

REPORT DIGEST

**WESTERN ILLINOIS UNIVERSITY
COMPLIANCE AUDIT
(In accordance with the Federal Single Audit Act
of 1984 and OMB Circular A-133)
FOR THE TWO YEARS ENDED JUNE 30, 1993
AND
FINANCIAL AUDIT
FOR THE YEAR ENDED JUNE 30, 1993**

{Financial Information is summarized on the reverse page.}

FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

TUITION WAIVERS NOT STATUTORILY AUTHORIZED

The University has been granting tuition waivers as compensation to school districts which give undergraduate students the opportunity to student teach in their classrooms. The school districts then award the tuition waivers to their employees. This bartering arrangement circumvents State appropriation controls. We found no specific statutory authority which allows this practice. Tuition waivers to school districts for student teaching totaled \$118,878 in 1992 and \$110,056 in 1993.

We recommended that the University either stop bartering tuition waivers to outside organizations or obtain specific statutory authority for this practice. (Finding 2, page 10)

University officials responded that their allocation and utilization of tuition waivers is in conformance with the Board of Governors of State Colleges and Universities and Illinois Board of Higher Education policies and procedures.

POLICY ON SENIOR CITIZENS' TUITION WAIVERS OUTDATED

The University's policy on senior citizens' tuition waivers was outdated and didn't state the proper eligibility requirements regarding maximum household income.

Under the Senior Citizen Courses Act (110 ILCS 990/2) the University shall permit senior citizens with household income of less than \$14,000 to enroll without the payment of tuition in regularly scheduled credit courses, provided space exists and paying students constitute the minimum required for the course. The University's policy stated that the senior citizen's maximum household income must be less than \$12,000 rather than the currently mandated amount of \$14,000. They had not updated their policy since the statute was revised in 1986. As a result, eligible senior citizens could have been denied a statutorily authorized tuition waiver. (Finding 1, page 9)

University officials agreed with our recommendation to update their policy on senior citizens' tuition waivers to comply with the statute.

OTHER FINDINGS

The remaining findings are less significant and have been given appropriate attention by the University. We will review the University's progress towards the implementation of our recommendations in our next compliance audit.

Mr. Michael Glowacki, Acting Vice President for Administrative Services at Western Illinois University, provided the University's responses.

AUDITORS' OPINION

Our auditors state that the June 30, 1993 financial statements of Western Illinois University are fairly presented.

WILLIAM G. HOLLAND, Auditor General

WGH:KMA:pp

SUMMARY OF AUDIT FINDINGS

<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	75	
Repeated audit findings	11	
Prior recommendations implemented or not repeated	48	

SPECIAL ASSISTANT AUDITORS

Geo. S. Olive & Co. were our special assistant auditors for this audit.

WESTERN ILLINOIS UNIVERSITY
FINANCIAL AND COMPLIANCE AUDIT
FOR THE TWO YEARS ENDED JUNE 30, 1993

FINANCIAL OPERATIONS (CURRENT FUNDS)	FY 1993	FY 1992
REVENUES		
Appropriations	\$ 42,654,338	\$ 44,496,927
Student tuition and fees	27,583,782	26,299,304
Grants, contracts, and gifts	11,884,649	11,010,311
Sales and services of educational departments	9,362,660	9,536,323
Auxiliary enterprises	27,471,194	28,622,950
Other	<u>2,502,174</u>	<u>2,021,942</u>
Total	<u>\$121,458,797</u>	<u>\$121,987,757</u>
EXPENDITURES AND MANDATORY TRANSFERS		
Instruction	\$ 35,876,349	\$ 34,373,756
Research	1,258,737	1,250,302
Public service	4,214,633	4,278,729
Academic support	8,784,360	8,639,850
Student services	10,143,365	10,551,841
Institutional support	11,923,088	11,835,186
Operation of plant	9,247,620	9,532,894
Staff benefits	4,676,521	4,878,710
Scholarships and fellowships	8,428,894	8,096,495
Auxiliary enterprises	23,666,212	24,272,129
Mandatory transfers	<u>3,283,742</u>	<u>3,651,792</u>
Total	<u>\$121,503,521</u>	<u>\$121,361,684</u>
SELECTED ACCOUNT BALANCES (ALL FUNDS)	JUNE 30, 1993	JUNE 30, 1992
Cash and short-term investments	\$24,778,582	\$22,285,625
Investments	2,037,300	1,946,513
Buildings, land, and equipment	193,553,523	188,679,737
Accrued compensated absences	14,585,642	13,487,412
Revenue bonds payable	27,095,000	27,445,000
Fund balances (deficit):		
Unrestricted	(3,958,022)	(3,283,098)
Restricted	11,069,878	11,237,185
U.S. Government advances refundable	1,522,600	1,448,900
Net investment in plant	164,520,886	159,025,889
SUPPLEMENTARY INFORMATION	FY 1993	FY 1992
Employment Statistics		
Appropriated funds:		
Faculty/administrative	765	812
Civil service	545	561
Student employees	74	79
Nonappropriated funds:		
Faculty/administrative	152	133
Civil service	276	279
Student employees	<u>201</u>	<u>204</u>
Total Employees	<u>2,013</u>	<u>2,068</u>
Selected Activity Measures		
Annual full-time equivalent students - undergraduate	9,464	9,856
Annual full-time equivalent students - graduate	1,500	1,580
Full-time equivalent cost per student	\$5,817	\$5,676
Classroom Utilization - maximum	*47%	67%
* Definition of "classroom" redefined in 1993		
UNIVERSITY PRESIDENT		
During Audit Period: Dr. Ralph H. Wagoner		
Currently: Dr. Donald S. Spencer		