

**STATE OF ILLINOIS  
WESTERN ILLINOIS UNIVERSITY**

**COMPLIANCE EXAMINATION  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
FOR THE YEAR ENDED JUNE 30, 2014**

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

**State of Illinois  
Western Illinois University  
Compliance Examination  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
For the Year Ended June 30, 2014**

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**Financial Statement Report:**

The University’s financial statement report for the year ended June 30, 2014, which includes the Independent Auditor’s Report, Management Discussion and Analysis, Basic Financial Statements and Notes to the Basic Financial Statements, and the 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* has been issued separately.

**State of Illinois**  
**Western Illinois University**  
**Compliance Examination**  
**(In Accordance with the Single Audit Act and OMB Circular A-133)**  
**For the Year Ended June 30, 2014**

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**Related Report Published Under a Separate Cover**

Western Illinois University Financial Audit for the Year Ended June 30, 2014

**State of Illinois  
Western Illinois University  
Compliance Examination  
For the Year Ended June 30, 2014**

**University Officials**

President	Dr. Jack Thomas
Provost and Academic Vice President	Dr. Kenneth Hawkinson
Vice President for Student Services	Dr. Gary Biller
Vice President for Administrative Services	Ms. Julie DeWees
Vice President for Advancement and Public Services	Mr. Brad Bainter
Vice President for Quad Cities and Planning	Dr. Joseph Rives
Director of Business and Financial Services	Mr. Matthew Bierman, Interim (09/01/14 to Present) Vacant (09/07/13 to 08/31/14) Ms. Dana Biernbaum, Interim (Through 09/06/13)
Director of Internal Auditing	Ms. Rita Moore

**Board of Trustees (as of June 30, 2014)**

Chair	Cathy E. Early, Macomb
Vice Chair	Carolyn J. Ehlert Fuller, Milan
Secretary	Lynier R. Cole, Chicago
Member	Roger D. Clawson, Moline
Member	William L. Epperly, Chicago
Member	Phil G. Hare, Rock Island
Member	Yvonne S. Savala, Moline
Student Member	Andre B. Ashmore

University offices are located at:

Macomb Campus  
1 University Circle  
Macomb, Illinois 61455-1390

Quad Cities Campus  
3300 River Drive  
Moline, Illinois 61265-5881



WESTERN  
ILLINOIS  
UNIVERSITY

February 27, 2015

E. C. Ortiz & Co., LLP  
333 S. Des Plaines Street, Suite 2-N  
Chicago, Illinois 60661


Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Western Illinois University (University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements, except as disclosed to the auditors during the engagement. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2014. Based on this evaluation, we assert that during the year ended June 30, 2014, the University has materially complied with the assertions below

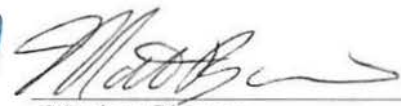
- A. The University has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received and used public funds of the State in accordance with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

Yours very truly,

Western Illinois University

  
Dr. Jack Thomas  
President

  
Julie DeWees  
VP for Administrative Services

  
Matthew Bierman  
Budget Director/ Interim Director of  
Business and Financial Services

**State of Illinois  
Western Illinois University  
Compliance Examination  
For the Year Ended June 30, 2014**

**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**

Number of	Current Report	Prior Report
Findings	9	7
Repeated findings	5	3
Prior recommendations implemented or not repeated	2	6

**Schedule of Findings and Questioned Costs**

Item No.	Page	Description	Finding Type
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
2014-001	17	Inadequate Controls Over Journal Entries	Significant Deficiency
2014-002	20	Inaccurate Recording of Transactions	Significant Deficiency
<i>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
2014-003	22	Inadequate Performance of Verification Procedures	Noncompliance and Significant Deficiency
<i>FINDINGS (STATE COMPLIANCE)</i>			
2014-004	24	Noncompliance with the Campus Security Enhancement Act	Noncompliance and Significant Deficiency

**State of Illinois  
Western Illinois University  
Compliance Examination  
For the Year Ended June 30, 2014**

**Schedule of Findings and Questioned Costs (Continued)**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2014-005	27	Noncompliance with Required Contracting Procedures	Noncompliance and Significant Deficiency
2014-006	31	Subsidies Between Accounting Entities	Noncompliance and Significant Deficiency
2014-007	33	Noncompliance with University Faculty Research and Consulting Act	Noncompliance and Significant Deficiency
2014-008	35	Weaknesses in Policies and Procedures on Hiring and Promotion	Noncompliance and Significant Deficiency
2014-009	38	Lack of Formal Fraud Risk Assessment Procedures	Noncompliance and Significant Deficiency

In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

2014-001	17	Inadequate Controls Over Journal Entries	Noncompliance and Significant Deficiency
2014-002	20	Inaccurate Recording of Transactions	Noncompliance and Significant Deficiency

**PRIOR FINDINGS NOT REPEATED**

A	40	Failure to Prepare High School Feedback System Reports
B	40	Noncompliance with Abused and Neglected Child Reporting Act

**Exit Conference**

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on February 18, 2015.

Attending were:

Western Illinois University

Dr. Jack Thomas, President  
Roger Clawson, Member - Board of Trustees



**State of Illinois  
Western Illinois University  
Compliance Examination  
For the Year Ended June 30, 2014**

**Exit Conference (Continued)**

Western Illinois University (Continued)

Matthew Bierman, Interim Director of Business and Financial Services and Budget Director  
Rita Moore, Director of Internal Auditing  
Michael Sartorius, Internal Auditor Assistant Manager  
Cheryl Webster, Assistant Comptroller  
Holly Sutton, Assistant Chief Accountant

Office of the Auditor General

Lisa Warden, Audit Manager

E. C. Ortiz & Co., LLP

Edilberto C. Ortiz, Partner  
Leilani N. Rodrigo, Partner  
Cecilia F. Lazaro, Manager  
Rhoanne C. Andrada, Senior

The responses to the recommendations were provided by Matthew Bierman, Interim Director of Business and Financial Services and Budget Director, in a letter dated February 27, 2015.



**Independent Accountant's Report on State Compliance,  
on Internal Control Over Compliance, and on  
Supplementary Information for State Compliance Purposes**

Honorable William G. Holland  
Auditor General  
State of Illinois

and

The Board of Trustees  
Western Illinois University

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined the Western Illinois University's (University) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2014. The management of the University is responsible for compliance with these requirements. Our responsibility is to express an opinion on the University's compliance based on our examination.

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

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

In our opinion, the University complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2014. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, 2014-004, 2014-005, 2014-006, 2014-007, 2014-008 and 2014-009.

### **Internal Control**

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001, 2014-002, 2014-004, 2014-005, 2014-006, 2014-007, 2014-008 and 2014-009, 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 to your office.

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

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

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of the University and its aggregate discretely presented component unit as of and for the year ended June 30, 2014, and have issued our report thereon dated December 18, 2014, 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 another auditor 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 auditor. We have not performed any procedures with respect to the audited financial statements subsequent to December 18, 2014. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 12 and Schedules 15 through 22 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 management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2014 in Schedules 1 through 12 and Schedules 15 through 22 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, 2014 in Schedules 1 through 12 and Schedules 15 through 22 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2014.

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, 2013, and have issued our report thereon dated December 20, 2013, which contained unmodified opinions on the respective financial statements of the business-type activities of the University and its discretely presented component unit. Our report included reference to another auditor 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 auditor. The accompanying supplementary information for the year ended June 30, 2013 in Schedules 3 through 8, Schedule 10, Schedule 12, Schedule 17, Schedule 19, Schedule 21 and Schedule 22 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, 2013 financial statements. The accompanying supplementary information for the year ended June 30, 2013 in Schedules 3 through 8, Schedule 10, Schedule 12, Schedule 17, Schedule 19, Schedule 21 and Schedule 22 has been subjected to the auditing procedures applied in the audit of the June 30, 2013 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, 2013 in Schedules 3 through 8, Schedule 10, Schedule 12, Schedule 17, Schedule 19, Schedule 21 and Schedule 22 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section, Schedule 13 and Schedule 14 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

*C. C. Olizy & Co. LLP*

Chicago, Illinois

February 27, 2015, except for our report on the Supplementary Information  
for State Compliance Purposes, as to which the date is December 18, 2014.





**Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance and Other  
Matters Based on an Audit of Financial Statements  
Performed in Accordance With *Government Auditing Standards***

Honorable William G. Holland  
Auditor General  
State of Illinois

and

The Board of Trustees  
Western Illinois University

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Western Illinois University (University) and its aggregate discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 18, 2014. 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. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

### **University's Responses to Findings**

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings. The University's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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

*E. C. Aziz & Co. LLP*  
Chicago, Illinois  
December 18, 2014





**Independent Auditor's Report on Compliance for Each Major Federal Program, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

and

The Board of Trustees  
Western Illinois University

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

We have audited the Western Illinois University's (University) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2014. 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 agency determined to be a component unit of the University for financial statement purposes.

***Management's Responsibility***

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

***Auditor's Responsibility***

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



compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-003. Our opinion on each major federal program is not modified with respect to this matter.

The University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be

prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-003 that we consider to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the University as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated December 18, 2014, which contained unmodified opinions on those financial statements. Our report includes a reference to another auditor who audited the financial statements of the University's discretely presented component unit, 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. We have not performed any procedures with respect to the audited financial statements subsequent to December 18, 2014. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of 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.

*C. C. Gliz & Co. LLP*

Chicago, Illinois

February 27, 2015, except for our report on the Schedule of Expenditures of Federal Awards and the related notes, as to which the date is December 18, 2014.

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
June 30, 2014**

**Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

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

Type of auditor's 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 OMB Circular A-133?  Yes  No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Assistance Cluster
Various	Research and Development Cluster
Various	Special Education Cluster (IDEA)
20.509	Formula Grants for Rural Areas
84.002	Adult Education - Basic Grants to States
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?  Yes  No

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
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**Current Findings - *Government Auditing Standards***

**2014-001 - Inadequate Controls Over Journal Entries**

Western Illinois University (University) did not have adequate controls over its journal entries. Effective policies and procedures are not in place to ensure the propriety and completeness of journal entries. Specifically, there were not effective processes in place to ensure that all journal entries are properly prepared, supported, and approved.

The University used the Financial Records System (FRS) to initiate and process financial information and facilitate its financial reporting. The FRS maintains all general ledger and subsidiary ledger accounts and sub-accounts with specific funds and account groups in accordance with the Statewide Accounting Management System (SAMS). A significant number of accounting transactions were recorded into the FRS through the use of journal entries. These entries were initiated and posted by the respective Accountants in-charge of specific accounts in the Business and Financial Services Department. In order to control the journal entry process, Accountants in-charge used standardized journal entry forms which included the name of the preparer, date the entry was prepared, description of the entry (which included the reason for the entry and amount), and a comment box. Support for the journal entries were scanned into laser fiche.

On July 1, 2014, the University adopted journal entry review and approval policies and procedures. The newly implemented procedures require that all journal entries of \$100,000 or more require the approval by either the Director of Business and Financial services, the Vice President for Administrative Services, or an Assistant Comptroller, prior to entry into the FRS. The approval process will include a review of the documentation to ensure the entries are adequately supported.

During our review of 25 batches of journal entries, we noted the following:

- One of 25 (4%) batches of journal entries totaling \$816,062 was approved but not supported. The entry pertained to accrual of accounts payable at fiscal year-end.
- No independent review and/or approval was noted for two of 25 (8%) batches of journal entries totaling \$13,078,569. Each of these batches of journal entries totaled more than the \$100,000 threshold for journal entry approval. These transactions pertained to recording of Capital Development Board's property transfers at year-end.
- A journal entry was made in Fiscal Year 2014 to correct a prior year error on capitalized interest. The transaction was in relation to a journal entry prepared in Fiscal Year 2013 which was not subjected to an independent review. The error resulted in an overstatement of capital assets and interest on capital asset related debt by \$1,383,438 in the prior fiscal year.

**State of Illinois**  
**Western Illinois University**  
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**Current Findings - *Government Auditing Standards* (Continued)**

**2014-001 - Inadequate Controls Over Journal Entries (Continued)**

- Seven of 25 (28%) batches of journal entries totaling \$656,649 were not reviewed by the University at all. No single entry in these batches met the \$100,000 threshold. These transactions pertained to recording of accounts payable, lease payments and equipment maintenance, reversal of payroll entry and reclassification entries relating to inventory and contractual services expenditures. There were about 2,705 manual batches of journal entries, totaling approximately \$29,200,000, not reviewed during Fiscal Year 2014 because they were below the approval threshold. In addition, the process in place still allows journal entries to be both prepared and posted by the same individual.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies establish internal fiscal and administrative controls to provide assurance that obligations and costs are in compliance with applicable law; and that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

Also, sound internal controls require all journal entries, including nonstandard/nonroutine entries, have adequate supporting documentation, and be reviewed and approved independently prior to posting, to prevent errors and fraud.

University management stated: the lack of support was due to human error; manual entries to the fixed assets system were not approved due to a misunderstanding regarding the approval of these entries; the error in Fiscal Year 2013 entry occurred as a result of human error and due to absence of review; and the journal entries below the threshold were not approved based on University policy in effect during Fiscal Year 2014.

In the prior audit, the University had no formal policy on review and approval prior to posting of journal entries in the general ledger. Further, journal entries were not adequately supported or independently reviewed and/or approved prior to posting to the general ledger. Management stated these exceptions were due to a lack of formal policies and procedures due to a lack of resources, and stated formal policies and procedures would be implemented. However, the policy adopted July 1, 2014 only required review and approval of journal entries of \$100,000 or more and was not consistently followed for Fiscal Year 2014 journal entries.

The lack of effective controls over journal entries increases the risk of incorrect or unauthorized adjustments posted to the general ledger, which may cause material misstatements to the financial statements. (Finding Code Nos. 2014-001 and 2013-001)

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**Current Findings - *Government Auditing Standards* (Continued)**

**2014-001 - Inadequate Controls Over Journal Entries (Continued)**

*Recommendation*

We recommend the University develop effective policies and procedures that will strengthen controls over the journal entry review and approval process to ensure all journal entries are complete, accurate, properly supported and approved prior to posting in the general ledger. Further, effective policies and procedures should also be developed to address processing of nonstandard/nonroutine transactions.

*University Response*

The University agrees with the finding. The University will review its existing policy and procedures for processing, reviewing and approving journal entries. The University will also consider revisions to the policy that will strengthen controls.



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**Current Findings - *Government Auditing Standards* (Continued)**

**2014-002 - Inaccurate Recording of Transactions**

Western Illinois University (University) did not properly record certain transactions in the general ledger.

The University issued Revenue Bonds (Bonds) and Certificate of Participation (COPs) in order to fund construction/renovation of various capital projects. Bonds and COPs series issued were associated with either a single or multiple capital projects as predetermined by the University at the point of debt issuance. Generally, the University capitalizes interest costs incurred during the construction period of a project as part of the cost of the project. Also, investment earnings on the unspent bond proceeds are offset by the amount of interest expense capitalized.

During our review of the capitalized interest on various capital projects, we noted the University capitalized interest on projects already completed. This error resulted in an overstatement of the capitalized interest recorded in the Fiscal Year 2014 financial statements by approximately \$800 thousand.

Paragraphs 16 and 17 of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, state that interest capitalization period should begin when three conditions are present, namely: (1) outlays for the assets have been made, (2) activities that are necessary to get the asset ready for its intended use are in progress, and (3) interest cost is being incurred. Interest capitalization should continue as long as those three conditions are present. The capitalization period should end when the asset is substantially complete and ready for its intended use. Some assets are completed in parts, and each part is capable of being used independently while work is continuing on other parts. For such assets, interest capitalization should stop on each part when it is substantially complete and ready for use.

Lastly, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies establish internal fiscal and administrative controls to provide assurance that obligations and costs are in compliance with applicable law; and that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources.

University management stated the capitalized interest on capital projects was not properly recorded due to incorrect interpretation of the applicable accounting standards.

Failure to properly record capitalized interest on capital projects may result in misstatements in the University's financial statements. (Finding Code No. 2014-002)



**State of Illinois  
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**Current Findings - *Government Auditing Standards* (Continued)**

**2014-002 - Inaccurate Recording of Transactions (Continued)**

*Recommendation*

We recommend the University review its current process of recording and accounting for transactions to ensure interest capitalized is recorded in accordance with generally accepted accounting principles. We further recommend the University ensure accounting staff receive appropriate training on financial reporting.

*University Response*

The University agrees with the finding. The University will review and adjust the existing procedures to ensure capitalized interest is accurately recorded.

**State of Illinois  
Western Illinois University  
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**Current Finding - Federal Compliance**

**2014-003 - Inadequate Performance of Verification Procedures**

Federal Agency:	U. S. Department of Education
Program Name/FY14 Expenditures:	Student Financial Assistance Cluster/\$100,298,207 Federal Supplemental Education Opportunity Grants (a) Federal Work-Study Program (b) Federal Perkins Loan Program Federal Capital Contributions (c) Federal Pell Grant Program (d) Federal Direct Student Loans (e) Teacher Education Assistance for College & Higher Education (TEACH) Grants (f)
CFDA#:	84.007 (a), 84.033 (b), 84.038 (c), 84.063 (d), 84.268 (e), and 84.379 (f)
Questioned Costs:	None

Western Illinois University (University) did not adequately perform required verification procedures to ensure accuracy of information reported by the students in their Institutional Student Information Records (ISIR).

The U.S. Department of Education (ED) requires schools participating in student financial assistance programs to perform verification procedures in order to determine the accuracy of the information reported by the students in the ISIR which affects the Expected Family Contribution (EFC). The EFC determines the types and amounts of federal student financial aid each applicant is eligible to receive. The Central Processor, a service organization contracted by the ED, selects the students who will be subjected for verification and notifies the University. The University then verifies the ISIR for all students selected by comparing information in the ISIR against the verification worksheet completed by the student (e.g. student, household and income information) and a copy of the student and parents' income tax returns.

During our review of 40 students selected for verification by the Central Processor, we noted errors for 2 of 40 (5%) students tested were not identified by the University during their verification procedures.

One student's ISIR reported his/her family's adjusted gross income \$13,000 lower than the amount reported in the income tax return. The error resulted in an understatement of the student's EFC. Upon the auditor's notification, the University recalculated the student's EFC, which reduced the student's Pell award by \$2,900 for the academic year.

**State of Illinois  
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**Current Finding - Federal Compliance (Continued)**

**2014-003 - Inadequate Performance of Verification Procedures (Continued)**

We also noted one student's ISIR reported his/her education credit lower than the amount reported in the income tax return by \$10. The error resulted in an understatement of the student's EFC by \$2. The change in the student's EFC did not affect any of the student's financial aid awards for the academic year.

To determine the applicant's EFC, the Code of Federal Regulations (34 CFR 668.54) states that an institution shall require selected applicants to verify student aid application information, as well as any information used to calculate an applicant's EFC that the institution has reason to believe is inaccurate. Information that must be verified or updated includes adjusted gross income, U.S. income tax paid, aggregate number of family members in the household, number of family members in the household attending postsecondary educational institutions if that number is greater than one, and untaxed income and benefits.

University management stated that discrepancies were due to advisor's errors and unintentional oversight in the review process of the student files.

Failure to properly perform verification procedures in accordance with federal regulations may result in unallowable costs and/or inaccurate federal awards granted to eligible students due to an incorrect EFC basis. (Finding Code No. 2014-003)

*Recommendation*

We recommend the University perform the required verification procedures in accordance with federal regulations to ensure information used to calculate EFC is accurate and reviewed during the verification process. Further, oversight review should be conducted, as necessary, on work performed by advisors to avoid and/or timely detect errors.

*University Response*

The University agrees with the finding. Increased training for all financial aid advisors will occur. In addition, a random secondary review of verification files by a second staff member will be implemented.

**State of Illinois  
Western Illinois University  
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**Current Findings - State Compliance**

**2014-004 - Noncompliance with the Campus Security Enhancement Act**

Western Illinois University (University) did not fully comply with the Campus Security Enhancement Act of 2008 (Act) requirements in reporting arrest incidents and performance of pre-employment background checks.

When an individual is arrested, the arresting University Police Officer lodges the individual at the county jail and completes an incident data sheet detailing information related to the arrest. A representative of University Relations periodically reviews incident reports and compiles them in a crime report to be published on the University website and made available to the news media via email.

During the review of the University's compliance with the Act, we noted the following:

- Discrepancies in the time and/or location of arrest stated in the Office of Public Safety's basic incident listing report for 14 of 25 (56%) arrest incidents reviewed, compared to the information in the crime reports published.
- The time the individual was lodged in the county jail in one of 25 (4%) arrest incidents reviewed was not included on the crime report published.
- The University did not have adequate policies and procedures to identify security sensitive positions and conduct pre-employment background checks. We noted the University did not have an adequate process to identify security sensitive positions for all employee classifications. Further, the University did not have a formal written policy to require the completion of written background investigations prior to employing individuals to security-sensitive positions as required by the Act. Current University procedures require a background check before an offer of employment will be made to the selected candidate or prior to the completion of the candidate's probationary period, which is either 6 or 12 months, depending on the employee's classification. Our review of five employees hired to security-sensitive positions during Fiscal Year 2014 revealed that background checks for four (80%) of these employees were performed 16-103 days after the employees' start of employment.

The Act (110 ILCS 12/15) requires that when an individual is arrested, certain information must be made available to the news media for inspection and copying as soon as practicable, but in no event shall the time period exceed 72 hours from the arrest. Information should include the time and location of arrest and if incarcerated, the time the individual was received, discharged, or transferred from the arresting agency's custody.

**State of Illinois  
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**Current Findings - State Compliance (Continued)**

**2014-004 - Noncompliance with the Campus Security Enhancement Act (Continued)**

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

In the prior year, it was noted that three of 20 (15%) arrest incidents published in 18 crime reports did not make available information to the news media on the location of arrest and/or known address of the individual arrested. In the prior finding response, management stated they had implemented procedures to avoid future omission in the crime reports. In the current year, management stated crime report entries were double checked to ensure required information was included; and a policy for background checks for all post-offer candidates was in draft format.

University management stated discrepancies occurred since the staff inadvertently obtained the incorrect time and location of arrest from the Office of Public Safety basic incident listing report. Management stated the one instance of the omission of the time from the published crime report as well as the delay in performing background checks for four employees were due to oversight. Management also stated the policies and procedures on identification of security sensitive positions have not been finalized yet due to the following: defining if background checks will be limited to only “sensitive positions,” if current procedures are sufficient, and if administrative and budgeting changes are warranted.

Failure to provide accurate and complete information from arrest reports to the news media limits public accountability and transparency. Failure to have adequate policies and procedures to identify security sensitive positions and late performance of background investigations result to noncompliance with the Act and may pose possible risks to the security of the University. (Finding Code No. 2014-004, 2013-004 and 12-6)

*Recommendation*

We recommend the University ensure compliance with the Act by adopting written policies and procedures to establish processes to identify security sensitive positions for all employee classifications and perform background checks in accordance with the Act. Further, the University should implement internal controls to ensure they report complete and accurate information for arrest incidents published on the crime reports.

**State of Illinois  
Western Illinois University  
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**Current Findings - State Compliance (Continued)**

**2014-004 - Noncompliance with the Campus Security Enhancement Act (Continued)**

*University Response*

The University agrees with the finding. The University will implement procedures to become compliant with regulation. Additional training has occurred for staff completing crime reports and they are now using consistent source data.

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
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**Current Findings - State Compliance (Continued)**

**2014-005 - Noncompliance with Required Contracting Procedures**

Western Illinois University (University) had not established adequate internal controls over contracts to ensure they contained all necessary provisions, were properly executed prior to performance, and were filed with the Illinois Office of the Comptroller (Comptroller).

During our review of contracts executed during Fiscal Year 2014, we noted the following:

- Three of 17 (18%) large contracts tested were filed with the Comptroller without top management approval. The University did not complete a Memorandum of Approval (MOA) signed by the University President, Legal Counsel, and Vice President for Administrative Services. These contracts, pertaining to student health insurance, athletic insurance and continuous order of residence hall furniture, ranged from \$284,000 to \$5.0 million.

State Finance Act (30 ILCS 105/9.02) states that any new contract, contract renewal, order against a master contract, or any contract amendment of \$250,000 or more in a fiscal year, or any change that increases the value of a contract to \$250,000 or more in a fiscal year, shall be signed or approved in writing by the agency's chief executive officer, chief legal counsel and chief fiscal officer. No such procurements may be filed with the Comptroller, nor may any authorization for payment pursuant to such documents be filed with the Comptroller, if the required signatures or approvals are lacking.

- Three of 53 (6%) contracts totaling over \$298,000 had a signature which was affixed by internally designated personnel on behalf of the University President. However, no contract signature card was filed with the Comptroller to authorize these personnel to sign contracts on behalf of the appropriate signatory.

Statewide Accounting Management System (SAMS) (Procedure 15.20.95) states that the contract signature card is used by State employees to provide specimen signatures to the Comptroller for persons authorized to sign the agency head approval line on contracts, interagency agreements, purchase orders, grants or leases (hereafter referred to as contracts). The card is also prepared for individuals authorized to affix the signature of the agency head on the contract's agency head line.

- Six of 53 (11%) contracts totaling over \$1.8 million did not include an appropriation contingency clause.

**State of Illinois  
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**Current Findings - State Compliance (Continued)**

**2014-005 - Noncompliance with Required Contracting Procedures (Continued)**

The Illinois Procurement Code (Code) (30 ILCS 500/20-60(b)) requires all contracts “recite that they are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the contract.”

- Three of 53 (6%) contracts totaling about \$1.2 million did not include a statement on whether the services of a subcontractor would be used to fulfill the terms of the contract.

The Code (30 ILCS 500/20-120(a)) requires all contracts “state whether the services of a subcontractor will be used.” In the event a subcontractor is used, the contractor is required to disclose “the names and addresses of all known subcontractors with subcontracts with an annual value of more than \$50,000, the general type of work to be performed by these subcontractors, and the expected amount of money each will receive under the contract.”

- One of 7 (14%) printing contracts totaling over \$4,000 did not include the required provision on the use of soybean oil-based ink.

The Code (30 ILCS 500/45-15) states “contracts requiring the procurement of printing services shall specify the use of soybean oil-based ink unless a State purchasing officer determines that another type of ink is required to assure high quality and reasonable pricing of the printed product.”

- Ten of 52 (19%) contracts totaling about \$129,000 did not include the provision on compliance with the Forced Labor Act.

The State Prohibition of Goods from Forced Labor Act (30 ILCS 583/10(a)) requires that “every contract entered into by any State agency for the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, must specify that no foreign-made equipment, materials, or supplies furnished to the State under the contract may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction. The contractor must agree to comply with this provision of the contract.”

- One of 41 (2%) contracts was not filed with the Comptroller. The contract pertained to a real property lease executed by the University with a three year term which totaled \$54,000.



**State of Illinois  
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**Current Findings - State Compliance (Continued)**

**2014-005 - Noncompliance with Required Contracting Procedures (Continued)**

SAMS (Procedure 15.20.40) requires that State agencies file leases for real property exceeding \$20,000 with the Comptroller. Also, Procedure 15.20.10 states that file only contracts are those which do not require obligation, but must be filed with the Comptroller and must meet all documentation and certification requirements.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University establish and maintain internal fiscal and administrative controls to provide assurance obligations are in compliance with applicable law.

During the prior year, the University stated that written procedures would be instituted to ensure that all contracts, Contract Obligation Documents (COD) and related vendor certifications are properly completed, approved and executed prior to the start of the services. In the current year, the University developed a Purchase Order/Contract Checklist Review form as a tool in the purchasing process that details the required approvals and Procurement Code requirements. Also, effective November 2013, the Purchasing Department has included the clause regarding compliance with the Architectural, Engineering, and Land Surveying Qualifications Based Selection Act in all Architectural and Engineering contracts.

University management stated that nonfiling of signature card and contract with the Comptroller and improper filing of contracts without the completed MOA were due to oversight. In addition, omission of the required contract provisions was due to incomplete contract template provided by the Higher Education Chief Procurement Office.

Filing contracts with the Comptroller prior to completion of required MOAs and failure to file signature cards and contracts with Comptroller, and omitting required elements and clauses from contracts results in noncompliance with State laws and reduced accountability. Failure to include the required clauses in vendor contracts increases the risk that vendors' noncompliance with statutory requirements may occur and not be detected. (Finding Code No. 2014-005, 2013-005, 12-7, 11-6 and 10-4)

*Recommendation*

We recommend the University establish appropriate procedures to ensure all contracts include required clauses and contract signature cards, contracts, and MOAs are properly completed, executed, and filed with the Comptroller prior to the start of services.

**State of Illinois  
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**Current Findings - State Compliance (Continued)**

**2014-005 - Noncompliance with Required Contracting Procedures (Continued)**

*University Response*

The University agrees with the finding. The University has taken steps to implement a formal written checklist for each contract issued to ensure compliance with the recommendation.

**State of Illinois  
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**Current Findings - State Compliance (Continued)**

**2014-006 - Subsidies Between Accounting Entities**

Western Illinois University (University) subsidized operations of University activities between accounting entities during Fiscal Year 2014. Activities are functions which are self-supporting in whole or in part, which are directly related to instructional, research or service units.

During our testing of compliance with the Legislative Audit Commission's University Guidelines (University Guidelines), we noted the University Stores and Service Centers accounting entity had negative cash balances at the beginning and the end of the fiscal year totaling \$1.5 million and \$1.6 million, respectively. A negative cash balance is, in effect, an unrecorded interfund payable/receivable, thereby causing a subsidy between funds to occur. The University Stores and Service Centers operate stores and maintenance service centers for all units of the University. As of June 30, 2014, this accounting entity had accounts receivable and inventories totaling \$1.3 million.

The University Guidelines of 1982, as amended in 1997 (Chapter 3, Section D, Part 1) states "There shall be no subsidies between accounting entities. Subsidies include cash advances and interfund payables/receivables outstanding for more than one year."

In their Fiscal Year 2013 finding response, the University stated they planned to contract with an outside consultant for an operations analysis of the entity. The University took no corrective action in Fiscal Year 2014; however, in August 2014, the University engaged a consulting firm regarding the operations of this entity. Management stated the consulting firm's report and recommendations for future changes are currently under review by senior leadership.

University management stated revenues generated by the entity continued to be inadequate to sustain operational costs in providing services to departments, leading to the subsidy between accounting entities.

Subsidies between accounting entities result in other accounting entities incurring unrelated costs to fund operations of entities with negative cash balances. (Finding Code No. 2014-006, 2013-006 and 12-9)

*Recommendation*

We recommend the University annually review the activities of each accounting entity and ensure that fees charged for services are sufficient to cover expenditures and ensure that subsidies between accounting entities do not occur.

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**Current Findings - State Compliance (Continued)**

**2014-006 - Subsidies Between Accounting Entities (Continued)**

*University Response*

The University agrees with the finding. The University will review and modify existing procedures to monitor accounts and entities that do not have sufficient revenues to cover planned expenses.

**State of Illinois  
Western Illinois University  
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**Current Findings - State Compliance (Continued)**

**2014-007 - Noncompliance with University Faculty Research and Consulting Act**

Western Illinois University (University) did not fully comply with the University Faculty Research and Consulting Act (Act).

During Fiscal Year 2014, faculty members reported 19 instances of outside employment to the University. During our review of eight full-time members of the faculty performing outside research and consulting activities, we noted requests for approval of outside employment for two (25%) full-time faculty members were not approved by the Academic Vice President or authorized designee prior to the start date of the outside employment/consulting. Approvals were made 4 and 105 days after the start date of the outside employment of the faculty. One of these faculty employees submitted the request 103 days after the start of outside employment.

The University Faculty Research and Consulting Act (110 ILCS 100/1) requires, “no full-time member of the faculty of any State supported institution of higher learning may undertake, contract for or accept anything of value in return for research or consulting services for any person other than that institution on whose faculty he serves unless (a) he has the prior written approval of the President of that institution, or a designee of such President, to perform the outside research or consulting services, such request to contain an estimate of the amount of time which will be involved...”

In response to the prior year finding, University management stated they would enhance their communication with the academic deans, department chairs, and other supervisors to help ensure the timely submission of outside employment forms. Also, management stated a verbal warning would be given to employees for a late submission and repeated late submissions would result in a written reprimand. In the current year, a notice was sent to all negotiated employees in June prior to the start of Fiscal Year 2014. In addition, several emails were sent to individuals reminding them of their obligation to file the final report. Within these types of follow up emails, the Provost Office explained and clarified the process to submit and request approval for outside employment, stressing the fact that approval must be obtained prior to the start of the outside employment.

The University stated the late approvals occurred due to difficulty in obtaining all of the required signatures in the necessary timeframe and due to employees submitting the request close to the start or after the outside employment began.

Failure to obtain proper approval prior to performing outside research and consulting activities results in noncompliance with the Act, which may preclude timely identification of a potential conflict of commitment and interest. (Finding Code No. 2014-007 and 2013-007)

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**Current Findings - State Compliance (Continued)**

**2014-007 - Noncompliance with University Faculty Research and Consulting Act (Continued)**

*Recommendation*

We recommend the University strengthen its process for submission and approval of requests for outside employment to ensure proper approval is requested and obtained prior to engaging in outside research and consulting activities.

*University Response*

The University agrees with the finding. The University will continue to assess faculty research and consulting approval process for possible ways to gain efficiencies.

**State of Illinois  
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**Current Findings - State Compliance (Continued)**

**2014-008 - Weaknesses in Policies and Procedures on Hiring and Promotion**

Western Illinois University (University) had internal control weaknesses with policies and procedures on hiring and promotions, lacked documentation of credential verification, and failed to consistently enforce position requirements.

The University adopted and implemented policies and procedures on hiring and promotions relating to academic and administrative personnel. The Office of Equal Opportunity and Access (EOA) is responsible for monitoring and administering the search process for these personnel. Generally, vacancies are filled using an external search process; however, the University can also hire using an internal search, rehire or waiver of search. The hiring policies and procedures of the University included six steps: (1) initiate search process; (2) plan and develop search; (3) receive and screen materials; (4) interview applicants; (5) select candidate; and (6) submit hiring document. A search is required for each academic or administrative appointment that is greater than 50% of one year employment term or is longer than one year. However, the University has the option to waive a search based on one or more established criteria and with proper approval by authorized personnel. In order to obtain approval for a waiver, the hiring officer should complete and submit the following: Request to Fill (Vacancy) form; letter of justification for waiver; job description; the candidate's resume/vitae, and an unofficial copy of transcripts. The letter of justification for waiver should meet one or more of the criteria for search waivers. Also, it has been the University's practice to identify the individual who would fill the position prior to the University starting the waiver process. The Hiring Administrator and the Office of Academic Personnel completes the hiring process.

The University hired approximately 91 and promoted 68 academic/administrative employees during Fiscal Year 2014.

We noted the following internal control weaknesses with the University's hiring and promotion policies and procedures:

- Formal documentation supporting the verification made on an applicant's credentials during reference checks (e.g. employment history, references and ability to perform the job) was not required.
- Written policies did not require verification of other credentials on an applicant's resume or application that may have a bearing on hiring decisions, such as licenses and certifications.

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
June 30, 2014**

**Current Findings - State Compliance (Continued)**

**2014-008 - Weaknesses in Policies and Procedures on Hiring and Promotion (Continued)**

During our review of 10 academic and administrative employees hired or promoted by the University during Fiscal Year 2014, we noted the following:

- Ten (100%) employees hired or promoted lacked formal documentation on file to support that verification of applicants' credentials (e.g. employment history, references and ability to perform the job) was performed.
- One (10%) employee hired did not meet all minimum requirements of the position in accordance with University policies. The employee was hired in Fiscal Year 2014, through a search waiver, and did not meet the education requirements of the position.

The State Records Act (5 ILCS 160/8) states the head of each agency shall cause to be made and preserved records containing adequate and proper documentation of the organization, functions, policies, decisions, procedures, and essential transactions of the agency designed to furnish information to protect the legal and financial rights of the State and of persons directly affected by the agency's activities.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires agencies establish internal fiscal and administrative controls to provide assurance that resources are utilized efficiently, effectively and in compliance with applicable law; and funds, property, other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation.

University policies and procedures on hiring (Step Three) requires reference checks to confirm education, experience, and demonstrated ability to perform the job. Sound internal controls further require verification of other information on an applicant's resume or application that may have a bearing on hiring decisions, and proper documentation be maintained to support the all credential verifications performed.

University policies and procedures on hiring (Step One) require individuals employed meet the minimum education and experience required to perform the essential functions of the position.

University management stated that, in practice, candidates' qualifications are corroborated and their policies and procedures were previously believed to have been adequate. Also, the employee who did not meet the education requirements of the position was identified as qualified by the Hiring Administrator based on other credentials and experience of the applicant deemed relevant to the vacant position.



**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
June 30, 2014**

**Current Findings - State Compliance (Continued)**

**2014-008 - Weaknesses in Policies and Procedures on Hiring and Promotion (Continued)**

The weaknesses in policies and procedures on employee hiring and promotions may result in hiring individuals who are not best qualified for the position and employee grievances concerning the University's system and processes. Lack of documentation of credential verification increases the likelihood the verifications may be overlooked or circumvented and reduces accountability. (Finding Code No. 2014-008)

*Recommendation*

We recommend the University enhance policies and procedures on hiring and promotions to include steps to ensure that staff documents reasonable justification for all hiring and promotional decisions. The University management should ensure that it follows these policies and procedures and maintains written documentation that it did so.

*University Response*

The University agrees with the finding. The University will continue to review policies and procedures on hiring and promotion and will strengthen them where necessary.

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
June 30, 2014**

**Current Findings - State Compliance (Continued)**

**2014-009 - Lack of Formal Fraud Risk Assessment Procedures**

Western Illinois University (University) does not have formal fraud risk assessment procedures in place to prevent and detect fraud.

Although the University has adopted a policy on fraud, formal fraud risk assessment procedures were not included. Specifically, management does not have policies and procedures in place detailing how and when to conduct, document, and follow-up on the periodic evaluation of fraud risks within the University. Also, the University did not perform any fraud risk assessment by department or key business functions where fraud could occur.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to “establish and maintain a system, or systems, of internal fiscal and administrative controls which shall provide assurance that resources are utilized efficiently, effectively, and in compliance with applicable law; obligations and costs are in compliance with applicable law; and funds, property, and other assets and resources are safeguarded against waste, loss, unauthorized use, and misappropriation...”

University management is responsible for the development of internal controls and monitoring of their operating effectiveness. Additionally, it is management’s responsibility to establish reasonable controls to prevent and detect fraud, including implementation of a formal policy regarding evaluation of fraud risk and a system of controls to help prevent and detect potential fraudulent activity within its organization. A formal fraud risk assessment policy incorporating an effective anti-fraud risk strategy will serve to document the University’s awareness and responsibility for fraud prevention and detection.

University management stated the current policies and procedures on fraud risk management were previously deemed to be adequate. Additionally, every employee is required to complete an annual ethics training.

The University managed the expenditure of about \$300 million of funds in Fiscal Year 2014. Without a formal fraud risk assessment procedures and a policy to identify and address the specific risks associated with fraud, fraudulent activities may go undetected and could result in misstatements in financial reporting or misappropriation of University assets. (Finding Code No. 2014-009)

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
June 30, 2014**

**Current Findings - State Compliance (Continued)**

**2014-009 - Lack of Formal Fraud Risk Assessment Procedures (Continued)**

*Recommendation*

We recommend the University management establish a formal policy and a continuous fraud prevention, deterrence, and detection program. This should include evaluating whether appropriate internal controls have been implemented in any areas identified as posing a higher risk of fraudulent activity, as well as controls over the financial reporting process. In addition, the Board of Trustees should evaluate management's identification of fraud risks, implementation of anti-fraud measures, and creation of an appropriate "tone at the top."

*University Response*

The University agrees with the finding. The University will review establishing a fraud policy and a continuous fraud prevention program.

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2014**

**Prior Findings Not Repeated**

**A. Failure to Prepare High School Feedback System Reports**

In the prior examination, Western Illinois University (University) did not prepare High School Feedback System reports to high schools within the State. (Finding Code No. 2013-002)

In the current examination, the University was no longer required to prepare High School Feedback System reports since Public Act 098-0742 repealed this requirement during Fiscal Year 2014.

**B. Noncompliance with Abused and Neglected Child Reporting Act**

In the prior examination, we noted one of 25 (4%) employees tested did not complete a pre-employment form prescribed by the Illinois Department of Children and Family Services (Department) stating their understanding of the reporting requirements of the Act. Also, 14 of 25 (56%) employees tested completed the form one to 298 days after the employees' start of employment. (Finding Code No. 2013-003)

In the current examination, the University implemented a procedure to include the Department's form in the new employee checklist which was mailed to all pending hires. It also included an instruction that the form must be signed prior to the appointment date. During our review, we noted the University took timely corrective action to improve their process.

**State of Illinois  
Western Illinois University  
Supplementary Information for State Compliance Purposes  
For the Year Ended June 30, 2014**

**Summary**

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

- Fiscal Schedules and Analysis:
  - Schedule of Expenditures of Federal Awards
  - Notes to the Schedule of Expenditures of Federal Awards
  - Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
  - Schedule of Changes in Capital Assets
  - Comparative Schedule of Income Fund Revenues and Expenditures
  - Comparative Schedule of Cash and Cash Equivalents
  - Analysis of Significant Variations in Account Balances
  - Analysis of Significant Variations in Operating and Nonoperating Revenues and Expenses
  - Analysis of Significant Lapse Period Spending
  - Analysis of Accounts Receivable
  - Schedule of Federal Expenditures, Nonfederal Expenses and New Loans
  - Summary of Indirect Cost Reimbursements:
    - Statement of Sources and Applications
    - Calculation Sheet for Indirect Cost Carry-Forward (Unaudited)
  - Calculation of Current Excess Funds (Unaudited)
  - University Accounting Entities and Related Sources of Revenues and Purposes
  - Current Funds, Unrestricted, Other:
    - Balance Sheet by Entity
    - Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
  - Auxiliary Enterprises and Activities, Financial Statements by Functional Entity:
    - Auxiliary Enterprise Funds - Other:
      - Balance Sheet by Entity
      - Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
    - Auxiliary Enterprise Funds - Revenue Bonds:
      - Balance Sheet by Entity
      - Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
      - Plant Funds Statement of Changes in Fund Balances by Entity

**State of Illinois  
Western Illinois University  
Supplementary Information for State Compliance Purposes  
For the Year Ended June 30, 2014**

**Summary (Continued)**

- Analysis of Operations (Unaudited):
  - University Functions and Planning Program (Unaudited)
  - Comments on the Percentage of Total Expenditures Represented by Administrative Costs (Unaudited)
  - Employment Statistics - Full-Time Equivalent (Unaudited)
  - Service Efforts and Accomplishments - Enrollment Statistics (Unaudited)
  - Schedule of Unrestricted Current Funds General Expenditures Per Full-Time Equivalent Student as Reported to the Board of Higher Education (Unaudited)
  - University Bookstore Information (Unaudited)
  - University Guidelines, 1982 as amended 1997 (Unaudited):
    - Special Data Requirements for University Audits (Unaudited)
    - Summary of Western Illinois University Foundation Transactions with the University (Unaudited)
    - Undergraduate Tuition and Fee Waivers (Unaudited)
    - Graduate Tuition and Fee Waivers (Unaudited)

The accountant's report that covers the Supplementary Information for State Compliance Purposes, Schedules 1 through 12 and Schedules 15 through 22, presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, it is fairly stated in all material respects, in relation to the basic financial statements as a whole from which it has been derived. The accountant's report also states the Analysis of Operations Section and Schedules 13 through 14, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on them.

**State of Illinois**  
**Western Illinois University**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2014 Expenditures
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER:</b>			
<u>DEPARTMENT OF EDUCATION</u>			
Federal Supplemental Educational Opportunity Grants	(M) 84.007	P007A131313	\$ 326,745
Federal Work-Study Program	(M) 84.033	P033A131313	542,519
Federal Perkins Loan Program Federal Capital Contributions	(M) 84.038	P038A071313	2,145,392
Federal Pell Grant Program			
<i>Federal Pell - 2012-2013</i>	(M) 84.063	P063P121391	50,203
<i>Federal Pell - 2013-2014</i>	(M) 84.063	P063P131391	19,298,177
<i>Federal Pell - 2014-2015</i>	(M) 84.063	P063P141391	276,638
			<u>19,625,018</u>
Federal Direct Student Loans			
<i>Federal Direct Student Loans - FY12</i>	(M) 84.268	P268K121391	(1)
<i>Federal Direct Student Loans - FY13</i>	(M) 84.268	P268K131391	152,544
<i>Federal Direct Student Loans - FY14</i>	(M) 84.268	P268K141391	77,471,230
			<u>77,623,773</u>
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			
<i>Teach Grant - 2013-2014</i>	(M) 84.379	P379T141391	34,760
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 100,298,207</b>
<b>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER</b>			<b>\$ 100,298,207</b>
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>			
<u>DEPARTMENT OF AGRICULTURE</u>			
Agricultural Research_Basic and Applied Research			
<i>Chemical Composition of Soybeans in Rotation with Pennycress</i>	(M) 10.001	58-3620-2-6-18	\$ 244
Federal-State Marketing Improvement Program			
<i>Developing the Biomass Residential Heating Market for U.S. Farmers &amp; Industry: Identifying the "Right" Consumers for Biomass Products</i>	(M) 10.156	12-25-G-1501	81,450
Agriculture and Food Research Initiative (AFRI)			
<i>Undergraduate Training &amp; Research in Plant Breeding</i>	(M) 10.310	2010-85117-20535	3,257
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 84,951</b>

**State of Illinois**  
**Western Illinois University**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**SCHEDULE 1**  
**(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2014 Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER: (Continued)</b>			
<u>DEPARTMENT OF DEFENSE</u>			
Basic Scientific Research <i>Near Net Shape Manufacturing for Current &amp; Future Generation Armament Systems</i>	(M) 12.431	W15QKN-11-2-0008	\$ 2,848
<b>TOTAL DEPARTMENT OF DEFENSE</b>			<b>\$ 2,848</b>
<u>DEPARTMENT OF INTERIOR</u>			
Fish and Wildlife Management Assistance Passed-Through University of Illinois <i>Asian Carp and Water Productivity IV</i>	(M) 15.608	P0739409	\$ 10,902
Great Lakes Restoration Passed-Through Southern Illinois University <i>Illinois River Asian Carp Molecular Identification</i>	(M) 15.662	12-28	24,783
Passed-Through University of Illinois <i>An Assessment of Aquatic Invasive Plants in the Illinois River: Water Hyacinth</i>	(M) 15.662	2013-05851-01	3,961
			<u>28,744</u>
U.S. Geological Survey_Research and Data Collection <i>Ecological Studies on Asian Carp to Assess Habitat Selection, Migration, Feeding</i>	(M) 15.808	G13AC00069	42,662
<b>TOTAL DEPARTMENT OF INTERIOR</b>			<b>\$ 82,308</b>
<u>NATIONAL SCIENCE FOUNDATION</u>			
Engineering Grants <i>Collaborative Research: Geospatial Modeling for Pro-Active Flood Mitigation</i>	(M) 47.041	CMMI-1234226	\$ 20,060
Mathematical and Physical Sciences <i>Spectrometer Purchase</i>	(M) 47.049	CHE-1337159	244,895
Geosciences <i>Tornadic Vortices</i>	(M) 47.050	AGS-1137153	42,762
Biological Sciences <i>Dynamics of Plant-Soil Feedbacks in Changing Environments</i>	(M) 47.074	DEB-0919510	36,894



**State of Illinois**  
**Western Illinois University**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**SCHEDULE 1**  
**(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2014 Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER: (Continued)</b>			
Office of International and Integrative Activities <i>Collaborative Research: Effects of Check Dams on Landscape and Society - A Catalyzing Visit to the Eco-Sensitive Shiwalik Foot Hills of India</i>	(M) 47.079	1338763	<u>16,290</u>
Trans-NSF Recovery Act Research Support <i>ARRA - RUI: Selective Oxidative Transformations Using Water-Soluble Hypervalent Iodine Reagents</i>	(M) 47.082	CHE-0910565	<u>461</u>
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b><u>\$ 361,362</u></b>
<u>DEPARTMENT OF EDUCATION</u>			
Special Education_ Educational Technology Media, and Materials for Individuals with Disabilities Passed-Through University of Kansas Center for Research, Inc. <i>Animated Visual Supports for Social Skills (AVISSS)</i>	(M) 84.327A	FY2012-037	<u>\$ 41,598</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b><u>\$ 41,598</u></b>
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>			<b><u>\$ 573,067</u></b>
<b>SPECIAL EDUCATION CLUSTER (IDEA):</b>			
<u>DEPARTMENT OF EDUCATION</u>			
Special Education_ Grants to States Passed-Through Southern Illinois University <i>IDEA: State Personnel Development Grant-IL IHE Partnership</i>	(M) 84.027	763944	<u>\$ 12,035</u>
Special Education_Preschool Grants Passed-Through Illinois State Board of Education <i>Illinois Starnet - 2014</i>	(M) 84.173	2014-4605-00-26-062-5440-51	<u>975,886</u>
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b><u>\$ 987,921</u></b>
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>			<b><u>\$ 987,921</u></b>

**State of Illinois**  
**Western Illinois University**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**SCHEDULE 1**  
**(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2014 Expenditures
<b>OTHER PROGRAMS:</b>			
<u>DEPARTMENT OF AGRICULTURE</u>			
Rural Cooperative Development Grants <i>Rural Cooperative Development Grant Program</i>	10.771	RCDG-13-IL-XXX0458	\$ 80,038
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 80,038</b>
<u>DEPARTMENT OF COMMERCE</u>			
Special Projects Passed-Through Public Broadcasting Service <i>WARN Phase 2 Generator</i>	11.553	5151W1060671	\$ 100,087
<b>TOTAL DEPARTMENT OF COMMERCE</b>			<b>\$ 100,087</b>
<u>DEPARTMENT OF DEFENSE</u>			
Procurement Technical Assistance For Business Firms Passed-Through Illinois Department of Commerce and Economic Opportunity <i>IL Procurement Technical Assistance Center FY14</i>	12.002	14-601104	\$ 34,000
<b>TOTAL DEPARTMENT OF DEFENSE</b>			<b>\$ 34,000</b>
<u>DEPARTMENT OF JUSTICE</u>			
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus <i>Relationship Violence Awareness and Prevention Initiative</i>	16.525	2010WAAX0004	\$ 40,379
Violence Against Women Formula Grants Passed-Through Illinois Attorney General <i>Illinois Attorney General SANE Revisions</i>	16.588	None	2,224
Passed-Through Illinois Law Enforcement Training and Standards Board <i>OVW Grants to Encourage Arrest Policies and Enforcement of Orders of Protection: Illinois Integrated Protocol Initiative</i>	16.588	383027	55,946
			58,170
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b>\$ 98,549</b>

**State of Illinois**  
**Western Illinois University**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**SCHEDULE 1**  
**(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2014 Expenditures
<b>OTHER PROGRAMS: (Continued)</b>			
<u>DEPARTMENT OF LABOR</u>			
Workforce Innovation Fund Passed-Through Illinois Community College Board <i>Developing Career and Academic Readiness System Modules: Contextualization for Manufacturing</i>	17.283	WIUWIF14	\$ 132,269
<b>TOTAL DEPARTMENT OF LABOR</b>			<b>\$ 132,269</b>
<u>DEPARTMENT OF TRANSPORTATION</u>			
Formula Grants for Rural Areas Passed-Through Illinois Department of Transportation <i>Program Coordination &amp; Monitoring to Assist with the Development &amp; Implementation of ARRA Funded Capital Projects</i>	(M) 20.509	PROJ 10-15	\$ 150,925
<i>Rural Transit Assistance Center FY13-15</i>	(M) 20.509	DPIT-RTAC-13BOB30	500,441
Passed-Through City of Macomb, IL <i>Go West Transit</i>	(M) 20.509	None	221,281
			<u>872,647</u>
State and Community Highway Safety Passed-Through Illinois Department of Transportation <i>Sustained Traffic Enforcement Program (STEP)</i>	20.600	OP-14-0132	4,572
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<b>\$ 877,219</b>
<u>INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>			
Grants to States Passed-Through Office of the Secretary of State, Illinois State Library <i>Back to Books</i>	45.310	13-0201-7245	\$ 5,000
<b>TOTAL INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>			<b>\$ 5,000</b>
<u>SMALL BUSINESS ADMINISTRATION</u>			
Small Business Development Centers Passed-Through Illinois Department of Commerce & Economic Opportunity <i>SBDC CY13</i>	59.037	13-181127	\$ 24,616
<i>SBDC CY14</i>	59.037	14-561127	40,281
			<u>64,897</u>
Congressional Grants <i>SBDC Congressional Grant</i>	59.059	SBAHQ-10-I-0170	148,329
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>			<b>\$ 213,226</b>

**State of Illinois**  
**Western Illinois University**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**SCHEDULE 1**  
**(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2014 Expenditures
<b>OTHER PROGRAMS: (Continued)</b>			
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements			
Passed-Through Kansas State University			
<i>TAB Coordination and Technical Assistance for Downstate Illinois</i>	66.814	SA 14108	\$ 6,223
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<b>\$ 6,223</b>
<u>DEPARTMENT OF EDUCATION</u>			
Adult Education - Basic Grants to States			
Passed-Through Illinois Community College Board			
<i>Central Illinois Adult Education Service Center - 2014</i>	(M) 84.002A	AEL14006	\$ 394,513
<i>I-Pathways - 2014</i>	(M) 84.002A	AEL14008	247,750
<i>Data and Information System Illinois (DAISI) - 2014</i>	(M) 84.002A	AEL14007	198,182
<i>ICCB - Curriculum Publications Clearinghouse - 2014</i>	(M) 84.002A	AEL14002	57,228
			<u>897,673</u>
Fund for the Improvement of Postsecondary Education			
Passed-Through Western Kentucky University			
<i>Alliance to Enhance Entrepreneurial Impact to Stimulate Economic Growth Among Underserved Groups in N. America</i>	84.116N	WKURF 524549-09-01	10,097
School Leadership			
Passed-Through Illinois State University			
<i>IL-Part</i>	84.363A	13D427.009	1,392
Mathematics and Science Partnerships			
Passed-Through Illinois State Board of Education			
<i>Western Illinois Mathematics Teacher Transformation Institute (WI-MTTI) Year 2</i>	84.366B	2013-4936-40-26-062-5440-51	49,654
Improving Teacher Quality State Grants			
Passed-Through Illinois State Board of Education			
<i>WIU Race to the Top</i>	84.367A	26062544051	8,712
Race to the Top - Early Learning Challenge			
Passed-Through The Center: Resources for Teachers and Learning			
<i>Race to the Top</i>	84.412A	None	4,459
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 971,987</b>

**State of Illinois**  
**Western Illinois University**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**SCHEDULE 1**  
**(CONTINUED)**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2014 Expenditures
<b>OTHER PROGRAMS: (Continued)</b>			
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Temporary Assistance for Needy Families			
Passed-Through Illinois Department of Human Services			
<i>Low Income Degree Scholarship Program 12-13</i>	93.558	FCSRG00289	\$ 11,554
<i>Low Income Degree Scholarship Program 13-14</i>	93.558	FCSSG00289	<u>262,718</u>
<b>TOTAL DEPARTMENT OF HEALTH &amp; HUMAN SERVICES</b>			<b><u>\$ 274,272</u></b>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
AmeriCorps			
Passed-Through Illinois Department of Human Services			
<i>AmeriCorps Project 12-13</i>	94.006	FCSRE01222	\$ 136,707
<i>QC AmeriCorps Project 13-14</i>	94.006	FCSSP03361	<u>47,185</u>
			<u>183,892</u>
Volunteers in Service to America			
<i>Vista Community Outreach</i>	94.013	13VSNIL001	<u>21,197</u>
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<b><u>\$ 205,089</u></b>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
Passed-Through Illinois Emergency Management Agency			
<i>2013 Severe Storms and Flooding</i>	97.036	FEMA-4116 - 109-OCF67-00	<u>\$ 5,246</u>
Homeland Security Grant Program			
Passed-Through Illinois Emergency Management Agency			
<i>Homeland Security Program FFY11</i>	(M) 97.067	11SHSPWIU	4,578
Passed-Through Illinois Law Enforcement Training and Standards Board			
<i>Homeland Security Federal Fiscal Year 11 Funds</i>	(M) 97.067	None	157,144
<i>Homeland Security Federal Fiscal Year 12 Funds</i>	(M) 97.067	None	258,254
<i>Homeland Security Federal Fiscal Year 13 Funds</i>	(M) 97.067	None	<u>37,114</u>
			<u>457,090</u>
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<b><u>\$ 462,336</u></b>
<b>TOTAL OTHER PROGRAMS</b>			<b><u>\$ 3,460,295</u></b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b><u>\$ 105,319,490</u></b>

(M) - Program was audited as a major program.

**SCHEDULE 1**  
**(CONTINUED)**

**State of Illinois**  
**Western Illinois University**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**NOTE 1 - BACKGROUND**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the University. The SEFA includes all federal awards received directly from federal agencies as well as federal financial awards passed through other agencies.

**Summary of Significant Accounting Policies - Basis of Presentation**

The SEFA includes the federal awards activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

The University administered the following federal loan program during the year ended June 30, 2014:

Perkins Loan Program CFDA No. 84.038

Outstanding balance, July 1, 2013	<u>\$ 2,205,478</u>
Additions:	
Interest income	36,102
Contributions	<u>11,703</u>
Total additions	<u>47,805</u>
Deductions:	
Loans cancelled or written-off	31,355
Allowance for uncollectible adjustment	11,300
Administrative charges	53,645
Collection agency fees, net	102
Litigation costs	<u>11,489</u>
Total deductions	<u>107,891</u>
Outstanding balance, June 30, 2014	<u>\$ 2,145,392</u>

**SCHEDULE 1  
(CONTINUED)**

**State of Illinois  
Western Illinois University  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014**

**NOTE 3 - SUBRECIPIENTS**

Of the federal expenditures presented in the SEFA, the University provided federal awards totaling \$40,850 to subrecipients in 2014 as follows:

<u>Grant/Program Title</u>	<u>CFDA Number</u>	<u>Reference Number</u>	<u>Provided To Subrecipients</u>
Biological Sciences	47.074	DEB-0919510	\$ 22,851
AmeriCorps	94.006	FCSRE01222	17,999
Total			<u>\$ 40,850</u>

**NOTE 4 - NON-CASH ASSISTANCE**

The University did not receive any federal non-cash assistance during the fiscal year ended June 30, 2014.

**NOTE 5 - INSURANCE**

During fiscal year ended 2014, there was no federally funded insurance in effect.

State of Illinois  
 Western Illinois University  
 Schedule of Net Appropriations, Expenditures and Lapsed Balances  
 Appropriations for Fiscal Year 2014  
 Fourteen Months Ended August 31, 2014

	<u>Appropriations (Net of Transfers)</u>	<u>Expenditures Through June 30, 2014 (b)</u>	<u>Lapse Period Expenditures July 1 - August 31</u>	<u>Total Expenditures</u>	<u>Balances Lapsed</u>
<b>Public Act No. 98-0035</b>					
<b><u>APPROPRIATED FUNDS</u></b>					
<b>EDUCATION ASSISTANCE FUND (007) (a)</b>					
Operational expenses	\$ 52,755,100	\$ 52,755,095	\$ -	\$ 52,755,095	\$ 5
<b>STATE COLLEGE AND UNIVERSITY TRUST FUND (417) (a)</b>					
Scholarships	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<b><u>\$ 52,775,100</u></b>	<b><u>\$ 52,755,095</u></b>	<b><u>\$ 20,000</u></b>	<b><u>\$ 52,775,095</u></b>	<b><u>\$ 5</u></b>

Notes:

- (a) The information reflected in this schedule was taken from the University's records and has been reconciled to the State Comptroller's records.
- (b) Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to vendors.



**SCHEDULE 3**

**State of Illinois**  
**Western Illinois University**  
**Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances**  
**For the Fiscal Years Ended June 30, 2014 and 2013**

	Fiscal Year	
	2014 P.A. 98-0035	2013 P.A. 97-0729 (b)
<b>EDUCATION ASSISTANCE FUND (007) (a)</b>		
Appropriations (net of transfers)	\$ 52,755,100	\$ 52,147,800
Expenditures		
Operational expenses	52,755,095	52,147,796
Total expenditures	<u>52,755,095</u>	<u>52,147,796</u>
Lapsed balances	<u>\$ 5</u>	<u>\$ 4</u>
 <b>STATE COLLEGE AND UNIVERSITY TRUST FUND (417) (a)</b>		
Appropriations (net of transfers)	\$ 20,000	\$ 20,000
Expenditures		
Scholarships	<u>20,000</u>	<u>20,000</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>
 <b>GRAND TOTAL, ALL FUNDS</b>		
Appropriations (net of transfers)	\$ 52,775,100	\$ 52,167,800
Expenditures	<u>52,775,095</u>	<u>52,167,796</u>
Lapsed balances	<u>\$ 5</u>	<u>\$ 4</u>

Notes:

- (a) The information reflected in this schedule was taken from the University's records and has been reconciled to the State Comptroller's records.
- (b) Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to vendors.

**State of Illinois  
Western Illinois University  
Schedule of Changes in Capital Assets  
For the Year Ended June 30, 2014**

	<b>Balance June 30, 2013</b>	<b>Additions</b>	<b>Retirements</b>	<b>Transfers</b>	<b>Balance June 30, 2014</b>
<b>Non-depreciable capital assets:</b>					
Land and land improvements	\$ 3,236,432	\$ -	\$ -	\$ -	\$ 3,236,432
Works of art and historical treasures	486,569	101,252	-	-	587,821
Construction in progress	49,888,849	34,817,286	-	(39,042,702)	45,663,433
<b>Total non-depreciable capital assets</b>	<b>53,611,850</b>	<b>34,918,538</b>	<b>-</b>	<b>(39,042,702)</b>	<b>49,487,686</b>
<b>Depreciable capital assets:</b>					
Site improvements	43,999,136	320,402	(62,000)	2,712,053	46,969,591
Buildings and building improvements	296,024,613	2,445,763	-	36,330,649	334,801,025
Equipment	77,739,111	3,261,585	(2,340,247)	-	78,660,449
<b>Total depreciable capital assets</b>	<b>417,762,860</b>	<b>6,027,750</b>	<b>(2,402,247)</b>	<b>39,042,702</b>	<b>460,431,065</b>
<b>Less accumulated depreciation:</b>					
Site improvements	17,303,556	1,572,709	(50,840)	-	18,825,425
Buildings and building improvements	139,187,561	10,539,930	-	-	149,727,491
Equipment	70,860,630	2,587,745	(2,304,064)	-	71,144,311
<b>Total accumulated depreciation</b>	<b>227,351,747</b>	<b>14,700,384</b>	<b>(2,354,904)</b>	<b>-</b>	<b>239,697,227</b>
<b>Total depreciable capital assets, net</b>	<b>190,411,113</b>	<b>(8,672,634)</b>	<b>(47,343)</b>	<b>39,042,702</b>	<b>220,733,838</b>
<b>Capital assets, net</b>	<b>\$ 244,022,963</b>	<b>\$ 26,245,904</b>	<b>\$ (47,343)</b>	<b>\$ -</b>	<b>\$ 270,221,524</b>

Note: Data for this schedule included all accounting entities and was obtained from University records which have been reconciled to the basic financial statements and to the property records submitted to the Office of the State Comptroller.

**SCHEDULE 5****State of Illinois  
Western Illinois University  
Comparative Schedule of Income Fund Revenues and Expenditures  
For the Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>INCOME FUND</b>		
<b>REVENUES</b>		
Registration fees	\$ 68,705,556	\$ 69,044,453
Other student charges	1,706,316	1,390,338
Fines	8,955	5,387
Finance charges	406,786	421,816
Interest	59,722	48,379
Extension	9,427,031	8,155,881
Other	546,089	504,869
Tuition and fees waived, faculty and staff	(3,861,617)	(3,765,565)
Tuition and fees waived, students	(3,562,781)	(3,661,434)
	<u>73,436,057</u>	<u>72,144,124</u>
Total revenues		
<b>EXPENDITURES</b>		
Personal services	55,053,124	52,034,908
Contractual services	8,029,608	7,931,902
Travel	555,015	865,178
Commodities	797,813	1,172,252
Library books and equipment	1,842,287	2,146,036
Operation of automotive equipment	115,316	107,679
Telecommunications	313,811	353,521
Awards, grants, and matching funds	2,935,476	1,762,247
FICA/Medicare	538,212	500,539
Permanent improvements	66,821	514,935
Employment security	24,230	17,932
	<u>70,271,713</u>	<u>67,407,129</u>
Total expenditures		
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 3,164,344</u>	<u>\$ 4,736,995</u>

**SCHEDULE 6****State of Illinois  
Western Illinois University  
Comparative Schedule of Cash and Cash Equivalents  
June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>Cash and cash equivalents</b>		
Cash on hand	\$ 61,865	\$ 82,307
Checking accounts		
Morton Community Bank (non-interest bearing)	262,960	145,906
Illinois Funds (2014, 0.017%; 2013, 0.075%)	<u>56,860,760</u>	<u>70,124,592</u>
Total cash and cash equivalents	<u>\$ 57,185,585</u>	<u>\$ 70,352,805</u>

**State of Illinois**  
**Western Illinois University**  
**Analysis of Significant Variations in Account Balances**  
**For the Year Ended June 30, 2014**

A comparative schedule of significant variations in account balances (at least \$400,000 and 20% of the previous year) for the fiscal years ended June 30, 2014 and June 30, 2013 are shown below:

ACCOUNTS	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2014	2013	AMOUNT	%
Accounts payable and accrued liabilities	\$ 4,780,226	\$ 10,108,992	\$ (5,328,766)	(53%)
Net position: Net investment in capital assets	169,896,891	140,096,553	29,800,338	21%

University management provided the following explanations for the significant variations identified above.

Accounts payable and accrued liabilities

The decrease in accounts payable and accrued liabilities is due to decrease in University funded construction projects during Fiscal Year 2014. This resulted in the significant decline of transactions with vendors/contractors during the fiscal year.

Net position: Net investment in capital assets

The increase in net position: net investment in capital assets is due mainly to project completion for Capital Development Board (CDB) funded construction on the University's Quad Cities campus. CDB projects turned over to the University during Fiscal Year 2014 totaled \$ 24.2 million.

**SCHEDULE 8**

**State of Illinois  
Western Illinois University  
Analysis of Significant Variations in Operating and Nonoperating  
Revenues and Expenses  
For the Year Ended June 30, 2014**

A comparative schedule of significant variations in operating and nonoperating revenues and expenses (at least \$400,000 and 20% of the previous year) for the fiscal years ended June 30, 2014 and June 30, 2013 are shown below:

ACCOUNTS	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2014	2013	AMOUNT	%
Other operating revenues	\$ 4,775,230	\$ 3,762,284	\$ 1,012,946	27%
Loss on disposal of capital assets	8,076	2,641,282	(2,633,206)	(100%)
Interest on capital asset - related debt	4,907,851	1,428,757	3,479,094	244%
Capital State appropriations	26,367,549	6,187,500	20,180,049	326%

University management provided the following explanations for the significant variations identified above.

Other operating revenues

The increase is due mainly to: a fire insurance settlement received on Currens Hall; University athletic teams played more guarantee games thus increased NCAA sponsorship funds; and international sponsorship charged to governments who sponsored University students in Fiscal Year 2014.

Loss on disposal of capital assets

The decrease in loss on disposal of capital assets is due to the demolition of a residence hall completed during Fiscal Year 2013.

Interest on capital asset - related debt

The increase is due mainly to an adjustment in capitalized interest on capital projects in Fiscal Year 2014 as most of these projects were completed during the fiscal year.

Capital State appropriations

The increase in capital State appropriations is mainly due to CDB funded construction projects on the University's Quad Cities campus which were turned over during Fiscal Year 2014.

**State of Illinois  
Western Illinois University  
Analysis of Significant Lapse Period Spending  
For the Year Ended June 30, 2014**

No appropriation line item had lapse period expenditures in excess of \$400,000 and 20% of total line item expenditures for the fourteen months ended August 31, 2014.

**State of Illinois  
Western Illinois University  
Analysis of Accounts Receivable  
June 30, 2014 and 2013**

**Accounts receivable (net) at June 30, were as follows:**

	<u>2014</u>	<u>2013</u>
Current unrestricted funds	\$ 7,825,872	\$ 7,846,602
Current restricted funds	1,743,870	2,487,723
Loan funds	201	-
Plant funds	157,476	218,682
Agency funds	895	-
Total accounts receivable (net)	<u>\$ 9,728,314</u>	<u>\$ 10,553,007</u>

**Accounts receivable at gross less allowance for uncollectible accounts were as follows:**

	<u>2014</u>	<u>2013</u>
Accounts receivable - all funds, at gross	\$ 13,953,714	\$ 14,100,707
Less: allowance for uncollectible accounts	<u>4,225,400</u>	<u>3,547,700</u>
Total accounts receivable (net)	<u>\$ 9,728,314</u>	<u>\$ 10,553,007</u>

**Accounts receivable aging was as follows:**

	<u>2014</u>	<u>2013</u>
Receivables not past due	<u>\$ 5,400,641</u>	<u>\$ 6,320,211</u>
Past due receivables:		
1 day - 90 days	2,496,901	2,286,052
91 days - 180 days	-	-
181 days - 1 year	946,345	1,242,976
Over 1 year	<u>5,109,827</u>	<u>4,251,468</u>
Total receivables past due	<u>8,553,073</u>	<u>7,780,496</u>
Total receivables, at gross	<u>\$ 13,953,714</u>	<u>\$ 14,100,707</u>

Accounts receivable of WIU consists of tuition and fee charges to students, amounts receivable from funding agencies for grants, amounts receivable from third parties, and charges for auxiliary enterprise services provided to students, faculty and staff.

Collection Policies for Accounts Receivables

The University processes student accounts receivable through the Billing and Receivables Office. Monthly statements are processed for all students. If the balance on the account exceeds \$4.99 and payment is not received by the due date, academic transcripts are not released. A 1% finance charge is assessed on all past due balances that exceed \$14.99. Students with past due balances exceeding \$499.99 are not permitted to register for future terms.

Students who are no longer enrolled and have an account balance continue to receive monthly statements. Accounts with balances less than \$5.00 are not subject to collection efforts due to the costs associated with the collection process. Accounts with balances less than \$100.00 are sent two separate collection notices by the Billing and Receivables Office. If the account is not paid in full by the due date of the second collection notice, the debt is subject to offset through the State Comptroller's Office. Accounts with balances that are \$100.00 and over are subject to collection notices, telephone contacts, State Comptroller's offset and attorney/collection agency placement.



**SCHEDULE 11**

**State of Illinois  
Western Illinois University  
Schedule of Federal Expenditures, Nonfederal Expenses and New Loans  
For the Year Ended June 30, 2014**

**Schedule A - Federal Financial Component**

Total federal expenditures reported on SEFA	\$ 105,319,490
Total new loans made	- *
Amount of federal loan balances at beginning of the year	- *
Total Schedule A	<u>\$ 105,319,490</u>

**Schedule B - Total Financial Component**

Total operating expenses	\$ 300,255,906
Total nonoperating expenses	4,915,927
Total new loans made	77,623,773
Amount of federal loan balances at beginning of the year	2,205,478
Total Schedule B	<u>\$ 385,001,084</u>

**Schedule C**

Total Schedule A	\$ 105,319,490	27.4%
Total nonfederal expenses	<u>279,681,594</u>	<u>72.6%</u>
Total Schedule C	<u>\$ 385,001,084</u>	<u>100.0%</u>

\* Loan amounts are included on SEFA schedule.

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

**SCHEDULE 12****State of Illinois  
Western Illinois University  
Summary of Indirect Cost Reimbursements  
Statement of Sources and Applications  
For the Years Ended June 30, 2014 and 2013**

	<u>2014</u>	<u>2013</u>
<b>SOURCES</b>		
Federal	\$ 479,694	\$ 383,770
State	309,870	352,476
Private	5,087	5,197
Other	120,707	197,054
	<u>915,358</u>	<u>938,497</u>
Total sources		
	<u>915,358</u>	<u>938,497</u>
<b>APPLICATIONS</b>		
Research	86,219	135,143
Academic support	384,724	477,708
Institutional support	236,555	359,816
	<u>707,498</u>	<u>972,667</u>
Total applications		
	<u>707,498</u>	<u>972,667</u>
<b>EXCESS (DEFICIENCY) OF SOURCES OVER APPLICATIONS</b>	207,860	(34,170)
<b>TRANSFERS AND OTHER DEDUCTIONS</b>		
Transfers to other funds	(113,611)	(113,405)
	<u>(113,611)</u>	<u>(113,405)</u>
<b>EXCESS (DEFICIENCY) OF SOURCES OVER APPLICATIONS AFTER TRANSFERS AND OTHER DEDUCTIONS</b>	94,249	(147,575)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>591,916</u>	<u>739,491</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 686,165</u>	<u>\$ 591,916</u>

**State of Illinois**  
**Western Illinois University**  
**Summary of Indirect Cost Reimbursements**  
**Calculation Sheet for Indirect Cost Carry-Forward (Unaudited)**  
**For the Year Ended June 30, 2014**

**1. Cash and cash equivalents balance**

Enter the June 30 indirect cost entity balance for cash and equivalents

Add:

Cash.....	\$	766,971	
Cash equivalents.....	\$	-	
Bank deposits.....	\$	-	
Marketable securities.....	\$	-	
Certificates of deposit.....	\$	-	
Repurchase agreements.....	\$	-	
Other cash equivalent items.....	\$	-	
Interfund receivables.....	\$	-	\$ 766,971

**2. Allocated reimbursements**

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:

\$ 1,528,952; enter 30% of this amount..... \$ 458,685

**3. Unallocated reimbursements**

Enter the lesser of the actual unallocated indirect cost reimbursements for the year completed OR 10% of total indirect cost allocations for the year completed.....

\$ -

**4. Encumbrances and current liabilities paid in lapse period**

Enter the amount of:

Current liabilities.....	\$	81,977
Encumbrances.....	\$	200,913
Total.....	\$	282,890

**5. Indirect cost carry-forward**

a. Enter the total of items 2, 3 and 4..... \$ 741,575

b. Subtract from item 1 \$ 25,396

If a positive number results, enter here and remit for deposit in the Income Fund..... \$ 25,396

**SCHEDULE 14**

**State of Illinois  
Western Illinois University  
Calculation of Current Excess Funds (Unaudited)  
June 30, 2014**

	<b>Auxiliary Enterprises - Revenue Bond</b>		
	<b>University Union</b>	<b>Recreation Facility</b>	<b>University Housing and Dining</b>
<b>CURRENT AVAILABLE FUNDS:</b>			
Cash and cash equivalents (A)	\$ 1,864,851	\$ 606,815	\$ 476,173
<b>WORKING CAPITAL ALLOWANCES:</b>			
Highest month's expenditures	2,004,660	480,957	6,194,506
Encumbrances and current liabilities paid in lapse period	857,842	122,652	1,201,764
Refundable deposits/unearned revenue	30,911	82,676	124,381
Allowance for sick leave/vacation payouts	44,741	26,173	100,893
Total working capital allowances (B)	2,938,154	712,458	7,621,544
<b>CURRENT EXCESS FUNDS:</b>			
Deduct B from A (C)	(1,073,303)	(105,643)	(7,145,371)
<b>CALCULATION OF INCOME FUND REMITTANCE:</b>			
An entity may offset excess capital or current funds within the entity:			
Enter the amount to be offset (D)	-	-	-
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	\$(1,073,303)	\$ (105,643)	\$ (7,145,371)

**SCHEDULE 14**  
**(CONTINUED)**

**State of Illinois**  
**Western Illinois University**  
**Calculation of Current Excess Funds (Unaudited)**  
**June 30, 2014**

	<b>Public Service 02</b>	<b>Student Programs and Services 03</b>	<b>Instructional Resources and Services 04</b>	<b>University Stores and Service Centers 05</b>	<b>University Publications 06</b>	<b>Sponsored Credit Programs 08</b>
<b>CURRENT AVAILABLE FUNDS:</b>						
Cash and cash equivalents	\$ 1,048,799	\$ 2,702,796	\$ 826,024	\$(1,600,305)	\$ 2,125	\$ 27,282
Interfund receivables	-	(654)	-	43,736	-	-
Total current available funds (A)	<u>1,048,799</u>	<u>2,702,142</u>	<u>826,024</u>	<u>(1,556,569)</u>	<u>2,125</u>	<u>27,282</u>
<b>WORKING CAPITAL ALLOWANCES:</b>						
Highest month's expenditures	647,242	5,904,056	587,329	1,065,892	3,166	23,264
Encumbrances and current liabilities paid in lapse period	310,352	990,323	296,414	441,670	-	14,273
Refundable deposits/unearned revenue	207,950	158,262	19,346	-	-	2,283
Total working capital allowances (B)	<u>1,165,544</u>	<u>7,052,641</u>	<u>903,089</u>	<u>1,507,562</u>	<u>3,166</u>	<u>39,820</u>
<b>CURRENT EXCESS FUNDS:</b>						
Deduct B from A (C)	<u>(116,745)</u>	<u>(4,350,499)</u>	<u>(77,065)</u>	<u>(3,064,131)</u>	<u>(1,041)</u>	<u>(12,538)</u>
<b>CALCULATION OF INCOME FUND REMITTANCE:</b>						
An entity may offset excess capital or current funds within the entity:						
Enter the amount to be offset (D)	<u>(99,165)</u>	<u>(314,188)</u>	<u>(368,479)</u>	<u>(50,200)</u>	<u>-</u>	<u>-</u>
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	<u>\$ (215,910)</u>	<u>\$ (4,664,687)</u>	<u>\$ (445,544)</u>	<u>\$ (3,114,331)</u>	<u>\$ (1,041)</u>	<u>\$ (12,538)</u>

**SCHEDULE 14**  
**(CONTINUED)**

**State of Illinois**  
**Western Illinois University**  
**Calculation of Current Excess Funds (Unaudited)**  
**June 30, 2014**

	<u>Unique Charge Programs</u>				<u>Auxiliary Enterprises - Other</u>		
	<u>RPTA</u> <u>Travel</u> <u>07</u>	<u>European</u> <u>Bus</u> <u>07</u>	<u>Intl</u> <u>Health</u> <u>07</u>	<u>ECOEE</u> <u>Fall 2013</u> <u>07</u>	<u>University</u> <u>Services</u> <u>12</u>	<u>Parking</u> <u>Operations</u> <u>11</u>	<u>Transit Fee/</u> <u>QC Bookstore</u> <u>13</u>
<b>CURRENT AVAILABLE FUNDS:</b>							
Cash and cash equivalents	\$ 767	\$ 8,024	\$ 6,587	\$ 865	\$ 74,460	\$ 210,816	\$ 114,627
Interfund receivables	-	-	-	-	-	-	-
Total current available funds (A)	767	8,024	6,587	865	74,460	210,816	114,627
<b>WORKING CAPITAL ALLOWANCES:</b>							
Highest month's expenditures	-	-	-	-	478,705	75,636	146,650
Encumbrances and current liabilities paid in lapse period	-	-	6,587	865	214,974	37,636	80,687
Refundable deposits/unearned revenue	-	8,024	-	-	-	-	5,442
Total working capital allowances (B)	-	8,024	6,587	865	693,679	113,272	232,779
<b>CURRENT EXCESS FUNDS:</b>							
Deduct B from A (C)	767	-	-	-	(619,219)	97,544	(118,152)
<b>CALCULATION OF INCOME FUND REMITTANCE:</b>							
An entity may offset excess capital or current funds within the entity:							
Enter the amount to be offset (D)	-	-	-	-	-	(136,002)	-
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	\$ 767	\$ -	\$ -	\$ -	\$(619,219)	\$ (38,458)	\$ (118,152)



**State of Illinois  
Western Illinois University  
For the Year Ended June 30, 2014**

**University Accounting Entities and Related Sources of  
Revenues and Purposes**

**Indirect Cost**

*Source:* Facilities and administrative costs paid on grants and contracts from outside agencies

*Purpose:* To pay for costs of grants and contract operations, overhead expenses and cost sharing and matching requirements of grants and contracts.

**Public Service**

*Source:* Registration and related fees that are charged for non-credit programs and services

*Purpose:* To facilitate the development, promotion and presentation of various non-credit programs for the regional area.

**Student Programs and Services**

*Source:* Student fees, income generated by student organizations, athletic ticket sales and other charges for student services

*Purpose:* To administer receipts and disburse funds for student activities, organizations and services.

**Instructional Resources and Services**

*Source:* Charges for services, programs and special instructional materials in connection with instruction

*Purpose:* To enhance and expand instruction through related programs and activities.

**University Stores and Service Centers**

*Source:* Charges for materials and services supplied primarily to units of the University

*Purpose:* To operate stores and maintenance service centers for all units of the University.

**State of Illinois**  
**Western Illinois University**  
**For the Year Ended June 30, 2014**

**University Accounting Entities and Related Sources of**  
**Revenues and Purposes (Continued)**

**University Publications**

*Source:* Subscriptions and charges for University-sponsored publications

*Purpose:* Preparation, promotion and distribution of University publications.

**Unique Charge Programs**

*Source:* Charges for special costs associated with field trips and other travel credit programs

*Purpose:* To operate and administer travel credit programs and field trips.

**Sponsored Credit Programs**

*Source:* Fees charged for credit programs sponsored fully by outside agencies

*Purpose:* To facilitate the development, promotion and presentation of various credit programs for sponsoring agencies.

**Unrestricted Gifts**

*Source:* Unrestricted gifts received by the University

*Purpose:* To support University programs at the discretion of the University President.

**Compensated Absences**

*Source:* None

*Purpose:* To reflect the University's accrued liability for employee compensated absences, including earned vacation and accumulated sick leave benefits.

**State of Illinois**  
**Western Illinois University**  
**For the Year Ended June 30, 2014**

**University Accounting Entities and Related Sources of**  
**Revenues and Purposes (Continued)**

**Auxiliary Enterprises - Revenue Bond Fund**

The Auxiliary Enterprises - Revenue Bond Fund consists of the University Union, Campus Recreation and University Housing and Dining Services.

*Source:* Funds generated from operation of Residence Halls, Graduate and Family Housing, University Union and Recreation Facility; also bond revenue fee income from students

*Purpose:* Revenues are used to support the operational costs of the revenue bond buildings, provide services to occupants or those using the facility, fund required reserves and to pay financial requirements.

**Auxiliary Enterprises - Other**

The Auxiliary Enterprises - Other consists of the transit system, parking operations and the Quad Cities Bookstore.

*Source:* Student fees and purchases are the primary sources of income for the transit system and Quad Cities Bookstore. Parking permits and fines are the primary sources of income for parking operations.

*Purpose:* To operate the transit system, parking operations and Quad Cities Bookstore.

**University Services**

*Source:* A percentage of gross revenue assessed to local and revenue bond fund accounts

*Purpose:* To recover costs associated with general University support services such as Business Services, Human Resources, University Technology, Public Safety, etc., provided to locally funded operations.

State of Illinois  
 Western Illinois University  
 Current Funds, Unrestricted, Other  
 Balance Sheet by Entity  
 June 30, 2014

	Indirect Cost	Public Service	Student Programs and Services	Instructional Resources and Services	University Stores and Service Centers	University Publications	Unique Charge Programs	Sponsored Credit Programs	Unrestricted Gifts	Compensated Absences for All Entities	University Services	Total
<b>ASSETS</b>												
Cash and temporary cash investments	\$766,971	\$1,047,699	\$2,696,966	\$ 825,849	\$ (1,611,370)	\$ 2,125	\$ 94,456	\$ 27,282	\$ 13,459	\$1,982,605	\$ 74,460	\$ 5,920,502
Cash, change funds	-	1,100	5,830	175	11,065	-	-	-	-	-	-	18,170
Accounts receivable, net	1,170	225,855	508,748	58,466	84,127	7	-	-	-	-	80	878,453
Inventories	-	2,567	48,762	53,954	1,182,534	-	-	-	-	-	-	1,287,817
Investment in plant:												
Equipment	-	98,734	534,529	366,623	540,836	-	-	-	-	-	-	1,540,722
Building	-	-	236,398	-	207,448	-	-	-	-	-	110,928	554,774
Construction in progress	-	-	357,310	-	-	-	-	-	-	-	-	357,310
<b>TOTAL ASSETS</b>	<b>768,141</b>	<b>1,375,955</b>	<b>4,388,543</b>	<b>1,305,067</b>	<b>414,640</b>	<b>2,132</b>	<b>94,456</b>	<b>27,282</b>	<b>13,459</b>	<b>1,982,605</b>	<b>185,468</b>	<b>10,557,748</b>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>LIABILITIES</b>												
Accrued payroll	33,477	259,499	237,815	25,575	112,114	-	-	11,336	-	-	197,257	877,073
Accounts payable	48,499	25,078	560,995	84,160	149,772	-	43,585	2,937	416	-	17,717	933,159
Accrued compensated absences	-	-	-	-	-	-	-	-	-	1,089,038	-	1,089,038
Unearned revenue	-	207,950	158,262	19,346	-	-	74,171	2,283	-	-	-	462,012
Installment purchases payable	-	-	392,787	-	-	-	-	-	-	-	-	392,787
<b>Total liabilities</b>	<b>81,976</b>	<b>492,527</b>	<b>1,349,859</b>	<b>129,081</b>	<b>261,886</b>	<b>-</b>	<b>117,756</b>	<b>16,556</b>	<b>416</b>	<b>1,089,038</b>	<b>214,974</b>	<b>3,754,069</b>
<b>FUND BALANCES</b>												
Current unrestricted	686,165	686,507	1,988,421	440,884	(638,695)	2,132	(23,300)	10,726	13,043	893,567	(139,520)	3,919,930
Renewals and replacements	-	99,165	314,188	368,479	50,200	-	-	-	-	-	-	832,032
Net investment in plant	-	97,756	736,075	366,623	741,249	-	-	-	-	-	110,014	2,051,717
<b>Total fund balances (deficit)</b>	<b>686,165</b>	<b>883,428</b>	<b>3,038,684</b>	<b>1,175,986</b>	<b>152,754</b>	<b>2,132</b>	<b>(23,300)</b>	<b>10,726</b>	<b>13,043</b>	<b>893,567</b>	<b>(29,506)</b>	<b>6,803,679</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$768,141</b>	<b>\$1,375,955</b>	<b>\$4,388,543</b>	<b>\$ 1,305,067</b>	<b>\$ 414,640</b>	<b>\$ 2,132</b>	<b>\$ 94,456</b>	<b>\$ 27,282</b>	<b>\$ 13,459</b>	<b>\$1,982,605</b>	<b>\$ 185,468</b>	<b>\$10,557,748</b>

State of Illinois  
 Western Illinois University  
 Current Funds, Unrestricted, Other  
 Statement of Revenues, Expenditures and Changes in Fund Balances by Entity  
 For the Year Ended June 30, 2014

	Indirect Cost	Public Service	Student Programs and Services	Instructional Resources and Services	University Stores and Service Centers	University Publications	Unique Charge Programs	Sponsored Credit Programs	Unrestricted Gifts	Compensated Absences for All Entities	University Services	Total
<b>REVENUES AND OTHER ADDITIONS</b>												
Fees and dues	\$ -	\$ 1,089,480	\$ 12,352,657	\$ 2,090,667	\$ 2,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,535,406
Indirect cost recovery	886,230	-	-	-	-	-	-	-	-	-	-	886,230
Investment income	475	817	3,523	324	409	-	-	-	30	1,597	238	7,413
Sales and subscriptions	-	362,706	373,526	197,907	3,085,412	2,822	190	-	-	-	-	4,022,563
Charges for services	11,401	2,344,487	1,223,336	50,238	3,348,016	-	361,571	87,191	-	-	1,785	7,428,025
Athletic guarantees	-	-	967,500	-	-	-	-	-	-	-	-	967,500
Other	-	6,219	1,165,754	86,046	246,478	1,130	790	10	12,800	-	-	1,519,227
Gifts	17,252	68,989	108,901	422	70,000	-	500	-	66,230	-	-	332,294
Expended for plant facilities	72,357	69,064	676,612	203,636	156,799	-	-	-	-	-	-	1,178,468
Other fixed asset additions	-	-	113,540	1,000	34,649	-	-	-	-	-	-	149,189
<b>Total revenues and other additions</b>	<b>987,715</b>	<b>3,941,762</b>	<b>16,985,349</b>	<b>2,630,240</b>	<b>6,944,365</b>	<b>3,952</b>	<b>363,051</b>	<b>87,201</b>	<b>79,060</b>	<b>1,597</b>	<b>2,023</b>	<b>32,026,315</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>												
Cost of sales	-	249,624	62,992	1,051	2,954,416	-	9,438	-	-	-	-	3,277,521
Personal services	70,999	2,283,597	3,901,623	553,829	1,627,899	-	10,248	31,326	71,444	-	2,750,566	11,301,531
Contractual services	285,915	519,037	7,749,235	586,583	355,927	122	306,252	42,002	558	-	426,741	10,272,372
Telecommunications	2,691	27,781	208,443	5,210	430,203	-	97	-	-	-	6,585	681,010
Travel	44,512	42,158	288,987	39,211	368,187	-	30,152	6,425	-	-	5,975	825,607
Retirement	2,624	-	-	-	-	-	748	-	-	-	-	3,372
Commodities	43,152	106,866	1,116,074	493,456	313,977	3,267	14,357	3,732	2,730	-	8,631	2,106,242
Equipment	235,226	135,450	571,979	483,263	259,382	869	-	3,150	9,788	-	14,418	1,713,525
Scholarships	-	34,120	2,563,166	-	-	-	-	-	-	-	-	2,597,286
Compensated absences adjustment	-	-	-	-	-	-	-	-	-	19,592	-	19,592
Athletic guarantees	-	-	82,834	-	-	-	-	-	-	-	-	82,834
Other	22,379	242,269	1,500,968	173,804	427,000	198	4,017	21,043	1,150	-	(2,803,923)	(411,095)
Other fixed asset deductions	-	30,955	564,642	98,488	248,902	-	-	-	-	-	9,479	952,466
<b>Total expenditures and other deductions</b>	<b>707,498</b>	<b>3,671,857</b>	<b>18,610,943</b>	<b>2,434,895</b>	<b>6,985,893</b>	<b>4,456</b>	<b>375,309</b>	<b>107,678</b>	<b>85,670</b>	<b>19,592</b>	<b>418,472</b>	<b>33,422,263</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCES BEFORE TRANSFERS</b>												
	<b>280,217</b>	<b>269,905</b>	<b>(1,625,594)</b>	<b>195,345</b>	<b>(41,528)</b>	<b>(504)</b>	<b>(12,258)</b>	<b>(20,477)</b>	<b>(6,610)</b>	<b>(17,995)</b>	<b>(416,449)</b>	<b>(1,395,948)</b>
<b>TRANSFERS</b>												
Transfers from (to) other funds, current funds	(113,611)	(8,000)	(18,235)	-	(40,000)	-	300	-	-	-	-	(179,546)
Transfers from (to) other funds, plant funds	(72,357)	8,000	18,628	(47,879)	37,716	-	-	-	-	-	-	(55,892)
<b>Total transfers</b>	<b>(185,968)</b>	<b>-</b>	<b>393</b>	<b>(47,879)</b>	<b>(2,284)</b>	<b>-</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(235,438)</b>
<b>NET INCREASE (DECREASE) FOR THE YEAR</b>												
	<b>94,249</b>	<b>269,905</b>	<b>(1,625,201)</b>	<b>147,466</b>	<b>(43,812)</b>	<b>(504)</b>	<b>(11,958)</b>	<b>(20,477)</b>	<b>(6,610)</b>	<b>(17,995)</b>	<b>(416,449)</b>	<b>(1,631,386)</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>												
	<b>591,916</b>	<b>613,523</b>	<b>4,663,885</b>	<b>1,028,520</b>	<b>196,566</b>	<b>2,636</b>	<b>(11,342)</b>	<b>31,203</b>	<b>19,653</b>	<b>911,562</b>	<b>386,943</b>	<b>8,435,065</b>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>												
	<b>\$ 686,165</b>	<b>\$ 883,428</b>	<b>\$ 3,038,684</b>	<b>\$ 1,175,986</b>	<b>\$ 152,754</b>	<b>\$ 2,132</b>	<b>\$ (23,300)</b>	<b>\$ 10,726</b>	<b>\$ 13,043</b>	<b>\$ 893,567</b>	<b>\$ (29,506)</b>	<b>\$ 6,803,679</b>

**SCHEDULE 18**

**State of Illinois  
Western Illinois University  
Auxiliary Enterprise Funds - Other  
Balance Sheet by Entity  
June 30, 2014**

	<b>Parking Operations</b>	<b>Transit Fee</b>	<b>Quad Cities Bookstore</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and temporary cash investments	\$ 210,516	\$ 114,994	\$ (367)	\$ 325,143
Change funds	300	-	-	300
Accounts receivable, net	57,543	28,352	-	85,895
Investment in plant:				
Buildings	18,881	-	-	18,881
Site improvements	1,455,048	97,935	-	1,552,983
Equipment	9,434	39,402	-	48,836
<b>TOTAL ASSETS</b>	<b>1,751,722</b>	<b>280,683</b>	<b>(367)</b>	<b>2,032,038</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accrued payroll	35,389	5,615	-	41,004
Accounts payable	2,246	75,072	-	77,318
Unearned revenue	-	5,442	-	5,442
<b>Total liabilities</b>	<b>37,635</b>	<b>86,129</b>	<b>-</b>	<b>123,764</b>
<b>FUND BALANCES (DEFICIT)</b>				
Current funds	94,722	57,217	(367)	151,572
Renewals and replacements	136,002	-	-	136,002
Net investment in plant	1,483,363	137,337	-	1,620,700
<b>Total fund balances (deficit)</b>	<b>1,714,087</b>	<b>194,554</b>	<b>(367)</b>	<b>1,908,274</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 1,751,722</b>	<b>\$ 280,683</b>	<b>\$ (367)</b>	<b>\$ 2,032,038</b>

**State of Illinois**  
**Western Illinois University**  
**Auxiliary Enterprise Funds - Other**  
**Statement of Revenues, Expenditures and Changes in Fund Balances by Entity**  
**For the Year Ended June 30, 2014**

	<b>Parking Operations</b>	<b>Transit Fee</b>	<b>Quad Cities Bookstore</b>	<b>Total</b>
<b>REVENUES AND OTHER ADDITIONS</b>				
Sales and services	\$ 459,881	\$ 7,595	\$ -	\$ 467,476
Fees	-	716,484	-	716,484
Investment income	153	218	-	371
Fines	270,782	-	-	270,782
Other revenues	5,017	7,280	1,360	13,657
Expended for plant facilities	91,780	5,800	-	97,580
<b>Total revenues and other additions</b>	<b>827,613</b>	<b>737,377</b>	<b>1,360</b>	<b>1,566,350</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>				
Personal services	569,958	76,057	-	646,015
Contractual services	32,009	365,733	-	397,742
Cost of goods sold	-	-	1,784	1,784
Commodities	31,125	21,762	-	52,887
Equipment	4,899	7,033	-	11,932
Travel	275	1,603	-	1,878
Telecommunications	2,609	5,109	-	7,718
Other expenditures	65,774	259,375	68	325,217
Expended for plant facilities	122,781	-	-	122,781
Expended for renewals and replacements	48	-	-	48
Other fixed asset deductions	88,811	15,753	-	104,564
<b>Total expenditures and other deductions</b>	<b>918,289</b>	<b>752,425</b>	<b>1,852</b>	<b>1,672,566</b>
<b>NET DECREASE IN FUND BALANCES BEFORE TRANSFERS</b>				
	<b>(90,676)</b>	<b>(15,048)</b>	<b>(492)</b>	<b>(106,216)</b>
<b>TRANSFERS</b>				
Transfers to other funds, current funds	(39,620)	-	-	(39,620)
Transfers from other funds, plant funds	32,870	-	-	32,870
<b>Total transfers</b>	<b>(6,750)</b>	<b>-</b>	<b>-</b>	<b>(6,750)</b>
<b>NET INCREASE (DECREASE) FOR THE YEAR</b>	<b>(97,426)</b>	<b>(15,048)</b>	<b>(492)</b>	<b>(112,966)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>1,811,513</b>	<b>209,602</b>	<b>125</b>	<b>2,021,240</b>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<b>\$ 1,714,087</b>	<b>\$ 194,554</b>	<b>\$ (367)</b>	<b>\$ 1,908,274</b>



State of Illinois  
 Western Illinois University  
 Auxiliary Enterprise Funds - Revenue Bonds  
 Balance Sheet by Entity  
 June 30, 2014

	University Union	Recreation Facility	University Housing & Dining	Total
<b>ASSETS</b>				
<b>Current funds:</b>				
Cash and investments	\$ 1,864,851	\$ 606,815	\$ 476,173	\$ 2,947,839
Accounts and interest receivable, less allowance for doubtful accounts of \$1,992,800	699,424	93,613	1,542,970	2,336,007
Inventories	1,673,332	13,359	-	1,686,691
Equipment, net	3,926	-	-	3,926
<b>Total assets, current funds</b>	<b>4,241,533</b>	<b>713,787</b>	<b>2,019,143</b>	<b>6,974,463</b>
<b>Plant funds:</b>				
Cash - retirement of indebtedness	47,144	45,737	749,040	841,921
Cash and investments - renewals and replacements	2,313,539	(411,335)	11,122,157	13,024,361
Cash and investments - construction funds	20,700	107	174,431	195,238
Investment in plant, net:				
Land, buildings, and improvements	2,281,112	12,864,031	91,547,170	106,692,313
Equipment	41,282	215,387	389,705	646,374
Construction in progress	8,184,488	-	2,122,643	10,307,131
Other assets	2,316	13,889	245,918	262,123
<b>Total assets, plant funds</b>	<b>12,890,581</b>	<b>12,727,816</b>	<b>106,351,064</b>	<b>131,969,461</b>
<b>TOTAL ASSETS</b>	<b>17,132,114</b>	<b>13,441,603</b>	<b>108,370,207</b>	<b>138,943,924</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current funds:</b>				
Accrued payroll	139,849	92,034	529,831	761,714
Accounts payable	687,383	23,892	579,921	1,291,196
Unearned revenue	30,911	82,676	124,381	237,968
Accrued compensated absences	299,954	175,465	676,405	1,151,824
<b>Total liabilities, current funds</b>	<b>1,158,097</b>	<b>374,067</b>	<b>1,910,538</b>	<b>3,442,702</b>
<b>FUND BALANCES</b>				
Fund balances, reserve for operations	3,083,436	339,720	108,605	3,531,761
<b>Total liabilities and fund balances, current funds</b>	<b>4,241,533</b>	<b>713,787</b>	<b>2,019,143</b>	<b>6,974,463</b>
<b>LIABILITIES</b>				
<b>Plant funds:</b>				
Accounts payable and accrued payroll	1,047,338	18,051	74,881	1,140,270
Accrued interest	47,144	45,737	749,040	841,921
Revenue bonds payable	5,063,063	4,287,749	64,421,431	73,772,243
<b>Total liabilities, plant funds</b>	<b>6,157,545</b>	<b>4,351,537</b>	<b>65,245,352</b>	<b>75,754,434</b>
<b>FUND BALANCES</b>				
Retirement of indebtedness	2,316	13,888	245,918	262,122
Renewals, replacements reserve	1,266,201	(429,385)	11,056,776	11,893,592
Project construction fund	20,700	107	164,931	185,738
Investment in plant, net	5,443,819	8,791,669	29,638,087	43,873,575
<b>Total fund balances, plant funds</b>	<b>6,733,036</b>	<b>8,376,279</b>	<b>41,105,712</b>	<b>56,215,027</b>
<b>Total liabilities and fund balances, plant funds</b>	<b>12,890,581</b>	<b>12,727,816</b>	<b>106,351,064</b>	<b>131,969,461</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 17,132,114</b>	<b>\$ 13,441,603</b>	<b>\$ 108,370,207</b>	<b>\$ 138,943,924</b>

**SCHEDULE 21**

**State of Illinois  
Western Illinois University  
Auxiliary Enterprise Funds - Revenue Bonds  
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity  
For the Year Ended June 30, 2014**

	University Union	Recreation Facility	University Housing & Dining	Total
<b>REVENUES</b>				
Room and board	\$ -	\$ -	\$ 34,380,075	\$ 34,380,075
Graduate and family housing	-	-	422,737	422,737
Sales and services	4,344,328	569,269	2,297,685	7,211,282
Student fees	3,188,073	3,204,878	702,283	7,095,234
Investment income	8,716	4,074	44,107	56,897
Other	147,063	22,909	1,296,651	1,466,623
<b>Total revenues</b>	<b>7,688,180</b>	<b>3,801,130</b>	<b>39,143,538</b>	<b>50,632,848</b>
<b>OPERATING EXPENDITURES</b>				
Cost of merchandise sold	2,966,452	56,305	-	3,022,757
Personal services:				
Student	191,895	329,675	1,691,050	2,212,620
Regular	2,297,979	1,333,430	7,381,296	11,012,705
Compensated absences	(15,447)	(8,964)	(49,619)	(74,030)
Fringe benefits	62,343	34,450	272,537	369,330
Food service and catering	22,270	1,476	13,970,624	13,994,370
Contractual services	182,667	65,872	684,109	932,648
Supplies	79,375	83,931	278,300	441,606
Travel	5,891	5,835	32,139	43,865
Utilities	313,188	201,548	3,243,581	3,758,317
Telephone	17,245	4,436	75,363	97,044
Repairs and maintenance	88,015	104,693	1,046,411	1,239,119
Insurance	18,876	9,605	154,970	183,451
Other financial	46,780	3,564	18,547	68,891
Equipment	16,605	17,261	166,481	200,347
Bad debts	43,616	36,171	434,566	514,353
Administrative support	284,620	140,796	1,432,337	1,857,753
Miscellaneous	119,721	53,726	369,331	542,778
<b>Total operating expenditures</b>	<b>6,742,091</b>	<b>2,473,810</b>	<b>31,202,023</b>	<b>40,417,924</b>
<b>EXCESS OF REVENUES OVER OPERATING EXPENDITURES</b>	<b>946,089</b>	<b>1,327,320</b>	<b>7,941,515</b>	<b>10,214,924</b>
<b>TRANSFERS</b>				
Transfers for principal and interest	(487,472)	(737,155)	(6,148,133)	(7,372,760)
Transfers for renewals, replacements, deferred maintenance and equipment reserve	(457,313)	(580,387)	(1,790,286)	(2,827,986)
<b>Total transfers</b>	<b>(944,785)</b>	<b>(1,317,542)</b>	<b>(7,938,419)</b>	<b>(10,200,746)</b>
<b>NET INCREASE FOR THE YEAR</b>	<b>1,304</b>	<b>9,778</b>	<b>3,096</b>	<b>14,178</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>3,082,132</b>	<b>329,942</b>	<b>105,509</b>	<b>3,517,583</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 3,083,436</b>	<b>\$ 339,720</b>	<b>\$ 108,605</b>	<b>\$ 3,531,761</b>

**State of Illinois**  
**Western Illinois University**  
**Auxiliary Enterprise Funds - Revenue Bonds**  
**Plant Funds Statement of Changes in Fund Balances by Entity**  
**For the Year Ended June 30, 2014**

	<u>University Union</u>	<u>Recreation Facility</u>	<u>University Housing &amp; Dining</u>	<u>Total</u>
<b>Retirement of indebtedness</b>				
Fund balances, July 1, 2013	\$ 91,732	\$ 75,354	\$ 1,207,781	\$ 1,374,867
Bond issuance expenditures	(87,829)	(61,466)	(952,777)	(1,102,072)
Retirement of bonds	(286,610)	(535,350)	(3,078,040)	(3,900,000)
Interest paid, bonds	(200,862)	(201,805)	(3,070,093)	(3,472,760)
Mandatory debt retirement transfer	487,472	737,155	6,148,133	7,372,760
Transfers (net)	(1,587)	-	(9,086)	(10,673)
Fund balances, June 30, 2014	<u>\$ 2,316</u>	<u>\$ 13,888</u>	<u>\$ 245,918</u>	<u>\$ 262,122</u>
<b>Renewals, replacements, def. maint. and equipment reserve</b>				
Fund balances (deficits), July 1, 2013	\$ 2,823,115	\$ (900,547)	\$ 13,863,728	\$ 15,786,296
Transfers from current funds	457,313	580,387	1,790,286	2,827,986
Expenditures for renewals and replacements	(2,014,227)	(109,225)	(4,597,238)	(6,720,690)
Fund balances (deficits), June 30, 2014	<u>\$ 1,266,201</u>	<u>\$ (429,385)</u>	<u>\$ 11,056,776</u>	<u>\$ 11,893,592</u>
<b>Project construction fund</b>				
Fund balances (deficits), July 1, 2013	\$ (533,753)	\$ 107	\$ (16,459,936)	\$ (16,993,582)
Investment income	821	-	3,508	4,329
Retirement of bonds	178,793	-	751,207	930,000
Capitalized interest	135,428	-	(814,428)	(679,000)
Expenditures for renewals and replacements	(4,122,387)	-	1,150,530	(2,971,857)
Transfers (net)	4,361,798	-	15,534,050	19,895,848
Fund balances, June 30, 2014	<u>\$ 20,700</u>	<u>\$ 107</u>	<u>\$ 164,931</u>	<u>\$ 185,738</u>
<b>Investment in plant (net)</b>				
Fund balances, July 1, 2013	\$ 3,788,127	\$ 8,746,638	\$ 45,514,732	\$ 58,049,497
Retirement of bonds	107,818	555,138	2,307,044	2,970,000
Additions to plant	6,063,867	14,863	4,303,887	10,382,617
Depreciation	(198,143)	(505,534)	(5,516,198)	(6,219,875)
Gifts and other (additions and deductions to fixed assets)	(7,064)	-	(4,818)	(11,882)
Discount amortization	22,662	(824)	173,031	194,869
Refund amortization	(3,485)	(18,612)	(59,445)	(81,542)
Transfers (net)	(4,329,963)	-	(17,080,146)	(21,410,109)
Fund balances, June 30, 2014	<u>\$ 5,443,819</u>	<u>\$ 8,791,669</u>	<u>\$ 29,638,087</u>	<u>\$ 43,873,575</u>

**State of Illinois  
Western Illinois University  
Analysis of Operations (Unaudited)  
For the Year Ended June 30, 2014**

**University Functions and Planning Program (Unaudited)**

The primary focus of Western Illinois University (University), a component unit of the State of Illinois (State), is on instruction and an additional commitment to research and public service. Dr. Jack Thomas is the current President of the University. The University has campuses located in Macomb and Moline, Illinois.

The University developed various institutional planning programs to guide implementation of the University's vision, mission, values, goals and priorities. These programs include the University's *Higher Values in Higher Education (HVHE) 2012-2022 Strategic Plan*, Campus Master Plans, Institutional Strategic Plan for Technology, and institutional accreditation reporting for the Higher Learning Commission - North Central Association of Colleges and Schools. The following shows a brief description of the institutional plans:

- The University developed a strategic plan that guides its daily operations, planning and resource allocation in support of academic mission and service operations. The Strategic Plan is a ten-year long term vision for the University which was endorsed by all campus governance groups and approved for implementation by the University Board of Trustees. The University holds itself accountable to advancing the priorities and goals of the University's Strategic Plan by means of monthly/annual updates and each spring, the Vice Presidents and areas that report to the President present an overview of their areas accomplishments and plans in an open two-day forum and provide a consolidated annual report of their accomplishments, plans and budget requests. In the new HVHE edition, goals were aligned directly with the University's core values, to recognize the emphasis the University places in demonstrating these values.
- Campus Master Plans for Macomb and Quad Cities identify a 20 year plan for new and remodeled facilities, infrastructure and grounds at Western Illinois University. These plans were endorsed by all campus governance groups for implementation by the Western Illinois University Board of Trustees. The *Macomb Campus Master Plan 2012-2032* balances the need for facility and site improvements with fiscal realities of the present day. The plan is a collection of powerful ideas which established the framework for coordinating physical change on the Macomb campus. The plan presents a twenty year vision to guide the future of the institution. The fundamental used in the 2007 Campus Master Plan remains relevant and served as the starting point for the 2012 master planning effort. *Vision 2020 for Quad Cities campus Master Plan* reflects the institution's values and creates a campus environment where lifelong relationships are established, ideas are tested, and learning is inspired. The *Campus Master Plan Updates* document institutional master plan accomplishments annually.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**University Functions and Planning Program (Unaudited) (Continued)**

- The University's Board of Trustees unanimously approved in October 2013, the *2013-2018 Information Technology Strategic Plan* at the University. The technology plan aims to provide state-of-the-art technology and service to support the academic mission and service operations of the University. University Technology supports comprehensive voice, video, and data networks, and provides institutional support to end users, who are supported by the Center for Application of Information Technologies, Center for Innovation Teaching and Research, departmental and college representatives, Electronic Student Services, and Administrative Information Management Systems. The Institutional Strategic Plan for Technology website contains the University's plan for technology, as well as annual accountability reports. The Board of Trustees receives progress reports on the status of the technology plan.
- The University is fully accredited by the Higher Learning Commission - North Central Association of Colleges and Schools (Commission). Receiving institutional accreditation by the Commission is designed to provide assurance to the public, and particularly to prospective students, that the University meets clearly stated criteria and that there are reasonable grounds for believing that it will continue to meet them. Institutional accreditation is also required for the University to receive and disperse federal Title IV financial aid and assures that University credit hours and degrees are transferable to other accredited institutions of higher education. The University was first accredited in 1913 and accreditation has been continuous since that time. During the February 2011 on-site visit, the On-Site Review Team re-affirmed Western Illinois University's accreditation with the next comprehensive visit scheduled for 2021. The team's visit was followed by a review process and Commission action. The Commission's process is multilayered to ensure the appropriateness of its actions. The process included review of documents relating to the visit by a Readers Panel and final action by the Institutional Actions Council (IAC). These actions were made official September 6, 2011.

University Planning is housed in the Division of Quad Cities and Planning under the leadership of Dr. Joseph Rives. University Planning provides planning/policy coordination and accountability reporting for the University's Strategic Plan (*Higher Values in Higher Education*) and Campus Master Plans. Dr. Rives serves as the Accreditation Liaison Officer to the Higher Learning Commission-North Central Association of Colleges and Schools.

The primary planning program of the University is coordinated through the Budget Office, which provides a full-time budget and planning function.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**University Functions and Planning Program (Unaudited) (Continued)**

In addition to the institutional planning programs described above, other significant planning documents and a brief description of the related planning process are as follows:

- Resource Allocation and Management Program (RAMP) for Operations and Grants Resource Requirements - This is a five-year plan that includes comparison to the preceding two fiscal years. Among other data included are a summary of operations cost by function and source of funds, summary of staff requirements and earnings, projected enrollments, tuition and fees. In addition, detailed information by various departments and programs is included.
- Resource Allocation and Management Program (RAMP) Capital Requirements Plan - This also is a five-year planning program and includes a summary of capital requirements by budgetary category. These requirements are detailed as to buildings or components of buildings as well as other capital projects planned for the University.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Comments on the Percentage of Total Expenditures Represented by  
Administrative Costs (Unaudited)**

The percentage of total Fiscal Year 2014 expenditures represented by administrative costs for the year ended June 30, 2014 was approximately 9.9%. This percentage was computed based upon appropriated expenditures considered as administrative and reported to the Illinois Board of Higher Education. These expenditures primarily included the various administrative offices of the President, Vice President for Administrative Services, and the Provost and Academic Vice President. Administrative expenses also include Medicare costs and the CMS Group Insurance payment.



**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Years Ended June 30, 2014 and 2013**

**Employment Statistics - Full-Time Equivalent (Unaudited)**

	<b>Instructional Activities</b>	<b>Organized Research</b>	<b>Public Service</b>	<b>Academic Support</b>	<b>Student Services</b>	<b>Institutional Support</b>	<b>O&amp;M Physical Plant</b>	<b>Independent Operations</b>	<b>Total All Functions</b>
<b>Year Ended June 30, 2014</b>									
Appropriated funds:									
Faculty/administrative	753.4	15.5	26.7	43.9	62.3	30.1	7.3	-	939.2
Civil service	163.6	9.0	14.8	62.8	32.8	80.7	158.5	-	522.2
Student employees	23.9	2.8	1.2	22.7	4.5	6.7	4.2	-	66.0
Total appropriated	940.9	27.3	42.7	129.4	99.6	117.5	170.0	-	1,527.4
Non-appropriated funds:									
Faculty/administrative	5.7	8.0	75.9	-	48.8	-	5.3	38.9	182.6
Civil service	2.7	0.1	9.9	-	48.8	-	124.2	81.8	267.5
Student employees	26.5	5.1	9.3	0.3	54.8	-	13.4	126.9	236.3
Total non-appropriated	34.9	13.2	95.1	0.3	152.4	-	142.9	247.6	686.4
Total all funds	975.8	40.5	137.8	129.7	252.0	117.5	312.9	247.6	2,213.8
<b>Year Ended June 30, 2013</b>									
Appropriated funds:									
Faculty/administrative	760.7	13.8	26.2	44.7	59.7	30.9	4.7	-	940.7
Civil service	162.0	8.3	15.4	62.2	37.8	79.6	162.3	-	527.6
Student employees	27.2	0.4	1.1	22.1	6.3	7.8	4.4	-	69.3
Total appropriated	949.9	22.5	42.7	129.0	103.8	118.3	171.4	-	1,537.6
Non-appropriated funds:									
Faculty/administrative	5.2	11.4	77.5	-	49.1	-	5.5	39.4	188.1
Civil service	3.7	0.2	11.2	0.1	50.7	0.4	131.8	82.3	280.4
Student employees	28.8	4.2	6.7	0.2	46.0	-	13.3	125.5	224.7
Total non-appropriated	37.7	15.8	95.4	0.3	145.8	0.4	150.6	247.2	693.2
Total all funds	987.6	38.3	138.1	129.3	249.6	118.7	322.0	247.2	2,230.8

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Years Ended June 30, 2014 and 2013**

**Service Efforts and Accomplishments - Enrollment Statistics (Unaudited)**

Enrollment figures, as developed by University personnel for the undergraduate and graduate schools during the years ended June 30, 2014 and 2013 are presented below:

	<u>2014</u>	<u>2013</u>
<b>Fall term:</b>		
Undergraduate students	9,251	9,674
Graduate students	1,450	1,533
Extension students	1,006	998
Total enrollment	<u>11,707</u>	<u>12,205</u>
Full-time equivalent students	<u>10,207</u>	<u>10,622</u>
<b>Spring term:</b>		
Undergraduate students	8,414	8,617
Graduate students	1,366	1,479
Extension students	1,041	984
Total enrollment	<u>10,821</u>	<u>11,080</u>
Full-time equivalent students	<u>9,385</u>	<u>9,556</u>
<b>Summer term:</b>		
Undergraduate students	1,026	1,009
Graduate students	449	484
Extension students	2,062	2,279
Total enrollment	<u>3,537</u>	<u>3,772</u>
Full-time equivalent students	<u>2,595</u>	<u>2,691</u>
Annual full-time equivalent students (based on average per term exclusive of summer term)	<u>9,796</u>	<u>10,089</u>



**State of Illinois  
Western Illinois University  
Analysis of Operations (Unaudited) (Continued)  
For the Year Ended June 30, 2014**

**University Bookstore Information (Unaudited)**

Contracted/Rents to students/University operated	University operated
Contractor	Not applicable
Contract term	Not applicable
Amount of gross sales for bookstore in FY 2014	\$4,133,689
Commissions	Not applicable
Commission terms	Not applicable
Given exclusive rights	No
Competition “other” nearby /on-campus bookstores	Chapman’s Bookstore

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Special Data Requirements for University Audits (Unaudited)**

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled “Matters Regarding University Audits” (Memorandum), certain supplemental data is required to be reported for University audits. The table below cross references the memorandum requirements (indicated by number and letter paragraph references) to the Western Illinois University (University) financial statements and audit reports for the year ended June 30, 2014, where such special data is found.

Compliance Findings

13(a) A finding of noncompliance with University Guidelines for the year ended June 30, 2014 was noted, see finding 2014-006.

Indirect Cost Reimbursements

13(b) A statement of sources and applications of indirect cost reimbursements is included in this report on page 62.

13(c) The University’s calculation sheet for indirect cost carry-forward is included in this report on page 63.

Tuition, Charges and Fees

13(d) The University does not have statutory authority to divert tuition to Auxiliary Enterprise operations and we noted no instances of any such diversion.

Auxiliary Enterprises, Activities and Accounting Entities

13(e) Identification of each specific accounting entity and description of the sources of revenue and purpose of each are presented on pages 67 through 69.

13(f) Entity financial statements are presented on pages 70 through 76 of this report. The entity financial statements should be read in conjunction with University’s audited financial statements for the year ended June 30, 2014.

13(g) The University’s calculation sheets for current excess funds are presented in this report on pages 64 through 66.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Special Data Requirements for University Audits (Unaudited) (Continued)**

- 13(h) The University Auxiliary Enterprises and activities received \$2,279,130 for group insurance and \$1,175,560 for pensions from State appropriated funds for the year ended June 30, 2014. These amounts of support were estimated by University management.
- 13(i) Revenue and expenditures for the various bond indenture required accounts are included on page 75 of this report. Description of the accounts and requirements is included in Note 9 of the June 30, 2014 financial statements.
- 13(j) Audit tests of the Revenue Bond Fund accounting revealed no instances of noncompliance with the terms of the bond indenture during the year ended June 30, 2014.
- 13(k) As of June 30, 2014, the University did not have a noninstructional facilities reserve account. Previously, such account was established in conjunction with the September 1995 Board of Governors of the State Colleges and Universities issuance of Western Illinois University Auxiliary Facilities Systems Revenue and Refunding Bonds, Series 1995 which were defeased during Fiscal Year 2005. However, the University does have the ability to establish a noninstructional facilities reserve account in conjunction with the Series 2005 Bonds.

University Related Organizations

- 13(l) The Western Illinois University Foundation (the "Foundation") is recognized by Western Illinois University as a University related organization. There are no organizations considered by the University to be independent organizations, as defined in Section VII of University Guidelines.
- 13(m) A summary of the Foundation transactions with the University is presented on page 89 of this report.
- 13(n) The University provided the Foundation with \$1,517,077 in administration and support services during the year ended June 30, 2014, for the Foundation's fund-raising services.
- 13(o) There were no unreimbursed subsidies from the University to the Foundation for the year ended June 30, 2014.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Special Data Requirements for University Audits (Unaudited) (Continued)**

Other Topics

- 13(p) There was no debt financed by the Foundation in Fiscal Year 2014.
- 13(q) Schedules of cash and cash equivalents held by the University are presented in this report on page 56.
- 13(r) Income from investments of pooled funds has been allocated and credited to the original sources of the funds.
- 13(s) A schedule of costs per full-time equivalent student is presented on page 83 of this report.
- 13(t) There were no acquisitions of real estate by the University or the Foundation costing in excess of \$250,000 and not funded by separate specific appropriation as stated on page 89 of this report.
- 13(u) On March 30, 2011, the Series 2011 Certificates of Participation were issued in the principal amount of \$11,775,000. Proceeds from the sale of the Series 2011 Certificates of Participation were used for issuance costs and the rest has been used to finance capital improvements projects to several campus buildings as well as Phase II of the campus steam line replacement plan.

On February 23, 2010, the Series 2010 Certificates of Participation were issued in the principal amount of \$11,585,000. Proceeds from the sale of the Series 2010 Certificates of Participation were used for issuance costs and the rest has been used to finance heating plant capital improvements and steam line replacements. Additionally, proceeds from the sale reimbursed the University for a portion of the cost of the sprinkler system installation in Thompson and Tanner Halls.

In Fiscal Year 2006, the University issued the Series 2005 Certificates of Participation (COPS) (Capital Improvement Projects) in the amount of \$10,290,000. Proceeds from the sales of the Series 2005 COPS were used to renovate the student section of the football stadium, to construct a new Multicultural Center and to construct a combination Document and Publication Services and Property Accounting and Redistribution Center. In addition, Series 2005 proceeds were used to pay the costs of issuing the Series 2005 COPS.

During the current fiscal year, there is no outstanding participation in lease or purchase arrangements involving COPS.



**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Special Data Requirements for University Audits (Unaudited) (Continued)**

- 13(v) The Schedule of Income Fund Revenues and Expenditures is presented on page 55 of this report.
- 13(w) The Schedule of Tuition and Fee Waivers is presented on page 90 through 91 of this report.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Summary of Western Illinois University Foundation Transactions  
with the University (Unaudited)**

During the year ended June 30, 2014, Western Illinois University (University) had a contract with Western Illinois University Foundation (Foundation) to provide fund-raising services. The University advanced funds to the Foundation for personal service costs, facility use, and other costs amounting to \$1,517,077 for the year ended June 30, 2014. As required by contract, the Foundation fully repaid the University, using funds considered unrestricted for purposes of the University Guidelines computations. In addition, the Foundation gave the University nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation gave to the University for the year ended June 30, 2014:

Funds considered unrestricted for purpose of the University Guidelines computations:	
Totally unrestricted	\$ 337,304
Restricted only as to campus, college or department and generally available for ongoing University operations	<u>3,451,617</u>
Total funds considered unrestricted	<u>3,788,921</u>
Funds considered restricted for purpose of the University Guidelines computations:	
Total funds given for scholarships, grants and awards	2,587,917
Other restricted funds	<u>1,034,144</u>
Total funds considered restricted	<u>3,622,061</u>
<b>Total funds provided to the University by the Foundation</b>	<b><u>\$ 7,410,982</u></b>

During the year ended June 30, 2014, the Foundation and University did not purchase or receive a donation or gift of real estate with a value in excess of \$250,000.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Undergraduate Tuition and Fee Waivers (Unaudited)**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients *	Value of Waivers (In Thousands)	Number of Recipients *	Value of Waivers (In Thousands)
<b>MANDATORY WAIVERS</b>					
<b>(SUBTOTAL)</b>	564	564	\$ 3,237.1	38	\$ 81.6
Teacher Special Education	32	32	211.2	26	59.3
General Assembly	3	3	24.6		
ROTC	41	41	324.5		
DCFS	16	16	84.7	12	22.3
Children of Employees	151	151	451.9		
Senior Citizens	1	1	0.3		
Honorary Scholarships					
Veterans Grants & Scholarships**	320	320	2,139.9		
Other (please specify) ***					
<b>DISCRETIONARY WAIVERS</b>					
<b>(SUBTOTAL)</b>	699	699	2,556.1	41	20.2
Faculty/Administrators	6	6	10.2	5	2.5
Civil Service	66	66	112.1	30	10.1
Academic/Other Talent	284	284	626.9		
Athletic	198	198	1,047.5		
Gender Equity in					
Intercollegiate Athletics	125	125	706.3		
Foreign Exchange Students					
Out-of-State Students					
Foreign Students					
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	2	2	1.8	2	0.5
Research Assistants					
Teaching Assistants	1	1	0.3		
Other Assistants	1	1	0.2		
Student Employment	5	5	5.0		
Interinstitutional/Related Agencies					
Retired University Employees	8	8	22.3	1	0.3
Children of Deceased Employees	3	3	23.5	3	6.8
Contract/Training Grants					
All Other (please specify)***					
<b>TOTAL</b>	<b>1,263</b>	<b>1,263</b>	<b>\$ 5,793.2</b>	<b>79</b>	<b>\$ 101.8</b>

\* Unduplicated

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

\*\*\* Other waiver categories must be approved by the Board of Higher Education prior to reporting.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2014**

**Graduate Tuition and Fee Waivers (Unaudited)**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients *	Value of Waivers (In Thousands)	Number of Recipients *	Value of Waivers (In Thousands)
<b>MANDATORY WAIVERS</b>					
<b>(SUBTOTAL)</b>	6	6	\$ 14.0	3	\$ 1.6
Teacher Special Education	3	3	8.9	3	1.6
General Assembly					
ROTC					
DCFS					
Children of Employees					
Senior Citizens	3	3	5.1		
Honorary Scholarships					
Veterans Grants & Scholarships**					
Other (please specify) ***					
<b>DISCRETIONARY WAIVERS</b>					
<b>(SUBTOTAL)</b>	694	694	3,692.0	180	62.1
Faculty/Administrators	53	53	134.1	50	21.8
Civil Service	63	63	173.1	54	24.2
Academic/Other Talent	4	4	13.0		
Athletic					
Gender Equity in					
Intercollegiate Athletics					
Foreign Exchange Students	5	5	65.8		
Out-of-State Students					
Foreign Students					
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	88	88	180.9	74	15.3
Research Assistants	36	36	223.4		
Teaching Assistants	260	260	1,616.1		
Other Assistants	183	183	1,282.8		
Student Employment					
Interinstitutional/Related Agencies					
Retired University Employees	2	2	2.8	2	0.8
Children of Deceased Employees					
Contract/Training Grants					
All Other (please specify)***					
<b>TOTAL</b>	<b>700</b>	<b>700</b>	<b>\$ 3,706.0</b>	<b>183</b>	<b>\$ 63.7</b>

\* Unduplicated

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

\*\*\* Other waiver categories must be approved by the Board of Higher Education prior to reporting.