



GOVERNORS 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, 2024

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

GOVERNORS 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, 2024

TABLE OF CONTENTS

| | <u>Page</u> |
|--|--------------------|
| University Officials | 1 |
| Compliance Report | |
| Summary | 2 |
| 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> | 4 |
| 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 | 6 |
| Schedule of Findings and Questioned Costs | |
| Summary of Auditor’s Results | 11 |
| Current Finding – <i>Government Auditing Standards</i> | 12 |
| Current Findings – Federal Compliance and Questioned Costs | 14 |
| Prior Findings Not Repeated | 28 |
| Supplementary Information | |
| Schedule of Expenditures of Federal Awards | 29 |
| Notes to the Schedule of Expenditures of Federal Awards | 32 |
| Schedule of Federal and Nonfederal Financial Activity | 34 |

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For the Year Ended June 30, 2024

UNIVERSITY OFFICIALS

| | |
|---|---------------------------------|
| Interim President (March 1, 2025 to Present) | Dr. Corey S. Bradford |
| President (July 1, 2023 to February 28, 2025) | Dr. Cheryl F. Green |
| Vice President for Administration and Finance | Dr. Corey S. Bradford |
| General Counsel and Vice President | Ms. Therese Nohos |
| Chief Internal Auditor | Mr. Kristoffer Evangelista, CPA |
| Associate Vice President for Finance | Ms. Villalyn Baluga, CPA |

OFFICERS OF THE UNIVERSITY BOARD OF TRUSTEES

| | |
|---|----------------------|
| Chairman (August 20, 2024 to Present) | Mr. James Kvedaras |
| Chairman (July 1, 2023 to August 19, 2024) | Ms. Angela Sebastian |
| Vice Chairman (August 20, 2024 to Present) | Ms. Stacy Crook |
| Vice Chairman (July 1, 2023 to August 19, 2024) | Mr. Kevin Brookins |
| Secretary (August 20, 2024 to Present) | Ms. Karen Nunn |
| Secretary (July 1, 2023 to August 19, 2024) | Mr. James Kvedaras |

UNIVERSITY BOARD OF TRUSTEES

| | |
|---|---------------------------------------|
| Trustee (November 27, 2023 to Present) | Ms. Karen Nunn |
| Trustee (July 1, 2023 to November 26, 2023) | Vacant |
| Trustee (October 20, 2023 to Present) | Ms. Stacy Crook |
| Trustee (July 1, 2023 to October 19, 2023) | Vacant |
| Trustee (July 1, 2024 to Present) | Mr. Harish Rayalapati, Student |
| Trustee (July 1, 2023 to June 30, 2024) | Ms. Lluvía Hernandez-Aguirre, Student |
| Trustee (January 21, 2025 to Present) | Vacant |
| Trustee (July 1, 2023 to January 20, 2025) | Mr. Kevin Brookins |
| Trustee (April 20, 2024 to Present) | Vacant |
| Trustee (July 1, 2023 to April 19, 2024) | Mr. John Brudnak |
| Trustee (January 21, 2025 to Present) | Vacant |
| Trustee (July 1, 2023 to January 20, 2025) | Ms. Angela Sebastian |
| Trustee | Mr. James Kvedaras |
| Trustee | Mr. Anibal Taboas |

UNIVERSITY OFFICE

1 University Parkway, University Park, Illinois 60484

GOVERNORS 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, 2024

FEDERAL COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this audit of the Governors 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 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 | 7 | 5 |
| Repeated Findings | 3 | 1 |
| Prior Recommendations Implemented or Not Repeated | 2 | 2 |

SCHEDULE OF FINDINGS

| <u>Item No.</u> | <u>Page</u> | <u>Last/First Reported</u> | <u>Description</u> | <u>Finding Type</u> |
|---|--------------------|-----------------------------------|---|--|
| Current Finding – Government Auditing Standards | | | | |
| 2024-001 | 12 | 2023/2023 | Weaknesses in Change Control Processes | Significant Deficiency and Noncompliance |
| Current Findings – Federal Compliance and Questioned Costs | | | | |
| 2024-002 | 14 | 2023/2021 | Enrollment Reporting | Significant Deficiency and Noncompliance |
| 2024-003 | 17 | 2023/2023 | Noncompliance with Gramm-Leach-Bliley Act | Significant Deficiency and Noncompliance |

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SCHEDULE OF FINDINGS (Continued)

| <u>Item No.</u> | <u>Page</u> | <u>Last/First Reported</u> | <u>Description</u> | <u>Finding Type</u> |
|-----------------|-------------|----------------------------|---|--|
| 2024-004 | 20 | New | Noncompliance with Notification Requirements on Direct PLUS Loans Disbursements | Significant Deficiency and Noncompliance |
| 2024-005 | 22 | New | Failure to Retain Adequate Documentation of Internal Direct Loans Reconciliation | Noncompliance |
| 2024-006 | 24 | New | Noncompliance with Perkins Loans' Retention of Records Requirements | Noncompliance |
| 2024-007 | 26 | New | Noncompliance with Activities Allowed or Unallowed and Allowable Costs and Cost Principles Requirements | Noncompliance |

Prior Findings Not Repeated

| | | | |
|---|----|-----------|--|
| A | 28 | 2023/2023 | Inadequate Controls over Payroll Expenditures and Noncompliance with Allowable Costs & Cost Principles Requirements Applicable to the Head Start Cluster |
| B | 28 | 2023/2023 | Failure to File Real Property Status Report |

EXIT CONFERENCE

The University waived an exit conference in a correspondence from Ms. Villalyn Baluga, Associate Vice President for Finance, on March 14, 2025. The responses to the recommendations were provided by Ms. Villalyn Baluga, Associate Vice President for Finance, in a correspondence dated March 13, 2025.



**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
Governors 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 and the aggregate discretely presented component unit of Governors State University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated March 21, 2025. Our report includes a reference to other auditors who audited the financial statements of the Governors State University Foundation, as described in our report on the University's financial statements. The financial statements of the Governors State University Foundation were not audited in accordance with Government Auditing Standards and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Governors State University Foundation or that are reported on separately by those auditors who audited the financial statements of the Governors State University Foundation.

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 for 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.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001.

University's Response to the Finding

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
March 21, 2025



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

Board of Trustees
Governors 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 Governors State University (University) with the types of compliance requirements identified as subject to audit 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, 2024. 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, 2024.

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 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 Governors State University Foundation, a component unit of the University, which is not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2024. Our compliance audit, described in the "Opinion on Each Major Federal Program," does not include the operations of the component unit because the component unit engaged other auditors to perform an audit of their 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 other 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 2024-002 through 2024-007. 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 2024-002 through 2024-004 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 Schedule of Federal and Nonfederal Financial Activity

We have audited the financial statements of the business-type activities of Governors State University and its discretely presented component unit as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon, dated March 21, 2025, 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, 2025

GOVERNORS 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, 2024

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 weaknesses identified? Yes No
- Significant deficiencies identified? Yes None Reported

Noncompliance material to the financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

- Material weaknesses identified? Yes No
- Significant deficiencies 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 |
|--|---|
| 84.268, 84.063, 84.038, 84.033, 84.007, 84.379, 93.925, 93.264 | Student Financial Assistance Cluster |
| 93.575 | Child Care and Development Fund Cluster |
| 93.600 | Head Start Cluster |
| 84.425, 84.425M, 84.425C, 84.425D | Education Stabilization Fund |

Dollar threshold used to distinguish between type A and type B programs: **\$750,000**

Auditee qualified as a low-risk auditee? Yes No

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDING – GOVERNMENT AUDITING STANDARDS

2024-001. **FINDING** (Weaknesses in Change Control Processes)

Governors State University (University) did not have adequate controls around its change control process and had not adequately controlled developer access to its production environment.

CONDITION

The University established a change management process describing the process from initiation until post-implementation review. However, during the review of the University’s change control policies and procedures, we noted the following:

- The change policy did not describe testing and documentation requirements for each type of change.
- Developers had access to the production environment, resulting in a segregation of duties weakness.

CRITERIA

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, Configuration Management and System and Communication Protection sections, requires entities to develop and document control over changes, for changes to follow the documented controls, and developers' access to the production environment is restricted.

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 with proper segregation of duties to provide assurance that resources are utilized efficiently and effectively.

CAUSE

University officials stated these exceptions were due to resource constraints and competing priorities.

EFFECT

Failure to establish adequate controls and documentation around the change control process may lead to the University being unable to monitor and ensure only valid, authorized changes are deployed in the University's Information Technology environment. Also, allowing developers to access the production environment results in segregation of duties weakness and increases the risk of unauthorized changes being made to the computing system. (Finding Code No. 2024-001, 2023-001)

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDING – *GOVERNMENT AUDITING STANDARDS*

2024-001. **FINDING** (Weaknesses in Change Control Processes) (Continued)

RECOMMENDATION

We recommend the University update its policies and procedures to describe testing and documentation requirements for each type of change.

Further, we recommend the University strengthen controls to ensure proper segregation of duties are established by restricting developers’ access to the production environment.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University has built a robust change control program to ensure system changes are completed with minimal impact and security implications. The University will also prioritize establishing the necessary procedures. Additionally, the University plans to engage with a third party which will be responsible for implementing changes to the Colleague production environment, remedying the separation of duties weakness.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-002. **FINDING** (Enrollment Reporting)

| | |
|-----------------------------------|---|
| Federal Department: | U.S. Department of Education |
| Assistance Listing Number: | 84.268 |
| Cluster Name: | Student Financial Assistance Cluster |
| Program Name: | Federal Direct Student Loans |
| Award Numbers: | P268K240567, P268K230567 |
| Questioned Cost: | None |
| Program Expenditures: | \$21,113,430 |
| Cluster Expenditures: | \$32,781,904 |

Governors State University (University) did not timely and accurately report student enrollment information to the U.S. Department of Education’s National Student Loan Data System (NSLDS).

CONDITION

During testing of 40 enrollment status changes, we noted the following:

- Seven of 40 (18%) enrollment status changes were not reported timely to the NSLDS. These enrollment status changes were reported 1 to 228 days late after the date of occurrence. In addition, 2 of the 7 enrollment status changes pertain to students with direct loans who ceased to be enrolled on at least a half-time basis for the period for which the loan was intended.
- Ten of 40 (25%) enrollment status changes data had discrepancies in Program Begin Date ranging from 1,254 days early to 2 days late when compared to their official program start dates.

The sample was not intended to be, and was not, a statistically valid sample.

CRITERIA

The Code of Federal Regulations (34 CFR 685.309) requires the University, upon the receipt of an enrollment report from the Secretary of the Department of Education (ED), to update all information included in the report and return the report to the ED within the timeframe prescribed by the ED. It further requires the University to report enrollment changes within 30 days unless a roster file is expected within 60 days, in which case the enrollment data may be updated on that roster file changes. This report should include changes such as when a Direct Loan was made to or on behalf of a student who was enrolled or accepted for enrollment at the University, and the student has ceased to be enrolled on at least a half-time basis or failed to enroll on at least a half-time basis for the period for which the loan was intended.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-002. **FINDING** (Enrollment Reporting) (Continued)

The NSLDS Enrollment Reporting Guide states the University is responsible for accurately reporting all Program-Level Record and Campus-Level Record data elements. The Program Begin Date is the date the student first began attending the program being reported. Typically, this would be the first day of the term in which the student began enrollment in the program, unless the student enrolled in the program on an earlier date.

The Uniform Guidance (2 CFR 200.303) requires nonfederal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal statutes, regulations, and terms and conditions of the federal award. Effective internal controls should include procedures to ensure accurate and timely student enrollment status reports are submitted to NSLDS.

CAUSE

University officials stated the delay in reporting status changes was attributable to challenges within the reporting protocols to the NSLDS for various status change scenarios occurring after the term end date and delays in the internal reporting process.

The University reports enrollment status changes to NSLDS through the National Student Clearinghouse (NSC), a third-party servicer. As part of the enrollment reporting process, system-generated files are uploaded to the NSC, which then provides the data to NSLDS. Upon review of the system-generated files, there are various dates contained within the files, which may have caused inaccurate Program Begin Dates reflected in the NSLDS' Program-Level Record.

EFFECT

Accurate, timely, and complete enrollment information is critical for effective and proper administration of the student financial aid programs. Noncompliance with enrollment reporting regulations may result in a loss of future federal funding. (Finding Code No. 2024-002, 2023-002, 2022-002, 2021-003)

RECOMMENDATION

We recommend the University improve its procedures to ensure timely and accurate reporting of student enrollment status to the NSLDS both in Program-Level Record and Campus-Level Record.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-002. **FINDING** (Enrollment Reporting) (Continued)

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. Following consultation with the NSC, guidelines were provided for handling various status change scenarios. These guidelines will enhance the accuracy of enrollment status change reporting, particularly for students with changes occurring before or after the subsequent enrollment file submission. Status changes are now being reported to the NSLDS in a timely and accurate manner, in accordance with the NSC guidelines. The University has also implemented a reporting timeline and review protocols to ensure status changes are reported to the NSLDS in a timely manner. Additionally, the University will collaborate with its Information Technology Services and representatives from the NSC and NSLDS to verify the accuracy of the file layouts and the data flow of the information provided.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-003. **FINDING** (Noncompliance with Gramm-Leach-Bliley Act)

| | |
|-----------------------------------|---|
| Federal Department: | U.S. Department of Education, U.S. Department of Health and Human Services |
| Assistance Listing Number: | 84.268, 84.063, 84.038, 84.033, 84.007, 84.379, 93.925, 93.264 |
| Cluster Name: | Student Financial Assistance Cluster |
| Program Name: | Federal Direct Student Loans, Federal Pell Grant Program, Federal Perkins Loan Program, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grants, Teacher Education Assistance for College and Higher Education Grants, Scholarships for Health Professions Students from Disadvantaged Backgrounds, and Nurse Faculty Loan Program |
| Award Numbers: | P268K240567, P268K230567, P063P230567, P063P220567, P033A231156, P033A221156, P007A231156, P007A221156, P379T240567, 5 T08HP39308-04-00, and E01HP27019 |
| Questioned Cost: | None |
| Program Expenditures: | \$21,113,430; \$7,760,752; \$1,938,618; \$512,881; \$227,850; \$31,236; \$576,000; \$621,137 |
| Cluster Expenditures: | \$32,781,904 |

Governors State University (University) did not establish a written incident response plan designed to promptly respond to, and recover from, any security event materially affecting the confidentiality, integrity, or availability of customer information in their control.

CONDITION

During our audit, we noted the University was unable to complete the development of the written incident response plan as of the end of the audit period.

CRITERIA

On December 9, 2021, the Federal Trade Commission issued final regulations to amend the Standards for Safeguarding Customer Information (Safeguards Rule), an important component of the Gramm-Leach-Bliley Act’s (GLBA) requirements for protecting the privacy and personal information of consumers.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-003. **FINDING** (Noncompliance with Gramm-Leach-Bliley Act) (Continued)

The Code of Federal Regulations (16 CFR 314.4(h)) requires the University to develop, implement and maintain an information security program which includes establishing a written incident response plan designed to promptly respond to, and recover from, any security event materially affecting the confidentiality, integrity, or availability of customer information in its control.

At a minimum, such incident response plan shall address the following areas:

- the goals of the incident response plan;
- the internal processes for responding to a security event;
- the definition of clear roles, responsibilities, and levels of decision-making authority;
- external and internal communications and information sharing;
- identification of requirements for the remediation of any identified weaknesses in information systems and associated controls;
- documentation and reporting regarding security events and related incident response activities; and
- the evaluation and revision as necessary of the incident response plan following a security event.

Additionally, the Uniform Guidance (2 CFR 200.303(a)) 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.

CAUSE

University officials stated the University has been actively engaged in the development of a written incident response plan; however, the plan was not completed by the end of Fiscal Year 2024 due to the extensive range of tasks required for its completion.

EFFECT

The intent of the GLBA Safeguards Rule is to enhance security over confidential information. Without a documented response to all applicable requirements, the University is more susceptible to vulnerabilities as it relates to protecting the privacy and personal information of students than it will be following full implementation. (Finding Code No. 2024-003, 2023-003)

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-003. **FINDING** (Noncompliance with Gramm-Leach-Bliley Act) (Continued)

RECOMMENDATION

We recommend the University continue towards completion and full implementation of the written incident response plan.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University has recently completed the development of the written incident response plan during Fiscal Year 2025.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-004. **FINDING** (Noncompliance with Notification Requirements on Direct PLUS Loans Disbursements)

| | |
|-----------------------------------|---|
| Federal Department: | U.S. Department of Education |
| Assistance Listing Number: | 84.268 |
| Cluster Name: | Student Financial Assistance Cluster |
| Program Name: | Federal Direct Student Loans |
| Award Numbers: | P268K240567, P268K230567 |
| Questioned Cost: | None |
| Program Expenditures: | \$21,113,430 |
| Cluster Expenditures: | \$32,781,904 |

Governors State University (University) did not comply with the notification requirements on Direct PLUS Loans disbursements.

CONDITION

During testing of 25 Direct Loans disbursements, we noted 2 (8%) students with Direct PLUS loans, where the parents were not properly notified. Notifications were made only to students.

CRITERIA

The Code of Federal Regulations (34 CFR 668.165) requires the University when Direct Loans are being credited to a student’s account to notify the student, or parent, in writing of (1) the date and amount of the disbursement; (2) the student’s right, or parent’s right, to cancel all or a portion of that loan or loan disbursement and have the loan proceeds returned to Department of Education; and (3) the procedure and time by which the student or parent must notify the institution that he or she wishes to cancel the loan (a minimum of 14 or 30 days depending on confirmation process). Further, the Federal Student Aid (FSA) handbook clarified that general notification must be provided to the parent Direct PLUS borrower and all students receiving FSA funds.

CAUSE

University officials stated they were aware of the notification requirements and believed the existing process was compliant with the requirements.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-004. **FINDING** (Noncompliance with Notification Requirements on Direct PLUS Loans Disbursements) (Continued)

EFFECT

Proper notifications protect the borrower’s rights and give the parent borrower a chance to reconsider the loan, adjust disbursements or cancel within the specified timeframe. In addition, failure to implement notification requirements represents noncompliance with federal regulations. (Finding Code No. 2024-004)

RECOMMENDATION

We recommend the University improve its procedures to ensure proper notification is made to the parent Direct PLUS borrowers.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University has implemented changes to procedures to send proper notification to the parent Direct PLUS borrowers.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-005. **FINDING** (Failure to Retain Adequate Documentation of Internal Direct Loans Reconciliation)

| | |
|-----------------------------------|---|
| Federal Department: | U.S. Department of Education |
| Assistance Listing Number: | 84.268 |
| Cluster Name: | Student Financial Assistance Cluster |
| Program Name: | Federal Direct Student Loans |
| Award Numbers: | P268K240567, P268K230567 |
| Questioned Cost: | None |
| Program Expenditures: | \$21,113,430 |
| Cluster Expenditures: | \$32,781,904 |

Governors State University (University) did not retain documentation of its internal monthly Direct Loans reconciliation to demonstrate timely completion.

CONDITION

During testing of Direct Loans, we were unable to verify whether the University completed the monthly internal reconciliation in a timely manner due to the absence of supporting documentation.

CRITERIA

The Federal Student Aid (FSA) issued Electronic Announcement General-22-86 covering reconciliation requirements for all Title IV programs between Department of Education’s G5 system records and the University’s internal records. It further requires the University to reconcile internally, disbursement data between Financial Services and Comptroller Office and Financial Aid Office.

Additionally, the Uniform Guidance (2 CFR 200.303(a)) 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.

CAUSE

University officials stated the University performs the monthly internal reconciliation process. However, the monthly internal reconciliation spreadsheet is updated each month without retaining the prior versions.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-005. **FINDING** (Failure to Retain Adequate Documentation of Internal Direct Loans Reconciliation) (Continued)

EFFECT

Failure to properly document internal monthly reconciliations between the Financial Services and Comptroller Office and Financial Aid Office may result in inaccurate and incomplete financial information. (Finding Code No. 2024-005)

RECOMMENDATION

We recommend the University improve its procedures to ensure documentation is retained to demonstrate timely completion of reconciliations.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. Existing procedures have been revised to require the retention of internal reconciliation records on a monthly basis.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-006. **FINDING** (Noncompliance with Perkins Loans’ Retention of Records Requirements)

| | |
|-----------------------------------|---|
| Federal Department: | U.S. Department of Education |
| Assistance Listing Number: | 84.038 |
| Cluster Name: | Student Financial Assistance Cluster |
| Program Name: | Federal Perkins Loan Program |
| Award Number: | None |
| Questioned Cost: | None |
| Program Expenditures: | \$1,938,618 |
| Cluster Expenditures: | \$32,781,904 |

Governors State University (University) did not maintain a copy of the master promissory note (MPN) for a Perkins Loan program loan.

CONDITION

During testing of Perkins Loan receivables, we identified 1 of 12 (8%) students with a missing MPN.

CRITERIA

The Code of Federal Regulations (34 CFR 674.19(e)) requires the University to retain a record of disbursements for each loan made to a borrower on a promissory note. In addition, the University is required to keep the original MPN until the loans are satisfied. If required to release original documents in order to enforce the loan, the University must retain certified true copies of those documents.

CAUSE

University officials stated the University maintains copies of the MPNs; however, the one MPN pertained to a Perkins Loan disbursed over 18 years ago. Consequently, it may have been misplaced due to staffing changes over the years.

EFFECT

Failure to properly maintain loan documentation may result in inaccurate loan balances, potential disputes with borrowers, and noncompliance with federal regulations. (Finding Code No. 2024-006)

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-006. **FINDING** (Noncompliance with Perkins Loans’ Retention of Records Requirements) (Continued)

RECOMMENDATION

We recommend the University improve its procedures to ensure compliance with records retention requirements.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. Existing University procedures ensure MPNs and other Perkins-related documentation requirements are properly maintained. The University will continue its ongoing process of reviewing Perkins documentation to comply with the requirements.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-007. **FINDING** (Noncompliance with Activities Allowed or Unallowed and Allowable Costs and Cost Principles Requirements)

| | |
|-----------------------------------|--|
| Federal Department: | U.S. Department of Education |
| Assistance Listing Number: | 84.425D |
| Cluster Name: | Education Stabilization Fund |
| Program Name: | Elementary and Secondary School Emergency Relief Fund |
| Award Number: | S425D210041 |
| Questioned Cost: | None |
| Program Expenditures: | \$1,222,010 |
| Cluster Expenditures: | \$1,466,030 |

Governors State University (University) did not comply with activities allowed or unallowed and allowable costs and cost principles requirements.

CONDITION

During our review of the Illinois Tutoring Initiative program under the Elementary and Secondary School Emergency Relief (ESSER) Fund which had total expenditures of \$1,222,010, we identified 1 of 25 (4%) expenditures was inappropriately charged to the grant. The University inadvertently charged Central Management Services (CMS) insurance of \$414 for an employee who did not work on the program. The sample was not intended to be, and was not, a statistically valid sample.

CRITERIA

The Code of Federal Regulations (2 CFR 200.431(c)) requires the University to allocate fringe benefits to federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities, and charged as direct or indirect costs following the University's accounting practices.

Additionally, the Uniform Guidance (2 CFR 200.303(a)) 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.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

CURRENT FINDINGS – FEDERAL COMPLIANCE AND QUESTIONED COSTS

2024-007. **FINDING** (Noncompliance with Activities Allowed or Unallowed and Allowable Costs and Cost Principles Requirements) (Continued)

CAUSE

University officials stated the charge was meant for a different federal grant, but was inadvertently assigned to the ESSER grant due to a formula error in the supporting spreadsheet.

EFFECT

Failure to accurately charge the correct grant may result in disallowance of federal expenditures and questioned costs, and could jeopardize future federal funding. (Finding Code No. 2024-007)

RECOMMENDATION

We recommend the University improve its procedures to ensure fringe benefits allocated to the grant align consistently with the salaries and wages charged to the grant.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. More stringent review procedures have been implemented to prevent the recurrence of this issue.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2024

PRIOR FINDINGS NOT REPEATED

- A. **FINDING** (Inadequate Controls over Payroll Expenditures and Noncompliance with Allowable Costs & Cost Principles Requirements Applicable to the Head Start Cluster)

During the prior audit, Governors State University (University) did not have adequate controls over payroll expenditures and did not comply with the allowable costs and cost principles requirements applicable to the Head Start Cluster.

During the current audit, the University implemented controls over payroll expenditures, including semi-annual reconciliation of time and effort information against payroll reports. Further, the University redesigned its time and effort collection form to show 100% distribution of work. Current year allowable costs and cost principles testing did not identify any issues. (Finding Code No. 2023-004)

- B. **FINDING** (Failure to File Real Property Status Report)

During the prior audit, Governors State University (University) failed to submit the required annual real property status report (SF-249).

During the current audit, our testing noted the University filed its calendar year 2023 SF-429 report. (Finding Code No. 2023-005)

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-Through Grantor Program/Grant Title | Assistance Listing Number | Federal Project or Pass-Through Number | Pass-Through To Subrecipients | FY 2024 Expenditures |
|--|---------------------------------|--|-------------------------------------|-------------------------|
| STUDENT FINANCIAL ASSISTANCE CLUSTER: | | | | |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | |
| Federal Direct Student Loans | (M) 84.268 | | \$ - | \$ 21,113,430 |
| Federal Pell Grant Program | (M) 84.063 | | - | 7,760,752 |
| Federal Perkins Loan Program | (M) 84.038 | | - | 1,938,618 |
| Federal Work-Study Program | (M) 84.033 | | - | 512,881 |
| Federal Supplemental Educational Opportunity Grants | (M) 84.007 | | - | 227,850 |
| Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) | (M) 84.379 | | - | 31,236 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | <u>-</u> | <u>31,584,767</u> |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | |
| Scholarships for Health Professions Students from Disadvantaged Backgrounds <i>Scholarships for Disadvantaged Students</i> | (M) 93.925 | | - | 576,000 |
| Nurse Faculty Loan Program (NFLP) <i>Nurse Faculty Loan Program</i> | (M) 93.264 | | - | 621,137 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>-</u> | <u>1,197,137</u> |
| TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER | | | <u>-</u> | <u>32,781,904</u> |
| RESEARCH AND DEVELOPMENT CLUSTER: | | | | |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | |
| Centers for International Business Education Passed through the Trustees of Indiana University <i>IU Center for International Business Education and Research, 2022-2026</i> | 84.220A | 9404_GSU | - | 13,215 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | <u>-</u> | <u>13,215</u> |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | |
| Biomedical Research and Research Training Passed through the Board of Trustees of the University of Illinois <i>IRACDA at University of Illinois at Chicago</i> | 93.859 | 18121 | - | 51,602 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>-</u> | <u>51,602</u> |
| <u>NATIONAL SCIENCE FOUNDATION</u> | | | | |
| STEM Education (formerly Education and Human Resources) Passed through Chicago State University <i>Louis Stokes STEM Pathways and Research Alliances: The Illinois LSAMP STEM Pathway and Research Alliance (ILSPRA)</i> | 47.076 | 53114 | - | 18,962 |
| NSF Technology, Innovation, and Partnerships <i>NSF Engines Development Award: Advancing smart logistics (IL, IN, MO, WI)</i> | 47.084 | | 142,425 | 147,416 |
| TOTAL NATIONAL SCIENCE FOUNDATION | | | <u>142,425</u> | <u>166,378</u> |
| <u>NATIONAL INSTITUTES OF HEALTH</u> | | | | |
| 21st Century Cures Act - Precision Medicine Initiative Passed through The University of Chicago <i>The Illinois Precision Medicine Consortium (IPMC) All of Us Research Program Site</i> | 93.368 | AWD104295(SUB00000974) | - | 116,001 |
| TOTAL NATIONAL INSTITUTES OF HEALTH | | | <u>-</u> | <u>116,001</u> |
| TOTAL RESEARCH AND DEVELOPMENT CLUSTER | | | <u>142,425</u> | <u>347,196</u> |

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-Through Grantor Program/Grant Title | Assistance Listing Number | Federal Project or Pass-Through Number | Pass-Through To Subrecipients | FY 2024 Expenditures |
|--|---------------------------------|--|-------------------------------------|-------------------------|
| CHILD CARE AND DEVELOPMENT FUND CLUSTER: | | | | |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | |
| Child Care and Development Block Grant Passed through the Illinois Board of Higher Education <i>Early Childhood Access Consortium for Equity</i> | (M) 93.575 | 601-ECC-2200-GSU | - | 1,557,870 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | - | 1,557,870 |
| TOTAL CHILD CARE AND DEVELOPMENT FUND CLUSTER | | | - | 1,557,870 |
| HEAD START CLUSTER: | | | | |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | |
| Head Start <i>Early Head Start</i> | (M) 93.600 | | - | 1,310,251 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | - | 1,310,251 |
| TOTAL HEAD START CLUSTER | | | - | 1,310,251 |
| TRIO CLUSTER: | | | | |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | |
| TRIO Educational Opportunity Centers <i>Governors State University TRIO Educational Opportunities Centers Project</i> | 84.066A | | - | 333,612 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | - | 333,612 |
| TOTAL TRIO CLUSTER | | | - | 333,612 |
| OTHER PROGRAMS | | | | |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | |
| Education Stabilization Fund Passed through the Illinois State Board of Education <i>New Principal Mentoring Program</i> | (M) 84.425 | 586-28-2391-4998-F | - | 29,181 |
| COVID-19 - Education Stabilization Fund <i>COVID-19 - Education Stabilization Fund/Governors State University Higher Education Emergency Relief Fund (HEERF) - Strengthening Institutions Program (SIP)</i> | (M) 84.425M | | - | 61,322 |
| Passed through the Illinois Board of Higher Education <i>COVID-19 - Coronavirus Response and Relief Supplemental Appropriations Act Governor's Emergency Education Relief Fund (GEERFII)</i> | (M) 84.425C | 601-GEE-2200-GSU | - | 153,517 |
| Elementary and Secondary School Emergency Relief Fund Passed through the Illinois Board of Higher Education <i>Illinois Tutoring Initiative</i> | (M) 84.425D | 22&23TUTORIPO-GSU | - | 1,222,010 |
| Total Education Stabilization Fund | | | - | 1,466,030 |
| Child Care Access Means Parents in School <i>CCAMPIS at Governors State University</i> | 84.335A | | - | 121,747 |
| Undergraduate International Studies and Foreign Language Programs <i>Making Spanish and Global Studies Accessible to All</i> | 84.016A | | - | 9,441 |
| Business and International Education Projects <i>Business and International Education Program</i> | 84.153A | | - | 20,955 |
| Fund for the Improvement of Postsecondary Education Passed through The Board of Trustees of the University of Illinois <i>Illinois SCOERs: Support for the Creation of Open Educational Resources</i> | 84.116T | 104953-19311 | - | 24,725 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | - | 1,642,898 |

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

| Federal Grantor/Pass-Through Grantor Program/Grant Title | Assistance Listing Number | Federal Project or Pass-Through Number | Pass-Through To Subrecipients | FY 2024 Expenditures |
|---|---------------------------------|--|-------------------------------------|-------------------------|
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | |
| Mental and Behavioral Health Education and Training Grants <i>Behavioral Health Workforce Education and Training (BHWET) Program</i> | 93.732 | | - | 229,538 |
| Block Grants for Prevention and Treatment of Substance Abuse Passed through the Illinois Department of Human Services <i>Substance Abuse Prevention and Treatment SAPT Block Grant State</i> | 93.959 | 43CCC00123 | - | 93,330 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | - | 322,868 |
| <u>U.S. DEPARTMENT OF TREASURY</u> | | | | |
| Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) Passed through the Illinois Department of Commerce and Economic Opportunity <i>The American Rescue Plan Act/State Fiscal Recovery Fund Program</i> | 21.027 | 21-417013 | - | 184,856 |
| Passed through Will County <i>The American Rescue Plan Act</i> | 21.027 | ECD-CSP-GSU | - | 92,141 |
| TOTAL U.S. DEPARTMENT OF TREASURY | | | - | 276,997 |
| <u>U.S. DEPARTMENT OF COMMERCE</u> | | | | |
| Cluster Grants <i>Fostering Supply Chain and Logistics Innovation in Chicago Southland</i> | 11.020 | | - | 126,295 |
| TOTAL U.S. DEPARTMENT OF COMMERCE | | | - | 126,295 |
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | |
| Child and Adult Care Food Program Passed through the Illinois State Board of Education <i>Child and Adult Food Care Program</i> | 10.558 | 56099527051 | - | 96,157 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | - | 96,157 |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | | |
| Highway Planning and Construction Passed through The Board of Trustees of the University of Illinois <i>Illinois Center for Transportation</i> | 20.205 | 087795-19533 | - | 22,299 |
| TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | | - | 22,299 |
| <u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (CNCS)</u> | | | | |
| AmeriCorps Volunteers In Service to America <i>Volunteers In Service To America</i> | 94.013 | | - | 20,294 |
| TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE | | | - | 20,294 |
| Total Other Programs | | | - | 2,507,808 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 142,425 | \$ 38,838,641 |

(M) - Program was audited as a Major Program.

The accompanying notes to the schedule of expenditures of federal awards are an integral part of this schedule.

GOVERNORS 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, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the State of Illinois, Governors State University (University) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the 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). Because this schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - FEDERAL STUDENT LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by the University and balances and transactions relating to these programs are included in the University's basic financial statements. Expenditures reported on the Schedule include loans outstanding at the beginning of the year, loans made during the year, any administrative cost allowance claimed, cash balance of the fund as of the end of the year, and cancellations receivable at the end of the year. The balance of loans outstanding at June 30, 2024 consists of:

| Assistance Listing | | Outstanding Balance |
|---------------------------|------------------------------|--------------------------------|
| <u>Number</u> | <u>Program Name</u> | <u>at June 30, 2024</u> |
| 84.038 | Federal Perkins Loan Program | \$258,261 |
| 93.264 | Nurse Faculty Loan Program | \$232,811 |

NOTE 4 - SUBRECIPIENTS

During the year ended June 30, 2024, the University passed through federal assistance to subrecipients in an amount of \$142,425.

GOVERNORS 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, 2024

NOTE 5 - NON-CASH ASSISTANCE

The University did not receive any federal non-cash assistance during the year ended June 30, 2024.

NOTE 6 - INSURANCE

The University did not have federally funded insurance in effect during the year ended June 30, 2024.

GOVERNORS STATE UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2024

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 | \$ 38,838,641 |
| Total, Schedule A | \$ 38,838,641 |

Schedule B: Total Financial Component

| | |
|--|----------------|
| Total operating expenses ² | \$ 121,386,234 |
| Total nonoperating expenses ² | 1,065,524 |
| Federal loan balances: ^{1,3} | |
| Perkins Loan Program | 336,971 |
| Nursing Faculty Loan Program | 246,165 |
| Total value of new federal loans: ^{1,4} | |
| Perkins Loan Program | — |
| Nursing Faculty Loan Program | — |
| Federal Direct Loans | 21,113,430 |
| Other noncash federal award expenditures | — |
| Total, Schedule B | \$ 144,148,324 |

Schedule C: Computation of Nonfederal Expenses

| | | |
|---------------------------|----------------|---------|
| Total, Schedule B | \$ 144,148,324 | 100.00% |
| Total, Schedule A | 38,838,641 | 26.94% |
| Total nonfederal expenses | \$ 105,309,683 | 73.06% |

¹ Obtained from the Schedule of Expenditures of Federal Awards

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

³ Balance at the beginning of the fiscal year with continuing compliance requirements

⁴ Balance of loans issued during the fiscal year