



STATE OF ILLINOIS
**OFFICE OF THE
 AUDITOR GENERAL**

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

EASTERN ILLINOIS UNIVERSITY

Financial Audit / Single Audit / Compliance Examination
 For the Year Ended June 30, 2016

Release Date: March 29, 2017

FINDINGS THIS AUDIT: 3	AGING SCHEDULE OF REPEATED FINDINGS						
	New	Repeat	Total	Repeated Since	Category 1	Category 2	Category 3
Category 1:	0	0	0	2015		16-1	
Category 2:	1	2	3	2005		16-3	
Category 3:	0	0	0				
TOTAL	1	2	3				
FINDINGS LAST AUDIT: 4							

INTRODUCTION

During the fiscal year ended June 30, 2016, Eastern Illinois University's net position decreased by approximately \$19.6 million to \$213.4 million. At June 30, 2015 and June 30, 2014 the net position total was \$233,096,856 and \$231,591,602 respectively. The FY16 decreases were primarily due to declining student enrollment and State appropriations. The unrestricted portion of the net position has been declining steadily in recent years.

SYNOPSIS

- (16-02) The University did not exercise adequate internal control over the return of grant and loan funds to the United States Department of Education.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).

Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.

Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Expenditures and Activity Measures are summarized on next page.}

EASTERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT, SINGLE AUDIT, AND COMPLIANCE EXAMINATION
For The Year Ended June 30, 2016

STATEMENT OF NET POSITION (in thousands)	2016	2015
Assets and Deferred Outflows of Resources		
Cash and cash equivalents.....	\$ 8,222	\$ 32,752
Restricted cash and cash equivalents.....	9,959	5,382
Investments.....	5,247	5,305
Receivables.....	24,528	26,857
Capital assets, net.....	287,467	295,410
Other.....	2,154	3,144
Deferred Outflow of Resources.....	159	231
Total.....	337,736	369,081
Liabilities		
Accounts payable and accrued liabilities.....	9,256	11,247
Unearned revenues.....	3,808	4,696
Long-term liabilities.....	7,669	9,584
Other.....	103,600	110,457
Total.....	124,333	135,984
Net Position		
Net investment in capital assets.....	192,807	194,513
Restricted, expendable.....	13,224	12,457
Unrestricted.....	7,372	26,127
Total.....	\$ 213,403	\$ 233,097
REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
(in thousands)	2016	2015
Revenues		
Tuition and fees, net.....	\$ 52,313	\$ 54,735
State appropriations.....	12,465	43,439
Auxiliary enterprises.....	33,449	36,783
Payments on behalf of the University - State.....	68,730	69,151
Federal, State, and private grants and gifts.....	23,409	29,458
Other.....	7,725	12,284
Total.....	198,091	245,850
Expenses		
Instruction.....	99,455	103,105
Student services.....	20,084	24,098
Institutional support.....	13,621	17,728
Auxiliary enterprises.....	27,522	31,264
Student aid.....	3,664	11,369
Operation and maintenance of plant.....	13,545	15,965
Impairment loss.....	1,145	-
Other.....	38,749	40,955
Total.....	217,785	244,484
Cumulative effect: change in accounting principle and prior period adjustment.....	-	140
Change in net position.....	\$ (19,694)	\$ 1,366
EMPLOYMENT STATISTICS (Unaudited)		
	2016	2015
Faculty and Administrative.....	748	843
Civil Service.....	557	670
Students.....	220	242
Total Employees.....	1,525	1,755
ENROLLMENT STATISTICS (Unaudited)		
	2016	2015
Cost per full-time equivalent student.....	\$ 14,229	\$ 15,596
Full-time equivalent students.....	6,971	7,378
UNIVERSITY PRESIDENT		
During Audit Period: Dr. David Glassman		
Currently: Dr. David Glassman		

**FINDINGS, CONCLUSIONS, AND
RECOMMENDATIONS**

INADEQUATE CONTROLS OVER REFUNDS

Eastern Illinois University (University) did not exercise adequate internal controls over the return of grant and loan funds to the United States Department of Education.

Incorrect calculation of grant and loan funds

During testing, the auditors noted five of 25 (20%) unearned grant and loan funds were not properly calculated, resulting in the amount returned being understated by \$822. (Finding 2, pages 20-21)

We recommended the University implement controls to ensure all returns of grant and loan funds are properly calculated and timely refunded.

University officials agree

The University agreed with the recommendation.

OTHER FINDINGS

The remaining findings pertain to noncompliance with enrollment reporting requirements and lack of timesheets. We will review the University's progress towards the implementation of our recommendations in our next financial audit, Single Audit, and compliance examination.

AUDITOR'S OPINION(S)

The auditors stated the financial statements of the University as of and for the year ended June 30, 2016, are fairly stated in all material respects.

The auditors also conducted a Single Audit of the University as required by the Uniform Guidance. The auditors stated the University complied, in all material respects, with the types of compliance requirements that could have a direct and material effect on the University's major federal programs for the year ended June 30, 2016.

ACCOUNTANT'S OPINION

The accountants conducted a compliance examination of the University for the year ended June 30, 2016, as required by the Illinois State Auditing Act. The accountants stated the University complied, in all material respects, with the requirements described in the report.

This financial audit, Single Audit, and compliance examination was conducted by CliftonLarsonAllen, LLP.

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BRUCE L. BULLARD
Division Director

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

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