

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY**

**COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act
and Applicable Federal Regulations)
For the Year Ended June 30, 2019**

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

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
COMPLIANCE EXAMINATION
(IN ACCORDANCE WITH THE SINGLE AUDIT ACT AND
APPLICABLE FEDERAL REGULATIONS)
FOR THE YEAR ENDED JUNE 30, 2019**

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GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

Other Reports Issued Under a Separate Cover:

The University's financial statements as of and for the year ended June 30, 2019, have been issued under a separate cover. Additionally, in accordance with *Government Auditing Standards*, we have issued the report required under *Government Auditing Standards*, for the year ended June 30, 2019, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters, under a separate cover. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2019**

AGENCY OFFICIALS

President

Dr. Elaine P. Maimon

Vice President for Administration and Finance

August 24, 2018 to present
Through August 23, 2018 (Interim)

Dr. W. Paul Bylaska
Dr. W. Paul Bylaska

General Counsel and Vice President

March 2, 2020 to present
January 19, 2019 to March 1, 2020
Through January 18, 2019

Mr. Sanat Ranganathan
Vacant
Ms. Sarah Luke

Chief Internal Auditor

Mr. Kristoffer Evangelista, CPA

Associate Vice President for Finance

Ms. Villalyn Baluga, CPA

Board of Trustees

August 2, 2019 to present
July 26, 2019 to present
July 26, 2019 to present
July 26, 2019 to present
July 26, 2019 to present
July 26, 2019 to present
July 1, 2019 to present
Through July 25, 2019
Through July 25, 2019
Through June 30, 2019
Through May 20, 2019
Through May 20, 2019
Through May 20, 2019
Through May 20, 2019
May 21, 2019 to July 25, 2019

Mr. Anibal Taboas
Mr. Pedro Cevallos-Candau
Mr. Kevin Brookins, Vice Chair
Mr. John Brudnak
Ms. Lisa Harrell, Chairman
Ms. Angela Hickey
Mr. James Kvedaras, Secretary
Lester Van Moody, Student
Mr. Bruce Friefeld, Secretary
Ms. Lorraine Tyson, Vice Chair
Ms. Linda Coleman, Student
Mr. Carney Barr
Mr. Cornelius Griggs
Mr. Patrick Ormsby, Chairman
Ms. Masah SamForay
4 vacancies

University offices are located at:

1 University Parkway
University Park, Illinois 60484



Office of the President
1 University Parkway
University Park, IL 60484
708.534.4130
emaimon@govst.edu

MANAGEMENT ASSERTION LETTER

March 16, 2020

Borschnack, Pelletier & Co.
Certified Public Accountants
200 E. Court St., Suite 608
Kankakee, IL 60901

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 Governors State University (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 year ended June 30, 2019. Based on this evaluation, we assert that during the year ended June 30, 2019, 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. 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,

Governors State University

SIGNED ORIGINAL ON FILE

Dr. Elaine P. Maimon, President

SIGNED ORIGINAL ON FILE

Dr. W. Paul Bylaska, Vice President for Administration and Finance

SIGNED ORIGINAL ON FILE

Ms. Villalyn Baluga, Associate Vice President for Finance

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2019**

COMPLIANCE REPORT

SUMMARY

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

ACCOUNTANT’S REPORT

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	12	19
Repeated findings	8	12
Prior recommendations implemented or not repeated	11	7

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (FEDERAL COMPLIANCE)				
2019-001	16	2018	Noncompliance with Head Start Program Requirements	Significant Deficiency / Noncompliance
2019-002	21	2018	Ineffective Controls over Mental and Behavioral Health Education and Training Grants Expenditures	Significant Deficiency / Noncompliance
2019-003	23	New	Inaccurate Return of Title IV Funds Calculations	Significant Deficiency / Noncompliance
2019-004	25	New	Exit Counseling	Significant Deficiency / Noncompliance
2019-005	27	2018	Federal Perkins Loan Cohort Default Rate Too High	Significant Deficiency / Noncompliance

**STATE OF ILLINOIS
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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (STATE COMPLIANCE)				
2019-006	29	2018	Child Abuse Reporter Training	Significant Deficiency / Noncompliance
2019-007	31	2018	Noncompliance with the Campus Security Enhancement Act of 2008	Significant Deficiency / Noncompliance
2019-008	32	New	Noncompliance with Governors State University Law	Significant Deficiency / Noncompliance
2019-009	33	2018	Time Sheets Not Properly Maintained	Significant Deficiency / Noncompliance
2019-010	34	New	Weaknesses in Cybersecurity Programs and Practices	Significant Deficiency / Noncompliance
2019-011	36	2018	Computer Security Weaknesses	Significant Deficiency / Noncompliance
2019-012	38	2018	Inadequate Controls Over Computers and Equipment	Significant Deficiency / Noncompliance
PRIOR FINDINGS NOT REPEATED				
A	41	2018	Inadequate Controls Over Undergraduate Student Type Classifications	
B	41	2018	Untimely Return of Title IV Funds	
C	41	2018	Financial Aid Awarded to Ineligible Student	
D	41	2018	Perkins Loan Disbursed After Period of Availability	
E	42	2018	Enrollment Reporting	
F	42	2018	Untimely Returning of Unnegotiated Title IV Funds	
G	42	2018	Controls over Exclusion and Disqualification	
H	42	2018	Noncompliance with the Illinois State Collection Act of 1986	

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last Reported</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED			
I	43	2018	Subsidies between Accounting Entities
J	43	2018	Tuition and Fee Waivers Noncompliance
K	43	2018	Noncompliance with Federal Reporting Requirements for Post-9/11 Veterans Educational Assistance Benefits

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on March 6, 2020.

Attending were:

Governors State University

W. Paul Bylaska, Vice President for Administration and Finance
 Villalyn Baluga, Associate Vice President for Finance
 Kristoffer Evangelista, Chief Internal Auditor
 Tracy Sullivan, Assistant Vice President for Procurement and Business Services
 Charles Pustz, Associate Vice President for Information Technology Services and Chief Information Officer
 John Perry, Interim Executive Director of Student Financial Services
 Andrea Middleton, Assistant Controller
 Anne Gill, Interim Associate Vice President for Human Resources

Office of the Auditor General

Jose Roa, Audit Manager

Borschneck, Pelletier & Co.

Paul Pelletier, Partner
 Jessica Witvoet, Senior

The responses to the recommendations were provided by the University's Associate Vice President for Finance, Ms. Villalyn Baluga, in a communication dated March 12, 2020.

INDEPENDENT ACCOUNTANT'S REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Governors State University

Compliance

As Special Assistant Auditors for the Auditor General, we have examined compliance by Governors State University (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, 2019. Management of the University is responsible for 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 with the specified requirements in all material respects. 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 opinion.

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

In our opinion, the University complied with the specified requirements during the year ended June 30, 2019, 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 and Questioned Costs as items 2019-006 through 2019-012.

The University's responses to the compliance findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. The University's responses were not subjected to the procedures applied in the compliance 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.

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 over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A *deficiency in internal control* 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* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that material noncompliance with the specified requirements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or

a combination of deficiencies, in internal control that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the preceding paragraphs of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our examination, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as items 2019-006 through 2019-012 that we consider 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 and Questioned Costs. 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.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of the University and its discretely presented component unit as of and for the year ended June 30, 2019, and have issued our report thereon dated January 24, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. Our report included reference to other auditors who audited the financial statements of the University's discretely presented component unit and whose report had been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, was based solely on the report of the other auditors. We have not performed any procedures with respect to the audited financial statements subsequent to January 24, 2020. The accompanying supplementary information for the year ended June 30, 2019 in Schedules 1 through 6 is presented for the purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information is the responsibility of University management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Except as noted on Schedule 5, the accompanying supplementary information for the year ended June 30, 2019 in Schedules 1 through 6 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June

30, 2019 in Schedules 1 through 6 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2019.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the University's basic financial statements as of and for the year ended June 30, 2018 and have issued our report thereon dated January 10, 2019, which contained unmodified opinions on the respective financial statements of the business-type activities of the University and its discretely presented component unit. The accompanying supplementary information for the year ended June 30, 2018 in Schedules 3, 4, and 5 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2018 financial statements. Except as noted on Schedule 5, the accompanying supplementary information for the year ended June 30, 2018 in Schedules 3, 4, and 5 has been subjected to auditing procedures applied in the audit of the June 30, 2018 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2018 in Schedules 3, 4, and 5 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2018.

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

SIGNED ORIGINAL ON FILE

Kankakee, IL

March 16, 2020 except for our report on the Supplementary Information for State Compliance Purposes, as to which the date is January 24, 2020.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

Board of Trustees
Governors State University

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of Governors State University, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Governors State University's basic financial statements, and have issued our report thereon dated January 24, 2020. Our report includes a reference to another auditor who audited the financial statements of the Governors State University's discretely presented component unit, as described in our report on the University's financial statements. The financial statements of the Governors State University Foundation, a component unit of Governors State University, were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control or compliance and other matters associated with this component unit.

Compliance and Other Matters

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

Internal Control Over Financial Reporting

Management of Governors State University is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the financial statements, we considered the Governors State University's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Governors State University's internal control. Accordingly, we do not express an opinion on the effectiveness of the Governors State University's internal control.

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

Our consideration of internal control was for the limited purpose described in the above paragraphs of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Governors State University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Governors State University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Kankakee, IL

January 24, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

The Board of Trustees
Governors State University

Report on Compliance for Each Major Federal Program

As Special Assistant Auditors for the Auditor General, we have audited compliance by Governors State University (University) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2019. The University's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain

reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2019-001 through 2019-005. Our opinion on each major federal program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2019-001 through 2019-005 that we consider to be significant deficiencies.

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities of Governors State University and its discretely presented component unit as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated January 24, 2020, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SIGNED ORIGINAL ON FILE

Kankakee, IL

March 16, 2020, except for our report on the Schedule of Expenditures of Federal Awards, for which the date January 24, 2020.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified? X Yes None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? X Yes No

Name of Federal Program or Cluster	<u>CFDA Numbers</u>
<u>Student Financial Assistance Cluster:</u>	
Federal Direct Student Loans	84.268
Federal Pell Grant Program	84.063
Federal Perkins Loan Program - Federal Capital Contributions	84.038
Federal Work-Study Program	84.033
Federal Supplemental Educational Opportunity Grants	84.007
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379
Nurse Faculty Loan Program (NFLP)	93.264
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925
<u>Mental and Behavioral Health Education and Training Grant</u>	93.732
<u>Head Start</u>	93.600

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

Auditee qualified as low-risk auditee? X Yes No

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-001 FINDING: NONCOMPLIANCE WITH HEAD START PROGRAM REQUIREMENTS

Federal Department:	U.S. Department of Health and Human Services
CFDA Numbers:	93.600
Program Name:	Head Start
Award Numbers:	05CH8457-04 & 05CH8457-05
Questioned Cost:	See below
Program Expenditures:	\$1,123,999

Governors State University (University) did not comply with various requirements for its Head Start Program.

Our testing of the University’s Head Start Program identified the following noncompliance:

1. The University did not meet the funded enrollment requirement for its Head Start Program.

The University is a recipient of a grant from the Administration for Children and Families of the U.S. Department of Health and Human Services (DHHS). In accordance with the grant agreement with the DHHS, the University has a funded enrollment requirement of 72 individuals. In our detailed testing of the monthly enrollment reports for Fiscal Year 2019, we noted the University did not meet the funded enrollment requirement for 11 months (3 to 12 individuals under-enrolled).

The Head Start Act (Act) (42 USC 9837(g)) requires each Head Start agency to enroll 100% of its funded enrollment and maintain an active waiting list at all times with ongoing outreach to the community and activities to identify underserved populations. The Act (42 USC 9836a(h)(2)(A)) further requires each entity carrying out a Head Start program to report on a monthly basis to the Secretary (DHHS) and the relevant Head Start agency the actual enrollment in such program. As defined by the Act (42 USC 9836a(h)(1)(A)), actual enrollment means, with respect to the program of a Head Start agency, the actual number of children enrolled in such program and reported by the agency in a given month.

The Uniform Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award. Effective internal controls should include procedures to ensure earmarking requirements are met.

University officials indicated failure to meet the enrollment requirement for the program is due to difficulty in finding families who are interested in enrolling in the home based and pregnant women programs.

Questioned Cost: Undetermined

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GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-001 FINDING: NONCOMPLIANCE WITH HEAD START PROGRAM REQUIREMENTS (Continued)

2. The University did not fully comply with the program governance special tests and provisions compliance requirements applicable to the University’s Head Start Program.

We requested documentation to substantiate the Head Start Program’s Governing Board and Policy Council were provided with accurate and regular financial and other information. The University could not provide any documentation of the Policy Council being provided the financial audit for Fiscal Year 2017. As of the date of our testing (June 10, 2019), the Fiscal Year 2018 financial audit had not been provided to the Governing Board or Policy Council. The University did provide the Fiscal Year 2018 financial audit to the Policy Council subsequent to our inquiry.

The Act (42 USC 9837(d)(2)) requires each Head Start agency to share accurate and regular information for use by the governing body and the policy council, about program planning policies, and the Head Start agency operations. The financial audit is one item specifically required to be provided to the governing body and the policy council.

The Uniform Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award. Effective internal controls should include procedures to ensure compliance with program governance requirements.

University officials indicated the University’s Head Start personnel discusses the results of audits with the Governing Board and Policy Council, however, a copy of the actual financial audit report was not provided.

Questioned Cost: Undetermined

3. The University’s internal controls over the compliance requirements of allowable costs/cost principles applicable to the Head Start Program were ineffective.

We tested internal controls and compliance relative to 40 expenditures (including 8 journal entries) totaling \$85,749 and noted the following:

- Two of the expenditures (\$3,000) were journal entries which did not include evidence of review and approval by an appropriate supervisor of the calculation supporting the journal entry or the journal entry itself.
- One expenditure (\$548) did not have the required source documentation attached to the expenditure package.
- One expenditure package (\$67) (evidencing source documentation and approvals) could not be located by the University.

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CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-001 FINDING: NONCOMPLIANCE WITH HEAD START PROGRAM REQUIREMENTS (Continued)

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

The Uniform Guidance states the following:

- (2 CFR 200.302(b)(3)) The nonfederal entity must have records that adequately identify the application of funds for federally-funded activities and the records must be supported by source documentation.
- (2 CFR 200.302(b)(4)) The nonfederal entity must provide a financial management system which provides for effective control over and accountability for all funds. The nonfederal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.
- (2 CFR 200.303) Nonfederal entities receiving Federal awards must establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award. Effective internal controls should include maintaining source documentation of expenditures and as well as proper approval of expenditures and journal entries.

University officials indicated conditions noted were due to voucher processing and review procedures not consistently being followed caused by staffing constraints.

Questioned cost: Known \$661 (including indirect costs of \$46) (Projected \$8,061 calculated as follows: \$615 (error noted in sample) / \$85,749 (sample size) X \$1,123,999 (total program expenditures))

Failure to meet the funded enrollment of its Head Start program resulted in noncompliance with the Federal program earmarking requirement. Additionally, the awarding agency may recapture, withhold, or reduce the base grant for the program. Failure to provide accurate and regular information to the Governing Board and Policy Council limits their ability to make informed decisions. Failure to maintain supporting documentation of expenditures may result in program costs being disallowed and may jeopardize future funding. Failure to properly review and approve journal entries increases the risk of inaccurate charges to federal award programs. (Finding Code No. 2019-001, 2018-010, 2017-004, 2016-007, 2015-002, 2014-003)

RECOMMENDATION

We recommend the University:

- improve its recruitment procedures to ensure compliance with the funded enrollment of its Head Start program;

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CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-001 FINDING: NONCOMPLIANCE WITH HEAD START PROGRAM REQUIREMENTS (Continued)

- provide all required information to its Head Start Governing Board and Policy Council as required by the Act; and
- improve its controls to ensure all program charges are appropriately reviewed and supporting documentation is retained to evidence expenditures.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation.

On the issue of the University not meeting the funded enrollment requirement for its Head Start Program, the University’s Family Development Center has been employing several different methods to improve enrollment, as follows:

- Opening another Early Head Start classroom to take pressure off home-based and pregnant women programs, which have been historically harder to fill.
- Mailing out flyers to local families, local businesses and restaurants who historically employ at a minimum wage, faith-based communities, local food pantries, among others.
- Working with the University Park Mayor to create advertising on local radio and television stations.
- Brochures and flyers are going out to the various colleges within the University so faculty members can promote the programs to their students who do direct service work like social work with at risk families.
- Recruits at local facilities on a monthly basis.
- Recruits through “refer a friend” program. Families who are currently enrolled in the program get an incentive for referring other families to enroll in the program.
- Participates in events as well as local festivals and high school resource fairs, providing handouts and recruitment materials to all local families.
- Participates in the Southland Human Leadership Council’s quarterly meetings. This Council is comprised of nonprofit organizations who could potentially provide services. The intent is to create additional partnerships with these organizations for referrals to the Family Development Center as well as providing referral services to the families.
- Created a Community Partnership Committee with local agencies. These agencies help with referrals for families who need additional resources.
- Placing online social media ads that highlight the benefits of our home-based and pregnant women programs.
- The University’s marketing department is in the process of publishing a story with Chicago newspapers about our Early Head Start home-based and pregnant women programs.

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FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-001 FINDING: NONCOMPLIANCE WITH HEAD START PROGRAM REQUIREMENTS (Continued)

On the issue of the University not providing a copy of the financial audit report to its Head Start Program Governing Board and Policy Council, the Family Development Center’s Executive Director has created governance procedures which include a calendar that provides an easy visual for the board meeting dates with all the items (including the financial audit report) that need to be approved. Said procedures also state that the required items will be listed in the agenda and covered in the minutes.

On the issue of ineffective controls over Early Head Start expenditures, the University has recently filled the Grant Accountant vacancy. The Grant Accountant will strengthen existing procedures to ensure grant expenditure vouchers and journal entries are properly approved, documented, and supported.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
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CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-002 FINDING: INEFFECTIVE CONTROLS OVER MENTAL AND BEHAVIORAL HEALTH EDUCATION AND TRAINING GRANTS EXPENDITURES

Federal Department: U.S. Department of Health and Human Services
CFDA Numbers: 93.732
Program Name: Mental and Behavioral Health Education and Training Grants
Award Numbers: M01HP31301-01-00 / M01HP31301-02-00
Questioned Cost: Known \$1,649 (including indirect costs of \$122) (Projected \$14,252 calculated as follows: \$1,527 (error in sample exclusive of indirect costs) / \$61,353 (sample size) X \$572,613 (total program expenditures))
Program Expenditures: \$572,613

Governors State University's (University) internal controls over the compliance requirements of allowable costs/cost principles applicable to its Mental and Behavioral Health Education and Training Grants (BHWET) were ineffective.

We tested internal controls and compliance relative to 40 expenditures totaling \$61,353 (which included 10 journal entries) and noted the following:

- One expenditure (\$87) was improperly charged to the grant. The proper account number was written on the expenditure packet; however, was inadvertently posted to the incorrect general ledger account when it was input into the computer system.
- Nine of the expenditures (\$6,029) were journal entries which did not include any documentation of the review and approval by an appropriate supervisor or of the supporting calculation of the journal entries.
- Two expenditures (\$725) were not approved by the Principal Investigator or the Program Director.
- One payroll expenditure (\$1,440) was for a stipend for an employee that worked for the School of Extended Learning and did training for the BHWET grant. The grant paid the School of Extended Learning as well as the employee for the same work performed.

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

The Uniform Guidance states the following:

- (2 CFR 200.302(b)) The nonfederal entity must provide a financial management system which provides for effective control over and accountability for all funds. The nonfederal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.

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CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-002 FINDING: INEFFECTIVE CONTROLS OVER MENTAL AND BEHAVIORAL HEALTH EDUCATION AND TRAINING GRANTS EXPENDITURES
(Continued)

- (2 CFR 200.303) Nonfederal entities receiving Federal awards must establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award. Effective internal controls should include documentation of approvals of journal entries and ensure charges for the same expenditure are paid only once.

The University's stated procedures for allowable costs/cost principles require all grant expenditures to be first approved by the Project Director or Principal Investigator as they have knowledge and expertise on which costs are allowable and which are not.

In the prior and the current audit periods, University officials indicated the conditions noted were due to controls not being consistently followed because of staffing constraints.

Failure to maintain effective internal controls over Federal compliance requirements results in disallowed program costs and may jeopardize future funding. Failure to have documents properly reviewed and approved may result in inaccurate charges to award programs. (Finding Code No. 2019-002, 2018-005)

RECOMMENDATION

We recommend the University improve its controls to ensure the University complies with the requirements of the Federally funded program and ensure all documentation is appropriately reviewed and approved prior to recording.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University has recently filled the Grant Accountant vacancy. The Grant Accountant will strengthen existing procedures to ensure grant expenditure vouchers and journal entries are properly recorded, approved, documented, and supported. The \$1,440 exception noted has been corrected by the University.

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GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – FEDERAL COMPLIANCE

**2019-003 FINDING: INACCURATE RETURN OF TITLE IV FUNDS
CALCULATIONS**

Federal Department:	U.S. Department of Education
CFDA Numbers:	84.038, 84.033, 84.007, 84.063, 84.268, 84.379
Cluster Name:	Student Financial Assistance Cluster
Programs:	Federal Perkins Loan Program – Federal Capital Contributions, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grants, Federal Pell Grant Program, Federal Direct Student Loans, Teacher Education Assistance for College and Higher Education Grants
Award Numbers:	P033A181156, P033A171156, P033A161156, P033A121156, P007A181156, P007A171156, P007A161156, P063P170567, P063P180567, P268K180567, P268K190567, P379T190567
Questioned Cost:	Undetermined
Program Expenditures:	\$47,534,539

Governors State University (University) incorrectly calculated the amount of Title IV Funds the University was required to return to the U.S. Department of Education (ED).

Our testing of 25 students who withdrew from the University identified three students (12%) where the University determined the period of enrollment by the student incorrectly. The University failed to exclude the University's Spring Break from the number of calendar days completed during the period for those students who withdrew during the Spring Break. As a result, the University did not initially return the correct amount of Title IV Funds (a total of \$341 was not refunded). Once this information was brought to the attention of the University, the additional amount was refunded to the ED. The sample was not intended to be, and was not, a statistically valid sample.

The Code of Federal Regulations states:

- (34 CFR 668.22 (f)(1)(i)) – the percentage of the period of enrollment completed is calculated by dividing the total number of calendar days in the period of enrollment into the number of calendar days completed in the period.
- (34 CFR 668.22 (f)(2)(i)) - the total number of calendar days in the period of enrollment includes all days within the period that the student was scheduled to complete, except that scheduled breaks of at least five consecutive days are excluded from the total number of calendar days in a period of enrollment and the number of days completed.

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GOVERNORS STATE UNIVERSITY
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CURRENT FINDINGS – FEDERAL COMPLIANCE

**2019-003 FINDING: INACCURATE RETURN OF TITLE IV FUNDS
CALCULATIONS (Continued)**

The Uniform Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award. Effective internal controls should include procedures to ensure that proper calculations of the period of enrollment attended by students are used in preparation of Return of Title IV calculations.

University officials indicated the return of Title IV Funds miscalculations were due to the improper setup of software parameters to address withdrawals during the University's break in classes.

Failure to complete accurate refund calculations may jeopardize future Federal funding. (Finding Code No. 2019-003)

RECOMMENDATION

We recommend the University improve its procedures to ensure all return of Title IV Funds calculations are prepared in accordance with ED's regulations.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The Office of Financial Aid has reviewed its return of Title IV process and made changes accordingly to prevent this issue from reoccurring. This process change has already been implemented.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-004 FINDING: EXIT COUNSELING

Federal Department:	U.S. Department of Education
CFDA Numbers:	84.268
Cluster Name:	Student Financial Assistance Cluster
Program:	Federal Direct Student Loans
Award Numbers:	P268K180567, P268K190567
Questioned Cost:	None
Program Expenditures:	\$34,371,877

Governors State University (University) did not timely provide exit counseling for Federal Direct Student Loan recipients who ceased half-time study at the University.

We tested a sample of 60 students who received Federal student financial aid. Included in those 60 students were 11 Federal Direct Student Loan recipients who ceased half-time study at the University during Fiscal Year 2019. The notification was provided 9 and 60 days late for 2 (18%) of the students and was never sent for 1 (9%) student. The sample was not intended to be, and was not, a statistically valid sample.

The Code of Federal Regulations (34 CFR 685.304(b)) requires schools to ensure exit counseling is conducted with each Direct Subsidized Loan or Direct Unsubsidized Loan borrower and graduate or professional student Direct PLUS Loan borrower shortly before the student borrower ceases at least half-time study at the school. In addition, if a student borrower withdraws from school without the school's prior knowledge or fails to complete the exit counseling as required, exit counseling must, within 30 days after the school learns that the student borrower has withdrawn from the school or failed to complete exit counseling as required, be provided either through interactive electronic means, by mailing written counseling materials to the student borrower at the student borrower's last known address, or by sending written counseling materials to an email address provided by the student borrower that is not an email address associated with the school sending the counseling materials.

The Uniform Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award. Effective internal controls should include procedures to ensure the University conducts timely exit counseling for students that have received Federal Direct Student Loans and have ceased half-time study at the school.

University officials indicated the Office of Financial Aid receives a report from the Office of Registration indicating which students have ceased half-time enrollment and due to issues with the timing of reports, exit counseling notifications were either sent out late or not sent at all.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-004 FINDING: EXIT COUNSELING (Continued)

Failure to conduct timely exit counseling could result in the loss of Federal funding and fails to notify the student of their rights and responsibilities. (Finding Code No. 2019-004)

RECOMMENDATION

We recommend the University conduct timely exit counseling in accordance with Federal regulations.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. In order to communicate to students the requirement of completing the exit counseling, the Office of Financial Aid relies on a report received from the Office of Registration. This report was missing some students who had reduced enrollment to less-than-half time. The Office of Financial Aid had discussed this issue with the new Registrar and the new Associate Registrar; both are aware of the importance and accuracy of this report. The Associate Registrar will run this report on a monthly basis and will send to the Office of Financial Aid to ensure communication of exit counseling to the correct students within the required timeframe. This process has already been implemented.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-005 FINDING: FEDERAL PERKINS LOAN COHORT DEFAULT RATE TOO HIGH

Federal Department:	U.S. Department of Education
CFDA Numbers:	84.038, 84.033, 84.007, 84.063, 84.268, 84.379
Cluster Name:	Student Financial Assistance Cluster
Programs:	Federal Perkins Loan Program – Federal Capital Contributions, Federal Work-Study Program, Federal Supplemental Educational Opportunity Grants, Federal Pell Grant Program, Federal Direct Student Loans, Teacher Education Assistance for College and Higher Education Grants
Award Numbers:	P033A181156, P033A171156, P033A161156, P033A121156, P007A181156, P007A171156, P007A161156, P063P170567, P063P180567, P063Q160567, P063Q170567, P063Q180567, P268K180567, P268K190567, P379T190567
Questioned Cost:	None
Program Expenditures:	\$47,534,539

Governors State University’s (University) Federal Perkins loan cohort default rate is in excess of the threshold for administrative capability stipulated by the U.S. Department of Education.

The Federal Perkins Loan cohort default rate as of June 30, 2019 (for borrowers who entered repayment during Fiscal Year 2018) was 38.96%, which exceeded the 15% threshold. The University chose to continue servicing their Perkins Loan portfolio after Federal Perkins Loan Program loan originations were discontinued in Fiscal Year 2018.

The Code of Federal Regulations (Code) (34 CFR 668.16) states “to begin and to continue to participate in any Title IV, HEA program, an institution shall demonstrate to the Secretary that the institution is capable of adequately administering that program under each of the standards established in this section. The Secretary considers an institution to have that administrative capability if the institution – ... (m)(1) Has a cohort default rate - (iii) as defined in 34 CFR 674.5, on loans made under the Federal Perkins Loan Program to students for attendance at the institution that does not exceed 15 percent.”

The U.S. Department of Education’s Dear Colleague Letter (DCL ID: GEN-17-10) states institutions that choose to continue to service their outstanding Perkins Loan portfolios must continue to service these loans in accordance with the Federal Perkins Loan Program regulations in 34 CFR 674.

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GOVERNORS STATE UNIVERSITY
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CURRENT FINDINGS – FEDERAL COMPLIANCE

2019-005 FINDING: FEDERAL PERKINS LOAN COHORT DEFAULT RATE TOO HIGH (Continued)

The Uniform Guidance (2 CFR 200.303) requires nonfederal entities receiving Federal awards establish and maintain internal controls designed to reasonably ensure compliance with Federal statutes, regulations, and terms and conditions of the Federal award. Effective internal controls should include procedures to ensure the University maintains a Federal Perkins Loan cohort default rate of less than 15%.

In the prior and current audit periods, University officials indicated economic conditions continue to present challenges for University students in loan repayment status. University officials further indicated there are two important forces on the increase in default rates. First, the University added on-campus housing in Fall 2014 which adds to the potential for significant additional debt to accumulate in the short term. Second, despite the University having the lowest tuition and fees in the region, the gap for our most vulnerable students (of whom we educate a higher percentage than others in our area) between what is supported by the State and the cost of tuition has widened over time. University officials stated the University has kept tuition low throughout the State’s budget crisis, but at the same time the loss of services made the costs for students higher when daycare, social service, and elderly care were no longer available. In addition, University officials indicated, in the current year, a staffing vacancy on the student accounts area has made it more challenging for the University to address this issue.

Failure to maintain a Federal Perkins Loan cohort default rate below 15% resulted in noncompliance with the Code, the Uniform Guidance, and the U.S. Department of Education’s directive. (Finding Code No. 2019-005, 2018-008, 2017-003, 2016-006)

RECOMMENDATION

We recommend the University improve its efforts and procedures to ensure its cohort default rate is not in excess of the threshold for administrative capabilities stipulated by the U.S. Department of Education.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. As part of the University’s collection efforts, the University has contracted with a new collection agency through an Illinois Public Higher Education Consortium awarded firm. The University and the newly contracted collection agency have been closely monitoring and communicating with students entering on default on a month-to-month basis. In addition, the University started sending defaulted student loans to the Illinois State Comptroller’s Offset system in Fall of 2019.

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GOVERNORS STATE UNIVERSITY
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CURRENT FINDINGS – STATE COMPLIANCE

2019-006 FINDING: CHILD ABUSE REPORTER TRAINING

Governors State University (University) did not comply with the Abused and Neglected Child Reporting Act (Act) requiring training of those personnel required to report child abuse.

Our testing of 35 employees identified:

- 7 (20%) employees did not receive the required reporter training within one year of initial employment.
- 8 (23%) employees in which the University did not have any signed documentation in which the employee acknowledges the reporting requirements of the Act.
- 11 (31%) employees did not sign the documentation in which the employee acknowledges the reporting requirements of the Act prior to the commencement of employment.
- 11 (31%) employees signed documents after January 1, 2019 acknowledging the reporting requirements of the Act, however the form was not up to date as it did not include information regarding mandated reporter training provided by the Department of Children and Family Services.

The Act (325 ILCS 5/4) requires personnel of institutions of higher education having reasonable cause to believe a child known to them in their professional or official capacity may be an abused or neglected child to immediately report or cause a report to be made to the Department of Children and Family Services (DCFS). The Act further requires University personnel to undergo reporter training within one year of initial employment and at least every 5 years thereafter. This training must be completed by a provider or agency with expertise in recognizing and reporting child abuse. Also, a statement must be signed, prior to commencement of employment, by the employee acknowledging they have knowledge and understanding of the reporting requirements. The Act also requires that all signed statements after January 1, 2019 include information about available mandated reporter training provided by DCFS. The training requirement became effective on July 1, 2014 with Public Act 098-0408.

In the prior and current examination periods, University officials indicated the noncompliance was primarily due to a lack of staffing in the University’s Human Resource Department. In addition, University officials indicated it was also unaware of the January 1, 2019 change in the required statement.

Failure to provide child abuse reporter training, obtain signed statements timely, and using an outdated statement are violations of the Act and could potentially leave children at risk of abuse. (Finding Code No. 2019-006, 2018-011, 2017-010, 2016-012)

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GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-006 FINDING: CHILD ABUSE REPORTER TRAINING (Continued)

RECOMMENDATION

We recommend the University comply with the requirements of the Act and ensure all employees receive the proper training within the required timeframe, include the proper information in the employee's signed training statements, and timely obtain signed statements from required employees.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University will modify the training statements signed by employees to include the requirements regarding mandated reporter training provided by DCFS. The University has also initiated an annual Mandated Reporter Training that will be conducted every Spring for all employees.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-007 FINDING: NONCOMPLIANCE WITH THE CAMPUS SECURITY ENHANCEMENT ACT OF 2008

Governors State University (University) did not comply with the Campus Security Enhancement Act of 2008 (Act).

The University did not obtain criminal background investigations prior to employing individuals for security-sensitive positions. We obtained a listing of positions the University identified as security-sensitive positions and selected 25 employees from such positions for testing. Our testing identified 16 employees (64%) (including 4 employees hired in Fiscal Years 2016 through 2019) hired for security sensitive positions without any evidence the criminal background investigations were ever obtained.

The Act (110 ILCS 12/5) requires each public institution of higher education, through written policy and procedures, identify security-sensitive positions and make provision for the completion of criminal background investigations prior to employing individuals in those positions.

In the prior and current examination periods, University officials indicated the University has not yet performed criminal background checks on most employees who were hired before the current employment practices were put in place (2016) due to budget constraints. University officials also indicated its identification of security sensitive positions has been overly broad and resulted in some being missed due to oversight.

Failure to obtain the required criminal background investigations prior to the employment of individuals in security-sensitive positions results in noncompliance with the Act and may result in the University allowing access to security-sensitive information to individuals who should not be entrusted with such access. (Finding Code No. 2019-007, 2018-012, 2017-011, 2016-013)

RECOMMENDATION

We recommend the University comply with the requirements of the Act by:

- obtaining criminal background investigations prior to hiring employees for security-sensitive positions; and
- obtaining criminal background investigations for all employees in security-sensitive positions for which a prior background investigation was not obtained.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University is currently attempting to secure a contract with an outside vendor to conduct criminal background investigations prior to hiring employees for security sensitive positions. In addition, the University is in the process of developing a comprehensive policy on criminal background checks similar to other State universities.

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CURRENT FINDINGS – STATE COMPLIANCE

**2019-008 FINDING: NONCOMPLIANCE WITH GOVERNORS STATE
UNIVERSITY LAW**

The Governors State University (University) Board of Trustees (Board) did not meet during the final quarter of Fiscal Year 2019 and did not have a complete Board as of June 30, 2019.

During our testing of the University’s mandates, we noted the University’s Board did not meet on the campus of the University during the fourth quarter of Fiscal Year 2019. The Board of Trustees meeting scheduled for May 3, 2019 was cancelled and rescheduled for May 30, 2019 (which was also cancelled). We also noted 4 vacancies on the Board as of June 30, 2019.

The Governors State University Law (Law) (110 ILCS 670/15-15) requires the Board to consist of 7 voting members appointed by the Governor and states these members shall continue to serve in such capacity until their successors are appointed and qualified. The Law (110 ILCS 670/15-25) further requires the Board to hold a meeting at least once per quarter on the campus of the University.

University officials indicated Board vacancies can only be filled by the Governor and is not within the University’s authority. Three of the appointed Board members terms expired in January of 2019 and continued to serve until a successor was appointed on July 26, 2019. The Governor withdrew the remaining four Board members appointments on May 20, 2019 and failed to make new appointments until July 26, 2019 and August 2, 2019, therefore all meetings subsequent to the appointment withdrawals were cancelled because a quorum would not be present.

Failure to maintain a complete Board and meet on the campus of the University during the fourth quarter of Fiscal Year 2019 is a violation of the Law and increases the risks related to governance’s oversight of University management. (Finding Code 2019-008)

RECOMMENDATION

We recommend the University continue to work with the Governor’s Office on Board appointments to ensure meetings can be held as required by the Law.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. In accordance with the Law, the Board vacancies can only be filled by the Governor and is not within the University’s authority. As already stated above, the Governor has already made new appointments on July 26, 2019 and August 2, 2019. The University’s Board is now completely filled in accordance with the Law.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-009 FINDING: TIME SHEETS NOT PROPERLY MAINTAINED

Governors State University (University) is not maintaining time sheets for its faculty members and advisors in compliance with the State Officials and Employees Ethics Act (Act).

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)) states, “The policies shall require State employees to periodically submit timesheets documenting the time spent each day on official State business to the nearest quarter hour; contractual State employees may satisfy the time sheets requirement by complying with the terms of their contract, which shall provide for 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.

We tested the time sheets for 30 employees during the fiscal year and noted 12 (40%) faculty members/advisors used “negative” timekeeping whereby the employee is assumed to be working unless noted otherwise.

In the prior and current examination periods, University officials indicated the University is reviewing, along with other State universities, time reporting for faculty members, as it relates to existing collectively bargained contractual obligations and the Illinois President and Chancellors Group and the individual universities will continue to discuss and explore time reporting.

By not requiring positive time reporting from all its employees, the University is not in compliance with the Act. (Finding Code No. 2019-009, 2018-016, 2017-017, 2016-017, 2015-005, 2014-004, 2013-010, 12-11, 11-11, 10-11, 09-3, 08-3, 07-3, 06-4, 05-7)

RECOMMENDATION

We recommend the University amend its policies and revise its procedures to ensure all employees submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University currently collects and monitors reported time spent on official business from all nonacademic, civil service, and professional and administrative staff. The University is reviewing existing time reporting requirements for faculty employees in connection with its implementation of an electronic timekeeping system.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-010 FINDING: WEAKNESSES IN CYBERSECURITY PROGRAMS AND PRACTICES

Governors State University (University) had not implemented adequate internal controls related to cybersecurity programs and practices.

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

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

- Had not performed a comprehensive risk assessment to identify and ensure adequate protection of information (i.e. confidential or personal information) most susceptible to attack.
- Had not classified its data to identify and ensure adequate protection of information.
- Had not filled the Director of Information Security and Compliance position. This position was vacant during the entire audit period.
- Had not evaluated and implemented appropriate controls to reduce the risk of attack. For example, 143 users have the ability to view full social security numbers on screens within a document imaging system storing student admission applications and financial aid information. The University has not utilized a feature within the application to mask or redact the first five digits. Thus, personal information is available to anyone within view of a computer screen.
- Had not developed a formal, comprehensive, adequate, and communicated security program (policies, procedures, and processes) to manage and monitor the regulatory, legal, environmental and operational requirements. For example, the University does not have a formal identity protection policy and training programs as required in the Identity Protection Act (5 ILCS 179).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system 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.

Furthermore, generally accepted information technology guidance, including the National Institute of Standards and Technology, endorses the development of well-designed and well-managed controls to protect computer systems and data.

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GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-010 FINDING: WEAKNESSES IN CYBERSECURITY PROGRAMS AND PRACTICES (Continued)

University management indicated efforts to perform a comprehensive risk assessment was not completed due to employee turnover, staffing constraints, and competing priorities. Although the number of authorized active users was reduced for the document imaging system, the masking/redacting of social security numbers within the system was not completed due to insufficient resources.

The lack of adequate 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. 2019-010)

RECOMMENDATION

The University has the ultimate responsibility for ensuring confidential information is protected from accidental or unauthorized disclosure. Specifically, we recommend the University:

- Perform a comprehensive risk assessment to identify and classify data to ensure adequate protection of confidential or personal information most susceptible to attack.
- Evaluate identified risks and implement appropriate controls to reduce the risk.
- Fill the Director of Information Security and Compliance position.
- Establish and communicate the University's security program (formal and comprehensive policies, procedures and processes) to manage and monitor the regulatory, legal, environmental and operational requirements.
- Develop and approve a formal identity protection policy as required by the Identity Protection Act.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University has performed various risk assessments every three years, annual, quarterly, monthly, and on-demand basis. However, these risks and associated remediation were not consolidated in a formal mechanism. Consequently, the three-year risk assessment will now be performed annually and expanded. On September 16, 2019, the University's Information Technology Services (ITS) hired a Director for Information Security and Compliance. By creating this new position in ITS, additional resource allocation was made focusing on information security and compliance to regulations. This individual will spearhead the creation of formal, comprehensive, and adequate information security program which will include data classification.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-011 FINDING: COMPUTER SECURITY WEAKNESSES

Governors State University (University) had not established adequate controls for its computing environment.

During the review of the University, the following weaknesses were noted:

- Operating system updates and patches were not up-to-date on University servers and computers.
- User access rights were not removed for a terminated employee in a timely manner.

Generally accepted information technology guidance endorses the development of well-designed and well-managed controls to protect facilities, computer systems, and data. Effective computer security controls, such as timely removal of user access rights, up-to-date patches for computers and servers, and the formal assignment and staffing of security roles provide safeguards for secure access to computing environments.

In the prior and the current examination periods, University officials indicated the conditions noted were primarily due to budget constraints and employee turnover. University officials indicated former employee's access rights were overlooked.

Inadequate and lax security practices and staffing may result in unauthorized access to the University data and computing environment. (Finding Code No. 2019-011, 2018-019 2017-019, 2016-020)

RECOMMENDATION

We recommend the University ensure all servers and workstations are timely updated with the latest upgrades and patches and to ensure access rights of terminated or transferred employees are removed on a timely basis.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation. The University has performed the following to address this finding:

- In December of 2019, the process of monthly patching was improved, providing a robust mechanism ensuring that every server will be patched in an acceptable timeframe. The improvement in December 2019 categorizes all servers into five (5) groupings for updates. One grouping contains all test servers and the other four groupings contain production servers separated out based on application and processing operations. Production group patching cycle is determined based on week number of the month. Resulting from this improved process, all servers and workstations are patched no later than one month after Microsoft's release of operating system patches.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-011 FINDING: COMPUTER SECURITY WEAKNESSES (Continued)

- An automated script has been developed where once an employee is terminated in the Colleague system by Human Resources, the script emails ITS with information so that access rights can be removed in a timely manner. In addition, on the 1st of every month an automated job emails Human Resources with a summary exception list so Human Resources can investigate and provide ITS with updates.

- On September 16, 2019, ITS hired a Director for Information Security and Compliance. By creating this new position in ITS, additional resource allocation was made focusing on information security and compliance to regulations.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-012 FINDING: INADEQUATE CONTROLS OVER COMPUTERS AND EQUIPMENT

Governors State University (University) did not comply with requirements applicable to its computers and other equipment.

All State universities and agencies are required to perform an annual physical inventory of State equipment in their possession. We examined and performed procedures on the physical inventory performed by the University within the examination period. The University certified that physical inventory as of October 9, 2018. We noted the University reported 82 items, valued at \$92,040, of unlocated equipment. Those unlocated items included 43 computers, CPU's, and other electronic storage devices totaling \$47,369. The University did not immediately perform a complete assessment of the missing computers and storage devices to determine whether they contained confidential information and whether notifications were required as outlined in the Personal Information Protection Act (815 ILCS 530/25).

We also tested 25 computers that were sent to surplus according to the University's property control records to determine whether the University complied with its internal procedures and maintained evidence the computers had been "wiped" prior to transfer. The University could not provide any evidence 5 (20%) of these computers were cleared of data and software before they were transferred to surplus.

We tested 10 equipment additions made during the year and noted one (10%) item (stage box) did not include the delivery costs (totaling \$60) in the purchase price of the equipment. We also noted 7 (70%) of the additions were not timely added (12 to 214 days late) to the property control records.

We tested 10 equipment deletions during the year and noted 2 (20%) of the deletions were not timely deleted (both were 31 days late) from the property control records.

The State Property Control Act (30 ILCS 605/4) requires responsible officers at each State agency to be accountable for supervision, control and inventory of property under their jurisdiction to ensure proper accounting and safeguarding of assets.

The Illinois Administrative Code (Code) (44 Ill. Admin. Code 5010.240) states the purchase price is the price of the equipment, including delivery and installation costs. The Code (44 Ill. Admin. Code 5010.400) further states agencies shall adjust property records within 90 days after acquisition, change or deletion of equipment items for changes after May 3, 2019 (within 30 days for changes prior to May 3, 2019).

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to maintain a system of internal fiscal and administrative controls to provide assurance that property is safeguarded against waste, loss, unauthorized use, and misappropriation.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

CURRENT FINDINGS – STATE COMPLIANCE

2019-012 FINDING: INADEQUATE CONTROLS OVER COMPUTERS AND EQUIPMENT (Continued)

In the prior and the current examination periods, University management indicated procedures were in place for the wiping of computers, however, documentation of the process had been inconsistent. In addition, the local storage of sensitive data is discouraged by University policy, however the University has no resources to determine if sensitive data may have existed on the lost computer equipment after discovering it missing. Also for the current period, University officials indicated the inaccurate and untimely recording was due to staffing constraints.

Inadequate controls over University property and equipment results in the possibility of sensitive data or software of the University being compromised. Inaccurate and incomplete property control records may result in inaccurate reporting. Also, failure to perform complete assessments of missing computers may result in the University being unaware of a breach of confidential data. (Finding Code No. 2019-012, 2018-018, 2017-009, 2016-010)

RECOMMENDATION

We recommend the University improve the operation of its internal controls over the accountability of University equipment and comply with its procedures for documenting wiping of computer equipment prior to disposal and ensuring items are accurately and timely recorded. Further, we recommend the University perform timely assessments of all missing computer and data storage equipment to determine whether they contained confidential information and whether notifications under the Personal Information Protection Act are required.

UNIVERSITY RESPONSE

The University agrees with this finding and accepts the recommendation.

Over the past year and a half, the University's Information Technology Services (ITS) has implemented additional controls for computer assets being transferred in and out of ITS. These controls have been a large contributor to a 100% compliance to the Summer 2019 asset inventory of computers sampled.

The primary contributor to 5 computers sent downstate not having proper documentation that hard drives were wiped clean was due to an old practice of reusing hard drives for replacing failed drives. Resulting from this, ITS has established a new procedure where disk drives are not to be removed from computers identified to be sent downstate. ITS has also purchased a supply of new hard drives to be used as replacements for failed hard drives of working computers. The University has also been working on the issuance of a Request for Proposal (RFP) for an Information Technology Security Assessment. The purpose of this RFP is to conduct a campus wide security assessment on all GSU platforms, including individual computing devices. The deliverable of this

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CURRENT FINDINGS – STATE COMPLIANCE

2019-012 FINDING: INADEQUATE CONTROLS OVER COMPUTERS AND EQUIPMENT (Continued)

RFP will be a detailed analysis with prioritized recommendations that will be the basis for evaluation, project charters, and funding requests.

Effective for Fiscal Year 2020, when missing computers are reported to Property Control, staff follows up to determine whether or not the computer contained confidential information. In addition, the asset possession form was revised to remind employees that they should refrain from storing confidential information on any device.

Additionally, the University has recently filled the staff vacancy responsible for ensuring timely recording of additions to and deletions from the property control records.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

A FINDING: Inadequate Controls Over Undergraduate Student Type Classifications

During the prior audit, Governors State University (University) had not established adequate internal controls over undergraduate student type classifications which are used to identify the appropriate tuition rates charged to students as required by Governors State University Law.

During the current audit, our sample testing did not identify any instances in which the University charged inappropriate tuition rates to undergraduate students due to incorrect student type classifications. (Finding Code No. 2018-001)

B FINDING: Untimely Return of Title IV Funds

During the prior audit, the University did not timely return funds to the Department of Education (ED) for an amount calculated in the return of Title IV (R2T4) calculation.

During the current audit, our sample testing did not identify any R2T4 calculations where funds were not returned to ED timely. (Finding Code No. 2018-002)

C FINDING: Financial Aid Awarded to Ineligible Student

During the prior audit, the University awarded and disbursed Federal Supplemental Educational Opportunity Grant (FSEOG) funds to a student who was not eligible for the award.

During the current audit, our sample testing did not identify any instances where FSEOG funds were disbursed to an ineligible student. (Finding Code No. 2018-003)

D FINDING: Perkins Loan Disbursed After Period of Availability

During the prior audit, the University did not comply with the disbursement regulations established by the Federal Perkins Loan Program Extension Act of 2015.

During the current audit, we did not identify any students that were disbursed a Federal Perkins Loan. (Finding Code No. 2018-004)

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GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

E FINDING: Enrollment Reporting

During the prior audit, the University did not accurately and timely report student enrollment information to the U.S. Department of Education's National Student Loan Data System (NSLDS).

During the current audit, our sample testing did not identify any instances of enrollment information not being accurately or timely submitted to NSLDS. (Finding Code No. 2018-006)

F FINDING: Untimely Returning of Unnegotiated Title IV Funds

During the prior audit, the University did not return unnegotiated Title IV Funds to the Department of Education in a timely manner.

During the current audit, our sample testing did not identify any instances where unnegotiated Title IV Funds were not returned in a timely manner. (Finding Code No. 2018-007)

G FINDING: Controls Over Exclusion and Disqualification

During the prior audit, the University did not adhere to their internal control procedures to ensure vendors had not been excluded or disqualified from participating in contracts funded by Federal awards.

During the current audit, our testing revealed the University adhered to their internal control procedures and ensured vendors had not been excluded or disqualified from participating in contracts funded by Federal awards. (Finding Code No. 2018-009, 2017-008)

H FINDING: Noncompliance with the Illinois State Collection Act of 1986

During the prior examination, the University did not comply with the requirements of the Illinois State Collection Act of 1986 (Act).

During the current examination, the University made improvements in placing debts exceeding \$1,000 and more than 90 days past due with the Comptroller's Offset System. This finding has been moved to the immaterial findings letter. (Finding Code No. 2018-013, 2017-014, 2016-014)

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GOVERNORS STATE UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019**

PRIOR FINDINGS NOT REPEATED

I FINDING: Subsidies Between Accounting Entities

During the prior examination, the University subsidized the operation of University activities between accounting entities during the fiscal year.

During the current examination, our testing did not identify any instances where the University subsidized the operation of University activities between accounting entities. (Finding Code No. 2018-014, 2017-015)

J FINDING: Tuition and Fee Waivers Noncompliance

During the prior examination, the University did not comply with the requirements related to tuition and fee waivers.

During the current examination, our sample testing did not identify any instances of the University not complying with the requirements related to tuition and fee waivers. (Finding Code No. 2018-015, 2017-016, 2016-018)

K FINDING: Noncompliance with Federal Reporting Requirements for Post-9/11 Veterans Educational Assistance Benefits

During the prior examination, the University did not comply with Federal reporting requirements related to students receiving benefits from the Veterans Benefits Administration of the U.S. Department of Veterans Affairs (VA). The University receives a reporting fee for submitting reports required by the VA.

During the current examination, the University made improvements in its reporting and the significance has been re-evaluated. This finding has been moved to the immaterial findings letter. (Finding Code No. 2018-017, 2017-018, 2016-009, 2015-004)

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
FISCAL SCHEDULES AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	Passed-Through to Subrecipients	FY 2019 Expenditures
MAJOR PROGRAMS				
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Federal Direct Student Loans	84.268		\$ -	\$ 34,371,877
Federal Pell Grant Program	84.063		-	8,608,636
Federal Perkins Loan Program - Federal Capital Contributions	84.038		-	3,775,498
Federal Work-Study Program	84.033		-	473,407
Federal Supplemental Educational Opportunity Grants	84.007		-	281,771
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		-	23,350
TOTAL U.S. DEPARTMENT OF EDUCATION			-	47,534,539
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Scholarships for Health Professions Students from Disadvantaged Backgrounds <i>Scholarships for Health Professions Students from Disadvantaged Backgrounds/Physical Therapy</i>	93.925		-	650,000
<i>Scholarships for Health Professions Students from Disadvantaged Backgrounds/Mental Health Counseling</i>	93.925		-	588,650
			-	1,238,650
Nurse Faculty Loan Program (NFLP) <i>Nurse Faculty Loan Program</i>	93.264		-	793,864
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	2,032,514
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			-	49,567,053
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Head Start <i>Early Head Start</i>	93.600		-	1,123,999
Mental and Behavioral Health Education and Training Grants <i>Behavioral Health Workforce Education and Training (BHWET)</i>	93.732		-	572,613
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	1,696,612
TOTAL MAJOR PROGRAMS			-	51,263,665
OTHER PROGRAMS				
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Cancer Centers Support Grants <i>The GUIDE Cancer Research Training Project</i>	93.397		-	271,467
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	271,467

**STATE OF ILLINOIS
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Schedule 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	Passed-Through to Subrecipients	FY 2019 Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Higher Education - Institutional Aid <i>Integrating Pathways: Student Success Through Junior Year Transition</i>	84.031A		-	418,834
Centers for International Business Education Passed through Indiana University <i>Center for International Business Education Research (CIBER)</i>	84.220	BL-4236301-GSU	-	10,376
TOTAL U.S. DEPARTMENT OF EDUCATION			-	429,210
<u>NATIONAL SCIENCE FOUNDATION</u>				
Education and Human Resources Passed through Chicago State University <i>Illinois Louis Stokes Alliance for Minority Participation</i>	47.076	53953	-	7,844
Biological Sciences Passed through Cornell University <i>Coastal SEES Collaborative Research</i>	47.074	202432	-	26,973
TOTAL NATIONAL SCIENCE FOUNDATION			-	34,817
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			-	735,494
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Block Grants for Prevention and Treatment of Substance Abuse Passed through the Illinois Department of Human Services <i>Block Grants for Prevention and Treatment of Substance Abuse</i>	93.959	260134400	-	233,072
CCDF Cluster Child Care and Development Block Grant Passed through the Illinois Department of Human Services <i>Child Care and Development Block Grant (CCDBG)</i>	93.575	01001490B	-	6,997
<i>Child Care and Development Block Grant (CCDBG)</i>	93.575	80408490W	-	44,856
Total CCDF Cluster			-	51,853
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			-	284,925
<u>LIBRARY OF CONGRESS</u>				
Teaching With Primary Sources <i>Teaching With Primary Sources</i>	N.A.	GA06C0076	-	248,250
TOTAL LIBRARY OF CONGRESS			-	248,250

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
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FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	Passed-Through to Subrecipients	FY 2019 Expenditures
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>				
Promotion of the Arts Grants to Organizations and Individuals <i>Presenting & Multidisciplinary Works</i>	45.024		-	4,800
Promotion of the Arts Partnership Agreements Passed through Arts Midwest <i>The Hit-Men</i>	45.025	18365	-	1,900
TOTAL NATIONAL ENDOWMENT FOR THE ARTS			-	6,700
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Child and Adult Care Food Program Passed through the Illinois State Board of Education <i>Child and Adult Food Care Program</i>	10.558	56099527051	-	83,595
TOTAL U.S. DEPARTMENT OF AGRICULTURE			-	83,595
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Promotion of the Humanities Teaching and Learning Resources and Curriculum Development <i>War, Memory and Commemoration in the Humanities</i>	45.162		-	73,841
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			-	73,841
TOTAL OTHER PROGRAMS			-	1,432,805
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 52,696,470

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
FISCAL SCHEDULES AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 1

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the State of Illinois, Governors State University (University) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net position, or cash flows of the University.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - FEDERAL STUDENT LOAN PROGRAMS

The federal student loan programs listed subsequently are administered directly by the University and balances and transactions relating to these programs are included in the University's basic financial statements. Expenditures reported on the Schedule include loans outstanding at the beginning of the year, loans made during the year, any administrative cost allowance claimed, cash balance of the fund as of the end of the year, and cancellations receivable at the end of the year. The balance of loans outstanding at June 30, 2019 consists of:

CFDA Number	Program Name	Outstanding Balance at June 30, 2019
84.038	Federal Perkins Loan Program	\$2,248,323
93.264	Nurse Faculty Loan Program	\$ 523,101

NOTE 4 - SUBRECIPIENTS

During the year ended June 30, 2019, the University did not pass through federal assistance to any subrecipients.

NOTE 5 - NON-CASH ASSISTANCE

The University did not receive any federal non-cash assistance during the year ended June 30, 2019.

NOTE 6 - INSURANCE

The University did not have federally funded insurance in effect during the year ended June 30, 2019.

STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
FISCAL SCHEDULES AND ANALYSIS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES
EXPENDITURE AUTHORITY FOR FISCAL YEAR 2019
FOR THE SIXTEEN MONTHS ENDED OCTOBER 31, 2019

	Appropriations (Net of Transfers)	Expenditures through 6/30/19	Lapse Period Expenditures 7/01 - 10/31/19	Total Expenditures 16 Months ended 10/31/2019	Balances Lapsed
Public Act 100-0586					
Education Assistance Fund - 007:					
Operational expenses	\$ 22,089,100	\$ 22,066,584	\$ 22,516	\$ 22,089,100	\$ -
Total Education Assistance Fund - 007	<u>\$ 22,089,100</u>	<u>\$ 22,066,584</u>	<u>\$ 22,516</u>	<u>\$ 22,089,100</u>	<u>\$ -</u>
Total Appropriated Funds	<u>\$ 22,089,100</u>	<u>\$ 22,066,584</u>	<u>\$ 22,516</u>	<u>\$ 22,089,100</u>	<u>\$ -</u>

Note 1: Appropriations, total expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records.

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

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
FISCAL SCHEDULES AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Schedule 3

**COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,
EXPENDITURES AND LAPSED BALANCES**

	Fiscal Years	
	2019	2018
	P.A. 100-0586	P.A. 100-0021
Education Assistance Fund - 007:		
Appropriations (net after transfers)	\$ 22,089,100	\$ 21,656,000
Expenditures:		
Personal services	-	19,195,900
Group insurance	-	577,300
Contractual services	-	1,517,600
Commodities	-	66,000
Equipment	-	220,000
Awards and grants	-	79,200
Operational expenses	22,089,100	-
Total Expenditures	22,089,100	21,656,000
Lapsed Balances	\$ -	\$ -
GRAND TOTAL, ALL FUNDS		
Appropriations (Net After Transfers)	\$ 22,089,100	\$ 21,656,000
Total Expenditures	22,089,100	21,656,000
Lapsed Balances	\$ -	\$ -

Note 1: Appropriations, total expenditures, and lapsed balances were obtained from the University's records and have been reconciled to the State Comptroller's records.

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

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
FISCAL SCHEDULES AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

Schedule 4

COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES

	2019	2018
Income fund revenues:		
Student tuition and fees	\$ 35,237,876	\$ 36,600,103
Investment income	1,043,129	452,910
Miscellaneous	9,203	2,454,036
Total income fund revenues	\$ 36,290,208	\$ 39,507,049
Income fund expenditures:		
Personal services (including change in accrued compensated absences)	\$ 18,430,901	\$ 10,030,606
Medicare and benefits	1,364,847	872,329
Contractual services	6,964,056	6,409,955
Travel	356,818	284,848
Commodities	644,084	594,838
Equipment and permanent improvements	756,087	473,738
Telecommunications services	155,031	147,889
Operation of automotive equipment	46,629	47,139
Miscellaneous expenditures	-	50,648
Awards, grants and matching funds	774,585	864,960
Tuition and fee waivers	1,420,068	1,197,264
Debt services transfer	579,073	579,073
Other transfers	95,769	376,723
Total income fund expenditures	\$ 31,587,948	\$ 21,930,010

Note: This schedule has been prepared on the accrual basis of accounting.

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GOVERNORS STATE UNIVERSITY
FISCAL SCHEDULES AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 5

SCHEDULE OF CHANGES IN STATE PROPERTY

	Balance June 30, 2018	Additions	Deletions	Transfers	Balance June 30, 2019
Land	\$ 1,389,086	\$ -	\$ -	\$ -	\$ 1,389,086
Equipment *	20,785,640	829,507	3,523,332	-	18,091,815
Intangible assets	1,968,003	-	-	-	1,968,003
Artwork/Artifacts	431,323	-	-	-	431,323
Library collection	12,424,558	42,575	151,377	-	12,315,756
Site improvements	9,309,741	347,905	-	-	9,657,646
Buildings *	153,062,247	673,139	-	-	153,735,386
Construction in progress	-	1,560,926	-	-	1,560,926
	<u>199,370,598</u>	<u>3,454,052</u>	<u>3,674,709</u>	<u>-</u>	<u>199,149,941</u>

* Includes assets below the capitalization threshold used for financial reporting purposes. State property below the financial reporting capitalization threshold were not subjected to the audit procedures of the financial statement audit and no opinion is provided in relation to the State property below these thresholds included above.

Note: This summary schedule was prepared using University property control records required by the Illinois Administrative Code (Code). The capitalization policy in the Code is different than the capitalization policy established by the Office of the State Comptroller for financial reporting in accordance with generally accepted accounting principles. This schedule has been reconciled to property reports (C-15 Agency Report of State Property) submitted to the Office of the State Comptroller.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
FISCAL SCHEDULES AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019**

Schedule 6

SCHEDULE OF FEDERAL EXPENDITURES, NONFEDERAL EXPENSES AND NEW LOANS

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA schedule	\$ 52,696,470
Total new loans made not included on SEFA schedule	-
Amount of federal loan balance at beginning of the year (not included on the SEFA schedule and continued compliance is required)	-
Other noncash federal award expenditures (not included on SEFA schedule)	-
Total Schedule A	\$ 52,696,470

Schedule B - Total Financial Component

Total operating expenses (from Financial Statements)	\$ 94,469,863
Total nonoperating expenses (from Financial Statements)	1,864,755
Total new loans made	34,371,877
Amount of federal loan balances at beginning of year	3,214,431
Other noncash federal award expenditures	-
Total Schedule B	\$ 133,920,926

Schedule C

		<u>Percent</u>
Total Schedule A	\$ 52,696,470	39.3%
Total nonfederal expenses	81,224,456	60.7%
Total Schedule B	\$ 133,920,926	100.0%

Note: These schedules are used to determine the University's single audit costs in accordance with Uniform Guidance.

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GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019
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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM

Governors State University (University or GSU) was chartered in 1969 to provide affordable and accessible undergraduate and graduate education to its culturally and economically diverse life-long learners in the Chicago metropolitan area. It is governed by the Board of Trustees of the University created in January 1996 as a result of legislation to reorganize governance of State higher education institutions. As a comprehensive public university, the University provides liberal arts, science, and professional preparation at the undergraduate, master and doctoral levels.

Planning

Vision 2020 is the strategic plan of the University. Vision 2020 was formally adopted by the University Board of Trustees on February 27, 2015 and is designed to provide general direction for all University initiatives through the 2019-2020 academic year.

Vision 2020 articulates the mission and vision statements of the University as follows:

Mission Statement: Governors State University is committed to offering exceptional and accessible education that prepares students with the knowledge, skills and confidence to succeed in a global society.

Vision Statement: Governors State University will create an intellectually stimulating public square, serve as an economic catalyst for the region, and lead as a model of academic excellence, innovation, diversity and responsible citizenship.

The mission and vision statements are supported by six core values, specified as follows:

- (1) Invest in Student Success through a commitment to mentoring and a deliberate University focus on student achievement of academic, professional and personal goals.
- (2) Provide Opportunity and Access to a first-class public education to residents of our surrounding communities and all those traditionally underserved by higher education.
- (3) Serve as an Economic Catalyst for the citizens of the State of Illinois and our larger Midwest region, so that our communities grow and flourish.
- (4) Prepare Stewards of our Future to thrive in the global economy, to contribute to ongoing innovative research and to serve as stewards of the environment.
- (5) Demonstrate Inclusiveness and Diversity to encourage acceptance of wide-ranging perspectives among students, staff, faculty and members of the broader community.
- (6) Promote Quality of Life which encompasses civic, personal, professional and cultural growth.

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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (Continued)

Consistent with these values, the University actively pursues eight primary goals:

- (1) Academic Excellence: Provide distinctive academic programs that effectively prepare students to become leaders and productive citizens in the global community.
- (2) Student Success: Provide a seamless and supportive pathway from admission to graduation focused on personal and academic success to help ensure that students are career ready and positioned to be leaders and citizens in the community.
- (3) High Quality Faculty and Staff: Provide students access to a highly qualified, motivated, and diverse faculty and staff.
- (4) Enrollment Management: Develop and implement strategic initiatives with respect to recruitment, admission, retention, and graduation rates of undergraduate and graduate students at Governors State University.
- (5) Financial Growth and Resiliency: Diversify the University's revenue streams to ensure resources that are necessary for institutional growth and fiscal sustainability.
- (6) Visibility, Outreach and Economic Catalyst: Pursue initiatives that make the University a preferred destination in the region for cultural, social, economic, and continuing education pursuits; enhance collaboration between the University and its communities; position the University as a leader and partner in vibrant public dialogue; and increase the University's effectiveness as an economic catalyst in the region.
- (7) Social, Ethical and Environmental Responsibility: Build an institution that is socially, ethically, and environmentally responsible.
- (8) Continuous Process Improvement: Develop and sustain a climate of continuous improvement which is defined by evidence-based decision-making focused on enriching the student experience.

The University has developed a set of indicators to measure achievement of the goals specified in Strategy 2020. The University is in the process of revising the existing strategic plan and a new set of indicators will be developed once the revised strategic plan (Strategy 2025) is approved by the University's Board of Trustees.

Within the larger context set by Vision 2020, the annual budget process at the University operates under the general direction of the Planning and Budget Advisory Council (PBAC), a 22-member group composed of administrators, faculty, staff and students, and co-chaired by the Provost and the Vice President for Administration and Finance. The role of PBAC is to develop recommendations on all budgetary issues of University-wide scope and, after due deliberation, to forward those recommendations to the University President.

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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (Continued)

Every spring, PBAC operates the annual budget process. The group develops guidelines consistent with the goals of Vision 2020, and procedures and timelines in accordance with which every budget unit of the University develops its budget requests for the fiscal year to come. Public hearings are held at which each unit presents its request and is subject to questions and discussions from the members of the PBAC. Final recommendations are developed and forwarded to the President for her adoption. The President, in turn, forwards final recommendations on tuition and fees and on budgets to the Board of Trustees.

Given the difficult budgetary challenges and the uncertainties of stable State appropriations, Fiscal Year 2019 focused on a budget that reflected a net 2% reduction of personal services budget dollars after contractual increases were considered. General fund reallocations were considered for new programs and strategic initiatives that promote enrollment growth. University employees have a direct responsibility to align the allocation of resources to invest in priorities and initiatives that support the University's mission and allocate these resources to meet strategic goals. University employees with budgetary authority are expected to monitor revenues and expenses regularly. They are further expected to review budget versus actual reports to proactively assess budget performance and ensure that budgeted revenues are realized and spending is within budgetary authority.

The University strives to create opportunities for students to transform themselves and change the world. With the University's commitment to offer an exceptional and accessible education, the University prepares students with the knowledge, skills and confidence to succeed in a global society. In every college, the University has stellar programs and passionate professors, all focused on delivering academic excellence in a small-class setting. An example of our commitment to our mission is the campus-wide effort to support the Dual Degree Program (DDP). This program is a national model for university-community college partnerships, where students receive intensive advising while still at the community college (academic, financial, and social) and guaranteed admission to GSU with a locked-in tuition rate. In 2014, GSU's DDP was honored with the Student Success and College Completion Award by the American Association of State Colleges and Universities. That same year, the National Resource Center (NRC) for the First Year Experience and Students in Transition also recognized the DDP at GSU with an award during its annual conference. More recently, GSU was awarded the 2015 American Council on Education/Fidelity Investments Award for Institutional Transformation. As an institution that serves undergraduates that are primarily transfer-entry, GSU continues to focus on serving its community while becoming a national leader in this area.

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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (Continued)

The University relies heavily on State appropriations to fund operations with about half of overall revenue coming from State appropriations, including special funding situation and on behalf payments for pension and post-retirement benefits. Favorably, State funding has improved after two years of reduced payments, which led to stressed operating performance and a use of liquid reserves to fund operations. State funding prospects are improved, with stable funding in Fiscal Years 2018 and 2019 and the funding increased by 5% in Fiscal Year 2020. These payments materially improved the University's operating performance and significantly increased liquidity. As a result of the University's planned financial recovery process, including prioritized expense management, the University has recognized surplus results in Fiscal Years 2018 and 2019, significantly mitigating risks.

Similarly, after years of positive enrollment trends the University experienced three years of enrollment declines primarily driven by lack of State confidence and losses in graduate enrollment. Favorably, undergraduate enrollment has stabilized and increased moderately in Fall 2019. As a historically upper-division school, the University developed a strategic plan to facilitate baccalaureate degree completion for its nontraditional enrollment base and enrolled freshman beginning in the fall semester of 2014. The University management team, which has been relatively steady since 2007, has focused on increasing undergraduate enrollment by leveraging the strong demographics of high school graduates in the Chicago area through admissions and marketing activities and through active coordination with regional feeder community colleges. Recent efforts focused on undergraduate recruitment include the hiring of academic and recruitment advisers to serve at each of the local community colleges, the formalization of the dual-degree program with 17 surrounding community colleges, and expanded marketing efforts. To combat graduate enrollment pressures, expected to continue based on market indications, GSU has added focus with a Director of Graduate Admissions, support staff and international partnership efforts.

As represented in GSU's financial statements, the State of Illinois adopted complete operating budgets for Fiscal Years 2017-2020 providing the University with full funding for general operations. Fiscal Year 2018 operating appropriations totaled \$21.7 million, and the University also retroactively received state appropriation funds for Fiscal Year 2017, equal to \$11.3 million. The total \$33.0 million of state funds were recognized as revenue in Fiscal Year 2018 in accordance with governmental accounting standards; thus, audited operating results are inflated in Fiscal Year 2018. With a modest increase in appropriations and another full accrual, a surplus was realized for Fiscal Year 2019 increasing the University's net position by 15%. Net tuition revenue, the second largest revenue source, remains stable and the University projects flat net tuition revenues for Fiscal Year 2020 with relatively flat enrollment. Overall expenses declined by 4% in Fiscal Year 2018, driven by staffing reductions due to enrollment declines and volatile state funding. GSU's flexible staffing model enables the University to reduce expenses in moments of operating pressure. With improved State funding and stabilized enrollment, GSU has slowly filled currently vacant positions, with only modest expense growth. In Fiscal Year 2019, overall expenses decreased by 18% primarily due to the significant reduction of expenses recognized for

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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (Continued)

the University's proportionate share of the other postemployment benefits expense. GSU management is not currently planning for significant programmatic expansion at this time, which will further contain operating expense cost growth. The University has been able to continue with its various initiatives that were delayed during the budget impasse and maintain effective operations. GSU remains focused on continuing to build its liquidity through retaining cash flow, while making necessary strategic investments, to prepare for any future state funding impasses. Further information on the University's financial and enrollment highlights can be found on pages 7 through 16 of the Fiscal Year 2019 financial audit report.

Set amongst 750 acres of prairie, the University campus is located 40 miles south of Chicago, Illinois at the intersection of city neighborhoods, suburban villages, and rural towns.

In addition to the academic, administrative and student housing facilities, GSU is home of the Nathan Manilow Sculpture Park. A collection of 30 master works of large-scale sculpture situated within 100 acres of the prairie landscape and is open for public viewing 365 days a year, free of charge. The Park provides programs for adults and children that integrate art and nature and is complimented with our on-site Visual Arts Gallery. The sculpture park was founded and is maintained through grants and donations from businesses and individuals.

GSU is also home to the Center for Performing Arts (CPA). Each year, the CPA presents more than 50 performances offering diverse, high quality and affordable cultural and arts education experiences to more than 60,000 people. The CPA offers national touring acts, Chicago-based artists and community and academic theatre as well as contributes a vital role in achieving the University's academic mission within the College of Arts and Sciences.

Within the campus, the Family Development Center (FDC) provides university-quality programs for children and their parents. The FDC is an educational experience promoting lifelong learning with programs that model the best practices in Early Childhood Education and draw on the expertise of University faculty and staff in Early Childhood Education, Nursing, Communications Disorders (speech and hearing), Psychology and Counseling. University students in these programs at both the undergraduate and graduate levels are active participants in the FDC. The FDC has been nationally recognized for meeting the highest standards of early childhood education and has been awarded accreditation from the National Association for the Education of Young Children, the nation's leading professional organization working on behalf of young children.

GSU acknowledges its similarly aged infrastructure and buildings as well as the burden of critical deferred maintenance projects that have been postponed a number of years in the absence of a State capital bill. Additionally, funds set aside over years to address deferred maintenance were significantly diminished in order to fund University operations during the two-year budget impasse. The condition of the University's infrastructure and the potential damage to its academic buildings led to a decision to self-fund the University's deferred maintenance projects through issue of bonds or certificates of participation. At the same time, University administration

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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (Continued)

continued to request funds through the capital funding process that had proven unsuccessful for many years. At their March 2, 2018 meeting, the University Board of Trustees approved the administration's recommendation to move forward with a 10-year \$13.9 million debt instrument supported by a \$15 increase in the facilities fee to fund critical deferred maintenance projects. Chief among these projects was \$7.7 million for water-line replacement and \$4.9 million for re-roofing buildings throughout the campus. In September 2018, the State of Illinois released capital funds for a number of "Emergency Deferred Maintenance" projects, with GSU receiving the largest share of those capital funds designated for higher education, \$12.6 million of a total higher education capital fund amount of \$57.7 million. This has now freed up the \$13.9 million in debt funding for other deferred maintenance projects which will include a new cafeteria and dining experience; vehicular and pedestrian circulation renovations with pathway lighting for student and staff safety; water supply, fire suppression and washroom infrastructure upgrades; and FDC, Facilities Service Building and Information Technology Building mechanical equipment replacement and HVAC upgrades.

In June 2019, Public Act 101-0029 was signed into law providing initial funding for a six-year capital plan for Illinois. The capital allocations included \$3.5 million to renovate the Sherman Hall and the Sculpture-Ceramics area of the Building E-Wing, as well as \$29.2 million to support all other capital renewal and deferred maintenance for GSU. As with the earlier emergency capital funding, these projects and the funding supporting them are administered for the University by the Illinois Capital Development Board.

The University continues to pursue State supporting funding for a new building on the GSU University Park campus to develop a Center for Instruction and Innovation.

Additionally, GSU has proposed funding for a Library & Learning Commons blending the concept of a modern 21st century library and a vibrant academic support center. In this innovative academic hub, services would include the University Library, Academic Resource Center, Disability Services, Undergraduate Advising Center, TRIO Support Services, and the Writing Center.

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UNIVERSITY FUNCTIONS AND PLANNING PROGRAM (Continued)

The following are the University's selected service efforts and accomplishments:

	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Student headcount - Fall term (a)	5,776	5,938	5,819	5,185	4,857
Minority enrollment - Fall term (a)	3,069	2,948	2,937	2,845	2,731
Degrees awarded - Fiscal year (a)	1,496	1,678	1,688	1,559	1,347
Credit hours - Academic year (a)	120,768	124,235	119,937	111,351	104,952
Unduplicated headcount - Academic Year (a, c)	7,315	7,503	7,128	6,347	5,954

Annualized tuition and fees (b):

Undergraduate					
Resident (d)	\$ 7,562	\$ 8,174	\$ 8,884	\$ 9,412	\$ 9,772
Nonresident	\$ 13,682	\$ 14,918	\$ 15,412	\$ 16,924	\$ 17,284
Graduate					
Resident	\$ 6,170	\$ 6,932	\$ 7,882	\$ 8,254	\$ 8,068
Nonresident	\$ 11,192	\$ 12,458	\$ 13,408	\$ 14,608	\$ 14,422

- (a) Per data file extracted by the University's Institutional Research Office each term.
- (b) The calculation uses 12 and 9 credit hours per term for full-time status undergraduate and graduate students.
- (c) This represents cumulative students for the academic year without double counting students enrolled more than one.
- (d) Tuition rate used is the rate for new full-time undergraduate students.

University Head and Location

The President of the University is Dr. Elaine P. Maimon whose office is located at:

Governors State University
1 University Parkway
University Park, IL 60484

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ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSES

The Statement of Revenues, Expenses and Changes in Net Position is presented on page 18 of the financial audit report. Following are explanations for significant variances between expense accounts exceeding \$100,000 and 20%:

	2019	2018	Increase (Decrease)		Comments
			Amount	Percentage	
Instruction	\$ 43,663,583	\$ 55,578,257	\$ (11,914,674)	-21%	The decrease is mostly due to the significant reduction of expenses recognized for the University's proportionate share of other post-employment benefits expense.
Public service	\$ 4,571,619	\$ 6,358,324	\$ (1,786,705)	-28%	The decrease is mostly due to the significant reduction of expenses recognized for the University's proportionate share of other post-employment benefits expense.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUES

The Statement of Revenues, Expenses and Changes in Net Position is presented on page 18 of the financial audit report. Following are explanations for significant variances between revenue accounts exceeding \$100,000 and 20%:

	2019	2018	Increase (Decrease)		Comments
			Amount	Percentage	
Federal grants and contracts	\$ 4,564,544	\$ 3,818,130	\$ 746,414	20%	The increase is mostly due to a few grants that the University had in previous years which received increased funding amounts during Fiscal Year 2019.
State grants and contracts	\$ 1,253,873	\$ 2,074,356	\$ (820,483)	-40%	The decrease is mostly due to a large portion of the grant from the Illinois Department of Children and Family Services that ended in the previous fiscal year.
Other operating revenues	\$ 2,089,488	\$ 1,677,979	\$ 411,509	25%	The increase is mostly due to the increase in revenues received for a training program hosted by the Digital Learning Center, and the increases in revenues from the family development center operations.
State appropriation	\$ 22,089,100	\$ 32,961,100	\$ (10,872,000)	-33%	The decrease is due to timing of revenue recognition imposed by the Governmental Accounting Standards Board (GASB) Statement No. 33. \$11,305,100 of the Fiscal Year 2017 appropriation could not be recognized until Fiscal Year 2018. The Fiscal Year 2019 appropriation was about the same level as that of Fiscal Year 2018.
Payments made on behalf of the University	\$ 6,391,000	\$ 4,849,000	\$ 1,542,000	32%	The University's State funded health care for active employees increased from 55% of net benefits in Fiscal Year 2018 to 64% in Fiscal Year 2019.
Fringe benefits under special funding situation	\$ 17,246,234	\$ 33,963,302	\$ (16,717,068)	-49%	Fringe benefits under special funding situation decreased by \$16.7 million primarily due to the \$17.7 million decrease in the University's proportionate share of State funded other post-employment benefits for retirees, partially offset by the \$1.0 million increase in the University's proportionate share of State funded retirement benefits.
Investment income	\$ 1,315,779	\$ 452,910	\$ 862,869	191%	Investment income increased by \$0.9 million due to higher cash balances on hand from receipts and from the unspent proceeds of the newly issued Certificates of Participation, which were transferred to short-term investment accounts where higher interest was earned pending expenditure for deferred maintenance projects.
Capital appropriations and grants provided by State of Illinois	\$ 1,676,994	\$ 301,698	\$ 1,375,296	456%	The increase was due to the various Capital Development Board funded projects (roofing, campus roadway and sidewalk improvement, and piping project).

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ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING

The University did not have any lapse period expenditures which exceeded 20% of the expenditures for the appropriation line item.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Cash and Cash Equivalents

Cash and cash equivalents as presented on the Statement of Net Position consist of the following:

	<u>2019</u>	<u>2018</u>
Deposit Types:		
Cash	\$ 10,755,925	\$ 7,316,787
Illinois Funds	44,149,688	43,752,128
	<u>\$ 54,905,613</u>	<u>\$ 51,068,915</u>
Depositories used:		
First Midwest Bank	\$ 10,747,900	\$ 7,308,762
Illinois Funds	44,149,688	43,752,128
Cash on hand	8,025	8,025
	<u>\$ 54,905,613</u>	<u>\$ 51,068,915</u>

Cash and cash equivalents increased by \$3.8 million (from \$51.1 million in Fiscal Year 2018 to \$54.9 million in Fiscal Year 2019) due to the overall increase in net position and timing of vendor payments.

Cash and Cash Equivalents, Restricted

Cash and cash equivalents, restricted as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Deposit Type:		
Money market	\$ 1,091,510	\$ 28
	<u>\$ 1,091,510</u>	<u>\$ 28</u>
Depositories used:		
Amalgamated Bank	\$ 1,091,510	\$ 28
	<u>\$ 1,091,510</u>	<u>\$ 28</u>

The University issued Certificates of Participation, Series 2018 during Fiscal Year 2019. Essentially all of the balance in cash and cash equivalents, restricted as of June 30, 2019 were unspent proceeds from the debt issuance, which were invested by the University in money market funds pending expenditure for the University's deferred maintenance projects.

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**ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF
RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION**

Investments, Restricted

Investments, restricted as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Deposit Type:		
U.S. Agency Securities	\$ 12,996,972	\$ -
	<u>\$ 12,996,972</u>	<u>\$ -</u>
Depositories used:		
Amalgamated Bank	\$ 12,996,972	\$ -
	<u>\$ 12,996,972</u>	<u>\$ -</u>

The University issued Certificates of Participation, Series 2018 during Fiscal Year 2019. The balance in investments, restricted as of June 30, 2019 includes the portion of unspent proceeds from the debt issuance, which were invested by the University in fixed income assets pending expenditure for the University's deferred maintenance projects.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Due From Component Unit

Due from component unit as presented on the Statement of Net Position is as follows:

	<u>2019</u>	<u>2018</u>
Due from component unit	\$ 365,940	\$ 38,764
	<u>\$ 365,940</u>	<u>\$ 38,764</u>

The University's component unit is the Governors State University Foundation. The \$0.3 million increase in the amount due from component unit was mainly due to the timing of settlement of due to/from accounts and a change in the Foundation's receipt process.

Prepaid Debt Service Insurance

Prepaid debt service insurance as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Prepaid debt service insurance - current	\$ 72,164	\$ 16,132
Prepaid debt service insurance - noncurrent	587,018	68,310
	<u>\$ 659,182</u>	<u>\$ 84,442</u>

Debt service insurance costs associated with the University's revenue bonds and certificates of participation are being amortized on a straight-line basis over the life of the related debts. The \$0.6 million increase in prepaid debt service insurance was due to the debt service insurance premiums paid by the University as part of its issuance of the Certificates of Participation, Series 2018 during Fiscal Year 2019.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Capital Assets

The University's capital assets as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Land	\$ 1,389,086	\$ 1,389,086
Construction in progress	1,768,974	-
Artwork/Artifacts	431,323	431,323
Site improvements	9,657,646	9,309,741
Buildings and buildings improvements	153,811,563	153,138,425
Intangible assets	1,968,003	1,968,003
Equipment	12,462,132	12,307,336
Library collection	12,315,756	12,424,558
Gross capital assets	<u>193,804,483</u>	<u>190,968,472</u>
Accumulated depreciation	<u>(84,140,796)</u>	<u>(79,654,399)</u>
Net capital assets	<u>\$ 109,663,687</u>	<u>\$ 111,314,073</u>

Net capital assets decreased by \$1.6 million due to recognition of \$4.7 million of depreciation expense in Fiscal Year 2019, partially offset by the \$3.1 million net increase in capital assets due to the costs incurred in connection with the various deferred maintenance projects and acquisitions of equipment and library collections.

Deferred Outflows of Resources

The University's deferred outflows of resources as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Pension contributions after measurement date	\$ 107,989	\$ 114,935
Deferred outflows from other postemployment benefits	191,362	311,942
	<u>\$ 299,351</u>	<u>\$ 426,877</u>

The University recognizes deferred outflows of resources related to pensions and other postemployment benefits (OPEB) in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Measurement Date*, and GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The \$0.1 million decrease was mostly attributable to the decrease in the deferred outflows of resources related to OPEB as the percentage of contributions after the measurement date related to retirees decreased 9% in Fiscal Year 2019.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities

The University's liabilities as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Accounts payable	\$ 7,325,292	\$ 6,646,356
Agency funds payable	255,933	270,055
Accrued compensated absences	3,222,039	3,115,672
Unearned revenue	2,841,900	2,769,982
Refundable grants	2,978,941	3,392,582
Revenue bonds payable	23,144,654	24,040,507
Notes payable	48,106	613,818
Certificates of participation	22,373,435	9,829,883
Intangible asset payable	63,810	135,054
Other postemployment benefits	11,065,737	32,439,229
	<u>\$ 73,319,847</u>	<u>\$ 83,253,138</u>

Total liabilities decreased by \$9.9 million mostly due to the 3.6 million in principal payments made on existing debts, the \$0.4 million decrease in refundable grants which were returned to the grantor, and the \$21.3 million decrease in the University's allocated share of the State's OPEB liability as of June 30, 2019. These decreases were partially offset by the \$14.8 million (in principal and issue premium) of University Capital Improvement Project Certificates of Participation, Series 2018, issued by the University during Fiscal Year 2019, and the \$0.7 million increase in accounts payable primarily due to timing of vendor payments.

Deferred Inflows of Resources

The University's deferred inflows of resources as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Deferred inflows from other postemployment benefits	\$ 23,570,849	\$ 7,910,219
	<u>\$ 23,570,849</u>	<u>\$ 7,910,219</u>

The University recognizes deferred inflows of resources related to OPEB in accordance with GASB Statement No. 75. During Fiscal Year 2019, these deferred inflows of resources resulted from differences between expected and actual experience, changes in actuarial assumptions and changes in the proportion of contributions used as the basis for allocating the State's OPEB liability and related amounts, which are then amortized to smooth the effect of these changes over several years. Deferred inflows of resources increased by \$15.7 million mostly due to the increase in the changes in proportion allocated to the University.

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ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Net Position

The University's net position as presented on the Statement of Net Position consisted of the following:

	2019	2018
Net investment in capital assets	\$ 78,080,006	\$ 76,694,811
Restricted, Expendable - Loans	754,877	665,723
Restricted, Expendable - Debt Service	25	28
Restricted, Expendable - Other	88,597	177,925
Unrestricted	14,492,556	3,643,509
	\$ 93,416,061	\$ 81,181,996

The University's total net position increased by \$12.2 million (from \$81.2 million in Fiscal Year 2018 to \$93.4 million in Fiscal Year 2019) mostly due to the 1.4 million increase in net investment in capital assets due to the costs incurred in connection with the various deferred maintenance projects, acquisitions of equipment and library collections, and the payoff of \$3.6 million of capital asset acquisition debts; and \$10.8 million increase in unrestricted net position mostly due to the decrease in the University's allocated share of the State's OPEB liability as of June 30, 2019.

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ANALYSIS OF RECEIVABLES

The University's receivables as presented on the Statement of Net Position consisted of the following:

	<u>2019</u>	<u>2018</u>
Accounts receivable, net of allowance for uncollectible accounts of \$6,130,000 in 2019 and \$6,060,000 in 2018	\$ 3,879,648	\$ 3,952,134
Due from Capital Development Board	1,468,947	-
Grants receivable	2,245,051	2,341,217
State appropriation receivable	20,131	179,841
Student loans, net of allowance for uncollectible loans of \$563,500 in 2019 and \$700,000 in 2018	<u>2,363,608</u>	<u>2,674,334</u>
Total receivables	<u>\$ 9,977,385</u>	<u>\$ 9,147,526</u>

A significant portion of the increase is due to a \$1.5 million receivable from the Capital Development Board for a CDB funded roofing project that is being managed by the University.

An aging of accounts, grants, student loans, and State appropriation receivable is as follows:

	<u>2019</u>	<u>2018</u>
Not in repayment	\$ 718,600	\$ 1,237,471
Current	7,108,627	6,185,416
Up to 120 days past due	950,127	2,039,464
From 121 to 365 days past due	1,028,813	1,487,998
More than 365 days past due	6,864,718	4,957,177
Allowance for doubtful accounts	<u>(6,693,500)</u>	<u>(6,760,000)</u>
Net accounts, grants, and student loans receivable	<u>\$ 9,977,385</u>	<u>\$ 9,147,526</u>

Non-student receivables are not aged and have been presented above as current.

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AVERAGE NUMBER OF EMPLOYEES

The following summarizes the full-time equivalent employees by funding source as reported on the University's RAMP report (table 5) to the Illinois Board of Education.

	<u>2019</u>	<u>2018</u>
Full-time equivalent employees funded by State appropriated funds:		
Faculty	311.4	305.2
Administrative	72.0	79.0
Civil service	156.9	167.2
Other professionals	113.8	78.7
Graduate assistants	25.7	26.0
Students	27.6	28.6
Total	<u>707.4</u>	<u>684.7</u>
Full-time equivalent employees funded by nonappropriated funds:		
Faculty	7.9	5.8
Administrative	28.4	17.8
Civil service	57.5	74.5
Other professionals	95.3	79.3
Graduate assistants	3.7	1.6
Students	102.6	92.5
Total	<u>295.4</u>	<u>271.5</u>

Note: Staff years are calculated in accordance with the guidelines established by the Illinois Board of Higher Education for the Historical RAMP report, table 5. A staff-year employee represents one person working full-time for a year.

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STUDENT STATISTICS

Enrollment Statistics

	Academic Year 2018-2019		
	Fall	Spring	Summer
Headcount:			
Undergraduate	3,262	3,058	1,393
Graduate	1,595	1,533	1,028
Total	4,857	4,591	2,421
Full-time equivalent:			
Undergraduate	2,332	2,144	559
Graduate	988	935	529
Total	3,320	3,079	1,088

Student Cost Statistics

	2019	2018
Annual full-time equivalent students:		
Undergraduate	2,518	2,604
Graduate	1,226	1,385
Total	3,744	3,989
Total instructional costs per IBHE Cost Study Report**	\$ 28,217,343	\$ 27,470,700
Annual full-time equivalent students	3,744	3,989
Cost per full-time equivalent student	\$ 7,537	\$ 6,887

* Annual full-time equivalent students are calculated in accordance with the guidelines established by the Illinois Board of Higher Education (IBHE), which is determined by dividing the total credit hours generated in the fiscal year by 30 hours for undergraduate students and 24 hours for graduate students.

** Reflects preliminary University calculations based on IBHE reporting standards. Data submitted to IBHE via the historical Ramp is used to report to the Governor and General Assembly each public Illinois university's revenues and expenditures.

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EMERGENCY PURCHASES

The University had an immediate need for legal services to prevent disruption of University services related to legal matters.

Obligation Number: Emergency Award Number 040819
Vendor: Burke, Burns & Pinelli Ltd.
Estimated Amount: \$797,998 as of November 19, 2019
Actual Amount: Ongoing

UNIVERSITY BOOKSTORE INFORMATION

The University has a contractual arrangement for bookstore operations on campus. The University's current contract is for the period September 1, 2017 through August 31, 2020. The contract with the bookstore requires commissions to be paid to the University based on the following terms for the fiscal year September 1 to August 31:

1. 10.0% of all gross revenue up to \$1,000,000; plus
2. 11.0% of any part of gross revenue over \$1,000,000 but less than \$1,500,000; plus
3. 12.0% of any part of gross revenue over \$1,500,000.

During the University's fiscal year July 1, 2018 to June 30, 2019, the bookstore had gross sales of \$991,187, the University earned commissions of \$82,953 (\$829,529 @ 10% commission), and the University spent a total of \$161,658 commission exempt at the bookstore. The contract with the bookstore gives the contractor exclusive rights to sell books on campus, and there are no other "on-campus" or nearby bookstores.

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MEMORANDUM OF UNDERSTANDING

The University entered into an Interagency Agreement (agreement) with the Capital Development Board (CDB) in February 2019 that expires on June 30, 2020. The agreement may be extended by written agreement between the University and CDB.

The agreement states the following:

- The General Assembly has appropriated funds to CDB for miscellaneous capital improvements at various higher education institutions.
- The Illinois Board of Higher Education identified a project at the University involving the replacement of the roof on wings C and E (project) of the main building to be funded by a CDB appropriation.
- Given the urgent need for repairs, the University designed and bid the project following the Illinois Procurement Code and other applicable laws prior the receipt of funding from CDB.
- The University shall manage the construction of the project and CDB shall reimburse the University up to \$1,980,060 upon final acceptance of the project.

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SCHEDULE OF DEGREES AWARDED

The following schedule presents the number of degrees awarded by the University for the fiscal years indicated:

<u>Fiscal Year</u>	<u>Number of Degrees Awarded</u>		
	<u>Graduate</u>	<u>Undergraduate</u>	<u>Total</u>
2019	527	820	1,347
2018	663	896	1,559
2017	788	900	1,688
2016	716	962	1,678
2015	591	905	1,496
2014	645	976	1,621
2013	696	938	1,634
2012	743	958	1,701
2011	909	923	1,832
2010	862	856	1,718
2009	1,001	767	1,768
2008	1,033	878	1,911

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SUMMARY OF INDIRECT COST REIMBURSEMENT FUNDS

The University receives indirect and administrative cost reimbursements for administration of grants and contracts, federally assisted financial aid programs, Veterans Affairs programs and other related activities. These funds are recorded in Other Unrestricted Funds and are expended for directly identifiable charges associated with such programs.

The administrative personal services expenditures are for selected University employees working in the functions generating the related revenues. The contractual services expenditures include audit charges to federally assisted programs. The remaining charges are for other expenditures related to the respective programs.

Balances remaining at June 30, 2019 are used to meet budgeted operational costs in Fiscal Year 2020. The following is an analysis of the sources and applications of indirect and administrative cost reimbursements recorded in the current fund for the year ended June 30, 2019:

	Indirect Costs	Administrative Overhead	Total
Balance at June 30, 2018	\$ 1,755,045	\$ 86,451	\$ 1,841,496
Reclassification	131,395	-	131,395
Balance at June 30, 2018, as restated	<u>1,886,440</u>	<u>86,451</u>	<u>1,972,891</u>
Add: Sources			
Recovered from grants and contracts	337,400	-	337,400
Financial aid program reimbursements	-	38,824	38,824
Total sources	<u>337,400</u>	<u>38,824</u>	<u>376,224</u>
Less: Applications			
Personal services	25,125	36,106	61,231
Contractual services	175,508	275	175,783
Commodities	11,816	3,629	15,445
Others	24,393	995	25,388
Total applications	<u>236,842</u>	<u>41,005</u>	<u>277,847</u>
Balance at June 30, 2019	<u>\$ 1,986,998</u>	<u>\$ 84,270</u>	<u>\$ 2,071,268</u>

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SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES

University Reporting in Accordance with University Guidelines

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled "Matters Regarding University Audits" (Memorandum), certain supplemental data is required to be reported for University audits. The information 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, 2018, where such special data is found.

Compliance Findings

13(a) For the year ended June 30, 2019, no findings of noncompliance with University Guidelines were noted.

Indirect Cost Reimbursements

13(b) Refer to page 75 of this report for an analysis of the sources and applications of indirect cost reimbursements for the year ended June 30, 2019.

13(c) Refer to page 80 of this report for the calculation sheet for indirect cost carry-forward. There were no excess funds required to be deposited into the Income Fund after the end of the lapse period.

Tuition Charges and Fees

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

Auxiliary Enterprises, Activities and Accounting Entities

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

- University Facilities System Revenue Bonds includes all operations of the Student Center, University Bookstore, University Parking Facilities, University Housing, and University Food Service and Vending Facilities.
 - Student Center is the focal point of student activity programs on campus and includes student activities and recreation facilities. Student Center revenue is derived from fees charged to students.
 - Bookstore operations provide texts and supplies to students. The bookstore is managed under contract by a third party whereby the University receives commission revenue from operations.

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- Parking provides operation and maintenance of University parking facilities. Revenues are generated from user fees.
 - Housing provides living quarters for students on campus. Revenues are generated from residence fees.
 - Food service and vending provide meals and catering services under contract to the University community. Commission revenue is received by the University.
 - Center for Performing Arts provides cultural entertainment to the University community. Revenues are generated from ticket sales.
 - Educational and Student Life Activities represent credit and noncredit conferences, workshops and seminars, and organized student activities. Revenues are generated from course fees charged to participants and from student activity fees.
 - Service Departments provide products or services to University departments. Revenues are generated from chargebacks to user departments.
 - Indirect and Administrative Cost accounts receive the “overhead” portion of grant and contract expense incurred. Revenues are generated from charges to sponsors as well as royalties received on special projects.
- 13(f) Refer to pages 82 through 86 of this report for the financial statements of each accounting entity.
- 13(g) Calculations of current excess funds for each entity are presented on page 81 of this report. There were no excess funds required to be deposited into the Income Fund.
- 13(h) The following is a schedule of indirect subsidies to Auxiliary Enterprises and Activities for the year ended June 30, 2019:

Auxiliary Enterprises:	
University Facilities System Revenue Bonds	\$ 863,549
Center for Performing Arts	142,604
	<u>\$ 1,006,153</u>
Activities:	
Educational and Student Life Activities	\$ 917,307
University Service Departments	87,213
	<u>\$ 1,004,520</u>

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Indirect subsidies represent support received by Auxiliary Enterprises and Activities from State appropriated funds for retirement and group insurance benefits. There were no direct subsidies to Auxiliary Enterprises and Activities from appropriated funds during the year ended June 30, 2019.

- 13(i) A Statement of Revenues, Expenses and Changes in Net Position for the bond indenture required accounts is presented on page 64 of the financial audit report.
- 13(j) The revenue bond fund accounting conforms to the terms of the bond issue, including all covenants thereto.
- 13(k) As of June 30, 2019, no non-instructional facilities reserves have been established by the University.

University Related Organizations

- 13(l) The University recognizes the Governors State University Foundation (Foundation) as a University Related Organization. There are no organizations considered by the University to be “Independent Organizations” as defined in Section VII of the *University Guidelines*.
- 13(m) The Foundation does not pay the University for services provided. Compensation is in the form of University support. See page 87 of this report for details related to services and support provided.
- 13(n) The University does not pay the Foundation for services provided. Compensation is in the form of services and facilities provided. See footnote 10 on page 56 of the financial audit report for details related to services and support provided.
- 13(o) As of June 30, 2019, there are no unreimbursed subsidies to the Foundation from the University or appropriated funds.
- 13(p) There is no debt financing provided by the Foundation.

Other Topics

- 13(q) Schedules of cash and cash equivalents (short-term investments) for the year ended June 30, 2019 are presented in the Analysis of Significant Variations in Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position section of this report on pages 63 and 64, and in footnotes 3 and 4 on pages 31 through 35 of the financial audit report.

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SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES (Continued)

- 13(r) Income from the investment of pooled funds is credited to the University's Income Fund. Income from the investment of non-pooled funds is credited to the fund making the investment.
- 13(s) Student cost statistics are presented on page 71 of this report.
- 13(t) Neither the University nor the Foundation has purchased any real estate during the year ended June 30, 2019.
- 13(u) On August 30, 2018, the University issued \$13,550,000 of University Capital Improvement Project Certificates of Participation. See footnote 8 on page 55 of the Governors State University Financial Audit Report. The Foundation did not issue any certificates of participation during the year ended June 30, 2019.

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**SCHEDULE OF INDIRECT COST FUNDS TO BE DEPOSITED INTO THE
UNIVERSITY INCOME FUND AS REQUIRED BY 1982 UNIVERSITY
GUIDELINES (AMENDED 1997)**

Cash and cash equivalents balance:	
Cash and cash equivalents	<u>\$ 2,171,714</u>
Actual cash carried forward	<u>2,171,714</u>
Less: Allowable carry-forward per formula:	
Allocated reimbursements: 30% of total indirect cost reimbursements allocated for expenditure for the fiscal year completed (\$6,920,053 x 30%)	2,076,016
Unallocated reimbursements: Lesser of actual unallocated indirect cost reimbursements for the fiscal year completed or 10% of total indirect cost allocations for the fiscal year completed	-
Current liabilities paid in lapse period	<u>100,446</u>
Maximum allowable carry-forward	<u>2,176,462</u>
Excess cash and cash equivalents to be deposited into the University Income Fund	<u><u>\$ -</u></u>

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**SCHEDULE OF EXCESS FUNDS CALCULATION BY ENTITY AS REQUIRED
BY 1982 UNIVERSITY GUIDELINES (AMENDED 1997)**

	<u>Auxiliary Enterprises</u>		<u>Activities</u>	
	<u>University Facilities System Revenue Bonds</u>	<u>Center for Performing Arts</u>	<u>Educational and Student Life Activities</u>	<u>University Service Departments</u>
Current available funds:				
Cash and cash equivalents	A \$ 64,944	\$ -	\$ 8,368,038	\$ 4,838
Working capital allowance:				
Highest month's expenditures	2,082,714	93,229	2,669,126	113,045
Current liabilities paid during lapse period	536,115	55,242	219,170	48,124
Unearned revenue	213,229	-	362,051	-
Working capital allowance	B <u>2,832,058</u>	<u>148,471</u>	<u>3,250,347</u>	<u>161,169</u>
Current excess funds (margin of compliance):				
Deduct B from A	<u>\$ (2,767,114)</u>	<u>\$ (148,471)</u>	<u>\$ 5,117,691</u>	<u>\$ (156,331)</u>
Calculation of net excess funds for remittance:				
Indentured capital reserves:				
Unspent project proceeds included in cash above			\$ -	
Funds reserved for debt retirement			-	
Nonindentured capital reserves:				
5% of the replacement cost of buildings and improvements			5,825,127	
10% of the historical cost of parking lots			-	
20% of the historical cost of equipment			-	
Total allowable capital reserves			<u>\$ 5,825,127</u>	
Net excess funds			<u>\$ (707,436)</u>	

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
AS OF JUNE 30, 2019
(UNAUDITED)**

BALANCE SHEETS - AUXILIARY ENTERPRISES AND ACTIVITIES ENTITIES

	Auxiliary Enterprises		Activities			Total Auxiliary Enterprises and Activities
	University Facilities System Revenue Bonds	Center for Performing Arts	Educational and Student Life Activities	University Service Departments	Administrative Overhead/ Indirect Costs	
Assets						
Cash and cash equivalents	\$ 64,944	\$ -	\$ 8,368,038	\$ 4,838	\$ 2,171,714	\$ 10,609,534
Accounts receivable, net	178,415	99,731	301,809	-	-	579,955
Inventories	-	-	-	60,793	-	60,793
Prepaid debt service insurance	7,990	-	-	-	-	7,990
Buildings and improvements, net	4,445,384	5,155,892	24,720,802	78,944	-	34,401,022
Housing, net	18,831,244	-	-	-	-	18,831,244
Parking lots, net	2,180,523	-	-	-	-	2,180,523
Equipment, net	137,019	50,605	-	238,059	-	425,683
Total assets	25,845,519	5,306,228	33,390,649	382,634	2,171,714	67,096,744
Liabilities						
Accounts payable	536,115	55,242	219,170	48,124	100,446	959,097
Revenue bonds payable	23,144,654	-	-	-	-	23,144,654
Unearned revenue	213,229	-	362,051	-	-	575,280
Total liabilities	23,893,998	55,242	581,221	48,124	100,446	24,679,031
Fund balances						
Other unrestricted funds	(497,995)	44,489	8,088,626	17,507	2,071,268	9,723,895
Net investment in capital assets	2,449,516	5,206,497	24,720,802	317,003	-	32,693,818
Total fund balances	1,951,521	5,250,986	32,809,428	334,510	2,071,268	42,417,713
Total liabilities and fund balances	\$ 25,845,519	\$ 5,306,228	\$ 33,390,649	\$ 382,634	\$ 2,171,714	\$ 67,096,744

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
AUXILIARY ENTERPRISES AND ACTIVITIES ENTITIES**

	Auxiliary Enterprises	
	University Facilities System Revenue Bonds	Center for Performing Arts *
	\$	\$
Revenues	5,136,493	679,390
Expenditures		
Personal services	1,731,873	285,997
Contractual services	1,987,791	290,663
Commodities	232,055	42,800
Equipment	151,472	10,625
Other	1,182,834	4,816
Total expenditures	5,286,025	634,901
Excess of revenues over expenditures	(149,532)	44,489
Fund balance (deficit), beginning of year	2,101,053	-
Fund balance (deficit), end of year	\$ 1,951,521	\$ 44,489

* This Schedule only presents "Other Unrestricted Funds" for the Center for Performing Arts.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
AUXILIARY ENTERPRISES AND ACTIVITIES ENTITIES**

	Educational and Student Life Activities *							Total
	Educational Program	Student Activities	Academic Enhancement	Media	Farm	Telecomm	Others	
Revenues	\$ 1,097,994	\$ 1,094,424	\$ 4,661,048	\$ 553,808	\$ 50,108	\$ 83	\$ 1,296,010	\$ 8,753,475
Expenditures								
Personal services	1,147,283	270,808	-	322,441	-	-	99,153	1,839,685
Contractual services	333,514	518,449	477,768	46,222	2,300	-	624,113	2,002,366
Commodities	67,348	41,794	35,002	5,515	-	-	25,737	175,396
Equipment	2,029	978	699,254	7,699	-	-	22,355	732,315
Others	124,240	76,886	829,812	4,411	29,542	-	68,781	1,133,672
Total expenditures	1,674,414	908,915	2,041,836	386,288	31,842	-	840,139	5,883,434
Transfers								
Transfer out	-	(7,041)	(3,148,334)	-	-	-	(8,443)	(3,163,818)
Total transfers, net	-	(7,041)	(3,148,334)	-	-	-	(8,443)	(3,163,818)
Total expenditures and transfers	1,674,414	915,956	5,190,170	386,288	31,842	-	848,582	9,047,252
Excess (deficiency) of revenues over (under) expenditures and transfers	(576,420)	178,468	(529,122)	167,520	18,266	83	447,428	(293,777)
Fund balance, beginning of year, as previously reported	1,028,406	914,371	5,728,808	173,721	627,339	21,232	2,508,111	11,001,988
Allocation of excess cash transfer ***	(229,390)	(203,954)	(1,277,833)	(38,749)	(139,930)	(4,736)	(559,444)	(2,454,036)
Reclassification **	-	(174,572)	9,023	-	-	-	-	(165,549)
Fund balance, beginning of year, as restated	799,016	535,845	4,459,998	134,972	487,409	16,496	1,948,667	8,382,403
Fund balance (deficit), end of year	\$ 222,596	\$ 714,313	\$ 3,930,876	\$ 302,492	\$ 505,675	\$ 16,579	\$ 2,396,095	8,088,626

* This Schedule only presents "Other Unrestricted Funds" for the Educational and Student Life Activities.

** Beginning of the year fund balances have been reclassified to agree to the University's accounting records. The University has reviewed and restructured some accounts.

*** Excess cash transfer related to Fiscal Year 2017. The University did not allocate it to specific activities within the Educational and Student Life Activities until Fiscal Year 2019.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
AUXILIARY ENTERPRISES AND ACTIVITIES ENTITIES**

	University Service Departments *			Total
	Business Services	Motor Pool	Mail Service	
Revenues	\$ 540,079	\$ 48,011	\$ 94,790	\$ 682,880
Expenditures				
Personal services	158,669	-	16,240	174,909
Contractual services	64,253	-	77,218	141,471
Commodities	290,887	-	1,332	292,219
Equipment	224	-	-	224
Others	3,064	48,011	-	51,075
Total expenditures	517,097	48,011	94,790	659,898
Excess (deficiency) of revenues over (under) expenditures and transfers	22,982	-	-	22,982
Fund balance (deficit), beginning of year	(5,475)	-	-	(5,475)
Fund balance (deficit), end of year	\$ 17,507	\$ -	\$ -	\$ 17,507

* This Schedule only presents "Other Unrestricted Funds" for the University Service Departments Activities.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
AUXILIARY ENTERPRISES AND ACTIVITIES ENTITIES**

	<u>Administrative Overhead/Indirect Costs *</u>				<u>Total</u>
	<u>Grants and Contracts</u>	<u>Financial Services **</u>	<u>Financial Aid and Veterans Affairs</u>	<u>Other Activities</u>	
Revenues	\$ 326,996	\$ 17,585	\$ 21,239	\$ 10,404	\$ 376,224
Expenditures					
Personal services	25,125	20,771	15,335	-	61,231
Contractual services	171,805	-	275	3,703	175,783
Commodities	11,816	-	3,629	-	15,445
Others	15,731	-	995	8,662	25,388
Total expenditures	<u>224,477</u>	<u>20,771</u>	<u>20,234</u>	<u>12,365</u>	<u>277,847</u>
Excess (deficiency) of revenues over (under) expenditures	<u>102,519</u>	<u>(3,186)</u>	<u>1,005</u>	<u>(1,961)</u>	<u>98,377</u>
Fund balance (deficit), beginning of year	968,598	39,226	47,225	786,447	1,841,496
Reclassification ***	<u>131,395</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,395</u>
Fund balance (deficit), beginning of year , as restated	<u>1,099,993</u>	<u>39,226</u>	<u>47,225</u>	<u>786,447</u>	<u>1,972,891</u>
Fund balance (deficit), end of year	<u>\$ 1,202,512</u>	<u>\$ 36,040</u>	<u>\$ 48,230</u>	<u>\$ 784,486</u>	<u>\$ 2,071,268</u>

* This Schedule only presents "Other Unrestricted Funds" for the Administrative Overhead/Indirect Costs Activities.

** Formerly called Business Office

*** Beginning of the year fund balances have been reclassified to agree to the University's accounting records. The University has reviewed and restructured some accounts.

**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Summary of Foundation Cash Support to the University

During Fiscal Year 2019, the University engaged the Foundation, under contract, to provide fundraising services. As provided in the contract agreement, the University provided \$308,481 of services to the Foundation equal to the cost of the services the Foundation provided the University for the fiscal year ended June 30, 2019. In addition, the Foundation supported the University with funds considered to be unrestricted for purposes of the University Guidelines computations and other non-qualifying restricted funds.

Presented below is a summary of cash support provided to the University by the Foundation for the fiscal year ended June 30, 2019.

Funds considered unrestricted for purposes of the University Guidelines computations:

Restricted only as to campus, college or department and generally available for on-going University operations:		
- Given to a particular college	\$	2,286
- Given to a particular department		<u>250,175</u>
Total funds considered unrestricted		<u>252,461</u>

Funds considered restricted for purposes of the University Guidelines computations:

Given for Center for Performing Arts		391
Given for scholarships		<u>272,971</u>
Total funds considered restricted		<u>273,362</u>

Total funds provided to the University by the Foundation	\$	<u><u>525,823</u></u>
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**STATE OF ILLINOIS
GOVERNORS STATE UNIVERSITY
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2019
(UNAUDITED)**

Schedule of Tuition and Fee Waivers

	Undergraduate				Graduate			
	Tuition Waivers		Fee Waivers		Tuition Waivers		Fee Waivers	
	Number of Recipients	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)
<u>Mandatory Waivers</u>								
Teacher Special Education	-	\$ -	-	\$ -	9	\$ 57.0	9	\$ 14.4
DCFS	2	5.4	2	1.3	-	-	-	-
Children of Employees	26	79.6	-	-	-	-	-	-
Senior Citizens	12	42.5	-	-	9	31.8	-	-
Veterans Grants & Scholarships	108	432.2	108	108.0	57	226.2	57	56.5
Subtotal	148	559.7	110	109.3	75	315.0	66	70.9
<u>Discretionary Waivers</u>								
Faculty/Administrators	6	18.4	6	4.6	25	78.7	25	19.6
Civil Service	9	26.7	9	6.7	11	28.5	11	7.2
Academic/Other Talent	149	312.4	149	78.1	3	5.3	3	1.4
Athletics	55	162.3	55	40.4	1	3.0	1	0.7
Gender Equity in Intercollegiate Athletics	9	78.7	9	19.7	-	-	-	-
Cooperating Professionals	-	-	-	-	2	3.9	2	0.9
Research Assistants	-	-	-	-	5	20.5	5	5.1
Teaching Assistants	-	-	-	-	22	95.7	22	23.9
Other Assistants	-	-	-	-	50	293.6	50	73.5
Interinstitutional	33	93.3	33	23.3	41	149.6	41	37.5
Subtotal	261	691.8	261	172.8	160	678.8	160	169.8
Total	409	\$ 1,251.5	371	\$ 282.1	235	\$ 993.8	226	\$ 240.7