



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

Frank J. Mautino, Auditor General

SUMMARY REPORT DIGEST

WESTERN ILLINOIS UNIVERSITY

**Financial Audit
 For the Year Ended June 30, 2017**

Release Date: March 15, 2018

FINDINGS THIS AUDIT: 1	AGING SCHEDULE OF REPEATED FINDINGS			
	Repeated Since	Category 1	Category 2	Category 3
Category 1:				
Category 2:				
Category 3:				
TOTAL				
No Repeat Findings				

FINDINGS LAST AUDIT: 1

SYNOPSIS

This digest covers the Western Illinois University Financial Audit as of and for the year ended June 30, 2017. The University's Compliance Examination (including the Single Audit) covering the year ended June 30, 2017 will be issued in a separate report at a later date.

- **(17-1)** The University did not ensure restrictions from revenue bond covenants were properly reflected within the University's financial statements.

Category 1: Findings that are **material weaknesses** in internal control and/or a **qualification** on compliance with State laws and regulations (material noncompliance).
Category 2: Findings that are **significant deficiencies** in internal control and **noncompliance** with State laws and regulations.
Category 3: Findings that have **no internal control issues but are in noncompliance** with State laws and regulations.

{Financial data is summarized on next page.}

WESTERN ILLINOIS UNIVERSITY
FINANCIAL AUDIT
For the Year Ended June 30, 2017

STATEMENT OF NET POSITION	2017	2016
Assets		
Cash and cash equivalents.....	\$ 32,006,948	\$ 41,281,246
Accounts and student loans receivable, net.....	11,549,516	12,325,260
Due from primary government.....	1,200,220	1,057,369
Capital assets, net.....	228,561,518	241,014,063
Other.....	2,475,727	3,029,298
Total Assets.....	275,793,929	298,707,236
Deferred Outflow of Resources.....	1,222,965	1,374,100
Liabilities		
Accounts payable, accrued liabilities, accrued payroll.....	14,681,248	20,442,487
Compensated absences.....	10,075,146	10,840,419
Revenue bonds, certificates of participation.....	82,724,409	89,621,115
Other.....	9,742,518	9,267,698
Total Liabilities.....	117,223,321	130,171,719
Net Position		
Net investment in capital assets.....	146,523,057	152,236,859
Restricted.....	29,012,569	25,574,627
Unrestricted.....	(15,742,053)	(7,901,869)
Total Net Position.....	\$ 159,793,573	\$ 169,909,617
REVENUES, EXPENSES AND CHANGES IN NET POSITION	2017	2016
Revenues		
State appropriations and on-behalf payments.....	\$ 133,596,436	\$ 103,118,079
Tuition and fees, net.....	67,567,759	73,732,875
Auxiliary enterprises.....	39,895,099	42,536,027
Grants and other contracts.....	42,337,044	34,756,101
Sales and services of educational departments.....	4,894,119	5,244,594
Other.....	4,922,767	5,233,362
Total Revenues.....	293,213,224	264,621,038
Expenses		
Instruction.....	56,973,379	62,364,512
Staff benefits.....	6,854,422	6,738,577
Auxilliary enterprises.....	36,078,220	38,400,834
Institutional support.....	13,211,002	13,285,392
Student services.....	18,893,407	21,155,352
Academic support.....	14,142,558	16,173,314
Operation and maintenance of plant.....	12,712,675	13,720,739
Student aid expense.....	10,688,107	10,668,851
On-behalf payments.....	102,187,436	88,073,687
Other.....	31,588,062	33,232,368
Total Expenses.....	303,329,268	303,813,626
Increase (Decrease) in net position.....	\$ (10,116,044)	\$ (39,192,588)
Net Position, Beginning of Year.....	169,909,617	209,102,205
Net Position, End of Year.....	\$ 159,793,573	\$ 169,909,617
PRESIDENT		
During Audit Period and Current: Dr. Jack Thomas		

FINDING, CONCLUSION, AND RECOMMENDATION

INADEQUATE CONTROL OVER REPORTING RESTRICTED ACCOUNTS

Internal controls did not ensure restricted assets and restricted net position were properly reported

The University did not ensure restrictions from revenue bond covenants were properly reflected within the University's financial statements. The University had not designed its internal controls to ensure accurate reporting of restricted assets and restricted net position under generally accepted accounting principles. (Finding 1, pages 53-55)

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

The University agrees with the finding

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

We will review the Agency's progress towards the implementation of our recommendation in our next financial audit.

AUDITOR'S OPINION

The auditors stated the financial statements of the University as of and for the year ended June 30, 2017 are fairly stated in all material respects.

This financial audit was conducted by Adelfia LLC.

SIGNED ORIGINAL ON FILE

JANE CLARK
Division Director

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

SIGNED ORIGINAL ON FILE

FRANK J. MAUTINO
Auditor General

FJM:lkw