

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

State Compliance Examination

Year Ended June 30, 2021

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

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

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Related Reports Published under Separate Covers

The University of Illinois Annual Financial Report for the year ended June 30, 2021

The University of Illinois Auxiliary Facilities System Annual Financial Report for the year ended June 30, 2021

The University of Illinois Health Services Facilities System Annual Financial Report for the year ended June 30, 2021

The University of Illinois Federal Single Audit Report (In Accordance with the Single Audit Act and Applicable Federal Regulations) for the year ended June 30, 2021, including findings, recommendations, and University responses

The University of Illinois: Independent Auditors' Reports 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*

The University of Illinois Auxiliary Facilities System: Independent Auditors' Reports 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*

The University of Illinois Health Services Facilities System: Independent Auditors' Reports 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*

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

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The Governor of Illinois

Honorable J.B. Pritzker Springfield

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Julie A. Zemaitis Executive Director of University Audits



June 14, 2022

RSM US LLP
Certified Public Accountants
20 N. Martingale Road, Suite 500
Schaumburg, IL 60173

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 the University of Illinois (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 specified requirements during the one-year period ended June 30, 2021. Based on this evaluation, we assert that during the year ended June 30, 2021, the University has materially complied with the specified requirements listed 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. Other than what has been previously disclosed and reported in the Schedule of Findings, 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,
University of Illinois

SIGNED ORIGINAL ON FILE

Timothy L. Killeen
President

SIGNED ORIGINAL ON FILE

Paul Ellinger
Interim Vice President, Chief Financial Officer
and Comptroller

SIGNED ORIGINAL ON FILE

Thomas R. Bearrows
University Counsel

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

STATE COMPLIANCE REPORT

SUMMARY

The State compliance testing performed during this 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 (Act); and the *Audit Guide*.

ACCOUNTANT’S REPORT

The Independent Accountant’s Report on State Compliance and on Internal Control Over Compliance does not contain scope limitations or disclaimers, but does contain a modified opinion on compliance and identifies material weaknesses over internal control over compliance.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Report(s)</u>
Findings	23	19
Repeated Findings	11	6
Prior Recommendations Implemented or Not Repeated	8	6

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-001	10	2020/2020	Inadequate Internal Controls over Census Data	Material Weakness and Material Noncompliance
2021-002	15	New	Blue Cross Managed Care Settlement Liability Reserves	Material Weakness and Material Noncompliance
2021-003	18	New	Patient Accounts Receivable Allowances	Material Weakness and Material Noncompliance
2021-004	21	New	Inadequate Controls over Fiduciary Fund Accruals	Material Weakness and Material Noncompliance
2021-005	22	2020/2009	Inadequate Controls over Expense Deferrals and Other Cut-off Issues	Significant Deficiency and Noncompliance
2021-006	25	New	Amortization of Premiums Related to Debt	Significant Deficiency and Noncompliance
2021-007	26	2020/2008	Inadequate Controls over University Procurement Card Transactions	Significant Deficiency and Noncompliance

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STATE COMPLIANCE REPORT

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Findings				
2021-008	28	2020/2020	Untimely Submission of HEERF Reporting	Significant Deficiency and Noncompliance
2021-009	30	New	HEERF Student Aid Disbursements	Significant Deficiency and Noncompliance
2021-010	32	2020/2020	Errors in Reporting for NSLDS	Significant Deficiency and Noncompliance
2021-011	34	New	Inadequate Documentation of Reconciliation Reviews – SFA	Significant Deficiency and Noncompliance
2021-012	36	New	Excess Cash – SFA	Significant Deficiency and Noncompliance
2021-013	38	New	Perkins Loan Recordkeeping	Significant Deficiency and Noncompliance
2021-014	40	2020/2017	Failure to Maintain Adequate Records Substantiating Written Notices	Significant Deficiency and Noncompliance
2021-015	42	2020/2005	Failure to Follow Time Reporting Requirements	Significant Deficiency and Noncompliance
2021-016	44	2020/2017	Noncompliance with the Illinois Health Policy Center Act	Significant Deficiency and Noncompliance
2021-017	45	2020/2020	Noncompliance with the Illinois Articulation Initiative	Significant Deficiency and Noncompliance
2021-018	46	New	Untimely Vehicle Accident Reporting	Significant Deficiency and Noncompliance
2021-019	48	New	Inadequate Controls over Approvals for Leave Requests	Significant Deficiency and Noncompliance
2021-020	49	New	Inadequate Controls over Compliance With the State Officials and Employees Ethics Act	Significant Deficiency and Noncompliance
2021-021	50	2020/2020	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency and Noncompliance
2021-022	52	2020/2020	Weaknesses in Computer Security	Significant Deficiency and Noncompliance
2021-023	53	New	Weakness in Disaster Recovery	Significant Deficiency and Noncompliance

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
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Year Ended June 30, 2021

STATE COMPLIANCE REPORT

SCHEDULE OF FINDINGS

Prior Findings Not Repeated

A	54	2020/2020	Failure to Document Risk Assessments for Student Information Security
B	54	2020/2020	Inadequate Review of Title IV Fund Calculation
C	54	2020/2020	Inadequate Support for Procurement
D	54	2020/2020	Failure to Send Exit Counseling Notification to Students
E	54	2020/2020	Underpayment of Title IV Funds
F	55	2020/2020	Inadequate Documentation of Direct Loan Reconciliations
G	55	2020/2016	Inadequate Controls over University Travel Card Transactions
H	55	2020/2020	Noncompliance with the Filings and Administrative Requirements of State Publications with the Illinois State Library, Government Documents Section

EXIT CONFERENCE

The University waived an exit conference in correspondence from Ginger Velazquez, Executive Director for Business and Finance of the Office of Business and Financial Services, on May 23, 2022. The responses to the recommendations for these findings were provided by Jennifer Erikson, Senior Associate Director for Business and Finance, in correspondence dated March 30, 2022, March 31, 2022, May 10, 2022, May 20, 2022, and May 24, 2022.

**Independent Accountant's Report
on State Compliance and on Internal Control
Over Compliance**

The Honorable Frank J. Mautino
Auditor General of the State of Illinois

and

The Board of Trustees
University of Illinois:

Report on State Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by the University of Illinois (University) with the specified requirements listed below, as more fully described in the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide)* as adopted by the Auditor General, during the year ended June 30, 2021. Management of the University is responsible for the University's compliance with the specified requirements. Our responsibility is to express an opinion on the University's compliance with the specified requirements based on our examination.

The specified requirements are:

- 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 (Act), and the *Audit Guide*. Those standards, the Act, and the *Audit Guide* require that we plan and perform the examination to obtain reasonable assurance about whether the University complied, in all material respects, with the specified requirements. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our modified opinion.

Our examination does not provide a legal determination on the University's compliance with the specified requirements.

Our examination disclosed material noncompliance with the following specified requirement applicable to the University during the year ended June 30, 2021. As described in the accompanying Schedule of Findings as items 2021-001 through 2021-004, the University had not complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.

In our opinion, except for the material noncompliance with the specified requirements described in the preceding paragraph, the University complied with the specified requirements during the year ended June 30, 2021, in all material respects. However, the results of our procedures disclosed instances of noncompliance with the specified requirements, which are required to be reported in accordance with criteria established by the *Audit Guide* and are described in the accompanying Schedule of Findings as items 2021-005 through 2021-023.

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

The purpose of this report is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the *Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the specified requirements (internal control). In planning and performing our examination, we considered the University's internal control to determine the examination procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the University's compliance with the specified requirements and to test and report on the University's internal control in accordance with the *Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings, we did identify

certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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, noncompliance with the specified requirements on a timely basis. A *material weakness in internal control* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings as items 2021-001 through 2021-004 to be material weaknesses.

A *significant deficiency in internal control* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings as items 2021-005 through 2021-023 to be significant deficiencies.

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

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

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

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
June 14, 2022

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

Finding 2021-001 Inadequate Internal Controls over Census Data

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

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

We noted the University's employees are members of both the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, CMS' actuaries use census data for employees of the State's public universities provided by SURS along with census data for the other participating members which is provided by the State's four other pension plans to prepare the projection of the OPEB plan's liabilities.

During testing, we noted the following:

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

Based on information we obtained while performing our audit, we learned these deficiencies are pervasive across the public universities participating in SURS and across the State's agencies participating in one of the other four State pension plans, the State Employees' Retirement System of Illinois. These conditions significantly increase the risk there could be errors at one or more employers within the plans, and these errors could have a significant impact on SURS' and CMS' measurement of pension and OPEB liabilities, respectively.

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Schedule of Findings

Finding 2021-001 Inadequate Internal Controls over Census Data (continued)

In addition, we noted errors within CMS' allocation of OPEB-related balances across the State's funds, public universities, and the Illinois State Toll Highway Authority related to a failure by CMS to account for a separately financed specific OPEB liability for certain groups of employees at one component unit of the State. The impact of these errors resulted in the University restating its beginning net position by \$205,462,904 as of July 1, 2020.

Based upon the significance of these issues alone, we concluded a material weakness exists within the University's internal controls related to ensuring both SURS and CMS can provide their respective actuaries with complete and accurate census data related to the University's active employees. Even given these exceptions, we performed detail testing of a sample of employees and certain data analysis tests of the total population of the University's census data transactions reported to SURS.

Based on our analysis of transactions reported by the University to SURS during the census data accumulation period throughout Fiscal Year 2019, we noted the following:

- Nineteen of 3,839 (1%) instructors eligible for SURS were not properly included in the Plan. SURS determined the total potential impact to each employee's total service credit was it could be off by 0.50 to 9.50 years.
- One of 264 (1%) employees with a departure on a leave of absence had the start date of the leave of absence untimely reported to SURS by the University. SURS determined the total potential impact to this employee's total service credit was it could be off by 0.25 years.

For employers where their employees participate in plans with multiple-employer and cost-sharing features, the American Institute of Certified Public Accountants' *Audit and Accounting Guide: State and Local Governments* (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

UNIVERSITY OF ILLINOIS
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Schedule of Findings

Finding 2021-001 Inadequate Internal Controls over Census Data (continued)

Additionally, eligibility criteria for participation in SURS under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in SURS. Under the Code (40 ILCS 5/15-107), an employee is a person who works for the University in a secretarial, mechanical, labor, clerical, educational, administrative, or other staff position which is either (a) permanent and continuous or (b) for a period of four months or an academic term, whichever is less, who is:

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;
- 7) not a patient in a hospital or home;
- 8) not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
- 9) not providing military courses pursuant to a federally-funded contract where the University has filed a written notice with SURS electing to exclude these persons from the definition of an employee;
- 10) currently on lay-off status of not more than 120 days after the lay-off date;
- 11) not on an absence without pay of more than 30 days; and,
- 12) a nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

Further, for CMS' OPEB plan, we noted participation in OPEB is derivative of an employee's eligibility to participate in SURS, as members of SURS participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

In addition, the Illinois Pension Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in SURS, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to SURS. Further, the Code (40 ILCS 5/15-155(b)) requires the University remit employer contributions to SURS reflecting the accruing normal costs of an employee paid from federal or trust funds. Additionally, the Act (5 ILCS 375/10) requires active

UNIVERSITY OF ILLINOIS
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STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

Finding 2021-001 Inadequate Internal Controls over Census Data (continued)

employees to make contributions as set by CMS and the Act (5 ILCS 375/11) requires employer contributions by the University for all employees not totally compensated from its Income Fund, local auxiliary funds, and the Agricultural Premium Fund.

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

University officials stated the census data reconciliation had not been completed because they believed their existing processes which are mostly automated, and other controls, would result in materially correct census data being provided to SURS and CMS. Additionally, University officials stated the discrepancies identified in the transaction testing during the accumulation period occurred due to human error and incomplete reporting logic.

Failure to ensure complete and accurate census data was reported to SURS could result in a material misstatement of the University's financial statements and reduced the overall accuracy of pension/OPEB-related liabilities, deferred inflows and outflows of resources, and expense recorded by the State, the State's agencies, and other public universities and community colleges across the State. In addition, failure to reconcile active members' census data reported to and held by SURS to the University's internal records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the pension and OPEB balances, which could result in a material misstatement of these amounts. Finally, the allocation error involving one component unit in the OPEB plan resulted in misstatements within each employer's allocation, which resulted in a restatement at the University. (Finding Code No. 2021-001, 2020-001)

Recommendation

We recommend the University implement controls to ensure census data events are timely and accurately reported to SURS.

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

Finally, we recommend the University work with SURS and CMS to identify and address any unremitted or erroneously remitted employee and, if applicable, employer contributions related to these events.

UNIVERSITY OF ILLINOIS
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Finding 2021-001 Inadequate Internal Controls over Census Data (continued)

University Response

Accepted. With 69,000 employees, the University has numerous electronic and manual controls in place to ensure that employees who are eligible for SURS and OPEB are identified correctly. The University also has numerous controls over census data for the University's 30,000 employees eligible for SURS and OPEB benefits that the University believes would prevent a material misstatement of the University's pension and OPEB balances.

However, the University acknowledges its controls over census data did not always ensure timely reporting of other employee events to SURS and CMS. Additionally, controls for determining pension and OPEB eligibility did not always operate as intended. The University will continue to work with SURS to complete the base year census data reconciliation, will enhance controls to improve the timeliness of reporting certain employee events impacting pension and OPEB census data, and will strengthen processes for determining pension and OPEB eligibility.

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Finding 2021-002 Blue Cross Managed Care Settlement Liability Reserves

The University of Illinois Health Services Facilities System's (the System) analysis of required June 30, 2021 Blue Cross managed care settlement liability reserves contained errors resulting in a material overstatement of estimated third party settlement reserves and a material understatement of unrestricted net position at both June 30, 2021 and 2020.

Blue Cross Blue Shield of Illinois (BCBSI) is the System's largest non-governmental third-party payor, and the System has three managed care contracts with BCBSI. BCBSI uses a Uniform Payment Program (UPP) reimbursement mechanism for most of its managed care contracted providers, including the System. Under the UPP mechanism, BCBSI makes weekly advance payments to the System designed to approximate gross charges for services provided to the System's patients covered by its BCBSI managed care contracts. Once BCBSI adjudicates the claims made by the System, BCBSI will compute the contractual discount associated with the claims processed and recoup this contractual discount through deductions made from future weekly advance payments paid to the System.

A rolling, calendar year-to-date settlement amount is computed as of the end of each month for each of the three managed care contracts and reported to the System on monthly reconciliation statements that accompany monthly experience reports provided to the System by BCBSI. The monthly reconciliation statements summarize cumulative year to date contractual discounts (allowances) owed by the System to BCBSI based on claims processed to date. This cumulative allowance amount is compared to amounts deducted, or recouped by BCBSI, on a cumulative year-to-date basis from the weekly advance payments made by BCBSI to the System. Additionally, for the System's Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) contracts with BCBSI, BCBSI incorporates an "accrual" into the monthly settlement calculation designed to accelerate recoupment of cumulative amounts advanced to the provider in excess of cumulative allowances calculated.

In estimating the required settlement reserve as of June 30, it is necessary to compare allowance amounts reported on the July 31 reconciliation statement (since such statement reflects claims processed through June 30) with the deduction amounts reported on the June 30 reconciliation statement (since such statement reflects deductions taken through June 30). In this way, cumulative calendar year-to-date calculated allowances are compared to cumulative calendar year-to-date deductions taken as of the same date. This methodology results in a settlement reserve representing the allowances computed by BCBSI for claims processed by BCBSI during the two months leading up to the reporting date. For example, the reserve at June 30 would reflect allowances on claims processed in May (deducted from July advance payment checks) and on claims processed in June (deducted from August advance payment checks).

We noted two deficiencies in management's longstanding historical methodology for estimating the required reserve.

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Finding 2021-002 Blue Cross Managed Care Settlement Liability Reserves (continued)

- The historical calculation included accrual amounts (approximately \$13.6M for HMO and \$1.2M for PPO at June 30, 2021) reported in the BCBSI reconciliation statements. These accrual amounts do not represent liabilities of the System, resulting in an overstatement of the required reserve.
- The historical calculation relied in part on a rolling average of three months of deductions recouped by BCBSI. Because of the variability from month to month in claims processed by BCBSI, the historical calculation included an additional reserve for variability (approximately \$8.3M at June 30, 2021). The historical calculation did not consider a month-end UPP statement provided by BCBSI to the System that was available to the System at the time the June 30, 2021 pre-audit financial statements were prepared, that would have enabled management to make a significantly more precise estimate and would have resulted in little additional reserve for variability (approximately \$1.2M at June 30, 2021 compared to the approximately \$8.3M recorded).

The total overstatement of the June 30, 2021 liability reserve was approximately \$24.3M:

Recorded reserve	\$52.1M
Required reserve	<u>27.8M</u>
Excess	<u>\$24.3M</u>

The excess reserve results from:

HMO accrual per BCBSI	\$13.6M
PPO accrual per BCBSI	1.2M
Variability reserve	7.6M
Other	<u>1.9M</u>
Total	<u>\$24.3M</u>

Because the same methodology had been used for many years, the overstatement had accumulated incrementally over several years. A comparable overstatement (\$17.6M) of the required reserve existed at June 30, 2020. An adjustment to correct for this error was made by the System to opening net position at July 1, 2020.

In making an accounting estimate such as the Blue Cross managed care settlement reserve, System management should have had a full understanding of the UPP reimbursement mechanism and should have made use of all available information that was available at the time the estimate was made.

Generally accepted accounting principles require management's best estimate of third party settlement reserves based on all relevant information available in order to record the proper amount within their financial statements.

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Finding 2021-002 Blue Cross Managed Care Settlement Liability Reserves (continued)

Governmental Accounting Standards Board (GASB) Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*, provides guidance regarding the consideration of subsequent events in financial statement estimates. GASB Statement No. 56 provides that all information that becomes available prior to the issuance of the financial statements should be used in evaluating the conditions on which the estimates were based. The financial statements should be adjusted for any changes in estimates resulting from the use of such evidence.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the System to establish and maintain a system, or systems, of internal fiscal and administrative controls. Proper internal controls should ensure that management is recording an accurate estimate of its third party settlement reserves.

System officials indicated the errors in the reserve methodology occurred due to an incomplete understanding of the UPP reimbursement mechanism and the documentation available from BCBSI with which to estimate the required reserve.

Failure to accurately record third party settlement reserves within the System's financial statements resulted in a material overstatement of estimated third party settlement reserves and a material understatement of unrestricted net position at both June 30, 2021 and 2020. (Finding Code No. 2021-002)

Recommendation

We recommend management adjust its reserve methodology to address the errors identified and validate the reasonableness of the resulting estimates no less frequently than on a quarterly basis.

University Response

Accepted. The System agrees with the recommendation and has changed its longstanding methodology to calculate the UPP liability and validate its reasonableness to conform with the proposed methodology. The System has implemented this methodology beginning in FY2022.

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Finding 2021-003 Patient Accounts Receivable Allowances

The University of Illinois Health Services Facilities System's (the System) analysis of required June 30, 2021 patient accounts receivable allowances contained multiple misstatements.

The System implemented a new billing system (Epic) in September 2020, replacing the legacy billing system (McKesson). During our audit we identified a formula error in management's Excel-based model that inadvertently deducted payments from the calculated required contractual allowance. This understated the required contractual allowance by \$45.7 million. Management subsequently performed a detailed review of high dollar accounts in five specific governmental financial classes, which resulted in a \$15.2 million reduction in this understatement.

While investigating the formula error, management identified the following additional errors in the analysis of the required June 30, 2021 contractual allowances and allowance for uncollectible accounts:

- Epic source data for aged outpatient accounts receivable balances included credit balances, which were previously excluded from McKesson reports. Because credit balances should be excluded from the calculation of required contractual allowances, this understated the required contractual allowances by \$8.6 million.
- Amounts due from third-party payors for transplant organ acquisition costs that were included in the Commercial Insurance financial class in McKesson reports were included in the Self Pay financial class in Epic, and as a result, allowances were provided on these accounts at a higher rate than necessary. This overstated the required contractual allowances by \$4.0 million.
- Research and COVID testing (Client Billed) accounts are handled differently in Epic than in McKesson, which resulted in contractual allowances being provided on these accounts as if they were patient accounts receivable, in addition to allowances provided as non-patient accounts receivable. This double-counting overstated the required contractual allowances by \$7.6 million.
- Under McKesson, separate contractual allowances for potential denials by third-party payors were provided against patient accounts receivable. Management determined that such denials were included in the Epic closed account reports that were used to develop the percentages used to estimate required contractual allowances. As such, it was unnecessary to provide separate contractual allowances for potential denials. This overstated the required contractual allowances by \$6.2 million.

The net effect of the above items was to understate the required contractual allowances by \$21.3 million.

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Finding 2021-003 Patient Accounts Receivable Allowances (continued)

Management estimates allowances for uncollectible accounts by applying an allowance percentage to patient accounts receivable, net of contractual allowances. Because contractual allowances were understated by \$21.3 million as described above, management’s estimate of allowances for uncollectible accounts was overstated by \$13.4 million. After considering the \$21.3 million of understated contractual allowances and \$13.4 million of overstated allowances for doubtful accounts, net patient accounts receivable was overstated by \$7.9 million.

Management had recorded additional allowances for uncollectible accounts in fiscal year 2020 to provide for potential unknown risks due to the termination of McKesson and implementation of Epic. Based on its updated assessment of collection risk as of June 30, 2021, nine months after the Epic implementation, management determined that \$7.9 million of the additional allowances for uncollectible accounts provided in fiscal year 2020 could be reversed and reallocated as additional contractual allowances, consistent with management’s intent to mitigate potential unknown risks.

The following summarizes how the above amounts resulted in no net effect on the System’s patient accounts receivable and net patient service revenue as of and for the year ended June 30, 2021:

Increase (Decrease)
in Required Allowances
(millions)

Formula error in Excel-based model	\$ 45.7
Detailed review of high dollar accounts	(15.2)
Credit balances included in original analysis	8.6
Change in classification of organ acquisition cost receivable	(4.0)
Redundant allowance on Research and COVID testing accounts	(7.6)
Redundant allowance for third-party payor denials	<u>(6.2)</u>
Subtotal – net increase in required contractual allowances	21.3
Resulting reduction in required allowances for uncollectible accounts	(13.4)
Release of allowances for uncollectible accounts provided for potential unknown risks due to Epic implementation	<u>(7.9)</u>
Net effect on patient accounts receivable	<u>\$ 0.0</u>

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Finding 2021-003 Patient Accounts Receivable Allowances (continued)

Generally accepted accounting principles require the System to adequately analyze, record and disclose within their financial statements their associated contractual allowances and allowances for uncollectible patient accounts receivable. The complexity of the System's revenue cycle, the complexities associated with the System's third-party reimbursement, and the challenges associated with billing (and collecting from) patients and third-party payors, combine to require sophisticated analysis and judgment in establishing allowances against patient accounts receivable. Adding to the already substantial complexity and judgment involved with these accounting estimates was a change in the System's billing system from McKesson to Epic in September 2020. The Epic implementation resulted in increased risk that changes in workflows and reporting under Epic could impact management's process and methodology for estimating required allowances for patient accounts receivable. This additional risk warranted an increased level of analytical review of management's Excel-based model for estimating required patient accounts receivable allowances, as well as of Epic-generated reports used in the model.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the System to establish and maintain a system, or systems, of internal fiscal and administrative controls. Proper internal controls should ensure that management is properly recording its allowances relating to accounts receivable.

System officials indicated these errors occurred due to insufficient analytical review of the results of management's Excel-based model for estimating required patient accounts receivable allowances, as well as an incomplete understanding of differences between McKesson- and Epic-generated reports used in the model.

Not properly analyzing, recording and disclosing contractual allowances and allowances for uncollectible patient accounts receivable could lead to materially inaccurate financial statements. (Finding Code No. 2021-003)

Recommendation

We recommend management strengthen its analytical review of the results of its Excel-based model for estimating patient accounts receivable allowances.

University Response

Accepted. Although the net understatement amount noted in this finding represents 1% of the \$2 billion of contractual allowances recorded in FY2021, the System has corrected the formula error in its analytical model and has added additional levels of review during its fiscal year-end close processes.

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Finding 2021-004 Inadequate Controls over Fiduciary Fund Accruals

The University of Illinois (the University) did not have controls in place to ensure that accrual adjustments for the fiduciary fund statements were appropriately identified and recorded.

The University implemented GASB Statement No. 84, *Fiduciary Activities* in fiscal year 2021. Implementing this statement required the University to analyze potential fiduciary activities and report full accrual financial statements for these activities. We tested the initial fiduciary amounts recorded by the University and found that associated revenue and expense deferrals were not reflected.

To correct this error, the University analyzed potential cutoff transactions that would impact both opening net position and ending net position. As a result of this analysis, entries were recorded to increase opening net position by \$7.4 million, increase prepaids by \$13.9 million, increase deferred additions by \$5.0 million, decrease deductions by \$1.5 million and decrease additions by \$50 thousand.

Generally accepted accounting principles require transactions to be reported in the period they are incurred. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. The University's system of internal controls should include procedures to ensure expenses and revenues are recognized in the appropriate reporting period.

University officials indicated the processes to identify accrual transactions for fiduciary funds and prepare the fiduciary fund full accrual statements were not as robust as processes utilized for the University's financial statements during this first year of implementation for GASB Statement No. 84.

As a result of the lack of internal control in this area, the University's draft fiduciary fund financial statements were materially misstated. (Finding Code No. 2021-004)

Recommendation

We recommend the University review its process and internal controls for fiduciary activity to assess the existence of current period revenues and expenses and consider changes necessary to ensure they are accurately identified and recorded for presentation in the University's financial statements.

University Response

Accepted. The University has already refined the processes and procedures for reporting of accruals associated with third-party fiduciary funds subject to GASB Statement No. 84, *Fiduciary Activities*.

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Finding 2021-005 Inadequate Controls over Expense Deferrals and Other Cut-off Issues

The University of Illinois (the University) has not established adequate controls over accurately identifying and recording deferred expense transactions and reporting prepaid expenses at fiscal year-end for financial reporting purposes.

During our audit, we noted the University's procedures to identify and record prepaid expenses include a review of all cash disbursements by University Payables (UPAY). UPAY identifies expense transactions that pertain to multiple fiscal years and codes them for further review by University Accounting and Financial Reporting (UAFR). UAFR will then post year-end journal entries to appropriately defer the identified expense transactions. In addition to the review of all cash disbursements by UPAY, UAFR also requires individual units to identify and report known accrual and deferral transactions at fiscal year-end for certain fund types. We also noted the University's year-end accounts payable procedures include specifically reviewing cash disbursements made subsequent to year-end through the issuance of the financial statements to determine which accounting period the related expense transactions pertain.

During our test work over 373 university expense transactions totaling \$222,518,313, we noted the following:

- Thirteen transactions (3%) totaling \$1,951,308 that were recorded as expenses for fiscal year ended June 30, 2021, should have been partially accrued as of June 30, 2020 at an amount of \$1,117,553.
- Seven transactions (2%) totaling \$794,253 that were recorded as expenses for fiscal year ended June 30, 2021, should have deferred \$241,257 as a prepaid asset since they had service periods in fiscal year 2022.

The projected impact of these errors is an overstatement of opening net position of \$15.0 million, an understatement of prepaid assets of \$3.2 million, and an overstatement of expense of \$18.2 million. Management evaluated these estimated projected errors and determined they were immaterial, thus no adjustment was recorded.

During our test work over 49 auxiliary facilities system expense transactions totaling \$5,178,837, we noted the following:

- One transaction (2%) totaling \$83,571 that was recorded as an expense for fiscal year ended June 30, 2021, should have deferred \$20,893 as a prepaid asset since it had a service period in fiscal year 2022.

The projected impact of this error is an understatement of prepaid assets of \$466 thousand, and an overstatement of expense of \$466 thousand. Management evaluated the estimated projected errors and determined they were immaterial, thus no adjustment was recorded.

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**Finding 2021-005 Inadequate Controls over Expense Deferrals and Other Cut-off Issues
(Continued)**

During our test work over 17 auxiliary facilities system parking revenue transactions totaling \$3,391,523, we noted the following:

- Two transactions (12%) totaling \$219,609 that were recorded as revenue for fiscal year ended June 30, 2021, should have been partially accrued as of June 30, 2020 at an amount of \$163,500.

The projected impact of this error is an understatement of opening net position of \$1.2 million, and an overstatement of revenue of \$1.2 million. Management evaluated the estimated projected errors and determined they were immaterial, thus no adjustment was recorded.

During our test work over 60 cash receipts totaling \$127,649,207, we noted the following:

- One transaction (2%) totaling \$721,334 that was recorded as revenue for fiscal year ended June 30, 2021, should have been accrued as of June 30, 2020.

Generally accepted accounting principles require transactions to be reported in the period they are incurred. Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. The University's system of internal controls should include procedures to ensure expenses and revenues are recognized in the appropriate reporting period.

University officials indicated that the units associated with the exceptions did not adequately follow established procedures to record the transactions in the proper period.

Failure to accurately analyze and record cash receipts and disbursements within the proper fiscal year may result in the misstatement of the University's financial statements. (Finding Code No. 2021-005, 2020-002, 2019-001, 2018-001, 2017-001, 2016-001, 2015-001, 2014-001, 2013-001, 12-01, 11-01, 10-03, 09-03)

Recommendation

We recommend the University continue to review its process to assess the existence of current period revenues and expenses and consider changes necessary to ensure they are accurately identified and recorded for presentation in the University's financial statements.

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**Finding 2021-005 Inadequate Controls over Expense Deferrals and Other Cut-off Issues
(Continued)**

University Response

Accepted. While the University believes it has processes in place to prevent material errors in the financial statements, the highly decentralized environment with hundreds of units and large volumes of transactions presents challenges in identifying all errors. The University will continue to improve controls related to year-end cutoff.

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Finding 2021-006 Amortization of Premiums Related to Debt

The University of Illinois (the University) amortized premiums on the straight-line basis as opposed to the effective interest basis resulting in a material overstatement of the premium balance as of June 30, 2021.

The University amortizes the premiums for related bond issuances on the straight-line basis. We requested that the University calculate the related amortization had the effective interest method been used and schedules showing this calculation were provided. Upon review of the related schedule, we found that the variance between straight-line and the effective interest method had accumulated over the years and resulted in an overstatement of the reported premium of \$9.7 million as of June 30, 2021 (\$8.3 million relates to the auxiliary facilities system). An adjustment to correct for this error was made by the University.

Governmental Accounting Standards Board (GASB) Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, paragraph 185, states that the difference between the present value and the face amount should be treated as a discount or premium and amortized as interest expense or revenue over the life of the bond in such a way as to result in a constant rate of interest when applied to the amount outstanding at the beginning of any given period. This is the interest method.

Additionally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the System to establish and maintain a system, or systems, of internal fiscal and administrative controls. Proper internal controls should ensure that management is recording amounts in accordance with generally accepted accounting principles.

University officials indicated the change in accounting principle with the issuance of GASB Statement No. 62 was identified and an analysis of the difference between the straight-line method and the effective interest method was completed. University officials indicated they believed this analysis had historically provided them with support that the difference between the two methods did not materially misstate the University's financial statements. University officials agreed to convert to the effective interest method in fiscal year 2021 so that the analysis of the two methods would not be necessary going forward.

As a result of the lack of internal control in this area, the University's financial statements could be materially misstated. (Finding Code No. 2021-006)

Recommendation

We recommend management implement controls to monitor the variance more closely between straight-line and effective interest amortization to determine if adjustments need to be made.

University Response

Accepted. The University has implemented the effective interest method for amortization of premiums related to bond issuances starting in fiscal year 2021.

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Finding 2021-007 Inadequate Controls over University Procurement Card Transactions

The University of Illinois (the University) has not complied with University policies and internal controls over procurement card transactions.

The University operates a procurement card (P-Card) program which allows individuals throughout the University to make smaller purchases (defined as less than \$4,999) on a credit card which is directly paid by the University on a monthly basis. The University's policies require employees assigned a procurement card to complete training on policies and procedures, pass a test, and sign an agreement stipulating they will use the card in accordance with University policy. This agreement is also required to be authorized by the individual's supervisor or the department head. The University's policies require transactions incurred on the procurement card to be approved in the University's procurement card system by the individual cardholder and an assigned reviewer.

During our test work over 133 procurement card transactions totaling \$237,246, including 73 transactions noted for unusual activity, we noted the following:

- Seventy-three (55%) transactions (totaling \$6,987) were for charges such as refreshments, entertainment subscriptions, uniforms, drugs and pharmaceuticals, and professional and artistic services, all of which were prohibited by the University's procurement card policies.
- Six (5%) transactions (totaling \$14,261) were charges related to electronic services/software. The required Electronic Services/Software Purchased by P-Card Forms were not completed prior to using the P-Cards. Specifically, five Electronic Services/Software Purchased by P-Card Forms were completed 161 to 220 days late, and one Electronic Services/Software Purchased by P-Card Form was not completed.
- Three (2%) transactions (totaling \$19,731) exceeded the cardholder's single transaction limit amount. The required P-Card Exception Request Forms were not completed prior to using the P-Cards for those purchases. Specifically, one P-Card Exception Request Form was completed 47 days late, and the other two P-Card Exception Request Forms were not completed.
- One (1%) transaction (totaling \$6,615) was paid in two installments, circumventing the cardholder's single transaction limit of \$4,999.

The University has approximately 3,880 active procurement cards, and the procurement card expenditures paid for the year ended June 30, 2021 totaled \$48,486,125.

The University policy states that prior to using a P-Card to purchase allowable computer software and electronic services, the unit must complete and retain the Electronic Services/Software Purchased Form.

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**Finding 2021-007 Inadequate Controls over University Procurement Card Transactions
(continued)**

In addition, the University policy states that all purchases on the P-Card must be in compliance with system procurement, allowable expenditure and funding, payroll, and tax-related policies, as well as with all applicable state and federal statutes. A P-Card Exception Request Form is used to obtain approval to use the P-Card for an expense that is normally prohibited by a policy or is above a cardholder's limit. Approval must be obtained prior to using the P-Card for the purchase.

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls, to provide assurance that: (1) resources are utilized effectively, and in compliance with applicable law; (2) obligations and cost are in compliance with applicable law; (3) funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation; (4) revenues, expenditures, and transfers of assets, resources or funds applicable to operations are properly recorded and accounted for to permit preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources; and (5) funds held outside the State Treasury are managed, used, and obtained in strict accordance with the terms of their enabling authorities and that no unauthorized funds exist. The University's system of internal controls should include procedures to ensure procurement card transactions are in accordance with University policies and procedures.

This finding was first noted during the audit of the year ended June 30, 2008. In the subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University management indicated the bulleted exceptions largely resulted from human error at the individual and/or unit level by not following procurement card policies and procedures.

Failure to properly review and approve procurement card transactions in accordance with University policies could result in erroneous or fraudulent transactions being recorded in the general ledger system. (Finding Code No. 2021-007, 2020-003, 2019-002, 2018-003, 2017-004, 2016-002, 2015-002, 2014-002, 2013-002, 12-02, 11-03, 10-02, 09-02, 08-03)

Recommendation

We recommend the University continue to review and improve its internal control over procurement card transactions to ensure compliance with University policies so that erroneous or fraudulent transactions are not recorded in the general ledger system.

University Response

Accepted. Although the exceptions noted in this finding represented bona fide business expenses, the transactions were not compliant with procurement card policies and procedures. The University will continue to improve procurement card process controls, training, and transaction monitoring.

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Federal Agency: US Department of Education (USDE)

Program Name: Education Stabilization Fund - Higher Education Emergency Relief Fund

ALN # and Program Expenditures: 84.425E, 84.425F, 84.425L (\$112,130,825)

Award Numbers: See Table of Award Numbers; Federal Award Year 2020 - 2021

Questioned Costs: None

2021-008. Finding: Untimely Submission of HEERF Reporting

The University of Illinois at Springfield and the University of Illinois at Chicago did not have adequate procedures in place to ensure the proper Higher Education Emergency Relief Fund (HEERF) reporting requirements were submitted timely. Additionally, the University of Illinois at Springfield did not have sufficient controls documenting evidence of a formal review.

During our testing of reporting requirements for HEERF programs, we noted that the for the student aid portion (84.425E) at the University of Illinois at Springfield officials could not provide support to show that a 30 day report due on July 13, 2020 was posted. Additionally, the University of Illinois at Springfield did not post a required 45-day report which was due by August 27, 2020 nor was a required 1st quarter report covering July 1, 2020 through September 30, 2020 posted. Further, the University of Illinois at Springfield posted a required 4th quarter report which included student awards disbursed through June 30, 2021. However, officials could not support the posting date of the report and therefore the timeliness of the report submission could not be verified.

The University of Illinois at Springfield did not submit certain quarterly reports for the institutional portion (84.425F) timely. The 1st quarter report covering the period July 1, 2020 through September 30, 2020 was due on October 30, 2020 but was posted on July 9, 2021. The 2nd quarter report covering the period October 1, 2020 through December 31, 2020 was due on January 10, 2021 but was posted on July 9, 2021.

The University of Illinois at Springfield did not have a documented formal review for the 84.425E reports, the 84.425F reports, or the annual report.

The University of Illinois at Chicago did not post certain reports for the 84.425E timely. A 84.425E report was required to be published every 45 days (prior to August 31, 2020). Officials posted a report dated July 3, 2020 and therefore the next report was due on August 17, 2020. This report was not posted until August 20, 2020.

According to an electronic announcement (EA) by the Department of Education (ED) on May 6, 2020, ED required institutions that received a HEERF 18004(a)(1) Student Portion Aid (84.425E) award to publicly post certain information on their website no later than 30 days after award, and update that information every 45 days thereafter by posting a new report. On August 31, 2020, ED revised the EA with the Federal Register Volume 85, Issue 169, which decreased the frequency of subsequent reporting from every 45 days to every calendar quarter.

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Additionally, institutions must report 84.425F quarterly reports 10 days after the end of each calendar quarter (October 10, January 10, April 10, July 10), other than the first report which was due on October 30, 2020.

Uniform Grant Guidance (2 CFR 200.303) 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 reports are reviewed and posted timely.

University officials stated for the University of Illinois at Chicago, the late posting for the August 17, 2020 HEERF report was due to manual error.

University officials stated the University of Illinois at Springfield underwent a university wide website upgrade during the fiscal year. During the conversion, the HEERF reports page was not transferred over correctly and timely and the University did not maintain documentation of the original published dates on the legacy webpage.

Without proper program reporting policies and procedures, the submission of late reports is noncompliance with Federal regulations and could result in the loss of future funding. (Finding Code No. 2021-008, 2020-010)

Recommendation:

We recommend the University review and update current policies and procedures to ensure HEERF program reporting requirements are completed timely and include sufficient controls documenting a formal review.

University Response:

Accepted. The University will take steps to address the recommendations in this finding.

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Federal Agency: US Department of Education (USDE)

Program Name: Education Stabilization Fund - Higher Education Emergency Relief Fund

ALN # and Program Expenditures: 84.425E (\$37,734,022)

Award Numbers: See Table of Award Numbers; Federal Award Year 2020 - 2021

Questioned Costs: None

2021-009. Finding: HEERF Student Aid Disbursements

The University of Illinois at Springfield (the University) did not have adequate procedures in place to ensure that disbursements of student aid through the Higher Education Emergency Relief Fund (HEERF) were made in accordance with the University's documented distribution plan.

According to the University's documented distribution plan, criteria for student aid included award limits based on a student's Expected Family Contribution (EFC). Students with an EFC over a determined limit were not eligible to receive student aid, from a statistically valid sample. We tested sixty students that received aid. For nine (15%) of those students, the student had an EFC over the determined limit to receive funding and therefore should not have been eligible to receive funding.

Additionally, for one of the sixty students tested (2%), the student was awarded an amount in excess of the University's established maximum aid limit of \$1,000.

Finally, for one of the sixty students tested (2%), the student did not have a 2020-2021 Free Application for Federal Student Aid (FAFSA) form in accordance with the University's documented distribution plan.

There are no questioned costs associated with these aid distributions as there are no eligibility requirements stipulated in the grant agreement that would exclude certain students from receiving HEERF funding. However, the University was required to document and follow a distribution plan.

Based on guidance provided by the Department of Education, each institution is required to create a documented distribution plan for the recipients of the student aid portion of the HEERF funding. According to the Department of Education "Institutions should carefully document how they prioritize students with exceptional need in distributing financial aid grants to students, as the Department intends to establish reporting requirements regarding the distribution of financial aid grants to students consistent with section 314(e) of the Coronavirus Response and Relief Supplemental Appropriations Act."

Additionally, 2 CFR 200.303 requires 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 the established distribution plan is followed.

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University officials stated the University did not adequately update the student distribution plan due to the loss of personnel and an interim financial aid director.

Without proper program policies and procedures, failure to follow the documented plan for distributing aid to students could result in noncompliance with the Federal regulation and the loss of future funding. (Finding Code No. 2021-009)

Recommendation:

We recommend the University review and update current policies and procedures to ensure students are awarded aid in accordance with the documented HEERF distribution plan

University Response:

Accepted. The University will take steps to address the recommendations in this finding.

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Federal Agency: US Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

ALN # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379/
93.264/93.342/93.364 (\$604,005,989)

Award Numbers: See Table of Award Numbers; Federal Award Year 2020 - 2021

Questioned Costs: None

2021-010. Finding: Errors in Reporting for NSLDS

The University of Illinois at Chicago and the University of Illinois at Urbana-Champaign did not properly report the student enrollment changes for students who received federal student aid to the National Student Loan Data System (NSLDS).

Out of the 25 students, from a statistically valid sample, tested at the University of Illinois at Chicago, we noted 15 (60%) students with improper reporting which resulted in errors of the enrollment effective dates to NSLDS. For one student, the University did not report the correct enrollment effective date to NSLDS at the Campus-Level and Program Level. For three students, the students' enrollment status was not properly updated at the Program-Level in NSLDS. For 10 students, the students' status changes at the Program-Level were reported after the 60-day reporting requirement. For the remaining student, the University did not report the correct enrollment effective date to NSLDS and the student's status change at the Program-Level was reported after the 60-day reporting requirement.

Out of the 30 students, from a statistically valid sample, tested at the University of Illinois at Urbana-Champaign, we noted 6 (20%) students' status changes on the Program-Level were not reported to the NSLDS.

The Code of Federal Regulations (34 CFR 685.309) requires enrollment status changes for students be reported to NSLDS within 30 days or within 60 days if the student with the status change will be reported on a scheduled transmission within 60 days of the change in status. Regulations require the status include an accurate effective date.

According to the NSLDS Enrollment Reporting Guide, a student's Program-Level enrollment status should be reported with the same enrollment status as that student's campus-level enrollment status for all programs the student is enrolled in at that location, even if the student is not currently taking coursework that applies to a particular program. If the student has withdrawn or graduated from an academic program, a "terminal enrollment status" of 'W' or 'G,' as appropriate, should be reported for that program, even if the student is still taking coursework applicable to other programs in which the student is enrolled.

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Uniform Grant Guidance (2 CFR 200.303) 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 enrollment reporting is completed properly.

University officials stated for the University of Illinois at Chicago, the error in program level enrollment reporting was due to the manual process required for reporting unofficial withdrawals to NSLDS. This error was found in the last audit, after the records had been processed. In working through the internal processes necessary for the corrective action, reporting to NSLDS was delayed.

University officials stated for the University of Illinois at Urbana-Champaign, the error in program level enrollment reporting was due to the manual process required for reporting unofficial withdrawals to NSLDS. This error was found in the last audit, but after the fall 2020 unofficial withdrawals had been processed. Corrective action was taken in spring 2021 for the unofficial withdrawal processing. No errors were found in the program level reporting for unofficial withdrawals within the spring sample selected. If the NSLDS system is not updated with the student information, overawards could occur should the student transfer to another institution and the student may not properly enter the repayment period. (Finding Code No. 2021-010; 2020-006)

Recommendation:

We recommend the University review current processes for reporting to NSLDS and implement procedures to ensure submissions are reported timely and accurately.

University Response:

Accepted. The University will take steps to address the recommendations in this finding.

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Federal Agency: US Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

ALN # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379/
93.264/93.342/93.364 (\$604,005,989)

Award Numbers: See Table of Award Numbers; Federal Award Year 2020 - 2021

Questioned Costs: None

2021-011. Finding: Inadequate Documentation of Reconciliation Reviews – SFA

The University of Illinois at Springfield’s (the University) student financial aid department did not perform a documented independent review of certain monthly student financial aid award reconciliations. Additionally, reviews of certain award reconciliations were not performed timely.

During our cash management testing, we noted 3 of 6 (50%) monthly reconciliations, from a statistically valid sample, did not contain evidence of a documented review. Further, we noted the review of 2 of 6 (33%) monthly reconciliations did not occur timely and were documented approximately 5 months after the month end.

The Federal Student Aid Handbook, Volume 4, Chapter 5 states that institutions should reconcile its Federal Student Aid financial records monthly, at a minimum. A complete reconciliation includes an independent review.

Uniform Grant Guidance (2 CFR 200.303) requires 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 independent reviews of monthly reconciliations are documented and performed in a timely manner.

University officials stated a high level of staff turnover and lack of knowledgeable leadership contributed to the untimely monthly reconciliations.

The lack of timely or documented independent reviews of monthly reconciliations could result in errors in the reconciliation going undetected by student financial aid management. (Finding Code No. 2021-011)

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Recommendation:

We recommend the University of Illinois at Springfield implement a formal procedure to document that all reconciliations are reviewed and documented on a timely basis each month.

University Response:

Accepted. The University will take steps to address the recommendations in this finding.

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Federal Agency: US Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

ALN # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379/
93.264/93.342/93.364 (\$604,005,989)

Award Numbers: See Table of Award Numbers; Federal Award Year 2020 - 2021

Questioned Costs: None

2021-012. Finding: Excess Cash – SFA

The University of Illinois at Urbana-Champaign had one instance of excess cash for the Direct Loan program and the University of Illinois at Chicago had one instance of excess cash for the Pell grant program.

During our cash management testing, we identified that the University of Illinois at Urbana-Champaign had excess cash for the Direct Loan program ranging from \$66,334 to \$1,258,122 during the period of May 10, 2021 through May 24, 2021. We also identified that the University of Illinois at Chicago had excess cash for the Pell Grant program ranging from \$24,674 to \$39,589 during the period of June 22, 2021 through June 30, 2021. In these situations, the excess cash did not exceed one percent of total prior year drawdowns, however, amounts were not returned within a seven-day period, as outlined below.

Uniform Grant Guidance (34 CFR 668.166) states the Secretary considers excess cash to be any amount of title IV, HEA program funds, other than Federal Perkins Loan program funds, that an institution does not disburse to students by the end of the third business day following the date the institution (1) received those funds from the Secretary; or (2) deposited or transferred to its depository account previously disbursed title IV, HEA program funds, such as those resulting from awards adjustments, recoveries, or cancellations. An institution may maintain for up to seven days an amount of excess cash that does not exceed one percent of the total amount of funds the institution drew down in the prior award year. The institution must return immediately to the Secretary any amount of excess cash over the one-percent tolerance and any amount of excess cash remaining in its account after the seven-day tolerance period.

Uniform Grant Guidance (2 CFR 200.303) 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 excess cash is properly handled.

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University officials stated due to miscommunication, Pell grant funds were not returned timely for the University of Illinois at Chicago. Additionally, University officials stated during the referenced timeframe, the University of Illinois at Urbana-Champaign was reducing loan funds for graduating seniors and replacing with grant aid to reduce overall loan debt and this project resulted in excess cash accumulating while the project was being completed.

Excess cash is noncompliance with Federal regulation and could result in the loss of future funding. (Finding Code No. 2021-012)

Recommendation:

We recommend the University of Illinois at Urbana-Champaign and the University of Illinois at Chicago review current processes for monitoring cash management and implement procedures that eliminate excess cash.

University Response:

Accepted. The University will take steps to address the recommendations in this finding.

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Federal Agency: US Department of Education (USDE)

Program Name: Student Financial Assistance Cluster

ALN # and Program Expenditures: 84.007/84.033/84.038/84.063/84.268/84.379/
93.264/93.342/93.364 (\$604,005,989)

Award Numbers: See Table of Award Numbers; Federal Award Year 2020 - 2021

Questioned Costs: None

2021-013. Finding: Perkins Loan Recordkeeping

The University of Illinois at Chicago had one instance where the original promissory note could not be located for a student who received a Federal Perkins Loan.

During our Federal Perkins Loan Recordkeeping testing, out of sixteen students, from a statistically valid sample, tested at the University of Illinois at Chicago, we noted the University could not locate the original promissory note for one student (6%) with an outstanding Federal Perkins Loan.

Uniform Grant Guidance (34 CFR 674.19(e)) states an institution shall keep the original promissory notes and repayment schedules until the loans are satisfied. If required to release original documents in order to enforce the loan, the institution must retain certified true copies of those documents. An institution shall keep the original paper promissory note or original paper MPN and repayment schedules in a locked, fireproof container. If a promissory note was signed electronically, the institution must store it electronically and the promissory note must be retrievable in a coherent format. An original electronically signed MPN must be retained by the institution for 3 years after all the loans made on the MPN are satisfied.

Uniform Grant Guidance (2 CFR 200.303) 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 all original loan documents are properly maintained.

University officials stated the promissory note was from the 2005-2006 academic year before the electronic process had begun and the University was unsuccessful in finding the original promissory note.

Lack of retention of original promissory notes is noncompliance with Federal regulation and could result in the loss of future funding. (Finding Code No. 2021-013)

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Recommendation:

We recommend the University of Illinois at Chicago review current processes for ensuring all records are retained for students who received Federal Perkins Loans.

University Response:

Accepted. The University will take steps to address the recommendations in this finding.

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Finding 2021-014 Failure to Maintain Adequate Records Substantiating Written Notices

The University of Illinois Hospital (University) was unable to provide adequate records substantiating written notices were provided to patients within 24 hours after their admittance into the University Hospital indicating the patients were under observation status in accordance with the University of Illinois Hospital Act (Act) and University policies and procedures.

The University's Patient Admissions Policy and Procedure (Policy) requires the University to issue Notice of Observation Status (Form UI-5010) to patients after their admittance into the University Hospital notifying them they have been placed under outpatient observation status and have not been admitted as an inpatient. In addition, the University requires patients or their legal representative to sign Form UI-5010 to acknowledge the receipt and understanding of their outpatient observation status.

In lieu of samples being selected to test compliance with this mandate, the University stipulated it was not in compliance.

The Act (110 ILCS 330/8a) requires within 24 hours after a patient's placement into observation status, the University of Illinois Hospital provide that patient with an oral and written notice that the patient is not admitted to the hospital and is under observation status. The written notice shall be signed by the patient or the patient's legal representative to acknowledge receipt of the written notice and shall include, but not be limited to, the following information: (1) a statement that observation status may affect coverage under the federal Medicare program, the medical assistance program under Article V of the Illinois Public Aid Code, or the patient's insurance policy for the current hospital services, including medications and other pharmaceutical supplies, as well as coverage for any subsequent discharge to a skilled nursing facility or for home and community based care; and (2) a statement that the patient should contact his or her insurance provider to better understand the implications of being placed into observation status.

In addition, the University's Patient Admissions Policy and Procedure requires the Notice of Observation Status form be presented to patients under observation status for their signatures.

Furthermore, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system, or systems, of internal fiscal and administrative controls. Effective internal controls should include procedures to ensure supporting documentation for each patient placed under observation status are obtained and maintained.

This finding was first noted during the examination of the year ended June 30, 2017. In the subsequent years, the University of Illinois Hospital has been unsuccessful in implementing a corrective action plan.

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**Finding 2021-014 Failure to Maintain Adequate Records Substantiating Written Notices
(continued)**

University officials stated the process involving level of care assignment is complex and involves many areas and clinicians within the health system while interacting with external third parties such as insurance companies. The University of Illinois Hospital (“Hospital”) has identified ongoing process opportunities in the workflow of level of care assignment and changes between outpatient, inpatient and observation status that occur during the course of patient encounter. While these workflows are properly managed in terms of final correct level of care assignment, the process to obtain signature on the observation notice on level of care changes post admission were not properly executed in some cases, in particular due to instances where insurance plans make final determinations regarding the approved clinical level of care after a patient has been discharged and the form can no longer be signed due to the timing of those decisions. The Statute did not contemplate occurrences driven on a retrospective basis. Accordingly, there is no immediate action the Hospital can take for this portion of the activity and as such will never be able to comply fully with the requirement.

Failure to comply with the Act could subject the University to litigation risk. (Finding Code No. 2021-014, 2020-012, 2019-017, 2018-013, 2017-015)

Recommendation

We recommend the University strengthen its controls to ensure Notice of Observation Status forms are signed for all patients not admitted into the University Hospital, but who are under observation status and seek legislative relief for instances where the status of a patient is changed after a patient has been discharged.

University Response

Accepted. A final legislative remedy is pending. HB 5186 has passed both the House and the Senate, and was sent to the Governor on April 20, 2022. HB 5186, Senate Amendment 5 repeals the Patient Notice of Observation Status section of the University of Illinois Hospital Act and is currently awaiting the Governor’s signature.

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Finding 2021-015 Failure to Follow Time Reporting Requirements

The University of Illinois (University) does not require all employees to submit time reports as required by the State Officials and Employees Ethics Act (Act) and does not have adequate procedures to ensure accurate employee time reporting.

During testing of payroll, we selected 60 employees across all three campuses and noted the following:

- Eight (13%) employees (four from the Chicago campus, two from the Urbana-Champaign campus and two from the Springfield campus) did not file time reports as required by the Act. University management stated faculty, postdoctoral employees, instructors, and lecturers continue to track their time using a “negative” timekeeping system whereby the employee is assumed to be working, unless noted otherwise.
- Two (3%) employees from the Urbana-Champaign campus, one paid a stipend and the other a salary, did not submit time reports as required by the Act. University management stated the positions the employees were classified in the system as holding were non-exempt/hourly positions however when asked for timecards to support the amounts paid to the employees, we were informed there were no timecards because the employees were paid a stipend/salary.
- Three (5%) employees from the Chicago campus under the Academic Professional and Exempt Civil Service classes did not submit time reports as required by the University’s policy.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/1-5) defines “State agency” to include “public institutions of higher learning...” and defines “State employee” to be “any employee of a State agency”. The Act required 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)) also states, “The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour; contractual State employees may satisfy the time sheets requirement by complying with the terms of their contract, which shall provide for a means of compliance with this requirement.” 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.

The University Reporting Policy for the State Officials and Employees Ethics Act (SOEEA) requires all Academic Professional and Civil Service employees to document all hours worked while conducting official University business. Academic Professional and exempt Civil Service (not eligible for overtime) employees are to use the University’s Online Time Reporting (PTR) tool for this reporting.

This finding was first noted during the examination of the year ended June 30, 2005. In the subsequent years, the University has been unsuccessful in implementing a corrective action plan.

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Finding 2021-015 Failure to Follow Time Reporting Requirements (Continued)

University officials stated they have not incorporated policies regarding time reporting for all employees as they are having continued dialogue with the academic leadership on this matter. In the meantime, the System has implemented several mechanisms to comply with the requirement for the majority of their employees such as training and weekly reminder emails; however, it has proven difficult to achieve full compliance due to the thousands of employees with competing priorities.

Failure to follow and ensure all employees comply with the time reporting requirements of the Act results in noncompliance with the Act. (Finding Code No. 2021-015, 2020-013, 2019-008, 2018-014, 2017-016, 2016-016, 2015-021, 2014-023, 2013-016, 12-19, 11-33, 10-37, 09-40, 08-11, 07-11, 06-06, 05-06)

Recommendation

We recommend the University implement procedures to ensure all employees submit time sheets as required by the Act.

University Response

Accepted. University of Illinois System leadership continues to initiate discussions related to regulatory relief in this area.

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Finding 2021-016 Noncompliance with the Illinois Health Policy Center Act

As of June 30, 2021, the University had not created the Illinois Health Policy Center (Center) as required by the Act. The purpose of the Center is to develop and implement policies to improve the health and healthcare of the people of Illinois.

The Illinois Health Policy Center Act (110 ILCS 430/10) requires the Illinois Health Policy Center to be created within the University of Illinois, to be sponsored by the University of Illinois at Chicago College of Medicine and the University of Illinois Institute of Government and Public Affairs.

The finding was first noted during the examination of the year ended June 30, 2017. In the subsequent years, the University has been unsuccessful in implementing a corrective action plan.

University officials stated HB 3286 was passed by the Illinois General Assembly and signed into law by the Governor as Public Act 095-0986, the Illinois Health Policy Center Act. The companion legislation (HB 6299) that would have funded the proposed Health Policy Center was never passed by the General Assembly. Similarly, the Advisory Panel envisioned in Section 20 of the Act was never created by the General Assembly.

Failure to create the Center results in noncompliance with the Act. (Finding Code No. 2021-016, 2020-015, 2019-010, 2018-016, 2017-018)

Recommendation

We recommend the University comply with the requirements of the Illinois Health Policy Center Act or seek legislative remedy.

University Response

Accepted. A final legislative remedy is pending. HB 5186 has passed both the House and the Senate, and was sent to the Governor on April 20, 2022. HB 5186 repeals the Illinois Health Policy Center Act and is currently awaiting the Governor's signature.

UNIVERSITY OF ILLINOIS
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Year Ended June 30, 2021

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Finding 2021-017 Noncompliance with the Illinois Articulation Initiative

The University of Illinois (University) did not submit a minimum of one course per major under the Illinois Articulation Initiative (Initiative) for some majors offered by the University.

The Initiative, through its itransfer.org website, exists to ease the transfer of students among the State's associate and baccalaureate degree granting institutions. The Initiative consists of both a General Education Core Curriculum package, where completion of the entire package at one institution is fully accepted by 108 institutions across the State, and an Initiative major, which are common courses at the lower-division level that can be used to ensure students are prepared for upper-division work at 58 institutions across the State.

During testing, we noted the University did not have a minimum of one course included within the related Initiative major for its:

- art, business, physics, and psychology programs at the Urbana-Champaign campus;
- art and mathematics degree programs at the Chicago campus;
- art, biology, chemistry, political science, psychology, and theater arts degree programs at the Springfield campus.

The Illinois Articulation Initiative Act (IAI) (110 ILCS 152/15) requires the University participate in the Initiative by maintaining a minimum of one course in the related Initiative major, if the University has an equivalent major and courses.

University officials stated current noncompliance is due to the time needed to submit and have the course's host department's faculty and the Initiative approve University courses.

Failure to fully participate in the Initiative by submitting, at least, one course per Initiative major could hinder students looking to transfer to other institutions and represents noncompliance with State law. (Finding Code No. 2021-017, 2020-017)

Recommendation

We recommend the University comply with the requirements of the Illinois Articulation Initiative Act or seek legislative remedy.

University Response

Accepted. UIC and UIUC have already had courses approved by the Initiative in December 2021 and March of 2022. UIC, UIS, and UIUC will continue to address the recommendation in this finding by submitting more courses during the next IAI panel review cycle.

Additionally, UIUC will also continue to seek exemption for the Business major believing it does not have an equivalent major and courses. This position is supported by the IAI director.

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Finding 2021-018 Untimely Vehicle Accident Reporting

The University of Illinois (University) did not report certain automobile accidents involving University vehicles to the Department of Central Management Services in a timely manner.

During our testing of the operation of University vehicles, we noted the University reported 112 accidents involving University vehicles to the Department of Central Management Services (CMS) during fiscal year 2021. Further, we noted the following:

- Of the 80 accidents reported by the Urbana-Champaign campus, ten (13%) were not reported timely and ranged from four to 41 days late.
- Of the 29 accidents reported by the Chicago campus, ten (34%) were not reported timely and ranged from one to 10 days late.
- Of the 3 accidents reported by the Springfield campus, one (33%) was reported eight days late.
- Upon further review of the University's listing of accidents, we noted the Chicago campus did not report one accident to CMS at all.

In addition, we noted the following:

- Of the 81 accidents reported to the Urbana-Champaign campus, fifteen (19%) involving University vehicles were not reported timely to the Urbana-Champaign campus' motor pool and ranged from one to 29 days late.
- Of the 28 accidents reported to the Chicago campus, fourteen (50%) were not reported timely to the Chicago campus' Transportation Office and ranged from one to 9 days late, and one (4%) lacked documentary evidence of when the accident was reported, thus the timeliness could not be determined.
- Of the 3 accidents reported to the Springfield campus, one (33%) was reported ten days late to the Springfield campus' motor pool.
- Upon further review of the University's listing of accidents, we noted the Chicago campus submitted two accident claims to CMS but did not include them in the University's listing.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5040.520) requires a driver of any vehicle that is involved in an accident of any type within the scope or course of the employment to report such accident to the appropriate law enforcement agency and to CMS Auto Liability Unit by completing the Illinois Motorist Report (Form SR-1). For all accidents, the Form SR-1 is to be completed as soon as possible and submitted to the office of the current insurance carrier. In no case is this report to be completed later than three days following an accident. In all cases, the completed Form SR-1 must be received by CMS no later than seven calendar days following the accident or the driver and agency risk forfeiture of coverage under the State's auto liability plan.

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Finding 2021-018 Untimely Vehicle Accident Reporting (Continued)

According to the University's Campus Administrative Manual (Emergency Plans, Environmental Health and Safety, Security and Risk Management, Section V/C-6), an accident is defined as harm to state-owned property and/or harm to another party's person or property. This includes, but is not limited to: contact with another vehicle or object, backing into fixed objects, weather-related damage from hail or wind, as well as vandalism or damage found while vehicle was unattended.

Also, the University's policy to report an accident involving a University vehicle or commercial rental vehicle requires the employee to report the accident to the concerned campus motor pool (Urbana-Champaign or Springfield) or Transportation Office (Chicago), and the immediate supervisor within 24 hours, or the next business day after a weekend or University holiday.

University officials stated that exceptions were due to failure of employees to understand and follow policy, and misunderstanding requirements.

Failure to report automobile accidents to CMS in a timely manner may cause the University to be denied coverage and result in additional liabilities for the University and results in noncompliance with the Code. In addition, failure to report all accidents by employees to the University in a timely manner results in noncompliance with University policies. (Finding Code No. 2021-018)

Recommendation

We recommend the University implement procedures to ensure accidents are reported in a timely manner. We also recommend the University ensure policies and procedures are clearly understood and followed by all personnel responsible for the oversight of University vehicles within each department.

University Response

Accepted. UIC, UIS, and UIUC Motor Pools continue to reinforce the policies and procedures related to prompt reporting of accidents and have taken corrective measures. During FY21 some efforts were hindered due to staffing shortages and COVID related limited access. UIC has revamped the process in which accidents are reported to ensure they are done timely. In addition, UIC has installed hardware into all fleet vehicles to assist with preventative maintenance and will also send alerts involving accidents and incidents. UIS is reminding every driver of the process to report a university vehicle accident within the allowable time frame. Additionally, Administrative Information Technology Services (AITS) is developing an electronic reporting and tracking system for reportable vehicle accidents to improve the reporting process. The tool is currently undergoing development at the Urbana campus with a planned release date of July 1, 2022. Following the initial trial at Urbana, this accident reporting system will be expanded to include UIC and UIS.

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Schedule of Findings

Finding 2021-019 Inadequate Controls over Approvals for Leave Requests

The University of Illinois (University) did not maintain adequate controls to ensure timely review of requests for leaves of absence.

During our review of 60 leave of absences that took place during the fiscal year ended June 30, 2021, we noted six instances (10%) where the leave was approved more than 30 days after the end date of the leave. The approval timeframe for these six instances ranged from 61 to 507 days after the end date of the leave. Additionally, the University was unable to find the leave approval for one (2%) of the 60 leaves. Each of the seven leaves were granted in accordance with the Families First Coronavirus Response Act of 2020 as amended by the American Rescue Plan Act of 2021.

The University's form for requesting leave under the Families First Coronavirus Response Act of 2020 as amended by the American Rescue Plan Act of 2021 states when a leave is not foreseeable, requests should be made as soon as practicable and submitted to an employee's supervisor or human resources. Best practices would be for the requests to be submitted and reviewed within 30 days of an employee returning from an unforeseeable leave.

University officials stated delays in reviewing submissions by employees for leaves of absence were due to employee delays in filling out the required forms after an employee returned to work and the volume of requests. The missing leave approval was due to human error.

Failure to have timely written documentation supporting leaves of absences and reviewing those requests could result in the University paying employees amounts which are not owed. (Finding Code No. 2021-019)

Recommendation

We recommend the University strengthen its controls over the review of leaves of absences requests.

University Response

Accepted. The University will take the necessary steps to review our processes and will continue to educate staff on our processes.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

Finding 2021-020 Inadequate Controls over Compliance with the State Officials and Employees Ethics Act

The University of Illinois (University) did not ensure employees completed their initial ethics and sexual harassment training in accordance with the requirements of the State Officials and Employees Ethics Act.

During our review of 60 employees, including eight newly hired employees, required to complete ethics and sexual harassment training for the fiscal year ended June 30, 2021, we noted the following:

- Three of the eight (38%) new employees did not timely complete the initial ethics training as required. Ethics trainings were completed 45 to 90 days late.
- Three of the eight (38%) new employees did not timely complete the initial sexual harassment training as required. Sexual harassment trainings were completed 27 to 56 days late.
- One of the eight (13%) new employees did not complete the initial sexual harassment training.

The State Officials and Employees Ethics Act (Act) (5 ILCS 430/5-10 & 10.5) states a person employed in a position that requires training must complete his or her initial ethics and sexual harassment training within 30 days after commencement of his or her office or employment

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain an effective system, or systems, of internal fiscal and administrative control. Effective internal controls should ensure all employees are in compliance with mandated training requirements.

University officials stated the exceptions were due to oversight.

Failure to ensure employees complete their initial ethics and sexual harassment training within the required timeframe results in noncompliance with the Act. In addition, new employees may be unaware of specific ethical requirements for State employees without timely training. (Finding Code No. 2021-020)

Recommendation

We recommend the University strengthen its controls to ensure all employees complete their initial ethics and sexual harassment training in accordance with the requirements of the State Officials and Employee Ethics Act.

University Response

Accepted. The University will consider additional controls to help ensure all new employees complete new hire training requirements within the time designed within state law.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

2021-021 Finding: Weaknesses in Cybersecurity Programs and Practices

The University of Illinois (University) had weaknesses in their internal controls related to cybersecurity programs and practices.

As a result of the University's mission to provide higher educational opportunities, the University maintains computer systems that contain large volumes of confidential or personal information such as names, addresses, educational records, Social Security numbers, and health records.

The Illinois State Auditing Act (30 ILCS 5/3-2.4) requires the Auditor General to review State agencies and their cybersecurity programs and practices. During our examination of the University's cybersecurity program, practices, and control of confidential information, we noted:

- 11 of 25 (44%) new employees sampled had not completed security training.
- 4 of 25 (16%) new employees sampled did not complete the Information Security Compliance Form affirming they had read the University of Illinois' Information Security Policy.
- Documentation was not maintained of the corrective action taken related to the weaknesses noted in the vulnerability scans. Additionally, the vulnerabilities reports had not been reviewed and approved by management.

The National Institute of Standards and Technology (NIST), Information Security Testing and Assessment, sanctions completion of vulnerability scans and penetration testing to identify vulnerabilities. Further, upon identification of vulnerabilities, corrective actions are to be taken.

The University's Information Security Programs states:

- University Community Members must complete the appropriate privacy and information security training.
- Organizations must perform security assessments annually to ensure that security controls meet the control objectives specified in the University's Information Security Standard.
- Penetration testing must be performed to verify the effectiveness of the control that have been implemented on systems that access, process, store, or transmit high-risk data as required by regulations.
- Organizations must conduct vulnerability scans for vulnerabilities monthly.
- Vulnerability scanning reports must be reviewed and approved by management monthly.
- Organizations must ensure that all users of University networks or data participate in University-approved information security awareness training annually. Additionally, information security awareness training attendance must be recorded.

University management indicated the weaknesses were due to processes being distributed across campuses and lack of resources.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

2021-021 Finding: Weaknesses in Cybersecurity Programs and Practices (Continued)

Weaknesses in internal control over cybersecurity programs and practices could result in unidentified risk and vulnerabilities and ultimately lead to the University's volumes of personal information being susceptible to cyber-attacks and unauthorized disclosure. (Finding Code No. 2021-021, 2020-018)

Recommendation:

We recommend the University:

- Ensure all new employees complete security awareness training and in a timely manner.
- Ensure all new employees complete the Information Security Compliance Form acknowledgement affirming they had read the University of Illinois Information Security Policy upon hiring and annually thereafter.
- Ensure all identified vulnerabilities have a documented corrective action plan.
- Ensure all vulnerability reports are reviewed and approved by management.

University Response:

Accepted. The University will work to expand required cybersecurity awareness training across the entire system and continue to emphasize the importance of the information security compliance form for users with access to university enterprise systems. While vulnerability remediation occurs across the System, the University will work to formalize a risk-based remediation process where appropriate.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

2021-022 Finding: Weaknesses in Computer Security

The University of Illinois (University) did not maintain adequate security controls over its environment and devices.

The University maintains computer resources across three universities, the System Offices, and the University Hospital for users to conduct University functions. During testing, we selected a sample of workstations and servers from each campus to determine if security had been properly implemented to protect information assets and resources from unauthorized access and/or compromise of system integrity. Our testing noted the University did not maintain adequate security controls over their workstations and servers.

The *Security and Privacy Controls for Information Systems and Organizations* (Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Configuration and Maintenance sections, requires entities to maintain adequate security controls over their environment and devices.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use and misappropriation and maintain accountability over the State's resources.

University management indicated a distributed environment and resource constraints create challenges in implementing consistent controls across all campuses.

Failure to implement adequate security controls over the environment and devices exposes the University to increased danger of unauthorized access and the loss or corruption of critical and confidential data. (Finding Code No. 2021-022, 2020-019)

Recommendation:

We recommend the University implement adequate security controls across the University's environment and devices.

University Response:

Accepted. The University will continue to expand the use of centralized endpoint and network tools to help reduce the risks of the current distributed and heterogenous computing environment. Additionally, adherence to University security standards for workstations and servers will continue to be communicated to units.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

2021-023 Finding: Weakness in Disaster Recovery

The University of Illinois' Technology Solutions disaster recovery plan had not been formalized, approved, and tested.

Technology Solutions maintains the information technology environment for the University's Chicago campus, including several critical applications.

Technology Solutions did not have a formalized and approved disaster recovery plan during the examination period. In addition, Technology Solutions had not conducted disaster recovery testing.

The *Contingency Planning Guide for Information Technology Systems* published by the National Institute of Standards and Technology (NIST) requires entities to maintain and regularly tested disaster contingency plan to ensure the timely recovery of environment, applications and data.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds, property, and other assets and resources are safeguarded against waste, loss, and unauthorized use and misappropriation and maintain accountability over the State's resources.

University management indicated competing priorities had delayed the formalization and approval of the disaster recovery plan and testing.

Failure to formalize and test a disaster recovery plan leaves the University exposed to the possibility of major disruption of services. (Finding Code No. 2021-023)

Recommendation:

We recommend the University formalize, approve, and test the Technology Solutions disaster recovery plan.

University Response:

Accepted. Technology Solutions at UIC has completed updating their business continuity plan and formalized the plan with senior management. A test of the plan is scheduled for July 2022.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

Prior Findings Not Repeated

A. Finding: Failure to Document Risk Assessments for Student Information Security

The University of Illinois System (University) did not properly document required risk assessments related to student information security. (Finding Code No. 2020-004)

During the current year, the University completed and documented the risk assessments.

B. Finding: Inadequate Review of Title IV Fund Calculation

The University did not accurately complete Return of Title IV (R2T4) calculations for all students. (Finding Code No. 2020-005)

In the current year, similar exceptions were not identified in the samples selected.

C. Finding: Inadequate Support for Procurement

The University did not maintain adequate records for a procurement vendor for the Health Care Program Cluster. (Finding Code 2020-007)

In the current year, similar exceptions were not identified in the samples selected.

D. Finding: Failure to Send Exit Counseling Notification to Students

The University did not send out the required exit counseling notification for students. (Finding Code 2020-008)

In the current year, similar exceptions were not identified in the samples selected.

E. Finding: Underpayment of Title IV Funds

The University of Illinois at Chicago underpaid Title IV funds to one student. (Finding Code 2020-009)

In the current year, similar exceptions were not identified in the samples selected.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Schedule of Findings

Prior Findings Not Repeated (continued)

F. Finding: Inadequate Documentation of Direct Loan Reconciliations

The University's student financial aid department did not perform a documented independent review of the monthly Direct Loan Reconciliations. (Finding Code 2020-011)

In the current year, similar exceptions were not identified in the samples selected.

G. Finding: Inadequate Controls over University Travel Card Transactions

During the prior examination, the University had not established adequate controls over travel (T-Card) transactions. (Finding Code No. 2020-014, 2019-009, 2018-015, 2017-017, 2016-018)

During the current examination, we noted the University made improvements in its processing of travel cards transactions based on our sample testing. While there was improvement, we did note some continued instances of noncompliance further described in the University's *Independent Accountant's Report of Immaterial Findings* as Finding Code No. IM2021-001.

H. Finding: Noncompliance with the Filings and Administrative Requirements of State Publications with the Illinois State Library, Government Documents Section

During the prior examination, the University did not fully comply with the Illinois Administrative Code (Code) filing requirements for its publications that are to be deposited with the Illinois State Library, Government Documents Section and did not identify in writing the person or persons responsible for providing the information as is required by the Code. (Finding Code No. 2020-016)

During the current examination, we noted the University implemented a policy to use no appropriated funds for publications and followed the policy. As such, there were no publications it was required to file with the Section. However, we noted the University had not yet designated a person or persons in writing to the Section to be responsible for filing publications, should it ever have any to file. This condition is not considered significant, therefore the finding is reported in the University's *Independent Accountant's Report of Immaterial Findings* as Finding Code No. IM2021-002.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
STATE COMPLIANCE EXAMINATION

Year Ended June 30, 2021

Disclosures Report

Summary

A reading of the accompanying report components of the University of Illinois (University) was performed by RSM US LLP.

Accountant's Report

The accountants did not conclude an omission or uncorrected material misstatement of the other information exists in the Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Report.

Exit Conference

The University waived an exit conference in a correspondence from Ginger Velazquez, Executive Director for Business and Finance of the Office of Business and Financial Services in an email dated May 23, 2022.

**Independent Accountant’s Report
on Unexamined Disclosures Accompanying a State
Compliance Examination Report**

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
University of Illinois

Disclosures Accompanying a State Compliance Examination Report

Management of the University of Illinois is responsible for the *Disclosures Accompanying a State Compliance Examination Report* (other information), which consists of the Fiscal Schedules and Analysis and Analysis of Operations report components as listed in the Table of Contents. The other information comprises disclosures which must be presented by management in accordance with *Report Components* memorandum published by the Auditor General of the State of Illinois, but does not include our *Independent Accountant’s Report on State Compliance and on Internal Control over Compliance* found in the separate *State Compliance Examination Report* included within this document.

Our opinion on the University’s State compliance and internal control over compliance does not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our examination of the University, we have read the other information and considered whether:

- 1) a material inconsistency exists between the other information and our knowledge and facts of the University we obtained as part of the University’s State compliance examination;
- 2) the other information appears to have been omitted; or,
- 3) the other information appears to be materially misstated.

If, based on the work performed, we identified an omission or uncorrected material misstatement of the other information, we have agreed to describe it in this report.

SIGNED ORIGINAL ON FILE

Schaumburg, Illinois
June 14, 2022

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Appropriations, Expenditures, and Lapsed Balances
Fifteen months ended September 30, 2021

	Appropriations	Vouchered expenditures for the year ended June 30, 2021	Vouchered expenditures for the three months ended September 30, 2021	Total expenditures for the fifteen months ended September 30, 2021	Balances lapsed September 30, 2021	Balances reappropriated September 30, 2021
General Revenue Fund						
UI Hospital	\$ 40,380,600	\$ 40,380,600	\$ -	\$ 40,380,600	\$ -	\$ -
Illinois Heart Rescue	500,000	434,783	65,217	500,000	-	-
Prairie Research Institute	14,803,100	14,803,100	-	14,803,100	-	-
Total General Revenue Fund	<u>55,683,700</u>	<u>55,618,483</u>	<u>65,217</u>	<u>55,683,700</u>	<u>-</u>	<u>-</u>
Educational Assistance Fund:						
Hispanic Center for Excellence	673,800	576,828	96,972	673,800	-	-
Dixon Springs	276,600	261,665	14,935	276,600	-	-
Dentistry	294,800	294,800	-	294,800	-	-
Personal Services	493,293,800	493,093,331	200,469	493,293,800	-	-
Contractual Services	35,775,000	35,775,000	-	35,775,000	-	-
Health Insurance	24,893,200	24,893,200	-	24,893,200	-	-
Medicare/Social Security Contribution	8,566,200	8,566,200	-	8,566,200	-	-
Public Policy Institute	1,052,700	985,263	67,437	1,052,700	-	-
Labor and Employment Relations Degree Programs	654,400	654,400	-	654,400	-	-
Labor and Employment Relations Certificate Programs	850,800	845,798	5,002	850,800	-	-
Total Educational Assistance Fund	<u>566,331,300</u>	<u>565,946,485</u>	<u>384,815</u>	<u>566,331,300</u>	<u>-</u>	<u>-</u>
Fire Prevention Fund	4,427,900	3,975,234	452,666	4,427,900	-	-
State College and University Trust Fund	250,000	180,825	-	180,825	69,175	-
Hazardous Waste Research Fund	500,000	442,051	57,949	500,000	-	-
Emergency Public Health Fund	300,000	281,567	18,433	300,000	-	-
Used Tire Management Fund	400,000	354,301	45,699	400,000	-	-
General Professions Dedicated Fund	500,000	487,433	12,567	500,000	-	-
Pet Population Control	250,000	172,182	77,818	250,000	-	-
GRAND TOTAL, ALL FUNDS	<u>\$ 628,642,900</u>	<u>\$ 627,458,561</u>	<u>\$ 1,115,164</u>	<u>\$ 628,573,725</u>	<u>\$ 69,175</u>	<u>\$ -</u>

Note 1: The data contained in the schedule was taken from the University's records, which have been reconciled to the records of the State Comptroller. All appropriations were authorized by Public Act 102-0017.

Note 2: Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for reimbursement/payment.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
Budget years of fiscal 2021 and 2020

	PA102-0017	PA101-0007 and PA 100-0787
	2021	2020
General Revenue Fund:		
Appropriations	\$ 55,683,700	\$ 55,683,700
Expenditures:		
UI Hospital	40,380,600	40,380,600
Prairie Research Institute - State Scientific Survey	14,803,100	14,803,100
Illinois Heart Rescue	500,000	500,000
LER Degree Programs	-	-
LER Certificate Programs	-	-
Total Expenditures	55,683,700	55,683,700
Lapsed Balance	\$ -	\$ -
Educational Assistance Fund:		
Appropriations	\$ 566,331,300	\$ 566,331,300
Expenditures:		
Hispanic Center for Excellence	673,800	673,800
Dixon Springs	276,600	276,600
Dentistry	294,800	294,800
Personal Services	493,293,800	493,293,800
Contractual Services	35,775,000	35,775,000
Health Insurance	24,893,200	24,893,200
Medicare	8,566,200	8,566,200
Public Policy Institute	1,052,700	1,052,700
Labor and Employment Relations Degree Programs	654,400	654,400
Labor and Employment Relations Certificate Programs	850,800	850,800
Total Expenditures	566,331,300	566,331,300
Lapsed Balance	\$ -	\$ -
Fire Prevention Fund:		
Appropriations	\$ 4,427,900	\$ 4,216,000
Expenditures	4,427,900	4,216,000
Lapsed Balance	\$ -	\$ -
State College and University Trust Fund:		
Appropriations	\$ 250,000	\$ 250,000
Expenditures	180,825	180,525
Lapsed Balance	\$ 69,175	\$ 69,475

(Continued)

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances
Budget years of fiscal 2021 and 2020

	PA102-0017	PA 101-0007 and PA 100-0787
	<u>2021</u>	<u>2020</u>
Hazardous Waste Research Fund:		
Appropriations	\$ 500,000	\$ 500,000
Expenditures	<u>500,000</u>	<u>500,000</u>
Lapsed Balance	<u>\$ -</u>	<u>\$ -</u>
Emergency Public Health Fund:		
Appropriations	\$ 300,000	\$ 400,000
Expenditures	<u>300,000</u>	<u>400,000</u>
Lapsed Balance	<u>\$ -</u>	<u>\$ -</u>
Used Tire Management Fund:		
Appropriations	\$ 400,000	\$ 600,000
Expenditures	<u>400,000</u>	<u>600,000</u>
Lapsed Balance	<u>\$ -</u>	<u>\$ -</u>
General Professions Dedicated Fund:		
Appropriations	\$ 500,000	\$ 500,000
Expenditures	<u>500,000</u>	<u>500,000</u>
Lapsed Balance	<u>\$ -</u>	<u>\$ -</u>
Pet Population Control		
Appropriations	\$ 250,000	\$ 250,000
Expenditures	<u>250,000</u>	<u>250,000</u>
Lapsed Balance	<u>\$ -</u>	<u>\$ -</u>
Grand totals, all funds:		
Appropriations	\$ 628,642,900	\$ 628,731,000
Expenditures	628,573,725	628,661,525
Reappropriated balances	<u>-</u>	<u>-</u>
Lapsed Balances	<u>\$ 69,175</u>	<u>\$ 69,475</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Comparative Schedule of Net Expenditures by Major Activity
For the Fiscal Years Ended June 30, 2021 and 2020
(In Thousands)

EXPENDITURE STATISTICS	2021	2020
All State Treasury Funds		
General Revenue Fund (GRF):		
Total Operations Expenditures	\$ 55,684	\$ 55,684
Percentage of Total GRF Expenditure:	100.0%	100.0%
Personal Services	14,883	14,501
All Other Operating Expenditures	40,801	41,183
GRAND TOTAL - ALL GENERAL REVENUE FUND EXPENDITURES	\$ 55,684	\$ 55,684
Educational Assistance Fund (EAF):		
Total Operations Expenditures	\$ 566,028	\$ 566,021
Percentage of Total EAF Expenditure:	99.9%	99.9%
Personal Services	505,160	496,494
Other Payroll Costs	24,893	33,459
All Other Operating Expenditures	35,975	36,068
Awards and Grants Expenditures	\$ 303	\$ 310
Percentage of Total EAF Expenditure:	0.1%	0.1%
GRAND TOTAL - ALL EDUCATIONAL ASSISTANCE FUND EXPENDITURES	\$ 566,331	\$ 566,331
Fire Prevention Fund:		
Total Operations Expenditures	\$ 4,428	\$ 4,216
Percentage of Total Expenditure:	100.0%	100.0%
Personal Services	4,126	3,872
All Other Operating Expenditures	302	344
GRAND TOTAL - ALL FIRE PREVENTION EXPENDITURES	\$ 4,428	\$ 4,216
State College and University Trust Fund:		
Awards and Grants Expenditures	\$ 181	\$ 181
Percentage of Total Expenditure:	100%	100%
GRAND TOTAL - ALL STATE COLLEGE & UNIVERSITY TRUST FUND EXPENDITURES	\$ 181	\$ 181
Hazardous Waste Research Fund:		
Total Operations Expenditures	\$ 500	\$ 500
Percentage of Total Expenditure:	100.0%	100.0%
Personal Services	355	447
All Other Operating Expenditures	145	53
GRAND TOTAL - ALL HAZARDOUS WASTE RESEARCH FUND EXPENDITURES	\$ 500	\$ 500
Emergency Public Health Fund:		
Total Operations Expenditures	\$ 300	\$ 400
Percentage of Total Expenditure:	100.0%	100.0%
Personal Services	209	376
All Other Operating Expenditures	91	24
GRAND TOTAL - ALL EMERGENCY PUBLIC HEALTH FUND EXPENDITURES	\$ 300	\$ 400

(Continued)

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
Comparative Schedule of Net Expenditures by Major Activity
For the Fiscal Years Ended June 30, 2021 and 2020
(In Thousands)

EXPENDITURE STATISTICS	2021	2020
Used Tire Management Fund:		
Total Operations Expenditures	\$ 400	\$ 600
Percentage of Total Expenditure:	100.0%	100.0%
Personal Services	299	435
All Other Operating Expenditures	101	165
GRAND TOTAL - ALL USED TIRE MANAGEMENT FUND EXPENDITURES	\$ 400	\$ 600
General Professions Dedicated Fund:		
Total Operations Expenditures	\$ 500	\$ 500
Percentage of Total Expenditure:	100%	100%
Personal Services	500	500
GRAND TOTAL - ALL GENERAL PROFESSIONS DEDICATED FUND EXPENDITURES	\$ 500	\$ 500
Pet Population Control		
Total Operations Expenditures	\$ 250	\$ 250
Percentage of Total Expenditure:	100.0%	100.0%
Personal Services	153	182
All Other Operating Expenditures	97	68
GRAND TOTAL - ALL PET POPULATION CONTROL EXPENDITURES	\$ 250	\$ 250
GRAND TOTAL - ALL UNIVERSITY OF ILLINOIS APPROPRIATION EXPENDITURES	\$ 628,574	\$ 628,662

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Analysis of Significant Variations in Expenditures
For the Year Ended June 30, 2021

Fiscal Year 2021 Compared to Fiscal Year 2020

General Revenue Fund – 001

The University did not have any variations in expenditures from the prior year.

Educational Assistance Fund – 007

The University did not have any variations in expenditures from the prior year.

General Public Dedicated Fund – 022

The University did not have any variations in expenditures from the prior year.

Fire Prevention Fund – 047

The increase was due to an increase in the overall state appropriation from the prior year.

Emergency Public Health Fund – 240

The decrease was due to a decrease in the overall state appropriation from the prior year.

Used Tire Management Fund – 294

The decrease was due to a decrease in the overall state appropriation from the prior year.

State College & University Trust – 417

The University did not have any variations in expenditures from the prior year.

Pet Population Control Fund – 764

The University did not have any variations in expenditures from the prior year.

Hazardous Waste Research Fund – 840

The University did not have any variations in expenditures from the prior year.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Analysis of Significant Lapse Period Spending
For the Year Ended June 30, 2021

The University did not have any significant Lapse Period spending.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Schedule of Changes in Property

Year ended June 30, 2021

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Ending balance</u>
Nondepreciable capital assets:					
Land	\$ 139,282,491	\$ 2,380,667	\$ (138,364)	\$ -	\$ 141,524,794
Construction in progress	375,358,204	239,321,332		(292,753,726)	321,925,810
Building improvements	6,979,974	-	(43,621)	-	6,936,353
Inexhaustible collections	25,185,905	617,390		-	25,803,295
Equipment (greater than \$499 less than \$5,000)	298,154,239	22,687,819	(168,368,672)	-	152,473,386
Total nondepreciable capital assets	<u>844,960,813</u>	<u>265,007,208</u>	<u>(168,550,657)</u>	<u>(292,753,726)</u>	<u>648,663,638</u>
Depreciable capital assets:					
Buildings	5,133,700,343	74,458,202	(517,321)	180,274,898	5,387,916,122
Improvements and infrastructure	760,612,412	4,417,021		11,297,071	776,326,504
Equipment (equal or greater than \$5,000)	1,349,092,747	91,465,789	(46,725,612)	6,173,982	1,400,006,906
Exhaustible collections	207,903,948		(1,333,116)	95,007,775	301,578,607
Software	704,604,021	23,190,514	(1,162,805)		726,631,730
Subtotal	8,155,913,471	193,531,526	(49,738,854)	292,753,726	8,592,459,869
Less accumulated depreciation	<u>4,572,407,440</u>	<u>270,123,948</u>	<u>(46,920,098)</u>	<u>-</u>	<u>4,795,611,290</u>
Total net depreciable capital assets	<u>3,583,506,031</u>	<u>(76,592,422)</u>	<u>(2,818,756)</u>	<u>292,753,726</u>	<u>3,796,848,579</u>
Total capital assets	<u>\$ 4,428,466,844</u>	<u>\$ 188,414,786</u>	<u>\$ (171,369,413)</u>	<u>\$ -</u>	<u>\$ 4,445,512,217</u>

Amounts reconcile to the property records submitted to the Illinois Office of the Comptroller. This summary schedule was prepared using State property records required by the Illinois Administrative Code (Code). The capitalization policy in the Code is different than the capitalization policy established by the University for financial reporting in accordance with generally accepted accounting principles.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Analysis of Significant Variations in Account Balances
Year Ended June 30, 2021

Fiscal Year 2021 Compared to Fiscal Year 2020

The University's Fiscal Year 2021 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on page 13 and 14, respectively, within its previously separately released Fiscal Year 2021 financial audit report. Additionally, the University's Fiscal Year 2020 Statement of Net Position and Statement of Revenue, Expenses, and Changes in Net Position can be found on page 13 and 14, respectively, within its previously released Fiscal Year 2020 financial audit report.

Consistent with prior years, all variances greater than \$30 million and more than 10% variance from fiscal year 2020, are discussed below.

Statement of Net Position

Investments (current assets)

This decrease was primarily due to the investment department placing more investments in non-current investments and less in current investments for strategic reasons.

Accounts receivable

This increase was due to an increase in Hospital receivables due to an increase in volume and a delay in billing receivables.

Appropriation receivable from State of Illinois

This decrease was due to the State being more timely with reimbursements.

Investments (noncurrent assets)

This increase was due to an increase in unrealized gains due to equities and better stock market conditions.

Investments, restricted (noncurrent assets)

This increase was due to an increase in unrealized gains due to equities and better stock market conditions.

Unearned revenue and student deposits (current liabilities)

The increase was due to Shield Illinois COVID-19 testing which was a new fund and activity.

Leaseholds payable and other obligations (current liabilities)

This decrease in the current year was due to a decrease in the Center for Medicare & Medicaid Service advance payment received due to COVID-19.

Leaseholds payable and other obligations (noncurrent liabilities)

This increase was due to the addition of P3 buildings that were finance purchases.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Analysis of Significant Variations in Account Balances
Year Ended June 30, 2021

Other postemployment benefits (noncurrent liabilities)

This decrease was due to a correction of error made by State Employee Group Insurance Program that impacted the allocation to the University.

Nonexpendable restricted (net position)

This increase was due to an increase in the permanent unrealized gain.

Expendable restricted (net position)

This increase was due to an increase in the pooled endowment investments due to large unrealized gains.

Unrestricted (net position)

Change from prior year is due to the change in the other postemployment benefits, deferred outflows and deferred inflows related to GASB 75.

Statement of Revenue, Expenses, and Changes in Net Position

Auxiliary enterprises, net (operating revenues)

The decrease was due to a decrease in housing residence halls, merchandise/commodity sales and student transportation fees due to COVID-19.

Instruction (operating expenses)

The increase was due to an increase in payment on behalf and special funding.

Research (operating expenses)

The increase was due to an increase in payment on behalf and special funding.

Public service (operating expenses)

The increase was due to an increase in payment on behalf and special funding.

Academic support (operating expenses)

The increase was due to an increase in payment on behalf and special funding.

Operation and maintenance of plant (operating expenses)

The decrease was due to a decrease in real property repair and remodeling due to COVID-19.

Scholarships and fellowships (operating expenses)

The increase was due to an increase in emergency scholarships related to COVID-19.

Hospital and medical activities (operating expenses)

The increase was due to an increase in emergency response management costs related to COVID-19 and an increase in payment on behalf and special funding.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Analysis of Significant Variations in Account Balances
Year Ended June 30, 2021

Private gifts (nonoperating revenues)

The increase was due to an increase in gifts from the Foundation.

Grants, nonoperating (nonoperating revenues)

The increase was due to emergency grants related to COVID-19.

Provider relief funds for COVID-19 (nonoperating revenues)

The increase was due to an increase in provider relief related to COVID-19.

On behalf for fringe benefits (nonoperating revenues)

Central Management Services on behalf will fluctuate each fiscal year based on many factors, and as such, we expect this number to change each year.

Special funding situation for fringe benefits (nonoperating revenues)

The increase was due to an increase in the State Universities Retirement Systems on behalf retirement estimates.

Net investment income (nonoperating revenues)

The decrease was due to a decrease in realized gains.

Net increase in the fair value of investments (nonoperating revenues)

The increase was primarily due having large unrealized gains in farms and Blackrock investments.

Other nonoperating revenues, net (nonoperating revenues)

The increase was due to GASB 90 and recording the equity interest in URO's.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Sources and Applications -
Indirect Cost Reimbursements
Year ended June 30, 2021

Balance, July 1, 2020	\$ 210,991,859
Sources:	
Private gifts, grants, and contracts	29,904,547
Federal grants and contracts	202,374,883
State of Illinois grants and contracts	14,555,772
Medical service plan	5,059,726
Auxiliary administrative allowances	15,035,030
Other administrative allowances	55,018,322
	321,948,280
Total additions	
Applications:	
Educational and general:	
Instruction	(2,324,548)
Research	(76,549,367)
Public service	(8,191,839)
Academic support	(97,652,609)
Student services	(5,741,654)
Institutional support	(32,186,255)
Operation and maintenance of plant	(75,427,117)
Student aid	(8,336,426)
	(306,409,815)
Total deductions	
Balance at June 30, 2021	\$ 226,530,324

Note : Above information is prepared on an accrual basis.

Indirect cost reimbursements are expended, pursuant to allocations of funds within the University's budget as adopted by the Board of Trustees, to pay for the costs of grants and contracts operations and to pay for overhead expenses of the University. Indirect cost reimbursements are expended in a manner consistent with the formula under which such reimbursements are determined.

Based on the requirements of the *University Guidelines* , patents and royalties do not meet the definition of indirect cost reimbursements and are excluded from this calculation as well as the indirect cost carry-forward.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS

A Component Unit of the State of Illinois Auxiliary Facilities, Activities, and Accounting Entities

Year Ended June 30, 2021

The revenues, expenses, and other changes for the current unrestricted funds, excluding state appropriations and student tuition, unrestricted gifts, and indirect cost reimbursements for the year ended June 30, 2021, are compared and analyzed by accounting entity, as defined by the University.

The entities are classified in four general categories: auxiliary enterprises under indenture, auxiliary enterprises not under indenture, storerooms and service departments, and departmental activities. The University's entity definitions combine operations by campus and function. However, entity financial statements have been prepared by campus and function, as required by University Guidelines, and shown in this report as referenced in the table of contents as entity financial statements. The information in the entity financial statements is presented in accordance with the requirements of University Guidelines. Therefore, some amounts presented in the entity financial statements may differ from amounts presented in, or used in the preparation of, the basic financial statements, due to certain eliminations between various entities.

The individual entities are described as follows:

I. Auxiliary Enterprises under Indenture

Auxiliary enterprises under indenture consist of the operations of the University of Illinois Auxiliary Facilities System. The operations of the Auxiliary Facilities System are subject to the provisions, terms, covenants, and conditions of the Resolutions of the Board of Trustees of the University, which provided for the issuance of the University of Illinois Auxiliary Facilities System Revenue Bonds, Series 1999A, Series 2001A, Series 2003A, Series 2005A, Series 2011A, Series 2011C, Series 2013A, Series 2014A, Series 2014B, Series 2015A, Series 2016A, Series 2016B, Series 2018A, Series 2018B, Series 2019A, Series 2020A and Series 2020B (Bond Resolutions).

The Auxiliary Facilities System is comprised of University-owned housing units, student unions, and similar auxiliary service units, including parking, at the three campuses; recreation and athletic facilities, including the State Farm Center, the Activities and Recreation Center, Ice Rink Arena, and Memorial Stadium at the Urbana-Champaign campus; the Pavilion and Ice Rink at the Chicago campus; and the Gymnasium and the Recreation and Athletic Center at the Springfield campus.

II. Auxiliary Enterprises Not Under Indenture

- A. *Student/Staff Programs and Services* – Administration and operation of programs and services for students, faculty, and staff, including counseling, testing, student government activities, and the Beckwith Living Center.
- B. *Unique Instructional Programs* – Unique student and staff programs such as field trips and other activities of a similar nature.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS

A Component Unit of the State of Illinois
Auxiliary Facilities, Activities, and Accounting Entities

Year Ended June 30, 2021

III. Storerooms and Service Departments

- A. *Communication and Computing Services* – Activities that provide University-wide services, primarily to University departments, for data processing, telecommunications, and computing services.
- B. *Plant and Service Operations* – Activities for distribution of costs associated with services rendered to internal operations on a University-wide basis, including storeroom operations, physical plant, mail service, advance insurance billings to units, printing, duplication, and activities used for collection and redistribution of costs.

IV. Departmental Activities

- A. *Instructional Course Activities* – Credit-bearing instructional activities provided primarily as a public service for private businesses, community organizations, and governmental units.
- B. *Professional Development Activities* – Noncredit-bearing instructional activities including conferences, workshops, seminars, and continuing education courses provided primarily as a public service.
- C. *Agricultural Operations* – Agricultural activities that pertain to the practice of agriculture in direct support of the instructional, research, and public service functions of the University administered by the College of Agricultural, Consumer, and Environmental Sciences. Activities that pertain to academic and theoretical research and topics are recorded in other entities as appropriate.
- D. *Commercial Operations Not Under Indenture* – Facilities and costs of services with a significant emphasis on users outside the University community, including services of the steam plant operations, the technical research park, and airport operations.
- E. *Hospital and Clinics* – Administration and operation of patient care facilities, primarily the University of Illinois Hospital and Clinics, which are in direct support of the instructional, research, public service, and healthcare functions of the University.
- F. *Public Service, Academic Support, Healthcare and Economic Development Activities* – Activities in direct support of the primary academic, public service, healthcare, and economic development missions of the University, including laboratory and testing centers and services, publication and design services, technology incubation and economic development services, and facilities, which are in direct support of the instructional, research, public service, healthcare, and economic development functions of the University.
- G. *Intercollegiate Athletics* – Administration and operation of intercollegiate athletic activities and programs administered by the Department of Intercollegiate Athletics, including summer camps, golf course, tennis center, and the various athletic programs.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS

A Component Unit of the State of Illinois
Auxiliary Facilities, Activities, and Accounting Entities

Year Ended June 30, 2021

Auxiliary enterprises receive revenues from the following sources:

- Room and board
- Merchandise and food sales
- Public events and recreation fees
- Parking
- Investment income
- Student service fees
- Rental and lease income
- Vending income
- Other sources

Storerooms and service departments receive revenues from services performed and goods provided to University departments.

Departmental activities receive revenues from operations.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Comparative Schedule of University Income Fund Revenues and Expenditures
For the years ended June 30, 2021 and 2020

	2021	2020
University Income Fund:		
Revenues:		
Net student tuition and other charges	\$ 1,324,167,556	\$ 1,309,504,665
Other sources	71,970,284	39,868,617
Total Revenues	1,396,137,840	1,349,373,282
Provision for bad debts	(5,070,232)	(5,489,925)
A/R collections administrative allowance	(244,728)	-
Processing fees	(183,430)	-
Net Revenues	1,390,639,450	1,343,883,357
Add (deduct) net change in:		
Cash	(204,372)	(1,028,227)
Accounts receivable	(9,544,962)	(3,846,919)
Prepaid charges	1,074,938	(3,914,376)
Accrued investment income	(15,858,788)	4,256,139
Unearned revenue	(706,170)	16,493,971
Accounts payable	56,045	3,104
Net Change in Assets & Liabilities	(25,183,309)	11,963,692
Fiscal Year Receipts	1,365,456,141	1,355,847,049
Expenditures:		
Unemployment compensation	169	461,778
Permanent improvements	699,066	176,258
Personal services	795,225,811	758,963,161
Awards and grants	197,439,921	195,928,036
Travel	127,062	3,720,818
Commodities	9,922,349	11,248,130
Contractual services	150,118,789	123,373,497
Equipment	37,186,086	45,560,084
Telecommunications	10,500,723	27,209,136
Operation of automotive equipment	683,511	469,676
Workers' compensation	6,670,183	5,016,431
Health Insurance	812,559	786,031
Medicare	13,349,892	12,614,755
Other Fringe Benefits	2,648,697	166,522
Transfers for capital projects	78,250,006	31,471,120
Transfers for debt payments	8,792	575,547
Total Expenditures	1,303,643,616	1,217,740,980
Increase in Fund Balance	61,812,525	138,106,069
Fund balance at beginning of budget fiscal year	485,931,007	347,885,493
Prior year adjustments made after final report was completed	(653,820)	(60,555)
Beginning balance as adjusted	485,277,187	347,824,938
Unadjusted fund balance at end of budget fiscal year	547,089,712	485,931,007
Prior fiscal year expenditures charged to current fiscal year	(250,941)	-
Adjusted fund balance at end of budget fiscal year	\$ 546,838,771	\$ 485,931,007
Budget	\$ 1,374,559,800	\$ 1,364,499,900
Fund balance as percentage of budget	39.78%	35.61%

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Net Position
Auxiliary Enterprises Under Indenture
June 30, 2021

	All campuses
Assets and Deferred Outflow of Resources:	
Current assets:	
Claim on cash and pooled investments	\$ 157,053,578
Claim on cash and pooled investments, restricted	3,579,926
Cash and cash equivalents, restricted	10,696
Accrued investment income	283,128
Accounts receivable, net of allowance	7,397,395
Inventories	5,031,192
Prepaid expenses	766,129
Total current assets	174,122,044
Noncurrent assets:	
Cash and cash equivalents	19,923,802
Cash and cash equivalents, restricted	7,132,337
Investments, restricted	5,849,620
Capital assets, net of accumulated depreciation	1,224,647,226
Total noncurrent assets	1,257,552,985
Deferred outflow of resources	12,951,766
Total assets and deferred outflow of resources	\$ 1,444,626,795
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 37,466,261
Accrued compensated absences, current portion	563,883
Unearned revenue	6,196,459
Notes payable to the University, current portion	1,643,561
Bonds and leaseholds payable, current portion	60,913,691
Total current liabilities	106,783,855
Noncurrent liabilities:	
Accrued compensated absences	6,319,050
Notes payable to the University	1,455,204
Bonds and leaseholds payable	1,077,013,887
Total noncurrent liabilities	1,084,788,141
Total liabilities	1,191,571,996
Net position:	
Net investment in capital assets	139,156,323
Restricted:	
Expendable for debt service	3,590,622
Unrestricted	110,307,854
Total net position	253,054,799
Total liabilities and net position	\$ 1,444,626,795

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position
Auxiliary Enterprises Under Indenture
Year ended June 30, 2021

	All campuses
Operating revenues:	
Room and board, net of waivers	\$ 89,890,519
Merchandise and retail food sales	16,380,691
Student service fees	89,250,405
Public events and recreation fees	1,752,094
Parking income	20,645,351
Rental and lease income	29,923,272
Printing and vending income	1,448,215
Other operating revenue	2,854,226
Total operating revenues	252,144,773
Operating expenses:	
Salaries and wages	84,740,505
Merchandise and food for resale	19,463,823
Repairs and maintenance	8,766,607
Professional and other contractual services	34,791,571
Utilities	25,698,030
Supplies	11,185,596
Noncapitalized renovations and equipment	14,284,143
Administrative services	14,226,051
Other operating expense	5,257,693
Depreciation	46,483,727
On behalf for fringe benefits	10,062,730
Special funding situation for fringe benefits	54,373,435
Total operating expenses	329,333,911
Operating loss	(77,189,138)
Nonoperating revenues (expenses):	
On behalf for fringe benefits	10,062,730
Special funding situation for fringe benefits	54,373,435
Federal grants	45,663,954
Investment income (net of related expenses)	4,998,092
Interest on capital asset related debt	(33,352,424)
Loss on disposal of capital assets	(119,600)
Other nonoperating expenses, net	(1,756,232)
Total nonoperating revenues, net	79,869,955
Decrease in net position	2,680,817
Net position, beginning of year	250,373,982
Net position, end of year	\$ 253,054,799

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Net Position
Auxiliary Enterprises Not Under Indenture
Student/Staff Programs and Services
June 30, 2021

	Urbana	Chicago	Springfield
Assets:			
Current assets:			
Cash and cash equivalents	\$ 28,776,614	\$ 28,050,104	\$ 1,304,879
Accounts receivable and accrued investment income	1,253,968	1,855,587	150,547
Inventories	92,121	-	11,155
Prepaid expenses	471,697	232,359	5,614
Total current assets	30,594,400	30,138,050	1,472,195
Noncurrent assets:			
Capital assets, net of accumulated depreciation	3,334,994	1,256,134	309,704
Total assets	\$ 33,929,394	\$ 31,394,184	\$ 1,781,899
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,110,359	\$ 1,046,635	\$ 145,424
Unearned revenue	3,856,362	3,412,443	130,439
Accrued compensated absences, current portion	96,312	61,586	13,755
Total current liabilities	6,063,033	4,520,664	289,618
Noncurrent liabilities:			
Accrued compensated absences	1,186,141	758,469	169,396
Total liabilities	7,249,174	5,279,133	459,014
Net position:			
Net investment in capital assets	3,334,994	1,256,134	309,704
Unrestricted	23,345,226	24,858,917	1,013,181
Total net position	26,680,220	26,115,051	1,322,885
Total liabilities and net position	\$ 33,929,394	\$ 31,394,184	\$ 1,781,899

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position
Auxiliary Enterprises Not Under Indenture
Student/Staff Programs and Services
Year ended June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Student program fees	\$ 50,870,373	\$ 37,111,498	\$ 3,101,165
Merchandise and food sales	129,827	-	3,570
Public events and recreation fees	18,979	-	-
Rental and lease income	301,621	-	-
Parking income	-	19,058	-
Vending income	-	687	-
Other operating revenue	5,193,799	4,716,488	708,967
Total operating revenues	<u>56,514,599</u>	<u>41,847,731</u>	<u>3,813,702</u>
Operating expenses:			
Salaries and wages	12,431,618	8,102,974	1,622,732
On-behalf for fringe benefits	1,515,107	902,843	174,780
Special funding situation for fringe benefits	8,298,956	4,898,118	963,658
Merchandise and food for resale	401,606	6,067,760	7,829
Repairs and maintenance	86,298	273,474	5,908
Professional and other contractual services	40,314,542	16,900,332	1,457,369
Utilities	104,771	183,872	12,104
Supplies	811,473	562,543	281,362
Noncapitalized renovations and equipment	3,081,374	31,277	23,427
Administrative services	364,049	428,312	16,618
Other operating expense	2,905,261	9,233,247	176,856
Depreciation and amortization	285,751	64,506	30,548
Total operating expenses	<u>70,600,806</u>	<u>47,649,258</u>	<u>4,773,191</u>
Operating loss	<u>(14,086,207)</u>	<u>(5,801,527)</u>	<u>(959,489)</u>
Nonoperating revenues:			
Investment income (net of related expenses)	1,102,127	1,296,607	47,398
On-behalf for fringe benefits	1,515,107	902,843	174,780
Special funding situation for fringe benefits	8,298,956	4,898,118	963,658
Other nonoperating revenues, net	1,048,992	1,119,043	4,945
Total nonoperating revenues, net	<u>11,965,182</u>	<u>8,216,611</u>	<u>1,190,781</u>
(Decrease) increase in net position	<u>(2,121,025)</u>	<u>2,415,084</u>	<u>231,292</u>
Net position, beginning of year	<u>28,801,245</u>	<u>23,699,967</u>	<u>1,091,593</u>
Net position, end of year	<u>\$ 26,680,220</u>	<u>\$ 26,115,051</u>	<u>\$ 1,322,885</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Net Position
Auxiliary Enterprises Not Under Indenture
Unique Instructional Programs
June 30, 2021

	Urbana
Assets:	
Current assets:	
Claim on cash	\$ 82,120
Accounts receivable	26,182
Other assets	10,812
Total assets	\$ 119,114
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 18,654
Total liabilities	18,654
Net position:	
Unrestricted	100,460
Total net position	100,460
Total liabilities and net position	\$ 119,114

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Revenues, Expenses, and Changes in Net Position
Auxiliary Enterprises Not Under Indenture
Unique Instructional Programs
Year ended June 30, 2021

	Urbana
Operating revenues:	
Student program fees	\$ 78,700
Other operating revenue	184,624
Total operating revenues	263,324
Operating expenses:	
Salaries and wages	113,925
Professional and other contractual services	48,310
Supplies	4,638
Other operating expense	11,299
Total operating expenses	178,172
Operating income	85,152
Nonoperating revenues:	
Investment income (net of related expenses)	448
Other nonoperating revenues, net	30,744
Total nonoperating revenues, net	31,192
Increase in net position	116,344
Net position, beginning of year	(15,884)
Net position, end of year	\$ 100,460

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Net Position
Storerooms and Service Departments
Communication and Computing Services
June 30, 2021

	All campuses
Assets:	
Current assets:	
Cash and cash equivalents	\$ 15,208,628
Accounts receivable	111,788
Inventories	1,412,121
Prepaid expenses	6,359,645
Total current assets	23,092,182
Noncurrent assets:	
Capital assets, net of accumulated depreciation	19,356,571
Total noncurrent assets	19,356,571
Total assets	\$ 42,448,753
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 5,348,419
Accrued compensated absences, current portion	309,075
Leaseholds payable and other obligations, current portion	299,941
Total current liabilities	5,957,435
Noncurrent liabilities:	
Accrued compensated absences	3,806,432
Total noncurrent liabilities	3,806,432
Total liabilities	9,763,867
Net position:	
Net investment in capital assets	19,056,630
Unrestricted	13,628,256
Total net position	32,684,886
Total liabilities and net position	\$ 42,448,753

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Revenues, Expenses, and Changes in Net Position
Storerooms and Service Departments
Communication and Computing Services
Year ended June 30, 2021

	<u>All campuses</u>
Operating revenues:	
General computing and technology services	\$ 32,907,081
Academic Computing and Communication Center services	10,736,519
Merchandise and food sales	5,671,985
Administrative Information Technology Services training and assistance	583,103
Rental and lease income	221,885
Other sources	2,125
	<hr/>
Total operating revenues	50,122,698
	<hr/>
Operating expenses:	
Salaries and wages	21,003,994
On-behalf for fringe benefits	4,073,681
Special funding situation for fringe benefits	22,234,012
Merchandise and food for resale	4,733,660
Repairs and maintenance	2,935,834
Professional and other contractual services	5,019,109
Utilities	8,358,426
Supplies	2,059,276
Noncapitalized renovations and equipment	995,423
Other operating expense	88,998
Depreciation and amortization	5,165,440
	<hr/>
Total operating expenses	76,667,853
	<hr/>
Operating loss	(26,545,155)
	<hr/>
Nonoperating revenues:	
Investment income (net of related expenses)	12,708
On-behalf for fringe benefits	4,073,681
Special funding situation for fringe benefits	22,234,012
Interest on capital asset related debt	(3,376)
Other nonoperating expenses, net	(32,484)
	<hr/>
Total nonoperating revenues, net	26,284,541
	<hr/>
Decrease in net position	(260,614)
	<hr/>
Net position, beginning of year	32,945,500
	<hr/>
Net position, end of year	<u>\$ 32,684,886</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Net Position
Storerooms and Service Departments
Plant and Services Operations
June 30, 2021

	All campuses
Assets:	
Current assets:	
Cash and cash equivalents	\$ -
Investments	1,449
Accounts receivable and accrued investment income	10,419,025
Inventories	7,150,275
Prepaid expenses	3,266,875
Other assets	2,500,000
Total current assets	23,337,624
Noncurrent assets:	
Leasehold receivable	-
Capital assets, net of accumulated depreciation	133,698,819
Total noncurrent assets	133,698,819
Deferred outflow of resources	502,733
Total assets	\$ 157,539,176
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 57,176,514
Unearned revenue	1,000
Accrued compensated absences, current portion	1,734,381
Leaseholds payable and other obligations, current portion	18,128,192
Total current liabilities	77,040,087
Noncurrent liabilities:	
Leaseholds payable and other obligations	11,700,495
Accrued compensated absences	21,359,904
Total noncurrent liabilities	33,060,399
Total liabilities	110,100,486
Net position:	
Net investment in capital assets	104,372,865
Restricted	683,487
Unrestricted	(57,617,662)
Total net position	47,438,690
Total liabilities and net position	\$ 157,539,176

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Revenues, Expenses, and Changes in Net Position
Storerooms and Service Departments
Plant and Services Operations
Year ended June 30, 2021

	All campuses
Operating revenues:	
Plant operations and related services	\$ 333,969,926
Utility services	170,517,501
Lab and pharmacy services	93,476,008
Merchandise and food sales	12,134,871
Other sources	17,752,924
Total operating revenues	627,851,230
Operating expenses:	
Salaries and wages	242,737,981
On-behalf for fringe benefits	34,410,997
Special funding situation for fringe benefits	180,242,890
Merchandise and food for resale	117,335,364
Repairs and maintenance	34,939,014
Professional and other contractual services	139,918,989
Utilities	982,125
Supplies	44,961,293
Noncapitalized renovations and equipment	17,266,542
Administrative services	3,449,254
Other operating expense	4,642,178
Depreciation and amortization	21,310,995
Total operating expenses	842,197,622
Operating loss	(214,346,392)
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	148,444
On-behalf for fringe benefits	34,410,997
Special funding situation for fringe benefits	180,242,890
Interest on capital asset related debt	(1,286,323)
Other nonoperating revenues, net	609,871
Total nonoperating revenues, net	214,125,879
Decrease in net position	(220,513)
Net position, beginning of year	47,659,203
Net position, end of year	\$ 47,438,690

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Net Position
Departmental Activities
Instructional Course Activities
Year ended June 30, 2021

	Urbana	Chicago
Assets:		
Current assets:		
Cash and cash equivalents	\$ 127,667	\$ 562,248
Accounts receivable and accrued investment income	309	88,538
Prepaid expenses	-	568
Total current assets	127,976	651,354
Noncurrent assets:		
Capital assets, net of accumulated depreciation	2,578,931	25,059
Total assets	\$ 2,706,907	\$ 676,413
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,212	\$ 31,163
Accrued compensated absences, current portion	-	5,666
Total current liabilities	1,212	36,829
Noncurrent liabilities:		
Accrued compensated absences	-	69,775
Total liabilities	1,212	106,604
Net position:		
Net investment in capital assets	2,578,931	25,059
Unrestricted	126,764	544,750
Total net position	2,705,695	569,809
Total liabilities and net position	\$ 2,706,907	\$ 676,413

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Revenues, Expenses, and Changes in Net Position
Departmental Activities
Instructional Course Activities
Year ended June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Student program fees	\$ 62,000	\$ 1,147,824	\$ -
Total operating revenues	<u>62,000</u>	<u>1,147,824</u>	<u>-</u>
Operating expenses:			
Salaries and wages	79,849	760,207	-
Professional and other contractual services	13,126	42,666	-
Utilities	10	7,972	-
Supplies	3,434	191,885	-
Noncapitalized renovations and equipment	-	6,746	-
Administrative services	-	134	-
Other operating expense	(791)	2,565	-
Depreciation and amortization	179,267	11,774	-
Total operating expenses	<u>274,895</u>	<u>1,023,949</u>	<u>-</u>
Operating (loss) income	<u>(212,895)</u>	<u>123,875</u>	<u>-</u>
Nonoperating revenues:			
Investment income (net of related expenses)	3,872	18,641	-
Other nonoperating revenues (expenses), net	643,941	-	(82,431)
Total nonoperating revenues (expenses), net	<u>647,813</u>	<u>18,641</u>	<u>(82,431)</u>
Increase (decrease) in net position	434,918	142,516	(82,431)
Net position, beginning of year	<u>2,270,777</u>	<u>427,293</u>	<u>82,431</u>
Net position, end of year	<u>\$ 2,705,695</u>	<u>\$ 569,809</u>	<u>\$ -</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Net Position
Departmental Activities
Professional Development Activities
June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 5,149,957	\$ 3,068,694	\$ 184,880
Accounts receivable and accrued investment income	1,165,478	448,690	31,844
Inventories	4,040	-	-
Prepaid expenses	89,466	32,426	10,991
Total current assets	<u>6,408,941</u>	<u>3,549,810</u>	<u>227,715</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	8,526,519	1,126,310	129
Total noncurrent assets	<u>8,526,519</u>	<u>1,126,310</u>	<u>129</u>
Deferred outflow of resources	143,623	-	-
Total assets	<u>\$ 15,079,083</u>	<u>\$ 4,676,120</u>	<u>\$ 227,844</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 592,194	\$ 185,209	\$ 64,734
Unearned revenue	374,445	45,216	27,264
Accrued compensated absences, current portion	20,787	19,190	834
Leaseholds payable and other obligations, current portion	523,270	-	-
Total current liabilities	<u>1,510,696</u>	<u>249,615</u>	<u>92,832</u>
Noncurrent liabilities:			
Accrued compensated absences	256,009	236,341	10,277
Leaseholds payable and other obligations	3,352,274	-	-
Total noncurrent liabilities	<u>3,608,283</u>	<u>236,341</u>	<u>10,277</u>
Total liabilities	<u>5,118,979</u>	<u>485,956</u>	<u>103,109</u>
Net position:			
Net investment in capital assets	4,794,598	1,126,310	129
Unrestricted	5,165,506	3,063,854	124,606
Total net position	<u>9,960,104</u>	<u>4,190,164</u>	<u>124,735</u>
Total liabilities and net position	<u>\$ 15,079,083</u>	<u>\$ 4,676,120</u>	<u>\$ 227,844</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Professional Development Activities

Year ended June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Professional development conferences and workshops	\$ 9,866,518	\$ 5,494,052	\$ 418,265
Student program fees	-	210,314	-
Rental and lease income	1,460	-	350
Public events and recreation fees	134,463	-	-
Other sources	19,859	14,615	-
Total operating revenues	<u>10,022,300</u>	<u>5,718,981</u>	<u>418,615</u>
Operating expenses:			
Salaries and wages	5,385,476	2,478,368	303,758
Repairs and maintenance	72,047	12,160	-
Professional and other contractual services	2,177,262	871,126	168,071
Utilities	120,259	45,961	156
Supplies	221,346	255,537	3,523
Noncapitalized renovations and equipment	-	39,358	150
Administrative services	164,850	50,680	-
Other operating expense	818,498	58,100	3,429
Depreciation and amortization	663,484	81,655	258
Total operating expenses	<u>9,623,222</u>	<u>3,892,945</u>	<u>479,345</u>
Operating income (loss)	<u>399,078</u>	<u>1,826,036</u>	<u>(60,730)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	98,996	84,001	28
Interest on capital asset related debt	(115,162)	-	-
Other nonoperating (expenses) revenues, net	(1,339,812)	(1,386,183)	65,599
Total nonoperating (expenses) revenues, net	<u>(1,355,978)</u>	<u>(1,302,182)</u>	<u>65,627</u>
(Decrease) increase in net position	<u>(956,900)</u>	<u>523,854</u>	<u>4,897</u>
Net position, beginning of year	<u>10,917,004</u>	<u>3,666,310</u>	<u>119,838</u>
Net position, end of year	<u>\$ 9,960,104</u>	<u>\$ 4,190,164</u>	<u>\$ 124,735</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Net Position

Departmental Activities

Agricultural Operations

June 30, 2021

	Urbana
Assets:	
Current assets:	
Cash and cash equivalents	\$ 4,389,111
Accounts receivable and accrued investment income	222,500
Inventories	213,979
Prepaid expenses	56,078
Total current assets	4,881,668
Noncurrent assets:	
Capital assets, net of accumulated depreciation	6,471,046
Total assets	\$ 11,352,714
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 696,455
Unearned revenue	371,210
Leaseholds payable, current portion	185,919
Accrued compensated absences, current portion	21,096
Total current liabilities	1,274,680
Noncurrent liabilities:	
Leaseholds payable	340,063
Accrued compensated absences	259,810
Total noncurrent liabilities	599,873
Total liabilities	1,874,553
Net position:	
Net investment in capital assets	5,945,064
Unrestricted	3,533,097
Total net position	9,478,161
Total liabilities and net position	\$ 11,352,714

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Agricultural Operations

Year ended June 30, 2021

	Urbana
Operating revenues:	
Farm sales	\$ 3,976,492
Crop sciences programs	1,726,020
Cooperative Extension services	1,335,437
Animal sciences programs	1,834,475
4H activities	268,370
Rental and lease income	341,264
Food science and human nutrition programs	120,432
Agricultural and biological engineering activities	800,655
Merchandise and food sales	179,903
Other sources	307,546
Total operating revenues	10,890,594
Operating expenses:	
Salaries and wages	3,863,953
Merchandise and food for resale	370,341
Repairs and maintenance	260,629
Professional and other contractual services	1,706,347
Utilities	94,603
Supplies	3,453,853
Noncapitalized renovations and equipment	208,732
Administrative services	273,691
Other operating expense	167,443
Depreciation and amortization	836,746
Total operating expenses	11,236,338
Operating loss	(345,744)
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	107,750
Interest on capital asset related debt	(20,208)
Other nonoperating revenues, net	99,171
Total nonoperating revenues, net	186,713
Decrease in net position	(159,031)
Net position, beginning of year	9,637,192
Net position, end of year	\$ 9,478,161

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Statement of Net Position
Departmental Activities
Commercial Operations Not Under Indenture
June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 4,451,994	\$ 1,967,695
Accounts receivable, accrued investment income and other	426,227	790,899
Total current assets	<u>4,878,221</u>	<u>2,758,594</u>
Noncurrent assets:		
Capital assets, net of accumulated depreciation	<u>32,888,733</u>	<u>3,658,214</u>
Total assets	<u><u>\$ 37,766,954</u></u>	<u><u>\$ 6,416,808</u></u>
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 72,545	\$ 18,124
Accrued compensated absences, current portion	663	-
Unearned revenue	19,282	241,898
Internal payable	<u>83,943</u>	<u>-</u>
Total current liabilities	<u>176,433</u>	<u>260,022</u>
Noncurrent liabilities:		
Accrued compensated absences	8,166	-
Internal payable, noncurrent	<u>611,671</u>	<u>-</u>
Total noncurrent liabilities	<u>619,837</u>	<u>-</u>
Total liabilities	<u>796,270</u>	<u>260,022</u>
Net position:		
Net investment in capital assets	32,888,733	3,658,214
Unrestricted	<u>4,081,951</u>	<u>2,498,572</u>
Total net position	<u>36,970,684</u>	<u>6,156,786</u>
Total liabilities and net position	<u><u>\$ 37,766,954</u></u>	<u><u>\$ 6,416,808</u></u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS

A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Commercial Operations Not Under Indenture

Year ended June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>
Operating revenues:		
Utilities provided to outside parties	\$ 1,887,796	\$ 3,530,066
Rental and lease income	573,544	1,858,715
Vending income	564,441	-
Parking	246,826	-
Farm sales	215,000	-
Other sources	498,015	86,782
Total operating revenues	<u>3,985,622</u>	<u>5,475,563</u>
Operating expenses:		
Repairs and maintenance	75,798	15,603
Professional and other contractual services	252,099	1,296,630
Utilities	252,235	3,472,118
Supplies	157,995	2,451
Noncapitalized renovations and equipment	58,431	4,325
Administrative services	-	108,086
Other operating expense	1,518,580	10,049
Depreciation and amortization	2,218,594	255,400
Total operating expenses	<u>4,533,732</u>	<u>5,164,662</u>
Operating income (loss)	<u>(548,110)</u>	<u>310,901</u>
Nonoperating revenues (expenses):		
Investment income (net of related expenses)	107,707	50,077
Interest on capital asset related debt	(18,346)	-
Capital grants	2,711,827	-
Other nonoperating expense, net	-	(2,557,851)
Total nonoperating revenues (expenses), net	<u>2,801,188</u>	<u>(2,507,774)</u>
Increase (decrease) in net position	2,253,078	(2,196,873)
Net position, beginning of year	<u>34,717,606</u>	<u>8,353,659</u>
Net position, end of year	<u>\$ 36,970,684</u>	<u>\$ 6,156,786</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Net Position

Departmental Activities

Hospital and Clinics

June 30, 2021

	Chicago
Assets and deferred outflow of resources:	
Current assets:	
Claim on cash and on pooled investments	\$ 378,911,082
Restricted claim on cash and on pooled investments	1,117,800
Restricted cash and cash equivalents	575
Accrued investment income	633,209
Patient receivables, net	157,663,820
Other receivables	10,637,288
Inventories	9,010,328
Prepaid expenses, deposits, and other assets	4,080,058
Total current assets	562,054,160
Noncurrent assets:	
Restricted claim on cash and on pooled investments	34,386,049
Restricted cash and cash equivalents	31,049
Capital assets net of accumulated depreciation	293,919,082
Total noncurrent assets	328,336,180
Deferred outflow of resources	2,587,346
Total assets and deferred outflow of resources	\$ 892,977,686
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 164,652,229
Advance from Centers for Medicare and Medicaid Services, net	55,190,189
Long-term liabilities, current portion	7,374,588
Total current liabilities	227,217,006
Noncurrent liabilities:	
Long-term debt, net of current portion	94,683,246
Advance from Centers for Medicare and Medicaid Services, net	12,676,867
Accrued compensated absences, net of current portion	32,093,111
Derivative instrument – swap liability	1,682,076
Total noncurrent liabilities	141,135,300
Total liabilities	368,352,306
Net position:	
Net investment in capital assets	197,801,894
Restricted	34,417,098
Unrestricted	292,406,388
Total net position	524,625,380
Total liabilities and net position	\$ 892,977,686

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Hospital and Clinics

June 30, 2021

	Chicago
Operating revenues:	
Net patient service revenues	\$ 848,920,797
Revenues recognized on behalf of the System	29,095,595
Other revenues	32,516,344
Total operating revenues	910,532,736
Operating expenses:	
Salaries, wages and benefits	413,563,263
On-behalf for fringe benefits	58,895,198
Special funding situation for fringe benefits	315,069,431
Supplies and general expenses	494,439,962
Administrative services	16,168,875
Depreciation and amortization	28,023,061
Total operating expenses	1,326,159,790
Operating loss	(415,627,054)
Nonoperating revenue (expenses):	
On-behalf for fringe benefits	58,895,198
Special funding situation for fringe benefits	315,069,431
State appropriations	40,381,391
Transfer of State appropriations to the Illinois DHFS Hospital Services Fund	(26,250,000)
COVID-19 relief funding	89,182,791
Net increase in fair value of investments	7,108,033
Interest on capital asset related debt	(5,259,669)
Investment income	5,164,406
Loss on disposal of capital assets	(210,632)
Other nonoperating expenses, net	(89,686)
Total nonoperating revenues, net	483,991,263
Income before other revenues	68,364,209
Capital gifts	8,981,929
Increase in net position	77,346,138
Net position, beginning of year	429,721,759
Restatement, correction of an error	17,557,483
Net position, beginning of year, as restated	447,279,242
Net position, end of the year	\$ 524,625,380

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Net Position

Departmental Activities

Public Service, Academic Support, Healthcare, and Economic Development Activities

June 30, 2021

	Urbana	Chicago	Springfield
Assets:			
Current assets:			
Cash and cash equivalents	\$ 31,765,044	\$ 45,942,856	\$ 354,188
Accounts receivable and accrued investment income	12,447,998	39,308,882	173,200
Inventories	1,879,456	7,245,029	1,254
Prepaid expenses	1,622,603	432,439	3,946
Total current assets	47,715,101	92,929,206	532,588
Noncurrent assets:			
Capital assets, net of accumulated depreciation	25,968,828	23,956,012	163,500
Total assets	\$ 73,683,929	\$ 116,885,218	\$ 696,088
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 7,064,665	\$ 15,768,536	\$ 389,042
Unearned revenue	15,054,550	1,003,337	214,155
Internal payable, current portion	392,296	-	-
Leaseholds payable, current portion	47,750	-	-
Accrued compensated absences, current portion	169,444	499,491	3,373
Total current liabilities	22,728,705	17,271,364	606,570
Noncurrent liabilities:			
Internal payable	1,708,288	-	-
Leaseholds payable	169,681	-	-
Accrued compensated absences	2,086,797	6,151,517	41,544
Total noncurrent liabilities	3,964,766	6,151,517	41,544
Total liabilities	26,693,471	23,422,881	648,114
Net position:			
Net investment in capital assets	25,751,397	23,956,012	163,500
Unrestricted	21,239,061	69,506,325	(115,526)
Total net position	46,990,458	93,462,337	47,974
Total liabilities and net position	\$ 73,683,929	\$ 116,885,218	\$ 696,088

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Public Service, Academic Support, Healthcare, and Economic Development Activities

Year ended June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Health and medical services income	\$ 30,658,390	\$ 180,564,316	\$ -
Public services income	44,338,468	1,599,898	387,726
Academic support activities income	4,843,329	1,587,766	-
Student program fees	637,593	1,442,203	50,000
Merchandise and food sales	850,468	496	159
Rental and lease income	1,103,199	382,855	24,034
Public events and recreation fees	164,113	1,848	7,687
Farm sales	23,844	-	-
Economic development services	34,344	-	-
Other sources	3,547,018	1,597,768	-
	<u>86,200,766</u>	<u>187,177,150</u>	<u>469,606</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	32,222,405	86,224,893	705,304
Merchandise and food for resale	1,380,352	38,739,062	2,907
Repairs and maintenance	1,661,143	551,809	1,654
Professional and other contractual services	25,718,250	40,187,237	129,952
Utilities	1,403,771	1,710,080	15,679
Supplies	16,628,925	6,816,313	15,750
Noncapitalized renovations and equipment	1,977,430	798,443	14,424
Administrative services	27,058	1,653,512	-
Other operating expense	1,008,997	2,887,181	929
Depreciation and amortization	3,309,539	1,341,358	36,346
	<u>85,337,870</u>	<u>180,909,888</u>	<u>922,945</u>
Total operating expenses			
Operating income (loss)	<u>862,896</u>	<u>6,267,262</u>	<u>(453,339)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	724,338	134,456	(111)
Interest on debt	(100,780)	-	-
Other nonoperating revenues (expenses), net	575,406	(403,176)	-
	<u>1,198,964</u>	<u>(268,720)</u>	<u>(111)</u>
Total nonoperating revenues (expenses), net			
Increase (decrease) in net position	2,061,860	5,998,542	(453,450)
Net position, beginning of year	<u>44,928,598</u>	<u>87,463,795</u>	<u>501,424</u>
Net position, end of year	<u>\$ 46,990,458</u>	<u>\$ 93,462,337</u>	<u>\$ 47,974</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Net Position

Departmental Activities

Intercollegiate Athletics

June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ -	\$ 548,789	\$ 75,764
Accounts receivable and accrued investment income	6,794,519	111,287	51,640
Inventories	3,972	-	-
Prepaid expenses	1,493,440	24,936	34
Total current assets	<u>8,291,931</u>	<u>685,012</u>	<u>127,438</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	4,479,811	981,292	6,793
Total assets	<u>\$ 12,771,742</u>	<u>\$ 1,666,304</u>	<u>\$ 134,231</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 17,444,307	\$ 488,788	\$ 66,902
Unearned revenue	5,312,223	-	51,912
Leaseholds payable, current portion	33,917	-	-
Accrued compensated absences, current portion	168,614	46,909	2,808
Total current liabilities	<u>22,959,061</u>	<u>535,697</u>	<u>121,622</u>
Noncurrent liabilities:			
Leaseholds payable	97,113		
Accrued compensated absences	2,076,573	577,712	34,587
Total noncurrent liabilities	<u>2,173,686</u>	<u>577,712</u>	<u>34,587</u>
Total liabilities	<u>25,132,747</u>	<u>1,113,409</u>	<u>156,209</u>
Net position:			
Net investment in capital assets	4,479,811	981,292	6,793
Unrestricted	(16,840,816)	(428,397)	(28,771)
Total net position	<u>(12,361,005)</u>	<u>552,895</u>	<u>(21,978)</u>
Total liabilities and net position	<u>\$ 12,771,742</u>	<u>\$ 1,666,304</u>	<u>\$ 134,231</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Intercollegiate Athletics

Year ended June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Public events and recreation fees	\$ 45,600,570	\$ 766,350	\$ 149,442
Student program fees	-	6,042,287	890,567
Merchandise and food sales	67,283	3,300	-
Rental and lease income	14,976	-	-
Parking	7,351	-	-
Other sources	6,550,285	698,486	(50)
Total operating revenues	<u>52,240,465</u>	<u>7,510,423</u>	<u>1,039,959</u>
Operating expenses:			
Salaries and wages	40,053,727	5,664,643	373,487
Merchandise and food for resale	5,888	-	-
Repairs and maintenance	422,890	7,176	1,274
Professional and other contractual services	13,133,988	2,228,621	279,508
Utilities	2,087,776	75,612	2,516
Supplies	3,945,260	694,850	171,397
Noncapitalized renovations and equipment	641,525	279,998	78,582
Administrative services	1,173,900	291,391	497
Travel and transportation services	3,449,563	345,773	124,098
Other operating expense	4,963,996	1,694,880	67,409
Depreciation and amortization	495,167	143,476	1,740
Total operating expenses	<u>70,373,680</u>	<u>11,426,420</u>	<u>1,100,508</u>
Operating (loss)	<u>(18,133,215)</u>	<u>(3,915,997)</u>	<u>(60,549)</u>
Nonoperating revenues:			
Investment income (net of related expenses)	(88,684)	-	127
Other nonoperating revenues, net	(39,936)	3,788,814	-
Total nonoperating (expenses) revenues, net	<u>(128,620)</u>	<u>3,788,814</u>	<u>127</u>
(Decrease) in net position	(18,261,835)	(127,183)	(60,422)
Net position, beginning of year	<u>5,900,830</u>	<u>680,078</u>	<u>38,444</u>
Net position, end of year	<u>\$ (12,361,005)</u>	<u>\$ 552,895</u>	<u>\$ (21,978)</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Functions and Planning

Year Ended June 30, 2021

The University of Illinois (University) is a comprehensive university primarily serving the citizens of Illinois from three main institutions through instruction (both on-campus and on-line), research, economic development, and outreach activities. The University is headed by its President, Timothy L. Killeen, whose office is located in Urbana-Champaign, Office of the President, 346 Henry Administration Building, 506 South Wright Street, Urbana, Illinois 61801. The University's mission is articulated in its "Scope and Mission of the University of Illinois" statement. This document is updated, as deemed necessary, by management of the University.

The Urbana-Champaign institution is responsible for pursuing instruction, including strong emphasis at the graduate level; research, through its eminent faculty; and public service as the original land grant institution of the University.

The Chicago institution is responsible for pursuing teaching, research, and service activities related to basic and health sciences and providing a broad range of educational services at both the graduate and undergraduate levels. Vast educational offerings include professional degree programs in medicine, dentistry, pharmacy, nursing, associated health professions, and public health as well as major research programs in a variety of curriculums.

The Springfield institution is responsible for addressing public affairs within the framework of a liberal arts curriculum through its firsthand access to state government and public service through special courses, projects, and internship opportunities.

Each institution has developed planning procedures for maintenance and expansion of existing programs as well as development of new programs. All proposals, for academic programs that originate in the campus Faculty Senate, are reviewed by Central Administration, and are approved by the Board of Trustees before being submitted, when necessary, to the Illinois Board of Higher Education. A university-wide, five-year "rolling" budget, the Resource Allocation Management Plan (RAMP), is prepared annually and is approved by the Illinois Board of Higher Education. The University's planning and budgeting procedures appear to be comprehensive and responsive in accomplishing each institution's mission.

In addition to the extensive formal planning and budgeting process at the University, each institution has established its own academic review program. These programs involve the participation of those faculty members responsible for considering matters of educational policy (e.g., granting tenure). On occasion, outside reviewers are utilized and accreditation review teams provide additional input for virtually all professional programs and academic offerings. The reviews concentrate on qualitative concerns as well as document quantitative issues. It appears that the academic reviews should be effective measures in accomplishing the University's mission.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Number of Employees

Fall terms fiscal 2021 and 2020

	Fall term fiscal 2021				Fall term fiscal 2020			
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
University employment statistics:								
Headcount:								
Faculty	3,523	3,632	313	7,468	3,493	3,635	310	7,438
Academic professionals	4,472	2,940	242	7,654	4,607	2,797	239	7,643
Support staff	5,202	7,644	330	13,176	4,785	7,346	323	12,454
Other	5,971	3,337	235	9,543	6,050	3,299	267	9,616
	<u>19,168</u>	<u>17,553</u>	<u>1,120</u>	<u>37,841</u>	<u>18,935</u>	<u>17,077</u>	<u>1,139</u>	<u>37,151</u>
Full-time equivalency:								
Faculty	3,319	2,948	238	6,505	3,247	2,928	240	6,415
Academic professionals	4,429	2,963	230	7,622	4,557	2,816	226	7,599
Support staff	5,159	7,370	327	12,856	4,737	7,064	320	12,121
Other	2,715	2,041	118	4,874	2,707	2,035	145	4,887
	<u>15,622</u>	<u>15,322</u>	<u>913</u>	<u>31,857</u>	<u>15,248</u>	<u>14,843</u>	<u>931</u>	<u>31,022</u>

“Other” represents house staff (medical residents and interns) and research and teaching assistants.

The above information was provided by the University Office of Planning and Budgeting from the Staff Monitoring System and is prepared using Illinois Board of Higher Education requirements as follows:

- (1) Employees with full-time contracts are counted as one full-time equivalent.
- (2) Part-time employees are multiplied by the number of months worked and then divided by 12 to arrive at their full-time equivalency.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Cost Statistics

Years ended June 30, 2021 and 2020

Cost per student credit hour and full-time equivalent student:

The following are calculations of cost per student credit hour and cost per full-time equivalent student for the years ended June 30, 2021 and 2020, using the formula prescribed by the Illinois Board of Higher Education. All credit hours and instructional operating costs paid from state appropriated funds are included (except costs related to the College of Medicine and Dentistry at the Health Sciences Center).

	<u>Urbana-Champaign</u>		<u>Chicago</u>		<u>Springfield</u>	
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>
For the year ended June 30, 2021:						
Total costs (1)	\$ 426,346,397	\$ 339,015,238	\$ 213,801,693	\$ 157,765,958	\$ 31,048,240	\$ 15,958,336
Student credit hours	1,097,182	540,111	633,513	219,316	62,847	25,152
Full-time equivalent students (2)	36,573	22,505	21,117	9,138	2,095	1,048
Cost per student credit hour	\$ 389	\$ 628	\$ 337	\$ 719	\$ 494	\$ 634
Cost per full-time equivalent student	11,657	15,064	10,125	17,265	14,821	15,228
	<u>Urbana-Champaign</u>		<u>Chicago</u>		<u>Springfield</u>	
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>
For the year ended June 30, 2020:						
Total costs (1)	\$ 391,047,097	\$ 310,946,511	\$ 218,555,904	\$ 161,274,128	\$ 31,607,291	\$ 16,245,680
Student credit hours	1,068,459	472,384	636,085	210,593	66,763	26,010
Full-time equivalent students (2)	35,615	19,683	21,203	8,775	2,225	1,084
Cost per student credit hour	\$ 366	\$ 658	\$ 344	\$ 766	\$ 473	\$ 625
Cost per full-time equivalent student	10,980	15,798	10,308	18,379	14,203	14,990

(1) Total costs are calculated using Illinois Board of Higher Education requirements as follows: total state appropriated costs less organized research, public service, student financial aid, appropriations for the State Universities Retirement System, appropriations for workers' compensation, auxiliary enterprises, hospital, and independent operations.

(2) Undergraduate full-time equivalent student is computed as the total number of semester credit hours divided by 30. Graduate and professional full-time equivalent student is computed as the total number of semester credit hours divided by 24.

Fiscal year 2020 amounts have changed due to the amounts being estimated in the prior year as the amounts are not final when the report is released. As such, the current year 2020 amounts are final and the 2021 are estimated.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Disclosure of Emergency Purchases
Year ended June 30, 2021

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2021:

Vendor	Description	Amount
Creative Bus Sales	This emergency purchase was required due to the COVID-19 health crisis. Vehicle decontamination systems were needed prior to the start of the fall semester.	Actual Cost of \$112,158
The Criterion Group, LLC	This emergency purchase was required due to the COVID-19 health crisis and consisted of nitrile gloves to support return to campus efforts.	Estimated Cost of \$130,000
Lyons View Manufacturing	This emergency purchase was required due to the COVID-19 health crisis and consisted of nitrile gloves to support return to campus efforts.	Actual Cost of \$125,776
Integrating Green Technologies	This emergency purchase was required due to the COVID-19 health crisis and consisted of nitrile gloves to support return to campus efforts.	Actual Cost of \$140,140
Fisher Scientific Company, LLC	This emergency purchase was required due to the COVID-19 health crisis and consisted of kits for testing patients for COVID-19.	Actual Cost of \$680,400
ComEd - Chicago North Office	This emergency purchase was required due to engineering analysis and products needed to repair buildings on campus.	Actual Cost of \$192,898
Gerling & Associates, Inc.	This emergency purchase was required due to the COVID-19 health crisis and consisted of design and construction of a trailer used for mobile COVID testing.	Actual Cost of \$340,015
Green Dream International LLC	This emergency purchase was required due to the COVID-19 health crisis and consisted of personal protection equipment such as masks.	Actual Cost of \$198,000
Tecan US, Inc.	This emergency purchase was required due to the COVID-19 health crisis which consisted of a laboratory automation system to increase the volume of COVID-19 tests processed.	Actual Cost of \$122,215
Blue Fox Cleaning Service, LLC	This emergency purchase was required due to the COVID-19 health crisis and consisted of disinfecting and cleaning services.	Actual Cost of \$44,240
Vargas Group Inc.	This emergency purchase was required due to the COVID-19 health crisis and consisted of disinfecting and cleaning services.	Actual Cost of \$383,188
Johnson Lasky Kindelin Architects	This emergency purchase was required due to a situation in which immediate repairs were needed to prevent further loss or damage to University property.	Actual Cost of \$270,615
Morgan Stanley & Co LLC	This emergency purchase was required in order to minimize the risks and maximize our return revenue on the current market conditions related to certificates of participation.	Actual Cost of \$18,778,528

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Disclosure of Emergency Purchases
Year ended June 30, 2021

<u>Vendor</u>		<u>Amount</u>
Cross Country Staffing, Inc	This emergency purchase was required due to the COVID-19 health crisis and consisted of temporary external staff to fill in for health services employees who tested positive for COVID-19 or were otherwise unavailable to work their normal schedule.	Estimated Cost of \$10,000,000
Abbott Laboratories, Inc	This emergency purchase was required due to the COVID-19 health crisis and consisted of reagents and consumables used for COVID-19 testing.	Estimated Cost of \$990,000
PhysIQ	This emergency purchase was required due to the COVID-19 health crisis and consisted of equipment used to monitor at-home patient vitals.	Actual Cost of \$360,000
Impact Group LLC	This emergency purchase was required due to the need to have employees who work in the capacity of food service sanitation laborers or cooks to assemble patient meal trays according to prescribed menus from registered dietitians.	Estimated Cost of \$360,000
ComEd - Chicago North Office	This emergency purchase was required to remove a high voltage electrical vault from the location of a new building on campus.	Actual Cost of \$1,735,750
United Security Services, Inc	This emergency purchase was required due to the COVID-19 health crisis and consisted of security for several areas at the UI Hospital, including the outside COVID-19 intake tent.	Actual Cost of \$440,000
Gordon Flesch Company	This emergency purchase was required to provide campus-wide print and electronic document management rental system through strategic placement of multi-function devices/copiers and printers throughout the University.	Actual Cost of \$845,670
Axilon AG	This emergency purchase was required to purchase optical components that will be installed in a new x-ray beamline that will be built at Section 15 of the Advance Photon Source at Argonne National Laboratory.	Estimated Cost of \$1,827,520
Lionheart Critical Power Specialists Inc	This emergency purchase was required due to a situation in which immediate repairs were needed to prevent further loss or damage to University property.	Estimated Cost of \$128,138

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Housing Benefits
Year Ended June 30, 2021

Qualified Campus Lodging

The University provides a residence for the University President located on the campus, in which the University President maintains their official residence. All maintenance and repairs on the house are paid for by the University, with utility costs split 50/50 between the University and the University President in accordance with the University President's contract. The University did not require a security deposit from the University President. The University has deemed this residence for the University President as a fringe benefit excluded from taxable income.

The University provides a residence, the Jonasson House, for the University of Illinois at Chicago's Chancellor, in which the Chancellor maintains their official residence. All maintenance, utility and repairs on the house are paid for by the University. The University did not require a security deposit from the Chancellor. The University has deemed this residence for the Chancellor as a fringe benefit excluded from taxable income.

Lodging Provided for the Convenience of the Employer

University Housing employs staff assigned to each residence hall and apartment complex as residence hall directors, complex director, or complex coordinator. As a condition of employment, University Housing provides a small apartment within the residence hall/apartment complex so they can immediately respond to emergencies with residents. All maintenance and repairs to the apartment, except for intentional damage or gross negligence, is paid for by University Housing, along with all utility costs. The University has deemed these apartments as a fringe benefit excluded from taxable income.

University Housing employs student staff assigned to each residence hall as resident advisors, program assistants, disability advocates, and multicultural advocates. As a condition of employment, University Housing provides room and board so they can immediately respond to emergencies with student residents. All maintenance and repairs, except for intentional damage or gross negligence, is paid for by University Housing, along with all utility costs. The University has deemed this room and board waiver for these student employees as a fringe benefit excluded from taxable income.

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Analysis of Overtime and Compensatory Time
Years ended June 30, 2021 and 2020

	2021				2020			
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
Overtime Hours Paid	224,712	957,340	4,468	1,186,520	269,501	1,002,804	7,690	1,279,995
Compensatory Hours Granted	8,172	12,133	1,969	22,274	11,323	13,903	2,115	27,341
	<u>232,884</u>	<u>969,473</u>	<u>6,437</u>	<u>1,208,794</u>	<u>280,824</u>	<u>1,016,707</u>	<u>9,805</u>	<u>1,307,336</u>
Value of Overtime Hours Paid	9,351,283	29,813,241	138,759	39,303,283	10,284,584	31,726,344	229,007	42,239,935
Value of Compensatory Hours Granted	314,192	639,551	67,692	1,021,435	432,615	750,488	70,073	1,253,176
	<u>9,665,475</u>	<u>30,452,792</u>	<u>206,451</u>	<u>40,324,718</u>	<u>10,717,199</u>	<u>32,476,832</u>	<u>299,080</u>	<u>43,493,111</u>

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
 Assaults on Staff
 Years ended June 30, 2021 and 2020

Campus	2021	2020
Univeristy of Illinois at Urbana-Champaign	3	10
University of Illinois at Chicago	77	83
University of Illinois at Springfield	1	1
Total	81	94

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Disclosure of Emergency Purchases
Under the Gubernatorial COVID-19 Disaster Proclamations
Year ended June 30, 2021

The Governor, in response to the COVID-19 pandemic, issued sequential Gubernatorial Disaster Proclamations from March 12, 2020, through June 30, 2020. These proclamations allowed the University to waive the requirements of the Illinois Procurement Code to the extent the requirement (1) would have, in any way, prevented, hindered, or delayed necessary action to cope with the COVID-19 pandemic and (2) was not required by federal law. The following procurements were all processed under this waiver granted by the Governor.

Fiscal Year 2021

The University had eight emergency purchases related to the COVID-19 pandemic in Fiscal Year 2021.

Electronic Medical Record Systems

To provide an electronic medical record system to register individuals being tested for COVID-19, track their samples through lab processing, and provide a platform for the individuals to see their results, there were two separate purchases made to provide an Electronic Medical Record System (EMR) for SHIELD Illinois' use. The first, was a purchase made from Carle Foundation Hospital in order to utilize its instance of the "Epic" EMR system. Due to the high-costs of this System and the desire for SHIELD Illinois to quickly scale up beyond the capacity Carle/Epic could provide, the EMR system was transitioned from Carle's Epic instance to Point and Click Solutions, Inc.'s EMR. The need to have these EMR systems in-place and integrated within SHIELD Illinois' testing process did not allow time for a competitive solicitation under the Procurement Code. Payments made to Carle Foundation Hospital in FY2021 for this purchase totaled \$428,469.84. Payments made to Point and Click Solutions, Inc., in FY2021 for this purchase totaled \$89,166.67.

Medical Courier Services

SHIELD Illinois needed a medical courier service to transport samples between collection sites and their labs as well as from its warehouse to the labs/collection sites. Due to the urgent need to be able to provide these services state-wide, the University contracted with Medspeed LLC, under the waiver of the Procurement Code granted by the Governor. The University selected Medspeed LLC based off of the award the Illinois Department of Public Health made from their informal Request for Proposal (RFP) process for similar services. Payments made to Medspeed LLC in FY2021 for this purchase totaled \$142,348.96.

Label Printing Services

SHIELD Illinois' testing methodology required a unique label that could be printed at collection sites and distribution hubs, adhered to the collection vials, and withstand the testing process (including an extended amount of time in a 95c hot water bath). SHIELD Illinois tested several different options and determined that labels from QBF Graphics Group Inc. met the testing needs of SHIELD Illinois. Considering the urgent need to provide labels for the over 1 million tests performed in FY2021, a

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Disclosure of Emergency Purchases
Under the Gubernatorial COVID-19 Disaster Proclamations
Year ended June 30, 2021

contract was made to QBF Graphics Group Inc. for these labels under the Procurement Code waiver. Payments made to QBF Graphics Group Inc. in FY2021 for this purchase totaled \$7,804.60.

Staffing Services

In order to staff Clinical Laboratory Improvement Amendments (CLIA) certified lab directors, and lab technicians to cover three shifts, providing 24-hour testing services, SHIELD Illinois required services from two staffing agencies. Lab Management Services Inc. was contracted to provide CLIA-certified lab managers for SHIELD Illinois' labs. These individuals are highly-specialized scientists and were in high demand while new labs tried to come online and obtain CLIA certification due to the COVID pandemic. Tri-Search LLC was contracted to provide lab technicians for specific SHIELD Illinois labs throughout the State. Lab Technicians were also in high demand during this time due to the COVID pandemic. Both services were purchased using the waiver from the Procurement Code. Payments made to Lab Management Services Inc. in FY2021 for these purchases totaled \$61,290.33. Payments made to Tri-Search LLC in FY2021 for these purchases totaled \$133,000.00.

Laboratory Robotics

SHIELD Illinois, in an effort to increase COVID testing throughout, required the purchase of laboratory robotics to assist in reading bar codes, de-capping tubes, and sorting samples for processing. Processing test results at a faster rate limits positive cases from spreading and allows for faster treatment and isolation/quarantining. SHIELD Illinois contracted with Tekmill Incorporated under the Code waiver as Tekmill was able to guarantee production/delivery of the systems in the time needed. Payments made to Tekmill Incorporated in FY2021 for these purchases totaled \$266,700.00.

Information Technology Technical Support Services

SHIELD Illinois required rapid implementation of its IT systems during FY2021 (Epic and Point and Click). In order to provide SHIELD Illinois employees, Administrative Technology Information Services (AITS) project managers, and individuals being tested with technical support for these systems, a purchase under the Code waiver was made to Talon of NC LLC. Talon was able to provide turn-key technical support services for Epic and Point and Click in a timely manner at the volumes necessary for SHIELD Illinois. Payments made to Talon of NC LLC in FY2021 for these purchases totaled \$67,084.18.

As further described in the *Independent Accountant's Report on Unexamined Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Special Data Requirements for University Engagements
Year Ended June 30, 2021

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 by the University. 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, 2021, where such special data is found.

Compliance Findings

- 13(a) At June 30, 2021, State Compliance Findings were reported on pages 40 through 53 within the Compliance Examination report. None of these findings specifically related to the *University Guidelines*. The University's calculation sheets for current excess funds are presented in this report on pages 121 through 132.

Indirect Cost Reimbursements

- 13(b) A schedule of the sources and applications of indirect cost reimbursements is included in this report on page 69.
- 13(c) The University's calculation sheet for indirect cost carryforward is included in this report on page 133.

Tuition Charges and Fees

- 13(d) The University identified no instances of tuition being diverted to auxiliary enterprise operations.

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 pages 70 through 73.
- 13(f) Entity financial statements are presented on pages 75 through 98 of this report. The entity financial statements should be read in conjunction with the University of Illinois Annual Financial Report for the year ended June 30, 2021, the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2021, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2021.
- 13(g) The University's calculation sheets for current excess funds are presented in this report on pages 121 through 132.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Special Data Requirements for University Engagements
Year Ended June 30, 2021

- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2021 on pages 12 and 13.
- 13(i) Statements of receipts and disbursements and related definitions, for funds required by bond indentures are presented on pages 6 through 8 and pages 18 through 21 of the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2021.
- 13(j) At June 30, 2021, no Compliance Findings were reported regarding the fund accounting covenants of the Resolutions of the Board of Trustees of the University of Illinois, which provided for the issuance of revenue bonds.
- 13(k) At June 30, 2021, no noninstructional facilities reserves (development reserves) have been established by the University.

University-Related Organizations

13(l), (m), and (n)

Organizations recognized by the University as University-Related Organizations (UROs) are as follows:

University of Illinois Foundation	Prairieland Energy, Inc.
University of Illinois Alumni Alliance	Illinois Ventures, LLC and its Subsidiary
University of Illinois Research Park, LLC	Wolcott, Wood and Taylor, Inc.
Illinois Global Gateway, LLC and its Subsidiary	Shield T3, LLC

Payments by the UROs to the University for services provided by the University and payments by the University to UROs for services provided by the UROs for the year ended June 30, 2021 are disclosed in this report on pages 112 and 113.

The University has designated no organizations as “Independent Organizations” as defined in Section VII of *University Guidelines*.

As further described in the *Independent Accountant’s Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Special Data Requirements for University Engagements
Year Ended June 30, 2021

- 13(o) At June 30, 2021, the University identified that there were no unreimbursed subsidies to the UROs from University or appropriated funds.
- 13(p) Debt financing by UROs at June 30, 2021 is disclosed in the Annual Financial Statements of the University of Illinois Foundation on page 22.

Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in the notes to financial statements in the University of Illinois Annual Financial Report for the year ended June 30, 2021 on pages 29 through 35.
- 13(r) The University accounts for investment income on the accrual basis. Investment income for non-pooled investments, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund that owns the investments, except for income derived from investments of the Endowment and Similar Funds, which is recognized in the funds to which such income is restricted. Income from pooled investments is distributed to individual University funds quarterly based upon average monthly balances invested in the pool. There was no unallocated investment income required to be paid into the University's Income Fund.
- 13(s) Costs per full-time equivalent student are presented in this report on page 101.
- 13(t) Acquisitions of land in excess of \$250,000 by the University and its UROs during the year ended June 30, 2021 that were not funded by a separate appropriation specifically identifying the particular acquisitions are presented in this report, if applicable, on pages 65 and 112 as Schedule of Changes in Property and Schedule of Funds Provided by the University of Illinois Foundation, respectively.
- 13(u) During the year ended June 30, 2021, the University did not issue any certificates of participation.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Analysis of Operations

Summary of Funds Provided by the University of Illinois Foundation

Years ended June 30, 2021 and 2020

During fiscal years 2021 and 2020, the University engaged the University of Illinois Foundation (Foundation), under contract, to provide fundraising and other services. In accordance with the contract agreement, the University provided \$555,140 cash and \$7,685,030 budget allocation in 2021 and \$163,895 cash and \$8,124,225 budget allocation in 2020, and an additional \$565,000 and \$525,000 of services in 2021 and 2020, respectively, to the Foundation. The University also provided the employer costs of state-provided employee benefits for certain staff assigned to the Foundation totaling \$754,000 and \$621,000 in 2021 and 2020, respectively. As required by contract, the Foundation provided the University certain funds considered unrestricted for purposes of the computations outlined in *University Guidelines*. In addition, the Foundation provided the University with nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation provided to the University during each fiscal year:

	2021	2020
Unrestricted funds	\$ 153,696	\$ \$ 99,893
Restricted only as to campus, college, or department, and generally available for ongoing university operations:		
Provided to a particular campus	357,155	323,246
Provided to a particular unit	84,387,059	72,368,330
Subtotal	84,897,910	72,791,469
Restricted by donor:		
Provided for student support	40,556,058	38,540,534
Provided for faculty support	12,374,055	14,547,342
Provided for certain instructional, research, and public service programs	70,915,265	62,270,051
Provided for physical facilities additions or improvements	62,010,822	27,771,436
Provided for other restricted purposes	527,220	513,200
Total funds provided by the Foundation to the University	\$ 271,281,330	\$ \$ 216,434,032

University Guidelines require that the University report annually the purchase or acceptance of gifts of real estate by a URO in excess of \$250,000. During fiscal year 2021, the Foundation received the following gifts and made the following purchases of real estate:

Purchase/ Gift	Date	Value (\$)	Property and description
Gift	10/30/2020	\$905,695	80.15 acres farmland in Champaign county
Gift	1/4/2021	\$1,339,092	123.99 acres farmland in Madison county
Purchase	10/16/2020	\$641,992	Condominium in Chicago, IL

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Analysis of Operations

Summary of Funds Provided by the University to the University of Illinois Alumni Association

Years ended June 30, 2021 and 2020

In accordance with an annual agreement between the University and the Alumni Association, the University paid \$1,895,200 and \$2,473,500 of which \$517,900 and \$794,100 represent employee salaries to the Alumni Association for the years ended June 30, 2021 and 2020, respectively. In return, the Alumni Association agreed to: (1) provide management and supervisory services for the maintenance of alumni records, (2) publish Alumni periodicals, and (3) provide support to Alumni field activities and meetings. During the years ended June 30, 2021 and 2020, the Alumni Association expended the following amounts in the performance of those functions:

	<u>2021</u>	<u>2020</u>
Communications	\$ 159,200	\$ 328,400
Information services	199,200	361,700
Alumni outreach programs	350,200	405,000
General and operating expenses	<u>1,186,600</u>	<u>1,378,400</u>
Total expenditures	<u>\$ 1,895,200</u>	<u>\$ 2,473,500</u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois

Schedule of Undergraduate and Graduate Tuition and Fee Waivers

2020–2021 School Year

(In thousands)

	Undergraduate			Graduate		
	Tuition waivers	Fee waivers	Total waivers	Tuition waivers	Fee waivers	Total waivers
Urbana	\$ 28,342	\$ 726	\$ 29,068	\$ 207,963	\$ 9,372	\$ 217,335
Chicago	13,696	318	14,014	71,603	8,387	79,990
Springfield	2,180	136	2,316	2,209	215	2,424
Total	<u>\$ 44,218</u>	<u>\$ 1,180</u>	<u>\$ 45,398</u>	<u>\$ 281,775</u>	<u>\$ 17,974</u>	<u>\$ 299,749</u>

The amount of fiscal year 2021 tuition waivers reported above are based on data provided from the Office of Planning and Budgeting.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Undergraduate Tuition and Fee Waivers
2020–2021 School Year

	University of Illinois at Urbana-Champaign			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers	Number of recipients *	Value of waivers
		(In thousands)		(In thousands)
Mandatory waivers:				
Teacher special education	77	\$ 937	77	\$ 267
Reserve Officers' Training Corps (ROTC)	130	1,355	6	3
Department of Children and Family Services (DCFS)	29	337	29	121
Children of employees	687	4,813	-	-
Honorary scholarships	262	3,576	-	-
Veterans grants and scholarships**	144	1,498	35	105
DCFS - new	5	24	-	-
Adjustments (1)	(7)	-	-	-
Subtotal	<u>1,327</u>	<u>12,540</u>	<u>147</u>	<u>496</u>
Discretionary waivers:				
Faculty/administrators	8	21	-	-
Civil service	35	179	-	-
Academic/other talent	1,439	6,247	330	202
Foreign exchange students	44	440	44	27
Foreign students	11	95	-	-
Student need – financial aid	1,490	6,634	-	-
Interinstitutional/related agencies	1	3	-	-
Retired University employees	1	4	1	1
COVID-19 Health Services Fee Waiver	5,254	2,179	-	-
Adjustments (1)	(463)	-	-	-
Subtotal	<u>7,820</u>	<u>15,802</u>	<u>375</u>	<u>230</u>
Adjustments (1)	(225)	-	-	-
Total	<u><u>8,922</u></u>	<u><u>\$ 28,342</u></u>	<u><u>522</u></u>	<u><u>\$ 726</u></u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal and total is adjusted for student waivers granted in multiple categories.

(Continued)

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Undergraduate Tuition and Fee Waivers
2020–2021 School Year

	University of Illinois at Chicago			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	1	\$ 11	1	\$ 3
Reserve Officers' Training Corps (ROTC)	63	580	-	-
Department of Children and Family Services (DCFS)	22	170	17	44
Children of employees	189	1,100	-	-
Honorary scholarships	25	273	-	-
Veterans grants and scholarships**	207	1,906	58	152
Subtotal	<u>507</u>	<u>4,040</u>	<u>76</u>	<u>199</u>
Discretionary waivers:				
Faculty/administrators	3	8	3	3
Civil service	56	275	56	107
Academic/other talent	925	6,372	-	-
Athletic	91	1,197	-	-
Gender equity in intercollegiate athletics	101	1,323	-	-
Out-of-State Students	27	351	-	-
Student need – financial aid	10	20	-	-
Student need – special programs	50	95	-	-
Teaching Assistants	1	6	1	1
Retired University employees	3	10	3	4
Adjustments (1)	(210)	-	60	4
Subtotal	<u>1,057</u>	<u>9,657</u>	<u>123</u>	<u>119</u>
Adjustments (1)	(77)	(1)	-	-
Total	<u><u>1,487</u></u>	<u><u>\$ 13,696</u></u>	<u><u>199</u></u>	<u><u>\$ 318</u></u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

(Continued)

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Undergraduate Tuition and Fee Waivers
2020–2021 School Year

	University of Illinois – Springfield			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Department of Children and Family Services (DCFS)	5	\$ 55	-	\$ -
Children of employees	33	146	-	-
Honorary scholarships	53	484	-	-
Veterans grants and scholarships**	128	710	73	76
Subtotal	<u>219</u>	<u>1,395</u>	<u>73</u>	<u>76</u>
Discretionary waivers:				
Faculty/administrators	4	7	4	3
Civil service	47	210	47	43
Academic/other talent	11	89	-	-
Athletic	49	183	-	-
Gender equity in intercollegiate athletics	18	100	-	-
Foreign exchange students	2	5	2	1
Student need – financial aid	86	134	-	-
Interinstitutional/related agencies	9	46	-	-
Retired university employees	-	-	-	-
Dual credit waiver	13	13	13	13
Adjustments (1)	(4)	(3)	-	-
Subtotal	<u>235</u>	<u>784</u>	<u>66</u>	<u>60</u>
Adjustments (1)	(3)	1	-	-
Total	<u>451</u>	<u>\$ 2,180</u>	<u>139</u>	<u>\$ 136</u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

(Continued)

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Graduate Tuition and Fee Waivers
2020–2021 School Year

	University of Illinois at Urbana-Champaign			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	2	\$ 31	2	\$ 12
Reserve Officers' Training Corps (ROTC)	1	13	-	-
Department of Children and Family Services (DCFS)	6	133	5	22
Senior citizens	3	47	-	-
Honorary scholarships	40	544	-	-
Veterans grants and scholarships**	199	1,568	21	57
Teacher of the year	1	9	1	2
DCFS - new	1	12	-	-
Subtotal	<u>253</u>	<u>2,357</u>	<u>29</u>	<u>93</u>
Discretionary waivers:				
Faculty/administrators	351	2,744	-	-
Civil service	145	870	-	-
Academic/other talent	434	3,514	338	212
Foreign exchange students	14	75	-	-
Student Need-Financial Aid	1	7	-	-
Cooperating professionals	165	1,031	-	-
Research assistants	3,744	88,804	3,565	3,856
Teaching assistants	2,711	57,123	2,667	2,741
Other assistants	1,598	17,345	1,585	977
Interinstitutional/related agencies	67	833	-	-
Retired University employees	4	33	3	2
Contract/training grants	97	2,050	89	40
Fellowship/traineeship	1,336	31,180	1,311	1,452
Adjustments (1)	<u>(2,814)</u>	<u>(3)</u>	<u>(2,586)</u>	<u>-</u>
Subtotal	<u>7,853</u>	<u>205,606</u>	<u>6,972</u>	<u>9,280</u>
Adjustments (1)	(1)	-	-	(1)
Total	<u><u>8,105</u></u>	<u><u>\$ 207,963</u></u>	<u><u>7,001</u></u>	<u><u>\$ 9,372</u></u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

(Continued)

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Graduate Tuition and Fee Waivers
2020–2021 School Year

	University of Illinois at Chicago			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	20	\$ 175	20	\$ 51
DCFS	1	13	1	3
Senior citizen	-	-	-	-
Honorary scholarships	12	294	-	-
Veterans grants and scholarships**	139	1,863	96	231
Adjustments (1)	-	-	1	(1)
Subtotal	<u>172</u>	<u>2,345</u>	<u>118</u>	<u>284</u>
Discretionary waivers:				
Faculty/administrators	386	3,571	383	672
Civil service	332	3,214	332	607
Academic/other talent	984	18,359	804	1,036
Athletic	11	157	-	-
Foreign Students	1,081	-	1,081	127
Cooperating professionals	36	176	36	10
Research assistants	1,023	15,843	1,023	1,975
Teaching assistants	1,395	21,138	1,394	2,627
Other assistants	1,215	6,487	1,194	948
Retired University employees	8	53	8	14
Fellowship/traineeship	25	261	25	89
Adjustments (1)	<u>(2,383)</u>	<u>(1)</u>	<u>(2,307)</u>	<u>(2)</u>
Subtotal	<u>4,113</u>	<u>69,258</u>	<u>3,973</u>	<u>8,103</u>
Adjustments (1)	<u>(3)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>4,282</u></u>	<u><u>\$ 71,603</u></u>	<u><u>4,091</u></u>	<u><u>\$ 8,387</u></u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal and total is adjusted for student waivers granted in multiple categories.

(Continued)

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Schedule of Graduate Tuition and Fee Waivers
2020–2021 School Year

	University of Illinois – Springfield			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Senior citizens	3	\$ 15	-	\$ -
Department of Children and Family Services (DCFS)	2	20	-	-
Honorary scholarships	7	41	-	-
Veterans grants and scholarships**	73	270	55	36
Teacher of the year	1	7	-	-
Adjustments (1)	-	-	-	-
Subtotal	<u>86</u>	<u>353</u>	<u>55</u>	<u>36</u>
Discretionary waivers:				
Faculty/administrators	74	305	74	65
Civil service	79	347	79	62
Foreign Exchange Students	1	3	-	-
Cooperating professionals	2	2	2	-
Research assistants	4	48	4	4
Teaching assistants	5	49	5	5
Other assistants	144	974	54	41
Interinstitutional/related agencies	32	121	2	1
Retired University employees	1	7	1	1
Adjustments (1)	(5)	(1)	(4)	-
Subtotal	<u>337</u>	<u>1,855</u>	<u>217</u>	<u>179</u>
Adjustments (1)	<u>(1)</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total	<u><u>422</u></u>	<u><u>\$ 2,209</u></u>	<u><u>272</u></u>	<u><u>\$ 215</u></u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Auxiliary Enterprises Under Indenture
Auxiliary Facilities System
June 30, 2021

		<u>All campuses</u>
1. Current available funds:		
Add:		
Cash (excludes repair and replacement reserve)		\$ 11,360,841
Cash equivalents:		
Bank deposits		-
Marketable securities		-
Certificates of deposit		-
Repurchase agreements		-
Other cash equivalent items		-
Interfund receivables		-
Total current available funds	A	<u>11,360,841</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		38,401,507
Encumbrances and current liabilities paid in lapse period		7,032,857
Deferred income		2,743,129
Refundable deposits		1,516,097
Allowance for restoring inventory to normal level		-
Allowance for sick leave/vacation payouts		563,883
Working capital allowance	B	<u>50,257,473</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(38,896,632)</u>
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	<u>(70,971,025)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u><u>\$(109,867,657)</u></u>

As further described in the *Independent Accountant's Report on Disclosures Accompanying a State Compliance Examination Report*, the accountants do not express an opinion or any form of assurance on this report component.

UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Auxiliary Enterprises Not Under Indenture
Student/Staff Programs and Services – Entity 3200
June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash (excludes repair and replacement reserve)	\$ 28,500,120	\$ 27,934,370	\$ 1,304,879
Cash equivalents:			
Bank deposits	-	-	-
Marketable securities	-	-	-
Certificates of deposit	-	-	-
Repurchase agreements	-	-	-
Other cash equivalent items	-	-	-
Interfund receivables	-	-	-
Total current available funds	A <u>28,500,120</u>	<u>27,934,370</u>	<u>1,304,879</u>
2. Working capital allowance:			
Add:			
Highest month's expenditures	23,854,278	25,731,663	1,255,796
Encumbrances and current liabilities paid in lapse period	2,110,360	1,044,636	145,424
Deferred income	3,312,749	2,973,644	44,039
Refundable deposits	95,742	1,000	26,520
Allowance for restoring inventory to normal level	-	-	-
Allowance for sick leave/vacation payouts	96,857	33,801	12,555
Working capital allowance	B <u>29,469,986</u>	<u>29,784,744</u>	<u>1,484,334</u>
3. Current excess funds:			
Deduct B from A and enter here	C <u>(969,866)</u>	<u>(1,850,374)</u>	<u>(179,455)</u>
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 <u>(801,092)</u>	<u>(243,024)</u>	<u>(436,145)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	<u>\$ (1,770,958)</u>	<u>\$ (2,093,398)</u>	<u>\$ (615,600)</u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Auxiliary Enterprises Not Under Indenture
Unique Instructional Programs – Entity 3420
June 30, 2021

		<u>Urbana</u>
1. Current available funds:		
Add:		
Cash		\$ 82,120
Cash equivalents:		
Bank deposits		-
Marketable securities		-
Certificates of deposit		-
Repurchase agreements		-
Other cash equivalent items		-
Interfund receivables		-
Total current available funds	A	<u>82,120</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		-
Encumbrances and current liabilities paid in lapse period		18,654
Deferred income		-
Refundable deposits		-
Allowance for restoring inventory to normal level		-
Allowance for sick leave/vacation payouts		-
Working capital allowance	B	<u>18,654</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>63,466</u>
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	<u>-</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ 63,466</u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Storerooms and Service Departments
Communication and Computing Services – Entity 3100
June 30, 2021

		<u>All campuses</u>
1. Current available funds:		
Add:		
Cash	\$	6,676,501
Cash equivalents:		
Bank deposits		-
Marketable securities		-
Certificates of deposit		-
Repurchase agreements		-
Other cash equivalent items		-
Interfund receivables		-
Total current available funds	A	<u>6,676,501</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		21,831,250
Encumbrances and current liabilities paid in lapse period		5,348,418
Deferred income		-
Refundable deposits		-
Allowance for restoring inventory to normal level		-
Allowance for sick leave/vacation payouts		258,278
Working capital allowance	B	<u>27,437,946</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(20,761,445)</u>
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	<u>(38,877,666)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ (59,639,111)</u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Storerooms and Service Departments
Plant and Service Operations – Entity 3110
June 30, 2021

		<u>All campuses</u>
1. Current available funds:		
Add:		
Cash		\$ (42,015,835)
Cash equivalents:		
Bank deposits		-
Marketable securities		-
Certificates of deposit		-
Repurchase agreements		-
Other cash equivalent items		-
Interfund receivables		-
Total current available funds	A	<u>(42,015,835)</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		191,357,174
Encumbrances and current liabilities paid in lapse period		37,953,414
Deferred income		-
Refundable deposits		1,000
Allowance for restoring inventory to normal level		-
Allowance for sick leave/vacation payouts		1,482,010
Working capital allowance	B	<u>230,793,598</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(272,809,433)</u>
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	<u>(29,261,919)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ (302,071,352)</u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Departmental Activities
Instructional Course Activities – Entity 3400
June 30, 2021

		Urbana	Chicago
1. Current available funds:			
Add:			
Cash (excludes repair and replacement reserve)	\$	123,252	\$ 562,248
Cash equivalents:			
Bank deposits		-	-
Marketable securities		-	-
Certificates of deposit		-	-
Repurchase agreements		-	-
Other cash equivalent items		-	-
Interfund receivables		-	-
Total current available funds	A	123,252	562,248
2. Working capital allowance:			
Add:			
Highest month's expenditures		41,117	168,964
Encumbrances and current liabilities paid in lapse period		1,212	31,163
Deferred income		-	-
Refundable deposits		-	(83,728)
Allowance for restoring inventory to normal level		-	-
Allowance for sick leave/vacation payouts		-	10,505
Working capital allowance	B	42,329	126,904
3. Current excess funds:			
Deduct B from A and enter here	C	80,923	435,344
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	(2,358,693)	(276,174)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		\$ (2,277,770)	\$ 159,170

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Departmental Activities
Professional Development Activities – Entity 3410
June 30, 2021

		<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:				
Add:				
Cash (excludes repair and replacement reserve)		\$ 3,834,640	\$ 3,068,694	\$ 169,880
Cash equivalents:				
Bank deposits		-	-	-
Marketable securities		-	-	-
Certificates of deposit		-	-	-
Repurchase agreements		-	-	-
Other cash equivalent items		-	-	-
Interfund receivables		-	-	-
Total current available funds	A	<u>3,834,640</u>	<u>3,068,694</u>	<u>169,880</u>
2. Working capital allowance				
Add:				
Highest month's expenditures		2,115,855	1,366,526	182,271
Encumbrances and current liabilities paid in lapse period		437,640	185,209	64,734
Deferred income		264,801	23,985	27,264
Refundable deposits		-	-	-
Allowance for restoring inventory to normal level		-	-	-
Allowance for sick leave/vacation payouts		27,350	21,802	3,487
Working capital allowance	B	<u>2,845,646</u>	<u>1,597,522</u>	<u>277,756</u>
3. Current excess funds:				
Deduct B from A and enter here	C	<u>988,994</u>	<u>1,471,172</u>	<u>(107,876)</u>
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	<u>(686,320)</u>	<u>(299,475)</u>	<u>6,147</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ 302,674</u>	<u>\$ 1,171,697</u>	<u>\$ (101,729)</u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Departmental Activities
Agricultural Operations – Entity 3430
June 30, 2021

		<u>Urbana</u>
1. Current available funds:		
Add:		
Cash		\$ 4,021,066
Cash equivalents:		
Bank deposits		-
Marketable securities		-
Certificates of deposit		-
Repurchase agreements		-
Other cash equivalent items		-
Interfund receivables		-
Total current available funds	A	<u>4,021,066</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		2,250,822
Encumbrances and current liabilities paid in lapse period		696,455
Deferred income		371,210
Refundable deposits		-
Allowance for restoring inventory to normal level		-
Allowance for sick leave/vacation payouts		26,374
Working capital allowance	B	<u>3,344,861</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>676,205</u>
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	<u>(5,398,094)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u><u>\$ (4,721,889)</u></u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds

Departmental Activities

Commercial Operations Not Under Indenture – Entity 3600

June 30, 2021

	<u>Urbana</u>	<u>Chicago</u>
1. Current available funds:		
Add:		
Cash	\$ 3,940,243	\$ 1,460,749
Cash equivalents:		
Bank deposits	-	-
Marketable securities	-	-
Certificates of deposit	-	-
Repurchase agreements	-	-
Other cash equivalent items	-	-
Interfund receivables	-	-
Total current available funds	A <u>3,940,243</u>	<u>1,460,749</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures	1,009,069	1,033,374
Encumbrances and current liabilities paid in lapse period	31,310	18,124
Deferred income	-	-
Refundable deposits	500	95,270
Allowance for restoring inventory to normal level	-	-
Allowance for sick leave/vacation payouts	6,690	-
Working capital allowance	B <u>1,047,569</u>	<u>1,146,768</u>
3. Current excess funds:		
Deduct B from A and enter here	C <u>2,892,674</u>	<u>313,981</u>
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 <u>(6,082,470)</u>	<u>(1,696,778)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	<u>\$ (3,189,796)</u>	<u>\$ (1,382,797)</u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Departmental Activities
Hospital and Clinics – Entity 3500
June 30, 2021

		<u>Chicago</u>
1. Current available funds:		
Add:		
Cash		\$ 284,611,149
Cash equivalents:		
Bank deposits		-
Marketable securities		-
Certificates of deposit		-
Repurchase agreements		-
Other cash equivalent items		-
Interfund receivables		-
Total current available funds	A	<u>284,611,149</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		137,319,816
Encumbrances and current liabilities paid in lapse period		242,522,022
Deferred income		-
Refundable deposits		-
Allowance for restoring inventory to normal level		-
Allowance for sick leave/vacation payouts		<u>2,783,453</u>
Working capital allowance	B	<u>382,625,291</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(98,014,142)</u>
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	<u>(55,983,987)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u><u>\$ (153,998,129)</u></u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds

Departmental Activities

Public Service, Academic Support, Healthcare, and Economic Development Activities – Entity 3440

June 30, 2021

		<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:				
Add:				
Cash (excludes repair and replacement reserve)		\$ 27,974,596	\$ 45,692,194	\$ 312,877
Cash equivalents:				
Bank deposits		-	-	-
Marketable securities		-	-	-
Certificates of deposit		-	-	-
Repurchase agreements		-	-	-
Other cash equivalent items		-	-	-
Interfund receivables		-	-	-
Total current available funds	A	<u>27,974,596</u>	<u>45,692,194</u>	<u>312,877</u>
2. Working capital allowance:				
Add:				
Highest month's expenditures		14,010,544	31,190,998	53,360
Encumbrances and current liabilities paid in lapse period		5,754,574	15,753,074	389,043
Deferred income		5,446,209	66,452	203,110
Refundable deposits		405,228	19,932	11,045
Allowance for restoring inventory to normal level		-	-	-
Allowance for sick leave/vacation payouts		110,916	397,928	1,445
Working capital allowance	B	<u>25,727,471</u>	<u>47,428,384</u>	<u>658,003</u>
3. Current excess funds:				
Deduct B from A and enter here	C	<u>2,247,125</u>	<u>(1,736,190)</u>	<u>(345,126)</u>
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	<u>(17,056,611)</u>	<u>(13,641,638)</u>	<u>(73,268)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ (14,809,486)</u>	<u>\$ (15,377,828)</u>	<u>\$ (418,394)</u>

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Calculation Sheet for Current Excess Funds
Departmental Activities
Intercollegiate Athletics – Entity 3450
June 30, 2021

	Urbana	Chicago	Springfield
1. Current available funds:			
Add:			
Cash	\$ (10,887,009)	\$ 548,789	\$ 75,764
Cash equivalents:			
Bank deposits	-	-	-
Marketable securities	-	-	-
Certificates of deposit	-	-	-
Repurchase agreements	-	-	-
Other cash equivalent items	-	-	-
Interfund receivables	-	-	-
Total current available funds	A (10,887,009)	548,789	75,764
2. Working capital allowance:			
Add:			
Highest month's expenditures	17,754,170	2,091,999	617,798
Encumbrances and current liabilities paid in lapse period	6,557,298	488,788	66,901
Deferred income	4,501,544	-	23,991
Refundable deposits	-	-	-
Allowance for restoring inventory to normal level	-	-	-
Allowance for sick leave/vacation payouts	205,707	6,612	2,067
Working capital allowance	B 29,018,719	2,587,399	710,757
3. Current excess funds:			
Deduct B from A and enter here	C (39,905,728)	(2,038,610)	(634,993)
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 (2,085,960)	(253,146)	(9,558)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ (41,991,688)	\$ (2,291,756)	\$ (644,551)

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UNIVERSITY OF ILLINOIS
A Component Unit of the State of Illinois
Analysis of Indirect Cost Reimbursements
Calculation Sheet for Indirect Cost Carryforward
June 30, 2021

1. Cash and equivalents balance:		
Add:		
Cash		\$ 183,752,095
Cash equivalents:		
Bank deposits		-
Marketable securities		1,000,000
Certificates of deposit		-
Repurchase agreements		-
Other cash equivalent items		-
Interfund receivables		-
		<u>184,752,095</u>
2. Allocated reimbursements:		
Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:		
\$559,943,348; enter 30% of this amount		<u>167,983,004</u>
3. Unallocated reimbursements:		
Enter the lesser of the actual unallocated indirect cost expenditure for the year completed or 10% of total indirect cost allocations for the year completed		<u>-</u>
4. Encumbrances and current liabilities paid in the lapse period:		
Enter the amount of:		
Current liabilities		16,558,369
Encumbrances		<u>4,205,567</u>
Total		<u>20,763,936</u>
5. Indirect cost carryforward:		
a. Enter the total items 2, 3, and 4		<u>188,746,940</u>
b. Subtract from item 1		<u>(3,994,845)</u>
If a positive number results, enter here and remit for deposit in the income fund		<u><u>\$ N/A</u></u>

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