

Chicago State University

A COMPONENT UNIT OF THE
STATE OF ILLINOIS

FEDERAL SINGLE AUDIT

In Accordance with the
Single Audit Act and
Applicable Federal Regulations

FOR THE YEAR ENDED
JUNE 30, 2022

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
University Officials	1
Compliance Report	
Summary	3
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, and the Schedule of Federal and Nonfederal Financial Activity	8
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results	13
Current Findings - <i>Government Auditing Standards</i>	14
Current Findings - Federal Compliance and Questioned Costs	19
Prior Findings Not Repeated	27
Supplementary Information	
Schedule of Expenditures of Federal Awards	28
Notes to the Schedule of Expenditures of Federal Awards	30
Schedule of Federal and Nonfederal Financial Activity	32
Other Reports Issued Under a Separate Cover	
The Chicago State University’s <i>Financial Audit and State Compliance Examination</i> for the year ended June 30, 2022, were issued under separate covers.	

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
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For the Year Ended June 30, 2022

UNIVERSITY OFFICIALS

President	Ms. Zaldwaynaka Scott, Esq.
Chief of Staff	Mr. Kim Tran
Interim Provost and V.P. for Academic Affairs	Dr. Leslie Roundtree
General Counsel, Chief Compliance Officer & V.P. of Legal Affairs (06/01/22 – Present)	Mr. Jason Carter
Interim General Counsel, Chief Compliance Officer & V.P. of Legal Affairs (07/01/21 – 07/15/22)	Mr. Walter Pryor
Interim CFO & V.P. of Financial Operations (10/24/22 – Present)	Mr. Dennis Stark
CFO & V.P. of Financial Operations (10/08/22 – 10/23/22)	Vacant
CFO & V.P. of Financial Operations (07/01/21 – 10/07/22)	Mr. Craig Duetsch
Executive Director/Controller	Ms. Rona Lagdamen, CPA
Chief Internal Auditor (10/17/22 – Present)	Mr. Stetson Marshall
Chief Internal Auditor (06/18/22 – 10/16/22)	Vacant
Chief Internal Auditor (07/01/21 – 06/17/22)	Ms. Natalie Covello

BOARD OF TRUSTEES

Chair	Ms. Andrea Zopp, Esq.
Vice Chair (01/01/22 – Present)	Mr. Mark Schneider, Esq.
Vice Chair (07/01/21 – 12/31/21)	Vacant
Secretary (01/01/22 – Present)	Ms. Angelique David
Secretary (07/01/21 – 12/31/21)	Mr. Mark Schneider, Esq.
Member	Mr. Brian Clay, M.D.
Member (03/28/22 – Present)	Mr. Jason Quiara
Member (01/01/22 – 03/27/22)	Vacant
Member (07/30/21 – 12/31/21)	Ms. Angelique David
Member (07/01/21 – 07/29/21)	Vacant
Member (09/08/21 – Present)	Mr. Cory Thames
Member (07/01/21 – 09/07/21)	Vacant
Member (03/28/22 – Present)	Ms. Cheryl Watkins
Member (11/01/21 – 03/27/22)	Vacant
Member (07/01/21 – 10/31/21)	Mr. Louis Carr
Student Member (07/01/21 – Present)	Ms. Essence Smart

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

UNIVERSITY OFFICE

The University's primary administrative office is located at:

9501 S. King Drive
Chicago, Illinois 60628

CHICAGO STATE UNIVERSITY
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FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

FEDERAL COMPLIANCE REPORT

SUMMARY

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

AUDITOR’S REPORT

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

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Reports</u>
Findings	6	5
Repeated Findings	3	5
Prior Recommendations Implemented or Not Repeated	2	1

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Government Auditing Standards				
2022-001	14	2021/2020	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance
2022-002	17	2021/2020	Weaknesses over Computer Security	Significant Deficiency and Noncompliance

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings - Federal Compliance and Questioned Costs				
2022-003	19	New	Failure to Obtain Student Verification Documents	Significant Deficiency and Noncompliance
2022-004	21	New	Noncompliance with Special Tests and Provisions – Student Financial Aid Information Security	Significant Deficiency and Noncompliance
2022-005	23	New	Failure to Notify Students Upon Disbursement of Funds	Significant Deficiency and Noncompliance
2022-006	25	2021/2020	Lack of Adherence to Controls and Noncompliance with Requirement Applicable to the Education Stabilization Fund	Significant Deficiency and Noncompliance
Prior Findings Not Repeated				
A	27	2021/2020	Change Control Weaknesses	
B	27	2021/2020	Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards	

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Mr. Stetson Marshall, Chief Internal Auditor, on January 23, 2023 to discuss findings 2022-001 and 2022-02. The responses to the recommendations were provided by Mr. Stetson Marshall, Chief Internal Auditor, in a correspondence dated February 1, 2023.

The remaining findings and recommendations appearing in this report were discussed with the University personnel at an exit conference on March 16, 2023.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2022

EXIT CONFERENCE (CONTINUED)

Attending were:

Chicago State University

Ms. Zaldwanayka Scott, Esq., President

Ms. Aspen Clemons, Deputy Chief of Staff, Office of the President

Mr. Dennis Stark, Interim CFO and V.P. of Financial Operations

Mr. Stetson Marshall, Chief Internal Auditor

Ms. Robin M. Hawkins, Esq., Associate V.P. and Senior Associate General Counsel

Ms. Freda Richmond, Associate Director of Compliance and Risk Management

Office of the Auditor General

Mr. Reddy Bommareddi, CPA, CISA, Senior Audit Manager

Roth & Co, LLP

Ms. Marites Sy, CPA, CIA, CISA, CGMA, Partner

Ms. Ivory Pineda, CPA, Manager

The responses to these recommendations were provided by Mr. Stetson Marshall, Chief Internal Auditor, in correspondences dated March 21, 2023.



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Chicago State University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, fiduciary activities, and the discretely presented component unit of the Chicago State University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 3, 2023. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters of the Chicago State Foundation, a component unit of the University, associated with this component unit that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings as items 2022-001 and 2022-002, we identified certain deficiencies in internal control that we consider to be a material weakness and a significant deficiency.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as item 2022-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as item 2022-002 to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings as items 2022-001 and 2022-002.

University's Responses to the Findings

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

Purpose of this Report

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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 3, 2023





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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Chicago State University

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by the Chicago State University (University) with the types of compliance requirements 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, 2022. The University's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on compliance

for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The University's basic financial statements include the operations of Chicago State Foundation, which is not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2022. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the Chicago State Foundation because we decided to not assume responsibility for, and accordingly make reference to, the audit of the component auditor in our *Independent Auditor's Report* on the University's financial statements.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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



- obtain an understanding of the University’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

Instances of Noncompliance

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003 through 2022-006. Our opinion on each major federal program is not modified with respect to these matters.

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

Corrective Action Plan

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

Report on Internal Control Over Compliance

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

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



compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003 through 2022-006 to be significant deficiencies.

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

Internal Control Findings

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

Corrective Action Plan

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

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

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

We have audited the financial statements of the business-type activities, the fiduciary activities, and the discretely presented component unit of the University as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon, dated February 3, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. In addition, the accompanying Schedule of Federal and Nonfederal Financial Activity is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements



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

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 21, 2023



CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2022

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

Assistance Listing Numbers	Name of Federal Program or Cluster
84.007, 84.033, 84.038, 84.063, 84.268, 84.379, and 93.925	Student Financial Aid Assistance Cluster
84.425C, 84.425E, 84.425F, and 84.425L	COVID-19 Higher Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs: \$1,196,463

Auditee qualified as a low-risk auditee? Yes No

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Government Auditing Standards

2022-001. **FINDING** Inadequate Internal Controls over Census Data

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

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

We noted the University's employees are members of the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Additionally, CMS' actuary uses census data for employees of the State's public universities provided by SURS, along with census data for the other participating members provided by the State's four other pensions plans, to prepare their projection of the liabilities of CMS' plan. Finally, SURS' actuary and CMS' actuary used census data transmitted by the University during Fiscal Year 2020 to project pension and OPEB-related balances and activity at the plans during Fiscal Year 2021, which is incorporated into the University's Fiscal Year 2022 financial statements.

During testing, we noted the following:

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Government Auditing Standards (Continued)

2022-001. **FINDING** Inadequate Internal Controls over Census Data (Continued)

census data records and reconcile these changes back to the University's internal supporting records.

- During our cut-off testing of data transmitted by the University to SURS, we noted 16 instances of an active employee becoming inactive were reported to SURS after the close of the fiscal year in which the event occurred.
- The University did not timely notify SURS of the re-employment of one of four (25%) annuitants tested. The University notified SURS 123 days late.

We provided SURS' actuary and CMS' actuary with the exceptions we identified during our testing, along with the results of census data testing at the State Employees Retirement System of Illinois, and determined the net effect of these errors, along with the errors of other plan participants, was immaterial to SURS' and CMS' pension and OPEB-related balances and activity at the plans during Fiscal Year 2021.

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

In addition, the Illinois Pension Code (40 ILCS 5/15-139.5) (Code) requires an employer who employs or re-employs a person receiving a retirement annuity from the System in an academic year beginning on or after August 1, 2013 to notify the System of that employment within 60 days after employing the annuitant.

University management indicated the University continued to rely on manual reconciliation processes which were not fully adequate to ensure accuracy and consistency among SURS, CMS, and the records retained at the University. In addition, University management indicated the untimely notification was due to substantial employee turnover which impacted the flow of information between the University and SURS.

Failure to ensure complete and accurate census data was reported to SURS reduces the overall reliability of pension and OPEB-related balances and activity reported in the University's financial statements, the financial statements of other employers within both plans, and the State of Illinois' Annual Comprehensive Financial Report. In addition, failure to timely notify SURS of the re-employment of the annuitant results

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Government Auditing Standards (Continued)

2022-001. **FINDING** Inadequate Internal Controls over Census Data (Continued)

in noncompliance with the Code and could result in a misstatement to the University's financial statements. (Finding Code No. 2022-001, 2021-003, 2020-003)

RECOMMENDATION

We recommend the University continue to work with SURS to complete the base year reconciliation of Fiscal Year 2021 active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

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

UNIVERSITY RESPONSE

The University agrees with the finding and recommendation and has been working with SURS to develop a reconciliation process.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Government Auditing Standards (Continued)

2022-002. **FINDING** Weaknesses over Computer Security

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

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

- Separated employees continued to have access to the University’s environment.
- Weaknesses over data center physical security.
- Weaknesses over network configurations and recovery.
- Information Technology (IT) infrastructure was not secured properly.

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

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology (NIST), Access Control section, requires timely termination of access rights; System and Information Integrity section requires implementation of security protection mechanisms; Physical and Environmental Protection section, requires adequate physical security; and System and Services Acquisition section requires a properly secured infrastructure.

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

University management indicated the issues were due to resource constraints and not having an IT Security Officer.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Government Auditing Standards (Continued)

2022-002. **FINDING** Weaknesses over Computer Security (Continued)

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

RECOMMENDATION

We recommend the University:

- Ensure timely deactivation of separated users' access.
- Ensure adequate physical security over the data center.
- Ensure network configurations are adequately maintained, implemented, and able to be recovered.
- Ensure the IT infrastructure is properly secured.

UNIVERSITY RESPONSE

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Federal Compliance and Questioned Costs

2022-003. **FINDING** Failure to Obtain Student Verification Documents

Federal Agency:	U.S. Department of Education
Assistance Listing Numbers:	84.063; 84.268
Program Names:	Student Financial Assistance Cluster - Federal Pell Grant Program Federal Direct Student Loans
Program Expenditures:	\$4,213,853; \$20,166,174
Award Numbers:	P063P211351; P268K221351
Questioned Costs:	None

The Chicago State University (University) did not obtain and review student verification documents.

For Academic Year 2021-2022, the Department of Education waived the verification of most Free Application for Federal Student Aid (FAFSA) information, except for Identity/Statement of Educational Purpose and High School Completion Status. During testing of 25 students selected for verification, we noted the University did not obtain supporting documentation to verify the identity of two (8%) students. The sample methods used in performing this testing were not statistically valid.

The Federal Student Aid Publication (GEN-21-05) – *Changes to 2021-2022 Verification Requirements*, dated July 13, 2021, waived verification of information of students applying for financial assistance except for verification of documents for Identity/Statement of Educational Purpose and High School Completion Status of certain verification groups.

Additionally, the Uniform Guidance (2 CFR § 200.303) requires nonfederal entities receiving federal awards to establish and maintain effective internal control designed to reasonably ensure compliance with federal laws, statutes, regulations, and the terms and conditions of the federal award.

University management indicated the failure to obtain verification documents was due to oversight.

Failure to obtain verification documents in accordance with federal regulations may result in students receiving awards for which they are ineligible and the University incurring unallowable costs. (Finding Code No. 2022-003)

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

2022-003. **FINDING** Failure to Obtain Student Verification Documents (Continued)

RECOMMENDATION

We recommend the University ensure student verification documents are obtained, reviewed, and maintained.

UNIVERSITY RESPONSE

The University agrees with the finding and is developing a corrective action plan for implementation.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Federal Compliance and Questioned Costs (Continued)

2022-004.	<u>FINDING</u>	Noncompliance with Special Tests and Provisions – Student Financial Aid Information Security
Federal Agency:		U.S. Department of Education
Assistance Listing Numbers:		84.007; 84.033; 84.038; 84.063; 84.268; 84.379; 93.925
Program Names:		Student Financial Assistance Cluster - Federal Supplemental Educational Opportunity Grants Federal Work-Study Program Federal Perkins Loan Program Federal Pell Grant Program Federal Direct Student Loans Teacher Education Assistance for College and Higher Education Grants Scholarships for Health Professions Students from Disadvantaged Background
Program Expenditures:		\$359,412; \$432,302; \$1,264,604; \$4,213,853; \$20,166,174; \$26,878; \$860,306
Award Numbers:		P007A221121; P033A221121; P063P211351; P268K221351; P379T221351
Questioned Costs:		None

The Chicago State University (University) did not perform risk assessment procedures and document safeguards for each risk identified in relation to student financial aid information.

According to the University’s Program Participation Agreement with the Department of Education, the University is required to protect student financial aid information. During our testing, we noted the University had not conducted a risk assessment identifying internal and external risks to the security, confidentiality, and integrity of student information.

The Standards for Safeguarding Customer Information, required by the Gramm-Leach-Bliley Act (GLBA) (16 CFR § 314.4 (b)), require the University to identify reasonable foreseeable internal and external risks to the security, confidentiality, and integrity of student information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks. At a minimum, such a risk assessment should include consideration of risk in each relevant area of operations, including:

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

2022-004. **FINDING** Noncompliance with Special Tests and Provisions – Student Financial Aid Information Security (Continued)

- (1) Employee training and management;
- (2) Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and
- (3) Detecting, preventing and responding to attacks, intrusions, or other system failures.

Additionally, the Uniform Guidance (2 CFR § 200.303) requires nonfederal entities receiving federal awards to establish and maintain effective internal control designed to reasonably ensure compliance with federal laws, statutes, regulations, and the terms and conditions of the federal award.

In addition, the Framework for Improving Critical Infrastructure Cybersecurity published by the National Institute of Standards and Technology (NIST) requires entities to perform a risk assessment and establish a risk mitigation plan to minimize identified risks.

University management indicated the issues were due to the vacancy of an Information Technology Security Officer position.

Without a risk assessment, the University is at risk of noncompliance with the GLBA. In addition, the University's systems and information could be vulnerable to attacks or intrusions, and these attacks may not be detected in a timely manner. (Finding Code No. 2022-004)

RECOMMENDATION

We recommend the University strengthen controls to ensure adequate risk assessment procedures are performed and documentation of safeguards for each risk identified in relation to student information security is maintained.

UNIVERSITY RESPONSE

The University agrees with the finding and is developing a corrective action plan for implementation.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Federal Compliance and Questioned Costs (Continued)

2022-005. **FINDING** Failure to Notify Students Upon Disbursement of Funds

Federal Agency:	U.S. Department of Education
Assistance Listing Numbers:	84.268; 84.379
Program Names:	Student Financial Assistance Cluster - Federal Direct Student Loans Teacher Education Assistance for College and Higher Education Grants
Program Expenditures:	\$20,166,174; \$26,878
Award Number:	P268K221351
Questioned Costs:	None

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

During testing of nine students, who received Teacher Education Assistance for College and Higher Education Grants (TEACH) totaling \$21,220, we noted six (67%) students with grant disbursements totaling \$16,505 were not notified by the University indicating the funds were credited to the students' accounts. The sample methods used in performing this testing were not statistically valid.

In addition, during testing of 25 students, who received Federal Direct Student Loans totaling \$447,363, we noted 25 (100%) students were not notified by the University indicating the funds were credited to the students' accounts. The sample methods used in performing this testing were not statistically valid.

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

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

University management indicated the failure to timely notify students upon disbursements of TEACH grants and Direct Loans was due to resource constraints.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

2022-005. **FINDING** Failure to Notify Students Upon Disbursement (Continued)

Failure to timely notify students upon disbursement of funds resulted in noncompliance with the Code. (Finding Code No. 2022-005)

RECOMMENDATION

We recommend the University strengthen controls to ensure timely notification is sent to students upon disbursement of grant funds and loans.

UNIVERSITY RESPONSE

The University agrees with the finding and has begun implementing a corrective action plan.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Current Findings - Federal Compliance and Questioned Costs (Continued)

2022-006. **FINDING** Lack of Adherence to Controls and Noncompliance with Requirement Applicable to the Education Stabilization Fund

Federal Agency:	U.S. Department of Education
Assistance Listing Numbers:	84.425E; 84.425F; 84.425L
Program Names:	Higher Education Stabilization Fund - COVID-19 - Higher Education Emergency Relief Fund - Student Aid Portion COVID-19 - Higher Education Emergency Relief Fund - Institutional Portion COVID-19 - Higher Education Emergency Relief Fund - Minority Serving Institutions
Program Expenditures:	\$4,008,386; \$3,338,668; \$436,450
Award Numbers:	425E201661; P425F201393; P425L200359
Questioned Costs:	None

The Chicago State University (University) did not utilize the updated quarterly reporting form to report its Higher Education Emergency Relief Fund (HEERF) student and institutional aid awards.

During testing, we noted one of four (25%) quarterly reporting forms utilized for reporting HEERF awards was outdated. As such, the information reported by the University did not include certain data required by the Department of Education.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted into Public Law 116-136. Section 18004(a)(1) of the CARES Act established the HEERF I program which authorizes the Secretary of Education (Secretary) to allocate funding to eligible institutions of higher education to prevent, prepare for, and respond to the coronavirus pandemic (COVID-19). Subsequently, additional grants from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and the American Rescue Plan Act of 2021 (ARP) were received, establishing the HEERF II and HEERF III programs, respectively, to continuously support public and non-profit institutions and students.

Under the CARES, CRRSSA, and ARP Acts, an institution is required to complete and post on its website a quarterly and annual report of its HEERF grant expenditures using the form designed by the Department of Education to help ensure funding transparency and public accountability.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

2022-006. **FINDING** Lack of Adherence to Controls and Noncompliance with Requirement
Applicable to the Education Stabilization Fund (Continued)

The *Higher Education Emergency Relief Fund III Frequently Asked Questions, Question 36*, published by the Department of Education, requires the University to utilize the new quarterly reporting form beginning June 30, 2022, reporting period. The new quarterly reporting form includes new reporting categories on mental health spending, HEERF (a)(2) construction flexibilities, and lost revenue and combines the separate institutional and student reporting requirement.

The Code of Federal Regulations (Code) (2 CFR § 200.303) requires the University to establish and maintain effective internal control over the federal award to provide reasonable assurance the University is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. Effective internal controls should include procedures to ensure compliance with grant reporting requirements.

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

University management indicated the failure to use the correct reporting form was due to lack of coordination between staff involved in the reporting process.

Failure to comply with the grant reporting requirements of the HEERF programs results in noncompliance with the CARES, CRRSAA, and ARP Acts, grant agreements, and the Code. (Finding Code No. 2022-006, 2021-004, 2020-005)

RECOMMENDATION

We recommend the University strengthen its controls to ensure updated forms are used to report its HEERF student and institutional aid awards.

UNIVERSITY RESPONSE

The University agrees with the finding and has implemented a corrective action plan to improve internal controls related to posting of HEERF reports and submission of the Governor's Emergency Education Relief Fund reports.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

Prior Findings Not Repeated

A. **FINDING** Change Control Weaknesses

During the prior year, the Chicago State University (University) had weakness over change management.

During the current year, our sample testing noted the University improved its controls over change management. The exceptions identified were not considered to be financially significant, thus were reported in the University's State Compliance Examination Report. (Finding Code No. 2021-002, 2020-002)

B. **FINDING** Inadequate Controls Over the Preparation of the Schedule of Expenditures of Federal Awards

During the prior year, the University did not have adequate controls to ensure the Schedule of Expenditures of Federal Awards (SEFA) was accurately prepared.

During the current year, the University strengthened their controls over the preparation of SEFA. Our testing of the University's SEFA did not identify any exceptions. (Finding Code No. 2021-005, 2020-006)

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program/Grant Title	Assistance Listing Number	Pass-Through Entity Identifying Number	FY 2022 Expenditures	Passed-Through to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Educational Opportunity Grants	(M) 84.007		\$ 359,412	\$ -
Federal Work Study Program	(M) 84.033		432,302	-
Federal Perkins Loan Program (Note 2)	(M) 84.038		1,264,604	-
Federal Pell Grant Program	(M) 84.063		4,213,853	-
Federal Direct Student Loans (Note 3)	(M) 84.268		20,166,174	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	(M) 84.379		26,878	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 26,463,223	\$ -
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
Scholarships for Health Professions Students from Disadvantaged Backgrounds <i>Scholarships for Disadvantaged Students</i>	(M) 93.925		\$ 860,306	\$ -
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ 860,306	\$ -
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			\$ 27,323,529	\$ -
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Aeronautics				
Passed-Through University of Illinois at Urbana-Champaign <i>Development of the Cryogenic Hydrogen-Energy Electric Transport Aircraft (CHEETA) Design Concept</i>	43.002	80NSSC19M0125	\$ 22,157	\$ -
Office of Stem Engagement (OSTEM)				
Passed-Through University of Illinois at Urbana-Champaign <i>Illinois Space Grant</i>	43.008	NNX154A105H	18,650	-
<i>Illinois Space Grant Consortium</i>	43.008	80NSSC20M0046	31,059	-
TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			\$ 71,866	\$ -
<u>NATIONAL SCIENCE FOUNDATION</u>				
Mathematical & Physical Sciences				
<i>Collaborative Research: Access Expansion: Growing a Network of Equity- Focused Programs in the Physical Sciences</i>				
<i>RUI: Heavy Ion Physics in ALICE at LHC</i>	47.049		\$ 10,109	\$ -
<i>RUI: Collaboration for Studies of Cosmic Ray Muon Radiation and its Application to Archaeometry</i>	47.049		35,040	-
<i>RUI: Studies of Relativistic Heavy Ions Collisions in ALICE at LHC</i>	47.049		77,603	-
<i>Intergovernmental Personnel Act Assignment</i>	47.049		61,941	-
Passed-Through University of Chicago <i>QLCI-CI NSF Quantum Leap Challenge Institute for Quantum Sensing in Biophysics and Bioengineering - QUBBE</i>	47.049	0MA-212104	82,227	-
			275,868	-
Computer and Information Science and Engineering				
<i>Collaborative Research:HDR DSC: the Metropolitan Chicago Data Science Corps (MCDC): Learning from Data to Support Communities</i>				
	47.070		2,482	-
Biological Sciences				
<i>Digitization PEN: Functional Quantitative Characters for Ecology and Evolution (FuncQEE)</i>				
	47.074		37,675	11,271
STEM Education (formerly Education and Human Resources)				
<i>Connecting Physics & Engineering through A Modernization of Advanced Laboratory Curriculum (CPE-MALC)</i>				
	47.076		148	-
<i>Collabrative Research: Louis Stokes Regional Center of Excellence: Louis Stokes Midwest Region Center of Excellence for Boardening Participation in STEM</i>				
<i>Louis Stokes Alliances for Minority Participation Investigators/ Project Directors Meeting</i>	47.076		189,952	59,841
<i>Louis Stokes STEM Pathways and Research Alliances: The Illinois LSAMP STEM Pathway and Research Alliance (ILSPRA)</i>	47.076		201,481	-
Passed-Through Northeastern University <i>Engineering PLUS</i>	47.076	2119930	434,067	222,578
			27,547	-
			853,195	282,419
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 1,169,220	\$ 293,690
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Biomedical Research and Research Training				
<i>Macrophage-specificEX-1 - A Novel Mechanism in the Pathogenesis of Atherosclerosis</i>				
	93.859		\$ 49,924	\$ -
<i>Improving DFT Modeling of EPR Data for Small Molecule Organic Photovoltaics</i>	93.859		24,144	-
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 74,068	\$ -
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 1,315,154	\$ 293,690

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

Federal Grantor/ Pass-Through Grantor/ Program/Grant Title	Assistance Listing Number	Pass-Through Entity Identifying Number	FY 2022 Expenditures	Passed-Through to Subrecipients
TRIO CLUSTER:				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
TRIO Upward Bound				
<i>Project Fame/Upward Bound</i>	84.047A		\$ 530,629	\$ -
<i>Upward Bound Program</i>	84.047A		324,364	-
			<u>854,993</u>	<u>-</u>
TRIO Educational Opportunity Centers	84.066A		428,376	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 1,283,369	\$ -
TOTAL TRIO CLUSTER			\$ 1,283,369	\$ -
OTHER PROGRAMS				
<u>THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
Grants to States				
Passed-Through Illinois State Library				
<i>Gwendolyn Brooks Library Career Information Collection Program</i>	45.310	22-7040-PAN	\$ 18,747	\$ -
National Leadership Grants				
<i>Information Justice Institute</i>	45.312		24,509	-
TOTAL THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES			\$ 43,256	\$ -
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Higher Education Institutional Aid				
<i>Predominantly Black Institutions Program - Formula Grants</i>	84.031P		\$ 35,734	\$ -
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				
<i>Promoting Effective Educational Relationships in Schools (PEERS)</i>	84.325K		207,342	-
Child Care Access Means Parents in School				
<i>CCAMPIS Grant Program for Providing Needed Child Care for Chicago State University Students</i>	84.335A		12,458	-
Strengthening Minority - Serving Institutions				
<i>Resiliency and Capacity Expansion for Student Success in the Health Professions</i>	84.382A		172,833	-
<i>The Center for STEM Education & Research at Chicago State University</i>	84.382A		435,609	28,666
			<u>608,442</u>	<u>28,666</u>
Higher Education Stabilization Fund				
<i>COVID-19 - Higher Education Emergency Relief Fund (HEERF)</i>				
<i>Student Aid Portion</i>	(M) 84.425E		4,008,386	-
<i>Institutional Portion</i>	(M) 84.425F		3,338,668	-
<i>Minority Serving Institutions</i>	(M) 84.425L		436,450	-
			<u>7,783,504</u>	<u>-</u>
Passed-Through Illinois Board of Higher Education				
<i>COVID-19 Governor's Emergency Education Relief Fund</i>	(M) 84.425C	601-00-0459	526,079	-
TOTAL U.S. DEPARTMENT OF EDUCATION			\$ 9,173,559	\$ 28,666
<u>U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES</u>				
Health Profession Opportunity Grants				
<i>Partnerships to Step-up Careers in Health Careers</i>	93.093		\$ 477,443	\$ 268,373
Passed-Through ABT Associates				
<i>National and Tribal Evaluation of the 2nd Generation of Health Profession Opportunity Grants</i>	93.093	HHSP233201500052C	1,211	-
			<u>478,654</u>	<u>268,373</u>
Child Care and Development Block Grant				
<i>Early Childhood Access Consortium</i>	93.575		16,837	-
Head Start				
Passed-Through OHS & ACF via Henry Booth House				
<i>Head Start/Early Head Start Program</i>	93.600	05CH012056-01-00	96,882	-
<i>Early Head Start Program</i>	93.600	05CH012056-01-00	124,473	-
			<u>221,355</u>	<u>-</u>
TOTAL U.S. DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ 716,846	\$ 268,373
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
AmeriCorps				
Passed-Through Illinois Department of Public Health				
<i>AmeriCorps State II Formula Award</i>	94.006	17380056I	\$ 26,380	\$ -
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			\$ 26,380	\$ -
TOTAL OTHER PROGRAMS			\$ 9,960,041	\$ 297,039
Grand Total			\$ 39,882,093	\$ 590,729

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2022, and is presented on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The University has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2 LOANS OUTSTANDING AT FISCAL YEAR END

The University Perkins Loan Program's outstanding loan balance as of June 30, 2022 totaled \$1,196,204, for programs that are administered directly. There were no administrative costs charged to the Perkins Loan Program.

NOTE 3 TOTAL NEW FEDERAL STUDENT LOANS

During the year ended June 30, 2022, the University awarded the following amounts of new loans under the Federal Direct Student Loans Program:

Direct Unsubsidized Loans	\$	13,582,816
Direct Subsidized Loans		2,402,008
Direct Parent PLUS Loans		455,351
Direct Graduate PLUS Loans		3,725,999
		<hr/>
Total	\$	<u>20,166,174</u>

There were no administrative costs charged to the loan program.

NOTE 4 NONMONETARY ASSISTANCE

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

NOTE 5 INSURANCE DISCLOSURE

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

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2022

NOTE 6 DONATED PERSONAL PROTECTIVE EQUIPMENT

During Fiscal Year 2022, the University's Police Department received a donation of seven hundred COVID tests from the Illinois Emergency Management Agency, which were sent over to the University Wellness Center for their utilization. The estimated market value of the donation is \$1,500.

CHICAGO STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2022
(in thousands)

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

Schedule A - Federal Financial Component

Total federal expenditures ¹	\$ 39,882
Total Schedule A	<u>\$ 39,882</u>

Schedule B - Total Financial Component

Total operating expenses ²	\$ 119,595
Total nonoperating expenses ²	810
Federal loan balances: ^{1,4}	
Federal Perkin Loans Program	1,265
Total value of new federal loans: ^{1,3,5}	
Federal Direct Student Loan	20,166
Total Schedule B	<u>\$ 141,836</u>

Schedule C - Computation of Nonfederal Expenses

	\$	<u>Percent</u>
Total Schedule B	141,836	100.00%
Total Schedule A	39,882	28.12%
Total nonfederal expenses	<u>\$ 101,954</u>	71.88%

¹ Obtained from Schedule of Expenditures of Federal Awards

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

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

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

⁵ Balance of loans issued during the fiscal year