

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
COMPLIANCE EXAMINATION  
(In Accordance with the Single Audit Act  
and OMB Circular A-133)**

**For the Year Ended June 30, 2013  
Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois**



**CliftonLarsonAllen**

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### **Related Report Published Under a Separate Cover**

The Northeastern Illinois University's financial statement report for the year ended June 30, 2013, which includes the report of independent auditors, management's discussion and analysis, basic financial statements and notes, supplementary information, and the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with Government Auditing Standards has been issued separately.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
COMPLIANCE EXAMINATION  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
For the Year Ended June 30, 2013**

**Agency Officials**

Dr. Sharon Hahs	President
Mr. Mark Wilcockson, CPA	Vice President for Finance and Administration (through January 5, 2014) Vice President Emeritus (effective January 6, 2014)
Mr. Michael Pierick	Vice President for Finance and Administration (effective January 6, 2014)
Mr. Craig Duetsch	Assistant Vice President for Business Services
Ms. Peggy Ho	Director of Financial Affairs/Controller
Mr. Ronald Cierny, CPA	Director of Internal Audit
Ms. Ann McNabb	Executive Director - Office of University Budgets

***Agency offices are located at:***

5500 North St. Louis Avenue  
Chicago, Illinois 60625

**Finance and Administration**5500 North St. Louis Avenue  
Chicago, IL 60625-4699

Phone: (773) 442-5100

February 21, 2014

CliftonLarsonAllen LLP  
1301 West 22<sup>nd</sup> Street, Suite 1100  
Oak Brook, IL 60523

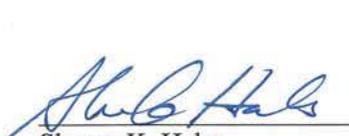
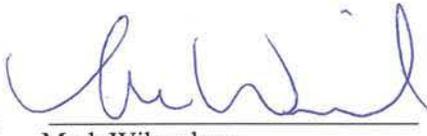
Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Northeastern Illinois University (the "University"). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2013. Based on this evaluation, we assert that during the year(s) ended June 30, 2013, the Agency has materially complied with the assertions below.

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

Yours truly,

Northeastern Illinois University

  
Sharon K. Hahs  
President  
Mark Wilcockson  
Vice President Emeritus  
Peggy Ho  
Controller

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
COMPLIANCE REPORT  
For the Year Ended June 30, 2013**

**Summary**

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

**Accountants' Reports**

The Independent Accountants' Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers, or other significant non-standard language.

**Summary of Findings**

<u>Number of:</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	14	12
Repeated Findings	6	5
Prior Recommendations Implemented or Not Repeated	6	4

**Schedule of Findings and Questioned Costs**

<u>Item No.</u>	<u>Page(s)</u>	<u>Description</u>	<u>Finding Type</u>
<b>FINDINGS (GOVERNMENT AUDITING STANDARDS AND FEDERAL COMPLIANCE)</b>			
2013-001	16	Failure to Identify and Refund Title IV Aid in a Timely Manner	Significant Deficiency and Noncompliance
<b>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</b>			
2013-002	19	Inadequate Controls over Preparation of an Accurate Schedule of Expenditures of Federal Awards	Significant Deficiency and Noncompliance
2013-003	21	Awarding of Student Financial Aid	Significant Deficiency and Noncompliance
2013-004	23	Refund of Student Credit Balances	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
COMPLIANCE REPORT  
For the Year Ended June 30, 2013**

<u>Item No.</u>	<u>Page(s)</u>	<u>Description</u>	<u>Finding Type</u>
2013-005	25	Exit Counseling	Significant Deficiency and Noncompliance
2013-006	26	GEAR UP Matching	Significant Deficiency and Noncompliance
2013-007	28	TRIO Reporting	Significant Deficiency and Noncompliance
2013-008	30	FISAP Reporting	Significant Deficiency and Noncompliance
<b>FINDINGS (STATE COMPLIANCE)</b>			
2013-009	32	Internal Audit	Significant Deficiency and Noncompliance
2013-010	33	Timesheets Not Required	Significant Deficiency and Noncompliance
2013-011	34	High School Feedback System Reports	Significant Deficiency and Noncompliance
2013-012	35	Noncompliance with Campus Security Enhancement Act of 2008	Significant Deficiency and Noncompliance
2013-013	36	Noncompliance with Abused and Neglected Child Reporting Act	Significant Deficiency and Noncompliance
2013-014	37	Disaster Contingency Plan Deficiencies	Significant Deficiency and Noncompliance
<p>Also, the following finding, which is reported as a current finding relating to <i>Government Auditing Standards</i> and Federal Compliance, also meets the reporting requirement for State Compliance.</p>			
2013-001	16	Failure to Identify and Refund Title IV Aid in a Timely Manner	Significant Deficiency and Noncompliance

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
COMPLIANCE REPORT  
For the Year Ended June 30, 2013**

**PRIOR FINDINGS NOT REPEATED**

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Description</u></b>
A	39	Performance of Financial Aid Verification Procedures
B	39	Direct Loan Cash Summary Reconciliation
C	39	Unapproved Location
D	39	Enrollment Status Reporting
E	40	Cash Management
F	40	Failure to Comply with the Identity Protection Act

**Exit Conference**

The University waived having an exit conference in correspondence dated February 19, 2014, from the University's Assistant Vice President for Business Services, Craig Duetsch.

The responses to the recommendations were provided by Craig Duetsch, in correspondence dated February 21, 2014.



## CliftonLarsonAllen

### **Independent Accountants' Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes**

Honorable William G. Holland  
Auditor General of the State of Illinois  
and  
Board of Trustees  
Northeastern Illinois University

#### **Compliance**

As Special Assistant Auditors for the Auditor General, we have examined Northeastern Illinois University's (the "University") compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (the "Audit Guide") as adopted by the Auditor General, during the year ended June 30, 2013. The management of the University is responsible for compliance with these requirements. Our responsibility is to express an opinion on the University's compliance based on our examination.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (the "Act"); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the University's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the University's compliance with specified requirements.

In our opinion, the University complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2013. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-009, 2013-010, 2013-011, 2013-012, 2013-013, and 2013-014.

## **Internal Control**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the University's internal control over compliance with the requirements listed in the first paragraph of this report to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report, on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report 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 that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-009, 2013-010, 2013-011, 2013-012, 2013-013, and 2013-014.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The University's responses to the findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. We did not examine the University's responses and, accordingly, we express no opinion on the responses.

## **Supplementary Information for State Compliance Purposes**

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of the University and its discretely presented component unit as of and for the year ended June 30, 2013, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 6, 2013 which contained unmodified opinions on those financial statements. Our report includes a reference to another auditor who audited the financial statements of the University's discretely presented component unit and whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, was based solely on the report of the other auditor. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 6, 2013. The accompanying supplementary information in Schedules 1 through 11 and 13 through 16 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information is the responsibility of University management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information for the year ended June 30, 2013 in Schedules 1 through 11 and 13 through 16 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information for the year ended June 30, 2013 in Schedules 1 through 11 and 13 through 16 is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2013, taken as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the University's basic financial statements for the years ended June 30, 2012 and 2011 and have issued our reports thereon dated January 16, 2013 and February 10, 2012, which contained unmodified opinions on the respective financial statements of the business-type activities of the University and its discretely presented component unit. Our report included a reference to another auditor who audited the financial statements of the University's discretely presented component unit and whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, was based solely on the report of the other auditor. The accompanying supplementary information for the years ended June 30, 2012 and 2011 in Schedules 3 through 7 and Schedules 9, 10, and 15 has been subjected to the auditing procedures applied in the audits of the June 30, 2012 and 2011 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information for the years ended June 30, 2012 and 2011 in Schedules 3 through 7 and Schedules 9, 10, and 15 is fairly stated in all material respects in relation to the basic financial statements for the years ended June 30, 2012 and 2011, taken as a whole.

The supplementary information included in Schedule 12 and the Analysis of Operations section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, Board of Trustees, University management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

February 21, 2014 except for our report on the Supplementary Information for State Compliance Purposes, as to which the date is December 6, 2013.



**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 William G. Holland  
Auditor General of the State of Illinois  
and  
Board of Trustees  
Northeastern Illinois University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Northeastern Illinois University (the "University") and its discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2013, which collectively comprise the University's basic financial statements and have issued our report thereon dated December 6, 2013. Our report includes a reference to another auditor who audited the financial statements of the University's 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 auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting ("internal control") to determine the 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. However, material weaknesses may exist that have not been identified. We did identify a

deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Northeastern Illinois University's Response to Findings**

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

### **Purpose of this Report**

This report is intended solely for 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.



**CliftonLarsonAllen LLP**

December 6, 2013



**Independent Auditor’s Report on Compliance with Requirements that could have a Direct and Material Effect on Each Major Program, on Internal Control over Compliance, and on the Schedule of Expenditures of Federal Awards in Accordance with OMB Circular A-133**

Honorable William G. Holland  
Auditor General of the State of Illinois  
and  
Board of Trustees  
Northeastern Illinois University

**Report on Compliance for Each Major Federal Program**

We have audited Northeastern Illinois University’s (the “University”) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, 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, 2013. 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.

The Schedule of Expenditures of Federal Awards and our audit described below does not include expenditures of federal awards for those agencies determined to be component units of the University for financial statement purposes.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the University’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major Federal Program***

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, 2013-003, 2013-004, 2013-005, 2013-006, 2013-007, and 2013-008. Our opinion on each major federal program is not modified with respect to these matters.

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

### **Report on Internal Control Over Compliance**

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

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

accompanying Schedule of Findings and Questioned Costs as items 2013-001, 2013-002, 2013-003, 2013-004, 2013-005, 2013-006, 2013-007, and 2013-008.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the business-type activities and the discretely presented component unit of the University, as of and for the year ended June 30, 2013, and the related notes to the financial statement, which collectively comprise the University's basic financial statements. We issued our report thereon dated December 6, 2013. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 6, 2013. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of University management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



**CliftonLarsonAllen LLP**

February 21, 2014 except for our report on the Schedule of Expenditures of Federal Awards, for which the date is December 6, 2013

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  Yes  no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(s) identified that are not considered to be material weaknesses?  yes  none reported

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

Unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?  yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.334	Student Financial Assistance Cluster Gaining Early Awareness and Readiness for Undergraduate Programs TRIO Cluster
84.287	Twenty-First Century Community Learning Centers
84.031	Higher Education Institutional Aid

Dollar threshold used to distinguish between type A and type B programs: \$573,383

Auditee qualified as low-risk auditee?  yes  No

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDING - *GOVERNMENT AUDITING STANDARDS AND FEDERAL COMPLIANCE***

**Finding 2013-001 - Failure to Identify and Refund Title IV Aid in a Timely Manner**

Northeastern Illinois University (the "University") did not properly identify all students who withdrew from the University. The University also did not determine or return the unearned portion of Title IV aid provided to all students who withdrew from the University, resulting in inaccuracies in the amounts reported in their financial statements and noncompliance with federal regulations.

In our testing of unofficial withdrawal determinations over students receiving Title IV aid and who failed to receive a passing grade in any of their classes (703 students), we noted 1 student that received Title IV aid and should have been considered to have unofficially withdrawn from the University, but for which the University had not made this determination.

Furthermore, in our testing of the withdrawal date determination for students receiving Title IV aid and who withdrew from the University after completing 60% or more of the payment period, we noted that the University relied on the date that the student last logged into the University's online learning portal for 161 students who received a total of \$576,919 of Title IV aid during the payment period. Since the University had not documented the students who actively participated in an academic activity at their last login, the login date cannot be used to determine the withdrawal date. Therefore, the mid-point of the semester should have been used as the student's withdrawal date for the unearned Title IV refund calculation. Consequently, the University should have calculated and returned the unearned Title IV aid disbursed to these students based on the student having earned 50% of their Title IV aid rather than considering the aid to have been 100% earned.

In response to our testing and inquiries, the University is in the process of calculating the unearned Title IV aid which should have been refunded to the Department of Education (ED) and for which the University has recourse against the students for payment.

Since the liability to ED had not been identified timely, the University's financial statements understated current liabilities for refundable grant revenues and also understated student receivables, net of an allowance for doubtful accounts. Since the maximum understatement totals \$289,154, the University's financial statements were not considered to be materially misstated as a result of these errors.

ED requires (Dear Colleague Letter DCL GEN 04-03 Revised) that an institution must have a procedure for determining whether a Title IV aid recipient who began attendance during a period completed the period or should be treated as a withdrawal. If a student who began attendance and has not officially withdrawn fails to earn a passing grade in at least one course offered over an entire period, the institution must assume, for Title IV purposes, that the student has unofficially withdrawn, unless the institution can document that the student completed the period.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDING - *GOVERNMENT AUDITING STANDARDS* AND FEDERAL COMPLIANCE (continued)**

**Finding 2013-001 - Failure to Identify and Refund Title IV Aid in a Timely Manner (continued)**

Furthermore, Federal Regulations require that when a recipient of Title IV grant or loan assistance withdraws from an institution during a payment period or period of enrollment in which the recipient began attendance, the institution must determine the amount of Title IV grant or loan assistance that the student earned as of the student's withdrawal date and refund the unearned portion to ED (34 CFR 668.22).

The withdrawal date for a student who ceases attendance without providing notice at an institution that is not required to take attendance is the later (1) the mid-point of the payment period or; (2) the student's last date of attendance at an academically-related activity provided that the institution documents that the activity is academically related and documents the student's attendance at the activity (34 CFR 668.22(c)).

Federal regulations specify that a student logging into an online class without active participation does not meet the definition of attendance at an academically-related activity (34 CFR 668.22 (l)(7)).

The percentage of Title IV grant or loan assistance that has been earned by the student is equal to the percentage of the payment period that the student completed or 100% if the student's withdrawal date occurs after completion of 60% of the payment period that is measured in credit hours (34 CFR 668.22 (e)(2)).

OMB Circular A-110 requires nonfederal entities receiving federal awards establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure that the amount of Title IV aid earned by students is calculated accurately and that unearned portions are returned in a timely manner.

Generally accepted accounting principles require the proper identification, valuation, and reporting of assets and liabilities. Additionally, the Fiscal Control and Internal Auditing Act (ILCS 30 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly accounted for to permit the preparation of accounts and reliable financial reports.

In regard to the one student with unearned Title IV aid which should have been returned to the Department of Education, there was an oversight during the awarding process whereby the zero award was not locked to prevent aid awarding. This one incident was a processing oversight.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDING - *GOVERNMENT AUDITING STANDARDS* AND FEDERAL COMPLIANCE (continued)**

**Finding 2013-001 - Failure to Identify and Refund Title IV Aid in a Timely Manner (continued)**

With regard to withdrawal date determination, the University relied on past practices whereby participating in the Learning Management System was determined to be actively participating in academic activity. The University was not aware of the revised interpretation that this is no longer being interpreted as active participation. Because of this new interpretation, the University did not return funds for students who did not meet the new active participation criteria.

Failure to perform accurate and complete refund calculations and timely remittances of unearned Title IV funds resulted in inaccurate financial reporting and may jeopardize future federal funding. (Finding Code 2013-001, 12-1, 11-1, 10-5).

***Recommendation***

We recommend that the University implement procedures to ensure that refunds are processed timely and accurately in order to facilitate accurate financial reporting and to be in compliance with federal regulations.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE**

**Federal Agency:** U.S. Department of Health and Human Services  
U.S. Department of Education

<u>Program Name</u>	<u>CFDA#</u>	<u>Program Expenditures</u>
Cancer Centers Support Grants	93.397	\$ 131,761
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	\$11,993,838

**Questioned Costs:** None

**Finding 2013-002 - Inadequate Controls over Preparation of an Accurate Schedule of Expenditures of Federal Awards**

Northeastern Illinois University (the “University”) did not prepare an accurate Schedule of Expenditures of Federal Awards (SEFA).

The University provided the auditors its “final” SEFA on October 2, 2013. Subsequent to this date, the following misstatements were discovered:

- The University initially failed to identify the Department of Health and Human Services Cancer Centers Support Grants program as a Federally funded program and include the related \$131,761 in expenditures in the SEFA provided to the auditors. These program expenditures were subsequently reflected in the SEFA.
- The University erroneously included \$584,360 of Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) program expenditures in the current fiscal year that related to the prior fiscal year.

OMB Circular A-133 Section 300(d) requires the University to identify all Federal awards received and expended, and the Federal programs under which they were received. Furthermore, the Circular requires the University to prepare appropriate financial statements including the SEFA.

OMB Circular A-110 requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure that an accurate SEFA is prepared.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE** (continued)

**Finding 2013-002 - Inadequate Controls over Preparation of an Accurate Schedule of Expenditures of Federal Awards** (continued)

University officials stated that a Department of Health and Human Services Cancer Center Support Grant was mistakenly identified and classified as a private grant instead of a Federal grant. This was due to staffing turnover in the Office of Sponsored Program and Research and in the Grants Accounting Office.

University officials stated that invoices related to the GEAR UP program from Chicago Public Schools were received in September 2013, after the University's "accrual cut-off" ended. When the invoices subsequently arrived, the University erroneously used the date of the invoice and not the terms of the invoice, and the payments were posted to FY13 instead of FY12.

Failure to prepare an accurate SEFA prevents the University from having an audit properly performed in accordance with OMB Circular A-133, which may jeopardize future Federal funding. (Finding Code 2013-002, 12-2).

***Recommendation***

We recommend the University improve its controls over financial reporting so that it can prepare an accurate SEFA.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE (continued)**

**Federal Agency:** U.S. Department of Education

<u>Program Name</u>	<u>CFDA#</u>	<u>Program Expenditures</u>
Student Financial Aid Cluster	Cluster	\$ 47,820,150

**Questioned Costs:** None

**Finding 2013-003 - Awarding of Student Financial Aid**

Northeastern Illinois University (the “University”) did not have adequate controls in place over the awarding of student financial aid.

Through our testing of 43 students that received federal student financial aid, we noted the following errors:

- For 1 student tested, we noted that the student received excess unsubsidized Direct Loan monies totaling \$2,475 after reinstatement of Parent Plus Loan.
- For 1 student tested, we noted that the student received excess unsubsidized Direct Loan monies over the School’s aggregate limit of \$859 in the Fall term. The University subsequently detected the over award and corrected for it by subtracting it from the Spring 2013 award.

According to 34 CFR 675.9, 676.9, 674.9, 682.201, 685.200; 42 CFR sections 57.206 and 57.306(b); 42 USC 5293a(d)(2), a student must have financial need to receive aid, and total awards may not exceed need.

OMB Circular A-110 requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure that the amount of Title IV aid earned by students is calculated accurately and that unearned portions are returned in a timely manner.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE** (continued)

**Finding 2013-003 - Awarding of Student Financial Aid** (continued)

University officials stated that the two instances identified above were isolated processing errors in the financial aid department.

Failure to properly award student financial aid could jeopardize future Federal funding.  
(Finding Code 2013-003, 12-3, 11-3, 10-4).

***Recommendation***

We recommend the University improve its procedures over the awarding of student financial aid to ensure that students are awarded accurately.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE (continued)**

**Federal Agency:** U.S. Department of Education

<u>Program Name</u>	<u>CFDA#</u>	<u>Program Expenditures</u>
Student Financial Aid Cluster	Cluster	\$ 47,820,150

**Questioned Costs:** None

**Finding 2013-004 - Refund of Student Credit Balances**

Northeastern Illinois University (the "University") did not refund credit balances on student accounts within the required 14-day period.

Through our testing of 40 students for compliance with the regulations that govern refunding of credit balances to students, we noted that one student did not have their credit balance refunded within 14 days of the credit occurring.

The Code of Federal Regulations, 34 CFR 668.164(e), states, "Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but -

- (1) No later than 14 days after the balance occurred if the credit balance occurred after the first day of class of a payment period; or
- (2) No later than 14 days after the first day of class of a payment period if the credit balance occurred on or before the first day of class of that payment period."

University officials stated that cash and charge payments originally received from one student were applied to mandatory fees in the appropriate term. However, upon receipt of federal funds, the cash and charge payments from the student were not appropriately processed to refund the correct amount to the student within the 14 day period.

Failure to properly refund credit balances on student accounts as required by the Department of Education may jeopardize future Federal funding. (Finding Code 2013-004, 12-7).

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE (continued)**

**Finding 2013-004 - Refund of Student Credit Balances (continued)**

***Recommendation***

We recommend the University review its procedures to ensure that Title IV funds are applied correctly to student accounts and to ensure that credit balances are refunded within required timeframes.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE** (continued)

**Federal Agency:** U.S. Department of Education

<u>Program Name</u>	<u>CFDA#</u>	<u>Program Expenditures</u>
Federal Direct Student Loans	84.268	\$ 26,753,006

**Questioned Costs:** None

**Finding 2013-005 - Exit Counseling**

Northeastern Illinois University (the "University") was not in compliance with the Federal Direct Loan Program exit counseling requirements.

Through our testing of 9 students that required Direct Loan exit counseling, we noted that 1 student did not complete the required exit counseling online, nor did the University notify the student within the required 30-day time frame of when the school first became aware that the student withdrew.

34 CFR 685.304(b)(3) states that if a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must be provided either through interactive electronic means or by mailing written counseling materials to the student borrower at the student borrower's last known address within 30 days after the school learns that the student borrower has withdrawn from school or failed to complete the exit counseling as required.

University officials stated that this was the result of an oversight of internal controls. The student was identified in electronic batch processing for exit counseling notification; however, the student was not included in the letter generation cue.

Failure to comply with exit counseling requirements may jeopardize future Federal funding. (Finding Code 2013-005, 12-8).

***Recommendation***

We recommend the University review its procedures to ensure compliance with Direct Loan exit counseling requirements.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE** (continued)

**Federal Agency:** U.S. Department of Education

<u>Program Name</u>	<u>CFDA#</u>	<u>Program Expenditures</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	\$ 11,993,838

**Questioned Costs:** None

**Finding 2013-006 - GEAR UP Matching**

Northeastern Illinois University (the “University”) incorrectly calculated the reported matching contributions to the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP).

Our testing of records supporting matching contributions to the GEAR UP program consisted of 10 specific items of cost or in-kind contributions received by the University. Of these items, we noted one item for which the cost was calculated incorrectly and one item for which the value of the contribution was calculated incorrectly. These errors resulted in an over reporting of matching contributions during the period of \$4,627.

The GEAR UP grant requires a dollar for dollar match of the federal funds spent over the full term of the grant which spans six years. The University is currently in the second year of the grant for which the errors were noted. Consequently, the errors in reported matching contributions did not result in an over award of grant funds.

34 CFR 80.24 states that costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and sub grantees or cost type contractors. For third party in-kind contributions, these records must show how the value placed on third party in-kind contributions was derived.

OMB Circular A-110 requires nonfederal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure the accurate calculation of the value of in-kind matching contributions is calculated accurately.

University officials stated this was the result of a mathematical error in calculating life insurance premiums and a formula error in the allocation percentage used.

Failure to properly reconcile program and fiscal records is a violation of Federal regulations and could result in a loss of Federal funding. (Finding Code 2013-006).

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE (continued)**

**Finding 2013-006 - GEAR UP Matching (continued)**

***Recommendation***

We recommend the University review its procedures to ensure that all matching costs and contributions are being accurately reported.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE (continued)**

**Federal Agency:** U.S. Department of Education

<u>Program Name</u>	<u>CFDA#</u>	<u>Program Expenditures</u>
TRIO Cluster	Cluster	\$1,669,047

**Questioned Costs:** None

**Finding 2013-007 - TRIO Reporting**

Northeastern Illinois University (the “University”) did not accurately report on the participants of the TRIO program cluster in the program’s annual performance report.

In our testing of reported performance data for 42 TRIO program participants, we noted the following errors:

- Four participants indicating an incorrect college grade level at entry into the program.
- One participant indicating an incorrect college grade level at the end of the academic year.
- One participant indicating an incorrect first enrollment date.
- One participant indicating an incorrect eligibility classification.
- One participant indicating an incorrect participant status reported.

The University is required to report accurately on the performance of its TRIO programs. According to 34 CFR 74.51(a), recipients are responsible for managing and monitoring each project, program, sub award, function, or activity supported by the awards.

OMB Circular A-110 requires nonfederal entities receiving federal awards to establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure the accurate calculation of the value of in-kind matching contributions is calculated accurately.

University officials stated that the reporting errors were due to the resignation of a key office support staff member and two professional staff members on leaves of absence. This reduced staffing significantly challenged the TRIO department to accurately collect and report data for the annual performance report.

The failure to provide accurate program reporting may jeopardize future Federal Funding. (Finding Code 2013-007).

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE (continued)**

**Finding 2013-007 - TRIO Reporting (continued)**

***Recommendation***

We recommend the University review its procedures to ensure that the program information is being accurately reported.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE** (continued)

**Federal Agency:** U.S. Department of Education

<u>Program Name</u>	<u>CFDA#</u>	<u>Program Expenditures</u>
Student Financial Aid Cluster	Cluster	\$ 47,820,150

**Questioned Costs:** None

**Finding 2013-008 - FISAP Reporting**

Northeastern Illinois University (the “University”) reported inaccurate information on its Fiscal Operations Report (FISAP) filed September 27, 2013.

Through our testing procedures performed on the FISAP, we noted a significant inaccuracy in the information reported on the September 27, 2013 filing. Specifically, the total amount expended for state grants and scholarships made to undergraduates for the award year ending June 30, 2013 was reported as \$13,221,975 but should have been reported as \$10,682,808.

The Code of Federal Regulations (34 CFR 675.19(b)(3)) requires the University to submit a Fiscal Operations Report plus other information required by the U.S. Department of Education. The Code requires the information to be accurate and timely submitted.

OMB Circular A-110 requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements. Effective internal controls should include procedures to ensure that reports are complete and accurate.

University officials stated that the total amount reported as expended for state grants and scholarships erroneously included funds which had been improperly categorized. The error was corrected immediately and documented with instructions for completing future FISAP.

Inaccurate reporting on the FISAP could result in an incorrect award of campus-based funds to the University. Furthermore, failure to properly complete the FISAP is a violation of Federal regulations and could jeopardize future Federal funding. (Finding Code 2013-008).

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - FEDERAL COMPLIANCE** (continued)

**Finding 2013-008 - FISAP Reporting** (continued)

*Recommendation*

We recommend the University review its procedures to ensure that the FISAP filings are accurately and timely submitted in accordance with regulations.

*University's Response*

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - STATE COMPLIANCE**

**Finding 2013-009 - Internal Audit**

Northeastern Illinois University (the "University") internal auditing program did not review all major systems within the required time frame.

In our testing of the University's internal audit program, we noted that the University had not audited all major systems of internal accounting and administrative control within the required 2-year timeframe. Specifically, we noted the following audits had not been performed during the prior two fiscal years ending June 30, 2013:

- Cash and tuition fee receipts – The most recent audit was performed on transactions occurring prior to June 30, 2011. The report related to the testing was issued in September 2011.
- Grants and contracts – The most recent audit was performed on contracts entered into prior to June 30, 2011. The report related to the testing was issued in August 2011.

The Fiscal Control and Internal Auditing Act (Act) (30 ILCS 10/2003) states that audits of all major systems of internal accounting and administrative control must be performed at least once every two years and must include testing of the obligation, expenditure, receipt, and use of public funds of the State and of funds held in trust to determine whether those activities are in accordance with applicable laws and regulations; and testing of grants received or made by the designated State agency to determine that the grants are monitored, administered, and accounted for in accordance with applicable laws and regulations.

University officials stated that the University experienced internal audit resource constraints related to significant increase in the number and scope of internal audits, reviews, and reports. Such constraints resulted in these two particular reports not being finalized.

The lack of timely internal audits over all major systems impairs the University's ability to monitor the effectiveness of its system of internal control and results in noncompliance with the Act. (Finding Code 2013-009).

***Recommendation***

We recommend the University comply with the Act by ensuring the timely performance of audits over all major systems.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - STATE COMPLIANCE** (continued)

**Finding 2013-010 - Timesheets Not Required**

Northeastern Illinois University (the “University”) did not require all employees to submit timesheets as required by the State Officials and Employees Ethics Act (the “Act”).

The Act requires the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The Act (5 ILCS 430/5-5(c)) states, “The policies shall require State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour.” The IBHE adopted personnel policies for public universities on February 3, 2004, in accordance with the Act. The University has not incorporated these policies into the University’s policies.

Based on our detailed testing of 75 employees’ timesheets, we noted that 25 employees and 1 graduate assistant were not required to file timesheets.

University procedures did not require time reporting documenting the time spent each day on official state business to the nearest quarter hour to be submitted for faculty, instructors, and graduate assistants. The employees documenting time to the nearest quarter hour are administrative and professional, civil service, miscellaneous hourly, student aide, work study, and resource professionals.

University officials stated that the University currently requires time reports from all hourly employees and administrative staff. The time reporting requirement has not been implemented for faculty or graduate assistants.

By not requiring positive time reporting from all its employees, the University is not in compliance with the Act. (Finding Code 2013-010, 12-11, 11-9, 10-8, 09-9, 08-6, 07-6, 06-5, 05-4).

***Recommendation***

We recommend the University amend its policies to require all employees to submit time reports in compliance with the Act.

***University’s Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - STATE COMPLIANCE** (continued)

**Finding 2013-011 - High School Feedback System Reports**

Northeastern Illinois University (the “University”) did not prepare High School Feedback System reports to high schools within the State.

During testing, we noted the Illinois Community College Board, the State Board of Education, and the Illinois Board of Higher Education’s (IBHE) latest report for School Years 2008 – 2010 was released on March 11, 2013 and does not have the level of detail or information required by the Law.

Northeastern Illinois University Law (Law) (110 ILCS 680/25-80) requires the University – in collaboration with Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northern Illinois University, Southern Illinois University, the University of Illinois, and Western Illinois University – annually prepare and submit a single report to each high school within the State concerning the academic progress and success of the high school’s former students. Pursuant to the Law, the report must include the number of high school graduates enrolled in each university and the major of each, the number of high school graduates who have withdrawn from each university, and student performance in university coursework.

University officials stated that the University relied on information from the IBHE that its Statewide reporting would be sufficient to meet the necessary reporting requirements.

Failure to prepare and submit High School Feedback System reports to the State’s high schools limits opportunities for the high schools to identify areas for improving student success in university coursework and represents noncompliance with the Northeastern Illinois University Law. (Finding Code 2013-011).

***Recommendation***

We recommend the University prepare and submit High School Feedback System reports in accordance with the Statute.

***University’s Response***

The University concurs with this recommendation to submit reports in accordance with the Statute and will work with the IBHE to clarify its statewide reporting requirements.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - STATE COMPLIANCE** (continued)

**Finding 2013-012 - Noncompliance with Campus Security Enhancement Act of 2008**

Northeastern Illinois University (the “University”) did not have adequate controls in place for required background checks to be conducted prior to employment for those employees listed in security sensitive positions.

We selected 15 employees listed in security sensitive positions for testing, and noted that background checks were not completed prior to employment for eight of the 15 selected.

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

University officials stated that the Human Resources Department believes that the appropriate background checks were completed for the employees in question; however, appropriate documentation was lost or misfiled during the physical move of the Human Resource office to its new location.

The lack of completion of the required criminal background investigations prior to employment of individuals in security-sensitive positions could result in the endangerment of University students and personnel and results in noncompliance with the Act. (Finding Code 2013-012).

***Recommendation***

We recommend the University review its internal policies and procedures regarding the timely completion of background checks and complete all required background checks in accordance with the Statute.

***University’s Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - STATE COMPLIANCE** (continued)

**Finding 2013-013 - Noncompliance with Abused and Neglected Child Reporting Act**

Northeastern Illinois University (the "University") did not have adequate policies in place to obtain and retain signed statements to acknowledge that employees understand the reporting requirements under the Abused and Neglected Child Reporting Act.

During our testing of statutory mandates, we were informed by University management that except in the case of employees at the Child Care Center, Northeastern Illinois University is not currently requiring employees to sign a statement notifying them of their status as reporters of child abuse.

The Abused and Neglected Child Reporting Act (Act) (325 ILCS 5/4) states that personnel employed by institutions of higher education on and after July 1, 1986 shall sign a statement on a form prescribed by the Illinois Department of Children and Family Services, to the effect that the employee has knowledge and understanding of the reporting requirements of this Act. The statement shall be signed prior to commencement of the employment. The signed statement shall be retained by the employer.

University officials stated the University encountered staff turnover in the position responsible for this compliance reporting and failed to assure that the appropriate training was documented.

Failure to obtain signed statements from employees acknowledging their understanding of the reporting requirements for child abuse and neglect may result in a lack of employee awareness of their responsibilities and results in noncompliance with the Act. (Finding Code 2013-013).

***Recommendation***

We recommend the University review its internal policies and procedures regarding the timely completion of signed statements on abused and neglected child reporting and have all employees comply with the requirements of the Statute.

***University's Response***

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - STATE COMPLIANCE** (continued)

**Finding 2013-014 - Disaster Contingency Plan Deficiencies**

Northeastern Illinois University (the "University") did not have a current disaster recovery plan and formal recovery testing had never been performed. In addition, the University did not have a suitable alternate data processing location in the event campus facilities were unusable.

The University carries out its mission through the use of information technology which includes administrative, financial, human resources, and student record systems containing critical, confidential and/or financially sensitive information. Based on our review of University procedures and inquiry of University personnel, we noted that computer system backups were being performed by University personnel and stored at a site separated from the computing facility. However, the University lacked a written disaster recovery plan and had not formally tested its backups to assure the University's critical systems could be recovered within an acceptable timeframe.

Information technology guidance (including the National Institute of Standards and Technology and Government Accountability Office) endorse the formal development and testing of disaster recovery plans. Tests of disaster recovery plans (and the associated documentation of the test results) verify that the plan, procedures, resources provide the capability to recover critical systems within the required timeframe.

Without an adequately developed and tested contingency plan, the University cannot ensure its critical systems could be recovered within an acceptable period and minimize the impact associated with a disaster.

University officials stated that the facility identified as a disaster recovery center was not yet operational in 2013. The University has identified a main disaster recovery site (the new El Centro Campus) which will be operational in fall 2014.

Failure to adequately update and test the disaster recovery plans leaves the University exposed to the possibility of major disruptions of services. A comprehensive test of the plan across all platforms utilized will assist management in identifying weaknesses to ensure recovery procedures are adequate in the event a disaster. Continuous reviews and tests of plans would help management ensure the plans are appropriately modified as the University's computing environment and disaster recovery needs change. (Finding Code 2013-014).

***Recommendation***

We recommend the University review and update its plan at least annually or when significant changes occur. The University should perform and document tests of its plan at least once a year. In addition, the plan should be continuously updated to reflect environmental changes and improvements identified from tests. Furthermore, the University should develop a suitable alternate data processing location in the event campus facilities are unusable.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**CURRENT FINDINGS - STATE COMPLIANCE** (continued)

**Finding 2013-014 - Disaster Contingency Plan Deficiencies** (continued)

*University's Response*

The University concurs with this finding and recommendation.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**PRIOR FINDINGS NOT REPEATED**

*A Performance of Financial Aid Verification Procedures*

Status: Not Repeated

It was recommended that the University review its controls over the verification process to ensure that all students are awarded the correct amount of financial aid.

In the current year, we noted no instances in our sample testing of inaccuracies in the University's performance of Financial Aid Verification procedures. (Finding Code 12-4, 11-5).

*B Direct Loan Cash Summary Reconciliation*

Status: Not Repeated

It was recommended that the University review its procedures to ensure that the ending cash balances per the Direct Loan Cash Summary was being reconciled on a monthly basis.

In the current year, we did not note any instances in our sample testing of inaccurate Direct Loan Cash Summary reconciliations. (Finding Code 12-5, 11-6).

*C Unapproved Location*

Status: Not Repeated

It was recommended that the University review its procedures to ensure that approval for required locations is obtained prior to the disbursement of Title IV funds.

In the current year, we did note any instance in our testing where University locations were not properly approved. (Finding Code 12-6).

*D Enrollment Status Reporting*

Status: Not Repeated.

It was recommended that the University review its procedures to ensure compliance with enrollment status reporting regulations under the Direct Loan Program.

In the current year, we noted no instances in our sample testing of inaccurate enrollment status reporting under the Direct Loan Program. (Finding Code 12-9).

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**PRIOR FINDINGS NOT REPEATED** (continued)

E *Cash Management*

Status: Not Repeated.

It was recommended that the University review its procedures to ensure compliance with cash management regulations.

In the current year, we noted no instances in our sample testing of inaccurate compliance with cash management regulations. (Finding Code 12-10).

F *Failure to Comply with the Identity Protection Act*

Status: Not Repeated.

It was recommended that the University develop and approve an identity protection policy as required in the Identity Protection Act.

In the current year, our testing indicated the University developed and approved an identity protection policy under the Identity Protection Act. (Finding Code 12-12).

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
For the Year Ended June 30, 2013**

**Summary**

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis
  - Schedule of Expenditures of Federal Awards
  - Notes to the Schedule of Expenditures of Federal Awards
  - Schedule of Net Appropriations, Expenditures, Lapsed Balances, and Balances Reappropriated
  - Comparative Schedule of Net Appropriations, Expenditures, Lapsed Balances, and Balances Reappropriated
  - Comparative Schedule of Income Fund Revenues and Expenditures
  - Schedule of Changes in Capital Assets
  - Analysis of Significant Variations in Expenses
  - Analysis of Significant Variations in Revenues
  - Analysis of Significant Lapse Period Spending
  - Analysis of Significant Account Balances
  - Summary of Indirect Cost Reimbursement Funds
  - Schedule of Indirect Cost Funds to be deposited into the University Income Fund as Required by 1982 University Guidelines (Amended 1997)
  - Other Entities and Auxiliary Enterprises - Calculation Sheet for Current Excess Funds (Unaudited)
  - Description of Accounting Entities
  - Other Entities and Auxiliary Enterprises - Balance Sheets
  - Other Entities and Auxiliary Enterprises - Schedule of Changes in Fund Balances - Current Funds
  - Schedules of Federal Expenditures, Nonfederal Expenses, and New Loans
- Analysis of Operations
  - University Functions and Planning Program (Unaudited)
  - University Enrollment and Employee Information (Unaudited)
  - Service Efforts and Accomplishments (Unaudited)
  - University Bookstore Information (Unaudited)
  - Special Data Requirements for Audits of Universities:
    - University Reporting in Accordance with University Guidelines (Unaudited)
    - Schedule of Tuition and Fee Waivers (Unaudited)
    - Summary of Foundation Payments to the University (Unaudited)

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES  
For the Year Ended June 30, 2013**

**Summary** (continued)

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report section states that Schedules 1 - 11 and 13 - 16 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditors' opinion, it is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived. The accountants' report also states that Schedule 12 and the Analysis of Operations section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on them.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013**

**Schedule 1**

<u>Federal Grantor/Pass-Through Grantor Program/Grant Title</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>
<b>MAJOR PROGRAMS</b>			
<b>Department of Education</b>			
Student Financial Assistance Cluster			
Federal Pell Grant Program	84.063		\$ 17,775,249
Federal Work Study Program	84.033		547,307
Federal Supplemental Educational Opportunity Grant Program	84.007		437,625
Federal TEACH Grant Program	84.379		170,190
Federal Perkins Loan Program (Note 2)	84.038		-
Federal Direct Student Loan Program (Note 3)	84.268		-
			<u>18,930,371</u>
Total Student Financial Assistance Cluster			<u>18,930,371</u>
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334		<u>11,993,838</u>
TRIO Cluster			
TRIO - Talent Search Program	84.044		421,247
TRIO - Upward Bound Program	84.047		84,492
TRIO - Upward Bound Math and Science Competition	84.047		245,404
TRIO - Ronald E. McNair Post Baccalaureate Achievement	84.217		208,609
TRIO - Student Support Services - Regular; Disabilities; Teacher Prep	84.042		709,295
			<u>1,669,047</u>
Total TRIO Cluster			<u>1,669,047</u>
Higher Education Institutional Aid			
Strengthening Institutions - PPOHA	84.031		597,020
Biomedical Environmental Medical Science	84.031		586,040
Strengthening Hispanic Serving Institutions - Retention Transfer Grad	84.031		579,554
Strengthening Institutions - Hispanic Serving Institutions	84.031		422,243
			<u>2,184,857</u>
Total Higher Education Institutional Aid			<u>2,184,857</u>
Twenty-First Century Community Learning Centers			
Passed-Through Illinois State Board of Education			
Project 4421-07	84.287		311,540
Project 4421-10	84.287		430,343
			<u>741,883</u>
Total Twenty-First Century Community Learning Centers			<u>741,883</u>
Total Department of Education			<u>35,519,996</u>
Total Major Programs			<u>35,519,996</u>

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013**

**Schedule 1**

<u>Federal Grantor/Pass-Through Grantor Program/Grant Title</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>
<b>OTHER PROGRAMS</b>			
<b>Research and Development Cluster</b>			
National Science Foundation			
Mathematical and Physical Sciences			
<i>Research in Undergraduate Institutions: Hamilton Instability</i>	47.049		25,169
<i>A Hybrid Course of Peer Led</i>	47.076		53,555
<i>MRI: Scanning Probe Microscopy</i>	47.074		105,510
<i>Linking DEB 1034855</i>	47.074		74
Passed-Through University of Wisconsin			
<i>How Does Teachers' Visual Scaffolding Support Students' Mathematics Learning</i>	47.076	192K850	<u>42,098</u>
Total National Science Foundation			<u>226,406</u>
Department of Health and Human Services			
National Institutes of Health			
<i>An Office of Research Development to Foster Research</i>	93.865		47,595
Passed-Through Northwestern University			
<i>Select Training and Research Program</i>	93.859	PROJ00001509	<u>48,985</u>
Total Department of Health and Human Services			<u>96,580</u>
Department of Agriculture			
Targeted Investigation of Earth Resources			
<i>Hispanic Serving Institutions Education Grants</i>	10.223		95,932
Collaboration and Retention in Environmental & Agriculture			
<i>Hispanic Serving Institutions Education Grants</i>	10.223		<u>81,314</u>
Total Department of Agriculture			<u>177,246</u>
National Aeronautics and Space Administration			
<i>Carbonite Magmas: source and Evolution of Earth's Deep Carbonate Reservoir</i>	43.008		<u>2,853</u>
Total Research and Development Cluster			<u>503,085</u>
<b>Department of Education</b>			
Bilingual Education Training Grants			
<i>National Professional Development Program</i>	84.195		392,360
Rehabilitation Long-Term Training			
<i>Rehabilitation Counseling</i>	84.129		108,972
English Language Acquisition State Grants			
	84.365		461,054

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013**

**Schedule 1**

<u>Federal Grantor/Pass-Through Grantor Program/Grant Title</u>	<u>CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>
<b>OTHER PROGRAMS</b> (continued)			
<b>Department of Education</b> (continued)			
PEP Aspira <i>Fund for the Improvement of Education</i>	84.215		1,981
Passed-Through University of Illinois at Chicago <i>Teacher Quality Partnership</i>	84.336	0411	419,579
Passed-Through Illinois Board of Higher Education <i>No Child Left Behind</i>	84.367	None	<u>202,344</u>
Total Department of Education			<u>1,586,290</u>
<b>National Science Foundation</b>			
Mathematical and Physical Sciences <i>Math and Science Cohort of Scholars</i>	47.049		157,850
American Recovery and Reinvestment Act <i>ARRA - Enriching the First Year Experience</i>	47.082		14,918
Passed-Through Chicago State University <i>Illinois Louis Stokes Alliance for Minority Participation</i>	47.076	None	<u>7,134</u>
Total National Science Foundation			<u>179,902</u>
<b>Department of Health and Human Services</b>			
National Institutes of Health <i>Cancer Centers Support Grants</i>	93.397		131,761
Passed-Through Illinois Department of Human Services <i>Substance Abuse Prevention</i>	93.959	10C6002591	<u>93,830</u>
Total Department of Health and Human Services			<u>225,591</u>
<b>Department of Agriculture</b>			
ARS and NEIU Partnership <i>Agricultural Research Basic and Applied Research</i>	10.001		<u>28,269</u>
Total Other Programs			<u>2,523,137</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 38,043,133</u></b>

See the accompanying notes to Schedule of Expenditures of Federal Awards.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013**

**NOTE 1 - SIGNIFICANT ACCOUNTING POLICY****Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards by federal agency and program represents the financial assistance transactions of the State of Illinois, Northeastern Illinois University, which are recorded on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

**NOTE 2 - STUDENT LOAN PROGRAM ADMINISTERED BY THE UNIVERSITY**

The University administered the following federal loan program during the year ended June 30, 2013:

**Federal Perkins Loan Program CFDA #84.038**

Outstanding balance at July 1, 2012	<u>\$ 2,233,681</u>
Additions:	
Interest income	37,586
Decrease in allowance for doubtful accounts	10,463
Other income	<u>4,447</u>
Total additions	<u>52,496</u>
Deductions:	
Loans cancelled or written off	81,761
Collection costs	10,916
Administrative charges	<u>56,727</u>
Total deductions	<u>149,404</u>
<b>Outstanding balance at June 30, 2013</b>	<b><u>\$ 2,136,773</u></b>

Loans made by the University to eligible students under the Federal Perkins Loan Program during the year ended June 30, 2013 were \$218,316.

**NOTE 3 - GUARANTEED LOANS**

During the year ended June 30, 2013, the University awarded \$26,753,006 in new loans under the Federal Direct Student Loan Program (CFDA #84.268).

**NOTE 4 - WAIVED MATCHING REQUIREMENT**

During the year ended June 30, 2013, the State of Illinois, Northeastern Illinois University was granted a waiver from the U.S. Department of Education that released the University from the requirement of matching any Federal Work-Study (FWS) funds and any Federal Supplemental Educational Opportunity Grant (FSEOG) funds.

**STATE OF ILLINOIS**  
**NORTHEASTERN ILLINOIS UNIVERSITY**  
**FISCAL SCHEDULES AND ANALYSIS**  
**SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, LAPSED BALANCES,**  
**AND BALANCES REAPPROPRIATED\***  
**Appropriations for Fiscal Year 2013**  
**Fourteen Months Ended August 31, 2013**

	<u>Appropriations (Net After Transfers)</u>	<u>Expenditures Through June 30, 2013</u>	<u>Lapse Period Expenditures July 1, to August 31, 2013</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>	<u>Balances Reappropriated July 1, 2013</u>
<b>APPROPRIATED FUNDS</b>						
Education Assistance Fund 007 (Public Act 97-0729)						
Personal services	\$ 36,735,000	\$ 36,734,312	\$ 688	\$ 36,735,000	\$ -	\$ -
Employer contributions to group insurance	<u>1,072,600</u>	<u>1,072,600</u>	<u>-</u>	<u>1,072,600</u>	<u>-</u>	<u>-</u>
Total General Revenue Fund	<u>37,807,600</u>	<u>37,806,912</u>	<u>688</u>	<u>37,807,600</u>	<u>-</u>	<u>-</u>
<b>TOTAL APPROPRIATED FUNDS</b>	<u>\$ 37,807,600</u>	<u>\$ 37,806,912</u>	<u>\$ 688</u>	<u>\$ 37,807,600</u>	<u>\$ -</u>	<u>\$ -</u>

\* The information contained in this schedule was taken from the University records which have been reconciled to those of the Office of the State Comptroller.

STATE OF ILLINOIS  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 FISCAL SCHEDULES AND ANALYSIS  
 COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES  
 LAPSED BALANCES, AND BALANCES REAPPROPRIATED\*  
 For the Years Ended June 30, 2013 and 2012

	Fiscal Years	
	2013	2012
	PA 97-0729	PA 97-0069
Education Assistance Fund - 007:		
Appropriations (Net after transfers)	\$ 37,807,600	\$ 40,228,500
Expenditures:		
Personal services	36,735,000	38,623,863
Social Security - Medicare Contributions	-	532,037
Employer Contributions to Group Insurance	1,072,600	1,072,600
<b>Total Expenditures</b>	<b>37,807,600</b>	<b>40,228,500</b>
<b>Lapsed Balances</b>	<b>\$ -</b>	<b>\$ -</b>
Capital Development Fund - 141		
Appropriations (Net after transfers)	\$ -	\$ -
Expenditures:		
Equipment and Remodeling of Buildings	-	-
<b>Lapsed Balances</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Total, All Funds</b>		
<b>Total Appropriations (Net after transfers)</b>	\$ 37,807,600	\$ 40,228,500
<b>Total Expenditures</b>	<b>37,807,600</b>	<b>40,228,500</b>
<b>Lapsed Balances</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Balances Reappropriated</b>	<b>\$ -</b>	<b>\$ -</b>

\* The information contained in this schedule was taken from the University records which have been reconciled to those of the Office of the State Comptroller.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES\*  
For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>\$ 50,090,287</u>	<u>\$ 35,288,396</u>
Income fund revenues:		
Tuition	59,332,767	60,288,780
Rental income	50,789	52,809
Investment income	105,963	140,398
Miscellaneous	<u>3,351,663</u>	<u>1,699,642</u>
Total income fund revenues	<u>62,841,182</u>	<u>62,181,629</u>
Income fund expenditures:		
Personal services (including change in accrued compensated absences)	32,346,527	30,557,292
Social Security, Medicare, health and life insurance	1,071,439	431,732
Contractual services	8,703,953	7,906,905
Travel	356,907	285,323
Commodities	1,159,155	1,098,595
Equipment and library books	2,443,250	1,935,240
Telecommunications	361,752	557,421
Operation of automotive	29,033	32,147
Awards, grants, and matching funds	1,091,837	473,647
Permanent improvements	55,102	228,584
Tuition and fee waivers	<u>3,809,857</u>	<u>3,872,852</u>
Total income fund expenditures	<u>51,428,812</u>	<u>47,379,738</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 61,502,657</u>	<u>\$ 50,090,287</u>

\* This schedule has been prepared on the accrual basis of accounting.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SCHEDULE OF CHANGES IN CAPITAL ASSETS\*  
For the Year Ended June 30, 2013**

	<b>Balance June 30, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance June 30, 2013</b>
Land	\$ 15,895,365	\$ 237,945	\$ -	\$ 16,133,310
Land improvements	10,964,957	-	-	10,964,957
Building and building improvements	134,369,805	7,173,264	13,046	141,530,023
Equipment and library books	56,483,458	4,545,636	2,557,293	58,471,801
Construction in progress	<u>7,953,695</u>	<u>3,777,912</u>	<u>6,516,648</u>	<u>5,214,959</u>
Total	<u>\$ 225,667,280</u>	<u>\$ 15,734,757</u>	<u>\$ 9,086,987</u>	<u>\$ 232,315,050</u>

*\* This schedule has been prepared from the University's property control records. These records are maintained on a basis prescribed by the Department of Central Management Services and differ from the information presented in the basic financial statements due to the higher capitalization thresholds which were adopted for financial reporting purposes. These records have been reconciled to the property records submitted to the Office of the State Comptroller.*

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSES  
For the Year Ended June 30, 2013**

The Statement of Revenues, Expenses, and Changes in Net Position is presented on page 21 of the financial audit report. Following are explanations for significant variances between expense accounts exceeding \$100,000 and 10%:

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>		<u>Comments</u>
			<u>Amount</u>	<u>Percentage</u>	
Public service	\$ 16,701,833	\$ 12,623,930	\$ 4,077,903	32%	The increase was mainly due to the increase in GEAR UP grants.
Student services and programs	16,657,338	13,077,999	3,579,339	27%	The increase was mainly due to the following: (a) \$1.4 million increase in payments on behalf of the University, (b) the same expenses of \$1.7 million incurred in enrollment services (\$1.5 million in employee salaries and \$0.2 million in other expenses) were included in the Instruction expenses in FY 2012, and c) the same expense of \$0.3 million Banner system maintenance expense was included in the Other Operating expenses in FY 2012.
Institutional support	16,179,347	11,957,194	4,222,153	35%	The increase was mainly due to the following: (a) \$2.4 million increase in vacation and sick leave pay benefits, (b) \$0.6 million increase in payments on behalf of the University, c) \$0.5 million increase in SURMA capital contribution, and (d) \$0.5 million increase in contractual expenses due to the design and redevelopment of the University's website.
Other operating expenses	893,777	1,462,165	(568,388)	-39%	The decrease was mainly due to the Banner system maintenance expense of \$0.3 million and a internet upgrade expense of \$0.2 million in FY 2012, both of which derived from proceeds of the 2006 Cetificates of Participation that was included in the Other Operating expenses. The Banner system maintenance expense of \$0.3 million for FY 2013 was paid out of Student Computer Resource Fee, which was included in the Student Services and Programs expenses.
Interest on indebtedness	2,218,518	1,673,942	544,576	33%	The increase was due to the interest paid for the \$28.5 million Certificates of Participation issued during the year.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUES  
For the Year Ended June 30, 2013**

The Statement of Revenues, Expenses, and Changes in Net Position is presented on page 21 of the financial audit report. Following are explanations for significant variances between revenue accounts exceeding \$100,000 and 10%:

	<u>2013</u>	<u>2012</u>	<u>Increase (Decrease)</u>		<u>Comments</u>
			<u>Amount</u>	<u>Percentage</u>	
Federal grants and contracts	\$ 18,572,471	\$ 13,005,164	\$ 5,567,307	43%	The increase was mostly due to the increase in GEAR UP 4 and GEAR UP 5 grants. In FY 2012, the Chicago Teacher's Center did not have enough developed staff to get started with the project. By FY 2013, the Chicago Teacher's Center had enough staff to start the project and developed the program throughout the various high schools. This resulted in an increase in expenses and revenues.
State and local grants	1,959,867	2,272,522	(312,655)	-14%	The decrease was mostly due to the IBHE Grow Your Own grants. The funding had decreased from FY 2012 to FY 2013.
Nongovernmental grants and contracts	714,533	1,057,662	(343,129)	-32%	The decrease was mainly due to the decrease in private grants.
Payments on behalf of the University	50,028,479	39,101,845	10,926,634	28%	The increase was due to the increase in employee retirement benefit costs and employee health insurance costs financed by the State of Illinois.
Other nonoperating revenues	175,000	70,000	105,000	150%	The increase represents the accrual of the remaining debt service subsidy due from the US Dept. of Housing and Urban Development related to the University Facilities Revenue Bond Series 1973, which was retired after the last principal payment made on July 1, 2013.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Year Ended June 30, 2013**

There were no significant expenditures during the lapse period.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES  
For the Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH AND INVESTMENTS</b>		
The University's cash and investments are classified as follows:		
Cash and cash equivalents	\$ 68,579,085	\$ 49,252,846
Restricted cash and cash equivalents	15,884,401	2,944,566
Restricted investments	<u>1,342,265</u>	<u>1,358,686</u>
 <b>TOTAL CASH AND INVESTMENTS</b>	 <u>\$ 85,805,751</u>	 <u>\$ 53,556,098</u>
 The University's cash and investments were held in the following accounts:		
Deposits held at U.S. Bank:		
University 2004 Bond Reserve Account	\$ 49,543	\$ 33,095
University 2004 Bond Account	442,137	424,213
University 1997 Bond Reserve Account	15,723	9,460
University 1973 Bond Account	254,486	284,733
Deposits held at Pittsburgh National Bank	27,052	21,723
Deposits held at JPMorgan Chase Bank:		
University Operating Account	4,568,568	2,975,088
University Operating Investment Account	64,598,705	46,972,138
University Clearing Account	(1,082,592)	(842,175)
University Payroll Account	(239,973)	(227,159)
University Federal Grant	-	64,074
University Student Refund Account	(293,687)	(241,226)
Student Union Revenue Fund	865	44
Repair and Replacement Account	382,166	357,166
Equipment Reserve	134,885	134,885
University Emergency Loan Account	(770)	(450)
2006 Certificate of Participation Project Account	157,754	1,040,913
2010 Certificate of Participation Project Account	395,118	638,334
2012 Certificate of Participation Project Account	14,024,672	-
U.S. Treasury Notes	1,097,777	1,114,198
U.S. Bank Jumbo Customers' Deposit	244,488	244,488
Illinois Funds	1,022,134	545,356
Petty Cash - all accounts	<u>6,700</u>	<u>7,200</u>
 <b>TOTAL CASH AND INVESTMENTS</b>	 <u>\$ 85,805,751</u>	 <u>\$ 53,556,098</u>

As of June 30 2013, all deposit amounts were fully collateralized with federal government securities pledged by the applicable financial institution, were invested in U.S. Government securities, money market funds, or were on deposit with Illinois Funds. The Illinois Funds includes investment in U.S. Government-backed securities which yielded an average annual rate of 0.076% during fiscal year 2013. The University has the right to withdraw its participation from the pool at any point in time. The U.S. Treasury Notes have an average interest rate of 1.839%.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES  
For the Years Ended June 30, 2013 and 2012**

**RECEIVABLES**

The University's receivables (net of allowance for doubtful accounts) are classified as follows:

	<u>2013</u>	<u>2012</u>
Grants	\$ 5,014,395	\$ 3,477,360
Student loans	1,802,705	1,919,357
Tuition and fees	4,662,406	4,502,694
Other receivables	<u>13,137,019</u>	<u>12,721,387</u>
<b>TOTAL RECEIVABLES</b>	<u>\$ 24,616,525</u>	<u>\$ 22,620,798</u>

Grants receivable consists of amounts due from the federal government and other granting sources at the end of the fiscal year. The increase in total grants receivables was mainly due to the increase in GEAR UP grants. Other receivables consist primarily of amounts due from State appropriation, parking fines, library fines, and other miscellaneous receivables. The increase in other receivables was due to the delay in reimbursement payments owed to the University at June 30, 2013, by the State Comptroller for the payroll expenses.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES  
For the Years Ended June 30, 2013 and 2012**

**RECEIVABLES**, continued

The aging of such receivables, by type, as of June 30, 2013, is as follows:

	<u>Current</u>	<u>1-2 years</u>	<u>2-3 years</u>	<u>Over 3 years</u>	<u>Total</u>
<b>GRANTS</b>	\$ 5,014,395	\$ -	\$ -	\$ -	\$ 5,014,395
<b>STUDENT LOANS</b>					
Perkins loan	\$ 2,075,495	\$ 114,323	\$ 81,220	\$ 271,352	\$ 2,542,390
Emergency loan	13,413	2,859	1,719	26,111	44,102
<b>TOTAL STUDENT LOANS</b>	<u>\$ 2,088,908</u>	<u>\$ 117,182</u>	<u>\$ 82,939</u>	<u>\$ 297,463</u>	2,586,492
Allowance for doubtful accounts					<u>(783,787)</u>
<b>NET STUDENT LOANS</b>					<u>\$ 1,802,705</u>
<b>TUITION AND FEES</b>					
From students	\$ 4,802,088	\$ 1,700,840	\$ 702,644	\$ 2,392,923	\$ 9,598,495
Third party reimbursements	210,995	-	-	-	210,995
<b>TOTAL TUITION AND FEES</b>	<u>\$ 5,013,083</u>	<u>\$ 1,700,840</u>	<u>\$ 702,644</u>	<u>\$ 2,392,923</u>	9,809,490
Allowance for doubtful accounts					<u>(5,147,084)</u>
<b>NET TUITION AND FEES</b>					<u>\$ 4,662,406</u>
<b>OTHER RECEIVABLES</b>					
Parking fines	\$ 58,485	\$ 37,173	\$ 47,174	\$ 160,008	\$ 302,840
Library fines	85,646	95,572	483,275	-	664,493
TEACH grant	3,714	-	-	-	3,714
Other accruals	12,925,029	-	-	-	12,925,029
<b>TOTAL OTHER RECEIVABLES</b>	<u>\$ 13,072,874</u>	<u>\$ 132,745</u>	<u>\$ 530,449</u>	<u>\$ 160,008</u>	13,896,076
Allowance for doubtful accounts					<u>(759,057)</u>
<b>NET OTHER RECEIVABLES</b>					<u>\$ 13,137,019</u>

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES  
For the Years Ended June 30, 2013 and 2012**

**LIABILITIES**

A comparative analysis of liabilities of the University is provided below:

	<u>2013</u>	<u>2012</u>
Accounts payable and accrued liabilities	\$ 8,761,510	\$ 8,207,393
Deferred revenues	2,058,245	3,108,943
Liability for compensated absences	6,760,805	6,320,588
Revenue bonds payable	17,165,000	17,350,000
Certificates of participation, net	46,142,254	18,285,585
Funds held in custody for others	<u>286,768</u>	<u>244,579</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 81,174,582</u>	<u>\$ 53,517,088</u>

Increase in accounts payable and accrued liabilities was a net result of the following: a) Increase in interest payable from the 2012 COP of \$0.3 million; b) net increase in outstanding invoices from grants, capital projects, and other funds of \$0.7 million; c) decrease in vacation and sick leave payouts to employees in FY 2013 of \$0.7 million; d) increase in accrued salaries of \$0.2 million.

Decrease in unearned revenues was mainly due to decrease in receipts collected in FY 2013. The receipts collected in FY 2012 for Fall 2012 was \$2.8 million compared to \$1.8 million receipts for Fall 2013 in FY 2013.

Increase in certificates of participation was due to the issuance of Certificate of Participation in FY 2013 for \$28.5 million to fund a new academic facility.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SUMMARY OF INDIRECT COST REIMBURSEMENT FUNDS  
For the Year Ended June 30, 2013**

<b>FUND BALANCE, JUNE 30, 2012</b>	<b>\$ 1,376,415</b>
21st CCLC Austin	\$ 23,077
21st CCLC Morton High School	31,878
Academic Enhancements	82,150
Bateman School	2,310
Banneker CSI	1,470
Berwyn Cicero Initiative Ed Excel	5,174
Bookstore	15,921
Bridges to the Future	2,095
Campus Recreation	39,032
Childcare Center	33,833
Cultural Connections Institute	1,265
English Language Acquisition	29,064
Enliten	36,399
Enriching the First Year Experience	4,925
Fry Foundation	5,630
GEAR UP Programs	722,005
Health Services	17,733
Hybrid Course of Peer-Led	12,148
Initiative to Reduce Tobacco Use	1,400
International Study Project	4,891
Japan Foundation	4,801
JS Morton High School District 201	7,291
Kirk Yard Tract Insect Survey	2,724
Least Restrictive Environment Program	118
Louis Stoke Alliance Minority	930
McNair Scholars Program	12,647
NCLB Plans For Academic Success	14,041
Non-Credit Contracts	323
Northwestern University START Program	3,629
NU Neighbors to Reduce Cancer Disparities	32,803
Office of Research Development	6,394
On Line Course Fees CTL	11,998
Parking Lot Administration	120,618
Peck Community School Program	1,190
PEP Villa Park	145
Performing Arts	8,677
Perkins Loan Program	10,916
Physical Education Program Aspira	1
Polk Bros Every Art Every Child	3,517

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SUMMARY OF INDIRECT COST REIMBURSEMENT FUNDS  
For the Year Ended June 30, 2013**

Rehabilitation Long Term Training	8,072	
RUI Instability of Dynamical System	8,021	
SEOG Program	20,839	
SSSP Teacher Preparation	15,506	
SSSP With Disabilities	19,130	
Student Activities	43,020	
Student Support Services Program	17,904	
Student Union service	73,001	
Talent Search	31,203	
Technology Initiatives	121,249	
Terra Studio Thinking Amer Art '12	3,145	
Township High School District 211	55,907	
UIC Teacher Quality Partnership	31,097	
Upward Bound	24,206	
USDA - CREAR 2011	9,386	
USDA - TIERRA 2011	8,264	
UW Visual Scaffolding For Math	11,196	
Vending	6,300	
Von Humboldt CSI	2,679	
Work Study Programs	22,447	1,847,735
Other Source-IC on Course Fees/Pell Administrative Fee		<u>35,374</u>
Total Available		3,259,524
Less: Expenditures and Transfer		
Academic Services	745,382	
Administrative Services	419,152	
Student services	48,076	
Public Services	27	
Funds Transferred to Income Fund	653,324	<u>1,865,961</u>
<b>FUND BALANCE, JUNE 30, 2013</b>		<b><u>\$ 1,393,563</u></b>

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SCHEDULE OF INDIRECT COST FUNDS TO BE DEPOSITED INTO  
THE UNIVERSITY INCOME FUND AS REQUIRED BY THE 1982  
UNIVERSITY GUIDELINES (AMENDED 1997)  
For the Year Ended June 30, 2013**

1.	Cash and cash equivalents balance: Cash and cash equivalents	<u>\$ 1,649,009</u>
2.	Allocated reimbursements: Total indirect cost reimbursements allocated for expenditure for the fiscal year completed: \$1,806,585: enter 30% of this amount	541,976
3.	Unallocated reimbursements: Lesser of the actual unallocated indirect cost reimbursements for the year completed OR 10% of total indirect cost allocations for the year completed	180,659
4.	Encumbrances and current liabilities paid in the lapse period: Current liabilities and encumbrances	<u>265,482</u>
5.	Indirect cost carry-forward	<u>988,117</u>
	<b>EXCESS CASH TO BE DEPOSITED TO THE UNIVERSITY INCOME FUND</b>	<u><u>\$ 660,892</u></u>

STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
OTHER ENTITIES AND AUXILIARY ENTERPRISES - CALCULATION SHEET FOR CURRENT EXCESS FUNDS (UNAUDITED)  
For the Year Ended June 30, 2013

	Student Fee Programs	Public Service Activities	Student and Staff Services	Service Departments	Other Educational Services	Educational Contracts	Auxiliary Enterprises				
							Student Union	Parking Lot Administration	Other Auxiliary Enterprises	Total Auxiliary Enterprises	
1. Current available funds:											
Cash	A. \$ 1,715,456	\$ 145,362	\$ 115,136	\$ 678,130	\$ 130,081	\$ (39,236)	\$ 582,364	\$ 1,445,721	\$ 405,889	\$ 2,433,974	
2. Working capital allowance:											
Highest month's expenditures	\$ 4,063,044	\$ 140,844	\$ 1,360,777	\$ 464,055	\$ 82,623	\$ 89,564	\$ 727,201	\$ 774,641	\$ 154,877	1,656,719	
Encumbrances and current liabilities paid in lapse period	586,395	57,241	35,038	340,658	13,498	40,594	274,515	36,647	27,678	338,840	
Deferred income	211,329	-	38,478	-	-	-	33,163	63,260	-	96,423	
Refundable deposits	-	18	-	-	-	-	-	-	349,621	349,621	
Working capital allowance	B. \$ 4,860,768	\$ 198,103	\$ 1,434,293	\$ 804,713	\$ 96,121	\$ 130,158	\$ 1,034,879	\$ 874,548	\$ 532,176	\$ 2,441,603	
3. Current excess funds (margin of compliance):											
Deduct B from A	C. \$ (3,145,312)	\$ (52,741)	\$ (1,319,157)	\$ (126,583)	\$ 33,960	\$ (169,394)	\$ (452,515)	\$ 571,173	\$ (126,287)	\$ (7,629)	
4. Calculation of income fund remittance:											
An entity may offset excess capital or current funds within the entity.											
Enter the amount to be offset, if any, here	D.					(1,462,036)				(805,542)	
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund						\$ (1,428,076)				\$ (813,171)	
<b>Excess Funds Offset</b>											
Indentured capital reserves											
Allowable capital reserves						\$ 1,539,795				\$ 3,162,603	
Actual capital reserves						77,759				2,357,061	
Total Excess Funds Offset						\$ 1,462,036				\$ 805,542	

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
DESCRIPTION OF ACCOUNTING ENTITIES  
For the Year Ended June 30, 2013**

Accounting entities as defined by the 1982 (Amended 1997) Legislative Audit Commission Guidelines and their primary revenue sources are as follows:

Activities

*Student Fee Programs* are organized student activities funded primarily by student fees.

*Public Service Activities* are noncredit conferences, seminars, short courses, and other services offered to the public for a fee. The primary revenue source is the fee charged to participants.

*Student and Staff Services* are services offered at a charge to University staff and students.

*Service Departments* provide products or services to organizational units within the University. Charges for services provide the revenue.

*Other Educational Services* are activities related to the educational process which incidentally generate products or services made available to the public for a charge.

*Educational Contracts* are courses for credit which are presented by, and have the course content coordinated with, a government unit, community organization, or private business.

Auxiliary Enterprises

*Student Union* is an operation financed by revenue bonds with principal operations, including food service, conference and assembly space, student card services, and information services.

*Parking Lot Administration* provides the operation, maintenance, and development of the University parking facilities. Revenues come from charges for parking and fines.

*Other Auxiliary Enterprises* are self-supporting activities that include vending machines, child care, and bookstore.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
OTHER ENTITIES AND AUXILIARY ENTERPRISES - BALANCE SHEETS  
For the Year Ended June 30, 2013**

	Student Fee Programs	Indirect Cost	Public Service Activities	Student and Staff Services	Service Departments	Other Educational Services	Educational Contracts	Auxiliary Enterprises			Totals
								Student Union	Parking Lot Administration	Other Auxiliary Enterprises	
<b>Assets</b>											
<b>Current Fund Assets</b>											
Cash and investments	\$ 1,715,456	\$ 1,649,009	\$ 145,362	\$ 115,136	\$ 678,129	\$ 130,081	\$ (39,236)	\$ 582,364	\$ 1,445,721	\$ 405,889	\$ 6,827,911
Accounts receivable - net	456,975	-	-	97,911	-	-	-	176,074	315,386	67,560	1,113,906
Prepaid expenses	356,620	10,278	-	10,845	-	-	-	-	-	-	377,743
Inventories	-	-	-	-	5,534	-	-	863	-	-	6,397
<b>Total</b>	<u>2,529,051</u>	<u>1,659,287</u>	<u>145,362</u>	<u>223,892</u>	<u>683,663</u>	<u>130,081</u>	<u>(39,236)</u>	<u>759,301</u>	<u>1,761,107</u>	<u>473,449</u>	<u>8,325,957</u>
<b>Plant Fund Assets</b>											
Cash and investments	3,091,393	-	256,381	(44,967)	1,926,619	122,123	40,827	598,641	1,176,793	1,106,727	8,274,537
Land and land improvements	615,466	-	314,485	161,877	288,432	231,460	4,180	634,433	4,557,154	357,427	7,164,914
Buildings and construction in progress	10,354,642	-	5,529,899	1,628,972	2,844,868	6,665,432	788,655	5,833,720	15,715,935	3,525,301	52,887,424
Equipment	3,286,014	-	44,212	66,623	5,779,241	2,194,704	271,332	704,916	925,082	95,936	13,368,060
<b>Total</b>	<u>17,347,515</u>	<u>-</u>	<u>6,144,977</u>	<u>1,812,505</u>	<u>10,839,160</u>	<u>9,213,719</u>	<u>1,104,994</u>	<u>7,771,710</u>	<u>22,374,964</u>	<u>5,085,391</u>	<u>81,694,935</u>
<b>Total assets</b>	<u>\$ 19,876,566</u>	<u>\$ 1,659,287</u>	<u>\$ 6,290,339</u>	<u>\$ 2,036,397</u>	<u>\$ 11,522,823</u>	<u>\$ 9,343,800</u>	<u>\$ 1,065,758</u>	<u>\$ 8,531,011</u>	<u>\$ 24,136,071</u>	<u>\$ 5,558,840</u>	<u>\$ 90,020,892</u>
<b>Liabilities</b>											
<b>Current Fund Liabilities</b>											
Accounts payable and accrued liabilities	\$ 586,396	\$ 265,483	\$ 57,240	\$ 35,039	\$ 340,658	\$ 13,497	\$ 40,594	\$ 298,261	\$ 78,931	\$ 34,437	\$ 1,750,536
Deferred income	211,329	241	-	38,478	-	-	-	33,163	63,260	-	346,471
Refundable deposits	-	-	18	-	-	-	-	-	-	349,621	349,639
<b>Total</b>	<u>797,725</u>	<u>265,724</u>	<u>57,258</u>	<u>73,517</u>	<u>340,658</u>	<u>13,497</u>	<u>40,594</u>	<u>331,424</u>	<u>142,191</u>	<u>384,058</u>	<u>2,446,646</u>
<b>Plant Fund Liabilities</b>											
Accounts payable and accrued liabilities	249,730	-	1,959	-	-	-	-	31,771	11,439	299	295,198
Revenue bonds payable	-	-	-	-	-	-	-	195,000	16,970,000	-	17,165,000
<b>Total</b>	<u>249,730</u>	<u>-</u>	<u>1,959</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,771</u>	<u>16,981,439</u>	<u>299</u>	<u>17,460,198</u>
<b>Total liabilities</b>	<u>1,047,455</u>	<u>265,724</u>	<u>59,217</u>	<u>73,517</u>	<u>340,658</u>	<u>13,497</u>	<u>40,594</u>	<u>558,195</u>	<u>17,123,630</u>	<u>384,357</u>	<u>19,906,844</u>
<b>Fund Balance</b>											
Current	1,731,326	1,393,563	88,104	150,375	343,005	116,584	(79,830)	427,877	1,618,916	89,391	5,879,311
Reserves - plant	2,841,663	-	254,422	(44,967)	1,926,619	122,123	40,827	566,870	1,165,354	1,106,428	7,979,339
Investment in plant	14,256,122	-	5,888,596	1,857,472	8,912,541	9,091,596	1,064,167	6,978,069	4,228,171	3,978,664	56,255,398
<b>Total fund balance</b>	<u>18,829,111</u>	<u>1,393,563</u>	<u>6,231,122</u>	<u>1,962,880</u>	<u>11,182,165</u>	<u>9,330,303</u>	<u>1,025,164</u>	<u>7,972,816</u>	<u>7,012,441</u>	<u>5,174,483</u>	<u>70,114,048</u>
<b>Total liabilities and fund balance</b>	<u>\$ 19,876,566</u>	<u>\$ 1,659,287</u>	<u>\$ 6,290,339</u>	<u>\$ 2,036,397</u>	<u>\$ 11,522,823</u>	<u>\$ 9,343,800</u>	<u>\$ 1,065,758</u>	<u>\$ 8,531,011</u>	<u>\$ 24,136,071</u>	<u>\$ 5,558,840</u>	<u>\$ 90,020,892</u>

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
OTHER ENTITIES AND AUXILIARY ENTERPRISES - SCHEDULE OF CHANGES  
IN FUND BALANCES - CURRENT FUNDS  
For the Year Ended June 30, 2013**

<u>Accounting Entities and Auxiliary Enterprises</u>	<u>Balance June 30, 2012</u>	<u>Revenues</u>	<u>Expenditures and Transfers</u>	<u>Balance June 30, 2013</u>
Student Fee Programs	\$ 4,939,310	\$ 9,046,131	\$ 12,254,115	\$ 1,731,326
Indirect Cost	1,376,415	1,883,109	1,865,961	1,393,563
Public Service Activities	209,082	336,811	457,789	88,104
Student and Staff Services	299,210	3,348,230	3,497,065	150,375
Service Departments	274,993	1,303,493	1,235,481	343,005
Other Educational Services	104,782	34,832	23,030	116,584
Educational Contracts	119,606	148,394	347,830	(79,830)
Student Union	467,181	1,648,295	1,687,599	427,877
Parking Lot Administration	1,615,455	2,412,428	2,408,967	1,618,916
Other Auxiliary Enterprises	<u>63,241</u>	<u>1,121,066</u>	<u>1,094,916</u>	<u>89,391</u>
 Total	 <u>\$ 9,469,275</u>	 <u>\$ 21,282,789</u>	 <u>\$ 24,872,753</u>	 <u>\$ 5,879,311</u>

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
FISCAL SCHEDULES AND ANALYSIS  
SCHEDULES OF FEDERAL EXPENDITURES, NONFEDERAL  
EXPENSES, AND NEW LOANS  
For the Year Ended June 30, 2013**

**SCHEDULE A - FEDERAL FINANCIAL COMPONENT**

Total federal expenditures reported on SEFA Schedule	\$ 38,043,133
Total new loans made not included on SEFA Schedule	26,753,006
Amount of federal loan balances at beginning of the year (not included on the SEFA Schedule and continued compliance required)	<u>2,233,681</u>

**TOTAL SCHEDULE A** \$ 67,029,820

**SCHEDULE B - TOTAL FINANCIAL COMPONENT**

Total operating expenses (from financial statements)	\$ 179,376,482
Total nonoperating expenses (from financial statements)	2,218,518
Total new loans made	26,753,006
Amount of federal loan balances at beginning of the year	<u>2,233,681</u>

**TOTAL SCHEDULE B** \$ 210,581,687

**SCHEDULE C**

		<b><u>Percent</u></b>
Total Schedule A	\$ 67,029,820	31.8%
Total nonfederal expenses	<u>143,551,867</u>	<u>68.2%</u>

**TOTAL SCHEDULE B** \$ 210,581,687 100.0%

*These schedules are used to determine the University's single audit costs in accordance with OMB Circular A-133.*

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF OPERATIONS  
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (UNAUDITED)  
For the Year Ended June 30, 2013**

## **Description of Planning System**

### Functions

#### *Mission*

The University, as a public comprehensive university with locations throughout Chicago, provides an exceptional environment for learning, teaching, and scholarship. The University prepares a diverse community of students for leadership and service in our region and in a dynamic multicultural world.

#### *Vision*

The University will be a leader among metropolitan universities, known for its dedication to its urban mission, for the quality of its programs, for the success of its graduates, and for the diversity of its learning environment.

#### *Values*

The University is committed to a set of shared values - *integrity, excellence, access to opportunity, diversity, community, and empowerment through learning* - that, taken collectively, guides their actions and interactions, both within and throughout the University and outside the University, as they work together to prepare graduates for the responsible exercise of citizenship. These values serve as the touchstone for planning how the University will best achieve the educational mission entrusted to them.

### Planning

The University has identified six strategic goals as the most critical objectives in meeting their Mission and achieving their Vision. These strategic goals, and the action steps accompanying each goal, will be used to establish their work and budget priorities each year and will serve as the framework to determine the success of the University. The six strategic goals are as follows:

- (1) **Student Success:** Ensure student success from recruitment through graduation by creating a culture in which all members of the University community are engaged in attracting, educating, and graduating students who achieve the objectives for baccalaureate and graduate degrees.
- (2) **Academic Excellence and Innovation:** Develop an environment that supports curricular and pedagogical innovation aligned with the mission of the institution, the standards of the disciplines, student needs, and career and civic opportunities in a global society.
- (3) **Urban Leadership:** Work collaboratively with educational, social service, governmental, and business institutions in Chicago and the region to build upon the University's tradition of community involvement.
- (4) **Exemplary Faculty and Staff:** Invest in faculty and staff to make the University a world-class metropolitan university and an employer of choice.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (UNAUDITED)  
For the Year Ended June 30, 2013**

**Description of Planning System (continued)**

Planning (continued)

- (5) Enhanced University Operations: Provide a supportive learning, teaching and working environment by improving operating productivity, physical infrastructure, and environmental sustainability.
- (6) Fiscal Strength: Enhance the University's financial position by reducing reliance on State general funds and student tuition, diversifying revenue sources, and strengthening institutional relationships with federal, state, and local governments, and private sponsors.

Also included in the University's strategic plan are the specific action steps, which outline the various activities the University will undertake in the next few years to achieve its strategic goals. The University will analyze the action steps under each strategic goal to determine the areas of responsibility, timeframes, required resources, priority order of the action steps, and yearly tasks that help them accomplish the action steps. The University will develop annual work plans and work teams (across units) as needed to move their plan forward.

The University will develop, using the President's Council and the Office of Institutional Research, a limited number of key indicators or benchmarks for each strategic goal. They will be measured periodically and the results reported to the University community and posted on the University website. The University will require unit goals and actions to be in harmony with the University strategic goals.

Annual progress reports will be provided to the University community (e.g., the State of the University address) and the Board of Trustees.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF OPERATIONS  
UNIVERSITY ENROLLMENT AND EMPLOYEE INFORMATION (UNAUDITED)  
For the Year Ended June 30, 2013**

Enrollment Information

Enrollments of both undergraduate and graduate students for each term (including extension centers and part-time students) for the school years 2012-2013 and 2011-2012, as shown in the Board of Trustees' Enrollment Report were as follows:

	<u>2012-2013</u>	<u>2011-2012</u>
Fall	11,149	11,580
Spring	10,276	10,801
Summer	4,771	5,072

Average Annual Full Time Equivalent (FTE) Enrollment

In fiscal year 2013, the University had an average FTE enrollment of 8,004 students, comprised of 6,849 undergraduates and 1,155 graduate students. This number was calculated in accordance with the Illinois Board of Higher Education guidelines as follows: annual undergraduate semester credit hours (SCH) divided by 30. It is assumed that a full-time undergraduate student enrolls for 15 hours per term, two terms per year. The same logic was used to calculate graduate FTE, except that SCH was divided by 24. It is assumed that a full-time graduate student enrolls for 12 hours per term, two terms per year.

Annual Cost per FTE Student

The University, like all other public universities in Illinois, is required to submit to the Illinois Board of Higher Education an annual cost study. This cost study calculates the number of dollars per credit hour by discipline and student level. Operating costs are accounted for in this study.

Assuming an undergraduate FTE enrolls for two terms at 15 hours per term, and that a graduate FTE enrolls for two terms at 12 hours per term, the fiscal year 2013 annual costs per FTE, calculated by dividing the total costs of instruction by the corresponding FTE, were as follows: a) undergraduate - \$9,622, and b) graduate - \$13,162.

Costs per Credit Hour

The University's costs per credit hour (based upon total expenditures for instruction divided by total credit hours) for fiscal years 2013 and 2012 are as follows:

	<u>2013</u>	<u>2012</u>
Costs per Credit Hour	\$ <u>348</u>	\$ <u>325</u>

**STATE OF ILLINOIS  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 ANALYSIS OF OPERATIONS  
 UNIVERSITY ENROLLMENT AND EMPLOYEE INFORMATION (UNAUDITED)  
 For the Year Ended June 30, 2013**

Student/Faculty Ratio

The University's student/faculty ratio (based upon full time equivalent students and faculty on a staff year basis) for fiscal years 2013 and 2012 is as follows:

	<u><b>2013</b></u>	<u><b>2012</b></u>
Student/Faculty Ratio	<u>17:1</u>	<u>18:1</u>

Employee Information

The average number of employees at the University during fiscal years 2013 and 2012 is as follows:

	<u><b>2013</b></u>	<u><b>2012</b></u>
Administration	323	331
Faculty	601	541
Civil Service	598	522
Students	<u>430</u>	<u>521</u>
<b>Total employees</b>	<u><b>1,952</b></u>	<u><b>1,915</b></u>

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF OPERATIONS  
SERVICE EFFORTS AND ACCOMPLISHMENTS (UNAUDITED)  
For the Year Ended June 30, 2013**

Source	Indicator							Target Value	Next Measurement Date
<b>Student Success</b>									
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>		
NEIU	First Year to Second Year Retention Rate	66.3%	64.5%	67.3%	68.2%	64.1%	61.6%	70.0%	Fall, 2013
NEIU	First Year to Third Year Retention Rate	48.4%	48.4%	45.9%	52.2%	52.1%	44.3%	53.0%	Fall, 2013
NEIU	Six-Year Graduation Rate (Fall 2011 preliminary)	18.0%	18.4%	20.4%	20.1%	23.1%	20.9%	24.0%	Fall, 2013
NEIU	New Freshmen Enrollment	957	1,017	1,071	1,042	950	1,040	1,000	Fall, 2013
NEIU	Undergraduates with Declared Majors and Pre-Majors	73.0%	71.8%	69.2%	72.9%	74.7%	76.1%	76.0%	Fall, 2013
<b>Enhanced University Operations</b>									
		<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>		
IBHE	Comparative Instructional Costs as a Percentage of State Average	94.3%	95.4%	98.2%	97.6%	92.4%	0.0%	100%	FY2012
NEIU	Energy Usage (BTUs of Energy per sq. ft.)	146.5	149.0	159.7	153.8	153.7	131.1	152.5	FY2013
NEIU	Institutional Support as Percentage of Total Operating Expenses		7.7%	7.9%	9.2%	8.8%	730.0%	6.5%	FY2013
<b>Fiscal Strength</b>									
		<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>		
NEIU	Tuition as Percentage of State Average	79.0%	81.0%	83.0%	85.0%	85.0%	85.0%	< 95%	FY2012
NEIU	Endowment Contributions	\$ 287,610	\$ 632,425	\$ 490,374	\$ 109,581	\$ 463,764	\$ 476,760	\$ 486,952	FY2013
NEIU	Overall Contributions to NEIU	\$ 679,899	\$ 1,000,759	\$ 928,614	\$ 735,450	\$ 1,013,959	\$ 1,656,023	\$ 1,064,657	FY2013

**STATE OF ILLINOIS  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 ANALYSIS OF OPERATIONS  
 UNIVERSITY BOOKSTORE INFORMATION (UNAUDITED)  
 For the Year Ended June 30, 2013**

The summary of University bookstore information for fiscal year 2013 is as follows:

Contracted/Rents to Students/University operated	Contracted
Contractor	Beck's Bookstore, Inc.
Contract term	06/01/11 - 05/31/21
Amount of gross sales for bookstore	\$2,861,068
Amount (if any) to be paid to bookstore by the University	None
Commissions	\$318,421
Commission terms	8.5% of Net Sales \$0 to \$2,000,000 9.0% of Net Sales up to \$4,000,000 9.5% of Net Sales above \$4,000,000
Given exclusive rights	Yes
Competition/"Other" nearby/On-campus bookstores	Barnes and Noble Used Book Store (Foster Ave)

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF OPERATIONS - SPECIAL DATA REQUIREMENTS  
FOR AUDITS OF UNIVERSITIES  
UNIVERSITY REPORTING IN ACCORDANCE WITH UNIVERSITY  
GUIDELINES (UNAUDITED)  
For the Year Ended June 30, 2013**

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled "Matters Regarding University Audits" (Memorandum), certain supplemental data is required to be reported for University audits. The table below cross references the memorandum requirements (indicated by number and letter paragraph references) to the University financial statements and audit reports for the year ended June 30, 2013, where such special data is found.

Compliance Findings

13(a) There were no findings during the current year.

Indirect Cost Reimbursements

13(b) A statement of the sources and applications of indirect cost reimbursements is included on pages 58 and 59 of this report.

13(c) The University's calculation sheet for indirect cost carry-forward is included in this report on page 60. The excess funds were deposited to the Income Fund within 45 days after the end of the lapse period.

Tuition Charges and Fees

13(d) No instances of tuition being diverted to auxiliary enterprise operations were noted.

Auxiliary Enterprises, Activities and Accounting Entities

13(e) Identification of each specific accounting entity and descriptions of the sources of revenue and purpose of each are presented in this report on page 62.

13(f) Entity financial statements are presented on pages 63 and 64 of this report. The entity financial statements should be read in conjunction with the University's audited financial statements for the year ended June 30, 2013.

13(g) The University's calculation sheet for current excess funds is presented in this report on page 61. The excess funds were deposited into the Income Fund within 45 days after the end of the lapse period.

13(h) Support received by Auxiliary Enterprises from State appropriated funds for retirement and group insurance benefits amounted to approximately \$171,203 and \$684,346, respectively, for the year ended June 30, 2013.

13(i) A Statement of Revenues and Expenses for Various Bond Indenture Required Accounts is presented on page 38 of the financial audit report.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF OPERATIONS - SPECIAL DATA REQUIREMENTS  
FOR AUDITS OF UNIVERSITIES  
UNIVERSITY REPORTING IN ACCORDANCE WITH UNIVERSITY  
GUIDELINES (UNAUDITED)  
For the Year Ended June 30, 2013**

Auxiliary Enterprises, Activities and Accounting Entities (continued)

- 13(j) The revenue bond fund accounting conforms to the terms of the bond issue, including all covenants thereto.
- 13(k) A list and description of non-instructional facilities reserves are presented on page 51 of the financial audit report.

University Related Organizations

- 13(l) The University recognizes the Northeastern Illinois University Foundation (the "Foundation") as University related organizations. The University has designated no organization as "Independent Organizations" as defined in Section VII of the *University Guidelines*.
- 13(m) The Foundation does not pay the University for services provided. Compensation is in the form of University support. See page 75 of this report for details related to services and support provided.
- 13(n) The University does not pay the Foundation for services provided. Compensation is in the form of services and facilities provided. See footnote 7 on pages 43 and 44 of the financial audit report for details related to services and support provided.
- 13(o) At June 30, 2013, there were no unreimbursed subsidies to the Foundation from the University or appropriated funds.
- 13(p) There is no debt financing provided by the Foundation.

Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in the Analysis of Significant Account Balances section of this report on page 54, and in footnote 2 on pages 29 to 31 of the financial audit report.
- 13(r) Income from the investment of pooled funds is credited to the University's Income Fund. Income from the investment of non-pooled funds is credited to the fund making the investment.
- 13(s) Costs per full-time equivalent student are presented on page 68 in this report.
- 13(t) The University has purchased land for the construction of a new academic facility during the year ended June 30, 2013.

**STATE OF ILLINOIS  
NORTHEASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF OPERATIONS - SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES  
SCHEDULE OF TUITION AND FEE WAIVERS (UNAUDITED)  
For the Year Ended June 30, 2013**

*(In Thousands of Dollars)*

	<b>Undergraduate</b>				<b>Graduate</b>			
	<b>Tuition Waived</b>		<b>Fees Waived</b>		<b>Tuition Waived</b>		<b>Fees Waived</b>	
	<b>Recipients</b>	<b>Value of Waivers</b>	<b>Recipients</b>	<b>Value of Waivers</b>	<b>Recipients</b>	<b>Value of Waivers</b>	<b>Recipients</b>	<b>Value of Waivers</b>
<b>MANDATORY WAIVERS</b>								
Teacher Special Education	14	\$ 90.2	14	\$ 17.5	24	\$ 80.5	24	\$ 15.6
General Assembly	-	-	-	-	-	-	-	-
ROTC	7	31.7	7	6.1	-	-	-	-
DCFS	2	15.1	2	2.9	-	-	-	-
Children of Employees	38	95.1	-	-	-	-	-	-
Senior Citizens	3	5.5	-	-	3	9.5	-	-
Veterans Grants & Scholarships	<u>222</u>	<u>980.4</u>	<u>222</u>	<u>190.0</u>	<u>48</u>	<u>119.0</u>	<u>48</u>	<u>23.1</u>
Subtotal	<u>286</u>	<u>1,218.0</u>	<u>245</u>	<u>216.5</u>	<u>75</u>	<u>209.0</u>	<u>72</u>	<u>38.7</u>
<b>DISCRETIONARY WAIVERS</b>								
Faculty/Administrators	2	6.0	2	1.2	28	33.9	28	6.6
Civil Service	37	80.7	37	15.7	101	197.5	101	38.3
Academic/Other Talent	343	847.6	-	-	172	204.8	-	-
Foreign Exchange Students	54	484.6	54	93.9	21	109.3	21	21.2
Student Need-Financial Aid	-	-	-	-	16	24.2	-	-
Student Need-Special Programs	90	133.3	-	-	-	-	-	-
Cooperating Professionals	-	-	-	-	6	10.1	-	-
Research Assistants	-	-	-	-	13	40.3	13	7.8
Teaching Assistants	-	-	-	-	35	314.6	35	61.0
Other Assistants	-	-	-	-	55	179.6	55	34.8
Interinstitutional/Related Agencies	27	60.3	27	11.7	7	20.5	7	4.0
Contract/Training Grants	-	-	-	-	47	127.9	47	24.8
Subtotal	<u>553</u>	<u>1,612.5</u>	<u>120</u>	<u>122.5</u>	<u>501</u>	<u>1,262.7</u>	<u>307</u>	<u>198.5</u>
<b>TOTAL</b>	<u>839</u>	<u>\$ 2,830.5</u>	<u>365</u>	<u>\$ 339.0</u>	<u>576</u>	<u>\$ 1,471.7</u>	<u>379</u>	<u>\$ 237.2</u>

**STATE OF ILLINOIS  
 NORTHEASTERN ILLINOIS UNIVERSITY  
 ANALYSIS OF OPERATIONS - SPECIAL DATA REQUIREMENTS  
 FOR AUDITS OF UNIVERSITIES  
 SUMMARY OF FOUNDATION PAYMENTS TO  
 THE UNIVERSITY (UNAUDITED)  
 For the Year Ended June 30, 2013**

During fiscal year June 30, 2013, the University engaged the Foundation, under contract, to provide fundraising services. As provided in the contract agreement, the University advanced \$0 in funds and provided an additional \$313,967 of services to the Foundation. As required by the contract, the Foundation repaid the University, using funds considered unrestricted for purposes of the University Guidelines computations. In addition, the Foundation gave the University non-qualifying restricted funds. Presented below is a summary of all funds that the Foundation gave to the University during the audit period.

Funds considered unrestricted for purposes of the University Guidelines computations:	
Restricted only as to campus, college or department and generally available for on-going University operations:	
Given to specific departments	\$ 426,898
Funds considered restricted for purposes of the guidelines computations:	
Given for scholarships, and grants and awards	<u>189,335</u>
Total funds provided to the University by the Foundation	616,233
The Foundation also provided fundraising activities for the University. The value of the activities on a time and material basis were:	
Fundraising and special events expenses	<u>25,315</u>
<b>Total financial and service support</b>	<b><u>\$ 641,548</u></b>