



WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2021

**Performed as Special Assistant Auditors
for the Auditor General, State of Illinois**

WESTERN ILLINOIS UNIVERSITY
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FEDERAL SINGLE AUDIT
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For the Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
University Officials	1
Compliance Report	
Summary	3
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>	6
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance, and the Schedule of Federal and Nonfederal Financial Activity	8
Schedule of Findings and Questioned Costs	
Summary of Auditor’s Results	12
Current Findings – <i>Government Auditing Standards</i>	13
Current Finding – Federal Compliance and Questioned Costs	19
Prior Finding Not Repeated	22
Supplementary Information	
Schedule of Expenditures of Federal Awards	23
Notes to the Schedule of Expenditures of Federal Awards	29
Schedule of Federal and Nonfederal Financial Activity	31

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FEDERAL SINGLE AUDIT
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For the Year Ended June 30, 2021

University Officials

President	Dr. Guiyou Huang (01/01/21 – Present) Dr. Martin Abraham, Interim (07/01/20 – 12/31/20)
Provost and Academic Vice President	Mr. William Clow, Interim (07/01/21 – Present) Dr. Martin Abraham (01/01/21 – 06/30/21) Mr. William Clow, Interim (07/01/20 – 12/31/20)
Vice President for Student Services	Dr. David Braverman (07/01/21 to Present) Mr. John Smith, Interim (07/01/20 – 06/30/21)
Vice President for Finance and Administration	Ms. Shannon Sutton, Interim (07/01/21 – Present)
Associate Vice President for Budget and Finance*	Dr. Teresa Smith, Interim (09/08/20 – 06/30/21) Ms. Shannon Sutton, Acting (08/01/20 – 09/07/20) Ms. Letisha Trepac (07/01/20 – 07/31/20)
Vice President of Enrollment Management	Dr. Amber Schultz (08/01/21 – Present)
Associate Vice President of Enrollment Management**	Mr. Gary Swegan (07/01/20 – 08/06/21)
Interim Administrator in Charge, Quad Cities Campus	Dr. Kristi Mindrup (07/01/20 – Present)
Executive Director of Financial Affairs	Ms. Ketra Roselieb (07/01/21 – Present)
Executive Director of Personnel Financial Affairs***	Ms. Ketra Roselieb (01/01/20 – 06/30/21)
Director of Internal Auditing	Mr. Michael Sowinski (01/01/21 – Present) Vacant (07/01/20 – 12/31/20)
General Counsel	Ms. Elizabeth Duvall (07/01/20 – Present)

*Position renamed Vice President for Finance and Administration on 07/01/21

**Position renamed Vice President of Enrollment Management on 08/01/21

***New position as of 01/01/20 and renamed Executive Director of Financial Affairs on 07/01/21

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FEDERAL SINGLE AUDIT
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For the Year Ended June 30, 2021

Board of Trustees (as of June 30, 2021)

Chair	Doug Shaw, Peoria
Vice Chair	Erik Dolieslager, Quincy
Secretary	Kisha M.J. Lang, Maywood
Member	Polly Radosh, Good Hope
Member	Greg Aguilar, East Moline
Member	Carin Stutz, Chicago
Member	Patrick M. Twomey, Macomb
Student Member	Kinsey Tiemann, LaGrange

University offices are located at:

Macomb Campus
1 University Circle
Macomb, Illinois 61455-1390

Quad Cities Campus
3300 River Drive
Moline, Illinois 61265-588

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FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2021

FEDERAL COMPLIANCE REPORT

SUMMARY

The compliance testing performed during this audit of the Western Illinois University (University) was conducted in accordance with the Single Audit Act, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Guidance Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*, and *Government Auditing Standards*.

AUDITOR’S REPORT

The Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards, and the Schedule of Federal and Nonfederal Activity does not contain scope limitations or disclaimers, or other significant non-standard language.

SUMMARY OF FINDINGS

Number of	<u>Current Report</u>	<u>Prior Reports</u>
Findings	3	3
Repeated Findings	2	0
Prior Recommendations Implemented or Not Repeated	1	1

SCHEDULE OF FINDINGS

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
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Current Findings – Government Auditing Standards

2021-001	13	2020/2020	Inadequate Internal Controls over Census Data	Material Weakness and Noncompliance
2021-002	17	New	Failure to Apply Appropriate Generally Accepted Accounting Principles	Material Weakness and Noncompliance

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2021

SCHEDULE OF FINDINGS (Continued)

<u>Item No.</u>	<u>Page</u>	<u>Last/First Reported</u>	<u>Description</u>	<u>Finding Type</u>
Current Finding – Federal Compliance				
2021-003	19	2020/2020	Information Technology Risk Assessment Not Performed	Significant Deficiency and Noncompliance

Prior Finding Not Repeated

A	22	2020	Inaccurate Calculation and Disbursement of Higher Education Emergency Relief Fund (HEERF)
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EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on May 25, 2022.

Attending were:

Western Illinois University

Doug Shaw	Board of Trustee, Chair
William Clow	Provost and Academic Vice President
Amber Schultz	Vice President of Enrollment Management
Shannon Sutton	Interim Vice President for Finance and Administration
Ketra Roselieb	Executive Director of Personnel and Financial Affairs
Brittany Johnson	Financial Reporting Manager
Jessica Dunn	Assistant Comptroller
Bruce Western	Chief Human Resource Officer
Joe Roselieb	Executive Director of Auxiliary Services and Risk Management
Jeremy Merritt	Interim Chief Information Officer
Robert Emmert	Director of Business Applications and User Support Services
Michael Sowinski	Director of Internal Auditing

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
FEDERAL SINGLE AUDIT
In Accordance with the Single Audit Act and Applicable Federal Regulations
For the Year Ended June 30, 2021

EXIT CONFERENCE (Continued)

Office of the Auditor General

Stacie Sherman	Audit Manager
Joseph Gudgel	IT Audit Manager

Adelfia LLC

Stella Marie Santos	Partner
Ana Liza Ausan	Partner
Annabelle Abueg	Principal
Allan Salumbides	Senior Auditor

The responses to these recommendations were provided by Dr. Guiyou Huang, President, in a correspondence dated May 27, 2022.



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 and the aggregate discretely presented component unit of Western Illinois University (University), collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and we have issued our report thereon dated June 1, 2022. Our report includes a reference to other auditors who audited the financial statements of the aggregate 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 auditors' testing of internal control over financial reporting (internal control) or compliance and other matters of the Western Illinois University Foundation, a component unit of the University, associated with this component unit that is reported on separately by those auditors.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings as items 2021-001 and 2021-002.

Internal Control Over Financial Reporting

Management of the University is responsible for establishing and maintaining effective internal control over financial reporting (internal control).

In planning and performing our audit of the financial statements, we considered the University's 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 have not been identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings as items 2021-001 and 2021-002 that we consider to be a material weakness.

University's Responses to the Findings

The University's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. The University's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 1, 2022



INDEPENDENT AUDITOR'S
REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE;
REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE; AND
REPORT ON THE SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY

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

As Special Assistant Auditors for the Auditor General, we have audited compliance by Western Illinois University (University) 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, 2021. 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 University's basic financial statements include the operations of Western Illinois University Foundation, a component unit of the University, which is not included in the University's Schedule of Expenditures of Federal Awards during the year ended June 30, 2021. Our audit, as described below, did not include the operations of this component unit because the component unit engaged other auditors to perform an audit of their financial statements and, if necessary, an audit of compliance.

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 direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-003. 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.

Additionally, the University is responsible for preparing a corrective action plan to address each finding included in our auditor's report. The University's corrective action plan 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 a 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 have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2021-003, that we consider to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of 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 and the Report on the Schedule of Federal and Nonfederal Financial Activity

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, 2021, and the related notes to the financial statements, which collectively compromise the University's basic financial statements. We issued our report thereon dated June 1, 2022, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively compromise the basic financial statements. 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 financial statements. In addition, the accompanying Schedule of Federal and Nonfederal Financial Activity is presented for the purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 Schedule of Expenditures of Federal Awards and the Schedule of Federal and Nonfederal Financial Activity are fairly stated in all material respects in relation to the basic financial statements as a whole.

SIGNED ORIGINAL ON FILE

Chicago, Illinois
June 1, 2022

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2021

Financial Statements

Type of report the auditor 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 the 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 C.F.R. § 200.516(a)? Yes No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
Various	Student Financial Assistance Cluster
84.425C, 84.425E, 84.425F, 84.425M	Education Stabilization Fund

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

Auditee qualified as a low-risk auditee? Yes No

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Findings – *Government Auditing Standards*

2021-001 **FINDING** (Inadequate Internal Controls over Census Data)

The Western Illinois University (University) did not have adequate internal control over reporting its census data and did not have a reconciliation process to provide assurance census data submitted to its pension and other postemployment benefits (OPEB) plans was complete and accurate.

Census data is demographic data (date of birth, gender, years of service, etc.) of the active, inactive, or retired members of a pension or OPEB plan. The accumulation of inactive or retired members' census data occurs before the current accumulation period of census data used in the plan's actuarial valuation (which eventually flows into each employer's financial statements), meaning the plan is solely responsible for establishing internal controls over these records and transmitting this data to the plan's actuary. In contrast, responsibility for active members' census data during the current accumulation period is split among the plan and each member's current employer(s). Initially, employers must accurately transmit census data elements of their employees to the plan. Then, the plan must record and retain these records for active employees and then transmit this census data to the plan's actuary.

We noted the University's employees are members of both the State Universities Retirement System (SURS) for their pensions and the State Employees Group Insurance Program sponsored by the State of Illinois, Department of Central Management Services (CMS) for their OPEB. In addition, we noted these plans have characteristics of different types of pension and OPEB plans, including single employer plans and cost-sharing multiple-employer plans. Finally, CMS' actuaries use census data for employees of the State's public universities provided by SURS along with census data for the other participating members which is provided by the State's four other pension plans to prepare the projection of the OPEB plan's liabilities.

During testing, we noted the following:

- The University had not performed an initial complete reconciliation of its census data recorded by SURS to its internal records to establish a base year of complete and accurate census data.
- After establishing a base year, the University had not developed a process to annually obtain from SURS the incremental changes recorded by SURS in their census data records and reconcile these changes back to the University's internal supporting records.

Based on information we obtained while performing our audit, we learned these deficiencies are pervasive across the public universities participating in SURS and across the State's agencies participating in one of the other four State pension plans, the State Employees' Retirement System of Illinois. These conditions significantly increase the risk there could be errors at one or more employers within the plans, and these errors could have a significant impact on SURS' and CMS' measurement of pension and OPEB liabilities, respectively.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Findings – Government Auditing Standards

2021-001 **FINDING** (Inadequate Internal Controls over Census Data) (Continued)

In addition, we noted errors within CMS' allocation of OPEB-related balances across the State's funds, public universities, and the Illinois State Toll Highway Authority related to a failure by CMS to account for a separately financed specific OPEB liability for certain groups of employees at one component unit of the State. The impact of these errors resulted in the University restating its beginning net position by \$2,538,761 as of July 1, 2020.

Based upon the significance of these issues alone, we concluded a material weakness exists within the University's internal controls related to ensuring both SURS and CMS can provide their respective actuaries with complete and accurate census data related to the University's active employees. Even given these exceptions, we performed detail testing of a sample of employees and certain data analysis tests of the total population of the University's census data transactions reported to SURS and noted the following:

- Two of 60 (3.33%) employees tested had status changes that were not reported to SURS at the occurrence of the event. One employee went on a leave of absence and another employee changed status from leave of absence to active status.

For employers where their employees participate in plans with multiple-employer and cost-sharing features, the American Institute of Certified Public Accountants' Audit and Accounting Guide: State and Local Governments (AAG-SLG) (§ 13.177 for pensions and § 14.184 for OPEB) notes the determination of net pension/OPEB liability, pension/OPEB expense, and the associated deferred inflows and deferred outflows of resources depends on employer-provided census data reported to the plan being complete and accurate along with the accumulation and maintenance of this data by the plan being complete and accurate. To help mitigate against the risk of a plan's actuary using incomplete or inaccurate census data within similar agent multiple-employer plans, the AAG-SLG (§ 13.181 (A-27) for pensions and § 14.141 for OPEB) recommends an employer annually reconcile its active members' census data to a report from the plan of census data submitted to the plan's actuary, by comparing the current year's census data file to both the prior year's census data file and its underlying records for changes occurring during the current year.

Additionally, eligibility criteria for participation in SURS under the Illinois Pension Code (Code) (40 ILCS 5/15-134(a)) states any person who is an employee of the University becomes a participant in SURS. Under the Code (40 ILCS 5/15-107), an employee is a person who works for the University in a secretarial, mechanical, labor, clerical, educational, administrative, or other staff position which is either (a) permanent and continuous or (b) for a period of four months or an academic term, whichever is less, who is:

- 1) not a student employed on a less than full-time temporary basis;
- 2) not receiving a retirement or disability annuity from SURS;
- 3) not on military leave;
- 4) not eligible to participate in the Federal Civil Service Retirement System,
- 5) not currently on a leave of absence without pay more than 60 days after the termination of SURS' disability benefits;
- 6) not paid from funds received under the Federal Comprehensive Employment and Training Act as a public service employment program participant hired on or after July 1, 1979;

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Findings – Government Auditing Standards

2021-001 **FINDING** (Inadequate Internal Controls over Census Data) (Continued)

- 7) not a patient in a hospital or home;
- 8) not an employee compensated solely on a fee basis where such income would net earnings from self-employment;
- 9) not providing military courses pursuant to a federally-funded contract where the University has filed a written notice with SURS electing to exclude these persons from the definition of an employee;
- 10) currently on lay-off status of not more than 120 days after the lay-off date;
- 11) not on an absence without pay of more than 30 days; and,
- 12) a nonresident alien on a visa defined under subparagraphs (F), (J), (M), or (Q) of Section 1101(a)(15) of Title 8 of the United States Code who (1) has met the Internal Revenue Service's substantial presence test and (2) became an employee on and after July 1, 1991.

Further, for CMS' OPEB plan, we noted participation in OPEB is derivative of an employee's eligibility to participate in SURS, as members of SURS participate in OPEB as annuitants under the State Employees Group Insurance Act of 1971 (Act) (5 ILCS 375/3(b)).

In addition, the Illinois Pension Code (40 ILCS 5/15-157) requires the University to, at a minimum, withhold contributions of each employee's total compensation of 8% (9.5% for firefighters or police officers) for their participation in SURS, unless further contributions by the employee would either exceed the maximum retirement annuity in the Code (40 ILCS 5/15-136(c)) or the Tier 2 earnings limitation within the Code (40 ILCS 5/15-111(b)), and remit these amounts to SURS. Further, the Code (40 ILCS 5/15-155(b)) requires the University remit employer contributions to SURS reflecting the accruing normal costs of an employee paid from federal or trust funds. Additionally, the Act (5 ILCS 375/10) requires active employees to make contributions as set by CMS and the Act (5 ILCS 375/11) requires employer contributions by the University for all employees not totally compensated from its Income Fund, local auxiliary funds, and the Agricultural Premium Fund.

Finally, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance funds applicable to operations are properly recorded and accounted for to permit the preparation of reliable financial and statistical reports.

University officials indicated that a full reconciliation process is underway with SURS and CMS; however, data to reconcile was not provided well into the 2022 fiscal year. In addition, the current period's condition resulted from competing priorities and not being able to reconcile timely.

Failure to ensure complete and accurate census data was reported to SURS could result in a material misstatement of the University's financial statements and reduced the overall accuracy of pension/OPEB-related liabilities, deferred inflows and outflows of resources, and expense recorded by the State, the State's agencies, and other public universities and community colleges across the State. In addition, failure to reconcile active members' census data reported to and held by SURS to the University's internal records could result in each plan's actuary relying on incomplete or inaccurate census data in the calculation of the pension and OPEB balances, which could result in a material misstatement of these amounts.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Findings – *Government Auditing Standards*

2021-001 **FINDING** (Inadequate Internal Controls over Census Data) (Continued)

Finally, the allocation error involving one component unit in the OPEB plan resulted in misstatements within each employer's allocation, which resulted in a restatement at the University. (Finding Code No. 2021-001, 2020-001)

RECOMMENDATION

We recommend the University implement controls to ensure census data events are timely and accurately reported to SURS.

Further, we recommend the University work with SURS to annually reconcile its active members' census data from its underlying records to a report of census data submitted to SURS' actuary and CMS' actuary. After completing an initial full reconciliation, the University may limit the annual reconciliations to focus on the incremental changes to the census data file from the prior actuarial valuation, provided no risks are identified that incomplete or inaccurate reporting of census data may have occurred during prior periods. Any errors identified during this process should be promptly corrected by either the University or SURS, with the impact of these errors communicated to both SURS' actuary and CMS' actuary.

Finally, we recommend the University work with SURS and CMS to identify and address any unremitted or erroneously remitted employee and, if applicable, employer contributions related to these events.

UNIVERSITY RESPONSE

The University agrees with the finding and has submitted all data to SURS as part of a baseline reconciliation process. Once this baseline is established and complete, an annual reconciliation process will be created and enacted moving forward.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Findings – Government Auditing Standards

2021-002 **FINDING** (Failure to Apply Appropriate Generally Accepted Accounting Principles)

The University did not properly record several transactions and, as a result, did not properly apply the appropriate generally accepted accounting principles (GAAP) to their financial statement reporting process.

We noted the following in our review of the financial statements submitted by the University with the GAAP Package to the Office of Comptroller:

- The University acquired an ERP system from a third-party vendor and was involved in some development activities related to the ERP system for implementation. The University did not capitalize \$283,367 of application development costs incurred.
- The University did not properly conduct an evaluation of all the agency funds in relation to the implementation of GASB Statement No. 84, *Fiduciary Activities*. We noted the University initially did not report any fiduciary funds financial statements and did not have related disclosures on fiduciary funds in the notes to financial statements. We requested the University provide their documentation on their determination of which funds are to be reported as fiduciary funds. The University reformed their evaluation and identified thirty-two (32) agency funds previously accounted for in governmental activities that should be reported as custodial funds. These custodial funds have assets totaling \$394,245, liabilities totaling \$75,213 and net position totaling \$319,032 that were not properly reported in a Statement of Fiduciary Net Position. In addition, total beginning net position of \$286,885, additions totaling \$166,730 and deductions totaling \$134,583 were not properly reported in a Statement of Changes in Fiduciary Net Position.
- The University did not properly calculate and report the institutional portion revenue on Higher Education Emergency Relief Fund (HEERF) II grants. The University met the eligibility requirements for student financial aid expenditures, institutional expenditures and lost revenues but did not recognize an additional \$2,056,678 of institutional portion to the total HEERF II award amount it is entitled to in accordance with the HEERF II grant provisions. A revision was made to the Schedule of Expenditures and Federal Awards to reflect the changes.

The University subsequently adjusted the financial statements to correct these errors, including the required disclosures in the notes to the financial statements.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls to provide assurance that expenditures, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial reports. Good internal control procedures require adequately trained personnel with the knowledge, skills and experience to prepare GAAP-based financial statements, management oversight and review of accounting policies and procedures, as well as an overall review of financial reporting for accuracy and compliance with GAAP.

Governmental Accounting Standards Board (GASB) Statement No. 35 – *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities* requires government-wide financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and also requires acquired but unused goods and services be reported as assets until they are used.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Findings – Government Auditing Standards

2021-002 **FINDING** (Failure to Apply Appropriate Generally Accepted Accounting Principles)
(Continued)

GASB Statement No. 51 – *Accounting and Financial Reporting for Intangible Assets* requires specified-conditions to be met for the development cycle of computer software before the outlays can be capitalized. This Statement specifies outlays can be grouped into the preliminary project stage, application development stage or the post implementation/operation stage, but only outlays incurred for activities during the application development stage of internally generated software should be capitalized. GASB Statement No. 51 requires the capitalization of development cost if it requires more than minimal incremental effort on the part of the University to begin to achieve the expected level of service capacity.

GASB Statement No. 84, *Fiduciary Activities* establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position.

GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions* requires the recognition of revenues and expenses when all eligibility requirements are met.

University officials indicated that due to personnel changes and competing priorities, the impact of the standards was not properly evaluated and applied. In addition, the COVID-19 situation and continual change in guidance and interpretation around regulations affected their ability to address these weaknesses timely.

This material weakness in the University’s internal control over financial and fiscal operations poses a reasonable possibility that a material misstatement of the University’s financial statements or material noncompliance will occur and not be prevented or detected and corrected on a timely basis. Accurate preparation of the University’s financial information for GAAP and financial reporting purposes is important due to the impact adjustments may have on the Statewide financial statements. (Finding Code No. 2021-002)

RECOMMENDATION

We recommend the University establish procedures to ensure that transactions which include special terms and reporting be carefully reviewed for proper accounting and recognition of related transactions. If necessary, accounting and reporting guidance should be obtained from technical resources to be in conformity with generally accepted accounting principles.

UNIVERSITY RESPONSE

The University agrees with the finding and confirms that all adjustments are reflected in the financial statements.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Finding – Federal Compliance and Questioned Costs

2021-003 **FINDING** (Information Technology Risk Assessment Not Performed)

Federal Agency: U.S Department of Education

Cluster Name: Student Financial Assistance Cluster

Program Expenditures: \$49,753,841

<u>Program Name / Federal Award Year:</u>	<u>CFDA#</u>	<u>Pass-Through/ Contract Number</u>
Federal Supplemental Education Opportunity Grants	84.007	P007A211313
Federal Work-Study Program	84.033	P033A181313
Federal Perkins Loan Program Federal Capital Contributions	84.038	P038A071313
Federal Pell Grant Program		
<i>Federal Pell - 2019-2020</i>	84.063	P063P191391
<i>Federal Pell - 2020-2021</i>	84.063	P063P201391
<i>Federal Pell - 2021-2022</i>	84.063	P063P211391
Federal Direct Student Loans <i>Federal</i>		
<i>Direct Student Loans – FY20 Federal</i>	84.268	P268K201391
<i>Direct Student Loans - FY21</i>	84.268	P268K211391
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants) <i>Teach Grant - 2020-2021</i>	84.379	P379T211391

Questioned Costs: None

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Finding – Federal Compliance and Questioned Costs

2021-003 **FINDING** (Information Technology Risk Assessment Not Performed) (Continued)

Western Illinois University (University) did not document the Gramm-Leach-Bliley Act (GLBA) required risk assessments related to student information security.

As a requirement under the University's Program Participation Agreement with the Department of Education, the University must protect student financial aid information. During our testing, we noted they had not conducted a risk assessment identifying internal and external risks to the security, confidentiality, and integrity of the students' information.

The Standards for Safeguarding Customer Information, required by the GLBA (16 CFR §314.4) requires the University to:

- Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of such information, and assess the sufficiency of any safeguards in place to control these risks. At a minimum, such a risk assessment should include consideration of risks in each relevant area of your operations, including:
 - (1) Employee training and management;
 - (2) Information systems, including network and software design, as well as information processing, storage, transmission and disposal; and
 - (3) Detecting, preventing and responding to attacks, intrusions, or other systems failures.
- Design and implement information safeguards to control the risks you identify through risk assessment, and regularly test or otherwise monitor the effectiveness of the safeguards' key controls, systems, and procedures.
- Evaluate and adjust your information security program in light of the results of the testing and monitoring required by paragraph (c) of this section; any material changes to your operations or business arrangements; or any other circumstances that you know or have reason to know may have a material impact on your information security program.

Additionally, the Uniform Guidance (2 CFR 200.303(a)) requires nonfederal entities receiving federal awards establish and maintain effective internal controls designed to reasonably ensure compliance with Federal laws, statutes, regulations, and the terms and conditions of the Federal award.

The *Security and Privacy Controls for Information Systems and Organizations* {Special Publication 800-53, Fifth Revision) published by the National Institute of Standards and Technology, Risk Assessment section, requires entities to conduct risk assessments to identify threats and vulnerabilities and determine the likelihood and magnitude of harm to the organization's operations and assets.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Current Finding – Federal Compliance and Questioned Costs

2021-003 **FINDING** (Information Technology Risk Assessment Not Performed) (Continued)

According to University officials, while the University believes they have the safeguards in place to ensure the security and confidentiality of records covered under GLBA, the risk assessment had not yet been completed due to competing priorities and delays associated with the COVID-19 pandemic.

Without the formal written documentation, the University is at risk of noncompliance with GLBA. In addition, there is a risk the University systems and information could be vulnerable to attacks or intrusions, and these attacks may not be detected in a timely manner. (Finding Code No. 2021-003, 2020-002)

RECOMMENDATION

We recommend the University perform and document a comprehensive risk assessment that specifically addresses the requirements of GLBA related to the security, confidentiality, and integrity of student information.

UNIVERSITY RESPONSE

The University agrees with the finding and will perform and document a comprehensive risk assessment that specifically addresses the requirements of GLBA related to the security, confidentiality, and integrity of student information.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Prior Finding Not Repeated

A. FINDING (Inaccurate calculation and disbursement of Higher Education Emergency Relief Fund)
(HEERF)

During the previous audit, the University disbursed the HEERF to non-eligible students and inconsistently applied the University's approved method of determining and distribution of funds to students.

During the current audit, we noted the University properly disbursed the HEERF to eligible students and consistently applied the University's approved method of determining eligibility and distribution of funds to students. (Finding Code No. 2020-003).

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	FY 2021 Expenditures	Amount Provided to Subrecipients
STUDENT FINANCIAL ASSISTANCE CLUSTER: (M)				
<u>DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Education Opportunity Grants	84.007	P007A211313	\$ 291,660	\$ -
Federal Work-Study Program	84.033	P033A181313	333,938	-
Federal Perkins Loan Program Federal Capital Contributions	84.038	P038A071313	1,351,391	-
Federal Pell Grant Program				
<i>Federal Pell - 2019-2020</i>	84.063	P063P191391	(10,207)	
<i>Federal Pell - 2020-2021</i>	84.063	P063P201391	13,131,090	
<i>Federal Pell - 2021-2022</i>	84.063	P063P211391	8,329	-
			<u>13,129,212</u>	<u>-</u>
Federal Direct Student Loans				
<i>Federal Direct Student Loans - FY20</i>	84.268	P268K201391	22,793	-
<i>Federal Direct Student Loans - FY21</i>	84.268	P268K211391	34,603,189	-
			<u>34,625,982</u>	<u>-</u>
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)				
<i>Teach Grant - 2020-2021</i>	84.379	P379T211391	21,658	-
TOTAL DEPARTMENT OF EDUCATION			\$ 49,753,841	\$ -
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER			\$ 49,753,841	\$ -
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>DEPARTMENT OF AGRICULTURE</u>				
Agricultural Research Basic and Applied Research				
<i>Benefits and Risks of Dicamba Herbicide in Vegetable Production Systems</i>	10.001	5850129018	\$ 6,065	\$ -
Specialty Crop Block Grant Program - Farm Bill				
Passed-Through Illinois Department of Agriculture				
<i>Grafting to Increase Yield, Fruit Quality, and Antioxidant Capacity of Heirloom Tomatoes in Hydroponic Culture</i>	10.170	SC-19-08	-	-
<i>Variety Selection and Integrated Pest Management for Production of High-Value Crops in High Tunnels in Illinois</i>	10.170	SC-19-04	2,505	-
<i>Utilizing Hyperspectral Reflectance Imagery to Improve Fertilizer Efficiency and Sustainability of Hydroponic Lettuce</i>	10.170	SC-20-18	3,027	-
			<u>5,532</u>	<u>-</u>
Agriculture and Food Research Initiative				
<i>Oilseed Pennycress: A New Cash Cover-Crop for the Midwest</i>	10.310	2019-69012-29851	1,794,755	1,419,878
Passed-Through Illinois State University				
<i>Advancing Field Pennycress as a New Oils Feed Biodiesel Feedstock That Does Not Require New Land Commitments</i>	10.310	A180071S001	19,677	-
			<u>1,814,432</u>	<u>1,419,878</u>
Capacity Building for Non-Land Grant Colleges of Agriculture (NLGCA)				
<i>Improving Access to Locally Produced, Health Food in IL Food Deserts</i>	10.326	20207000131290	2,381	-
Passed-Through Illinois State University				
<i>A Research Agenda for Cooperatives</i>	10.326	A200062S001	2,918	-
			<u>5,299</u>	<u>-</u>
TOTAL DEPARTMENT OF AGRICULTURE			\$ 1,831,328	\$ 1,419,878

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	FY 2021 Expenditures	Amount Provided to Subrecipients
DEPARTMENT OF DEFENSE				
Basic Scientific Research Passed-Through University of North Texas <i>Tech Proposal for Advanced Ballistic Tech: A Mechanism Based Approach to Design</i>	12.431	GF70037-1	\$ 780,145	\$ 88,380
TOTAL DEPARTMENT OF DEFENSE			\$ 780,145	\$ 88,380
DEPARTMENT OF INTERIOR				
Recreation Resource Management <i>Geomorphic Effects of Woody Debris Jams on Channel Morphology and Stream Bank Erosion in Thompson Creek</i>	15.225	L16AC00270	\$ 46	\$ -
Fish and Wildlife Management Assistance Passed-Through Illinois Department of Natural Resources <i>Asian Carp Removal and Monitoring in the Upper Mississippi River</i>	15.608	RC19FWS142	73,330	-
Passed-Through University of Illinois <i>Asian Carp Removal and Monitoring in the Upper Mississippi River</i>	15.608	09848017782	7,577	-
			80,907	-
Wildlife Restoration Passed-Through Illinois Department of Natural Resources <i>Estimating Home Range Use, Survival, and Abundance of Bobcats in Agriculturally Dominated Landscapes in West Central Illinois</i>	15.611	RC17W195R1	1	-
<i>Waterfowl and Large River Ecology</i>	15.611	RC19W200R1	149,001	-
<i>Assessing Density, Survival and Population on Structure of Bobcats</i>	15.611	W204R1	24,800	-
Passed-Through University of Illinois <i>Illinois Waterfowl Surveys and Investigations</i>	15.611	09622417516	-	-
			173,802	-
U.S. Geological Survey Research and Data Collection <i>Ecological Studies on Asian Carp in the Upper Illinois and Mississippi Rivers</i>	15.808	G18AC00160	-	-
			-	-
TOTAL DEPARTMENT OF INTERIOR			\$ 254,755	\$ -
DEPARTMENT OF JUSTICE				
National Institute of Justice Research, Evaluation, and Development Project Grants <i>Validation of a LC-DAD-ESI/MS/MS Method for the Accurate Measurement of THC</i>	16.560	2020DBQB0021	\$ 46,447	\$ -
TOTAL DEPARTMENT OF JUSTICE			\$ 46,447	\$ -
NATIONAL SCIENCE FOUNDATION				
Mathematical and Physical Sciences <i>Multiscale Approach to Understand Outflows During High Mass Star Formation</i>	47.049	1814063	\$ 15,684	\$ -
Biological Sciences <i>Collaborative Research: Parsing the Effects of Host Specificity and Geography on Plant-fungal Symbioses Under Climate Change</i>	47.074	1457002	18,682	-

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	FY 2021 Expenditures	Amount Provided to Subrecipients
Social, Behavioral, and Economic Sciences <i>A Geomorphic and Ecological Analysis of Using Mosses for Controlling Stream Bank Erosion</i>	47.075	1461773	140	-
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 34,506	\$ -
<u>DEPARTMENT OF ENERGY</u>				
Office of Science Financial Assistance Program Passed-Through Illinois State University <i>Interrogating Pennycress Natural and Induced Variation to Improve Abiotic Stress</i>	81.049	A210036S005	\$ 46,923	\$ -
TOTAL DEPARTMENT OF ENERGY			\$ 46,923	\$ -
<u>DEPARTMENT OF EDUCATION</u>				
Special Education Educational Technology Media, and Materials for Individuals with Disabilities Passed-Through University of Kansas Center for Research Inc. <i>Project VOISS: Virtual Reality Opportunities to Implement Social Skills</i>	84.327	FY2019060M1	\$ -	\$ -
TOTAL DEPARTMENT OF EDUCATION			\$ -	\$ -
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Biomedical Research and Research Training Passed-Through Cell Origins <i>Cell Line Identification/Characterization Dual Targeting of Phenotypic Markers</i>	93.859	None	-	-
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ -	\$ -
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 2,994,104	\$ 1,508,258
SPECIAL EDUCATION CLUSTER (IDEA):				
<u>DEPARTMENT OF EDUCATION</u>				
Special Education Preschool Grants Passed-Through Illinois State Board of Education <i>Fed-Sp Ed-Preschool Discretionary Illinois Starnet - 2020</i>	84.173A	2020-4605-00-26-062-5440-51	\$ 378	\$ -
<i>Fed-Sp Ed-Preschool Discretionary Illinois Starnet - 2021</i>	84.173A	2021-4605-00-26-062-5440-51	1,035,429	-
			1,035,807	-
TOTAL DEPARTMENT OF EDUCATION			\$ 1,035,807	\$ -
TOTAL SPECIAL EDUCATION CLUSTER (IDEA)			\$ 1,035,807	\$ -
OTHER PROGRAMS:				
<u>DEPARTMENT OF AGRICULTURE</u>				
Rural Cooperative Development Grants <i>Rural Cooperative Development Grant Program 2018</i>	10.771	GLSX0002148829	\$ -	\$ -
<i>Rural Cooperative Development Grant Program 2019</i>	10.771	GLSX0002259241	73,893	-
<i>Rural Cooperative Development Grant Program 2020</i>	10.771	GLSX0002424154	123,844	-
TOTAL DEPARTMENT OF AGRICULTURE			\$ 197,737	\$ -

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	FY 2021 Expenditures	Amount Provided to Subrecipients
DEPARTMENT OF DEFENSE				
Procurement Technical Assistance For Business Firms				
Passed-Through Illinois Department of Commerce and Economic Opportunity				
<i>IL Procurement Technical Assistance Center FY20</i>	12.002	20-601104	\$ -	\$ -
<i>IL Procurement Technical Assistance Center FY21</i>	12.002	21-601104	72,610	-
TOTAL DEPARTMENT OF DEFENSE			\$ 72,610	\$ -
DEPARTMENT OF JUSTICE				
Bulletproof Vest Partnership Program				
<i>Bulletproof Vest Replacement Program</i>	16.607	None	\$ 764	\$ -
TOTAL DEPARTMENT OF JUSTICE			\$ 764	\$ -
DEPARTMENT OF TRANSPORTATION				
Formula Grants for Rural Areas and Tribal Transit Program				
Passed-Through Illinois Department of Transportation				
<i>Rural Transit Assistance Center FY19-21</i>	20.509	5012	\$ 302,168	\$ -
Passed-Through City of Macomb, IL				
<i>Go West Transit FY20</i>	20.509	None	-	-
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 302,168	\$ -
DEPARTMENT OF THE TREASURY				
Coronavirus Relief Fund				
Passed-Through Illinois Network of Child Care Resource & Referral Agencies				
<i>Child Care Restoration Grant</i>	21.019	None	\$ 42,793	\$ -
TOTAL DEPARTMENT OF THE TREASURY			\$ 42,793	\$ -
SMALL BUSINESS ADMINISTRATION				
Small Business Development Centers				
Passed-Through Illinois Department of Commerce & Economic Opportunity				
<i>SBDC CY19</i>	59.037	19-181127	\$ -	\$ -
<i>SBDC CY20</i>	59.037	20-561127	96,843	-
<i>SBDC CY21</i>	59.037	21-181127	8,253	-
<i>SBDC CARES Act Supplemental Funding</i>	59.037	20-543127	33,855	-
TOTAL SMALL BUSINESS ADMINISTRATION			\$ 138,951	\$ -
DEPARTMENT OF EDUCATION				
Adult Education - Basic Grants to States				
Passed-Through Illinois Community College Board				
<i>Central Illinois Adult Education Service Center/Curriculum Publications</i>				
<i>Clearing 2020</i>	84.002	AEL20006	\$ -	\$ -
<i>Central Illinois Adult Education Service Center/Curriculum Publications</i>				
<i>Clearing 2021</i>	84.002	AEL21006	430,314	-
<i>DAISI Project FY 21</i>	84.002	AEL21003	203,357	-
<i>I-Pathways IL FY21</i>	84.002	AEL21002	180,242	-
			813,913	-

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	FY 2021 Expenditures	Amount Provided to Subrecipients
Undergraduate International Studies and Foreign Language Programs <i>Communities as Agents of Change: Language and Area Studies for a Sustainable Future</i>	84.016	P016A160039	11,336	-
Ready-To-Learn Television Passed-Through Corporation for Public Broadcasting <i>Ready to Learn Training and Implementation</i>	84.295A	35049-EDU	12,600	-
Education Innovation and Research Passed-Through DuPage Regional Office of Education <i>Partners to Lead DuPage ROE</i>	84.411C	None	-	-
Supporting Effective Educator Development Program Passed-Through Illinois State University <i>Together Everyone Achieves More Through Integrated Leadership (TEAM LEAD)</i>	84.423A	A18-0059-S009	-	-
Education Stabilization Fund (M) <i>COVID-19: Governor's Emergency Education Relief Funding (GEER)</i>	84.425C	21GEERWIU	900,986	-
<i>COVID-19: Higher Education Emergency Relief Fund (HEERF) - Student Aid Portion</i>	84.425E	P425E200622	4,014,627	-
<i>COVID-19: Higher Education Emergency Relief Fund (HEERF) - Institutional Portion</i>	84.425F	P425F201169	8,693,511	-
<i>COVID-19: Higher Education Emergency Relief Fund (HEERF) - Strengthening Institutions Programs</i>	84.425M	F42M200132	588,636	-
			14,197,760	-
TOTAL DEPARTMENT OF EDUCATION			\$ 15,035,609	\$ -
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Every Student Succeeds Act/Preschool Development Grants Passed-Through Illinois Board of Higher Education Quality Matters: Preparing and Supporting the Early Childhood Workforce	93.434	EC405	\$ 193,120	\$ -
Temporary Assistance for Needy Families Passed-Through Illinois Department of Human Services <i>Low Income Degree Scholarship Program FY21</i>	93.558	FCSZG03648	35,218	-
Medical Library Assistance Passed-Through University of Illinois <i>Healthy Communities in Fulton County, IL (HCFCL)</i>	93.879	NONE	2	-
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ 228,340	\$ -
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
AmeriCorps Passed-Through Illinois Department of Public Health <i>AmeriCorps Project 19-20</i>	94.006	07380023H	\$ 62,882	\$ 8,192
<i>AmeriCorps Project 20-21</i>	94.006	17380023H	122,851	-
			185,733	8,192
Volunteers in Service to America <i>Vista Community Outreach</i>	94.013	13VSNIL001	51,542	-
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			\$ 237,275	\$ 8,192

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor Program/Grant Title	Assistance Listing Number	Pass-Through/Contract Number	FY 2021 Expenditures	Amount Provided to Subrecipients
DEPARTMENT OF HOMELAND SECURITY				
Homeland Security Grant Program				
Passed-Through Illinois Emergency Management Agency				
<i>FFY18 Law Enforcement and Fire Services Fellowship Liaison Program ISPU</i>				
	97.067	18WIUISPU	\$ -	\$ -
<i>Jail and Cyber Intelligence Officers Shsp FFY18</i>				
	97.067	18WIUCYBJL	121,819	-
<i>FFY18 Homeland Security Preparedness Projects & Program Management 18WIU</i>				
	97.067	18WIU	148,898	-
<i>FFY18 Homeland Security 18 SWIUTRG</i>				
	97.067	18SWIUTRG	247,102	-
<i>FFY19 Homeland Security Preparedness Projects & Program Management 19 WIU</i>				
	97.067	19WIU	495,147	-
<i>FFY19 Homeland Security 19WIULETSB Shsp</i>				
	97.067	19WIULETSB/19UAWIULET	89,419	-
			<u>1,102,385</u>	<u>-</u>
Passed-Through Illinois Law Enforcement Training and Standards Board				
<i>FFY17 Homeland Security State Homeland Security Program</i>				
	97.067	NONE	-	-
<i>FFY18 Homeland Security Intelligence Gathering and Information Sharing Shsp</i>				
	97.067	NONE	308,588	-
			<u>308,588</u>	<u>-</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ 1,410,973	\$ -
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 71,450,972	\$ 1,516,450

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

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

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, 2021, the University issued new loans to students under the Federal Direct Student Loan Program. 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 the 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, 2021.

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, 2021 was \$1,135,172. There were no new loans issued through the Federal Perkins Program during the year ended June 30, 2021.

NOTE 3 – NON-CASH ASSISTANCE

The University did not receive any federal non-cash assistance during the fiscal year ended June 30, 2021.

WESTERN ILLINOIS UNIVERSITY
A Component Unit of the State of Illinois
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 4 – FEDERAL UNEARNED REVENUE

The University did not have any unearned revenue related to federal programs as of June 30, 2021.

NOTE 5 – INSURANCE

During fiscal year ended 2021, 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.

WESTERN ILLINOIS UNIVERSITY
A COMPONENT UNIT OF THE STATE OF ILLINOIS
SCHEDULE OF FEDERAL AND NONFEDERAL FINANCIAL ACTIVITY
For the Year Ended June 30, 2021

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA ¹	\$ 71,450,972
Total Schedule A	<u>\$ 71,450,972</u>

Schedule B - Total Financial Component

Total operating expenses ²	\$ 257,765,831
Total nonoperating expenses ²	1,979,995
Federal loan balances: ^{1,4}	
Perkins Loan Program	1,665,335
Total value of new federal loans: ^{1,5}	
Federal Direct Student Loans	34,625,982
Other noncash federal award expenditures ³	-
Total Schedule B	<u>\$ 296,037,143</u>

Schedule C

Total Schedule B	\$ 296,037,143	100.000%
Total Schedule A	<u>71,450,972</u>	<u>24.136%</u>
Total nonfederal expenses	<u>\$ 224,586,171</u>	<u>75.864%</u>

- ¹ Obtained from the Schedule of Expenditures of Federal Awards
² Obtained from the Statement of Revenues, Expenses, and Changes in Net Position
³ Obtained from the Notes to the Schedule of Expenditures of Federal Awards
⁴ Balance at the beginning of the fiscal year with continuing compliance requirements
⁵ Balance of loans issued during the fiscal year