources for superconducting radiofrequency injectors	81.049	DE-SC0018367	71,083	-
Phase space tailoring and cooling of charged particle beams for energy and intensity frontier applications	81.049	DE-SC0018656	84,118	-
Pass-Through RadiaBeam Technologies, LLC Nano-patterned cathode surfaces for high efficiency injectors	81.049	NPC2a, 16-234	6,300	-
			<u>515,016</u>	<u>-</u>
Department of Energy Managed Labs				
Development of the MUZE Preliminary Design	81.000	PO 608549	186,876	-
Community Dashboard Development	81.000	9J-30261-0049A	(980)	-
Synthesis and characterization of Fe-based pnictide superconductors	81.000	4J-30341-0002A	31,438	-
Materials Development for Energy Efficiency and Renewable Energy Applications	81.000	4J-30341- 0003A	32,735	-
Jt Appt - Swapan Chattopadhyay	81.000	PO 620655 Rev3	122,855	-
Formation, Manipulations and Applications of Flat and Magnetized Beams at the FAST Facility	81.000	PO 624333	5,191	-
Jt Appt - Zhili Xiao	81.000	58906-00-105	25,863	-
Jt Appt - Andreas Glatz	81.000	70076-00-105	21,404	-
Structural investigations	81.000	4J-30341-0012A	50,905	-
Contributions to the development of a photon detector system	81.000	308939	15,770	-
System Software Integration and Development	81.000	4J-30341-0013A	174,777	-
High Luminosity (HL) LHC CMS Detector Upgrade Project - Endcap Calorimeter	81.000	PO 636821	123,636	-
Graduate Student Jing Xu ANL Support	81.000	4J-30341-0018A	26,110	-
Support for NIU Grad Student Wei Hu Tan	81.000	4J-30341-0016A	3,612	-
Joint Appointment - Dr. Tao Li	81.000	PRJ1003447/PT1397	117,147	-
Proxy Applications for Exascale Computing (Student Support)	81.000	4J-30341-0020A	2,540	-
Synthesis, Single Crystal Growth and Diffraction Studies of Multiferroic and Functional Oxides	81.000	4J-30341-0022A	25,200	-
Cycling stable electrode interfaces for lithium batteries with covalently bonded fluorocarbon monolayers.	81.000	4J-30341-0023A	28,969	-
Search for Pair Production of Higgs Bosons Through Vector Boson Fusion Using the Final State with the ATLAS Detector	81.000	DE-SC0012704	7,651	-
High Performance Computing Research	81.000	4J-30341-0024A	45,799	-
Development of innovative high-energy magnetized electron cooling for an electron-ion collider	81.000	PO 650832	23,046	-

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Jt Appointment - Piot, Phillippe	81.000	PO 647431	\$ 59,896	\$ -
Investigating the interfacial stability of battery materials	81.000	DE-AC02-06CH11357	75,954	-
Andreas Glatz, Joint Appointment	81.000	FRLA229	111,779	-
Zhili Xiao Jt Appointment	81.000	FRLA2019	113,363	-
Electro transport and magnetism in quantum wells	81.000	4J-30341-0025A	32,381	-
Investigating the Solvation Behavior of Electrolytes for Battery Materials	81.000	4J-30341-0030A	27,105	-
Deep Underground Neutrino Experiment (DUNE)	81.000	PO 652182	49,035	-
Nuclear Resonance Time-domain Interferometry	81.000	4J-30341-0027A	7,635	-
High pressure effects on NV centers in diamonds	81.000	4J-30341-0028A	20,000	-
Modeling Astrophysical Systems with Deep Learning	81.000	PO 656052	9,195	-
Cell design to advance the performance of flow battery at Argonne	81.000	4J-30341-0029A	23,380	-
PIP-II Warm Unit Design	81.000	653361	50,272	-
High Luminosity (HL) LHC CMS Detector Upgrade Project Endcap Calorimeter	81.000	SUBCONTRACT 654699	12,411	-
FNAL-funded Mechanical Engineering Project for Assistant Professor Salehina.	81.000	DE-AC02-07CH11359	12,617	-
Studying the Pore Formation of Atomic Layer Deposited Overlayer	81.000	4J-30341-0032A	3,737	-
Graduate student support in Lead Battery Science Research	81.000	4J-30341-0033A	3,737	-
Research on Ion Transport in Nanostructured Liquids Observed by X-Ray Photon Correlation Spectroscopy	81.000	4J-30341-0031A	15,263	-
Engineering Design of MuZe Degradator	81.000	PO 657533	1,335	-
Development of a damping-ring-free electron injector for Future Linear Colliders	81.000	9F-60210	3,175	-
Jt Appt - Michael Syphers	81.000	PO 625565 Rev 1	115,077	-
Development of Training Program to Support Warranty & Maintenance of Security	81.000	768743	2,877	-
			1,822,768	-
TOTAL DEPARTMENT OF ENERGY			2,337,784	-
DEPARTMENT OF EDUCATION				
Education Research, Development and Dissemination:				
Testing the onPAR Model in Developmental Literacy Education	84.305	R305A150193	291,709	75,930
Statewide Longitudinal Data Systems				
Pass-Through Illinois State Board of Education				
Early Childhood - Return on Investment Study	84.372	433-7615	51,181	-
Pass-Through University of Minnesota				
Chicago Longitudinal Survey	84.372	PO 0000985322	7,883	-
			59,064	-
Promoting Readiness of Minors in Supplemental Security Income				
Pass-Through University of Wisconsin-Madison				
Wisconsin Promoting Readiness of Minors in Supplemental Security Income Project	84.418	144-5-339093-3	6,729	-
TOTAL DEPARTMENT OF EDUCATION			357,502	75,930
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Research on Healthcare Costs, Quality and Outcomes				
Pass-Through Northwestern University	93.226	1 R18 HS023921 - 01	35,942	-
Occupational Safety and Health Program				
Pass-Through University of Illinois at Chicago				
Systemic Evaluation of Patient Transfer Devices to Improve Musculoskeletal Health among Caregivers	93.262	16595	262	-
Cancer Treatment Research				
Pass-Through ProtonVDA				
Proton Radiography System for Optimization of Proton Therapy	93.395	R44CA203499	125,899	-
ACL National Institute on Disability, Independent Living, and Rehabilitation Research				
Pass-Through University of Wisconsin - Madison				
Rehabilitation Research and Training Center on Employer Practices Leading to Successful Employment Outcomes for Individuals with Disabilities	93.433	888K834	3,455	-
ACA-Transforming Clinical Practice Initiative: Practice Transformation Networks (PTNs)				
Pass-Through Northwestern University				
Great Lakes Practice Transformation Network	93.638	60041550 NIU	183,896	103,138
Allergy, Immunology and Transplantation Research				
Design and Study of IspF Inhibitors as Antibacterial Agents	93.855	1R15I113653-01	2,293	-
Biomedical Research and Research Training				
Orphan genes in pathogenic bacteria G1A62570	93.859	RGM114706A	21,842	-
Generation and Biophysical Evaluation of Generic Fab Antibody pH Switches	93.859	R15GM124607	125,216	-
The FoodMaster Initiative	93.859	RGM129216B	124,832	17,747
Conjugate Addition in the Synthesis of Biologically Active N-Herercycles	93.859	1R15GM126498-01	59,257	-
			331,147	17,747

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Child Health and Human Development Extramural Research: Reactions to Prolonged Infant Crying in Parents at Risk for Child Physical Abuse	93.865	RHD080041A	\$ (1,507)	\$ -
Aging Research Septohippocampal neuroplasticity influences on spatial orientation	93.866	R15AG060613-01	58,049	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			739,436	120,885
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Homeland Security Research, Development, Testing, Evaluation, and Demonstration of Technologies Related to Nuclear Threat Detection Development of a Laser-Electron-Interaction region for Compact High-Repetition-Rate Mono-Energetic Laser-Based Gamma Sources	97.077	2015-DN-077-ARI094	146,116	16,187
TOTAL DEPARTMENT OF HOMELAND SECURITY			146,116	16,187
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			8,365,348	310,131
HIGHWAY SAFETY CLUSTER				
<u>DEPARTMENT OF TRANSPORTATION</u>				
National Priority Safety Programs Pass-Through Illinois Department of Transportation Project to Provide Child Safety Seats	20.616	OP-19-0214, 19-05	3,955	-
TOTAL DEPARTMENT OF TRANSPORTATION			3,955	-
TOTAL HIGHWAY SAFETY CLUSTER			3,955	-
TRIO CLUSTER				
<u>DEPARTMENT OF EDUCATION</u>				
TRIO_Upward Bound Upward Bound Program Upward Bound	84.047 84.047	P047A121484 P047A171430	4,220 530,348	- -
TOTAL DEPARTMENT OF EDUCATION			534,568	-
TOTAL TRIO CLUSTER			534,568	-
CCDF CLUSTER				
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Child Care and Development Block Grant Pass-Through Illinois Department of Human Services	93.575	16-019-5430-51	1,015	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,015	-
TOTAL CCDF CLUSTER			1,015	-
OTHER PROGRAMS				
<u>DEPARTMENT OF AGRICULTURE</u>				
Child and Adult Care Food Program Pass-Through Illinois State Board of Education	10.558	ISBE2019	51,000	-
TOTAL DEPARTMENT OF AGRICULTURE			51,000	-
<u>DEPARTMENT OF JUSTICE</u>				
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus Northern Illinois University: Violence Prevention Project	16.525	2018-WA-AX-0045	38,985	-
TOTAL DEPARTMENT OF JUSTICE			38,985	-
<u>DEPARTMENT OF LABOR</u>				
H-1B Job Training Grants Pass-Through Illinois Manufacturers' Association Education Foundation IAAC Implementation Management Support	17.268	AP-27959-15-60-A-17	126,937	-
Occupational Safety and Health_Susan Harwood Training Grants Susan Harwood Training Grants	17.502	SH05021SHB	44,438	-
TOTAL DEPARTMENT OF LABOR			171,375	-

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DEPARTMENT OF STATE				
Academic Exchange Programs - Undergraduate Programs				
Leading and Organizing for Change in Southeast Asia	19.009	S-ECAGD-15-CA-1058	\$ (86)	\$ -
Leading and Organizing for Change in Southeast Asia	19.009	S-ECAGD-15-CA-1058	26,378	-
Leading and Organizing for Change in Southeast Asia	19.009	S-ECAGD-15-CA-1058	5,115	-
			<u>31,407</u>	<u>-</u>
Academic Exchange Programs - Graduate Students				
2017 Fulbright Gateway Orientation	19.400	3216_NIU_3.2.17	83	-
2018 Fulbright Gateway Orientation	19.400	FST1801_NIU_3.1.18	48,529	-
			<u>48,612</u>	<u>-</u>
Professional and Cultural Exchange Programs - Citizen Exchanges				
FY 2017: Southeast Asia Youth Leadership Program	19.415	S-ECAGD-17-CA-1025	(660)	-
PYLP 2015: Engaging Young Advocates in Environmental Preservation and Peacebuilding	19.415	S-ECAGD-15-CA-1123	12,472	-
FY 2017 Southeast Asia Youth Leadership Program	19.415	S-ECAGD-17-CA-1025	58,853	-
SEAYLP	19.415	S-ECAGD-17-CA-1025	25,620	-
PYLP: Engaging Young Advocates in Environmental Preservation and Peacebuilding	19.415	S-ECAGD-18-CA-0025	56,831	-
PYLP: Engaging Young Advocates in Environmental Preservation and Peacebuilding	19.415	S-ECAGD-18-CA-0025	158,690	110,113
Southeast Asia Youth Leadership Program	19.415	S-ECAGD-17-CA-1025	57,660	-
Southeast Asia Youth Leadership Program	19.415	S-ECAGD-17-CA-1025	328,388	-
Pass-Through Virginia Commonwealth University	19.415	FP00002115_SA001	6,394	-
ENVEST Sri Lanka				
			<u>704,248</u>	<u>110,113</u>
TOTAL DEPARTMENT OF STATE			<u>784,267</u>	<u>110,113</u>
INSTITUTE OF MUSEUM AND LIBRARY SCIENCES				
Museums for America				
Anthropology Museum Rehousing Project	45.301	MA-30-14-0414-14	12,215	-
Laura Bush 21st Century Librarian Program				
Professional Development Institutes for Digital Preservation	45.313	RE-85-17-0012-17	113,476	-
TOTAL INSTITUTE OF MUSEUM AND LIBRARY SCIENCES			<u>125,691</u>	<u>-</u>
DEPARTMENT OF EDUCATION				
Department of Education				
Pass-Through Rockford Public School District #205				
Scientific Argumentation in Transportable Invention Space (SAITIS) in Rockford School District	84.000	R1903930/PO 193861	15,559	-
Migrant Education_State Grant Program				
Pass-Through Illinois State Board of Education				
Year Round Migrant Education	84.011	4340-00-16019543051	997	-
FY18 Summer Migrant Education Program	84.011	4340-01-16019543051	66,993	43,116
Migrant Education Program Coordination	84.011	2241691	216,330	-
Migrant Education State Grant Program - Year Round	84.011	S011A180013	21,961	8,426
FY19 Title 1 Migrant Summer	84.011	586-44-0415-4340 F	36,798	28,856
			<u>343,079</u>	<u>80,398</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 G1B66768	84.015	P015A140055	29,128	-
Foreign Language and Area Studies Fellowships G1B66769	84.015	P015B140055	25,801	-
National Resource Center (NRC)	84.015	P015A180131	188,747	-
Foreign Language and Areas Studies Fellowships (FLASF)	84.015	P015B180131	305,602	-
			<u>549,278</u>	<u>-</u>
Career and Technical Education -- Basic Grants to States				
Pass-Through Illinois Community College Board				
Career and Technical Education	84.048	F-NIU-CTE18003	2,914	-
Pass-Through Illinois Community College Board				
Transitional Math - CTE	84.048	F-NIU-CTE19	37,160	-
Pass-Through Illinois Community College Board				
Bending the Curve: Early Indicators of Community College Student Success	84.048	F-NIU-GP19	27,903	-
			<u>67,977</u>	<u>-</u>
Migrant Education_Coordination Program				
Pass-Through Illinois State Board of Education				
Migrant Education Incentive Grant Summer 2018	84.144	S011A170013	2,400	-
Pass-Through Illinois State Board of Education				
Migrant Education Incentive Grant Summer 2019	84.144	586-44-0419-4341 F	598	-
			<u>2,998</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	106,563	-
Special Education - State Personnel Development				
Pass-Through Southern Illinois University				
IHE Partnership	84.323	762219-004	(2)	-

Northern Illinois University

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2019 Expenditures	To Subrecipients
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				
Program for Training of Teachers and Orientation and Mobility Instructor	84.325	H325K130217	\$ 93,345	\$ -
Project Prevent and Address Bullying (PPAB) for Student with Disabilities: A Multitiered Behavioral Framework	84.325	H325K150309	316,303	-
Preparing new teachers of students with visual impairments	84.325	H325K160016	141,752	-
Project Fusion: Bringing Together Scholars in Teacher of the Visually Impaired and Orientation and Mobility Programs to Serve Children with Visual Imp	84.325	H325K180006	91,752	-
			<u>643,152</u>	<u>-</u>
Child Care Access Means Parents in School CCAMPIS 2018	84.335	P335A180233	40,281	-
Mathematics and Science Partnerships Northern Illinois STEM Ready (NISR)	84.366	S366B160014	456,152	-
Improving Teacher Quality State Grants Pass-Through Illinois Community College Board Bridging the Gap	84.367	BTGNIU18	94,117	-
Preschool Development Grants Pass-Through Illinois State Board of Education Preschool Development Grant - Expansion	84.419	MY 18448	172,068	38,904
TOTAL DEPARTMENT OF EDUCATION			<u>2,491,222</u>	<u>119,302</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Injury Prevention and Control Research and State and Community Based Programs Building Evaluation Capacity - Indicator Selection Readiness Assessment	93.136	83205001F	39,833	-
Substance Abuse and Mental Health Services_Projects of Regional and National Significance B-SAFER at NIU	93.243	SM062531	98,626	-
Pass-Through Winnebago County Regional Planning & Development Winnebago County Adult Drug Court Program	93.243	T1026067	16,898	-
Pass-Through Winnebago County Regional Planning & Development Research and Evaluations of the Winnebago County Adult Drug Court Program	93.243	1H79T1081068-01	24,620	-
			<u>140,144</u>	<u>-</u>
Affordable Care Act (ACA) - Consumer Assistance Program Grants Pass-Through Altarum Institute				
MACRA: Quality Improvement Direct Technical Assistance	93.519	SC-17-008	(2,847)	-
MACRA: Quality Improvement Direct Technical Assistance	93.519	SC-17-008	184,183	-
MACRA: Quality Improvement Direct Technical Assistance	93.519	SC-17-008	103,633	-
			<u>284,969</u>	<u>-</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>464,946</u>	<u>-</u>
TOTAL OTHER PROGRAMS			<u>4,127,486</u>	<u>229,415</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 145,420,174</u>	<u>\$ 539,546</u>

*Cluster, program, or award tested as a major program

State of Illinois
Northern Illinois University
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note 1. Significant Accounting Policy

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

Note 2. Nature of Programs

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies and departments of the federal government and all sub-awards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. The U.S. Department of Education has been designated as the University’s overall cognizant agency for the audit performed in accordance with the requirements of the Uniform Guidance. The U.S. Department of Health and Human Services has been designated as the University’s cognizant agency for the Facilities and Administrative Cost Rates. The University did not receive federal noncash assistance during the fiscal year ended June 30, 2019. No federal insurance was received by the University during the year ended June 30, 2019.

Note 3. Cost Allocation

The University has a plan for allocation of common and indirect costs related to grant programs in accordance with, as applicable, either the cost principles in OMB Circular A- 21, *Cost Principles for Educational Institutions* or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. The University allocates amounts to grant programs using an indirect cost rate based on a federally negotiated indirect cost rate agreement, and therefore does not use the 10 percent de minimis rate provided for under the Uniform Guidance.

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

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

	(in Thousands)
Total expenditures as reported in the Schedule of Expenditures of Federal Awards	\$ 145,420
Remove the following:	
Federal Perkins Loan Program, Beginning Fund Balance	(7,098)
Federal Perkins Loan Program, New Loans	-
Federal Direct Loans Program	(97,319)
Add the following:	
Direct state grants/contracts	11,155
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	\$ 52,158

State of Illinois
Northern Illinois University
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Note 5. Federal Student Loan Program

During the fiscal year ended June 30, 2019, the University issued new loans to students under the Federal Direct Student Loan Program (FDSLSP). The loan program includes subsidized and unsubsidized Stafford Loans, Parents' Loans for Undergraduate Students (PLUS), and PLUS Loans for graduate and professional students. The value of loans issued for the FDSLSP is based on disbursed amounts. The loan amounts issued during the year are disclosed on the Schedule. The University is responsible only for the performance of certain administrative duties with respect to the federally guaranteed student loan programs and, accordingly, balances and transactions relating to these loan programs are not included in the University's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the University at June 30, 2019.

This loan program is directly administered by the University and was considered a revolving loan program whereby collections received on past loans, including interest, is loaned out to current students. The beginning balance on these loans are disclosed in the Schedule. The outstanding balance at June 30, 2019 was \$6,022,000. There were no new loans issued through the Federal Perkins Loan Program during the year ended June 30, 2019. Loans outstanding at the beginning of the year are included in the federal expenditures presented in the Schedule.

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

Northern Illinois University

Schedule of Appropriations, Expenditures, and Lapsed Balances
Fourteen Months Ended August 31, 2019

	Appropriations (Net After Transfers)	Expenditures Through June 30, 2019	Lapse Period Expenditures July 1 to August 31, 2019	Total Expenditures	Balances Lapsed
Public Act 100-0586					
EDUCATION ASSISTANCE FUND - 0007					
Public Act 100-0586					
Lump sum appropriation	\$ 83,623,200	\$ (83,623,200)	\$ -	\$ (83,623,200)	\$ -
TOTAL EDUCATION ASSISTANCE FUND	83,623,200	(83,623,200)	-	(83,623,200)	-
STATE COLLEGE AND UNIVERSITY TRUST FUND - 0417					
Public Act 100-0586					
Scholarship fund	36,000	(23,823)	-	(23,823)	12,177
TOTAL STATE COLLEGE AND UNIVERSITY TRUST FUND	36,000	(23,823)	-	(23,823)	12,177
TOTAL APPROPRIATIONS	\$ 83,659,200	\$ (83,647,023)	\$ -	\$ (83,647,023)	\$ 12,177

Note 1: Public Act 100-0586 signed into law on June 4, 2018 provides a lump sum appropriation for fiscal year ending June 30, 2019.

Note 2: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of June 28, 2019 and have been reconciled to University records.

Northern Illinois University

Comparative Schedule of Net Appropriations, Expenditures,
and Lapsed Balances

For the Years Ended June 30, 2019 and 2018

	Fiscal Years	
	2019	2018
	PA100-0586	PA100-0021
Education Assistance Fund - 0007		
Appropriations (net after transfers)	\$ 83,623,200	\$ 81,983,500
Expenditures		
Personal services	(79,027,074)	(72,500,800)
Contributions to Social Security and Medicare	(1,054,826)	(777,200)
Contractual services	-	(3,730,900)
CMS health insurance	(3,541,300)	(2,056,200)
Commodities	-	(1,242,600)
Equipment	-	(944,400)
Telecommunication services	-	(637,500)
Automotive	-	(93,900)
Total expenditures	(83,623,200)	(81,983,500)
Lapsed balances	\$ -	\$ -
State College and University Trust Fund - 0417		
Appropriations (net after transfers)	\$ 36,000	\$ 36,000
Expenditures		
Scholarship Grant Awards	(23,823)	(22,300)
Lapsed Balances	\$ 12,177	\$ 13,700
Grand Total - All Funds		
Appropriations (net after transfers)	\$ 83,659,200	\$ 82,019,500
Total expenditures	(83,647,023)	(82,005,800)
Lapse balances	\$ 12,177	\$ 13,700

Note 1: Public Act 100-0021 signed into law on July 6, 2017, provides funding for operating costs for fiscal years ending June 30, 2017, and June 30, 2018. Due to GASB financial reporting standards, the recognition of this funding will be reported in fiscal year 2018 under the non-operating revenues section.

Note 2: Public Act 100-0586 signed into law on June 4, 2018, provides a lump sum appropriation for fiscal year ending June 30, 2019.

Note 3: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of June 28, 2019, and have been reconciled to University records.

Northern Illinois University

**Comparative Schedule of Income Fund Revenues and Expenses
For the Years Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Income Fund Revenues		
Tuition and fees, net of waivers	\$ 142,113,024	\$ 145,559,136
Lab and other fees	1,161,162	1,257,059
Other	162,067	75,633
Transfer in from local funds	<u>1,007,487</u>	<u>-</u>
Total Income Fund Revenues	<u>\$ 144,443,740</u>	<u>\$ 146,891,828</u>
Income Fund Expenses		
Personal services	\$ 76,524,640	\$ 39,241,623
FICA/Medicare	1,251,381	1,377,268
Unemployment compensation benefits	19,151	31,151
Group insurance	(1,205,465)	3,081,865
Contractual services	43,111,029	36,679,038
Travel	1,217,712	1,106,797
Commodities	2,771,660	1,156,063
Equipment and library books	6,778,044	5,784,160
Telecommunications	733,747	174,347
Automotive	474,847	383,299
Award/grants and matching funds	4,832,040	3,862,653
Permanent improvements	784,463	502,254
Transfers out for non-revenue bond debt service	<u>5,511,392</u>	<u>5,412,078</u>
Expense Subtotal	142,804,641	98,792,596
GASB No. 35 Adjustments		
Depreciation Expense	3,937,059	5,066,299
Capital asset additions/disposals	<u>(4,123,892)</u>	<u>(1,605,677)</u>
GASB No. 35 Adjustments Total	<u>(186,833)</u>	<u>3,460,622</u>
Total Income Fund Expenses	<u>\$ 142,617,808</u>	<u>\$ 102,253,218</u>

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

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

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

Northern Illinois University

Schedule of Changes in Capital Assets

For the Years Ended June 30, 2019 and 2018

	Balance June 30, 2018	Additions	Transfers	Deductions	Balance June 30, 2019
Land	\$ 19,280,619	\$ -	\$ -	\$ -	\$ 19,280,619
Land improvements	88,536,356	-	3,929,459	-	92,465,815
Buildings	680,871,285	58,782	35,969,566	-	716,899,633
Leasehold Improvements	431,320	-	-	-	431,320
Equipment	257,418,208	5,846,884	-	(23,816,851)	239,448,241
Intangible assets	3,820,547	-	-	-	3,820,547
Construction in progress	48,810,016	13,362,316	(39,899,025)	(3,216,978)	19,056,329
Totals	\$ 1,099,168,351	\$ 19,267,982	\$ -	\$ (27,033,829)	\$ 1,091,402,504

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

Northern Illinois University
**Comparative Schedule of Cash and Temporary
Cash Equivalents, at Cost
(Excluding University Related Organizations)
June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Cash on hand	\$ 78,655	\$ 76,485
Checking accounts (1)		
First Midwest Bank, Sycamore, IL	53,560,607	47,344,488
First National Bank, DeKalb, IL	410,675	2,660,431
Illinois Funds Epay Deposit - Illinois National Bank, Springfield, IL	4,990	5,000
Temporary cash investments:		
JPMorgan Chase Bank - Certificate of Deposit	1,000,000	-
Illinois Funds - U.S. Bancorp Fund Services, Milwaukee, WI	70,975,810	40,913,872
Money market mutual funds:		
Amalgamated Bank, Chicago, IL	13,496,229	21,341,738
	<u>\$ 139,526,966</u>	<u>\$ 112,342,014</u>

(1) These amounts represent bank balances.

Northern Illinois University**Comparative Schedule of Investments, at Cost
June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>
U.S. Treasury obligations, U.S. agency obligations, treasury notes and strips, 1.875 to 2.375 %	<u>\$ 35,809,796</u>	<u>\$ 76,157,159</u>

Northern Illinois University**Schedule of Federal Expenditures, Nonfederal Expenses,
and New Loans**

For the Year Ended June 30, 2019 (Accrual Basis)

(Expressed in Thousands)

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA schedule	\$ 145,420	
Total new loans made not included on SEFA schedule	-	*
Amount of federal loan balances at beginning of the year (not included on the SEFA schedule) and continued compliance required	-	*
Administrative cost allowance on federal loan programs (not included on SEFA schedule)	-	*
Other noncash federal award expenditures (not included on SEFA schedule)	-	
Total Schedule A	\$ 145,420	

Schedule B - Total Financial Component

Total operating expenses (from financial statements)	\$ 494,989
Total nonoperating expenses and losses (from financial statements)	22,543
Total new loans made	97,319
Amount of federal loan balances at beginning of year	7,098
Total Schedule B	\$ 621,949

Schedule C

	<u>Amount</u>	<u>Percent</u>
Total Schedule A	\$ 145,420	23.4%
Total nonfederal expenses	476,529	76.6%
Total Schedule B	\$ 621,949	100%

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

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

Northern Illinois University

Auxiliary Enterprises - Debt Financed Projects

Schedule of Revenues, Expenses, and

Changes in Net Position

For the Year Ended June 30, 2019

	Student Housing Public Private Partnership	Student Housing Revenue Bond Funds	Total
Revenues			
Food and other merchandise sales	\$ -	\$ 12,977,067	\$ 12,977,067
Room and other rentals	11,639,982	16,716,352	28,356,334
Parking revenue	-	2,313,905	2,313,905
Student fees	-	13,327,121	13,327,121
Investment income	149,723	622,243	771,966
Other revenues	28,963	4,099,612	4,128,575
On-behalf payments for pension	94,746	6,564,249	6,658,995
On-behalf payments for health insurance	(22,461)	(1,412,438)	(1,434,899)
Total revenues	11,890,953	55,208,111	67,099,064
Expenses			
Cost of food and other merchandise sales	495	3,058,205	3,058,700
Personal services	373,279	14,073,505	14,446,784
Student services	-	132,301	132,301
Employee meals furnished	-	-	-
Insurance	35,943	220,614	256,557
Laundry	1,459	89,620	91,079
General and administrative	363,052	3,690,102	4,053,154
Repairs and other services	1,248,672	10,376,028	11,624,700
Utilities	521,463	4,880,436	5,401,899
Interest expense	8,392,003	12,680,053	21,072,056
Depreciation	3,318,323	8,684,555	12,002,878
Pension	94,746	6,564,249	6,658,995
Health insurance	(22,461)	(1,412,438)	(1,434,899)
Total expenses	14,326,974	63,037,230	77,364,204
Transfers	(1,856,108)	1,856,108	-
Change in net position	\$ (4,292,129)	\$ (5,973,011)	\$ (10,265,140)

Note 1: In fiscal year 2017, the University began allocating the State's on-behalf payment revenue and offsetting expenses to the departments benefiting from the payments. The University also expanded the number of revenue lines disclosed for added clarity.

A listing of the University's auxiliary enterprise accounting entities, their purpose, and their sources of revenue as of June 30, 2019 is provided below:

AUXILIARY ENTERPRISES

Debt Financed Projects

Revenue Bond Funds

This entity represents all the activity of the Auxiliary Enterprises Revenue Bond Funds. This includes the student residence halls, student center, recreational facilities, and campus parking. Construction of each of these facilities was either fully or partially funded through the issuance of revenue bonds. The primary sources of revenue include room and board income, student fees, bookstore sales, food service operations, parking fees and fines, and investment income. The combined net revenues of these facilities, plus activity fees and surcharges that are assessed to all enrolled students, are pledged as security for the Bondholders under the terms of the Bond Agreement. Accordingly, the facilities related to this entity are considered restricted assets in accordance with GASB 34.

Student Housing - Public Private Partnership

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

A Revenue Fund has been established to deposit receipts from the rental operations of the facilities as collected, and amounts then disbursed to fund debt service, repairs and maintenance, Trustee expenses, and operational contingencies. Accordingly, the facilities related to this entity are considered restricted assets in accordance with GASB 34.

Auxiliary Business Operations

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

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

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

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

SERVICE DEPARTMENTS

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

INDIRECT COST SUPPORT

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

EDUCATIONAL ACTIVITIES

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

Continuing Education Contract Courses

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

Continuing Education and Public Service

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

State of Illinois
Northern Illinois University
Condensed Financial Information
Balance Sheet
Educational Activities
June 30, 2019
(Unaudited)

	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services	Total
Assets					
Current fund:					
Cash and cash equivalents	\$ 4,877,654	\$ 10,861,152	\$ 7,256,903	\$ -	\$ 22,995,709
Accounts receivable	363,382	690,426	340,752	169,693	1,564,253
Inventories	-	-	59,617	-	59,617
Other assets	31,758	109,551	110,399	255,151	506,859
Subtotal current fund	5,272,794	11,661,129	7,767,671	424,844	25,126,438
Plant fund:					
Plant fund assets	43,818	498,553	291,989	768,949	1,603,309
Total assets	\$ 5,316,612	\$ 12,159,682	\$ 8,059,660	\$ 1,193,793	\$ 26,729,747
Liabilities					
Accounts payable and accrued expenses	\$ 239,127	\$ 1,454,929	\$ 1,298,692	\$ 39,029,249	\$ 42,021,997
Unearned revenue	-	848,214	23,529	5,337,430	6,209,173
Subtotal liabilities	239,127	2,303,143	1,322,221	44,366,679	48,231,170
Fund balances					
Current fund	5,033,667	9,357,986	6,445,450	(43,941,835)	(23,104,732)
Plant fund	43,818	498,553	291,989	768,949	1,603,309
Subtotal fund balances	5,077,485	9,856,539	6,737,439	(43,172,886)	(21,501,423)
Total liabilities and fund balances	\$ 5,316,612	\$ 12,159,682	\$ 8,059,660	\$ 1,193,793	\$ 26,729,747

State of Illinois
Northern Illinois University
Condensed Financial Information (continued)
Schedule of Revenues, Expenditures, and Changes
in Current and Plant Fund Balances
Educational Activities (continued)
For the Year Ended June 30, 2019
(Unaudited)

	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services	Total
Current fund					
Beginning current fund balances	\$ 4,948,595	\$ 8,077,958	\$ 6,863,156	\$ (33,151,562)	\$ (13,261,853)
Revenues	2,859,038	11,886,095	7,126,748	28,784,126	50,656,007
Expenditures	(2,620,759)	(10,902,212)	(7,424,783)	(39,683,129)	(60,630,883)
Transfers	(153,207)	296,145	(119,671)	108,730	131,997
Ending current fund balances	\$ 5,033,667	\$ 9,357,986	\$ 6,445,450	\$ (43,941,835)	\$ (23,104,732)
Plant fund					
Beginning plant fund balances	\$ 49,493	\$ 531,663	\$ 320,799	\$ 844,842	\$ 1,746,797
Revenues	-	115,873	232,639	32,891	381,403
Expenditures	(5,675)	(148,983)	(261,449)	(108,784)	(524,891)
Ending plant fund balances	43,818	498,553	291,989	768,949	1,603,309
Total fund balances	\$ 5,077,485	\$ 9,856,539	\$ 6,737,439	\$ (43,172,886)	\$ (21,501,423)

State of Illinois
Northern Illinois University
Condensed Financial Information (continued)
Balance Sheet
Auxiliary Business Operations, Service Departments,
and Indirect Cost Support
June 30, 2019
(Unaudited)

	Auxiliary Business Operations	Service Departments	Indirect Cost Support	Total
Assets				
Current fund:				
Cash and cash equivalents	\$ 9,357,904	\$ 13,550,911	\$ -	\$ 22,908,815
Accounts receivable	149,140	184,956	39,254	373,350
Inventories	7,902	1,335,159	-	1,343,061
Other assets	33,107	674,839	29,848	737,794
Subtotal current fund	9,548,053	15,745,865	69,102	25,363,020
Plant fund:				
Plant fund assets	9,261	6,791,650	1,739,516	8,540,427
Total assets	\$ 9,557,314	\$ 22,537,515	\$ 1,808,618	\$ 33,903,447
Liabilities				
Accounts payable and accrued expenses	\$ 566,882	\$ 13,743,335	\$ 3,342,558	\$ 17,652,775
Unearned revenue	2,613,399	-	-	2,613,399
Subtotal liabilities	3,180,281	13,743,335	3,342,558	20,266,174
Fund balances				
Current fund	6,367,772	2,002,530	(3,273,456)	5,096,846
Plant fund	9,261	6,791,650	1,739,516	8,540,427
Subtotal fund balances	6,377,033	8,794,180	(1,533,940)	13,637,273
Total liabilities and fund balances	\$ 9,557,314	\$ 22,537,515	\$ 1,808,618	\$ 33,903,447

State of Illinois
Northern Illinois University
Condensed Financial Information (continued)
Schedule of Revenues, Expenditures, and Changes
in Current and Plant Fund Balances
Auxiliary Business Operations, Service Departments,
and Indirect Cost Support (continued)
For the Year Ended June 30, 2019
(Unaudited)

	Auxiliary Business Operations	Service Departments	Indirect Cost Support	Total
Current Fund				
Beginning current fund balances	\$ 6,167,783	\$ 1,859,125	\$ (1,040,769)	\$ 6,986,139
Revenues	7,712,530	15,586,349	1,126,716	24,425,595
Expenditures	(6,529,054)	(15,580,809)	(3,089,540)	(25,199,403)
Transfers	(983,487)	137,865	(269,863)	(1,115,485)
Ending current fund balances	\$ 6,367,772	\$ 2,002,530	\$ (3,273,456)	\$ 5,096,846
Plant Fund				
Beginning plant fund balances	\$ 52,116	\$ 7,859,478	\$ 1,342,167	\$ 9,253,761
Revenues	-	1,042,069	574,802	1,616,871
Expenditures	(42,855)	(2,114,367)	(172,983)	(2,330,205)
Transfers	-	4,470	(4,470)	-
Ending plant fund balances	9,261	6,791,650	1,739,516	8,540,427
Total fund balances	\$ 6,377,033	\$ 8,794,180	\$ (1,533,940)	\$ 13,637,273

State of Illinois
Northern Illinois University
Condensed Financial Information (continued)
Balance Sheet
Auxiliary Enterprises - Debt Financed Projects
June 30, 2019
(Unaudited)

	Student Housing Public Private Partnership		Student Housing Revenue Bond Funds			Total
	Residence Halls	Residence Halls	Student Services	Recreation Facilities	Parking	
Assets						
Current fund:						
Cash and cash equivalents	\$ -	\$ 79,077,427	\$ 8,276,661	\$ -	\$ 1,294,340	\$ 88,648,428
Accounts receivable	365,821	72,220	251,453	11,705	14,225	715,424
Inventories	-	291,487	78,029	-	-	369,516
Other assets	5,020	840,179	6,813	1,921	9,117	863,050
Due from plant fund	-	-	-	-	-	-
Subtotal current fund	370,841	80,281,313	8,612,956	13,626	1,317,682	90,596,418
Plant fund:						
Accounts receivable	-	740,670	-	-	-	740,670
Prepaid insurance	-	1,292,492	-	-	-	1,292,492
Deferred loss on refunding	-	597,752	-	-	-	597,752
Restricted cash and investments	-	13,496,942	-	-	-	13,496,942
Land, buildings & equipment	107,277,714	66,966,956	27,778,447	33,595,871	1,422,190	237,041,178
Subtotal plant fund	107,277,714	83,094,812	27,778,447	33,595,871	1,422,190	253,169,034
Total assets	\$ 107,648,555	\$ 163,376,125	\$ 36,391,403	\$ 33,609,497	\$ 2,739,872	\$ 343,765,452
Liabilities						
Current fund:						
Accounts payable and accrued expenses	\$ 3,857,095	\$ 4,210,532	\$ 334,067	\$ 867,239	\$ 128,265	\$ 9,397,198
Unearned revenue	4,257,749	9,229,238	184,432	90,151	122,635	13,884,205
Subtotal current fund	8,114,844	13,439,770	518,499	957,390	250,900	23,281,403
Plant fund						
Accounts payable and accrued expenses	2,127,652	3,126,053	-	-	-	5,253,705
Due to current fund	-	-	-	-	-	-
Debt	129,750,755	176,200,631	-	-	-	305,951,386
Subtotal plant fund	131,878,407	179,326,684	-	-	-	311,205,091
Total liabilities	139,993,251	192,766,454	518,499	957,390	250,900	334,486,494
Fund balances						
Current fund	(7,744,003)	66,841,543	8,094,457	(943,764)	1,066,782	67,315,015
Plant fund	(24,600,693)	(96,231,872)	27,778,447	33,595,871	1,422,190	(58,036,057)
Total fund balances	(32,344,696)	(29,390,329)	35,872,904	32,652,107	2,488,972	9,278,958
Total liabilities and fund balances	\$ 107,648,555	\$ 163,376,125	\$ 36,391,403	\$ 33,609,497	\$ 2,739,872	\$ 343,765,452

State of Illinois
Northern Illinois University
Condensed Financial Information (continued)
Schedule of Revenues, Expenditures, and Changes
in Current and Plant Fund Balances
Auxiliary Enterprises - Debt Financed Projects
June 30, 2019
(Unaudited)

Schedule of Revenue, Expenditures and Changes in Current and Plant Fund Balances	Student Housing Public Private Partnership		Student Housing Revenue Bond Funds			Total
	Residence Halls	Residence Halls	Student Services	Recreation Facilities	Parking	
Current fund:						
Beginning fund balances	\$ (4,836,237)	\$ 106,765,562	\$ 9,040,070	\$ 537,378	\$ 1,342,807	\$ 112,849,580
Revenues	1,564,990	(5,427,036)	(4,297,949)	3,656,743	1,994,881	(2,508,371)
Expenditures	(2,616,648)	(27,262,791)	(7,325,143)	(3,917,998)	(1,903,614)	(43,026,194)
Transfers	(1,856,108)	(7,234,192)	10,677,479	(1,219,887)	(367,292)	-
Ending current fund balances	\$ (7,744,003)	\$ 66,841,543	\$ 8,094,457	\$ (943,764)	\$ 1,066,782	\$ 67,315,015
Plant fund:						
Beginning fund balances	\$ (23,216,330)	\$ (123,703,152)	\$ 17,689,369	\$ 34,408,782	\$ 1,515,849	\$ (93,305,482)
Revenues	10,325,963	47,003,066	11,131,697	1,146,709	-	69,607,435
Expenditures	(11,710,326)	(19,531,786)	(1,042,619)	(1,959,620)	(93,659)	(34,338,010)
Transfers	-	-	-	-	-	-
Ending plant fund balances	(24,600,693)	(96,231,872)	27,778,447	33,595,871	1,422,190	(58,036,057)
Total fund balances	\$ (32,344,696)	\$ (29,390,329)	\$ 35,872,904	\$ 32,652,107	\$ 2,488,972	\$ 9,278,958

State of Illinois
Northern Illinois University
Auxiliary Enterprises - Debt Financed Projects
Schedule of Indentured Capital Reserves
June 30, 2019
(Unaudited)

Replacement cost of buildings	\$ 836,024,073
Replacement cost of equipment	<u>53,264,273</u>
Total replacement cost of buildings and equipment	<u>\$ 889,288,346</u>
Allowable indentured capital reserves:	
5 percent of total replacement cost of buildings	\$ 41,801,204
20 percent of total replacement cost of equipment	10,652,855
Less actual indentured capital reserve at June 30	<u>-</u>
Margin of compliance	<u>\$ 52,454,059</u>

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

State of Illinois
Northern Illinois University
Calculation Sheet for Current Excess Funds
Educational Activities
June 30, 2019
(Unaudited)

		Continuing Education Contract Courses		Continuing Education and Public Service		Sales and Services of Educational Activities		Student Programs and Services		Totals
1. Current available funds:										
Cash	A.	\$ 4,877,654	\$	10,861,152	\$	7,256,903	\$	-	\$	22,995,709
2. Working capital allowance:										
Highest month's expenditures		283,821		1,177,565		1,294,239		9,160,721		11,916,346
Encumbrances and current										
liabilities paid in lapse period		239,127		1,454,929		1,298,692		39,029,249		42,021,997
Unearned revenue		-		848,214		23,529		5,337,430		6,209,173
Total working capital allowance	B.	<u>522,948</u>		<u>3,480,708</u>		<u>2,616,460</u>		<u>53,527,400</u>		<u>60,147,516</u>
3. Current excess funds:										
Deduct B from A and enter here.	C.	4,354,706		7,380,444		4,640,443		(53,527,400)		(37,151,807)
4. Calculation of income fund remittance:										
An entity may offset excess capital										
or current funds within the entity.										
Enter the amount to be offset, if any,										
here.	D.	<u>(3,547,405)</u>		<u>(1,628,913)</u>		<u>(2,060,602)</u>		<u>(2,181,643)</u>		<u>(9,418,563)</u>
Enter the algebraic sum of C and D										
and remit the amount due, if any, for										
deposit in the income fund.										<u>\$ (46,570,370)</u>
Excess funds offset calculation										
Buildings		\$ 49,394,914	\$	-	\$	-	\$	-	\$	49,394,914
Maximum rate		5%		5%		5%		5%		5%
Building capital offset		<u>2,469,746</u>		<u>-</u>		<u>-</u>		<u>-</u>		<u>2,469,746</u>
Equipment		\$ 5,388,294	\$	8,144,564	\$	10,303,011	\$	10,908,215	\$	34,744,084
Maximum rate		20%		20%		20%		20%		20%
Equipment capital offset		<u>1,077,659</u>		<u>1,628,913</u>		<u>2,060,602</u>		<u>2,181,643</u>		<u>6,948,817</u>
Total excess funds offset		<u>\$ 3,547,405</u>	\$	<u>1,628,913</u>	\$	<u>2,060,602</u>	\$	<u>2,181,643</u>	\$	<u>9,418,563</u>

State of Illinois

Northern Illinois University

Calculation Sheet for Current Excess Funds (continued)

Auxiliary Business Operations

June 30, 2019

(Unaudited)

1.	Current available funds:		
	Add:		
	Cash and cash equivalents		\$ 9,357,904
	Total current available funds	A.	9,357,904
2.	Working capital allowance:		
	Add:		
	Highest month's expenditures		2,097,029
	Encumbrances and current liabilities paid in lapse period		566,882
	Unearned revenue		<u>2,613,399</u>
	Working capital allowance	B.	<u>5,277,310</u>
3.	Current excess funds:		
	Deduct B from A and enter here	C.	4,080,594
4.	Calculation of income fund remittance:		
	An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.		
	Building offset		(390,501)
	Equipment offset		<u>(149,338)</u>
	Total offset	D.	(539,839)
	Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.		<u>\$ 3,540,755</u>

State of Illinois

Northern Illinois University

Calculation Sheet for Current Excess Funds (continued)

Service Departments

June 30, 2019

(Unaudited)

1.	Current available funds:	
	Cash and cash equivalents	A. \$ 13,550,911
2.	Working capital allowance:	
	Highest month's expenditures	11,111,760
	Encumbrances and current liabilities paid in lapse period	13,743,335
	Unearned revenue	<u>-</u>
	Total working capital allowance	B. <u>24,855,095</u>
3.	Current excess funds:	
	Deduct B from A and enter here	C. (11,304,184)
4.	Calculation of income fund remittance:	
	An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.	D. <u>(8,365,357)</u>
	Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<u>\$ (19,669,541)</u>

State of Illinois
Northern Illinois University
Analysis of Indirect Cost Reimbursements (continued)
Sources and Application of Indirect Cost Recoveries
June 30, 2019
(Unaudited)

Balance, beginning of year	\$ (1,040,769)
Sources	
Sales and services of educational activities	17,352
Other sources	368,795
Auxiliary enterprises	411,489
State appropriations - on-behalf payments	<u>329,080</u>
Total sources	<u>1,126,716</u>
Applications	
Research	2,032,821
Instruction	708
Public service	7,719
Academic support	652,862
Operation and maintenance of plant	160,949
Institutional support	215,157
Student aid	<u>19,324</u>
Total applications	<u>3,089,540</u>
Transfers	<u>(269,863)</u>
Net increase (decrease)	<u>(2,232,687)</u>
Balance, end of year	<u><u>\$ (3,273,456)</u></u>

Note 1: In fiscal year 2017, the University began allocating the State's on-behalf payment revenue and offsetting expenses to the departments benefiting from the payments. The University also expanded the number of revenue lines disclosed for added clarity.

State of Illinois

Northern Illinois University

Analysis of Indirect Cost Reimbursements (continued)

Calculation Sheet for Indirect Cost Support Carryforward

June 30, 2019

(Unaudited)

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> -</u>
2.	Allocated reimbursements:	
	Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed: \$3,309,030. Enter 30 percent of this amount.	<u> 992,709</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> 330,903</u>
4.	Encumbrances and current liabilities paid in the lapse period:	
	Enter the amount of:	
	Current liabilities	3,342,558
	Indirect cost carryforward:	
	Enter the total of Items 2, 3, and 4	<u> 4,666,170</u>
	Subtract from Item 1	<u> (4,666,170)</u>
	If a positive number results, enter here and remit for deposit in the Income Fund	<u> \$ (4,666,170)</u>

State of Illinois
Northern Illinois University
Cross-Reference Table of Reporting Requirements
June 30, 2019
(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, 2019, where such special data is found.

Reference Number from T. Loobey's Memorandum Dated July 25, 2000, on <i>University Guidelines</i>	Report and Page Number Where Information is Disclosed Supplementary Information for State Compliance Purposes
13a. Violation of University Guidelines, 1982 as Amended	26
13b. Sources and Application of Indirect Cost Recoveries	60
13c. Calculation Sheet for Indirect Cost Support Carryforward	61
13d. Amount of Tuition Diverted to Auxiliary Enterprise Operations	80
13e. List of Accounting Entity and Description of Sources and Purpose of Revenues	47-48
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Other Financial Related Schedules for Universities

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NIU Vision, Mission, and Values

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

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

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

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

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

Governing Board Priorities/Presidential Goals

The processes associated with university shared governance and resource allocation are most effective, when the institutional mission and the goals of the president are in alignment. Moreover, sharing such goals with the university community encourages a culture of transparency and accountability. In collaboration, the Board and the President used these priorities to establish presidential goals, and associated criteria for success [<https://www.niu.edu/president/priorities/index.shtml>]. These priorities and goals are detailed below. They provided a strategic framework to guide university planning and budget functions in FY2020.

1. Enrollment
 - Execute 2019-23 Strategic Enrollment Management Plan
2. Diversity, Equity and Inclusion
 - Collaborate to close achievement gaps
 - Increase vendor diversity and expenditures under the Business Enterprise Program
 - Increase faculty and staff diversity inclusion
 - Address expressed student concerns to make NIU more welcoming and inclusive for all students
3. Research, Artistry, Innovation and Regional Engagement
 - Collaborate to close achievement gaps
 - Increase vendor diversity and expenditures under the Business Enterprise Program
 - Increase faculty and staff diversity inclusion
 - Address expressed student concerns to make NIU more welcoming and inclusive for all students
4. Key Leadership Initiatives
 - Reimagine Human Resource Services
 - Advance strategic plan/facilities master plan
 - Identify timeline and methodology to support comprehensive fundraising campaign, working in partnership with University Advancement
5. Fiscal Sustainability
 - Execute multi-year budget strategy (remain on path to close structural deficit by 2024)

Strategic Enrollment Management Plan

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

Location, Address, and Head of the University

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

State of Illinois

Northern Illinois University

Analysis of Significant Lapse Period Spending

For the Year Ended June 30, 2019 and 2018

(Unaudited)

	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Education Assistance Fund - 0007				
Personal services	\$ -	\$ -	\$ -	-
Commodities	-	350,578	(350,578)	100%+
Equipment	-	13,080	(13,080)	100%+
Telecommunication services	-	570,563	(570,563)	100%+

Note 1. Public Act 100-0586, which was signed into law on June 4, 2018, provided a lump sum for fiscal year 2019 and allowed timely vouchering of expenditures to the State requiring no lapse spending.

State of Illinois

Northern Illinois University

Analysis of Significant Variations in Account Balances

June 30, 2019 and 2018

(in Thousands)

(Unaudited)

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%:

	2019	2018	Increase (Decrease)	Percent Change	Explanation
Current Assets:					
Cash and cash equivalents	\$ 7,941	\$ 1,388	\$ 6,553	472%	The increase is attributed to timing of maturities/purchases of investments.
Investments	58,550	74,414	(15,864)	-21%	Fiscal 2018 year end investment balances were higher due to timing of the state appropriations. Additionally, several large construction projects in fiscal 2019 resulted in the spend down of investments.
Noncurrent Assets:					
Restricted cash and cash equivalents	14,569	21,407	(6,838)	-32%	The decrease is attributed to timing of maturities/repurchases of investments.
Restricted investments and marketable securities	48,431	42,473	5,958	14%	The increase is attributed to timing of maturities/repurchases of investments.
Current Liabilities:					
Accounts payable and accrued liabilities	46,809	41,742	5,067	12%	The increase is attributed to a significant construction project in process at year-end resulting in higher vendor payable balances.
Noncurrent Liabilities:					
Other post-employment benefits	41,488	48,733	(7,245)	-15%	The OPEB liability is determined annually based on an actuarial calculation and fluctuates from year to year.
Performance contracts payable	25,252	28,194	(2,942)	-10%	The decrease is attributed to scheduled principal payments made on long-term debt.
Deferred Inflow of Resources:					
Other post-employment benefits deferred inflow	10,309	4,732	5,577	118%	Deferred Inflows of Resources are based on an actuarial calculation and fluctuate from year to year.

Note 1: The current assets represent assets that will be used in current operations.

State of Illinois
Northern Illinois University
Analysis of Significant Variations in Revenues
June 30, 2019 and 2018
(in Thousands)
(Unaudited)

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%:

	2019	2018	Increase (Decrease)	Percent Change	Explanation
Tuition and fees, net	\$ 117,278	\$ 104,152	\$ 13,126	13%	The increase is attributed to an increased Scholarship allowance in FY2018 related to two years of MAP funding being reported for FY2018.
Private gifts, grants, and contracts	6,708	4,661	2,047	44%	The increase is attributed to increase in Foundation contributions in FY2019.
State appropriations - general	83,647	124,806	(41,159)	-33%	The decrease is attributed to a portion of the FY2017 general appropriation being received in FY2018 totaling \$43 million.
State appropriations - on-behalf payments	85,415	183,539	(98,124)	-53%	The decrease is attributed to the decrease in the on-behalf benefit allocation for SEGIP.
Net Investment Income	4,856	2,661	2,195	82%	The increase is attributed to an increase in interest income due to higher yields.
State of IL Monetary Award Program (MAP)	20,923	41,479	(20,556)	-50%	The decrease is attributed to two years of MAP funding reported in FY2018.
State appropriations - capital	1,652	8,528	(6,876)	-81%	The decrease is attributed to the completion of renovation work on the Stevens Building in FY2019.

State of Illinois

Northern Illinois University

Analysis of Significant Variations in Expenses

June 30, 2019 and 2018

(in Thousands)

(Unaudited)

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%:

	2019	2018	Increase (Decrease)	Percent Change	Explanation
Instruction	\$ 174,691	\$ 219,256	\$ (44,565)	-20%	The decrease is attributed to the decrease in the on-behalf benefit expenses for SEGIP.
Academic support	36,560	45,887	(9,327)	-20%	The decrease is attributed to the decrease in the on-behalf benefit expenses for SEGIP.
Student services	26,060	31,587	(5,527)	-17%	The decrease is attributed to the decrease in the on-behalf benefit expenses for SEGIP.
Auxiliary enterprises	67,771	83,097	(15,326)	-18%	The decrease is attributed to the decrease in the on-behalf benefit expenses for SEGIP.

State of Illinois
Northern Illinois University
Analysis of Receivables and Inventories
As of June 30, 2019 and 2018
(Unaudited)

	2019	2018	Increase	Percent
	000's	000's	(Decrease)	Change
Receivables				
Accrued interest receivable	\$ 1,115	\$ 957	\$ 158	16.5%
Accounts receivable - net				
Accounts receivable	45,417	47,387	(1,970)	-4.2%
Less allowance for doubtful accounts	<u>(24,180)</u>	<u>(24,462)</u>	<u>282</u>	<u>-1.2%</u>
Total Accounts receivable - net	21,237	22,925	(1,688)	-7.4%
Appropriations receivable from state	549	2,096	(1,547)	-73.8%
Student loans receivable	6,023	7,098	(1,075)	-15.1%
Less allowance for doubtful accounts	<u>(374)</u>	<u>(36)</u>	<u>(338)</u>	<u>938.9%</u>
Net student loans receivable	5,649	7,062	(1,413)	-20.0%
Due from foundations	<u>9,175</u>	<u>7,340</u>	<u>1,835</u>	<u>25.0%</u>
Total accounts receivables	<u>\$ 37,725</u>	<u>\$ 40,380</u>	<u>\$ (2,655)</u>	<u>-6.6%</u>

Note 1: The accounts receivable year-over-year net decrease of \$2.7 million (-6.6%) is primarily attributed to the following: (1) Student receivable decreased \$1.4 million, primarily due to write-off of uncollectible student accounts in FY19. (2) Appropriations receivable from the state decreased \$1.5 million due to completion of the Stevens Building in FY19. (3) Student loans receivable decreased due to collections on outstanding loan balances. (4) The previously mentioned decreases were offset by an increase in the amounts due from foundations of \$1.8 million.

	2019	2018	Increase	Percent
	000's	000's	(Decrease)	Change
Inventories				
Food	\$ 368	\$ 334	\$ 34	10.2%
Books	18	32	(14)	-43.8%
Inventories for resale	1,335	1,331	4	0.3%
Commodities and supplies	46	29	17	58.6%
Other miscellaneous items	<u>5</u>	<u>22</u>	<u>(17)</u>	<u>-77.3%</u>
Total inventories	<u>\$ 1,772</u>	<u>\$ 1,748</u>	<u>\$ 24</u>	<u>1.4%</u>

Note 2: The inventories year-over-year increased \$24.0 thousand (1.4%). Overall inventory balances are comparable with the prior year.

State of Illinois

Northern Illinois University

Interest Costs on Fiscal Year 2019 Invoices

For the Year Ended June 30, 2019

(Unaudited)

Prompt Payment Interest Costs

The University did not incur any prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540). The University's vendors were paid from funds and accounts that are ineligible for prompt payment interest due to vendors under the Act.

State of Illinois

Northern Illinois University

**Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors
For the Year Ended June 30, 2019
(Unaudited)**

Transactions Involving the Illinois Finance Authority

The University and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2019.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the University's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Years 2016, 2017, 2018, and 2019.

State of Illinois

Northern Illinois University

Comparative Employment Statistics

June 30, 2019 and 2018

(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, 2019:									
Appropriated funds:									
Facility/administrative	1,239.9	26.4	27.1	130.0	66.7	88.0	4.3	-	1,582.4
Civil service	260.1	16.5	6.8	148.6	75.4	186.5	59.0	-	752.9
Student employees	34.0	0.2	0.1	13.2	12.9	5.1	2.8	-	68.3
Miscellaneous contracts	9.6	0.8	-	4.1	4.7	5.4	-	-	24.6
	<u>1,543.6</u>	<u>43.9</u>	<u>34.0</u>	<u>295.9</u>	<u>159.7</u>	<u>285.0</u>	<u>66.1</u>	<u>-</u>	<u>2,428.2</u>
Nonappropriated funds:									
Facility/administrative	46.8	93.0	144.6	18.4	99.1	23.1	1.7	31.6	458.3
Civil service	8.0	8.7	33.6	23.4	51.7	87.5	310.8	153.1	676.8
Student employees	7.9	16.8	10.1	4.2	63.0	11.3	5.2	116.5	235.0
Miscellaneous contracts	3.0	15.1	15.9	7.1	4.3	8.7	14.6	14.7	83.4
	<u>65.7</u>	<u>133.6</u>	<u>204.2</u>	<u>53.1</u>	<u>218.1</u>	<u>130.6</u>	<u>332.3</u>	<u>315.9</u>	<u>1,453.5</u>
Total All Funds	1,609.3	177.5	238.2	349.0	377.8	415.6	398.4	315.9	3,881.7
Year ended June 30, 2018:									
Appropriated funds:									
Facility/administrative	1,419.4	22.9	21.8	133.3	87.5	102.8	3.9	-	1,791.6
Civil service	224.4	12.3	9.0	138.7	69.6	174.4	47.6	-	676.0
Student employees	32.7	0.4	0.1	14.7	9.7	4.3	2.9	-	64.8
Miscellaneous contracts	8.9	0.6	-	3.0	6.1	7.1	-	-	25.7
	<u>1,685.4</u>	<u>36.2</u>	<u>30.9</u>	<u>289.7</u>	<u>172.9</u>	<u>288.6</u>	<u>54.4</u>	<u>-</u>	<u>2,558.1</u>
Nonappropriated funds:									
Facility/administrative	71.3	92.3	145.6	29.3	105.8	26.1	2.2	34.8	507.4
Civil service	8.7	7.6	21.9	16.7	61.3	96.5	312.1	176.2	701.0
Student employees	9.9	14.8	8.8	2.8	77.9	11.7	5.3	132.5	263.7
Miscellaneous contracts	4.3	11.9	11.3	6.7	3.2	6.9	15.3	25.6	85.2
	<u>94.2</u>	<u>126.6</u>	<u>187.6</u>	<u>55.5</u>	<u>248.2</u>	<u>141.2</u>	<u>334.9</u>	<u>369.1</u>	<u>1,557.3</u>
Total All Funds	1,779.6	162.8	218.5	345.2	421.1	429.8	389.3	369.1	4,115.4

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

State of Illinois
Northern Illinois University
Annual Cost Statistics
June 30, 2019 and 2018
(Unaudited)

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

	<u>2019</u>		<u>2018</u>
Total education and general expenses /expenditures from current appropriated funds	\$ 83,647,023 *		\$ 124,805,500 *
Expenses /expenditures from locally held University Income Fund	<u>142,804,641</u>		<u>98,792,596</u>
Total expenses from current appropriated and locally held funds	226,451,664		223,598,096
Twelve month full-time equivalent (FTE) students	÷ <u>14,722</u> **	÷	<u>15,483</u> **
COST PER FULL-TIME EQUIVALENT STUDENT	<u>\$ 15,382</u>		<u>\$ 14,442</u>

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

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

State of Illinois
Northern Illinois University
Emergency Purchases
For the Year Ended June 30, 2019
(Unaudited)

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

Frontier North, Inc. – Actual Cost: \$67,591.33

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

ConvergeOne Systems Integration, Inc. – Actual Cost: \$55,000.00

This emergency purchase was required due to a situation in which immediate action was needed to prevent any disruption in University services. The University awarded a contract for support and maintenance of Campus Telephone System.

ConvergeOne Systems Integration, Inc. – Actual Cost: \$214,494.24

This emergency purchase was required due to a situation in which immediate action was needed to prevent any disruption in University services. The University awarded a contract for support and maintenance of Campus Telephone System.

State of Illinois
Northern Illinois University
Comparative Enrollment Statistics
June 30, 2019
(Unaudited)

	On Campus		Off Campus		Totals	
	FY 2019	FY 2018	FY 2019	FY 2018	FY 2019	FY 2018
Undergraduate						
Summer	2,344	2,615	422	424	2,766	3,039
Fall	12,479	13,139	309	315	12,788	13,454
Spring	11,181	12,002	334	336	11,515	12,338
Undergraduate Total	26,004	27,756	1,065	1,075	27,069	28,831
Graduate						
Summer	1,464	1,629	1,105	1,209	2,569	2,838
Fall	2,717	2,960	1,404	1,359	4,121	4,319
Spring	2,650	2,789	1,351	1,293	4,001	4,082
Graduate Total	6,831	7,378	3,860	3,861	10,691	11,239
Professional						
Summer	82	75	1	3	83	78
Fall	259	269	1	-	260	269
Spring	239	253	-	-	239	253
Professional Total	580	597	2	3	582	600
Total	33,415	35,731	4,927	4,939	38,342	40,670

Note:

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

Full-time Equivalent Enrollment, All Students

	FY 2019	FY 2018
Undergraduate	10,984	11,601
Graduate	2,795	2,751
Total	13,779	14,352

Note:

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

Degrees Awarded

	FY 2019	FY2018
Bachelors	3,440	3,502
Masters	1,371	1,406
Law--J.D.	85	77
Doctorate	152	159
	5,048	5,144

Note:

1. FY 2019 includes Summer 2018, Fall 2018 and Spring 2019.
 2. FY 2018 includes Summer 2017, Fall 2017 and Spring 2018.
- * Information 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, 2019

(In Thousands)

(Unaudited)

	Tuition Waivers			Fee Waivers		
	Undergraduate	Graduate	Total	Undergraduate	Graduate	Total
Mandatory waivers:						
Teacher/special education	592.4	55.1	647.5	207.1	1.3	208.4
ROTC	229.0	-	229.0	2.0	-	2.0
DCFS	212.0	-	212.0	27.6	-	27.6
Children of employees	611.0	-	611.0	-	-	-
Senior citizens	25.1	6.8	31.9	-	-	-
Veterans grants and scholarships	1,626.1	904.9	2,531.0	219.4	16.1	235.5
Mandatory waivers total	3,295.6	966.8	4,262.4	456.1	17.4	473.5
Discretionary waivers:						
Faculty/administrative	7.6	456.6	464.2	2.6	-	2.6
Civil service	252.4	411.1	663.5	74.8	-	74.8
Academic/other talent	1,437.4	1,729.2	3,166.6	-	-	-
Athletic	1,576.5	-	1,576.5	-	-	-
Gender equity in intercollegiate athletics	1,423.4	-	1,423.4	-	-	-
Foreign students	-	180.5	180.5	-	-	-
Cooperating professionals	27.8	880.7	908.5	-	-	-
Research assistants	-	3,480.4	3,480.4	-	-	-
Teaching assistants	-	6,795.3	6,795.3	-	-	-
Interinstitutional/related agencies	39.1	103.4	142.5	-	-	-
Retired university employees	3.1	27.5	30.6	0.9	-	0.9
Children of deceased employees	-	-	-	-	-	-
Student need - financial aid	9.5	-	9.5	-	-	-
Student need - special programs	-	12.1	12.1	-	-	-
Other assistants	45.3	1,424.7	1,470.0	-	-	-
Fellowships	-	39.1	39.1	-	-	-
Contract/training grants	33.8	175.5	209.3	7.9	-	7.9
Discretionary waivers total	4,855.9	15,716.1	20,572.0	86.2	-	86.2
Grand Total	8,151.5	16,682.9	24,834.4	542.3	17.4	559.7

State of Illinois

Northern Illinois University

Debt Financed by University-Related Organization

For the Year Ended June 30, 2019

(Unaudited)

The Northern Illinois University Foundation issued bonds in connection with the construction of the Kenneth and Ellen Chessick Practice Center. At June 30, 2019, the amount of outstanding bonds were \$758,540. The bonds were issued at an interest rate of 1.62% and are due March 2021. An 89-month operating lease with the University secured these bonds.

The Northern Illinois Research Foundation has issued a \$200,000 note payable for the acquisition of EIGERlab. The note was issued at an interest rate of 4% with monthly payments to be made until December 2019. This note was paid in full in fiscal year 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, 2019
(Unaudited)**

During fiscal year 2019, 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, 2019
(Unaudited)

Contracted/rents to students/University operated	Contracted
Contractor	Follett Corporation
Contract term	May 15, 2018 through April 30, 2025
Amount of gross sales for Bookstore in FY2019	\$1,942,430.80
Amount (if any) to be paid to Bookstore for FY2019 by University	\$195,468.35
Commissions	\$164,150.56
Commission terms	8.5% of Commissionable Sales
Given exclusive rights	Yes
Competition/"other" nearby/on-campus bookstores	Yes

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 \$15,878,549 and \$15,384,114 for the years ended June 30, 2019 and June 30, 2018, 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, 2019.

UNIVERSITY RELATED ORGANIZATIONS

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

COMMENTS ON OTHER TOPICS

1. Income from investments of pooled funds is allocated and credited monthly to the original sources of the funds based on their respective cash balances.
2. In April 2014, the University issued Certificates of Participation (Capital Improvement Projects) in the amount of \$11,975,000 at a premium of \$1,140,000. The proceeds were used to refinance a 113,000 square foot facility located on the campus of and for the use of Northern Illinois University by redeeming all of the Illinois Development Finance Authority Lease Revenue Bonds (Northern Illinois Naperville Project) Series 1999 in the amount of \$11,630,000 and prepaying an Installment Payment Contract between the Board and Energy Systems Group, LLC in the amount of \$1,182,000. This resulted in approximate savings of \$916,000 in future debt service payments on the old debt. The Series 2014 COPs are payable through installments that commenced in 2015, for a period of eleven years. The interest is 4%-5%; the principal balance at June 30, 2019 is \$7,845,000.

State of Illinois
Northern Illinois University
Summary of Foundation Payments
On Behalf of the University
For the Year Ended June 30, 2019
(Unaudited)

During fiscal year 2019, the University engaged the Foundation, under contract, to provide fundraising services. As provided in the contract agreement, the University paid \$743,600 for fundraising services. Additionally, the University provided services to the Foundation valued at \$676,658. As required by the contract, the Foundation fully repaid the University for the services provided; using funds considered unrestricted for purpose of the University Guidelines computations.

Presented below is a summary of all funds that the Foundation provided on behalf of the University during fiscal year 2019:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Program Services				
Scholarships	\$ 3,308,710	\$ -	\$ -	\$ 3,308,710
University Departments and Programs	5,485,592	-	-	5,485,592
Total Program Services	<u>8,794,302</u>	-	-	<u>8,794,302</u>
Foundation Operations				
Management and General Expenses	1,025,522	-	-	1,025,522
Fundraising Expenses	1,541,211	-	-	1,541,211
Total Foundation Operations	<u>2,566,733</u>	-	-	<u>2,566,733</u>
Total funds provided on behalf of the University by the Foundation	<u>\$ 11,361,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,361,035</u>

State of Illinois
Northern Illinois University
Summary of Alumni Association Payments
On Behalf of the University
For the Year Ended June 30, 2019
(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 did not make any contributions during 2019. There were no amounts paid by the University to the Alumni Association.

Presented below is a summary of all funds that the Association provided on behalf of the University during fiscal year 2019:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Program Services				
Scholarships	\$ 33,250	\$ -	\$ -	\$ 33,250
Events/Programs	426,314	-	-	426,314
Travel Programs	1,031,784	-	-	1,031,784
Total Program Services	<u>1,491,348</u>	-	-	<u>1,491,348</u>
Alumni Association Operations				
Management and General Expenses	333,874	-	-	333,874
Total Foundation Operations	<u>333,874</u>	-	-	<u>333,874</u>
Total funds provided on behalf of the University by the Alumni Association	<u>\$ 1,825,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,825,222</u>

State of Illinois

Northern Illinois University

Summary of Research Foundation Payments

On Behalf of the University

For the Year Ended June 30, 2019

(Unaudited)

During fiscal year 2019, 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. Presented below is a summary of all funds that the Research Foundation provided on behalf of the University during fiscal year 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Total Program Services	\$ 947,831	\$ -	\$ 947,831
Total Support Services	227,922	-	227,922
Total funds provided on behalf of the University by the Research Foundation	<u>\$ 1,175,753</u>	<u>\$ -</u>	<u>\$ 1,175,753</u>

State of Illinois
Northern Illinois University
Current Unrestricted Funds - Auxiliary Enterprises -
Debt Financed Projects - Occupancy Report
of Residence Halls
For the Year Ended June 30, 2019
(Unaudited)

Student Residence Hall	Designed Capacity	Fall Semester Occupancy	Spring Semester Occupancy	Average Occupancy
Neptune Complex	1,138	584	524	554
Gilbert Hall	280	204	193	199
Northern View	239	215	202	209
Grant Towers	1,660	564	493	529
Stevenson Towers	1,280	1,056	894	975
New Hall	1,008	965	918	942
Total Residence Halls	5,605	3,588	3,224	3,408

Student Residence Hall	Rates			
	Single	Double	Suite w/Bath	Suite w/o Bath
Neptune Complex ^{1,2}	\$ 11,550	\$ 9,784	\$ -	\$ -
Gilbert Hall ^{1,2}	12,646	10,880	-	-
Northern View ^{1,2}	11,259	10,098	-	-
Grant Towers ^{1,2}	12,646	10,880	-	-
Stevenson Towers ^{1,2}	12,646	10,880	10,880	10,880
New Hall ^{1,2,3}	13,544	-	-	-

1. Assumes 9-month occupancy rate
2. Price includes a 21 meal-per-week plan
3. New Hall is quoted at the single rate since residents each have their own room.

State of Illinois

Northern Illinois University

Current Unrestricted Funds - Auxiliary Enterprises -

Debt Financed Projects - Insured Value Summary

For the Year Ended June 30, 2019

(Unaudited)

The University obtains its property insurance, including boiler and machinery, through the Midwestern Higher Education Compact's Master Property Program (MHEC MPP). This program provides comprehensive property coverage that is tailored specifically for college campuses while reducing cost and risk for the college's assets. The University purchases limits of \$1 billion in layers: the first layer provides \$100 million in individual limits and the next two layers provide a total of \$900 million 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 Bonds.

	<u>Insured Value</u>		
	<u>Building</u>	<u>Contents</u>	<u>Business Interruption</u>
Total:	<u>\$ 646,244,033</u>	<u>\$ 35,718,537</u>	<u>\$ 45,731,377</u>

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor. | CliftonLarsonAllen LLP

