SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

FINANCIAL AUDIT Summary of Findings:

For the One Year Ended: June 30, 2013 Total this audit: 1

Release Date: January 16, 2014

Total last audit: 2
Repeated from last audit: 0

INTRODUCTION

This report contains only findings pertaining to the Financial Statement Audit.

The State Compliance Examination and Federal Single Audit Report will be issued at a later date.

SYNOPSIS

• The University did not have adequate controls over its journal entries to ensure that journal entry transactions were properly supported and reviewed prior to posting to the general ledger.

{Financial data is summarized on the reverse page.}

WESTERN ILLINOIS UNIVERSITY FINANCIAL AUDIT

For the Year Ended June 30, 2013

Cash and cash equivalents. \$ 70,353 \$ 84,47 Investments. - 13,02 Accounts and student loans receivable, net. 12,422 11,18 Due from primary government. 14,271 14,47 Capital assets, net. 244,023 210,48 Other. 5,580 5,580 Total. 346,649 339,10 iabilities	STATEMENT OF NET POSITION (In Thousands)	2013	2012	
Investments	Assets			
Accounts and student loans receivable, net. 12,422 11,18 Due from primary government. 14,271 14,471 12,472 Capital assets, net. 244,023 210,48 210,48 Other. 5,580 5,46 5,580 5,46 Total. 346,649 339,10 339,10 339,10 Labilities 26,423 19,69 120,00 120,00 120,00 111,20 120,00 111,20 120,00 111,20 120,00 111,20 120,00 111,20 120,00 <td>Cash and cash equivalents</td> <td>\$ 70,35</td> <td>\$ \$ 84,</td> <td>,475</td>	Cash and cash equivalents	\$ 70,35	\$ \$ 84,	,475
Due from primary government. 14,271 14,471 Capital assets, net. 244,023 210,48 Other. 5,580 5,46 Total. 346,649 339,10 iabilities	Investments		- 13,	,021
Capital assets, net. 244,023 210,48 Other. 5,580 5,46 Total. 346,649 339,10 Jabilities 346,649 339,10 Accounts payable, accrued liabilities, accrued payroll. 26,423 19,69 Compensated absences. 13,103 12,07 Revenue bonds, certificates of participation. 105,696 111,20 Other. 6,685 6,59 Net Position 141,876 136,05 Net Position 141,876 136,05 Net Investment in capital assets. 141,822 1,922 1,98 Unrestricted. 1,922 1,98 1,94 1,44	Accounts and student loans receivable, net	12,42	22 11,	,187
Other. 5,580 5,46 Total 346,649 339,10 .iabilities	Due from primary government	14,27	71 14,	,478
Total 346,649 339,10 .iabilities	Capital assets, net	244,02	23 210,	,480
Accounts payable, accrued liabilities, accrued payroll. 26,423 19,69 Compensated absences. 13,103 12,07 Revenue bonds, certificates of participation. 105,696 111,20 Other. 6,685 6,59 Total. 151,907 149,56 Ret Position Net investment in capital assets. 141,876 136,05 Restricted. 1,922 1,98 Unrestricted. 50,944 51,49 Total. 50,94 Total. 50,944 51,49 Total. 50,944 51,49 Total. 50,944 51,49 Total. 50,94 T	Other	5,58	5,	,464
Accounts payable, accrued liabilities, accrued payroll. 26,423 19,69 Compensated absences. 13,103 12,07 Revenue bonds, certificates of participation. 105,696 111,20 Other. 6,685 6,59 Total. 151,907 149,56 Net Position 141,876 136,05 Restricted. 1,922 1,98 Unrestricted. 50,944 51,49 Total. \$ 194,722 \$ 189,53 REVENUES, EXPENSES AND CHANGES IN NET POSITION 19,044 \$ 189,53 REVENUES, EXPENSES AND CHANGES IN NET POSITION 2013 2012 Revenues \$ 138,758 \$ 127,38 State appropriations. \$ 138,758 \$ 127,38 Tuition and fees, net. 81,704 81,49 Auxiliary enterprises. 51,347 52,49 Grants and other contracts 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other. 4,679 5,25 Total. 310,577 304,23 <tr< td=""><td>Total</td><td>346,64</td><td>19 339,</td><td>,105</td></tr<>	Total	346,64	19 339,	,105
Compensated absences 13,103 12,07 Revenue bonds, certificates of participation 105,696 111,20 Other 6,685 6,59 Total 151,907 149,56 Set Position 141,876 136,05 Net investment in capital assets 141,876 136,05 Restricted 1,922 1,98 Unrestricted 50,944 51,49 Total \$ 194,742 \$ 189,53 REVENUES, EXPENSES AND CHANGES IN NET POSITION In Thousands) 2013 2012 Revenues \$ 138,758 \$ 127,38 State appropriations \$ 138,758 \$ 127,38 Tuition and fees, net 81,704 81,49 Auxiliary enterprises 51,347 52,49 Grants and other contracts 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other 4,679 5,25 Total 310,577 304,23 Expenses Instruction 62,804 62,97	Liabilities			
Revenue bonds, certificates of participation 105,696 111,20 Other. 6,685 6,59 Total. 151,907 149,56 Ster Position Net investment in capital assets 141,876 136,05 Restricted. 1,922 1,98 Unrestricted 50,944 51,49 Total. \$ 194,742 \$ 189,53 REVENUES, EXPENSES AND CHANGES IN NET POSITION In Thousands) 2013 2012 Revenues \$ 138,758 \$ 127,38 State appropriations. \$ 138,758 \$ 127,38 Tuition and fees, net. 81,704 81,49 Auxiliary enterprises. 51,347 52,49 Grants and other contracts. 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other. 4,679 5,25 Total. 310,577 304,23 Expenses 1 5,495 Instruction. 62,804 62,97 Staff benefits. 9,358 7,00 Auxiliary enterpris	Accounts payable, accrued liabilities, accrued payroll	26,42	23 19,	,695
Other 6,685 6,59 Total 151,907 149,56 Net Position 141,876 136,05 Restricted 1,922 1,98 Unrestricted 50,944 51,49 Total \$ 194,742 \$ 189,53 REVENUES, EXPENSES AND CHANGES IN NET POSITION 2013 2012 Revenues \$ 138,758 \$ 127,38 State appropriations \$ 138,758 \$ 127,38 Tuition and fees, net 81,704 81,49 Auxiliary enterprises 51,347 52,49 Grants and other contracts 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other 4,679 5,25 Total 310,577 304,23 Expenses 1 310,577 304,23 Expenses 1 4,679 5,25 Total 9,358 7,00 Auxilliary enterprises 47,031 41,01 Institutional support 13,321 12,98 <	Compensated absences	13,10)3 12,	,070
Total 151,907 149,56 Net Position 141,876 136,05 Restricted 1,922 1,98 Unrestricted 50,944 51,49 Total \$ 194,742 \$ 189,53 REVENUES, EXPENSES AND CHANGES IN NET POSITION 2013 2012 Revenues \$ 138,758 \$ 127,38 State appropriations \$ 138,758 \$ 127,38 Tuition and fees, net 81,704 81,49 Auxiliary enterprises 51,347 52,49 Grants and other contracts 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other 4,679 5,25 Total 310,577 304,23 Expenses 5 7,00 Instruction 62,804 62,97 Staff benefits 9,358 7,00 Auxilliary enterprises 47,031 41,01 Institutional support 13,321 12,98 Student services 19,998 19,71 Aca	Revenue bonds, certificates of participation	105,69	96 111,	,206
Net investment in capital assets	Other	6,68	85 6,	,596
Net investment in capital assets 141,876 136,05 Restricted 1,922 1,98 Unrestricted 50,944 51,49 Total \$ 194,742 \$ 189,53 EEVENUES, EXPENSES AND CHANGES IN NET POSITION But thousands 2012 Revenues \$ 138,758 \$ 127,38 State appropriations \$ 138,758 \$ 127,38 Tuition and fees, net 81,704 81,49 Auxiliary enterprises 51,347 52,49 Grants and other contracts 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other 4,679 5,25 Total 310,577 304,23 Expenses 1nstruction 62,804 62,97 Staff benefits 9,358 7,00 Auxilliary enterprises 47,031 41,01 Institutional support 13,321 12,98 Student services 19,998 19,71 Academic support 17,713 17,79 Operation and maintenance	Total	151,90)7 149,	,567
Restricted	Net Position			
Restricted	Net investment in capital assets	141,87	76 136,	,055
Total		1,92	22 1,	,987
REVENUES, EXPENSES AND CHANGES IN NET POSITION 2013 2012 Revenues \$ 138,758 \$ 127,38 State appropriations. \$ 138,758 \$ 127,38 Tuition and fees, net. 81,704 81,49 Auxiliary enterprises. 51,347 52,49 Grants and other contracts. 28,614 32,44 Sales and services of educational departments. 5,475 5,15 Other. 4,679 5,25 Total. 310,577 304,23 Expenses 1 62,804 62,97 Staff benefits. 9,358 7,00 Auxilliary enterprises. 47,031 41,01 Institutional support. 13,321 12,98 Student services. 19,998 19,71 Academic support. 17,713 17,79 Operation and maintenance of plant. 16,438 16,62	Unrestricted	50,94	14 51,	,496
In Thousands) 2013 2012 Revenues State appropriations. \$ 138,758 \$ 127,38 Tuition and fees, net. 81,704 81,49 Auxiliary enterprises. 51,347 52,49 Grants and other contracts. 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other. 4,679 5,25 Total. 310,577 304,23 Expenses 8 7,00 Instruction. 62,804 62,97 Staff benefits. 9,358 7,00 Auxilliary enterprises. 47,031 41,01 Institutional support. 13,321 12,98 Student services. 19,998 19,71 Academic support. 17,713 17,79 Operation and maintenance of plant. 16,438 16,62	Total	\$ 194,74	\$ 189,	,538
In Thousands) 2013 2012 Revenues State appropriations. \$ 138,758 \$ 127,38 Tuition and fees, net. 81,704 81,49 Auxiliary enterprises. 51,347 52,49 Grants and other contracts. 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other. 4,679 5,25 Total. 310,577 304,23 Expenses 8 7,00 Instruction. 62,804 62,97 Staff benefits. 9,358 7,00 Auxilliary enterprises. 47,031 41,01 Institutional support. 13,321 12,98 Student services. 19,998 19,71 Academic support. 17,713 17,79 Operation and maintenance of plant. 16,438 16,62	REVENUES, EXPENSES AND CHANGES IN NET POSITION			
State appropriations. \$ 138,758 \$ 127,38 Tuition and fees, net. 81,704 81,49 Auxiliary enterprises. 51,347 52,49 Grants and other contracts. 28,614 32,44 Sales and services of educational departments. 5,475 5,15 Other. 4,679 5,25 Total. 310,577 304,23 Expenses Instruction. 62,804 62,97 Staff benefits. 9,358 7,00 Auxilliary enterprises. 47,031 41,01 Institutional support. 13,321 12,98 Student services. 19,998 19,71 Academic support. 17,713 17,79 Operation and maintenance of plant 16,438 16,62	(In Thousands)	2013	2012	
Tuition and fees, net	Revenues			
Auxiliary enterprises 51,347 52,49 Grants and other contracts 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other 4,679 5,25 Total 310,577 304,23 Expenses Instruction 62,804 62,97 Staff benefits 9,358 7,00 Auxilliary enterprises 47,031 41,01 Institutional support 13,321 12,98 Student services 19,998 19,71 Academic support 17,713 17,79 Operation and maintenance of plant 16,438 16,62	State appropriations	\$ 138,75	58 \$ 127,	,386
Grants and other contracts 28,614 32,44 Sales and services of educational departments 5,475 5,15 Other 4,679 5,25 Total 310,577 304,23 Expenses 62,804 62,97 Staff benefits 9,358 7,00 Auxilliary enterprises 47,031 41,01 Institutional support 13,321 12,98 Student services 19,998 19,71 Academic support 17,713 17,79 Operation and maintenance of plant 16,438 16,62	Tuition and fees, net	81,70)4 81,	,496
Sales and services of educational departments 5,475 5,15 Other. 4,679 5,25 Total. 310,577 304,23 Expenses 62,804 62,97 Staff benefits. 9,358 7,00 Auxilliary enterprises. 47,031 41,01 Institutional support. 13,321 12,98 Student services. 19,998 19,71 Academic support. 17,713 17,79 Operation and maintenance of plant. 16,438 16,62	Auxiliary enterprises	51,34	52,	,497
Other	Grants and other contracts	28,61	32,	,447
Total 310,577 304,23 Expenses 62,804 62,97 Staff benefits 9,358 7,00 Auxilliary enterprises 47,031 41,01 Institutional support 13,321 12,98 Student services 19,998 19,71 Academic support 17,713 17,79 Operation and maintenance of plant 16,438 16,62	Sales and services of educational departments	5,47	75 5,	,159
Expenses 62,804 62,97 Staff benefits	Other	4,67	795,	,250
Instruction	Total	310,57	304,	,235
Staff benefits	Expenses			
Auxilliary enterprises. 47,031 41,01 Institutional support. 13,321 12,98 Student services. 19,998 19,71 Academic support. 17,713 17,79 Operation and maintenance of plant. 16,438 16,62	Instruction	62,80	04 62,	,972
Institutional support. 13,321 12,98 Student services. 19,998 19,71 Academic support. 17,713 17,79 Operation and maintenance of plant. 16,438 16,62	Staff benefits	9,35	58 7,	,001
Student services	Auxilliary enterprises	47,03	31 41,	,014
Academic support	Institutional support	13,32	21 12,	,988
Operation and maintenance of plant	Student services	19,99	98 19,	,714
	Academic support	17,71	17,	,794
0.107	Operation and maintenance of plant	16,43	38 16,	,621
Student aid expense	Student aid expense	8,48	86 8,	,829
On-behalf payments	On-behalf payments	80,40)2 62,	,873
Other	Other	29,82	29,	,816
Total	Total	305,37	73 279,	,622
ncrease in net position	Increase in net position	\$ 5,20	94 \$ 24,	,613
PRESIDENT				
During Audit Period and Current: Dr. Jack Thomas	PRESIDENT			

FINDING, CONCLUSION, AND RECOMMENDATION

INADEQUATE CONTROLS OVER JOURNAL ENTRIES

The University had not established adequate controls over its journal entries. During our review of journal entries, we noted the following:

 The University had no formal policy to ensure journal entries were reviewed and approved prior to posting to the general ledger.

Journal entries for nearly \$423,000 were not adequately supported

Six of 25 (24%) journal entries totaling nearly \$423,000 were not adequately supported. No supporting documentation was attached to 3 of the 6 (50%) entries and supporting documentation for the rest was insufficient to support the entry.

Over \$39.5 million in journal entries were not reviewed or approved

No independent review and/or approval was noted for 25 (100%) journal entries posted in the general ledger, totaling over \$39,500,000. (Finding 1, pages 43-44).

We recommended the University establish formal policies and procedures to ensure that all journal entries are adequately supported and properly reviewed by an independent person prior to posting to the general ledger.

University agrees with auditors

University officials agreed with the finding and responded they would establish formal policies and procedures for processing, reviewing and approving journal entries.

AUDITORS' OPINION

Our auditors stated the financial statements of Western Illinois University as of June 30, 2013, and for the year then ended, are fairly stated in all material respects.

WILLIAM G. HOLLAND Auditor General

WGH:lkw

AUDITORS ASSIGNED: Our special assistant auditor for this examination was E. C. Ortiz & Co. LLP.