



ADELFA LLC

CERTIFIED PUBLIC ACCOUNTANTS

400 E RANDOLPH STREET, SUITE 705

CHICAGO, ILLINOIS 60601

TEL (312) 240-9500 FAX (312) 240-0295

www.adelfiacpas.com

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY**

COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act
and Applicable Federal Regulations)
For the Year Ended June 30, 2017

**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 Applicable Federal Regulations)
For the Year Ended June 30, 2017**

TABLE OF CONTENTS

	<u>Page(s)</u>
University Officials.....	1
Management Assertion Letter.....	2
Compliance Report:	
Summary	3
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes	6
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 <i>Government Auditing Standards</i>	11
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 the Uniform Guidance	13
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results	17
Current Finding – <i>Government Auditing Standards</i>	18
Current Finding – Federal Compliance and Questioned Costs	21
Current Findings – State Compliance	25
Prior Findings Not Repeated	31

Financial Statement Report:

The University’s financial statement report for the year ended June 30, 2017, 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, 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 Applicable Federal Regulations)
For the Year Ended June 30, 2017**

TABLE OF CONTENTS (Continued)

	<u>Schedule</u>	<u>Page(s)</u>
Supplementary Information for State Compliance Purposes:		
Summary		32
Fiscal Schedules and Analysis		
Schedule of Expenditures of Federal Awards	1	34
Notes to the Schedule of Expenditures of Federal Awards	1	39
Schedule of Appropriations, Expenditures and Lapsed Balances	2	41
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	3	42
Schedule of Changes in Capital Assets	4	43
Comparative Schedule of Income Fund Revenues and Expenditures	5	44
Comparative Schedule of Cash and Cash Equivalents	6	45
Schedule of Federal Expenditures, Nonfederal Expenses and New Loans	7	46
Summary of Indirect Cost Reimbursements:		
Statement of Sources and Applications	8	47
Calculation Sheet for Indirect Cost Carry-Forward (Unaudited) ..	9	48
Calculation of Current Excess Funds (Unaudited)	10	49
University Accounting Entities and Related Sources of Revenues and Purposes	11	55
Current Funds, Unrestricted, Other		
Balance Sheet by Entity	12	58
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity	13	59
Auxiliary Enterprises and Activities, Financial Statements by Functional Entity		
Auxiliary Enterprise Funds - Revenue Bonds		
Balance Sheet by Entity	14	60
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity	15	61
Plant Funds Statement of Changes in Fund Balances by Entity	16	62
Auxiliary Enterprise Funds - Other		
Balance Sheet by Entity	17	63
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity	18	64

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act and Applicable Federal Regulations)
For the Year Ended June 30, 2017**

TABLE OF CONTENTS (Continued)

	<u>Schedule</u>	<u>Page(s)</u>
Supplementary Information for State Compliance Purposes (Continued):		
Analysis of Operations (Unaudited)		
University Functions and Planning Program (Unaudited)		65
Analysis of Significant Variations in Account Balances (Unaudited) .		68
Analysis of Significant Variations in Operating and Nonoperating Revenues and Expenses (Unaudited)		69
Analysis of Significant Lapse Period Spending (Unaudited).....		70
Analysis of Accounts Receivable (Unaudited)		71
Budget Impasse Disclosures (Unaudited)... ..		72
Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)... ..		73
Interest Costs on Fiscal Year 2017 Invoices (Unaudited)... ..		74
Comments on the Percentage of Total Expenditures Represented by Administrative Costs (Unaudited).....		75
Employment Statistics - Full-Time Equivalent (Unaudited)		76
Service Efforts and Accomplishments - Enrollment Statistics (Unaudited)		77
Schedule of Unrestricted Current Funds General Expenditures Per Full-Time Equivalent Student as Reported to the Board of Higher Education (Unaudited)		78
University Bookstore Information (Unaudited)		79
<u>University Guidelines</u> , 1982 as amended 1997 (Unaudited):		
Special Data Requirements for University Audits (Unaudited) ...		80
Summary of Western Illinois University Foundation Transactions with the University (Unaudited)		84
Undergraduate Tuition and Fee Waivers (Unaudited)		85
Graduate Tuition and Fee Waivers (Unaudited)		86
Memorandums of Understanding (Unaudited)		87
Emergency Purchases (Unaudited)		89

Related Report Published Under a Separate Cover

Western Illinois University Financial Audit for the Year Ended June 30, 2017

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act and Applicable Federal Regulations)
For the Year Ended June 30, 2017**

UNIVERSITY OFFICIALS

President	Dr. Jack Thomas
Provost and Academic Vice President	Dr. Kathleen Neumann, Interim
Vice President for Student Services	Dr. Ronald Williams
Vice President for Administrative Services	Mr. Matthew Bierman
Vice President for Advancement and Public Services	Mr. Brad Bainter
Vice President for Quad Cities Planning and Technology	Dr. Joseph Rives
Director of Business and Financial Services	Mr. Matthew Bierman
Director of Internal Auditing	Mr. Michael Sartorius

BOARD OF TRUSTEES (as of June 30, 2017)

Chair	Cathy E. Early, Macomb
Vice Chair	Yvonne S. Savala, Moline
Secretary	Roger Clawson, Moline
Member	Lynier R. Cole, Chicago
Member	Carolyn J. Ehlert Fuller, Milan
Member	Todd V. Lester, Macomb
Member	Steven Nelson, Moline
Student Member	Will Gradle, St. Charles

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**

STATE COMPLIANCE EXAMINATION
MANAGEMENT ASSERTION LETTER

March 12, 2018

Adelfia LLC
400 E. Randolph Street, Suite 705
Chicago, IL 60601

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. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2017. Based on this evaluation, we assert that during the year ended June 30, 2017, 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 truly,

Western Illinois University

SIGNED ORIGINAL ON FILE

Dr. Jack Thomas
University President

Business Services
1 University Circle, Macomb, IL 61455-1390
Tel 309.298.1811 Fax 309.298.2811

SIGNED ORIGINAL ON FILE

Matthew Bierman
Vice President for Administrative Service

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act and Applicable Federal Regulations)
For the Year Ended June 30, 2017**

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, but does contain a qualified opinion on compliance and material weaknesses over internal control.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current</u> <u>Report</u>	<u>Prior</u> <u>Report</u>
Findings	6	7
Repeated findings	4	3
Prior recommendations implemented or not repeated	3	5

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<i>FINDING (GOVERNMENT AUDITING STANDARDS)</i>			
2017-001	18	Inadequate Control over Reporting Restricted Accounts	Material Weakness
<i>FINDING AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
2017-002	21	Improper Verification Procedures and Delay in Disbursement Reporting and Approval of Work Authorization	Noncompliance and Significant Deficiency

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act and Applicable Federal Regulations)
For the Year Ended June 30, 2017**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS (<i>STATE COMPLIANCE</i>)			
2017-003	25	Noncompliance with the <i>University Guidelines</i> on Excess Funds	Noncompliance and Significant Deficiency
2017-004	26	Noncompliance with the <i>University Guidelines</i> on Subsidies	Noncompliance and Significant Deficiency
2017-005	27	Weakness in Computer Inventory Controls	Noncompliance and Significant Deficiency
2017-006	29	Expenditures in Excess of License Plate Fees Earned	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.

2017-001	18	Inadequate Control over Reporting Restricted Accounts	Material Noncompliance and Material Weakness
----------	----	---	--

PRIOR FINDINGS NOT REPEATED

A	31	Failure to Apply Accounting and Financial Reporting Standards for Impairment of Capital Assets
B	31	Noncompliance with Required Contracting Procedures
C	31	Inadequate Controls over Property and Equipment

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act and Applicable Federal Regulations)
For the Year Ended June 30, 2017**

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on January 30, 2018.

Participating were:

Western Illinois University

Dr. Jack Thomas, President
Lyneir Cole, Audit Committee Chair – Board of Trustees
Roger Clawson, Secretary – Board of Trustees
Matthew Bierman, Vice President for Administrative Services
Kathleen Neumann, Interim Provost and Academic Vice President
Jessica Dunn, Assistant Comptroller
Brittany Troline, Accounting Associate
Michael Sartorius, Director of Internal Auditing
Megan Newlon, Internal Audit Assistant
Stephen Frazier, Executive Director of University Technology (CIO)
Robert Emmert, Director of University Technology
William Oster, Director of Insurance, Risk Management and Compliance

Office of the Auditor General

Lisa Warden, Senior Audit Manager

Adelfia LLC

Stella Marie Santos, Partner
Ana Lisa Ausan, Manager
Charlene Baccay, Senior

The responses to the recommendations were provided by Dr. Jack Thomas, President, in a letter dated February 7, 2018.



**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, 2017. 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 (the Audit Guide). Those standards, the Act, and the Audit Guide require that we plan and perform the examination to obtain reasonable assurance about whether the University complied, in all material respects, with the specified requirements listed above. An examination involves performing procedures to obtain evidence about whether the University complied with the specified requirements listed above. The nature, timing and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on the University's compliance with specified requirements.

As described in item 2017-001 in the accompanying schedule of findings and questioned costs, the University did not comply with requirements regarding applicable laws and regulations, including the State uniform accounting system in its financial and fiscal operations (requirement C). Compliance with such requirement is necessary, in our opinion, for the University to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, 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, 2017. However, the results of our procedures disclosed other 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 2017-003 through 2017-006.

The University's responses to the findings identified in our examination are described in the accompanying schedule of findings and questioned costs. The University's responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on compliance is solely to describe the scope of our testing and the results of that testing in accordance with the requirements of the Audit Guide issued by the

Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness and significant deficiencies.

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 a 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2017-001 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2017-003 through 2017-006 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 internal control findings identified in our examination are described in the accompanying schedule of findings and questioned costs. The University's

responses were not subjected to the procedures applied in the compliance examination and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Audit Guide, issued by the Illinois Office of the Auditor General. Accordingly, this report is not suitable for any other purpose.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of the University and its aggregate discretely presented component unit as of and for the year ended June 30, 2017, and have issued our report thereon dated February 20, 2018, 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. We have not performed any procedures with respect to the audited financial statements subsequent to February 20, 2018. The accompanying supplementary information for the year ended June 30, 2017 in Schedules 1 through 8 and Schedules 11 through 18 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, 2017 in Schedules 1 through 8 and Schedules 11 through 18 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, 2017 in Schedules 1 through 8 and Schedules 11 through 18 is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2017.

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, 2016, and have issued our report thereon dated January 20, 2017, 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, 2016 in Schedules 3 through 6, Schedule 8, Schedule 13, Schedules 15 through 16 and Schedule 18 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, 2016 financial statements. The accompanying supplementary information for the year ended June 30, 2016 in Schedules 3

through 6, Schedule 8, Schedule 13, Schedules 15 through 16 and Schedule 18 has been subjected to the auditing procedures applied in the audit of the June 30, 2016 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, 2016 in Schedules 3 through 6, Schedule 8, Schedule 13, Schedules 15 through 16 and Schedule 18 is fairly stated in all material respects in relation to the basic financial statements as a whole from which it has been derived.

The accompanying supplementary information in the Analysis of Operations Section and Schedules 9 and 10 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 Auditing General, the General Assembly, the Legislative Audit Commission, the Governor, the Board of the 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.

SIGNED ORIGINAL ON FILE

Chicago, Illinois

March 12, 2018, except for our report on the Supplementary Information
for State Compliance Purposes, as to which the date is February 20, 2018



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

Honorable Frank J. Mautino
Auditor General
State of Illinois

and

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, 2017, and the related notes to the financial statements, which collectively comprise the University’s basic financial statements, and have issued our report thereon dated February 20, 2018. 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. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding as item 2017-001 that we consider to be a material weakness.

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 finding. The University's response was not subject 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.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
February 20, 2018



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 THE UNIFORM GUIDANCE

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 Western Illinois University’s (University) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the University’s major federal programs for the year ended June 30, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the University’s major federal programs based on our audit of the types of compliance requirements referred to above. We

conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal program is not modified with respect to these matters.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-002 that we consider to be a significant deficiency.

The University's response to the internal control over the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the business-type activities and the aggregate discretely presented component unit of the University as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated February 20, 2018, 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 basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to February 20, 2018. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial

statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SIGNED ORIGINAL ON FILE

Chicago, Illinois

March 12, 2018, except for our report on the Schedule of Expenditures of Federal Awards and the related notes, as to which the date is February 20, 2018

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

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

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
Various	Student Financial Assistance Cluster
10.771	Rural Cooperative Development Grants

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

Auditee qualified as low-risk auditee? Yes No

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017**

Current Finding – *Government Auditing Standards*

2017-001 – Inadequate Control over Reporting Restricted Accounts

The Western Illinois University (University) did not ensure restrictions from revenue bond covenants were properly reflected within the University's financial statements.

As of June 30, 2017, the University's Auxiliary Facilities System (System) consisted of certain facilities across campus which are not directly related to the University's instruction, research, or service units, including:

- multi-purpose facilities, such as Western Hall and the University Student Union building;
- recreation-related facilities, such as the Spencer Student Recreation Center and the WIU Harry Mussatto golf course; and
- residence halls

As of June 30, 2017, the University had outstanding revenue bond issues (Series 2010, Series 2012, Series 2015, and Series 2016) where the proceeds from these bonds had been used to finance certain projects within the System. These bond issues established a "closed system" where the revenues generated by the System could only be used for the following purposes:

- 1) expenses necessary for the operation and reasonable upkeep and repair of the System;
- 2) payment of principal and/or interest amounts when due;
- 3) amounts set aside limited to and used for financing the costs of renovating or replacing capital assets of the System beyond ordinary maintenance and operation of the System;
- 4) amounts set aside limited to and used for constructing new space or additions to existing facilities within the System; and
- 5) amounts set aside limited to acquiring movable equipment to be installed in the facilities constituting the System;

with any excess funds, after maximum deposits have been made to fund the foregoing purposes, being set aside to either fund the redemption of previously issued bonds when callable or the purchase of the University's bonds on the open market. Notably, resources within the System are unavailable for use by the University outside of the System.

During testing, we noted the University had controls to segregate the System's assets and include its net position with the University's financial statements; however, the University had not designed its internal controls to ensure accurate reporting of restricted assets and restricted net position under generally accepted accounting principles. The University originally designed the control due to the implementation of Governmental Accounting Standards Board Statement No. 34 by drawing inferences from the implementation guidance published by the Governmental

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Finding – *Government Auditing Standards* (Continued)

2017-001 – Inadequate Control over Reporting Restricted Accounts (Continued)

Accounting Standards Board that was not necessarily on point with the University’s unique “closed system” situation and from discussions with other universities with closed systems.

Historically, auditors did not take exception to the design flaw until the current year. After this issue was noted during the current year, the Auditor General’s Office and the Office of the State Comptroller consulted with staff of the Governmental Accounting Standards Board. After this consultation, the University (and all universities with closed systems) changed its accounting presentation in its final financial statements to show all non-capital assets associated with the System, totaling \$32,776,955 as restricted assets and reclassified the System’s portion of the University’s net position to expendable restricted net position, totaling \$27,222,829.

Governmental Accounting Standards Board Statement No. 34, Paragraph 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires net position should be reported as restricted when constraints imposed upon the use of the net position are externally imposed by creditors, such as through debt covenants. Further, Governmental Accounting Standards Board Statement No. 34, Paragraph 99, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires the reporting of restricted assets when constraints imposed upon the use of the net position are externally imposed by creditors which changes the nature or normal understanding of the availability of the asset, such as assets that cannot be used to extinguish liabilities outside of those allowed by the bond covenants.

In addition, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University establish and maintain a system, or systems, of fiscal and administrative controls to provide assurance that revenues, expenses, resources, and funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial reports and to maintain accountability over the State’s resources.

University officials stated they thought they were properly reporting the Auxiliary Facilities System net position and asset balances in accordance with generally accepted accounting principles.

Failure to report the non-capital assets and net position related to the System as restricted resulted in a material misstatement of the University’s financial statements and reduced the overall reliability of Statewide financial reporting. (Finding Code No. 2017-001)

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Finding – *Government Auditing Standards* (Continued)

2017-001 – Inadequate Control over Reporting Restricted Accounts (Continued)

RECOMMENDATION

We recommend the University periodically review its internal controls over financial reporting to provide assurance accounts are properly classified under generally accepted accounting principles.

UNIVERSITY RESPONSE

The University agrees with the finding. The University will periodically review its internal controls over financial reporting to ensure accounts are properly classified in conformity with generally accepted accounting principles.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Finding – Federal Compliance and Questioned Costs

2017-002 – Improper Verification Procedures and Delay in Disbursement Reporting and Approval of Work Authorization

Federal Agency: U.S. Department of Education

Cluster Name/ Student Financial Assistance Cluster/
FY17 Expenditures: \$91,140,568

<u>Program Name / Federal Award Year:</u>	<u>CFDA #:</u>	<u>Pass-through / Contract Number:</u>
Federal Supplemental Education Opportunity Grants	84.007	P0074A161313
Federal Work Study Program	84.033	P033A161313
Federal Perkins Loan Program	84.038	P038A071313
Federal Pell Grant Program		
<i>Federal Pell – 2015-2016</i>	84.063	P063P151391
<i>Federal Pell – 2016-2017</i>	84.063	P063P161391
<i>Federal Pell – 2017-2018</i>	84.063	P063P171391
Federal Direct Student Loans		
<i>Federal Direct Student Loans – FY16</i>	84.268	P268K161391
<i>Federal Direct Student Loans – FY17</i>	84.268	P268K171391
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)		
<i>Teach Grant – 2016-2017</i>	84.379	P379T171391

Questioned Costs: None

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Finding – Federal Compliance and Questioned Costs (Continued)

2017-002 – Improper Verification Procedures and Delay in Disbursement Reporting and Approval of Work Authorization (Continued)

Western Illinois University (University) did not properly perform verification procedures, report Pell Grant disbursements within the deadline, and authorize Federal Work Study hours timely.

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 Institutional Student Information Records (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. ED also sets loan limits for direct subsidized loans, direct unsubsidized loans and aggregate loan amounts.

During our examination of 42 students from a population of 1,213 students selected for verification, we noted four (10%) students' income or expenses on the ISIR differed from the verification worksheets by \$3,764. These discrepancies were not identified by the University and consequently, the ISIR was not updated with the correct information.

During our examination of 40 students from a population of 4,380 students with Federal Pell Grant disbursements, we noted one of 40 (2.5%) students tested was disbursed funds totaling \$4,265 but the Pell Grant payment data was processed in the Common Origination Document (COD) 76 days after the 15-day requirement.

In addition, during our examination of 21 students from a population of 206 students with Federal Work Study disbursements, we noted one of 21 (4.8%) students tested was not paid the full two week's hours worked for one pay period. The student had a time card reporting 40.50 hours worked but was paid for only 34.50 hours. The remaining 6 hours from that pay period were not authorized or paid until six months after that pay period.

Our sample selection was not, and was not intended to be, statistically valid.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Finding – Federal Compliance and Questioned Costs (Continued)

2017-002 – Improper Verification Procedures and Delay in Disbursement Reporting and Approval of Work Authorization (Continued)

The Code of Federal Regulations (34 CFR 668.54) states 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 and untaxed income and benefits. The Code of Federal Regulations (34 CFR 668.59) requires the institution to submit to ED as a result of verification any changes to a single dollar item of \$25 or more and adjust the applicant's financial aid package on the basis of the EFC on the corrected valid ISIR.

The U.S. Department of Education requires institutions to report all disbursements and submit required records to the Direct Loans Servicing System (DLSS) via the COD within 15 days of disbursement.

The Code of Federal Regulations (2 CFR 200.303) requires non-Federal entities to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, term and conditions of the Federal award. The Code of Federal Regulations (34 CFR 675.16) requires the University to pay the student Federal Work Study compensation at least once a month for work performed. An effective system of internal controls should include procedures to ensure federal work study payroll is processed timely. In addition, the University Council on Student Activity Funds Policy Manual requires students and their immediate supervisors to confirm student's hours worked in work authorizations biweekly to ensure the student gets paid on time. Any Federal Work Study time cards not confirmed on time by the student and supervisor must be paid with an Extra Help work authorization from the departmental budget funds.

University management stated the verification issues were an oversight by the financial aid staff when processing the student aid applications. However, these issues did not affect the students' eligibility and financial aid calculations. The untimely reporting of the Pell disbursement was due to oversight during transition from one Pell coordinator to another. Finally, the untimely authorization of the Federal Work Study hours was the result of the employing department's failure to authorize Extra Help employment in a timely manner.

In response to the prior year finding, management stated they will continue weekly advisor training and secondary file review by team leaders. These actions were taken, but the exceptions occurred due to human error and staff changes.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Finding – Federal Compliance and Questioned Costs (Continued)

2017-002 – Improper Verification Procedures and Delay in Disbursement Reporting and Approval of Work Authorization (Continued)

Failure to properly determine financial aid awards and grant/loan amounts may result in over or under award to eligible students, loans in excess of allowable limits, and noncompliance with the Code of Federal Regulations. 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 Expected Family Contribution (EFC) basis. Untimely reporting of grant/loan disbursements to the COD system results in noncompliance with the federal regulations. Delay in processing of federal work study payroll may result in federal expenditures not reported in the proper grant year and is non-compliance with University policies. (Finding Code No. 2017-002, 2016-002, 2015-002 and 2014-003)

RECOMMENDATION

We recommend the University implement effective review procedures to ensure all information used to calculate EFC is accurate and reviewed during the verification process, Federal Pell disbursements are reported to COD no more than 15 calendar days after disbursement, and Federal Work Study wages are disbursed when work is performed.

UNIVERSITY RESPONSE

The University agrees with the finding. Effective Fall 2017, FAFSAs (Free Application for Federal Student Aid) selected for verification are processed and reviewed by senior staff members. The Financial Aid office has dedicated two financial aid managers to specific programs and improved training on program management. In addition, the Financial Aid office will improve communication with departments that hire student employees to ensure authorization of employment in a timely manner.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Findings – State Compliance

2017-003 – Noncompliance with the *University Guidelines* on Excess Funds

Western Illinois University (University) did not adequately comply with the *University Guidelines* on remittance of excess funds.

During our testing of the University’s compliance with the *University Guidelines*, we noted the University complied with the requirement to calculate excess funds on indirect cost, auxiliary enterprises and accounting entities but failed to remit amounts due to the Income Fund for the following funds:

Indirect Cost	\$ 848,948
Public Service	275,894
Instructional Resources	515,016
University Publication	<u>2,839</u>
Total	<u>\$ 1,642,697</u>

The *University Guidelines* (Chapter I, Section H and Chapter IV, Section D, Part 1) states the University shall remit any excess funds for deposit in the Income Fund no later than 45 days after the close of the lapse period.

University management stated due to the State budget impasse, the University deferred necessary expenses that resulted in excess funds in the respective indirect cost and entity funds. The University did not remit these excess funds as part of their strategy of managing resources.

Failure to remit the excess funds resulted in noncompliance with the *University Guidelines*. (Finding Code No. 2017-003, 2016-004)

RECOMMENDATION

We recommend the University continue to monitor the activities of each accounting entity and ensure compliance with all the requirements of the *University Guidelines*.

UNIVERSITY RESPONSE

The University agrees with the finding. The University will continue to monitor the activities of each accounting entity and make a decision on remitting excess funds based on the University’s current resources affected by the State budget impasse.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Findings – State Compliance (Continued)

2017-004 – Noncompliance with the *University Guidelines* on Subsidies

Western Illinois University (University) subsidized operations of University activities between accounting entities during Fiscal Year 2017. 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 *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 \$1.1 million and \$705,310, 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, 2017, this accounting entity had accounts receivable and inventories totaling \$935,905.

The *University Guidelines* (Chapter III, 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.”

University management stated current year revenues generated by the entity exceeded operational costs. However, the prior year deficit continues to exist, 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. 2017-004, 2016-006, 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 fees charged for services are sufficient to cover expenditures, and take appropriate corrective actions to ensure subsidies between accounting entities do not continue.

UNIVERSITY RESPONSE

The University agrees with the finding. The University will continue to monitor all accounting entities for negative trends and take corrective action as necessary.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Findings – State Compliance (Continued)

2017-005 – Weakness in Computer Inventory Controls

Western Illinois University (University) was unable to locate 44 computers during their annual inventory. Additionally, we found the University does not always protect their computers and removable media with encryption methods.

These items were noted as missing by University staff during their annual inventory conducted on its campuses during Fiscal Year 2017. The original cost of these items totaled \$55,327.

Although the University performs periodic scanning to identify social security numbers on University equipment, the University could not determine if the missing computers contained confidential information at the time they were reported missing.

The State Property Control Act (30 ILCS 605/4 and 6.02) requires the University be accountable for the supervision, control and inventory of all items under its control. In addition, the University had the responsibility to ensure confidential information is protected from disclosure and provisions in the Personal Information Protection Act (815 ILCS 530) are followed.

University management stated the University has policies in place to protect the University's data. Individual areas on campus are responsible for properly securing or encrypting the data they use as well as properly maintaining their inventory. University policy does not currently require University Technology (uTech) be officially notified of lost or stolen devices; however, uTech works closely with Property Accounting to follow-up on devices reported missing on the annual inventory when notified.

Failure to have adequate controls over computer inventory has resulted in lost and stolen computer inventory and the potential for unintended exposure of confidential information. By not ensuring computers are encrypted, the risk of exposure of confidential information exists. (Finding Code No. 2017-005, 2016-007)

RECOMMENDATION

We recommend the University:

- Review current practices to determine if enhancements can be implemented to prevent the theft or loss of computers.
- Evaluate data maintained on computers and ensure those containing confidential information are adequately protected with methods such as encryption.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Findings – State Compliance (Continued)

2017-005 – Weakness in Computer Inventory Controls (Continued)

UNIVERSITY RESPONSE

The University agrees with the finding. The University has started collecting media access control (MAC) addresses of devices to help with locating the item if it is not on the University's network. In addition, the University also began collecting contact information for computer related items to help determine equipment locations by having their specific person associated with a device. Along with efforts of scanning for sensitive information on devices, the University is reviewing options to encrypt laptops and other mobile devices.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Findings – State Compliance (Continued)

2017-006 – Expenditures in Excess of License Plate Fees Earned

Western Illinois University (University) requested and disbursed amounts in excess of its proportion of collegiate license plates sold to support scholarships for its in-State students.

During testing, we noted the University had requested and disbursed scholarships of \$27,548 to eligible students in excess of the University's proportion of collegiate license plates sold. This amount represents fees collected and deposited into the State Treasury by the Secretary of State from Calendar Year 1997 through Calendar Year 2015, which were available for appropriation to participating public universities during Fiscal Year 2001 through Fiscal Year 2017.

The Illinois Vehicle Code (Code) (625 ILCS 5/3-629(d)) states fees generated from the University's proportion of collegiate license plates sold during the preceding calendar year and deposited into the State College and University Trust Fund (Fund) shall be distributed, subject to appropriation by the General Assembly, to each participating public university or college for the sole purpose of scholarship grant awards to residents of the State.

University management stated they were not aware of any requirement to monitor receipts from license plate fees and ensure that appropriated expenditure amounts were adequately covered with such receipts.

We noted the Secretary of State prepares reports of annual license plate sales and revenues earned by each university. In addition, pursuant to the Code, the State Treasurer created separate revenue accounts within the Fund for each public university or college for which collegiate license plates have been issued. Reports of annual collegiate license plate revenues by university are publicly available from the website of the Office of the State Comptroller.

Disbursements in excess of the University's proportion of license plate fees earned reduced the amount of scholarship funds available for in-State students of the universities for which the plates were sold and resulted in poor cash management practices within the State Treasury. (Finding Code No. 2017-006)

RECOMMENDATION

We recommend the University return excess funds drawn down from license plate sales earned by other universities and/or limit future drawdowns for scholarships to in-state students to its proportional share of collegiate license plates sold within the timeframe designated by the Code.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Current Findings – State Compliance (Continued)

2017-006 – Expenditures in Excess of License Plate Fees Earned (Continued)

UNIVERSITY RESPONSE

The University agrees with the finding. The University will monitor receipts from license plate fees and limit future scholarships to in-state students to its proportional share of collegiate license plates sold.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2017**

Prior Findings Not Repeated

A. Failure to Apply Accounting and Financial Reporting Standards for Impairment of Capital Assets

During the previous audit, Western Illinois University (University) did not evaluate changes in circumstances affecting capital assets to determine whether impairment occurred and did not properly account for and report capital asset impairments in the financial statements.

During the current audit, we noted effective February 2017, the University amended its capital asset policy to include evaluation of prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset had occurred by identifying potential impairments and testing for impairment. Our current year testing identified no instances where the University had not properly accounted for and disclosed capital asset impairments in the financial statements. (Finding Code No. 2016-001)

B. Noncompliance with Required Contracting Procedures

During the previous audit, the University did not submit contract modifications to the Illinois Office of the Comptroller.

During the current audit period, the auditors noted the University revised purchasing procedures to ensure contract amendments are filed with the Office of the Comptroller by the required deadline. (Finding Code No. 2016-003)

C. Inadequate Controls over Property and Equipment

During the previous audit, the University had inadequate controls over reporting of State property and did not obtain required approvals for deletions of property.

During the current audit period, the University implemented controls to ensure the submission of accurate reports and to ensure approval was obtained as required from the Department of Central Management Systems for the disposal of University assets. (Finding Code No. 2016-005)

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
For the Year Ended June 30, 2017**

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 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
- 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 - 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
- Auxiliary Enterprise Funds - Other:
 - Balance Sheet by Entity
 - Statement of Revenues, Expenditures and Changes in Fund Balances by Entity

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

(Continued)

For the Year Ended June 30, 2017

SUMMARY (Continued)

- Analysis of Operations (Unaudited):

- University Functions and Planning Program (Unaudited)
- Analysis of Significant Variations in Account Balances (Unaudited)
- Analysis of Significant Variations in Operating and Nonoperating Revenues and Expenses (Unaudited)
- Analysis of Significant Lapse Period Spending (Unaudited)
- Analysis of Accounts Receivable (Unaudited)
- Budget Impasse Disclosures (Unaudited)
- Alternative Financing in Lieu of Appropriations and Programs to Address Untimely Payments to Vendors (Unaudited)
- Interest Costs on Fiscal Year 2017 Invoices (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)
- Memorandum of Understanding (Unaudited)
- Emergency Purchases (Unaudited)

The accountant's report that covers the Supplementary Information for State Compliance Purposes, Schedules 1 through 8 and Schedules 11 through 18, 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 9 and 10, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, they do not express an opinion or provide any assurance on them.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017**

Federal Grantor/Pass-Through Grantor Program/Grant Title	Acct No	CFDA Number	Pass-Through/ Contract Number	FY 2017 Expenditures	Amount Provided to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER:					
<u>DEPARTMENT OF EDUCATION</u>					
Federal Supplemental Education Opportunity Grants	(M) 056240	84.007	P007A161313	\$ 364,292	\$ -
Federal Work-Study Program	(M) 055991	84.033	P033A161313	371,383	-
Federal Perkins Loan Program Federal Capital Contributions	(M)	84.038	P038A071313	2,267,884	-
Federal Pell Grant Program					
<i>Federal Pell - 2015-2016</i>	(M) 056131	84.063	P063P151391	65,552	-
<i>Federal Pell - 2016-2017</i>	(M) 056132	84.063	P063P161391	17,906,563	-
<i>Federal Pell - 2017-2018</i>	(M) 056133	84.063	P063P171391	355,934	-
				<u>18,328,049</u>	<u>-</u>
Federal Direct Student Loans					
<i>Federal Direct Student Loans - FY16</i>	(M) 056606	84.268	P268K161391	206,991	-
<i>Federal Direct Student Loans - FY17</i>	(M) 056607	84.268	P268K171391	63,938,311	-
				<u>64,145,302</u>	<u>-</u>
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)					
<i>Teach Grant - 2016-2017</i>	(M) 056508	84.379	P379T171391	42,401	-
TOTAL DEPARTMENT OF EDUCATION				\$ 85,519,311	\$ -
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				\$ 85,519,311	\$ -
RESEARCH AND DEVELOPMENT CLUSTER:					
<u>DEPARTMENT OF AGRICULTURE</u>					
Organic Certification Cost Share Programs					
Passed-Through Illinois Department of Agriculture					
<i>Illinois Organic Certification Cost Share Program</i>	034250	10.171	None	\$ 750	\$ -
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>	052495	10.310	H004568901	46,367	-
TOTAL DEPARTMENT OF AGRICULTURE				\$ 47,117	\$ -
<u>DEPARTMENT OF DEFENSE</u>					
Basic Scientific Research					
Passed-Through University of North Texas					
<i>An Integrated Approach to Superior Ballistic Protection Using Advanced Manufacturing Technologies</i>	051267	12.431	GF40018-1	\$ 316,975	\$ 19,345
Basic, Applied, and Advanced Research in Science and Engineering					
Passed-Through GE Global Research					
<i>DMDII Adaptive Machining Toolkit</i>	051257	12.630	401067911	59,256	-
TOTAL DEPARTMENT OF DEFENSE				\$ 376,231	\$ 19,345

SCHEDULE 1
(Continued)

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor Program/Grant Title	Acct No	CFDA Number	Pass-Through/ Contract Number	FY 2017 Expenditures	Amount Provided to Subrecipients
DEPARTMENT OF INTERIOR					
Recreation Resource Management					
<i>Geomorphic Effects of Woody Debris Jams on Channel Morphology and Stream Bank Erosion in Thompson Creek</i>	052534	15.225	L16AC00270	\$ 11,108	\$ -
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 In West Central Illinois</i>	052529	15.605	F-193-R-03	63,100	-
Fish and Wildlife Management Assistance					
Passed-Through Illinois Department of Natural Resources <i>Asian Carp Removal and Monitoring in the Upper Mississippi River</i>	052508	15.608	CAFWS-116	397	-
Great Lakes Restoration					
Passed-Through Illinois Department of Natural Resources <i>Asian Carp Removal and Monitoring in the Upper Mississippi River</i>	052533	15.662	CAFWS-124	195,869	-
Wildlife Restoration and Basic Hunter Education					
Passed-Through Illinois Department of Natural Resources <i>Evaluating Gene Expression in CWD-Infected White-Tailed Deer</i>	052485	15.611	R15W178R1	12,610	-
<i>Estimating Density of Bobcats with Capture-Mark-Recapture Data from Camera Traps</i>	052502	15.611	R15W187R1	32,007	-
<i>Using Canvasbacks (Aythya Valisineria) As a Bioindicator of Wetland Quality in the Upper Midwest</i>	052531	15.611	RC17W192R1	18,468	-
Passed-Through University of Illinois <i>Illinois Waterfowl Surveys and Investigations</i>	052537	15.611	08338715971	9,053	-
				<u>72,138</u>	<u>-</u>
Migratory Bird Conservation					
Passed-Through University of Illinois <i>Wetland Management Strategies that Maximize Marsh Bird use in the Midwest</i>	052547	15.647	075100-16068	7,016	-
Research Grants (Generic)					
Passed-Through Buecher Biological Consulting <i>Actinobacteria on New Mexico Cave Myotis (Myotis velifer) Suggests Natural Defense Against White Nose Syndrome in Ideal Microclimate for Pseudogymnoascus destructans</i>	052525	15.650	None	6,128	-
U.S. Geological Survey_Research and Data Collection					
<i>Ecological Studies on Asian Carp to Assess Habitat Selection, Migration, Feeding Behaviors & Potential Recruitment Constraints</i>	052423	15.808	G13AC00069	141,383	-
<i>The Role of Fungal Community and Activity in Regulating Dryland Biogeochemical Responses to Global Change</i>	052549	15.808	G17AC00028	10,421	-
				<u>151,804</u>	<u>-</u>
TOTAL DEPARTMENT OF INTERIOR				\$ 507,560	\$ -

SCHEDULE 1
(Continued)

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor Program/Grant Title	Acct No	CFDA Number	Pass-Through/ Contract Number	FY 2017 Expenditures	Amount Provided to Subrecipients
<u>NATIONAL SCIENCE FOUNDATION</u>					
Engineering Grants					
<i>Collaborative Research: Geospatial Modeling for Pro-Active Flood Mitigation in the Rural Midwest</i>	052417	47.041	CMMI-1234226	\$ 6,780	\$ -
Mathematical and Physical Sciences					
<i>Spectrometer Purchase</i>	051142	47.049	CHE-1337159	2,873	-
Geosciences					
<i>Dynamical Processes Driving the Genesis & Maintenance of Tornadoic Vortices</i>	052355	47.050	AGS-1137153	2,856	-
Passed-Through University of Wisconsin					
<i>Modeling and Observational Studies of Inertial Instability Near the Tropopause</i>	052522	47.050	665K954	6,478	-
				9,334	-
Biological Sciences					
<i>Collaborative Research: Parsing the Effects of Host Specifically and Geography on Plant-fungal Symbioses Under Climate Change</i>	052501	47.074	1457002	44,717	-
Social, Behavioral, and Economic Sciences					
<i>A Geomorphic and Ecological Analysis of Using Mosses for Controlling Stream Bank Erosion</i>	052494	47.075	1461773	75,115	28,242
TOTAL NATIONAL SCIENCE FOUNDATION				\$ 138,819	\$ 28,242
TOTAL RESEARCH AND DEVELOPMENT CLUSTER				\$ 1,069,727	\$ 28,242
SPECIAL EDUCATION CLUSTER (IDEA):					
<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>	052486	84.027	763944	\$ 6,687	\$ -
Special Education_Preschool Grants					
Passed-Through Illinois State Board of Education <i>Illinois Starnet - 2017</i>	052524	84.173A	2017-4605-00	944,683	-
TOTAL DEPARTMENT OF EDUCATION				\$ 951,370	\$ -
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)				\$ 951,370	\$ -
OTHER PROGRAMS:					
<u>DEPARTMENT OF AGRICULTURE</u>					
Rural Cooperative Development Grants					
<i>Illinois Cooperative Development Center: Building Rural Communities through Cooperative Development</i>	(M) 051232	10.771	WIU-RCDG-2015	\$ 97,211	\$ -
<i>Illinois Cooperative Development Center: Building Rural Communities through Cooperative Development</i>	(M) 051262	10.771	WIU RCDG2016	100,516	-
				197,727	-
TOTAL DEPARTMENT OF AGRICULTURE				\$ 197,727	\$ -

SCHEDULE 1
(Continued)

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor Program/Grant Title	Acct No	CFDA Number	Pass-Through/ Contract Number	FY 2017 Expenditures	Amount Provided to Subrecipients
<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 FY17</i>	051245	12.002	17-601104	\$ 33,154	\$ -
TOTAL DEPARTMENT OF DEFENSE				\$ 33,154	\$ -
<u>DEPARTMENT OF JUSTICE</u>					
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program Passed-Through Illinois Criminal Justice Information Authority <i>Arrest Grant - Illinois First Line Supervisory Institute on Interpersonal Violence</i>	051261	16.590	384127	\$ 41,944	\$ -
TOTAL DEPARTMENT OF JUSTICE				\$ 41,944	\$ -
<u>DEPARTMENT OF TRANSPORTATION</u>					
Formula Grants for Rural Areas Passed-Through Illinois Department of Transportation <i>Rural Transit Assistance Center FY16-18</i>	051217	20.509	1516101601	\$ 429,114	\$ -
Passed-Through City of Macomb, IL <i>Go West Transit FY17</i>	051251	20.509	None	221,281	-
				650,395	-
TOTAL DEPARTMENT OF TRANSPORTATION				\$ 650,395	\$ -
<u>SMALL BUSINESS ADMINISTRATION</u>					
Small Business Development Centers Passed-Through Illinois Department of Commerce & Economic Opportunity <i>SBDC CY16</i>	051235	59.037	16-561127	\$ 46,121	\$ -
<i>SBDC CY17 - Federal</i>	051266	59.037	17-181127	23,142	-
				69,263	-
TOTAL SMALL BUSINESS ADMINISTRATION				\$ 69,263	\$ -
<u>DEPARTMENT OF EDUCATION</u>					
Adult Education - Basic Grants to States Passed-Through Illinois Community College Board <i>Central Illinois Adult Education Service Center/Curriculum Publications Clearing 2017</i>	052523	84.002	AEL17006	\$ 428,857	\$ -
<i>Daisi Project FY 17</i>	052544	84.002	AEL17003	199,998	-
<i>I-Pathways IL FY17</i>	052545	84.002	AEL17002	154,116	-
				782,971	-
Undergraduate International Studies and Foreign Language Programs <i>Communities as Agents of Change: Language and Area Studies for a Sustainable Future</i>	051260	84.016	P016A160039	102,573	-
School Leader Recruitment and Support (formerly School Leadership) Passed-Through Illinois State University <i>Illinois Partnership Advancing Rigorous Training (IL-Part)</i>	052488	84.363A	A14-0017-S010-A02	120,340	-
TOTAL DEPARTMENT OF EDUCATION				\$ 1,005,884	\$ -

SCHEDULE 1
(Continued)

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor Program/Grant Title	Acct No	CFDA Number	Pass-Through/ Contract Number	FY 2017 Expenditures	Amount Provided to Subrecipients
<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 FY16</i>	055931	93.558	FCSUG03648	\$ 705	\$ -
<i>Low Income Degree Scholarship Program FY17</i>	055932	93.558	FCSVG03648	153,929	-
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES				\$ 154,634	\$ -
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>					
AmeriCorps					
Passed-Through Illinois Department of Public Health					
<i>AmeriCorps Project 15-16</i>	051216	94.006	67380023D	\$ 135,313	19,231
<i>QC AmeriCorps Project 15-16</i>	051224	94.006	67380024D	18,110	-
<i>QC AmeriCorps Project 16-17 Early Childhood Literacy - Quad Cities</i>	051252	94.006	77380024E	53,098	-
				<u>206,521</u>	<u>19,231</u>
Volunteers in Service to America					
<i>Vista Community Outreach</i>	051114	94.013	13VSNIL001	49,054	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				\$ 255,575	\$ 19,231
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
Homeland Security Grant Program					
Passed-Through Illinois Emergency Management Agency					
<i>Illinois Terrorism Task Force (ITTF) FFY15</i>	051228	97.067	15SHSPWIU	276,761	-
<i>Illinois Terrorism Task Force (ITTF) Urban Area Security Initiative FFY15</i>	051229	97.067	15UASIWIU	276,869	-
<i>School and Campus Security Program FFY15</i>	051230	97.067	15WIUTRG	123,082	-
<i>UASI School and Campus Security FFY15</i>	051231	97.067	15UASWITRG	28,556	-
<i>Intelligence Gathering and Information Sharing FFY16</i>	051263	97.067	16WIULAWEN	67,808	-
<i>Homeland Security Preparedness Projects and Program Management</i>	051275	97.067	16WIU	187,190	-
<i>School and Campus Security Program FFY16</i>	051280	97.067	16WIUTRG	43,668	-
				<u>1,003,934</u>	<u>-</u>
Passed-Through Illinois Law Enforcement Training and Standards Board					
<i>Homeland Security Federal Fiscal Year 15 Funds</i>	051227	97.067	15ILETSB	181,598	-
<i>Intelligence Gathering and Information Sharing</i>	051238	97.067	15UAILETSB	6,052	-
				<u>187,650</u>	<u>-</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY				\$ 1,191,584	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 91,140,568	\$ 66,818

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

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance. Because the SEFA presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the University.

NOTE 2 – FEDERAL STUDENT LOAN PROGRAMS

During the fiscal year ended June 30, 2017, the University issued new loans to students under the Federal Direct Student Loan Program (FDLP). The loan amounts issued during the year are disclosed on the SEFA. The University is responsible only for the performance of certain administrative duties with respect to federally guaranteed student loan programs and accordingly, balances and transactions relating to these loan programs are not included in the University's basic financial statements. Therefore, it is not practicable to determine the balance of loans outstanding to students and former students of the University at June 30, 2017.

In addition, the University participates in the Federal Perkins Loan Program. The Loan program is directly administered by the University and balances and transactions relating to these programs are included in the University's basic financial statements. Loans outstanding at the beginning of the year, loans made during the year and administrative cost allowance are included in the federal expenditures presented in the SEFA. The outstanding balance at June 30, 2017 was \$2,030,447. The loans issued through the Federal Perkins Loan Program during the year ended June 30, 2017 was \$211,150.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)
For the Year Ended June 30, 2017

NOTE 3 - NON-CASH ASSISTANCE

The University did not receive any federal non-cash assistance during the fiscal year ended June 30, 2017.

NOTE 4 – FEDERAL UNEARNED REVENUE

The University did not have any unearned revenue related to federal programs as of June 30, 2017.

NOTE 5 - INSURANCE

During fiscal year ended 2017, there was no federally funded insurance in effect.

NOTE 6 – FEDERAL DEPOSITORY LIBRARY PROGRAM

The University Libraries serve as a depository library in the U.S. Government Publishing Office's Federal Depository Library Program. The University is the legal custodian of government publications received under this program; however, these publications remain the property of the federal government.

STATE OF ILLINOIS
 WESTERN ILLINOIS UNIVERSITY
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2017
 Fifteen Months Ended September 30, 2017

	Expenditure Authority (Net of Transfers)	Expenditures Through June 30, 2017	Lapse Period Expenditures July 1 - September 30	Total Expenditures 15 Months Ended September 30	Balances Lapsed September 30
Public Act 99-0524 and 100-0021					
<u>APPROPRIATED FUNDS</u>					
EDUCATION ASSISTANCE FUND (007)					
Operational Expenses	\$ 38,182,900	\$ 31,389,000	\$ 6,793,900	\$ 38,182,900	\$ -
GENERAL REVENUE FUND (001)					
Operational Expenses	13,262,300	-	13,262,228	13,262,228	72
STATE COLLEGE AND UNIVERSITY TRUST FUND (417)					
Scholarships - License Plates	20,000	-	20,000	20,000	-
GRAND TOTAL - ALL FUNDS	\$ 51,465,200	\$ 31,389,000	\$ 20,076,128	\$ 51,465,128	\$ 72

NOTES:

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2017, and have been reconciled to University records.
- Note 2: Expenditure amounts are vouchers approved and paid by the University and submitted to the Office of the State Comptroller for reimbursement of payments made to vendors.
- Note 3: Public Act 99-0524 authorized the University to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for operational expenses. The Analysis of Operations section of this report at page 72 includes information from University management about the number of invoices and the total dollar amount of invoices held by the University submitted against its Fiscal Year 2017 appropriation.
- Note 4: During Fiscal Year 2017, the University operated without enacted appropriations sufficient to cover Fiscal Year 2017 costs until Public Act 100-0021 was approved on July 6, 2017. During the impasse, the University incurred reimbursable payroll and non-payroll obligations within Fund 001 and Fund 007; however, the University was unable to process a reimbursement for these expenditures incurred by the University's Income Fund until the passage of Public Act 100-0021.
- Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the University to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for operational expenses. The Analysis of Operations section of this report at page 72 includes information from University management about the number of invoices and the total dollar amount of invoices held by the University to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
For the Fiscal Years Ended June 30, 2017 and 2016

	Fiscal Year	
	2017 P.A. 99-0524 and P.A. 100-0021	2016 P.A. 99-0524 and P.A. 99-0502
EDUCATION ASSISTANCE FUND (007)		
Appropriations (net of transfers)	\$ 38,182,900	\$ 14,911,400
Expenditures		
Operational Expenses	\$ 38,182,900	\$ -
Ordinary and Contingent Expenses	-	14,911,400
Total expenditures	38,182,900	14,911,400
Lapsed balances	\$ -	\$ -
GENERAL REVENUE FUND (001)		
Appropriations (net of transfers)	\$ 13,262,300	\$ -
Expenditures		
Operational Expenses	13,262,228	-
Lapsed balances	\$ 72	\$ -
STATE COLLEGE AND UNIVERSITY TRUST FUND (417)		
Appropriations (net of transfers)	\$ 20,000	\$ 20,000
Expenditures		
Scholarships	20,000	20,000
Lapsed balances	\$ -	\$ -
GRAND TOTAL, ALL FUNDS		
Appropriations (net of transfers)	\$ 51,465,200	\$ 14,931,400
Expenditures	51,465,128	14,931,400
Lapsed balances	\$ 72	\$ -

Notes:

- Note 1: Expenditure authority, appropriations, expenditures, and lapsed balances were obtained from the State Comptroller records as of September 30, 2017 and August 31, 2016, and have been reconciled to University records.
- Note 2: Expenditure amounts are vouchers approved and paid by the University and submitted to the Office of the State Comptroller for reimbursement of payments made to vendors.
- Note 3: Public Act 99-0524 authorized the University to pay Fiscal Year 2016 costs using its Fiscal Year 2017 appropriations for operational expenses. The Analysis of Operations section of this report at page 72 includes information from University management about the number of invoices and the total dollar amount of invoices held by the University submitted against its Fiscal Year 2017 appropriation.
- Note 4: During Fiscal Year 2017, the University operated without enacted appropriations sufficient to cover Fiscal Year 2017 costs until Public Act 100-0021 was approved on July 6, 2017. During the impasse, the University incurred reimbursable payroll and non-payroll obligations within Fund 001 and Fund 007; however, the University was unable to process a reimbursement for these expenditures incurred by the University's Income Fund until the passage of Public Act 100-0021.
- Note 5: Notwithstanding anything within Public Act 100-0021 to the contrary, Public Act 100-0021 authorized the University to pay for all costs incurred prior to July 1, 2018, using either its Fiscal Year 2017 or Fiscal Year 2018 appropriations for operational expenses. The Analysis of Operations section of this report at page 72 includes information from University management about the number of invoices and the total dollar amount of invoices held by the University to be submitted against either its Fiscal Year 2017 or Fiscal Year 2018 appropriation.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF CHANGES IN CAPITAL ASSETS
For the Year Ended June 30, 2017

	Balance June 30, 2016	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2017
Non-depreciable capital assets:					
Land and land improvements	\$ 3,603,000	\$ -	\$ -	\$ -	\$ 3,603,000
Works of art and historical treasures	591,567	-	-	-	591,567
Construction in progress	5,493,781	401,096	-	(865,309)	5,029,568
Total non-depreciable capital assets	9,688,348	401,096	-	(865,309)	9,224,135
Depreciable capital assets:					
Site improvements	46,850,373	92,638	(195,816)	-	46,747,195
Buildings and building improvements	376,316,221	1,252,043	(1,902,961)	865,309	376,530,612
Equipment	78,051,617	671,811	(1,341,723)	-	77,381,705
Capital lease equipment	30,325	174,457	(20,000)	-	184,782
Total depreciable capital assets	501,248,536	2,190,949	(3,460,500)	865,309	500,844,294
Less accumulated depreciation:					
Site improvements	22,002,060	1,624,871	(195,816)	-	23,431,115
Buildings and building improvements	176,511,082	11,250,107	(1,902,961)	-	185,858,228
Equipment	71,399,098	2,133,314	(1,328,729)	-	72,203,683
Capital lease equipment	10,581	14,984	(11,680)	-	13,885
Total accumulated depreciation	269,922,821	15,023,276	(3,439,186)	-	281,506,911
Total depreciable capital assets, net	231,325,715	(12,832,327)	(21,314)	865,309	219,337,383
Capital assets, net	\$ 241,014,063	\$ (12,431,231)	\$ (21,314)	\$ -	\$ 228,561,518

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

SCHEDULE 5

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENDITURES
For the Years Ended June 30, 2017 and 2016**

	2017	2016
INCOME FUND		
REVENUES		
Tuition	\$ 74,340,216	\$ 78,653,450
Other student charges	2,280,372	2,203,441
Fines	7,080	4,480
Finance charges	480,186	461,034
Interest	48,907	30,842
Other	294,063	624,389
	77,450,824	81,977,636
EXPENDITURES		
Personal services	89,830,952	84,329,745
Contractual services	9,580,602	9,035,099
Travel	272,056	342,291
Commodities	890,732	749,344
Library books and equipment	1,385,810	1,321,217
Operation of automotive equipment	126,091	172,967
Telecommunications	327,328	368,065
Awards, grants, and matching funds	7,280,574	5,948,060
Social Security/Medicare contributions	1,192,849	1,118,638
Group insurance	1,744,800	1,744,800
Permanent improvements	28,895	16,082
Tuition and fees waived	7,711,758	7,430,770
Employment security	58,226	49,901
	120,430,673	112,626,979
DEFICIENCY OF REVENUES OVER EXPENDITURES	\$ (42,979,849)	\$ (30,649,343)

STATE OF ILLINOIS
 WESTERN ILLINOIS UNIVERSITY
 COMPARATIVE SCHEDULE OF CASH AND CASH EQUIVALENTS
 June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents		
Cash on hand	\$ 60,729	\$ 59,091
Checking accounts:		
Morton Community Bank (non-interest bearing)	256,932	361,258
Illinois Funds (2017, 0.572%; 2016, 0.165%)	28,602,196	135,996
Morton Community Bank (2017, 0.460%; 2016 0.32%)	3,087,091	40,724,901
Total cash and cash equivalents	<u>\$ 32,006,948</u>	<u>\$ 41,281,246</u>

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SCHEDULE OF FEDERAL EXPENDITURES, NONFEDERAL EXPENSES AND NEW LOANS
For the Year Ended June 30, 2017**

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA	\$ 91,140,568
Total new loans made	-
Amount of federal loan balances at beginning of the year	-
	<hr/>
Total Schedule A	<u>\$ 91,140,568</u>

Schedule B - Total Financial Component

Total operating expenses	\$ 299,642,819
Total nonoperating expenses	3,686,449
Total new loans made	64,145,302
Amount of federal loan balances at beginning of the year	2,075,759
	<hr/>
Total Schedule B	<u>\$ 369,550,329</u>

Schedule C

Total Schedule A	\$ 91,140,568	24.7%
Total nonfederal expenses	<u>278,409,761</u>	<u>75.3%</u>
Total Schedule C	<u>\$ 369,550,329</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 the Uniform Guidance.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SUMMARY OF INDIRECT COST REIMBURSEMENTS
STATEMENT OF SOURCES AND APPLICATIONS
For the Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
SOURCES		
Federal	\$ 546,899	\$ 472,548
State	278,843	282,908
Private	11,642	2,649
Other	111,397	216,741
	<u>948,781</u>	<u>974,846</u>
APPLICATIONS		
Research	123,694	129,497
Academic support	127,197	184,930
Institutional support	199,446	326,349
	<u>450,337</u>	<u>640,776</u>
EXCESS OF SOURCES OVER APPLICATIONS	498,444	334,070
TRANSFERS AND OTHER DEDUCTIONS		
Transfers to other funds	<u>(133,217)</u>	<u>(114,386)</u>
EXCESS OF SOURCES OVER APPLICATIONS AFTER TRANSFERS AND OTHER DEDUCTIONS	365,227	219,684
FUND BALANCE, BEGINNING OF YEAR	<u>896,799</u>	<u>677,115</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 1,262,026</u></u>	<u><u>\$ 896,799</u></u>

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
SUMMARY OF INDIRECT COST REIMBURSEMENTS
CALCULATION SHEET FOR INDIRECT COST CARRY-FORWARD (UNAUDITED)
For the Year Ended June 30, 2017**

1. Cash and cash equivalents balance

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

Add:

Cash.....	\$	1,373,493	
Cash equivalents.....	\$	-	
Bank deposits.....	\$	-	
Marketable securities.....	\$	-	
Certificates of deposit.....	\$	-	
Repurchase agreements.....	\$	-	
Other cash equivalent items.....	\$	-	
Interfund receivables.....	\$	101	\$ 1,373,594

2. Allocated reimbursements

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

\$ 1,361,280; enter 30% of this amount..... \$ 408,384

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.....	\$	116,262
Encumbrances.....	\$	
Total.....	\$	116,262

5. Indirect cost carry-forward

a. Enter the total of items 2, 3 and 4..... \$ 524,646

b. Subtract from item 1 \$ 848,948

If a positive number results, enter here and remit for deposit in the Income Fund..... \$ 848,948

STATE OF ILLINOIS
 WESTERN ILLINOIS UNIVERSITY
 CALCULATION OF CURRENT EXCESS FUNDS (UNAUDITED)
 June 30, 2017

	Auxiliary Enterprises - Revenue Bond			
	University Union	Recreation Facility	University Housing and Dining	Total
CURRENT AVAILABLE FUNDS:				
Cash and cash equivalents (A)	\$ 2,104,566	\$ 397,242	\$ 1,372,542	\$ 3,874,350
WORKING CAPITAL ALLOWANCES:				
Highest month's expenditures	1,584,208	410,860	5,652,946	7,648,014
Encumbrances and current liabilities paid in lapse period	623,191	101,978	1,914,100	2,639,269
Refundable deposits/unearned revenue	30,000	76,335	104,563	210,898
Allowance for sick leave/vacation payouts	29,520	22,104	90,751	142,375
Total working capital allowances (B)	2,266,919	611,277	7,762,360	10,640,556
CURRENT EXCESS FUNDS:				
Deduct B from A (C)	(162,353)	(214,035)	(6,389,818)	(6,766,206)
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	\$ (162,353)	\$ (214,035)	\$ (6,389,818)	\$ (6,766,206)

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
CALCULATION OF CURRENT EXCESS FUNDS (UNAUDITED)
June 30, 2017

	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	University Services 12
CURRENT AVAILABLE FUNDS:							
Cash and cash equivalents	\$ 1,283,459	\$ 3,529,628	\$ 1,301,755	\$ (705,310)	\$ 3,721	\$ 34,558	\$ 265,275
Interfund receivables	1,500	-	(950)	22,905	-	-	-
Total current available funds (A)	<u>1,284,959</u>	<u>3,529,628</u>	<u>1,300,805</u>	<u>(682,405)</u>	<u>3,721</u>	<u>34,558</u>	<u>265,275</u>
WORKING CAPITAL ALLOWANCES:							
Highest month's expenditures	705,074	4,839,634	421,001	575,093	882	105,898	424,732
Encumbrances and current liabilities paid in lapse period	104,675	1,492,995	114,308	499,538	-	3,529	99,718
Refundable deposits/unearned revenue	130,063	203,299	14,955	-	-	-	-
Total working capital allowances (B)	<u>939,812</u>	<u>6,535,928</u>	<u>550,264</u>	<u>1,074,631</u>	<u>882</u>	<u>109,427</u>	<u>524,450</u>
CURRENT EXCESS FUNDS:							
Deduct B from A (C)	<u>345,147</u>	<u>(3,006,300)</u>	<u>750,541</u>	<u>(1,757,036)</u>	<u>2,839</u>	<u>(74,869)</u>	<u>(259,175)</u>
CALCULATION OF INCOME FUND REMITTANCE:							
An entity may offset excess capital or current funds within the entity:							
Enter the amount to be offset (D)	<u>(69,253)</u>	<u>(314,188)</u>	<u>(235,525)</u>	<u>(32,431)</u>	<u>-</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>\$ 275,894</u>	<u>\$ (3,320,488)</u>	<u>\$ 515,016</u>	<u>\$ (1,789,467)</u>	<u>\$ 2,839</u>	<u>\$ (74,869)</u>	<u>\$ (259,175)</u>

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
CALCULATION OF CURRENT EXCESS FUNDS (UNAUDITED)
June 30, 2017

	Unique Charge Programs						
	Geology Summer Field Camp 07	RPTA Travel & Activities 07	ECOEE Fall 2016 07	RPTA Fly Fish 07	New York Study 07	Germany Anthropology 07	Nepal Economics 07
CURRENT AVAILABLE FUNDS:							
Cash and cash equivalents	\$ 116	\$ 564	\$ 1,594	\$ 361	\$ 476	\$ 3,337	\$ 4,143
Interfund receivables	-	-	-	-	-	-	-
Total current available funds (A)	116	564	1,594	361	476	3,337	4,143
WORKING CAPITAL ALLOWANCES:							
Highest month's expenditures	-	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	116	-	1,594	220	-	796	4,143
Refundable deposits/unearned revenue	-	-	-	-	-	-	-
Total working capital allowances (B)	116	-	1,594	220	-	796	4,143
CURRENT EXCESS FUNDS:							
Deduct B from A (C)	-	564	-	141	476	2,541	-
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	\$ -	\$ 564	\$ -	\$ 141	\$ 476	\$ 2,541	\$ -

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
CALCULATION OF CURRENT EXCESS FUNDS (UNAUDITED) (Continued)
June 30, 2017

	Unique Charge Programs (Continued)					
	Germany H&C 07	Europe Art 07	Disney World Communication 07	World of Harry Potter 07	WIU Livestock Judging 07	London City Experience 07
CURRENT AVAILABLE FUNDS:						
Cash and cash equivalents	\$ 3,885	\$ 10,946	\$ 3,285	\$ 2,662	\$ (1,970)	\$ 260
Interfund receivables	-	-	-	-	1,970	-
Total current available funds (A)	<u>3,885</u>	<u>10,946</u>	<u>3,285</u>	<u>2,662</u>	<u>-</u>	<u>260</u>
WORKING CAPITAL ALLOWANCES:						
Highest month's expenditures	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	3,885	2,359	3,150	2,662	-	-
Refundable deposits/unearned revenue	-	6,735	-	-	-	260
Total working capital allowances (B)	<u>3,885</u>	<u>9,094</u>	<u>3,150</u>	<u>2,662</u>	<u>-</u>	<u>260</u>
CURRENT EXCESS FUNDS:						
Deduct B from A (C)	<u>-</u>	<u>1,852</u>	<u>135</u>	<u>-</u>	<u>-</u>	<u>-</u>
CALCULATION OF INCOME FUND REMITTANCE:						
An entity may offset excess capital or current funds within the entity:						
Enter the amount to be offset (D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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>\$ -</u>	<u>\$ 1,852</u>	<u>\$ 135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
CALCULATION OF CURRENT EXCESS FUNDS (UNAUDITED) (Continued)
June 30, 2017

	Unique Charge Programs (Continued)						Total 07
	EOCEE Fall 2017 07	Stories of India 07	WIU in Belfast 07	Wise Costa Rica 07	Costa Rica Ag 07	Wise Spain 07	
CURRENT AVAILABLE FUNDS:							
Cash and cash equivalents	\$ 18,640	\$ 905	\$ 2,490	\$ 15,601	\$ 908	\$ 21,661	\$ 89,864
Interfund receivables	-	-	-	-	-	-	1,970
Total current available funds (A)	18,640	905	2,490	15,601	908	21,661	91,834
WORKING CAPITAL ALLOWANCES:							
Highest month's expenditures	-	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	105	-	2,490	13,088	908	21,661	57,177
Refundable deposits/unearned revenue	29,470	-	-	877	-	-	37,342
Total working capital allowances (B)	29,575	-	2,490	13,965	908	21,661	94,519
CURRENT EXCESS FUNDS:							
Deduct B from A (C)	(10,935)	905	-	1,636	-	-	(2,685)
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	\$ (10,935)	\$ 905	\$ -	\$ 1,636	\$ -	\$ -	\$ (2,685)

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
CALCULATION OF CURRENT EXCESS FUNDS (UNAUDITED) (Continued)
June 30, 2017

	<u>Auxiliary Enterprises - Other</u>		
	<u>Parking</u>	<u>Transit Fee/</u>	<u>Total</u>
	<u>Operations</u>	<u>QC Bookstore</u>	
	<u>11</u>	<u>13</u>	
CURRENT AVAILABLE FUNDS:			
Cash and cash equivalents	\$ 462,022	\$ 335,679	\$ 797,701
Interfund receivables	-	-	
Total current available funds (A)	<u>462,022</u>	<u>335,679</u>	<u>797,701</u>
WORKING CAPITAL ALLOWANCES:			
Highest month's expenditures	50,712	139,139	189,851
Encumbrances and current liabilities paid in lapse period	6,666	320,172	326,838
Refundable deposits/unearned revenue	-	4,531	4,531
Total working capital allowances (B)	<u>57,378</u>	<u>463,842</u>	<u>521,220</u>
CURRENT EXCESS FUNDS:			
Deduct B from A (C)	<u>404,644</u>	<u>(128,163)</u>	<u>276,481</u>
CALCULATION OF INCOME FUND REMITTANCE:			
An entity may offset excess capital or current funds within the entity:			
Enter the amount to be offset (D)	<u>(403,295)</u>	<u>-</u>	<u>(403,295)</u>
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	<u>\$ 1,349</u>	<u>\$ (128,163)</u>	<u>\$ (126,814)</u>

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
For the Year Ended June 30, 2017**

**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 organization, 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, 2017

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, 2017

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 services and 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, 2017

	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
ASSETS												
Cash and temporary cash investments	\$ 1,373,493	\$ 1,282,509	\$ 3,523,183	\$ 1,301,580	\$ (715,855)	\$ 3,721	\$ 89,864	\$ 34,558	\$ 35,810	\$ 1,765,978	\$ 265,275	\$ 8,960,116
Cash, change funds	-	950	6,445	175	10,545	-	-	-	-	-	-	18,115
Accounts receivable, net	101	62,482	564,604	55,839	47,140	105	1,970	-	-	-	-	732,241
Inventories	-	17,813	43,238	63,614	888,765	-	-	-	-	-	-	1,013,430
Other	-	1,688	178,170	3,678	-	-	-	-	-	-	-	183,536
Investment in plant:												
Equipment	-	130,680	166,454	223,794	666,943	-	-	-	-	-	-	1,187,871
Building	-	-	334,821	-	170,322	-	-	-	-	-	80,771	585,914
TOTAL ASSETS	1,373,594	1,496,122	4,816,915	1,648,680	1,067,860	3,826	91,834	34,558	35,810	1,765,978	346,046	12,681,223
DEFERRED OUTFLOWS OF RESOURCES												
Deferred outflows of resources - pension	3,532	-	-	-	-	-	-	-	-	-	-	3,532
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	1,377,126	1,496,122	4,816,915	1,648,680	1,067,860	3,826	91,834	34,558	35,810	1,765,978	346,046	12,684,755
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Accrued salaries and wages	802	44,306	49,473	10,631	27,572	-	-	-	2,066	-	32,413	167,263
Accounts payable	110,766	59,733	1,429,526	102,987	467,165	-	47,174	3,529	877	-	67,305	2,289,062
Accrued compensated absences	-	-	-	-	-	-	-	-	-	831,637	-	831,637
Deferred revenue	-	130,063	203,299	14,955	-	-	37,342	-	16,966	-	-	402,625
Lease obligations payable	-	-	-	-	162,385	-	-	-	-	-	-	162,385
Total liabilities	111,568	234,102	1,682,298	128,573	657,122	-	84,516	3,529	19,909	831,637	99,718	3,852,972
FUND BALANCES (DEFICIT)												
Current unrestricted	1,265,558	1,062,087	2,140,984	1,060,788	(296,572)	3,826	7,318	31,029	15,901	934,341	165,557	6,390,817
Renewals and replacements	-	69,253	314,188	235,525	32,431	-	-	-	-	-	-	651,397
Net investment in plant	-	130,680	679,445	223,794	674,879	-	-	-	-	-	80,771	1,789,569
Total fund balances	1,265,558	1,262,020	3,134,617	1,520,107	410,738	3,826	7,318	31,029	15,901	934,341	246,328	8,831,783
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,377,126	\$ 1,496,122	\$ 4,816,915	\$ 1,648,680	\$ 1,067,860	\$ 3,826	\$ 91,834	\$ 34,558	\$ 35,810	\$ 1,765,978	\$ 346,046	\$ 12,684,755

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, 2017

	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
REVENUES AND OTHER ADDITIONS												
Fees and dues	\$ -	\$ 454,224	\$ 11,324,602	\$ 1,834,713	\$ 2,592	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,616,131
Indirect cost recovery	890,689	-	-	-	-	-	-	-	-	-	-	890,689
Investment income	3,563	3,873	16,574	2,067	4,006	11	3	-	118	6,784	2,264	39,263
Sales and subscriptions	-	168,866	295,041	203,866	1,920,725	1,658	2,180	-	129	-	-	2,592,465
Charges for services	45,979	2,297,084	1,152,132	112,375	2,017,853	-	402,297	190,258	-	-	4,100	6,222,078
Athletic guarantees	-	-	573,000	-	-	-	-	-	-	-	-	573,000
Other	-	4,961	1,211,142	92,670	154,906	548	-	-	-	-	-	1,464,227
Gifts	8,550	12,955	5,891	13,195	13,000	-	1,970	-	56,733	-	-	112,294
Expended for plant facilities	15,975	15,734	41,264	-	40,573	-	-	-	-	-	-	113,546
Other fixed asset additions	-	-	147,521	-	15,283	-	-	-	-	-	-	162,804
Total revenues and other additions	964,756	2,957,697	14,767,167	2,258,886	4,168,938	2,217	406,450	190,258	56,980	6,784	6,364	25,786,497
EXPENDITURES AND OTHER DEDUCTIONS												
Cost of sales	-	90,587	42,108	55,684	1,854,694	-	-	-	-	-	-	2,043,073
Personal services	60,392	1,899,938	3,327,176	575,590	803,065	840	6,833	75,117	60,702	-	1,980,783	8,790,436
Contractual services	264,386	505,183	6,581,514	527,425	353,828	58	360,932	18,780	751	-	459,505	9,072,362
Telecommunications	2,874	25,433	156,260	3,582	302,945	-	283	-	-	-	4,624	496,001
Travel	23,808	23,118	207,958	32,185	173,911	-	11,443	9,383	-	-	3,819	485,625
Retirement	1,467	-	-	-	-	-	-	787	-	-	-	2,254
Commodities	26,626	81,940	981,897	471,607	161,464	-	24,720	2,930	1,269	-	7,662	1,760,115
Equipment	10,382	27,709	115,768	31,413	53,837	-	-	-	-	-	2,733	241,842
Scholarships	-	13,657	2,372,613	12,000	-	-	-	-	1,200	-	-	2,399,470
Compensated absences adjustment	-	-	-	-	-	-	-	-	-	(15,969)	-	(15,969)
Athletic guarantees	-	-	122,647	-	-	-	-	-	-	-	-	122,647
Other	12,785	198,695	613,287	149,897	206,370	123	(805)	50,720	3,228	-	(2,444,563)	(1,210,263)
Other fixed asset deductions	-	41,004	177,512	138,402	186,319	-	-	-	-	-	9,909	553,146
Total expenditures and other deductions	402,720	2,907,264	14,698,740	1,997,785	4,096,433	1,021	403,406	157,717	67,150	(15,969)	24,472	24,740,739
NET INCREASE (DECREASE) IN FUND BALANCES BEFORE TRANSFERS	562,036	50,433	68,427	261,101	72,505	1,196	3,044	32,541	(10,170)	22,753	(18,108)	1,045,758
TRANSFERS												
Transfers to other funds, current funds	(178,769)	-	-	45,551	-	-	-	-	-	-	-	(133,218)
Transfers to other funds, plant funds	(15,975)	-	(833)	(9,750)	-	-	-	-	-	-	-	(26,558)
Transfers for lease obligation payments	-	-	-	-	(13,291)	-	-	-	-	-	-	(13,291)
Transfers for installment purchase payments	-	-	(149,906)	-	-	-	-	-	-	-	-	(149,906)
Total transfers	(194,744)	-	(150,739)	35,801	(13,291)	-	-	-	-	-	-	(322,973)
NET INCREASE (DECREASE) FOR THE YEAR	367,292	50,433	(82,312)	296,902	59,214	1,196	3,044	32,541	(10,170)	22,753	(18,108)	722,785
FUND BALANCES (DEFICIT), BEGINNING OF YEAR	898,266	1,211,587	3,216,929	1,223,205	351,524	2,630	4,274	(1,512)	26,071	911,588	264,436	8,108,998
FUND BALANCES, END OF YEAR	\$ 1,265,558	\$ 1,262,020	\$ 3,134,617	\$ 1,520,107	\$ 410,738	\$ 3,826	\$ 7,318	\$ 31,029	\$ 15,901	\$ 934,341	\$ 246,328	\$ 8,831,783

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
BALANCE SHEET BY ENTITY
June 30, 2017

	University Union	Recreation Facility	University Housing and Dining	Total
ASSETS				
Current funds:				
Cash and investments	\$ 2,104,566	\$ 397,242	\$ 1,372,542	\$ 3,874,350
Accounts and interest receivable, less allowance for doubtful accounts of \$2,698,200	915,278	85,955	1,521,857	2,523,090
Inventories	911,076	9,431	-	920,507
Total assets, current funds	3,930,920	492,628	2,894,399	7,317,947
Plant funds:				
Cash - retirement of indebtedness	36,113	29,110	644,464	709,687
Cash and investments - renewals and replacements	2,139,909	1,547,880	20,806,619	24,494,408
Investment in plant, net:				
Land, buildings, and improvements	9,056,826	11,543,647	71,786,161	92,386,634
Equipment	18,191	113,257	241,692	373,140
Bond issuance costs	-	23,014	231,899	254,913
Unamortized losses on debt refunding	10,638	79,142	294,137	383,917
Total assets, plant funds	11,261,677	13,336,050	94,004,972	118,602,699
TOTAL ASSETS	15,192,597	13,828,678	96,899,371	125,920,646
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current funds:				
Accrued payroll	45,783	23,869	235,020	304,672
Accounts payable	557,737	72,058	1,621,400	2,251,195
Unearned revenue	30,000	76,335	104,563	210,898
Accrued compensated absences	204,982	153,486	630,166	988,634
Total liabilities, current funds	838,502	325,748	2,591,149	3,755,399
FUND BALANCES				
Fund balances, reserve for operations	3,092,418	166,881	303,250	3,562,549
Total liabilities and fund balances, current funds	3,930,920	492,629	2,894,399	7,317,948
LIABILITIES				
Plant funds:				
Accounts payable and accrued payroll	14,062	844	1,074,135	1,089,041
Accrued interest	36,113	29,354	644,221	709,688
Revenue bonds payable	4,194,476	3,015,655	53,314,824	60,524,955
Certificates of participation payable	-	-	888,990	888,990
Total liabilities, plant funds	4,244,651	3,045,853	55,922,170	63,212,674
FUND BALANCES				
Retirement of indebtedness	-	22,770	232,143	254,913
Renewals, replacements reserve	2,125,847	1,547,036	19,732,484	23,405,367
Investment in plant, net	4,891,179	8,720,390	18,118,175	31,729,744
Total fund balances, plant funds	7,017,026	10,290,196	38,082,802	55,390,024
Total liabilities and fund balances, plant funds	11,261,677	13,336,049	94,004,972	118,602,698
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,192,597	\$ 13,828,678	\$ 96,899,371	\$ 125,920,646

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, 2017

	University Union	Recreation Facility	University Housing & Dining	Total
REVENUES				
Room and board	\$ -	\$ -	\$ 33,339,409	\$ 33,339,409
Graduate and family housing	-	-	173,950	173,950
Sales and services	3,209,967	518,447	1,672,962	5,401,376
Student fees	2,980,944	2,766,526	602,317	6,349,787
Investment income	27,222	12,722	137,744	177,688
Other	125,925	25,057	1,257,097	1,408,079
Total revenues	6,344,058	3,322,752	37,183,479	46,850,289
OPERATING EXPENDITURES				
Cost of merchandise sold	2,237,507	39,861	1,297	2,278,665
Personal services:				
Student	157,977	306,252	1,422,054	1,886,283
Regular	1,916,912	1,034,510	6,626,841	9,578,263
Compensated absences	565	305	1,952	2,822
Fringe benefits	56,707	31,748	250,856	339,311
Food service and catering	18,278	619	11,149,199	11,168,096
Contractual services	191,888	39,946	576,406	808,240
Supplies	36,167	66,323	247,480	349,970
Travel	6,016	2,561	29,904	38,481
Utilities	227,058	145,422	2,332,726	2,705,206
Telephone	15,879	4,583	71,682	92,144
Repairs and maintenance	86,936	79,357	849,297	1,015,590
Insurance	19,976	10,225	164,980	195,181
Other financial	35,598	2,433	15,027	53,058
Equipment	618	4,099	36,696	41,413
Bad debts	43,443	32,358	871,966	947,767
Administrative support	233,515	122,880	1,357,571	1,713,966
Miscellaneous	79,260	49,776	1,367,962	1,496,998
Total operating expenditures	5,364,300	1,973,258	27,373,896	34,711,454
EXCESS OF REVENUES OVER OPERATING EXPENDITURES	979,758	1,349,494	9,809,583	12,138,835
TRANSFERS				
Transfers for principal and interest	(404,181)	(452,581)	(6,338,155)	(7,194,917)
Transfers for renewals, replacements, deferred maintenance and equipment reserve	(574,816)	(1,073,784)	(3,284,413)	(4,933,013)
	(978,997)	(1,526,365)	(9,622,568)	(12,127,930)
NET INCREASE (DECREASE) FOR THE YEAR	761	(176,871)	187,015	10,905
FUND BALANCES, BEGINNING OF YEAR	3,091,657	343,752	116,235	3,551,644
FUND BALANCES, END OF YEAR	\$ 3,092,418	\$ 166,881	\$ 303,250	\$ 3,562,549

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, 2017

	University Union	Recreation Facility	University Housing & Dining	Total
Retirement of indebtedness				
Fund balances, July 1, 2016	\$ 605	\$ 33,448	\$ 270,959	\$ 305,012
Bond issuance expenditures	-	(2,360)	(17,041)	(19,401)
Retirement of bonds	(241,398)	(328,525)	(3,690,077)	(4,260,000)
Interest paid, bonds	(163,388)	(132,374)	(2,669,853)	(2,965,615)
Mandatory debt retirement transfer	404,181	452,581	6,338,155	7,194,917
Fund balances, June 30, 2017	<u>\$ -</u>	<u>\$ 22,770</u>	<u>\$ 232,143</u>	<u>\$ 254,913</u>
Renewals, replacements, def. maint. and equipment reserve				
Fund balances, July 1, 2016	\$ 1,579,175	\$ 483,122	\$ 17,779,219	\$ 19,841,516
Transfers from current funds	574,816	1,073,784	3,284,413	4,933,013
Expenditures for renewals and replacements	(28,144)	(9,870)	(1,331,148)	(1,369,162)
Fund balances, June 30, 2017	<u>\$ 2,125,847</u>	<u>\$ 1,547,036</u>	<u>\$ 19,732,484</u>	<u>\$ 23,405,367</u>
Investment in plant (net)				
Fund balances, July 1, 2016	\$ 5,263,694	\$ 8,919,412	\$ 19,240,244	\$ 33,423,350
Retirement of bonds	241,399	328,524	3,742,017	4,311,940
Additions to plant	-	17,752	5,884	23,636
Depreciation	(620,390)	(481,371)	(5,118,634)	(6,220,395)
Discount amortization	10,345	58,344	234,027	302,716
Refund amortization	(3,869)	(21,703)	(68,179)	(93,751)
Transfers (net)	-	(100,568)	82,816	(17,752)
Fund balances, June 30, 2017	<u>\$ 4,891,179</u>	<u>\$ 8,720,390</u>	<u>\$ 18,118,175</u>	<u>\$ 31,729,744</u>

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - OTHER
BALANCE SHEET BY ENTITY
June 30, 2017

	Parking Operations	Transit Fee	Quad Cities Bookstore	Total
ASSETS				
Cash and temporary cash investments	\$ 461,722	\$ 340,620	\$ (5,141)	\$ 797,201
Change funds	300	-	200	500
Accounts receivable, net	53,778	19,941	-	73,719
Inventory	-	-	3,627	3,627
Investment in plant:				
Buildings	13,572	-	-	13,572
Site improvements	1,190,542	85,254	-	1,275,796
Equipment	-	11,950	-	11,950
TOTAL ASSETS	1,719,914	457,765	(1,314)	2,176,365
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accrued payroll	6,226	761	-	6,987
Accounts payable	116,690	318,599	-	435,289
Deferred revenue	-	4,531	-	4,531
Total liabilities	122,916	323,891	-	446,807
FUND BALANCES (DEFICIT)				
Current unrestricted	105,838	36,670	(1,314)	141,194
Renewals and replacements	287,046	-	-	287,046
Net investment in plant	1,204,114	97,204	-	1,301,318
Total fund balances (deficit)	1,596,998	133,874	(1,314)	1,729,558
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 1,719,914	\$ 457,765	\$ (1,314)	\$ 2,176,365

**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, 2017**

	Parking Operations	Transit Fee	Quad Cities Bookstore	Total
REVENUES AND OTHER ADDITIONS				
Sales and services	\$ 548,079	\$ -	\$ 8,085	\$ 556,164
Fees	-	614,354	-	614,354
Investment income	1,217	1,226	-	2,443
Fines	203,718	-	-	203,718
Other revenues	4,863	5,345	-	10,208
Total revenues and other additions	757,877	620,925	8,085	1,386,887
EXPENDITURES AND OTHER DEDUCTIONS				
Personal services	310,980	63,437	-	374,417
Contractual services	24,297	382,819	237	407,353
Cost of goods sold	-	-	6,795	6,795
Commodities	18,530	8,761	-	27,291
Equipment	670	163	615	1,448
Travel	83	-	-	83
Telecommunications	2,559	86	-	2,645
Other expenditures	65,843	186,279	403	252,525
Expended for renewals and replacements	124,095	-	-	124,095
Other fixed asset deductions	88,067	10,019	-	98,086
Total expenditures and other deductions	635,124	651,564	8,050	1,294,738
NET INCREASE (DECREASE) IN FUND BALANCES BEFORE TRANSFERS				
	122,753	(30,639)	35	92,149
TRANSFERS				
Transfers to other funds, current funds	(411,138)	-	-	(411,138)
Transfers from other funds, plant funds	411,138	-	-	411,138
NET INCREASE (DECREASE) FOR THE YEAR				
	122,753	(30,639)	35	92,149
FUND BALANCES (DEFICIT), BEGINNING OF YEAR				
	1,474,245	164,513	(1,349)	1,637,409
FUND BALANCES (DEFICIT), END OF YEAR				
	\$ 1,596,998	\$ 133,874	\$ (1,314)	\$ 1,729,558

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED)
For the Year Ended June 30, 2017**

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 area's 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, 2017

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, 2017

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, 2017**

ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES (UNAUDITED)

A comparative schedule of significant variations in account balances (at least \$250,000 and 20% of the previous year) as of June 30, 2017 and June 30, 2016 is shown below:

<u>ACCOUNTS</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2017</u>	<u>2016</u>	<u>AMOUNT</u>	<u>%</u>
Cash and cash equivalents	\$ 32,006,948	\$ 41,281,246	\$ (9,274,298)	-22%
Accounts payable and accrued liabilities	7,675,660	4,819,231	2,856,429	59%
Accrued payroll	7,005,588	15,623,256	(8,617,668)	-55%

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

Cash and cash equivalents

The University's cash and cash equivalents continue to decrease due to the underfunded state appropriations associated with the state budget impasse. In addition, tuition and fees and room and board decreased by approximately \$8.8 million as a result of decrease in enrollment. These decreases were offset partly by a reduction in payments for salaries and goods and services and delays in payment of liabilities to a 90-day payment period as part of the University's strategy to manage cash.

Accounts payable and accrued liabilities

The increase in accounts payable and accrued liabilities is due mainly to significant bills for group insurance (\$1.9 million) and construction related projects (\$0.9 million) not processed or received as of June 30, 2017 causing an increase in estimated accounts payable.

Accrued payroll

The decrease in accrued payroll is mostly due to the timing difference of pay dates. Several payrolls in FY16 were paid on July 1, 2016 while in FY17, they were paid on June 30, 2017 which resulted in a reduction of accrued payroll of approximately \$8 million. In addition to the timing differences, the accrued payroll for salaries earned during the academic year, but paid over a twelve month period is down by approximately \$0.6 million in FY17 compared to FY16 due to a decrease in overall payroll expenses.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN OPERATING AND
NONOPERATING REVENUES AND EXPENSES (UNAUDITED)**

A comparative schedule of significant variations in operating and nonoperating revenues and expenses (at least \$250,000 and 20% of the previous year) for the fiscal years ended June 30, 2017 and June 30, 2016 is shown below:

<u>ACCOUNTS</u>	<u>FISCAL YEAR ENDED JUNE 30</u>		<u>INCREASE (DECREASE)</u>	
	<u>2017</u>	<u>2016</u>	<u>AMOUNT</u>	<u>%</u>
State appropriations	\$ 31,409,000	\$ 14,931,400	\$ 16,477,600	110%
Nonoperating grants	31,865,150	25,208,764	6,656,386	26%
Loss on impairment of capital assets	-	(719,294)	719,294	100%

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

State appropriations

The change in appropriations is due to the State of Illinois budget impasse. The stop gap budget was larger in FY17 compared to FY16.

Nonoperating grants

The Illinois Board of Higher Education allocated \$8.4 million of the lump sum appropriation of Public Act 99-0524 to the University in FY17 to provide financial support for essential operations. This was offset slightly by a decrease in Pell and MAP grants. There was no similar appropriation received in FY16.

Loss on impairment of capital assets

There was a loss on impairment of capital assets in FY16. There were no impairments of capital assets in FY17.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017**

ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING (UNAUDITED)

The Western Illinois University's (University) explanations for significant lapse period spending as presented in the Schedule of Appropriations, Expenditures, and Lapsed Balances for Fiscal Years 2017 are detailed below. We considered lapse period spending in excess of \$250,000 and 20% or more of the total expenditures to be significant.

Fund 001 – General Revenue Fund and Fund 007 – Education Assistance Fund

On July 6, 2017, the General Assembly passed Public Act 100-0021 that included an appropriation budget for universities. The University received additional Fiscal Year 2017 appropriations from Public Act 100-0021 of \$13,262,300 from the General Revenue Fund and \$6,793,900 from the Education Assistance Fund. As a result, the University had lapse period spending in the Comptroller's records for operational expenses totaling \$20,056,128. The University's expenditure amounts are vouchers approved and paid by the University and submitted to the Office of the State Comptroller for reimbursement of payments.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
June 30, 2017 and 2016

ANALYSIS OF ACCOUNTS RECEIVABLE (UNAUDITED)

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

	<u>2017</u>	<u>2016</u>
Current unrestricted funds	\$ 8,121,662	\$ 8,830,168
Current restricted funds	1,648,856	1,736,304
Loan funds	14,883	167
Plant funds	164,645	183,572
Agency funds	(132)	551
Total accounts receivable (net)	<u>\$ 9,949,914</u>	<u>\$ 10,750,762</u>

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

	<u>2017</u>	<u>2016</u>
Accounts receivable - all funds, at gross	\$ 16,294,714	\$ 16,426,254
Less: allowance for uncollectible accounts	6,344,800	5,675,492
Total accounts receivable (net)	<u>\$ 9,949,914</u>	<u>\$ 10,750,762</u>

Accounts receivable aging was as follows:

	<u>2017</u>	<u>2016</u>
Receivables not past due	<u>\$ 5,005,295</u>	<u>\$ 5,226,415</u>
Past due receivables:		
1 day - 90 days	2,682,611	2,962,935
91 days - 180 days	25,844	79,579
181 days - 1 year	1,194,962	1,547,140
Over 1 year	7,386,002	6,610,185
Total receivables past due	<u>11,289,419</u>	<u>11,199,839</u>
Total receivables, at gross	<u>\$ 16,294,714</u>	<u>\$ 16,426,254</u>

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 Receivable

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.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

BUDGET IMPASSE DISCLOSURES (UNAUDITED)

Payment of Prior Year Costs in Future Fiscal Years

Article 74 of Public Act 99-0524 authorized Western Illinois University (University) to pay Fiscal Year 2016 costs using the University's Fiscal Year 2017 appropriations for non-payroll expenditures. In addition, Article 998 of Public Act 100-0021 authorized the University to pay its unpaid Fiscal Year 2016 and Fiscal Year 2017 costs using either the University's Fiscal Year 2017 or Fiscal Year 2018 appropriations for non-payroll expenditures. The following chart shows the University's plan to pay its prior costs using future appropriations:

FISCAL YEAR 2016 INVOICES

Fund #	Fund Name	Paid from Fiscal Year 2017 Appropriations		Expect Payment from Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
007	Education Assistance Fund	59	\$ 31,389,000	-	\$ -

FISCAL YEAR 2017 INVOICES

Fund #	Fund Name	Paid from Fiscal Year 2017 Appropriations		Expect Payment from Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	16	\$13,262,228	-	\$ -
007	Education Assistance Fund	20	6,793,900	-	
		36	\$ 20,056,128	-	\$ -

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017**

**ALTERNATIVE FINANCING IN LIEU OF APPROPRIATIONS AND PROGRAMS
TO ADDRESS UNTIMELY PAYMENTS TO VENDORS (UNAUDITED)**

Transactions Involving the Illinois Finance Authority

The University and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2017.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the University's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2017.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

INTEREST COSTS ON FISCAL YEAR 2017 INVOICES (UNAUDITED)

Prompt Payment Interest Costs

Western Illinois University (University) did not incur any prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540). The University's vendors were paid within 90 days and/or paid from funds and accounts that are ineligible for prompt payment interest due to vendors under the Act.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

COMMENTS ON THE PERCENTAGE OF TOTAL EXPENDITURES
REPRESENTED BY ADMINISTRATIVE COSTS (UNAUDITED)

The percentage of total Fiscal Year 2017 expenditures represented by administrative costs for the year ending June 30, 2017 was approximately 10.7%. 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, 2017 and 2016

EMPLOYMENT STATISTICS - FULL-TIME EQUIVALENT* (UNAUDITED)

	Instructional Activities	Organized Research	Public Service	Academic Support	Student Services	Institutional Support	O&M Physical Plant	Independent Operations	Total All Functions
Year Ended June 30, 2017									
Appropriated funds:									
Faculty/administrative	662.4	13.2	22.7	35.0	53.6	38.4	7.3	-	832.6
Civil service	131.0	8.0	11.3	46.8	25.8	64.1	119.6	-	406.6
Student employees	22.9	1.3	1.0	22.0	3.7	5.6	5.5	-	62.0
Total appropriated	<u>816.3</u>	<u>22.5</u>	<u>35.0</u>	<u>103.8</u>	<u>83.1</u>	<u>108.1</u>	<u>132.4</u>	<u>-</u>	<u>1,301.2</u>
Non-appropriated funds:									
Faculty/administrative	6.9	11.6	70.7	-	47.1	-	5.0	34.9	176.2
Civil service	1.7	0.2	8.1	-	39.9	-	108.4	65.1	223.4
Student employees	25.0	7.9	9.3	0.2	36.3	-	11.1	108.6	198.4
Total non-appropriated	<u>33.6</u>	<u>19.7</u>	<u>88.1</u>	<u>0.2</u>	<u>123.3</u>	<u>-</u>	<u>124.5</u>	<u>208.6</u>	<u>598.0</u>
Total all funds	<u>849.9</u>	<u>42.2</u>	<u>123.1</u>	<u>104.0</u>	<u>206.4</u>	<u>108.1</u>	<u>256.9</u>	<u>208.6</u>	<u>1,899.2</u>
Year Ended June 30, 2016									
Appropriated funds:									
Faculty/administrative	718.8	15.6	27.7	43.7	59.0	29.0	6.8	-	900.6
Civil service	147.4	8.5	12.7	53.0	31.6	72.0	136.7	-	461.9
Student employees	22.6	2.2	1.2	21.5	4.2	5.4	3.6	-	60.7
Total appropriated	<u>888.8</u>	<u>26.3</u>	<u>41.6</u>	<u>118.2</u>	<u>94.8</u>	<u>106.4</u>	<u>147.1</u>	<u>-</u>	<u>1,423.2</u>
Non-appropriated funds:									
Faculty/administrative	6.5	9.0	73.2	-	43.5	-	3.3	37.8	173.3
Civil service	1.7	-	10.4	0.1	44.2	-	116.7	76.0	249.1
Student employees	26.1	5.5	12.5	-	35.7	-	11.6	114.0	205.4
Total non-appropriated	<u>34.3</u>	<u>14.5</u>	<u>96.1</u>	<u>0.1</u>	<u>123.4</u>	<u>-</u>	<u>131.6</u>	<u>227.8</u>	<u>627.8</u>
Total all funds	<u>923.1</u>	<u>40.8</u>	<u>137.7</u>	<u>118.3</u>	<u>218.2</u>	<u>106.4</u>	<u>278.7</u>	<u>227.8</u>	<u>2,051.0</u>

NOTE:

* Statistics presented represent the average number of employees on a full time equivalent basis from July 1, 2015 through June 30, 2017 derived from University records.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Years Ended June 30, 2017 and 2016

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, 2017 and 2016 are presented below:

	<u>2017</u>	<u>2016</u>
Fall term:		
Undergraduate students	7,827	8,432
Graduate students	1,256	1,402
Extension students	1,290	1,260
Total enrollment	<u>10,373</u>	<u>11,094</u>
Full-time equivalent students	<u>8,934</u>	<u>9,560</u>
Spring term:		
Undergraduate students	6,950	7,496
Graduate students	1,204	1,290
Extension students	1,315	1,312
Total enrollment	<u>9,469</u>	<u>10,098</u>
Full-time equivalent students	<u>8,107</u>	<u>8,641</u>
Summer term:		
Undergraduate students	760	847
Graduate students	314	333
Extension students	2,025	1,990
Total enrollment	<u>3,099</u>	<u>3,170</u>
Full-time equivalent students	<u>2,346</u>	<u>2,404</u>
Annual full-time equivalent students (based on average per term exclusive of summer term)	<u>8,521</u>	<u>9,101</u>

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017**

**SCHEDULE OF UNRESTRICTED CURRENT FUNDS
GENERAL EXPENDITURE 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	\$ 36,441,909	\$ 4,276
Indirect instruction	8,172,447	959
Departmental research	2,209,136	259
Departmental overheads	9,528,043	1,118
College or school overheads	4,676,389	549
	<hr/>	<hr/>
Total department and college costs	61,027,924	7,161
	<hr/>	<hr/>
Overhead support unique to a function	6,496,162	762
All other academic support	7,090,120	832
Student services	4,481,092	526
Institutional support	10,873,084	1,276
	<hr/>	<hr/>
Total University overheads	28,940,458	3,396
	<hr/>	<hr/>
Total department and college costs with University overheads	89,968,382	10,557
	<hr/>	<hr/>
Operation and maintenance of physical plant	12,132,774	1,424
	<hr/>	<hr/>
Total costs	\$ 102,101,156	\$ 11,981
	<hr/> <hr/>	<hr/> <hr/>

NOTES:

* *The number of full-time equivalent (FTE) students for Fiscal Year 2017 is the sum of FTE students for Fall 2016 and Spring 2017 semesters divided by two.*

Fall 2016 FTE	8,934
Spring 2017 FTE	8,107
Full-time equivalent	8,521

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

Source: FY2017 WIU Discipline Cost Study

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017**

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 2017	\$3,044,719
Commissions	Not applicable
Commission terms	Not applicable
Given exclusive rights	No
Competition “other” nearby / on-campus bookstores	Not applicable

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS (UNAUDITED)

In accordance with an Office of the Auditor General, July 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, 2017, where such special data is found.

Compliance Findings

13(a) Findings of noncompliance with University Guidelines for the year ended June 30, 2017 were noted, see findings 2017-003 and 2017-004.

Indirect Cost Reimbursement

13(b) A statement of sources and applications of indirect cost reimbursements is included in this report on page 47.

13(c) The University’s calculation sheet for indirect cost carry-forward is included in this report on page 48.

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 55 through 57.

13(f) Entity financial statements are presented on pages 58 through 64 of this report. The entity financial statements should be read in conjunction with the University’s audited financial statements for the year ended June 30, 2017.

13(g) The University’s calculation sheets for current excess funds are presented in this report on pages 49 through 54.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS (UNAUDITED)
(Continued)

- 13(h) The University Auxiliary Enterprises and activities received \$2,516,720 for group insurance and \$1,100,280 for pensions from State appropriated funds for the year ended June 30, 2017. 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 61 of this report. Description of the accounts and requirements is included in Note 9 of the June 30, 2017 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, 2017.
- 13(k) As of June 30, 2017, the University did not have a non-instructional 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 2015. The University had the ability to establish a non-instructional 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 \$1,322,227 in administration and support services during the year ended June 30, 2017, for the Foundation’s fundraising services.
- 13(o) There were no unreimbursed subsidies from the University to the Foundation for the year ended June 30, 2017.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS (UNAUDITED)
(Continued)

13(p) There was no debt financed by the Foundation in Fiscal Year 2017.

Other Topics

13(q) Schedules of cash and cash equivalents held by the University are presented in this report on page 45.

13(r) Income from investments of pooled funds has been allocated and credited to the original source 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 July 14, 2015, the Series 2015 Certificates of Participation were issued in the principal amount of \$15,100,000. Proceeds from the sale of the Series 2015 Certificates of Participation were used to provide for the current refunding of the outstanding Series 2005 Certificates of Participation in the principal amount of \$7,160,000, the advance refunding of the outstanding Series 2011 Certificates of Participation in the principal amount of \$9,265,000, and to pay certain expenses related to the issuance of the bonds. The net proceeds plus funds provided by the University were deposited into the Series 2005 Installment Payment Fund and the 2011 Installment Payment Fund to redeem all of the Refunded Series 2005 and 2011 Certificates of Participation on their redemption date at a price equal to the principal amount thereof. As a result, the Series 2005 and 2011 Certificates of Participation are considered defeased and the liability for that portion of the certificates has been removed from the University's Statement of Net Position.

On March 11, 2010, the Series 2010 Certificates of Participation were issued in the 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 capital improvements projects to several campus buildings as well as Phase II of the campus 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.

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017**

**SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS (UNAUDITED)
(Continued)**

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

Other Financial Related Schedules

- 1 The Schedule of Appropriations, Expenditures and Lapsed Balances is presented on page 41 of this report.
- 2 The Schedule of Income Fund Revenues and Expenditures is presented on page 44 of this report.
- 3 The Schedule of Tuition and Fee Waivers is presented on pages 85 through 86 of this report.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

SUMMARY OF WESTERN ILLINOIS UNIVERSITY FOUNDATION
TRANSACTIONS WITH THE UNIVERSITY (UNAUDITED)

During the year ended June 30, 2017, 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 \$1,322,227 for the year ended June 30, 2017. 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 non-qualifying restricted funds. Presented below is a summary of all funds that the Foundation gave to the University for the year ended June 30, 2017.

Funds considered unrestricted for purpose of the University Guidelines computations:	
Totally unrestricted	\$ 122,169
Restricted only as to campus, college or department and generally available for ongoing University operations	<u>4,347,545</u>
Total funds considered unrestricted	<u>4,469,714</u>
Funds considered restricted for purpose of the University Guidelines computations:	
Total funds given for scholarships, grants and awards	2,923,670
Other restricted funds	<u>406,693</u>
Total funds considered restricted	<u>3,330,363</u>
Total funds provided to the University by the Foundation	<u>\$ 7,800,077</u>

During the year ended June 30, 2017, 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, 2017

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)
<u>MANDATORY WAIVERS</u>					
<u>(SUBTOTAL)</u>	<u>386.0</u>	<u>386.0</u>	<u>\$ 2,388.8</u>	<u>89.0</u>	<u>\$ 112.2</u>
Teacher Special Education	23.0	23.0	180.5	21.0	50.7
General Assembly	-	-	-	-	-
ROTC	57.0	57.0	454.6	57.0	34.9
DCFS	11.0	11.0	103.6	11.0	26.6
Children of Employees	127.0	127.0	490.1	-	-
Senior Citizens	-	-	-	-	-
Honorary Scholarships	-	-	-	-	-
Veterans Grants & Scholarships**	168.0	168.0	1,160.0	-	-
Other (please specify) ***	-	-	-	-	-
<u>DISCRETIONARY WAIVERS</u>					
<u>(SUBTOTAL)</u>	<u>589.0</u>	<u>589.0</u>	<u>\$ 2,390.0</u>	<u>21.0</u>	<u>\$ 11.8</u>
Faculty/Administrators	1.0	1.0	3.5	1.0	1.1
Civil Service	45.0	45.0	95.3	16.0	6.1
Academic/Other Talent	237.0	237.0	426.1	-	-
Athletic	164.0	164.0	1,005.4	-	-
Gender Equity in	-	-	-	-	-
Intercollegiate Athletics	125.0	125.0	808.6	-	-
Foreign Exchange Students	-	-	-	-	-
Out-of-State Students	-	-	-	-	-
Foreign Students	-	-	-	-	-
Student Need-Financial Aid	-	-	-	-	-
Student Need-Special Programs	-	-	-	-	-
Cooperating Professionals	3.0	3.0	1.6	2.0	-
Research Assistants	-	-	-	-	-
Teaching Assistants	1.0	1.0	1.6	-	-
Other Assistants	1.0	1.0	4.2	-	-
Student Employment	3.0	3.0	4.2	-	-
Interinstitutional/Related Agencies	-	-	-	-	-
Retired University Employees	-	-	-	-	-
Children of Deceased Employees	2.0	2.0	16.8	2.0	4.6
Contract/Training Grants	-	-	-	-	-
All Other (please specify)***	-	-	-	-	-
Children of Retired Employees	7.0	7.0	22.7	-	-
TOTAL	<u>975.0</u>	<u>975.0</u>	<u>\$ 4,778.8</u>	<u>110.0</u>	<u>\$ 124.0</u>

* 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, 2017

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)
MANDATORY WAIVERS					
(SUBTOTAL)	31.0	31.0	\$ 112.6	-	\$ -
Teacher Special Education	2.0	2.0	9.0	-	-
General Assembly	-	-	-	-	-
ROTC	-	-	-	-	-
DCFS	-	-	-	-	-
Children of Employees	-	-	-	-	-
Senior Citizens	-	-	-	-	-
Honorary Scholarships	-	-	-	-	-
Veterans Grants & Scholarships**	29.0	29.0	103.6	-	-
Other (please specify) ***	-	-	-	-	-
DISCRETIONARY WAIVERS					
(SUBTOTAL)	824.0	824.0	\$ 3,991.5	114.0	\$ 44.4
Faculty/Administrators	63.0	63.0	135.9	47.0	18.6
Civil Service	52.0	52.0	139.3	28.0	12.2
Academic/Other Talent	4.0	4.0	7.8	-	-
Athletic	-	-	-	-	-
Gender Equity in Intercollegiate Athletics	-	-	-	-	-
Foreign Exchange Students	3.0	3.0	28.0	-	-
Out-of-State Students	-	-	-	-	-
Foreign Students	-	-	-	-	-
Student Need-Financial Aid	-	-	-	-	-
Student Need-Special Programs	-	-	-	-	-
Cooperating Professionals	84.0	84.0	137.4	27.0	6.8
Research Assistants	51.0	51.0	270.1	-	-
Teaching Assistants	311.0	311.0	1,799.6	-	-
Other Assistants	243.0	243.0	1,452.1	-	-
Student Employment	-	-	-	-	-
Interinstitutional/Related Agencies	-	-	-	-	-
Retired University Employees	13.0	13.0	21.3	12.0	6.8
Children of Deceased Employees	-	-	-	-	-
Contract/Training Grants	-	-	-	-	-
All Other (please specify)***	-	-	-	-	-
TOTAL	855.0	855.0	\$ 4,104.1	114.0	\$ 44.4

* 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, 2017**

MEMORANDUMS OF UNDERSTANDING (UNAUDITED)

Parties Involved Other Than the University	Dates Involved	Description of Memorandum Requirements
Federal Bureau of Investigation (FBI) Law Enforcement and Justice Administration (SLEJA)	09/08/2015 to 09/08/2020	Provide continuing education for police, municipal, county, state, and federal levels.
Rock Island Arsenal Joint Manufacturing and Technology Center	06/03/2016 to 06/03/2021	Cooperate in mutually beneficial projects to design or redesign operational products in an industrial setting.
Illinois Community College Board	07/01/2015 to 06/30/2018	To define issues related to the national deployment and support of i-Pathways including i-Pathways deployment plans, fiscal agent responsibilities, and policy issues. i-Pathways is a responsively designed and mobile ready curriculum that delivers both online and offline learning options for individuals, programs, organizations, or statewide deployments.
Western Illinois Regional Council (WIRC)	08/01/2016 until dissolved	Establish formal partnership and framework for cooperation between WIU and WIRC-CAA Victim Services Program.
Council for the Advancement of Standards in Higher Education	09/01/2016 to 08/30/2017	Develop and promulgate standards of practice and further the mission and business of CAS.
McDonough County Sheriff's Office	08/22/2016 until terminated	Maintenance of all components related to the Antennae Placement Project located at 1200 N. Western Avenue, Macomb, IL.

**STATE OF ILLINOIS
 WESTERN ILLINOIS UNIVERSITY
 ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
 For the Year Ended June 30, 2017**

MEMORANDUMS OF UNDERSTANDING (UNAUDITED) (Continued)

Parties Involved Other Than the University	Dates Involved	Description of Memorandum Requirements
McDonough Telephone Cooperative of Macomb (MDTC)	11/04/2016 to 11/04/2021	Establish a data connection between MDTC's Point-of-Presence through Morgan Hall to the McDonough County Sheriff's Office.

The University also entered into various memorandums of understanding with different international schools that provide exchange opportunities for students, faculty and staff.

STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY
ANALYSIS OF OPERATIONS (UNAUDITED) (Continued)
For the Year Ended June 30, 2017

EMERGENCY PURCHASES (UNAUDITED)

The Western Illinois University reported the following emergency purchase to the Office of the Auditor General during Fiscal Year 2017:

Description	Estimated Amount	Actual Amount
Accounting services for Western Illinois University's Foundation Office to review and close financial records.	\$30,000	\$21,303