

**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, 2015**

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, 2015**

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**Financial Statement Report:**

The University’s financial statement report for the year ended June 30, 2015, which includes the Independent Auditor’s Report, Management Discussion and Analysis, Basic Financial Statements and Notes to the Basic Financial Statements, Required Supplementary Information - Pension and Notes to the Required Supplementary Information - Pension, 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)**  
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**Related Report Published Under a Separate Cover**

Western Illinois University Financial Audit for the Year Ended June 30, 2015

**State of Illinois  
Western Illinois University  
Compliance Examination  
For the Year Ended June 30, 2015**

**University Officials**

President	Dr. Jack Thomas
Provost and Academic Vice President	Dr. Kathleen Neumann, Interim (05/20/15 to Present) Dr. Kenneth Hawkinson (Through 05/19/15)
Vice President for Student Services	Dr. Ronald Williams, Interim (01/08/16 to Present) Dr. Gary Biller (Through 01/07/16)
Vice President for Administrative Services	Mr. Matthew Bierman, Interim (01/01/16 to Present) Ms. Julie DeWees (Through 12/31/15)
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	Vacant (01/01/16 to Present) Mr. Matthew Bierman, Interim (09/01/14 to 12/31/15)
Director of Internal Auditing	Mr. Michael Sartorius (09/08/15 to Present) Vacant (07/01/15 to 09/07/15) Ms. Rita Moore (Through 06/30/15)

**Board of Trustees (as of June 30, 2015)**

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

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 3, 2016

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 those disclosed to the auditors during engagement. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2015. Based on this evaluation, we assert that during the year ended June 30, 2015, 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

Matthew Bierman  
Interim VP for Administrative Services

Rica Calhoun  
Legal Counsel

**Business Services**

Sherman Hall 216, 1 University Circle, Macomb, IL 61455-1390  
Tel 309.298.1811 Fax 309.298.2811

**State of Illinois  
Western Illinois University  
Compliance Examination  
For the Year Ended June 30, 2015**

**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	8	9
Repeated findings	7	5
Prior recommendations implemented or not repeated	2	2

**Schedule of Findings and Questioned Costs**

Item No.	Page	Description	Finding Type
FINDING ( <i>GOVERNMENT AUDITING STANDARDS</i> )			
2015-001	17	Inadequate Controls Over Journal Entries	Significant Deficiency
FINDING AND QUESTIONED COSTS ( <i>FEDERAL COMPLIANCE</i> )			
2015-002	20	Inadequate Performance of Verification Procedures	Noncompliance and Significant Deficiency
FINDINGS ( <i>STATE COMPLIANCE</i> )			
2015-003	23	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, 2015**

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

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
2015-004	25	Noncompliance with Required Contracting Procedures	Noncompliance and Significant Deficiency
2015-005	27	Weaknesses in Policies and Procedures on Hiring and Promotion	Noncompliance and Significant Deficiency
2015-006	30	Lack of Formal Fraud Risk Assessment Procedures	Noncompliance and Significant Deficiency
2015-007	32	Subsidies between Accounting Entities	Noncompliance and Significant Deficiency
2015-008	34	Inadequate Monitoring of Applicable Statutes	Noncompliance and Significant Deficiency

In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also meets the reporting requirements for State Compliance.

2015-001	17	Inadequate Controls Over Journal Entries	Noncompliance and Significant Deficiency
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**PRIOR FINDINGS NOT REPEATED**

A	36	Inaccurate Recording of Transactions
B	36	Noncompliance with University Faculty Research and Consulting Act

**Exit Conference**

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on January 28, 2016.

Attending were:

Western Illinois University

Dr. Jack Thomas, President  
Roger Clawson, Chairman - Board of Trustees (Effective July 1, 2015)  
Matthew Bierman, Interim Vice President for Administrative Services  
Brittany Kruse, Assistant Comptroller

**State of Illinois  
Western Illinois University  
Compliance Examination  
For the Year Ended June 30, 2015**

**Exit Conference (Continued)**

Western Illinois University (Continued)

Michael Sartorius, Director of Internal Auditing  
Megan Newlon, Internal Audit Assistant

Office of the Auditor General

Lisa Warden, Audit Manager

E. C. Ortiz & Co., LLP

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

The responses to the recommendations were provided by Dr. Jack Thomas, President, in a letter dated February 3, 2016.



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

Honorable Frank J. Mautino  
Auditor General  
State of Illinois

and

The Board of Trustees  
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, 2015. 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, 2015. 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 2015-001, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, and 2015-008.

### **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 2015-001, 2015-003, 2015-004, 2015-005, 2015-006, 2015-007, and 2015-008, 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, 2015, and have issued our report thereon dated December 18, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. Our report included reference to other auditors who audited the financial statements of the University's discretely presented component unit and whose report had been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit was based solely on the report of the other auditors. We have not performed any procedures with respect to the audited financial statements subsequent to December 18, 2015. The accompanying supplementary information for the year ended June 30, 2015 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, 2015 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, 2015 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, 2015.

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, 2014, and have issued our report thereon dated December 18, 2014, 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 other auditors who audited the financial statements of the University's discretely presented component unit and whose report had been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit was based solely on the report of the other auditors. The accompanying supplementary information for the year ended June 30, 2014 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, 2014 financial statements. The accompanying supplementary information for the year ended June 30, 2014 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, 2014 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, 2014 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. Certain 2014 amounts have been reclassified to conform to the 2015 presentation.

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.

*E. C. Ortiz & Co., LLP*

Chicago, Illinois

February 3, 2016, except for our report on the Supplementary Information  
for State Compliance Purposes, as to which the date is December 18, 2015.



**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 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, 2015, 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, 2015. 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 a certain deficiency in internal control, described in the accompanying schedule of findings as item 2015-001 that we consider to be a significant deficiency.

### **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 Response to the Finding**

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

### **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. Ortiz & Co., LLP*

Chicago, Illinois  
December 18, 2015



E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

## **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 Frank J. Mautino  
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, 2015. 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, 2015.

### ***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 2015-002. 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 2015-002 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, 2015, 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, 2015, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 18, 2015. 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.

*E. C. Ortig & Co., LLP*

Chicago, Illinois

February 3, 2016, except for our report on the Schedule of Expenditures of Federal Awards and the related notes, as to which the date is December 18, 2015.

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015**

**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
84.002A	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  
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**Current Finding - *Government Auditing Standards***

**2015-001 - Inadequate Controls Over Journal Entries**

Western Illinois University (University) did not have adequate controls over its journal entries. Effective policies and procedures were not in place to ensure that all journal entries were appropriate, properly prepared, and timely approved.

The University used the Financial Records System (FRS) to initiate and process financial information and facilitate its financial reporting. A total number of 4,052 journal entry batches were recorded into the FRS through the use of journal entries. These entries were both prepared and posted by the respective Accountants in-charge of specific accounts in the Business and Financial Services Department.

In the prior audit, the formal journal entry review and approval policies and procedures adopted by the University required review and approval of all journal entries of \$100,000 or more. Further, some journal entries lacked support, independent review, and/or approval. The University responded it would review its policy and procedures for processing, reviewing, and approving journal entries and consider policy revisions to strengthen controls.

Effective July 1, 2014, the University adopted a revised journal entry approval policy, which defined when approval is required for processing journal entries. We tested a sample of Fiscal Year (FY) 2015 journal entries and did not note any entries which lacked supporting documentation, nor entries over the University's review threshold which lacked approval. However, we did note the following exceptions during the FY 2015 audit period:

- The revised policy effective in FY 2015 eliminated the review of all recurring journal entries. Although the revised policy stated mitigating controls were in place with respect to recurring journal entries, the University did not adequately document the specific controls management had identified to support the assessment of not having these types of transactions reviewed and approved during the journal entry process.
- The revised policy lacked monitoring procedures to ensure the recurring journal entry process and system controls are periodically evaluated to ensure the integrity of the financial data being reported and to reassess the design and operating effectiveness of these controls over time. All recurring journal entries (2,647 journal entry batches) recorded in FY 2015 totaled over \$413.9 million.

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

**2015-001 - Inadequate Controls Over Journal Entries (Continued)**

- During our review of 40 batches of journal entries (73 journal entries), we noted that there was no independent review and/or approval performed on four (10%) non-routine journal entries totaling \$105,383. Individual entries within these batches were below the \$100,000 threshold, and therefore in accordance with the University policy in effect at that time. Non-routine entries (1,283 journal entry batches) totaling over \$9.6 million were not required to be reviewed during FY 2015 because they were below the approval threshold.
- The process in place still allows all 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/non-routine entries, to be properly prepared, and be reviewed and approved independently, to prevent errors and fraud.

University management stated that the updated journal entry policy effective July 1, 2014, was intended to satisfy the statute, and strengthen internal controls, given the limited resources available at the University.

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. Inadequate journal entry policies and procedures could result in a lack of accountability over the processing of accounting transactions. (Finding Code No. 2015-001, 2014-001, and 2013-001)

*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

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

**2015-001 - Inadequate Controls Over Journal Entries (Continued)**

complete, accurate, and independently approved in a timely manner. Further, monitoring procedures should also be established to periodically monitor and evaluate the journal entry process and system controls to ensure functions and controls operate as intended.

*University Response*

The University agrees with the finding. Subsequent to Fiscal Year 2015, the University amended the policy to ensure approval for all non-recurring entries, regardless of magnitude. For all recurring entries, the University intends to document, assess, and monitor internal controls with regards to these types of entries, by the means of a formal risk assessment. The University is currently reviewing its options for a more automated system, which would preclude posting of entries in the absence of an approval.

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**Current Finding - Federal Compliance**

**2015-002 - Inadequate Performance of Verification Procedures**

Federal Agency: U. S. Department of Education  
Program Name/FY15 Expenditures: Student Financial Assistance Cluster/\$98,419,318  
Federal Supplemental Educational 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 Grants (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 underreported by one the total number of family members in the household who are enrolled as at least half-time students in postsecondary educational institutions.

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**Current Finding - Federal Compliance (Continued)**

**2015-002 - Inadequate Performance of Verification Procedures (Continued)**

We also noted discrepancies in the amounts reported for one student's ISIR against the amounts reported in the income tax return submitted to the University. The student excluded a \$257 education credit and overstated the U.S. income tax paid by \$5,585.

Upon the auditor's notification, the University made the necessary corrections in the ISIR and recalculated the EFC of these students. These errors did not result in changes in the students' EFC nor 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.

According to the University's response to the prior year finding, increased training for all financial aid advisors was planned. In addition, a random secondary review of verification files by a second staff member would be implemented. During the current year, secondary reviews by staff members were performed and regular staff meetings were held to discuss common issues and best practices.

University management stated that discrepancies in the current audit report were due to oversight in the review process of the student files specifically, (1) multiple changes to the ISIR leading to the final number of dependents not being correct, and (2) a correction and professional judgement adjustment being done simultaneously by an advisor, when these should have been performed in two separate transactions, with the final outcome being the same.

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. 2015-002 and 2014-003)

*Recommendation*

We recommend the University implement effective verification review procedures in accordance with federal regulations to ensure information used to calculate EFC is accurate and reviewed during the verification process.

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**Current Finding - Federal Compliance (Continued)**

**2015-002 - Inadequate Performance of Verification Procedures (Continued)**

*University Response*

The University agrees with the finding. In addition to the continuation of weekly advisor training, a secondary review of files by team leaders was instituted in October 2015. Additionally, a review checklist has been developed for all advisors to use commencing January 2016.

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

**2015-003 - Noncompliance with the Campus Security Enhancement Act**

Western Illinois University (University) did not have adequate policies and procedures to identify security sensitive positions and conduct pre-employment background checks.

During our review of the University's compliance with the Campus Security Enhancement Act of 2008 (Act), we noted the University did not have an adequate process to identify security sensitive positions for all employee classifications. In addition, 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 either before or after an offer of employment was made to the selected applicant, 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 four employees hired to security-sensitive positions during Fiscal Year (FY) 2015 revealed that background checks for 2 (50%) of these employees were performed 12-31 days after the employees' start of employment.

In the prior audit period, we noted background checks for four of five (80%) employees hired to security-sensitive positions were performed 16 to 103 days after the employees' start of employment. In the prior year finding response, management stated that procedures would be implemented to become compliant with the regulation. During the current audit period, policies and procedures on identification of security sensitive positions have not been finalized and implemented.

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.

University management stated the University did not finalize the formal written policies and procedures to comply with the Act during FY 2015 due to time constraints and competing priorities. Also, background checks were not completed prior to start of employment because, in the absence of an updated policy, Human Resources personnel continued to follow old procedures, and as such, employees were allowed to commence employment prior to the completion of the background check.

The prior finding also reported discrepancies in the time and/or location of arrest and the omission of the individual's time lodged in jail on the published crime reports. These exceptions were not repeated in the sample tested for the current audit period.

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

**2015-003 - Noncompliance with the Campus Security Enhancement Act (Continued)**

Failure to have adequate policies and procedures to identify security sensitive positions and late performance of background investigations result in noncompliance with the Act and may pose possible risks to the security of the University. (Finding Code No. 2015-003, 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.

*University Response*

The University agrees with the finding. The University implemented a new Background Investigation Policy on October 1, 2015. The policy requires all new employees to be subject to a background investigation post offer and pre-employment.

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

**2015-004 - Noncompliance with Required Contracting Procedures**

Western Illinois University (University) had not established adequate internal controls over contracts to ensure they were approved by an authorized signatory and were filed with the Illinois Office of the Comptroller (Comptroller).

During our review of contracts executed during Fiscal Year 2015, we noted the following:

- Eight of 54 (15%) contracts totaling about \$7.4 million had a signature from an employee 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. The signature card was filed immediately subsequent to the auditor's notification to the University.

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.

- One of 41 (2%) contracts was not filed with the Comptroller. The contract pertained to a real property lease executed by the University which totaled \$23,100.

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.

In the prior finding, the auditors also noted contracts filed with the Comptroller without top management approval, or which were missing required contract provisions. Those portions of the prior finding were not repeated in the current audit period.

University management stated that the failure to file signature cards and contracts with the Comptroller was due to oversight.

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

**2015-004 - Noncompliance with Required Contracting Procedures (Continued)**

Failure to file signature cards and contracts with the Comptroller results in noncompliance with State laws and reduced accountability. (Finding Code No. 2015-004, 2014-005, 2013-005, 12-7, 11-6 and 10-4)

*Recommendation*

We recommend the University strengthen its controls over contracting procedures to ensure all contracts are signed by authorized designees with the required contract signature card on file and are properly filed with the Comptroller.

*University Response*

The University agrees with the finding. The University will monitor all personnel changes that require a signature card, and will update the cards on file with the Comptroller accordingly. Additionally, the Purchasing Office will continue to file all required contracts with the Comptroller's office.

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

**2015-005 - 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 policies and procedures on search waivers.

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. Where it is anticipated that there is a continuous need for a position whose appointment is expected to be greater than 50% for its duration, a search will be required before the start of its second year. Extenuating circumstances will be reviewed and considered on a case by case basis.

The University hired approximately 108 and promoted 10 academic/administrative employees during Fiscal Year (FY) 2015.

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

- Formal documentation was not required to support the verification made on an applicant's credentials during reference checks (e.g. employment history, references and ability to perform the job) or reviews performed by management to continuously employ employees hired through a search waiver.
- 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.

During our review of 10 academic and administrative employees hired or promoted by the University during FY 2015, we noted 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.

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

**2015-005 - Weaknesses in Policies and Procedures on Hiring and Promotion (Continued)**

During our review of 5 employees hired through search waivers in the previous year (FY 2014), 4 (80%) continued to be employed by the University on their second continuous year without conducting a search. For those 4 employees, documentation was not found of extenuating circumstances considered to justify the continuance of the employee's employment.

The State Records Act (5 ILCS 160/8) states the head of each agency shall cause to be made and pre-served 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) require 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 that all credential verifications were performed.

University policies and procedures on search waivers require that where it is anticipated that there is continuous need for a position whose appointment is expected to be greater than 50% for its duration, a search will be required before the onset of its secondary year. Extenuating circumstances will be reviewed and considered on a case by case basis.

In response to the prior year finding, management stated the University would continue to review policies and procedures on hiring and promotion and would strengthen them when necessary. University management stated that processes to address the prior year finding, including revised policies and documentation, were not implemented until FY 2016 due to the effect of the policy change on multiple constituency groups, which required many meetings on how to best address the issue at hand. Also, management stated that prior to our testing, they were not aware of the need for documentation of the review performed, including specific extenuating circumstances considered.

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. Inadequate documentation of either credential verification or

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

**2015-005 - Weaknesses in Policies and Procedures on Hiring and Promotion (Continued)**

management decisions to retain employees hired for over a year through search waivers, increases the likelihood that related employee retention may be overlooked or circumvented and reduces accountability. (Finding Code No. 2015-005 and 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, as well as continuous employment of employees hired through search waivers. 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 search process for faculty and administrative positions was updated and implemented fall 2015. In addition to approved copies of credentials, the University now requires completed documentation forms for reference checks and employment verification for all new employees. Additionally, the University has strengthened its procedures for maintaining documentation for all hiring and promotional decisions.

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

**2015-006 - Lack of Formal Fraud Risk Assessment Procedures**

Western Illinois University (University) did 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 did 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.

In the prior year, management responded that the University would review establishing a fraud policy and a continuous fraud prevention program. On October 1, 2015, management established a committee that will be responsible for drafting the fraud risk assessment policy and performing risk assessment procedures on various University departments.

University management stated due to limited resources and competing priorities, formal fraud risk assessment procedures were not established and a fraud risk assessment was not performed during Fiscal Year (FY) 2015.

The University managed the expenditure of over \$309 million of funds in FY 2015. Without 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. 2015-006 and 2014-009)

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

**2015-006 - Lack of Formal Fraud Risk Assessment Procedures (Continued)**

*Recommendation*

We recommend 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 intends to commence fraud risk assessment during Fiscal Year 2016 with the direction of the newly established Risk Committee.

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

**2015-007 - Subsidies between Accounting Entities**

Western Illinois University (University) subsidized operations of University activities between accounting entities during Fiscal Year (FY) 2015. 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 \$1.6 million and \$1.8 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, 2015, this accounting entity had accounts receivable and inventories totaling \$1.6 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 response to the prior year finding, the University stated they would review and modify existing procedures to monitor accounts and entities that do not have sufficient revenues to cover planned expenses. During FY 2015, the University updated its cash balance review procedures. The University also identified all accounts that were either in a negative position or trending in an adverse direction and in some cases froze spending on accounts that were in a negative status. Management also met with fiscal agents and prepared a plan for accounts with negative status to become cash positive.

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. 2015-007, 2014-006, 2013-006 and 12-9)

*Recommendation*

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

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

**2015-007 - Subsidies between Accounting Entities (Continued)**

*University Response*

The University agrees with the finding. The University effective September 1, 2015 restructured a service center to offload expenses and maintain a cash positive operation. The University will continue to monitor all accounting entities for negative trends and make adjustments as necessary.

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

**2015-008 - Inadequate Monitoring of Applicable Statutes**

Western Illinois University (University) did not have adequate controls to monitor statutes to ensure timely identification of and compliance with new laws.

During the testing of the statutes applicable to the University, the following were noted:

- The current Treasurer of the University, who was appointed in April 2012, was not secured by a bond, as required in the Western Illinois University Law. The required bond was furnished March 1, 2015.
- The University did not timely implement changes to the statute on required approval procedures over itemized vouchers submitted to the Illinois State Comptroller. Prior to the recent amendment, the Chairperson and Secretary of the Board of Trustees were authorized to approve the itemized vouchers. The amended statute now requires the President's approval.

Seven of 52 appropriated vouchers (13%) reviewed totaling to about \$3.6 million, were approved by members of the Board of Trustees (Chairperson and Secretary). These vouchers were included in the itemized vouchers approved/certified after the effective date of the amended statute. The amended statute was implemented by the University on September 1, 2014, 37 days after the amendment was effective.

Western Illinois University Law (110 ILCS 690/35-30) effective January 1, 1996, states that the Board shall designate a member of the staff of Western Illinois University as a treasurer to serve the Board, but not as a member, and shall furnish a bond in such amount and with such security as is satisfactory to the Board. Also, the University's Bylaws Section VIII (Duties of Officers) states that the treasurer shall furnish proof of insurance or bond in such amount as the Board may require from time to time, but not less than \$500,000.

The State Finance Act (30 ILCS 105/10 (12e)), amended effective July 25, 2014, states that when an appropriation has been made by the General Assembly for the ordinary and contingent expenses of the operation, maintenance and administration of the several offices, departments, institutions, boards, commissions and agencies of the State government, the State Comptroller shall draw his warrant on the State Treasurer for the payment of the same upon presentation of itemized vouchers, issued, certified and approved, for appropriations to the University, certified to by the President of the University.

University management stated the absence of a bond for the treasurer was due to oversight. In addition, management stated the University was not aware of the amendment in the statute requiring change in the approval signatory until September 1<sup>st</sup>.

**State of Illinois  
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For the Year Ended June 30, 2015**

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

**2015-008 - Inadequate Monitoring of Applicable Statutes (Continued)**

Inadequate monitoring of applicable statutes results in noncompliance with statutory requirements. In addition, inadequate bonding exposes the University to risk of loss from unauthorized use or disposition of resources in the custody of employees and/or lack of faithful performance of duties. (Finding Code No. 2015-008)

*Recommendation*

We recommend the University establish monitoring procedures to ensure that all applicable statutes, including changes therein, are disseminated to appropriate departments for timely compliance.

*University Response*

The University agrees with the finding. The University will continue to monitor applicable statutes and communicate accordingly. Additionally, the University had secured a bond as of March 1, 2015 for its Board Treasurer.

**State of Illinois  
Western Illinois University  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2015**

**Prior Findings Not Repeated**

**A. Inaccurate Recording of Transactions**

In the prior audit, Western Illinois University (University) did not properly record certain transactions by capitalizing interest on capital projects already completed. (Finding Code No. 2014-002)

In the current audit, the University has reviewed its calculation of capitalized interest and appropriate adjustments were made to correct prior year errors.

**B. Noncompliance with University Faculty Research and Consulting Act**

In the prior audit, we noted requests for approval of outside employment for two of eight (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. (Finding Code No. 2014-007 and 2013-007)

In the current audit, we noted no significant noncompliance where the approval of outside employment for employees tested were made prior to performing outside research and consulting activities.

**State of Illinois  
Western Illinois University  
Supplementary Information for State Compliance Purposes  
For the Year Ended June 30, 2015**

**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, 2015**

**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.

**SCHEDULE 1**

**State of Illinois  
Western Illinois University  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2015 Expenditures
<b>STUDENT FINANCIAL ASSISTANCE CLUSTER:</b>			
<u>DEPARTMENT OF EDUCATION</u>			
Federal Supplemental Educational Opportunity Grants	(M) 84.007	P007A141313	\$ 374,550
Federal Work-Study Program	(M) 84.033	P033A141313	467,594
Federal Perkins Loan Program Federal Capital Contributions	(M) 84.038	P038A071313	2,123,354
Federal Pell Grant Program			
<i>Federal Pell - 2013-2014</i>	(M) 84.063	P063P131391	44,831
<i>Federal Pell - 2014-2015</i>	(M) 84.063	P063P141391	19,927,470
<i>Federal Pell - 2015-2016</i>	(M) 84.063	P063P151391	273,277
			<u>20,245,578</u>
Federal Direct Student Loans			
<i>Federal Direct Student Loans - FY13</i>	(M) 84.268	P268K131391	(1)
<i>Federal Direct Student Loans - FY14</i>	(M) 84.268	P268K141391	219,112
<i>Federal Direct Student Loans - FY15</i>	(M) 84.268	P268K151391	74,935,023
			<u>75,154,134</u>
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)			
<i>Teach Grant - 2014-2015</i>	(M) 84.379	P379T151391	54,108
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 98,419,318</b>
<b>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER</b>			<b>\$ 98,419,318</b>
<b>RESEARCH AND DEVELOPMENT CLUSTER:</b>			
<u>DEPARTMENT OF AGRICULTURE</u>			
Organic Certification Cost Share Programs Passed-Through Illinois Department of Agriculture <i>Illinois Organic Certification Cost Share Program</i>	(M) 10.171	None	\$ 750
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	5,791
Agriculture and Food Research Initiative Passed-Through University of Minnesota <i>Advancing Field Pennycress as a New Oils Feed Biodiesel Feedstock That     Does Not Require New Land Commitments</i>	(M) 10.310	H004568901	164
National Food Service Management Institute Administration and Staffing Grant Passed-Through University of Southern Mississippi <i>Exploring How Elementary and Middle/JR High Students Preferences     Impact Their Milk Selection in Schools</i>	(M) 10.587	USMGR0459206	23,215
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 29,920</b>

**SCHEDULE 1  
(CONTINUED)**

**State of Illinois  
Western Illinois University  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2015 Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER: (Continued)</b>			
<u>DEPARTMENT OF INTERIOR</u>			
Sport Fish Restoration Program			
Passed-Through Illinois Department of Natural Resources			
<i>Upper Mississippi River (Pool 17, 18, 21) Fish Population Monitoring and Sport Fish Assessment</i>	(M) 15.605	F-193-R-01	\$ 70,230
Passed-Through Southern Illinois University			
<i>Illinois River Asian Carp Molecular Identification</i>	(M) 15.605	14-33	17,453
			<u>87,683</u>
Wildlife Restoration and Basic Hunter Education			
Passed-Through Illinois Department of Natural Resources			
<i>Evaluating Gene Expression in CWD-Infected White-Tailed Deer</i>	(M) 15.611	R15W178R1	17,317
Great Lakes Restoration			
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	7,921
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	43,135
Cooperative Research and Training Programs - Resources of the National Park System			
Passed-Through University of New Mexico			
<i>Searching for Close Relatives of Pseudogymnoascus Destructans and Clues to Natural Defenses in Bat Microbiota</i>	(M) 15.945	0480G687V2	4,341
<i>Searching for Close Relatives of Pseudogymnoascus Destructans and Clues to Natural Defenses in Bat Microbiota in Carlsbad Caverns National Monument</i>	(M) 15.945	0480GE87V2	4,817
			<u>9,158</u>
<b>TOTAL DEPARTMENT OF INTERIOR</b>			<b><u>\$ 165,214</u></b>
<u>NATIONAL SCIENCE FOUNDATION</u>			
Engineering Grants			
<i>Collaborative Research: Geospatial Modeling for Pro-Active Flood Mitigation</i>			
	(M) 47.041	CMMI-1234226	\$ 14,331
Geosciences			
<i>Tornadic Vortices</i>			
	(M) 47.050	AGS-1137153	27,937
Social, Behavioral, and Economic Sciences			
<i>A Geomorphic and Ecological Analysis of Using Mosses for Controlling Stream Bank Erosion</i>			
	(M) 47.075	1461773	57,649
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b><u>\$ 99,917</u></b>

**SCHEDULE 1  
(CONTINUED)**

**State of Illinois  
Western Illinois University  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2015 Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER: (Continued)</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	\$ 12,437
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 12,437</b>
<b>TOTAL RESEARCH AND DEVELOPMENT CLUSTER</b>			<b>\$ 307,488</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	\$ 9,076
Special Education_Preschool Grants Passed-Through Illinois State Board of Education <i>Illinois Starnet - 2015</i>	(M) 84.173	2015-4605-00-26-062-5440-51	977,929
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 987,005</b>
<b>TOTAL SPECIAL EDUCATION CLUSTER (IDEA)</b>			<b>\$ 987,005</b>
<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-*****	\$ 119,833
<i>Rural Cooperative Development Grant Program</i>	10.771	RCDG-2014-IL-01	54,036
			173,869
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>\$ 173,869</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 FY15</i>	12.002	15-601104	\$ 44,998
<b>TOTAL DEPARTMENT OF DEFENSE</b>			<b>\$ 44,998</b>

**SCHEDULE 1  
(CONTINUED)**

**State of Illinois  
Western Illinois University  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2015 Expenditures
<b>OTHER PROGRAMS: (Continued)</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	\$ 10,710
Violence Against Women Formula Grants Passed-Through Illinois Attorney General <i>Illinois Attorney General SANE Revisions</i>	16.588	None	1
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program 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>	16.590	384027	40,976
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b>\$ 51,687</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	\$ 139,839
<b>TOTAL DEPARTMENT OF LABOR</b>			<b>\$ 139,839</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	\$ 139,025
<i>Rural Transit Assistance Center FY13-15</i>	(M) 20.509	DPIT-RTAC-13BOB30	510,698
Passed-Through City of Macomb, IL <i>Go West Transit</i>	(M) 20.509	None	221,281
			871,004
State and Community Highway Safety Passed-Through Illinois Department of Transportation <i>Sustained Traffic Enforcement Program (STEP)</i>	20.600	OP-14-0132	1,870
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<b>\$ 872,874</b>
<u>SMALL BUSINESS ADMINISTRATION</u>			
Small Business Development Centers Passed-Through Illinois Department of Commerce & Economic Opportunity <i>SBDC CY14</i>	59.037	14-561127	\$ 39,719
<i>SBDC CY15</i>	59.037	15-181127	33,025
			72,744

**SCHEDULE 1  
(CONTINUED)**

**State of Illinois  
Western Illinois University  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2015 Expenditures
<b>OTHER PROGRAMS: (Continued)</b>			
<u>SMALL BUSINESS ADMINISTRATION (Continued)</u>			
Congressional Grants <i>SBDC Congressional Grant</i>	59.059	SBAHQ-10-I-0170	118,249
<b>TOTAL SMALL BUSINESS ADMINISTRATION</b>			<b>\$ 190,993</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	\$ 5,694
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<b>\$ 5,694</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 - 2015</i>	(M) 84.002A	AEL15006	\$ 488,479
<i>I-Pathways - 2015</i>	(M) 84.002A	AEL15008	211,403
<i>Data and Information System Illinois (DAISI) - 2015</i>	(M) 84.002A	AEL15007	252,222
			<u>952,104</u>
School Leadership Passed-Through Illinois State University <i>IL-Part</i>	84.363A	13D427.009	1,214
<i>IL-Part</i>	84.363A	13D427.010	4,129
			<u>5,343</u>
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	39,498
<b>TOTAL DEPARTMENT OF EDUCATION</b>			<b>\$ 996,945</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 13-14</i>	93.558	FCSSG00289	\$ 197
<i>Low Income Degree Scholarship Program 14-15</i>	93.558	FCSTG03648	225,324
			<u>225,521</u>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>\$ 225,521</b>

**SCHEDULE 1  
(CONTINUED)**

**State of Illinois  
Western Illinois University  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2015**

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2015 Expenditures
<b>OTHER PROGRAMS: (Continued)</b>			
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
AmeriCorps			
Passed-Through Illinois Department of Human Services			
<i>QC AmeriCorps Project 13-14</i>	94.006	FCSSP03361	\$ 142
<i>AmeriCorps Project 14-15</i>	94.006	573800023C	84,951
<i>QC AmeriCorps Project 14-15</i>	94.006	573800024C	81,054
Passed-Through Illinois Department of Public Health			
<i>AmeriCorps Project 13-14</i>	94.006	FCSRE01222	54,103
<i>QC AmeriCorps Project 13-14</i>	94.006	FCSSP03361	15,644
			<u>235,894</u>
Volunteers in Service to America			
<i>Vista Community Outreach</i>	94.013	13VSNIL001	23,334
<b>TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</b>			<b>\$ 259,228</b>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Homeland Security Grant Program			
Passed-Through Illinois Emergency Management Agency			
<i>Illinois Terrorism Task Force (ITTF) FFY13</i>	(M) 97.067	13SHSPWIU	\$ 163,572
<i>Illinois Terrorism Task Force (ITTF) Urban Area Security Initiative FFY13</i>	(M) 97.067	13UASIWIU	163,603
<i>Illinois Terrorism Task Force (ITTF) FFY14</i>	(M) 97.067	14SHSPWIU	72,356
<i>Illinois Terrorism Task Force (ITTF) Urban Area Security Initiative FFY14</i>	(M) 97.067	14UASIWIU	72,356
Passed-Through Illinois Law Enforcement Training and Standards Board			
<i>Homeland Security Federal Fiscal Year 13 Funds</i>	(M) 97.067	None	304,861
<i>Homeland Security Federal Fiscal Year 14 Funds</i>	(M) 97.067	14ILETSB	144,091
			<u>920,839</u>
<b>TOTAL DEPARTMENT OF HOMELAND SECURITY</b>			<b>\$ 920,839</b>
<b>TOTAL OTHER PROGRAMS</b>			<b>\$ 3,882,487</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 103,596,298</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, 2015**

**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, 2015:

Perkins Loan Program CFDA No. 84.038

Outstanding balance, July 1, 2014	<u>\$ 2,145,392</u>
Additions:	
Interest income	42,668
Contributions	13,503
Allowance for uncollectible adjustment	32,800
Total additions	<u>88,971</u>
Deductions:	
Loans cancelled or written-off	39,035
Miscellaneous adjustment	177
Administrative charges	58,349
Collection agency fees, net	72
Litigation costs	13,376
Total deductions	<u>111,009</u>
Outstanding balance, June 30, 2015	<u>\$ 2,123,354</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, 2015**

**NOTE 3 - SUBRECIPIENTS**

Of the federal expenditures presented in the SEFA, the University provided federal awards totaling \$34,360 to subrecipients in 2015 as follows:

<u>Grant/Program Title</u>	<u>CFDA Number</u>	<u>Reference Number</u>	<u>Provided To Subrecipients</u>
Rural Cooperative Development Grants	10.771	RCDG-13-IL-*****	\$ 9,999
AmeriCorps	94.006	573800023C	<u>24,361</u>
Total			<u>\$ 34,360</u>

**NOTE 4 - NON-CASH ASSISTANCE**

The University did not receive any federal non-cash assistance during the fiscal year ended June 30, 2015.

**NOTE 5 - INSURANCE**

During fiscal year ended 2015, there was no federally funded insurance in effect.

**SCHEDULE 2**

**State of Illinois  
Western Illinois University  
Schedule of Net Appropriations, Expenditures and Lapsed Balances  
Appropriations for Fiscal Year 2015  
Fourteen Months Ended August 31, 2015**

Public Act Nos. 99-0001 and 98-0678

**APPROPRIATED FUNDS**

**EDUCATION ASSISTANCE FUND (007) (a)**

	Appropriations (Net of Transfers)	Expenditures Through June 30, 2015 (b)	Lapse Period Expenditures July 1 - August 31	Balances	
				Total Expenditures	Lapsed
Personal services	\$ 45,425,500	\$ 45,425,500	\$ -	\$ 45,425,500	\$ -
Contractual services	2,443,800	2,443,800	-	2,443,800	-
Commodities	374,800	374,800	-	374,800	-
Equipment	391,000	391,000	-	391,000	-
Operation of automotive equipment	176,000	176,000	-	176,000	-
Telecommunications	146,600	146,600	-	146,600	-
Group insurance	1,705,500	1,705,500	-	1,705,500	-
Social Security/Medicare contributions	782,000	782,000	-	782,000	-
Subtotal - Fund 007	51,445,200	51,445,200	-	51,445,200	-

**STATE COLLEGE AND UNIVERSITY TRUST FUND (417) (a)**

Scholarships	20,000	20,000	-	20,000	-
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**GRAND TOTAL - ALL FUNDS**

	\$ 51,465,200	\$ 51,465,200	\$ -	\$ 51,465,200	\$ -
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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, 2015 and 2014**

	Fiscal Year	
	2015	2014
	P.A. 99-0001 and P.A. 98-0678	P.A. 98-0035
<b>EDUCATION ASSISTANCE FUND (007) (a)</b>		
Appropriations (net of transfers)	\$ 51,445,200	\$ 52,755,100
Expenditures		
Personal services	45,425,500	46,596,895
Contractual services	2,443,800	2,500,000
Commodities	374,800	383,400
Equipment	391,000	400,000
Operation of automotive equipment	176,000	180,000
Telecommunications	146,600	150,000
Group insurance	1,705,500	1,744,800
Social Security/Medicare contributions	782,000	800,000
Total expenditures	51,445,200	52,755,095
Lapsed balances	\$ -	\$ 5
 <b>STATE COLLEGE AND UNIVERSITY TRUST FUND (417) (a)</b>		
Appropriations (net of transfers)	\$ 20,000	\$ 20,000
Expenditures		
Scholarships	20,000	20,000
Lapsed balances	\$ -	\$ -
 <b>GRAND TOTAL, ALL FUNDS</b>		
Appropriations (net of transfers)	\$ 51,465,200	\$ 52,775,100
Expenditures	51,465,200	52,775,095
Lapsed balances	\$ -	\$ 5

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.

SCHEDULE 4

**State of Illinois  
Western Illinois University  
Schedule of Changes in Capital Assets  
For the Year Ended June 30, 2015**

	Balance June 30, 2014	Additions	Retirements	Transfers	Balance June 30, 2015
<b>Non-depreciable capital assets:</b>					
Land and land improvements	\$ 3,236,432	\$ 20,000	\$ -	\$ -	\$ 3,256,432
Works of art and historical treasures	587,821	31,000	-	-	618,821
Construction in progress	45,663,433	95,106	(18,915)	(38,495,947)	7,243,677
<b>Total non-depreciable capital assets</b>	<b>49,487,686</b>	<b>146,106</b>	<b>(18,915)</b>	<b>(38,495,947)</b>	<b>11,118,930</b>
<b>Depreciable capital assets:</b>					
Site improvements	46,969,591	803,623	(1,668,024)	3,469,209	49,574,399
Buildings and building improvements	334,801,025	7,701,210	(2,164,068)	35,026,738	375,364,905
Equipment	78,660,449	3,194,105	(1,796,871)	-	80,057,683
Capital lease equipment	-	31,928	-	-	31,928
<b>Total depreciable capital assets</b>	<b>460,431,065</b>	<b>11,730,866</b>	<b>(5,628,963)</b>	<b>38,495,947</b>	<b>505,028,915</b>
<b>Less accumulated depreciation:</b>					
Site improvements	18,825,425	1,728,228	-	-	20,553,653
Buildings and building improvements	149,727,491	12,047,814	(28,227)	-	161,747,078
Equipment	71,144,311	2,792,374	(1,753,445)	-	72,183,240
Capital lease equipment	-	9,964	-	-	9,964
<b>Total accumulated depreciation</b>	<b>239,697,227</b>	<b>16,578,380</b>	<b>(1,781,672)</b>	<b>-</b>	<b>254,493,935</b>
<b>Total depreciable capital assets, net</b>	<b>220,733,838</b>	<b>(4,847,514)</b>	<b>(3,847,291)</b>	<b>38,495,947</b>	<b>250,534,980</b>
<b>Capital assets, net</b>	<b>\$ 270,221,524</b>	<b>\$ (4,701,408)</b>	<b>\$ (3,866,206)</b>	<b>\$ -</b>	<b>\$ 261,653,910</b>

Notes:

- (a) 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.
- (b) The Fiscal Year 2015 capital asset activities for both site improvements and building and building improvements included prior period adjustments of capitalized construction period interest.

**SCHEDULE 5****State of Illinois  
Western Illinois University  
Comparative Schedule of Income Fund Revenues and Expenditures  
For the Years Ended June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>INCOME FUND</b>		
<b>REVENUES</b>		
Tuition	\$ 80,205,902	\$ 78,132,587
Other student charges	1,905,819	1,706,316
Fines	7,607	8,955
Finance charges	493,901	406,786
Interest	69,061	59,722
Other	491,168	546,089
	<u>83,173,458</u>	<u>80,860,455</u>
Total revenues		
<b>EXPENDITURES</b>		
Personal services	56,383,318	55,053,124
Contractual services	7,773,800	8,029,608
Travel	674,491	555,015
Commodities	829,406	797,813
Library books and equipment	1,801,855	1,842,287
Operation of automotive equipment	98,631	115,316
Telecommunications	325,708	313,811
Awards, grants, and matching funds	4,849,968	2,935,476
Social Security/Medicare contributions	566,739	538,212
Group insurance	39,300	-
Permanent improvements	430,716	66,821
Tuition and fees waived	7,640,777	7,424,398
Employment security	32,546	24,230
	<u>81,447,255</u>	<u>77,696,111</u>
Total expenditures		
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$ 1,726,203</u>	<u>\$ 3,164,344</u>

**SCHEDULE 6****State of Illinois  
Western Illinois University  
Comparative Schedule of Cash and Cash Equivalents  
June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
<b>Cash and cash equivalents</b>		
Cash on hand	\$ 62,502	\$ 61,865
Checking accounts		
Morton Community Bank (non-interest bearing)	133,143	262,960
Illinois Funds (2015, 0.017%; 2014, 0.017%)	<u>63,138,369</u>	<u>56,860,760</u>
Total cash and cash equivalents	<u>\$ 63,334,014</u>	<u>\$ 57,185,585</u>

**SCHEDULE 7**

**State of Illinois  
Western Illinois University  
Analysis of Significant Variations in Account Balances  
For the Year Ended June 30, 2015**

A comparative schedule of significant variations in account balances (at least \$350,000 and 20% of the previous year) for the fiscal years ended June 30, 2015 and June 30, 2014 are shown below:

ACCOUNTS	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2015	2014	AMOUNT	%
Due from primary government	\$ 9,044,265	\$ 13,914,961	\$ (4,870,696)	(35%)
Accounts payable and accrued liabilities	3,672,512	4,780,226	(1,107,714)	(23%)
Other liabilities	1,165,283	1,534,187	(368,904)	(24%)

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

Due from primary government

The decrease in due from primary government is due mainly to timing of State payments as well as a decrease in State appropriations of approximately \$1.3 million in Fiscal Year 2015.

Accounts payable and accrued liabilities

The decrease in accounts payable and accrued liabilities is due to a decrease in University funded construction projects during Fiscal Year 2015. This resulted in the significant decline of transactions with vendors/contractors during the fiscal year.

Other liabilities

The decrease in the other liabilities account is mainly attributable to the decline in unapplied student payments during Fiscal Year 2015.

**State of Illinois  
Western Illinois University  
Analysis of Significant Variations in Operating and Nonoperating  
Revenues and Expenses  
For the Year Ended June 30, 2015**

A comparative schedule of significant variations in operating and nonoperating revenues and expenses (at least \$350,000 and 20% of the previous year) for the fiscal years ended June 30, 2015 and June 30, 2014 are shown below:

ACCOUNTS	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2015	2014	AMOUNT	%
Student aid expense	\$12,255,127	\$ 9,007,606	\$ 3,247,521	36%
Capital State appropriations	7,799,444	26,367,549	(18,568,105)	(70%)

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

Student aid expense

The increase in student aid expense is due to significant additional funding in the University's Western Commitment Scholarship program and other first year awards and grants, as well as an increase in Pell grants during Fiscal Year 2015.

Capital State appropriations

The decrease in capital State appropriations is due mainly to the significant decline in construction projects completed and turned over by Capital Development Board (CDB) to the University during Fiscal Year 2015.

**State of Illinois  
Western Illinois University  
Analysis of Significant Lapse Period Spending  
For the Year Ended June 30, 2015**

No appropriation line item had lapse period expenditures in excess of \$350,000 and 20% of total line item expenditures for the fourteen months ended August 31, 2015.

**State of Illinois  
Western Illinois University  
Analysis of Accounts Receivable  
June 30, 2015 and 2014**

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

	<b>2015</b>	<b>2014</b>
Current unrestricted funds	\$ 8,131,006	\$ 7,825,872
Current restricted funds	1,390,284	1,743,870
Loan funds	219	201
Plant funds	1,052,197	157,476
Agency funds	389	895
Total accounts receivable (net)	<b>\$ 10,574,095</b>	<b>\$ 9,728,314</b>

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

	<b>2015</b>	<b>2014</b>
Accounts receivable - all funds, at gross	\$ 15,129,795	\$ 13,953,714
Less: allowance for uncollectible accounts	4,555,700	4,225,400
Total accounts receivable (net)	<b>\$ 10,574,095</b>	<b>\$ 9,728,314</b>

**Accounts receivable aging was as follows:**

	<b>2015</b>	<b>2014</b>
Receivables not past due	\$ 5,317,729	\$ 5,400,641
Past due receivables:		
1 day - 90 days	3,232,534	2,496,901
91 days - 180 days	-	-
181 days - 1 year	1,099,354	946,345
Over 1 year	5,480,178	5,109,827
Total receivables past due	9,812,066	8,553,073
Total receivables, at gross	<b>\$ 15,129,795</b>	<b>\$ 13,953,714</b>

Accounts receivable of Western Illinois University (University) 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, 2015**

**Schedule A - Federal Financial Component**

Total federal expenditures reported on SEFA	\$ 103,596,298
Total new loans made	- *
Amount of federal loan balances at beginning of the year	- *
Total Schedule A	<u>\$ 103,596,298</u>

**Schedule B - Total Financial Component**

Total operating expenses	\$ 309,223,143
Total nonoperating expenses	4,522,528
Total new loans made	75,154,134
Amount of federal loan balances at beginning of the year	2,145,392
Total Schedule B	<u>\$ 391,045,197</u>

**Schedule C**

Total Schedule A	\$ 103,596,298	26.5%
Total nonfederal expenses	<u>287,448,899</u>	<u>73.5%</u>
Total Schedule C	<u>\$ 391,045,197</u>	<u>100.0%</u>

\* Loan amounts are included on SEFA schedule.

Note: These schedules are used to determine the University'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, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>SOURCES</b>		
Federal	\$ 496,657	\$ 479,694
State	319,626	309,870
Private	6,388	5,087
Other	117,475	120,707
Total sources	940,146	915,358
<b>APPLICATIONS</b>		
Research	119,009	86,219
Academic support	363,432	384,724
Institutional support	353,106	236,555
Total applications	835,547	707,498
<b>EXCESS OF SOURCES OVER APPLICATIONS</b>	104,599	207,860
<b>TRANSFERS AND OTHER DEDUCTIONS</b>		
Transfers to other funds	(113,649)	(113,611)
<b>EXCESS (DEFICIENCY) OF SOURCES OVER APPLICATIONS AFTER TRANSFERS AND OTHER DEDUCTIONS</b>	(9,050)	94,249
<b>FUND BALANCE, BEGINNING OF YEAR</b>	686,165	591,916
<b>FUND BALANCE, END OF YEAR</b>	\$ 677,115	\$ 686,165

**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, 2015**

**1. Cash and cash equivalents balance**

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

Add:

Cash.....	\$	768,448	
Cash equivalents.....	\$	-	
Bank deposits.....	\$	-	
Marketable securities.....	\$	-	
Certificates of deposit.....	\$	-	
Repurchase agreements.....	\$	-	
Other cash equivalent items.....	\$	-	
Interfund receivables.....	\$	-	\$ 768,448

**2. Allocated reimbursements**

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

\$ 1,458,687; enter 30% of this amount.....

\$	437,606
----	---------

**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.....	\$	91,174
Encumbrances.....	\$	89,164
Total.....	\$	180,338

**5. Indirect cost carry-forward**

a. Enter the total of items 2, 3 and 4.....

\$	617,944
----	---------

b. Subtract from item 1

\$	150,504
----	---------

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

\$	150,504
----	---------

**SCHEDULE 14**

**State of Illinois  
Western Illinois University  
Calculation of Current Excess Funds (Unaudited)  
June 30, 2015**

<b>Auxiliary Enterprises - Revenue Bond</b>		
<b>University Union</b>	<b>Recreation Facility</b>	<b>University Housing and Dining</b>
\$ 1,842,496	\$ 586,769	\$ 62,615
1,522,710	405,426	5,837,565
710,641	116,673	970,798
16,083	68,647	124,413
33,131	28,161	100,270
2,282,565	618,907	7,033,046
(440,069)	(32,138)	(6,970,431)
-	-	-
\$ (440,069)	\$ (32,138)	\$ (6,970,431)

**CURRENT AVAILABLE FUNDS:**

Cash and cash equivalents (A)

**WORKING CAPITAL ALLOWANCES:**

- Highest month's expenditures
- Encumbrances and current liabilities paid in lapse period
- Refundable deposits/earned revenue
- Allowance for sick leave/vacation payouts

Total working capital allowances (B)

**CURRENT EXCESS FUNDS:**

Deduct B from A (C)

**CALCULATION OF INCOME FUND REMITTANCE:**

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

**SCHEDULE 14**  
(CONTINUED)

**State of Illinois**  
**Western Illinois University**  
**Calculation of Current Excess Funds (Unaudited)**  
**June 30, 2015**

	Public Service 02	Student Programs and Services 03	Instructional Resources and Services 04	University Stores and Service Centers 05	University Publications 06	Sponsored Credit Programs 08
<b>CURRENT AVAILABLE FUNDS:</b>						
Cash and cash equivalents	\$ 1,416,176	\$ 1,667,316	\$ 723,876	\$ (1,772,522)	\$ 1,779	\$ 9,411
Interfund receivables	-	393	-	58,769	-	-
Total current available funds (A)	<u>1,416,176</u>	<u>1,667,709</u>	<u>723,876</u>	<u>(1,713,753)</u>	<u>1,779</u>	<u>9,411</u>
<b>WORKING CAPITAL ALLOWANCES:</b>						
Highest month's expenditures	721,964	5,474,677	609,765	917,200	1,460	15,529
Encumbrances and current liabilities paid in lapse period	438,369	272,162	202,177	451,078	-	6,896
Refundable deposits/unearned revenue	182,213	160,824	61,723	-	-	-
Total working capital allowances (B)	<u>1,342,546</u>	<u>5,907,663</u>	<u>873,665</u>	<u>1,368,278</u>	<u>1,460</u>	<u>22,425</u>
<b>CURRENT EXCESS FUNDS:</b>						
Deduct B from A (C)	<u>73,630</u>	<u>(4,239,954)</u>	<u>(149,789)</u>	<u>(3,082,031)</u>	<u>319</u>	<u>(13,014)</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>(77,654)</u>	<u>(314,188)</u>	<u>(287,732)</u>	<u>(7,548)</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>\$ (4,024)</u>	<u>\$ (4,554,142)</u>	<u>\$ (437,521)</u>	<u>\$ (3,089,579)</u>	<u>\$ 319</u>	<u>\$ (13,014)</u>

**SCHEDULE 14**  
(CONTINUED)

**State of Illinois**  
**Western Illinois University**  
**Calculation of Current Excess Funds (Unaudited)**  
**June 30, 2015**

	Unique Charge Programs										Auxiliary Enterprises - Other		
	Geology Summ Fld 07	RPTA Travel 07	RPTA Fly Fish 07	WISE Spain 07	Berlin/ Vienna 07	Food Meets Fashion 07	Honors Trip NY 07	Irish Business 07	Art in NYC 07	University Services 12	Parking Operations 11	Transit Fee/ QC Bookstore 13	
<b>CURRENT AVAILABLE FUNDS:</b>													
Cash and cash equivalents	\$ 8	\$ 10	\$ 30	\$ 38,341	\$ 4,468	\$ 112	\$ 28	\$ 7,008	\$ 1,642	\$ 307,421	\$ 197,953	\$ 63,662	
Interfund receivables	-	-	-	-	-	-	-	-	-	-	-	-	
Total current available funds (A)	8	10	30	38,341	4,468	112	28	7,008	1,642	307,421	197,953	63,662	
<b>WORKING CAPITAL ALLOWANCES:</b>													
Highest month's expenditures	-	-	-	-	-	-	-	-	-	277,216	72,371	111,804	
Encumbrances and current liabilities paid in lapse period	-	-	-	38,341	4,468	-	-	7,008	1,642	176,523	37,825	32,194	
Refundable deposits/unearned revenue	-	-	-	-	-	-	-	-	-	-	-	2,422	
Total working capital allowances (B)	-	-	-	38,341	4,468	-	-	7,008	1,642	453,739	110,196	146,420	
<b>CURRENT EXCESS FUNDS:</b>													
Deduct B from A (C)	8	10	30	-	-	112	28	-	-	(146,318)	87,757	(82,758)	
<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	\$ 8	\$ 10	\$ 30	\$ -	\$ -	\$ 112	\$ 28	\$ -	\$ -	\$ (146,318)	\$ (48,245)	\$ (82,758)	

**State of Illinois  
Western Illinois University  
For the Year Ended June 30, 2015**

**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, 2015**

**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, 2015**

**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, 2015

	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	\$768,448	\$1,415,315	\$1,662,176	\$723,701	\$ (1,783,537)	\$1,779	\$104,289	\$9,411	\$42,039	\$1,984,476	\$307,421	\$5,235,518
Cash, change funds	-	861	5,140	175	11,015	-	-	-	-	-	-	17,191
Accounts receivable, net	-	87,464	626,330	66,591	442,497	-	1,505	-	-	-	20	1,224,407
Inventories	-	20,092	55,268	103,023	1,138,507	-	-	-	-	-	-	1,316,890
Other	-	-	194,309	-	-	-	-	-	-	-	-	194,309
Investment in plant:												
Equipment	-	128,674	363,792	413,065	573,095	-	-	-	-	-	-	1,478,626
Building	-	-	382,604	-	195,072	-	-	-	-	-	100,589	678,265
<b>TOTAL ASSETS</b>	768,448	1,652,406	3,289,619	1,306,555	576,649	1,779	105,794	9,411	42,039	1,984,476	408,030	10,145,206
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	1,900	-	-	-	-	-	-	-	-	-	-	1,900
Deferred outflows of resources - pension												
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	770,348	1,652,406	3,289,619	1,306,555	576,649	1,779	105,794	9,411	42,039	1,984,476	408,030	10,147,106
<b>LIABILITIES AND FUND BALANCES</b>												
<b>LIABILITIES</b>												
Accrued payroll	21,150	262,802	202,662	36,360	145,261	-	3,042	6,896	3,665	-	132,401	814,239
Accounts payable	70,024	43,975	64,564	115,381	170,582	-	64,271	-	341	-	2,121	531,259
Accrued compensated absences	-	-	-	-	-	-	-	-	-	1,006,197	-	1,006,197
Unearned revenue	-	182,213	160,824	61,723	-	-	45,698	-	-	-	-	450,458
Lease obligations payable	-	-	-	-	21,257	-	-	-	-	-	-	21,257
Other	159	-	-	-	-	-	-	-	-	-	-	159
Installment purchases payable	-	-	292,696	-	-	-	-	-	-	-	-	292,696
<b>Total liabilities</b>	91,333	488,990	720,746	213,464	337,100	-	113,011	6,896	4,006	1,006,197	134,522	3,116,265
<b>FUND BALANCES (DEFICIT)</b>												
Current unrestricted	679,015	964,580	1,606,676	444,501	(514,910)	1,779	(7,217)	2,515	38,033	978,279	172,919	4,366,170
Renewals and replacements	-	70,162	314,188	235,525	7,548	-	-	-	-	-	-	627,423
Net investment in plant	-	128,674	648,009	413,065	746,911	-	-	-	-	-	100,589	2,037,248
<b>Total fund balances (deficit)</b>	679,015	1,163,416	2,568,873	1,093,091	239,549	1,779	(7,217)	2,515	38,033	978,279	273,508	7,030,841
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	770,348	1,652,406	3,289,619	1,306,555	576,649	1,779	105,794	9,411	42,039	1,984,476	408,030	10,147,106

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, 2015

	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	\$ 919,032	\$ 1,103,311	\$ 12,200,131	\$ 2,048,342	\$ 2,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,353,855
Indirect cost recovery	-	-	-	-	-	-	-	-	-	-	-	919,032
Investment income	501	1,068	2,397	310	610	-	-	-	44	1,872	332	7,134
Sales and subscriptions	-	175,618	407,184	288,223	2,931,870	1,005	2,249	-	-	-	-	3,806,149
Charges for services	6,528	2,355,926	1,300,060	56,733	3,398,582	-	345,821	26,259	-	-	1,400	7,491,309
Athletic guarantees	-	-	1,035,950	-	-	-	-	-	-	-	-	1,035,950
Other	3,585	10,555	1,224,351	96,341	168,510	1,305	-	252	17,788	-	-	1,522,687
Gifts	10,500	90,774	33,437	2,712	150,113	-	120,995	-	90,442	-	-	498,973
Expended for plant facilities	116,331	77,603	62,737	224,281	211,546	-	-	-	-	-	-	692,498
Other fixed asset additions	-	-	113,186	7,000	52,034	-	-	-	-	-	-	172,220
<b>Total revenues and other additions</b>	<b>1,056,477</b>	<b>3,814,855</b>	<b>16,379,433</b>	<b>2,723,942</b>	<b>6,915,336</b>	<b>2,310</b>	<b>469,065</b>	<b>26,511</b>	<b>108,274</b>	<b>1,872</b>	<b>1,732</b>	<b>31,499,807</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>												
Cost of sales	-	76,843	58,823	7,890	2,785,603	-	4,243	-	-	-	-	2,933,402
Personal services	57,728	2,156,151	3,757,727	622,949	1,736,645	-	6,975	22,400	79,587	-	2,092,095	10,532,257
Contractual services	344,857	580,992	7,337,929	749,463	297,320	43	400,618	4,438	774	-	417,652	10,134,086
Telecommunications	2,674	27,682	163,418	33,209	424,696	-	66	-	-	-	8,868	660,613
Travel	37,860	61,392	230,665	23,576	303,421	-	24,125	268	36	-	6,977	688,320
Retirement	2,776	-	-	-	1,294	-	748	-	-	-	-	4,818
Commodities	38,944	119,828	1,089,312	495,879	314,567	1,966	14,798	599	1,442	-	9,940	2,087,275
Equipment	321,208	209,568	489,947	398,272	337,401	539	395	-	-	-	3,633	1,760,963
Scholarships	-	20,681	2,369,539	62,815	-	-	-	-	-	(82,840)	-	2,453,035
Compensated absences adjustment	-	-	207,559	-	-	-	-	-	-	-	-	(82,840)
Athletic guarantees	-	-	-	-	-	-	-	-	-	-	-	207,559
Other	30,376	231,566	776,329	227,946	352,441	115	1,762	7,017	1,445	-	(2,850,786)	(1,221,789)
Other fixed asset deductions	-	38,164	253,922	164,950	267,022	-	-	-	-	-	10,339	734,397
<b>Total expenditures and other deductions</b>	<b>836,423</b>	<b>3,522,867</b>	<b>16,735,170</b>	<b>2,786,949</b>	<b>6,820,410</b>	<b>2,663</b>	<b>453,730</b>	<b>34,722</b>	<b>83,284</b>	<b>(82,840)</b>	<b>(301,282)</b>	<b>30,892,096</b>
<b>NET INCREASE (DECREASE) IN FUND BALANCES BEFORE TRANSFERS</b>	<b>220,054</b>	<b>291,988</b>	<b>(355,737)</b>	<b>(63,007)</b>	<b>94,926</b>	<b>(353)</b>	<b>15,335</b>	<b>(8,211)</b>	<b>24,990</b>	<b>84,712</b>	<b>303,014</b>	<b>607,711</b>
<b>TRANSFERS</b>												
Transfers from (to) other funds, current funds	(113,649)	(2,500)	2,500	-	-	-	-	-	-	-	-	(113,649)
Transfers from (to) other funds, plant funds	(116,331)	(9,500)	(9,443)	(19,888)	2,071	-	-	-	-	-	-	(153,091)
Transfers for lease obligation payments	-	-	-	-	(10,202)	-	-	-	-	-	-	(10,202)
Transfers for installment purchase payments	-	-	(107,131)	-	-	-	-	-	-	-	-	(107,131)
<b>Total transfers</b>	<b>(229,980)</b>	<b>(12,000)</b>	<b>(114,074)</b>	<b>(19,888)</b>	<b>(8,131)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(384,073)</b>
<b>NET INCREASE (DECREASE) FOR THE YEAR</b>	<b>(9,926)</b>	<b>279,988</b>	<b>(469,811)</b>	<b>(82,895)</b>	<b>86,795</b>	<b>(353)</b>	<b>15,335</b>	<b>(8,211)</b>	<b>24,990</b>	<b>84,712</b>	<b>303,014</b>	<b>223,638</b>
<b>FUND BALANCES (DEFICIT), BEGINNING 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>
<b>PRIOR PERIOD ADJUSTMENT*</b>	<b>2,776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>748</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,524</b>
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR, AS RESTATED</b>	<b>688,941</b>	<b>883,428</b>	<b>3,038,684</b>	<b>1,175,986</b>	<b>152,754</b>	<b>2,132</b>	<b>(22,552)</b>	<b>10,726</b>	<b>13,043</b>	<b>893,567</b>	<b>(29,506)</b>	<b>6,807,203</b>
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>	<b>\$ 679,015</b>	<b>\$ 1,163,416</b>	<b>\$ 2,568,873</b>	<b>\$ 1,093,091</b>	<b>\$ 239,549</b>	<b>\$ 1,779</b>	<b>\$ (7,217)</b>	<b>\$ 2,515</b>	<b>\$ 38,033</b>	<b>\$ 978,279</b>	<b>\$ 273,508</b>	<b>\$ 7,030,841</b>

\* Prior period adjustment relates to reclassification of pension contribution to deferred outflows of resources for the implementation of GASB Statement No. 68.

**SCHEDULE 18**

**State of Illinois  
Western Illinois University  
Auxiliary Enterprise Funds - Other  
Balance Sheet by Entity  
June 30, 2015**

	<b>Parking Operations</b>	<b>Transit Fee</b>	<b>Quad Cities Bookstore</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and temporary cash investments	\$ 197,653	\$ 64,029	\$ (367)	\$ 261,315
Change funds	300	-	-	300
Accounts receivable, net	57,848	35,732	-	93,580
Investment in plant:				
Buildings	17,112	-	-	17,112
Site improvements	1,363,137	93,708	-	1,456,845
Equipment	3,235	25,796	-	29,031
<b>TOTAL ASSETS</b>	<b>1,639,285</b>	<b>219,265</b>	<b>(367)</b>	<b>1,858,183</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accrued payroll	37,909	5,904	-	43,813
Accounts payable	-	26,240	-	26,240
Unearned revenue	-	2,422	-	2,422
<b>Total liabilities</b>	<b>37,909</b>	<b>34,566</b>	<b>-</b>	<b>72,475</b>
<b>FUND BALANCES (DEFICIT)</b>				
Current unrestricted	81,891	65,195	(367)	146,719
Renewals and replacements	136,002	-	-	136,002
Net investment in plant	1,383,483	119,504	-	1,502,987
<b>Total fund balances (deficit)</b>	<b>1,601,376</b>	<b>184,699</b>	<b>(367)</b>	<b>1,785,708</b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b>\$ 1,639,285</b>	<b>\$ 219,265</b>	<b>\$ (367)</b>	<b>\$ 1,858,183</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, 2015

	Parking Operations	Transit Fee	Quad Cities Bookstore	Total
<b>REVENUES AND OTHER ADDITIONS</b>				
Sales and services	\$ 484,359	\$ 18,140	\$ -	\$ 502,499
Fees	-	705,176	-	705,176
Investment income	166	136	-	302
Fines	264,825	-	-	264,825
Other revenues	2,669	5,419	-	8,088
<b>Total revenues and other additions</b>	<b>752,019</b>	<b>728,871</b>	<b>-</b>	<b>1,480,890</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>				
Personal services	617,300	77,473	-	694,773
Contractual services	47,584	347,944	-	395,528
Commodities	27,819	15,406	-	43,225
Equipment	5,186	1,404	-	6,590
Travel	312	4,525	-	4,837
Telecommunications	2,513	5,930	-	8,443
Other expenditures	64,135	268,211	-	332,346
Other fixed asset deductions	99,881	12,341	-	112,222
<b>Total expenditures and other deductions</b>	<b>864,730</b>	<b>733,234</b>	<b>-</b>	<b>1,597,964</b>
<b>NET DECREASE IN FUND BALANCES BEFORE TRANSFERS</b>				
	(112,711)	(4,363)	-	(117,074)
<b>TRANSFERS</b>				
Transfers to other funds, plant funds	-	(5,492)	-	(5,492)
<b>NET DECREASE FOR THE YEAR</b>				
	(112,711)	(9,855)	-	(122,566)
<b>FUND BALANCES (DEFICIT), BEGINNING OF YEAR</b>				
	1,714,087	194,554	(367)	1,908,274
<b>FUND BALANCES (DEFICIT), END OF YEAR</b>				
	<b>\$ 1,601,376</b>	<b>\$ 184,699</b>	<b>\$ (367)</b>	<b>\$ 1,785,708</b>

**State of Illinois  
Western Illinois University  
Auxiliary Enterprise Funds - Revenue Bonds  
Balance Sheet by Entity  
June 30, 2015**

	University Union	Recreation Facility	University Housing & Dining	Total
<b>ASSETS</b>				
<b>Current funds:</b>				
Cash and investments	\$ 1,842,496	\$ 586,769	\$ 62,615	\$ 2,491,880
Accounts and interest receivable, less allowance for doubtful accounts of \$2,154,500	638,153	106,277	1,795,563	2,539,993
Inventories	1,547,928	22,377	-	1,570,305
<b>Total assets, current funds</b>	<b>4,028,577</b>	<b>715,423</b>	<b>1,858,178</b>	<b>6,602,178</b>
<b>Plant funds:</b>				
Cash - retirement of indebtedness	41,971	34,946	701,779	778,696
Cash and investments - renewals and replacements	1,392,856	64,510	14,947,700	16,405,066
Cash and investments - construction funds	-	107	-	107
Investment in plant, net:				
Land, buildings, and improvements	10,250,012	12,421,442	85,464,179	108,135,633
Equipment	35,223	174,732	403,887	613,842
Construction in progress	-	-	2,006,050	2,006,050
Bond issuance costs	-	6,155	210,379	216,534
<b>Total assets, plant funds</b>	<b>11,720,062</b>	<b>12,701,892</b>	<b>103,733,974</b>	<b>128,155,928</b>
<b>TOTAL ASSETS</b>	<b>15,748,639</b>	<b>13,417,315</b>	<b>105,592,152</b>	<b>134,758,106</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
<b>Plant funds:</b>				
Unamortized losses on bond refunding	18,375	100,274	373,109	491,758
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>15,767,014</b>	<b>13,517,589</b>	<b>105,965,261</b>	<b>135,249,864</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
<b>Current funds:</b>				
Accrued payroll	241,135	96,072	539,647	876,854
Accounts payable	460,923	20,601	408,985	890,509
Unearned revenue	16,083	68,647	124,413	209,143
Accrued compensated absences	222,601	189,205	673,685	1,085,491
<b>Total liabilities, current funds</b>	<b>940,742</b>	<b>374,525</b>	<b>1,746,730</b>	<b>3,061,997</b>
<b>FUND BALANCES</b>				
Fund balances, reserve for operations	3,087,835	340,898	111,448	3,540,181
<b>Total liabilities and fund balances, current funds</b>	<b>4,028,577</b>	<b>715,423</b>	<b>1,858,178</b>	<b>6,602,178</b>
<b>LIABILITIES</b>				
<b>Plant funds:</b>				
Accounts payable and accrued payroll	249,894	-	7,300	257,194
Accrued interest	41,367	33,064	695,716	770,147
Revenue bonds payable	4,772,758	3,842,421	60,539,045	69,154,224
Certificates of participation payable	-	-	990,484	990,484
<b>Total liabilities, plant funds</b>	<b>5,064,019</b>	<b>3,875,485</b>	<b>62,232,545</b>	<b>71,172,049</b>
<b>FUND BALANCES</b>				
Retirement of indebtedness	604	8,037	216,442	225,083
Renewals, replacements reserve	1,142,962	64,510	14,940,400	16,147,872
Project construction fund	-	107	-	107
Investment in plant, net	5,530,852	8,854,027	26,717,696	41,102,575
<b>Total fund balances, plant funds</b>	<b>6,674,418</b>	<b>8,926,681</b>	<b>41,874,538</b>	<b>57,475,637</b>
<b>Total liabilities and fund balances, plant funds</b>	<b>11,738,437</b>	<b>12,802,166</b>	<b>104,107,083</b>	<b>128,647,686</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,767,014</b>	<b>\$ 13,517,589</b>	<b>\$ 105,965,261</b>	<b>\$ 135,249,864</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, 2015**

	<b>University Union</b>	<b>Recreation Facility</b>	<b>University Housing &amp; Dining</b>	<b>Total</b>
<b>REVENUES</b>				
Room and board	\$ -	\$ -	\$ 36,053,454	\$ 36,053,454
Graduate and family housing	-	-	362,732	362,732
Sales and services	4,447,958	554,909	2,084,752	7,087,619
Student fees	3,226,757	3,142,528	695,755	7,065,040
Investment income	9,117	4,261	46,132	59,510
Other	165,054	24,675	1,368,015	1,557,744
<b>Total revenues</b>	<b>7,848,886</b>	<b>3,726,373</b>	<b>40,610,840</b>	<b>52,186,099</b>
<b>OPERATING EXPENDITURES</b>				
Cost of merchandise sold	3,186,252	47,500	-	3,233,752
Personal services:				
Student	171,968	311,581	1,525,521	2,009,070
Regular	2,312,873	1,338,546	7,176,583	10,828,002
Compensated absences	(14,169)	(8,200)	(43,964)	(66,333)
Fringe benefits	59,965	33,994	265,300	359,259
Food service and catering	24,792	1,699	12,838,952	12,865,443
Contractual services	191,835	65,594	624,233	881,662
Supplies	73,602	81,479	243,336	398,417
Travel	10,979	9,463	35,601	56,043
Utilities	233,923	150,742	2,424,090	2,808,755
Telephone	16,846	5,034	72,490	94,370
Repairs and maintenance	125,723	117,992	961,377	1,205,092
Insurance	18,071	9,167	147,910	175,148
Other financial	42,276	3,011	9,312	54,599
Equipment	28,619	86,149	124,534	239,302
Bad debts	21,010	16,658	543,808	581,476
Administrative support	288,606	137,876	1,484,312	1,910,794
Miscellaneous	107,864	54,083	1,771,206	1,933,153
<b>Total operating expenditures</b>	<b>6,901,035</b>	<b>2,462,368</b>	<b>30,204,601</b>	<b>39,568,004</b>
<b>EXCESS OF REVENUES OVER OPERATING EXPENDITURES</b>	<b>947,851</b>	<b>1,264,005</b>	<b>10,406,239</b>	<b>12,618,095</b>
<b>TRANSFERS</b>				
Transfers for principal and interest	(486,248)	(732,510)	(6,134,238)	(7,352,996)
Transfers for renewals, replacements, deferred maintenance and equipment reserve	(457,204)	(530,317)	(4,269,158)	(5,256,679)
<b>Total transfers</b>	<b>(943,452)</b>	<b>(1,262,827)</b>	<b>(10,403,396)</b>	<b>(12,609,675)</b>
<b>NET INCREASE FOR THE YEAR</b>	<b>4,399</b>	<b>1,178</b>	<b>2,843</b>	<b>8,420</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>3,083,436</b>	<b>339,720</b>	<b>108,605</b>	<b>3,531,761</b>
<b>FUND BALANCES, END OF YEAR</b>	<b>\$ 3,087,835</b>	<b>\$ 340,898</b>	<b>\$ 111,448</b>	<b>\$ 3,540,181</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, 2015**

	University Union	Recreation Facility	University Housing & Dining	Total
<b>Retirement of indebtedness</b>				
Fund balances, July 1, 2014	\$ 2,316	\$ 13,888	\$ 245,918	\$ 262,122
Interest income	-	1	2	3
Bond issuance expenditures	(5,043)	(16,219)	(62,882)	(84,144)
Retirement of bonds	(296,620)	(555,465)	(3,187,915)	(4,040,000)
Bonds refunded	(1,972)	(6,140)	(19,786)	(27,898)
Interest paid, bonds	(189,628)	(177,045)	(2,946,323)	(3,312,996)
Mandatory debt retirement transfer	486,248	732,510	6,134,238	7,352,996
Bond proceeds	5,303	16,507	53,190	75,000
Fund balances, June 30, 2015	<u>\$ 604</u>	<u>\$ 8,037</u>	<u>\$ 216,442</u>	<u>\$ 225,083</u>
<b>Renewals, replacements, def. maint. and equipment reserve</b>				
Fund balances (deficit), July 1, 2014	\$ 1,266,201	\$ (429,385)	\$ 11,056,776	\$ 11,893,592
Transfers from current funds	457,204	530,317	4,269,158	5,256,679
Expenditures for renewals and replacements	(580,443)	(36,422)	(385,534)	(1,002,399)
Fund balances, June 30, 2015	<u>\$ 1,142,962</u>	<u>\$ 64,510</u>	<u>\$ 14,940,400</u>	<u>\$ 16,147,872</u>
<b>Project construction fund</b>				
Fund balances, July 1, 2014	\$ 20,700	\$ 107	\$ 164,931	\$ 185,738
Investment income	1	-	11	12
Expenditures for renewals and replacements	(20,701)	-	(164,942)	(185,643)
Fund balances, June 30, 2015	<u>\$ -</u>	<u>\$ 107</u>	<u>\$ -</u>	<u>\$ 107</u>
<b>Investment in plant (net)</b>				
Fund balances, July 1, 2014	\$ 5,443,819	\$ 8,791,669	\$ 29,638,087	\$ 43,873,575
Prior period adjustment	126,528	-	(1,090,957)	(964,429)
Fund balances, July 1, 2014, as restated	<u>5,570,347</u>	<u>8,791,669</u>	<u>28,547,130</u>	<u>42,909,146</u>
Retirement of bonds	296,620	576,733	3,215,937	4,089,290
Bonds refunded	291,023	905,999	2,919,286	4,116,308
Additions to plant	289,960	31,190	448,484	769,634
Depreciation	(636,883)	(512,272)	(5,445,345)	(6,594,500)
Gifts and other (additions and deductions to fixed assets)	-	(1,563)	35,577	34,014
Discount amortization	18,931	(1,975)	142,492	159,448
Refund amortization	(3,541)	(18,787)	(60,013)	(82,341)
Bonds issued	(294,353)	(916,367)	(2,952,690)	(4,163,410)
Transfers (net)	(1,252)	(600)	(133,162)	(135,014)
Fund balances, June 30, 2015	<u>\$ 5,530,852</u>	<u>\$ 8,854,027</u>	<u>\$ 26,717,696</u>	<u>\$ 41,102,575</u>

**State of Illinois  
Western Illinois University  
Analysis of Operations (Unaudited)  
For the Year Ended June 30, 2015**

**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, 2015**

**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, 2015**

**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, 2015**

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

The percentage of total Fiscal Year 2015 expenditures represented by administrative costs for the year ending June 30, 2015 was approximately 10.3%. 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, 2015 and 2014**

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

Year Ended	Instructional Activities	Organized Research	Public Service	Academic Support	Student Services	Institutional Support	O&M Physical Plant	Independent Operations	Total All Functions
<b>Year Ended June 30, 2015</b>									
Appropriated funds:									
Faculty/administrative	743.2	16.5	27.2	44.3	62.7	29.2	10.8	-	933.9
Civil service	160.9	8.6	15.3	59.7	32.9	83.2	151.1	-	511.7
Student employees	26.3	4.8	1.9	22.7	4.9	6.9	4.0	-	71.5
Total appropriated	930.4	29.9	44.4	126.7	100.5	119.3	165.9	-	1,517.1
Non-appropriated funds:									
Faculty/administrative	6.5	6.5	79.2	-	46.0	-	8.0	39.0	185.2
Civil service	1.4	0.1	14.2	0.1	45.1	-	120.1	82.0	263.0
Student employees	28.9	4.7	11.6	0.2	35.7	-	12.7	121.1	214.9
Total non-appropriated	36.8	11.3	105.0	0.3	126.8	-	140.8	242.1	663.1
Total all funds	967.2	41.2	149.4	127.0	227.3	119.3	306.7	242.1	2,180.2
<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

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Years Ended June 30, 2015 and 2014**

**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, 2015 and 2014 are presented below:

	<u>2015</u>	<u>2014</u>
<b>Fall term:</b>		
Undergraduate students	8,980	9,251
Graduate students	1,438	1,450
Extension students	1,040	1,006
Total enrollment	<u>11,458</u>	<u>11,707</u>
Full-time equivalent students	<u>9,944</u>	<u>10,207</u>
<b>Spring term:</b>		
Undergraduate students	8,164	8,414
Graduate students	1,388	1,366
Extension students	1,124	1,041
Total enrollment	<u>10,676</u>	<u>10,821</u>
Full-time equivalent students	<u>9,198</u>	<u>9,385</u>
<b>Summer term:</b>		
Undergraduate students	959	1,026
Graduate students	399	449
Extension students	2,061	2,062
Total enrollment	<u>3,419</u>	<u>3,537</u>
Full-time equivalent students	<u>2,500</u>	<u>2,595</u>
Annual full-time equivalent students (based on average per term exclusive of summer term)	<u>9,571</u>	<u>9,796</u>

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2015**

**Schedule of Unrestricted Current Funds**  
**General Expenditures Per Full-Time Equivalent Student\***  
**as Reported to the Board of Higher Education (Unaudited)**

	Total Costs**	Total Costs Per Full-Time Equivalent Student*
Direct salary	\$ 40,966,433	\$ 4,280
Indirect instruction	8,438,243	882
Departmental research	2,369,129	248
Departmental overheads	11,704,005	1,223
College or school overheads	6,134,473	641
	<hr/>	<hr/>
Total department and college costs	69,612,283	7,274
	<hr/>	<hr/>
Overhead support unique to a function	7,305,494	763
All other academic support	8,306,535	868
Student services	5,525,727	577
Institutional support	11,883,495	1,242
	<hr/>	<hr/>
Total University overheads	33,021,251	3,450
	<hr/>	<hr/>
Total department and college costs with University overheads	102,633,534	10,724
	<hr/>	<hr/>
Operation and maintenance of physical plant	14,265,590	1,490
	<hr/>	<hr/>
Total costs	<u>\$ 116,899,124</u>	<u>\$ 12,214</u>

NOTE:

\* *The number of full-time equivalent (FTE) students for Fiscal Year 2015 is the sum of FTE students for Fall 2014 and Spring 2015 semesters divided by two.*

Fall 2014 FTE	9,944
Spring 2015 FTE	9,198
Full-time equivalent	9,571

\*\* *Total costs include instructional costs, public service, and organized research expenditures.*

Source: FY2015 WIU Discipline Cost Study

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2015**

**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 2015	\$4,270,900
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, 2015**

**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, 2015, where such special data is found.

Compliance Findings

13(a) A finding of noncompliance with University Guidelines for the year ended June 30, 2015 was noted, see finding 2015-007.

Indirect Cost Reimbursements

13(b) A statement of sources and applications of indirect cost reimbursements is included in this report on page 57.

13(c) The University’s calculation sheet for indirect cost carry-forward is included in this report on page 58.

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 62 through 64.

13(f) Entity financial statements are presented on pages 65 through 71 of this report. The entity financial statements should be read in conjunction with University’s audited financial statements for the year ended June 30, 2015.

13(g) The University’s calculation sheets for current excess funds are presented in this report on pages 59 through 61.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2015**

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

- 13(h) The University Auxiliary Enterprises and activities received \$2,469,020 for group insurance and \$1,161,860 for pensions from State appropriated funds for the year ended June 30, 2015. 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 70 of this report. Description of the accounts and requirements is included in Note 10 of the June 30, 2015 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, 2015.
- 13(k) As of June 30, 2015, 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. The University had the ability to establish a noninstructional facilities reserve account in conjunction with the Series 2005 Bonds. However, the Series 2005 Bonds were defeased during Fiscal Year 2015.

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 84 of this report.
- 13(n) The University provided the Foundation with \$1,677,045 in administration and support services during the year ended June 30, 2015, 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, 2015.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2015**

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

Other Topics

- 13(p) There was no debt financed by the Foundation in Fiscal Year 2015.
- 13(q) Schedules of cash and cash equivalents held by the University are presented in this report on page 51.
- 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 78 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 84 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 were used to finance capital improvements projects to several campus buildings as well as Phase II of the campus steam line replacement plan.

On March 11, 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 were 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.

On December 7, 2005, 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, 2015**

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

- 13(v) The Schedule of Income Fund Revenues and Expenditures is presented on page 50 of this report.
- 13(w) The Schedule of Tuition and Fee Waivers is presented on page 85 through 86 of this report.

**State of Illinois**  
**Western Illinois University**  
**Analysis of Operations (Unaudited) (Continued)**  
**For the Year Ended June 30, 2015**

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

During the year ended June 30, 2015, Western Illinois University (University) had a contract with the 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 \$1,677,045 for the year ended June 30, 2015. As required by the 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, 2015.

Funds considered unrestricted for purpose of the University Guidelines computations:	
Totally unrestricted	\$ 521,051
Restricted only as to campus, college or department and generally available for ongoing University operations	<u>3,471,222</u>
Total funds considered unrestricted	<u>3,992,273</u>
Funds considered restricted for purpose of the University Guidelines computations:	
Total funds given for scholarships, grants and awards	2,665,285
Other restricted funds	<u>1,157,039</u>
Total funds considered restricted	<u>3,822,324</u>
<b>Total funds provided to the University by the Foundation</b>	<b><u>\$ 7,814,597</u></b>

During the year ended June 30, 2015, 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, 2015**

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

	Tuition Waived			Fees Waived	
	Number of Recipients *	Number of Recipients *	Value of Waivers (In Thousands)	Number of Recipients *	Value of Waivers (In Thousands)
<b><u>MANDATORY WAIVERS</u></b>					
<b><u>(SUBTOTAL)</u></b>	472	472	\$ 2,822.4	38	\$ 75.6
Teacher Special Education	31	31	206.3	27	57.8
General Assembly					
ROTC	50	50	419.0		
DCFS	10	10	64.7	8	15.6
Children of Employees	151	151	485.4		
Senior Citizens	3	3	9.2	3	2.2
Honorary Scholarships					
Veterans Grants & Scholarships**	227	227	1,637.8		
Other (please specify) ***					
<b><u>DISCRETIONARY WAIVERS</u></b>					
<b><u>(SUBTOTAL)</u></b>	655	655	2,459.6	25	12.9
Faculty/Administrators	10	10	13.7	4	2.2
Civil Service	55	55	95.5	18	7.4
Academic/Other Talent	249	249	499.1		
Athletic	209	209	1,087.3		
Gender Equity in					
Intercollegiate Athletics	118	118	726.0		
Foreign Exchange Students					
Out-of-State Students					
Foreign Students					
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	1	1	0.3		
Research Assistants					
Teaching Assistants					
Other Assistants					
Student Employment	5	5	4.1		
Interinstitutional/Related Agencies					
Retired University Employees	5	5	16.1		
Children of Deceased Employees	3	3	17.5	3	3.3
Contract/Training Grants					
All Other (please specify)***					
<b>TOTAL</b>	<b>1,127</b>	<b>1,127</b>	<b>\$ 5,282.0</b>	<b>63</b>	<b>\$ 88.5</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, 2015**

**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><u>MANDATORY WAIVERS</u></b>					
<b><u>(SUBTOTAL)</u></b>	48	48	\$ 192.9	-	\$ -
Teacher Special Education					
General Assembly					
ROTC	1	1	5.3		
DCFS					
Children of Employees					
Senior Citizens					
Honorary Scholarships					
Veterans Grants & Scholarships**	47	47	187.6		
Other (please specify) ***					
<b><u>DISCRETIONARY WAIVERS</u></b>					
<b><u>(SUBTOTAL)</u></b>	707	706	3,944.5	141	59.3
Faculty/Administrators	54	54	139.5	49	23.9
Civil Service	55	55	165.6	43	19.8
Academic/Other Talent	3	3	13.2		
Athletic					
Gender Equity in					
Intercollegiate Athletics					
Foreign Exchange Students					
Out-of-State Students					
Foreign Students	3	3	58.3		
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	79	79	185.4	40	12.3
Research Assistants	39	39	255.1		
Teaching Assistants	270	270	1,769.5		
Other Assistants	195	195	1,343.7		
Student Employment					
Interinstitutional/Related Agencies					
Retired University Employees	9	8	14.2	9	3.3
Children of Deceased Employees					
Contract/Training Grants					
All Other (please specify)***					
<b>TOTAL</b>	<b>755</b>	<b>754</b>	<b>\$ 4,137.4</b>	<b>141</b>	<b>\$ 59.3</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.