



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, 2023**

Release Date: February 6, 2024

FINDINGS THIS AUDIT: 3				AGING SCHEDULE OF REPEATED FINDINGS			
	<u>New</u>	<u>Repeat</u>	<u>Total</u>	Repeated Since	Category 1	Category 2	Category 3
Category 1:	1*	2	3	2022	23-2		
Category 2:	0	0	0	2020	23-1		
Category 3:	0	0	0				
TOTAL	1	2	3				
FINDINGS LAST AUDIT: 2							

*Finding 2023-003 is considered a new finding for the 6-30-23 financial audit, but was reported in the compliance examination for the period ended 6-30-22.

INTRODUCTION

This digest covers Eastern Illinois University’s Financial Audit as of and for the year ended June 30, 2023. Digests covering the University’s Single Audit and the University’s Compliance Examination for the year ended June 30, 2023 will be issued at a later date.

SYNOPSIS

- (23-01)** 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.
- (23-02)** 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, 2023

STATEMENT OF NET POSITION	2023	2022
Assets and Deferred Outflows of Resources		
Cash and cash equivalents.....	\$ 60,378,002	\$ 41,097,655
Restricted cash and cash equivalents.....	11,476,664	17,897,062
Investments.....	8,991,050	7,277,962
Restricted short-term investments.....	238,712	201,420
Receivables.....	21,253,334	19,322,588
Notes Receivable.....	3,661,783	3,976,293
Inventories.....	1,373,829	1,242,481
Capital assets, net.....	216,621,121	222,616,708
Other.....	2,071,637	2,066,825
Deferred outflow of resources.....	9,349,066	3,412,111
Total.....	<u>335,415,198</u>	<u>319,111,105</u>
Liabilities and Deferred Inflows of Resources		
Accounts payable and accrued liabilities.....	8,441,224	8,114,959
Unearned revenues.....	7,182,252	7,501,966
Long-term liabilities, current portion.....	7,600,791	6,688,497
Noncurrent liabilities.....	72,647,144	78,217,009
Deferred inflow of resources.....	10,512,828	4,511,954
Total.....	<u>106,384,239</u>	<u>105,034,385</u>
Net Position		
Net investment in capital assets.....	155,749,609	158,118,683
Restricted, Nonexpendable.....	8,420,561	6,735,091
Restricted, expendable.....	24,570,906	21,002,959
Unrestricted.....	40,289,883	28,219,987
Total.....	<u>\$ 229,030,959</u>	<u>\$ 214,076,720</u>
REVENUES, EXPENSES, AND CHANGES IN NET POSITION	2023	2022
Revenues		
Tuition and fees, net.....	\$ 40,212,283	\$ 28,921,542
State appropriations.....	43,502,600	43,502,600
Auxiliary enterprises.....	28,820,954	24,355,557
Payments on behalf of the University and Special funding - State.....	12,498,254	46,618,146
Federal, State, and private grants and gifts.....	36,317,308	39,500,964
Other.....	14,636,098	18,684,212
Total.....	<u>175,987,497</u>	<u>201,583,021</u>
Expenses		
Instruction.....	54,264,408	75,387,854
Student services.....	16,867,655	18,505,339
Institutional support.....	10,734,464	11,508,051
Auxiliary enterprises.....	27,115,368	25,753,345
Scholarships and fellowships.....	5,586,401	3,701,115
Operations and maintenance of plant.....	12,120,622	12,665,271
Other.....	34,344,340	38,578,615
Total.....	<u>161,033,258</u>	<u>186,099,590</u>
Change in net position.....	<u>\$ 14,954,239</u>	<u>\$ 15,483,431</u>
UNIVERSITY PRESIDENT		
During Audit Period: Dr. David Glassman		
Currently: Dr. Jay Gatrell, effective 7/1/23		

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.

- During our testing of instructor eligibility testing, we noted 19 instructors were not reported as eligible to participate in SURS by the university. All of these instances have been previously reported, however still impacted the June 30, 2021 census data. SURS determined the total potential impact of this error was the instructor's total service credit was off by a combined 41.5 years. (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 controls 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 several revisions to

its draft financial statements, with significant modifications, before providing its final draft revision on January 10, 2024.

We noted the following issues while testing the year-end financial reporting process, which were corrected by the University after we brought them to its attention:

Restricted and unrestricted net position were not properly reported

- Restricted net position for the bond system was understated by \$3,308,576 and unrestricted net position was overstated by the same amount due to an adjustment made to the year ended June 30, 2022, financial statements but not carried forward to the current fiscal year.
- Tuition discounts for the MAP grant were understated by \$1,832,800, resulting in the overstatement of revenue and operating expenses by the same amount due to a calculation error.
- 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. (Finding 2, pages 9-10)

Several errors in the footnotes and the Management Discussion and Analysis

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 agreed with the recommendations.

OTHER FINDING

The remaining finding pertains to lack of adequate review of service providers' internal controls. We will review the University's progress towards the implementation of our recommendation in our next financial audit.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2023 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