



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

EASTERN ILLINOIS UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2022**

Release Date: March 30, 2023

FINDINGS THIS AUDIT: 2	New	Repeat	Total	AGING SCHEDULE OF REPEATED FINDINGS			
				Repeated Since	Category 1	Category 2	Category 3
Category 1:	1	1	2	2020	22-1		
Category 2:	0	0	0				
Category 3:	0	0	0				
TOTAL	1	1	2				
FINDINGS LAST AUDIT: 1							

INTRODUCTION

This digest covers Eastern Illinois University’s Financial Audit as of and for the year ended June 30, 2022. A digest covering the University’s Single Audit was separately issued. In addition, a separate digest covering the University’s Compliance Examination for the year ended June 30, 2022 will be issued at a later date.

SYNOPSIS

- (22-01) The 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.
- (22-02) The University’s year-end financial reporting in accordance with generally accepted accounting principles (GAAP) contained inaccurate information.

Category 1: Findings that are material weaknesses in internal control and/or a qualification on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are significant deficiencies in internal control and noncompliance with State laws and regulations.
Category 3: Findings that have no internal control issues but are in noncompliance with State laws and regulations.

EASTERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT
For The Year Ended June 30, 2022

STATEMENT OF NET POSITION	2022	2021
Assets and Deferred Outflows of Resources		
Cash and cash equivalents.....	\$ 41,097,655	\$ 32,767,764
Restricted cash and cash equivalents.....	17,897,062	13,444,321
Investments.....	7,277,962	6,911,802
Restricted short-term investments.....	201,420	82,153
Receivables.....	19,322,588	20,199,751
Notes Receivable.....	3,976,293	4,392,877
Inventories.....	1,242,481	1,235,721
Capital assets, net.....	222,616,708	224,908,571
Other.....	2,066,825	1,018,087
Deferred outflow of resources.....	3,412,111	2,100,397
Total.....	<u>319,111,105</u>	<u>307,061,444</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	8,114,959	7,376,247
Unearned revenues.....	7,501,966	8,860,303
Long-term liabilities.....	6,688,497	6,437,323
Noncurrent liabilities.....	78,217,009	82,988,373
Deferred inflow of resources.....	4,511,954	2,805,909
Total.....	<u>105,034,385</u>	<u>108,468,155</u>
Net Position		
Net investment in capital assets.....	158,118,683	156,259,077
Restricted, Nonexpendable.....	6,735,091	6,273,056
Restricted, expendable.....	21,002,959	16,571,829
Unrestricted.....	28,219,987	19,486,327
Total.....	<u>\$ 214,076,720</u>	<u>\$ 198,590,289</u>
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2022	2021
Revenues		
Tuition and fees, net.....	\$ 28,921,542	\$ 27,307,661
State appropriations.....	43,502,600	41,432,300
Auxiliary enterprises.....	24,355,557	21,279,318
Payments on behalf of the University - State.....	46,618,146	67,750,670
Federal, State, and private grants and gifts.....	39,500,964	37,749,230
Other.....	18,684,212	6,307,650
Total.....	<u>201,583,021</u>	<u>201,826,829</u>
Expenses		
Instruction.....	75,387,854	88,808,944
Student services.....	18,505,339	18,556,815
Institutional support.....	11,508,051	14,435,922
Auxiliary enterprises.....	25,753,345	24,685,094
Scholarships and fellowships.....	3,701,115	1,343,976
Operations and maintenance of plant.....	12,665,271	13,596,441
Other.....	38,578,615	39,785,239
Total.....	<u>186,099,590</u>	<u>201,212,431</u>
Change in net position.....	<u>\$ 15,483,431</u>	<u>\$ 614,398</u>
UNIVERSITY PRESIDENT		
During Audit Period: Dr. David Glassman		
Currently: Dr. David Glassman		

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

INADEQUATE INTERNAL CONTROLS OVER CENSUS DATA

**Internal controls over census data
need improvement**

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

During testing, some of the more significant issues we noted include the following:

**An initial complete reconciliation
had not been performed**

- 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 data.

**Twenty instructors were not
reported as eligible to participate in
SURS**

- We noted 20 of 480 instructors were not reported as eligible to participate in SURS by the university. SURS determined the total potential impact of this error was the instructor's total service credit was off by $\frac{3}{4}$ of a year. (Finding 1, pages 5-8)

We recommended 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.

University agreed

The University agreed with the recommendation.

WEAKNESSES IN PREPARATION OF YEAR-END FINANCIAL STATEMENTS

**Need to improve control over year-
end financial reporting**

Eastern Illinois University's year-end financial reporting in accordance with generally accepted accounting principles (GAAP) contained inaccurate information.

**Sufficient supervisory review was
not performed**

The University did not have adequate controls over the completeness and accuracy of year-end financial reporting which resulted in errors in the GAAP basis financial statements and supporting schedules provided to us during our audit. The University did not perform a sufficient supervisory review of all amounts recorded in its financial statements and footnotes. Also, as a result of audit differences identified by us as well as additional corrections subsequently identified by the University, the University provided us with four revisions to its draft financial statements, with significant modifications, before providing, on March 2, 2023, its final draft revision.

Some of the issues noted while testing the year-end financial reporting process, which were corrected by the University after we brought them to its attention, are as follows:

Restricted and unrestricted net position were not properly reported

- Restricted net position for the bond system was understated by \$1,292,714 and unrestricted net position was overstated by the same amount due to an adjustment made to the year ended June 30, 2021 financial statements but not carried forward to the current fiscal year.

Unearned revenue was overstated by \$2.4 million

- Unearned revenue was overstated by \$2,404,432 and operating revenue for federal grants and contracts was understated by the same amount due to an error in allocating deferred revenue from monies received from the Cares II (CRRSA) and Cares III (ARPA) Acts.

Operating revenue was understated by the same amount

Several errors in the footnotes to the financial statements

- We also identified several errors in the Management Discussion and Analysis section of the financial report as well as the footnotes to the financial statements. The University corrected each of these accordingly.

Further, we noted the University overstated both accounts receivable and unearned revenue by \$363,914 related to a private grant received. This error was first identified by the University, however it did not correct the error in its financial statements. The error was deemed immaterial to the financial statements taken as a whole and, therefore, did not result in a modification to our auditor's opinion on the University's financial statements. (Finding 2, pages 9-12)

We recommended the University strengthen its internal controls to ensure financial statements are prepared in a complete and accurate manner and are subjected to an appropriate supervisory review. We also recommended the university's procedures address all elements of the University's financial reporting process.

University agreed

The University agree with the recommendations.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2022, are fairly stated in all material respects.

This financial audit was conducted by Sikich LLP

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:TLK