

**State of Illinois**  
**Illinois State University**  
Compliance Examination  
(In Accordance with the Single Audit Act  
and OMB Circular A-133)

For the Year Ended June 30, 2015  
Performed as Special Assistant Auditors for  
the Auditor General, State of Illinois



**State of Illinois  
 Illinois State University  
 Compliance Examination  
 (In Accordance with the Single Audit  
 Act and OMB Circular A-133)  
 For the Year Ended June 30, 2015**

**Table of Contents**

	<b>Schedule</b>	<b>Page(s)</b>
<b>Agency Officials</b>		1
<b>Management Assertion Letter</b>		2
<b>Compliance Report</b>		
Summary		4
Independent Accountant’s Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes		7
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 OMB Circular A-133		13
Schedule of Findings and Questioned Costs		
Summary of Auditor’s Results		16
Current Finding – Federal Compliance		18
Current Findings – State Compliance		20
Prior Findings Not Repeated		23
<b>Financial Statement Report</b>		
The University’s annual financial statements for the year ended June 30, 2015, which includes the Independent Auditor’s Report, Management Discussion and Analysis, Basic Financial Statements, and Notes have been issued under a separate cover.		

**State of Illinois**  
**Illinois State University**  
**Compliance Examination**  
**(In Accordance with the Single Audit**  
**Act and OMB Circular A-133)**  
**For the Year Ended June 30, 2015**

Continued

Schedule Page(s)

**Financial Statement Report (continued)**

*Government Auditing Standards Report*

In accordance with *Government Auditing Standards*, we have also issued a report under a separate cover entitled Report Required Under *Government Auditing Standards* for the Year Ended June 30, 2015, on our consideration of the Illinois State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of the audit.

**Supplementary Information for State Compliance Purposes**

Summary	24
Fiscal Schedules and Analysis:	
Schedule of Expenditures of Federal Awards	1      26
Notes to the Schedule of Expenditures of Federal Awards	1      32
Analysis of State Appropriations	
Schedule of Appropriations, Expenditures and Lapsed Balances	2      34
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances	3      35
Analysis of Significant Variations in Appropriated Expenditures	4      36
Significant Lapse Period Expenditures	5      37
Analysis of the University's Income Fund	
Comparative Schedule of Revenues and Expenses	6      38
Analysis of Significant Account Balances	
Schedule of Changes in Capital Assets	7      39
Comparative Schedule of Cash and Cash Equivalents	8      40
Comparative Schedule of Investments	9      41
Analysis of Significant Variations in Revenues and Expenses	10     42
Analysis of Significant Variations in Assets, Deferred Outflows of Resources and Liabilities	11     44
Analysis of Accounts Receivable	12     46

**State of Illinois**  
**Illinois State University**  
**Compliance Examination**  
**(In Accordance with the Single Audit**  
**Act and OMB Circular A-133)**  
**For the Year Ended June 30, 2015**

Continued

	<u>Schedule</u>	<u>Page(s)</u>
<b>Supplementary Information for State Compliance Purposes</b>		
<b>(continued)</b>		
Fiscal Schedules and Analysis (continued):		
Entity Financial Statements and Related Information		
Auxiliary Facilities, Activities, and Accounting Entities	13	47
Local Funds		
Statement of Net Position	14	49
Statement of Revenues, Expenses, and Changes in Net Position	15	50
Service Departments		
Statement of Net Position	16	51
Statement of Revenues, Expenses, and Changes in Net Position	17	52
Auxiliary Facilities		
Statement of Net Position	18	53
Statement of Revenues, Expenses, and Changes in Net Position	19	54
Calculation Sheets for Current Excess Funds (Unaudited)		
Local Funds (Unaudited)		
Continuing Education and Public Services (Unaudited)	20	55
Sales and Services of Educational Activities (Unaudited)	21	56
Student Programs and Services (Unaudited)	22	57
Field Trips and Foreign Study (Unaudited)	23	58
Service Departments (Unaudited)		
Auxiliary Facilities (Unaudited)		
Student Housing (Unaudited)	25	60
Student Activities (Unaudited)	26	61
Parking Services (Unaudited)	27	62
Analysis of Indirect Cost Reimbursements		
Schedule of Sources and Applications	28	63
Calculation Sheet for Indirect Cost Carry-Forward (Unaudited)	29	64
Schedule of Federal Expenditures, Non-Federal Expenses, and New Loans		
Loans	30	65

**State of Illinois**  
**Illinois State University**  
**Compliance Examination**  
**(In Accordance with the Single Audit**  
**Act and OMB Circular A-133)**  
**For the Year Ended June 30, 2015**

Continued

Schedule Page(s)

**Supplementary Information for State Compliance Purposes**  
**(continued)**

Analysis of Operations (Unaudited):	
Functions and Planning Program (Unaudited)	66
Employment Statistics (Full-Time Equivalent) (Unaudited)	68
Annual Cost Statistics (Unaudited)	70
Emergency Purchase (Unaudited)	71
Bookstore Information (Unaudited)	72
Service Efforts and Accomplishments (Unaudited)	73
<u>University Guidelines</u> (as amended in 1997) (Unaudited)	
Special Data Requirements for University Audits (Unaudited)	74
Summary of Foundation Transactions with the University (Unaudited)	77
Undergraduate Tuition and Fee Waivers (Unaudited)	78
Graduate Tuition and Fee Waivers (Unaudited)	79

**State of Illinois**  
**Illinois State University**  
**Compliance Report Summary**  
**For the Year Ended June 30, 2015**

***Agency Officials***

President	Dr. Larry Dietz
Vice President for Finance and Planning	Mr. Greg Alt
Vice President for Academic Affairs and Provost	Dr. Janet Wessel Krejci
Vice President for Student Affairs (Interim)	Dr. Brent Paterson
Vice President for University Advancement	Ms. Erin Minne´ (07/01/14 – 09/12/14)
Vice President for University Advancement	Mr. Pat Vickerman (09/13/14 – Current)
Comptroller	Mr. Greg Alt
Legal Counsel	Ms. Lisa Huson
Director - Internal Audit	Mr. Robert Blemler

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

Chair	Mr. Rocky Donahue
Member	Mr. Jay D. Bergman
Member	Ms. Anne Davis
Member	Mr. Bob Churney
Member	Mr. Robert Dobski
Member	Ms. Betty Kinser
Member	Dr. Mary Ann Louderback
Student Member	Mr. Connor Joyce

***Office Locations***

Agency offices are located at:

Hovey Hall  
Campus Box 1100  
Normal, Illinois 61790-1100



**ILLINOIS STATE  
UNIVERSITY**  
*Illinois' first public university*

Office of the President  
421 Hovey Hall  
Campus Box 1000  
Normal, IL 61790-1000  
Phone: (309) 438-5677

December 4, 2015

**BKD, LLP**  
Certified Public Accountants  
225 N. Water Street, Suite 400  
Decatur, Illinois 62525-1580

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 Illinois State 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 Illinois State University's compliance with the following assertions during the one-year period ended June 30, 2015. Based on this evaluation, we assert that during the year ended June 30, 2015, the Illinois State University has materially complied with the assertions below.

- A. The Illinois State 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 Illinois State 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 Illinois State 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 Illinois State 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 Illinois State University on behalf of the State or held in trust by the Illinois State University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.


Yours very truly,

Illinois State University



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Dr. Larry Dietz,  
University President



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Mr. Greg Alt,  
Vice President for Finance and Planning



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Ms. Lisa Huson,  
General Counsel



**State of Illinois  
Illinois State University  
Compliance Report Summary  
For the Year Ended June 30, 2015**

The compliance testing performed during this examination was conducted in accordance with *Government Auditing Standards* and in accordance with the Illinois State Auditing Act.

**Accountants' Reports**

The Independent Accountant's Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes does not contain scope limitations, disclaimers or other significant non-standard language.

**Summary of Findings**

Number of	Current Report	Prior Report
Findings	3	5
Repeated findings	2	4
Prior recommendations implemented or not repeated	3	3

**Summary of Findings and Questioned Costs**

Item No.	Page	Description	Finding Type
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**Findings (Government Auditing Standards)**

The audit did not disclose findings required to be reported by *Government Auditing Standards*.

**Findings and Questioned Costs (Federal Compliance)**

2015-001	18	Noncompliance with the United States Code	Significant Deficiency and Noncompliance
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**Findings (State Compliance)**

2015-002	20	Noncompliance with the University Faculty Research and Consulting Act	Significant Deficiency and Noncompliance
2015-003	22	Noncompliance with the State Officials and Employees Ethics Act	Significant Deficiency and Noncompliance

**State of Illinois  
Illinois State University  
Compliance Report Summary  
For the Year Ended June 30, 2015**

**Summary of Findings and Questioned Costs**

<b>Item No.</b>	<b>Page</b>	<b>Description</b>	<b>Finding Type</b>
<b>Prior Findings Not Repeated</b>			
A.	23	Noncompliance with the College Student Immunization Act	
B.	23	Weakness Regarding the Security and Control of Confidential Information	
C.	23	Inadequate Controls over Contractual Agreements	

**State of Illinois**  
**Illinois State University**  
**Compliance Report Summary**  
**For the Year Ended June 30, 2015**

***Exit Conference***

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on November 20, 2015. Attending were:

Representing Illinois State University

Vice President for Finance and Planning	Mr. Greg Alt
Senior Associate Comptroller	Ms. JoEllen Bahnsen
Director - Internal Audit	Mr. Robert Blemler
Accounting Associate	Ms. Erika Jones
Information Security Officer	Mr. Kevin Crouse
Assistant Vice President for Administrative Technologies and CTO	Mr. Matthew Helm

Representing BKD LLP

Managing Director	Ms. Heather M. Powell, CPA
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Representing the Office of the Auditor General

Audit Manager	Mr. Daniel J. Nugent, CPA
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The responses to the recommendations were provided by Ms. JoEllen Bahnsen, Senior Associate Comptroller, in an e-mail dated November 25, 2015.

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

Honorable William G. Holland  
Auditor General  
State of Illinois

and

Board of Trustees  
Illinois State University

### Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Illinois State University's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2015. The management of the Illinois State University is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Illinois State University's compliance based on our examination.

- A. The Illinois State 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 Illinois State 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 Illinois State 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 Illinois State 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 Illinois State University on behalf of the State or held in trust by the Illinois State University have been properly and legally administered and the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the Illinois State University's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Illinois State University's compliance with specified requirements.

In our opinion, the Illinois State University complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2015. However, the results of our procedures disclosed 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 2015-002 through 2015-003.

### **Internal Control**

Management of the Illinois State 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 Illinois State 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 Illinois State University's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois State University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. 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 as items 2015-002 and 2015-003, that we consider to be significant deficiencies.

As required by the Audit Guide, immaterial findings excluded from this report have been reported in a separate letter to your office.

The Illinois State University's responses to the findings identified in our examination are described in the accompanying schedule of findings and questioned costs. We did not examine the Illinois State University's responses and, accordingly, we express no opinion on the responses.

#### Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of the Illinois State University as of and for the year ended June 30, 2015, and have issued our report thereon dated December 4, 2015, which contained an unmodified opinion on those financial statements. Our report was modified to include a reference to other auditors, who audited the financial statements of the Illinois State University's discretely presented component unit, as described in our report on the Illinois State University's financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Illinois State University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 4, 2015. The accompanying supplementary information for the year ended June 30, 2015, in Schedules 1 through 19, Schedule 28, and Schedule 30 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Illinois State University. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The accompanying supplementary information for the year ended June 30, 2015, in Schedules 1 through 19, Schedule 28, and Schedule 30 has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information for the year ended June 30, 2015, in Schedules 1 through 19, Schedule 28, and Schedule 30, is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2015.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America, the Illinois State University's basic financial statements as of and for the year ended June 30, 2014 (not presented herein), and have issued our report thereon dated December 17, 2014, which contained an unmodified opinion on those financial statements. Our report was modified to include a reference to other auditors, who audited the financial statements of the Illinois State University's discretely presented component unit, as described in our report on the Illinois State University's financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Illinois State University's basic financial statements. The accompanying supplementary information for the year ended June 30, 2014, in Schedules 1 through 19, Schedule 28, and Schedule 30 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2014, financial statements. The accompanying supplementary information for the year ended June 30, 2014, in Schedules 1 through 19, Schedule 28, and Schedule 30 has been subjected to the auditing procedures applied by us and the other auditors in the audit of the June 30, 2014, basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare 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,

2014, in Schedules 1 through 19, Schedule 28, and Schedule 30 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 for the year ended June 30, 2015, in Schedules 20 through 27, Schedule 29, and the Analysis of Operations Section is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Board of Trustees of the Illinois State University, the Illinois State 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.

*BKD, LLP*

Decatur, Illinois  
December 4, 2015

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

Honorable William G. Holland  
Auditor General  
State of Illinois

and

Board of Trustees  
Illinois State 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 the Illinois State University and its aggregate discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Illinois State University's basic financial statements, and have issued our report thereon dated December 4, 2015. Our report includes a paragraph emphasizing the adoption of a new accounting standard and a reference to other auditors who audited the financial statements of the Illinois State University's discretely presented component unit, as described in our report on the Illinois State 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 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 Illinois State 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 Illinois State University's internal control. Accordingly, we do not express an opinion on the effectiveness of the Illinois State 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 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 preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during the audit we did not identify any deficiencies in internal control that we consider to be a material weakness. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Illinois State University's financial statements are free of 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*.

### **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 Illinois State 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 Illinois State University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*BKD, LLP*

Decatur, Illinois  
December 4, 2015

## **Independent Auditor's Report on Compliance For Each Major Federal Program, on Internal Control Over Compliance, and on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

and

Board of Trustees  
Illinois State University

### **Report on Compliance for Each Major Federal Program**

We have audited the Illinois State University's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Illinois State University's major federal programs for the year ended June 30, 2015. The Illinois State 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 those agencies determined to be component units of the Illinois State University for financial statement purposes.

### ***Management's Responsibility***

Management of the Illinois State University is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the

Illinois State 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 Illinois State University's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Illinois State University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### ***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2015-001. Our opinion on each major federal program is not modified with respect to this matter.

The Illinois State University's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Illinois State 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 Illinois State 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 Illinois State University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois State University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-001, which we consider to be a significant deficiency.

The Illinois State 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 Illinois State University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### **Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

We have audited the financial statements of the business-type activities of the Illinois State University and its aggregate discretely presented component unit, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Illinois State University's basic financial statements. We issued our report thereon dated December 4, 2015, which contained an unmodified opinion on those financial statements. Other auditors audited the financial statements of the Illinois State University's discretely presented component unit, as described in our report on the Illinois State University's financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Illinois State University's basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to December 4, 2015. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 financial statements or to the 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.

*BKD, LLP*

Decatur, Illinois  
December 4, 2015

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

**Summary of Auditor's Results**

**Financial Statements**

- The opinion expressed in the independent auditor's report was:  
 Unmodified     Qualified     Adverse     Disclaimer
- The independent accountant's report on internal control over financial reporting disclosed:  
Material weakness(es)?     Yes     None reported  
Significant deficiency(ies)?     Yes     None reported
- Noncompliance considered material to the financial statements was disclosed by the audit?     Yes     No
- The independent auditor's report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed:  
Material weakness(es)?     Yes     None reported  
Significant deficiency(ies)?     Yes     None reported
- The opinion expressed in the independent auditor's report on compliance with requirements that could have a direct and material effect on major federal awards was:  
 Unmodified     Qualified     Adverse     Disclaimer
- The audit disclosed findings required to be reported in accordance with Section 510(a) of Circular A-133?     Yes     No

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

7. The University's major programs were:

<b>Cluster/Program</b>	<b>CFDA Number</b>
Student Financial Aid Cluster	84.007 84.033 84.038 84.063 84.268 84.379 64.124 93.364 94.006
Career and Technical Education – Basic Grants to States	84.048
Special Education – Personnel Development to Improve Services and Results for Children with Disabilities	84.325
Library of Congress	None

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$378,703.

9. The Auditee qualified as a low-risk auditee as that term is defined in OMB Circular A-133?  Yes  No

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

**Current Finding – Federal Compliance**

**2015-001. Finding – Noncompliance with the United States Code**

Federal Agency:	United States Department of Education
Program Name:	Career and Technical Education Assistance to the States
CFDA Number:	84.048
Program Expenditures:	\$593,030
Award Numbers:	CTEL 15001 and 4720
Questioned Costs:	\$16,184

The Illinois State University (University) did not ensure its administrative costs charged against a federal program conformed to federal law.

During testing, the auditors noted the University charged administrative costs of 8% against its grant passed through from both the State of Illinois, Illinois State Board of Education, and the State of Illinois, Illinois Community College Board, as opposed to the maximum administrative cost rate of 5%. As a result, the University charged \$16,184 in unallowable administrative costs against the grant.

The United States Code (20 U.S.C. § 2355(d)) requires eligible recipients receiving funds under the Career and Technical Education Assistance to the States program to limit administrative costs associated with the program to no more than 5% of their total activities under the program.

University officials stated the University relied on the prime recipients of the grant to appropriately flow through the federal laws and budgetary limitations associated with the program, as all documentation approved by the prime recipients indicated that the 8% charge for administrative costs was allowable.

Failure to limit administrative costs to no more than 5% of the University's award under the Career and Technical Education Assistance to the States program resulted in unallowable costs charged against the program and represents noncompliance with the United States Code. (Finding Code No. 2015-001)

**Recommendation**

We recommend the University limit its administrative costs to no more than 5% of the University's awards under the Career and Technical Education Assistance to the States program.

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

**Current Finding – Federal Compliance**

**2015-001. Finding – Noncompliance with the United States Code**

University Response

The University agrees to review and improve its current system for monitoring administrative cost amounts assessed to federal programs. Additionally, the University is in the process of refunding the excess unallowable charges.



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

**Current Findings – State Compliance**

**2015-002. Finding – Noncompliance with the University Faculty Research and Consulting Act**

The Illinois State University (University) did not always ensure compliance with the University Faculty Research and Consulting Act and University policies regarding outside employment. During Fiscal Year 2015, faculty members reported 119 instances of outside employment to the University Provost.

During testing, the auditors noted the following:

- 42 of 119 (35%) cases of outside employment had the Request for Approval of Secondary/Outside Employment Form (Form PERS 927) approved by the University's Provost one to 74 days late.
- Eight of 119 (7%) cases of outside employment were not reported by the faculty member to the University for approval prior to filing the Annual Report of Secondary/Outside Employment Form (Form PERS 928) with the University's Provost before the deadline of August 31, 2015.
- 22 of 119 (18%) cases of outside employment did not have the Form PERS 928 submitted by the faculty member to the University's Provost by the deadline of August 31, 2015.

The University Faculty and Research Consulting Act (110 ILCS 100/1) prohibits full-time University faculty members from undertaking, contracting for, or accepting anything of value in return for research or consulting services for any person other than the University unless the faculty member:

- a) has submitted a request to the University President, or designee, which includes an estimate of the amount of time involved;
- b) received the prior written approval of the University President, or designee, to perform the outside research or consulting services; and,
- c) submits to the University President, or designee, an annual statement of the amount of time actually spent on outside research or consulting services.

The University President has designated the University's Provost as his designee for approvals and recordkeeping.

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

**Current Findings – State Compliance**

**2015-002. Finding – Noncompliance with the University Faculty Research and Consulting Act (continued)**

In accordance with University Policy 3.3.7, all forms of secondary/outside employment by a faculty member require the prior written approval of the faculty member's department chairperson, dean, and the University Provost before the faculty member can accept outside employment. Further, the instructions for the Form PERS 928 require faculty members with secondary/outside employment submit the Form PERS 928 "to the Office of the Provost no later than August 31 for the preceding fiscal year."

University officials stated failure to seek timely approval and file reports was due to employee oversight.

Failure to ensure faculty members with outside research, consulting services, or employment obtain written pre-approval from the University Provost and file annual reports with the University Provost about the amount of time spent during the preceding fiscal year on outside research, consulting services, or employment represents noncompliance with the University Faculty Research and Consulting Act and University Policy 3.3.7. (Finding Code No. 2015-002, 2014-003, 2013-005, 12-5)

Recommendation

We recommend the University Provost implement internal controls to ensure faculty members with outside research, consulting services, or employment receive written pre-approval to conduct the requested activity and annually disclose the time spent on these activities in accordance with State law and University policy.

University Response

The University agrees with the recommendation and will continue its assessment of the faculty research and consulting approval process. Additional modifications will be made to ensure more timely approvals and annual disclosures of outside research, consulting and employment activities.

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

**Current Findings – State Compliance**

**2015-003. Finding–Noncompliance with the State Officials and Employees Ethics Act**

The Illinois State University (University) did not require positive time reporting for all employees in compliance with the State Officials and Employees Ethics Act (Act).

During testing, the auditors noted University Policy 1.12 only requires positive time reporting for non-faculty employees. The faculty do not report actual hours worked and are only required to report benefit usage time (vacation, sick, etc.) used to the nearest tenth hour.

The Act requires the Board of Higher Education (Board), with respect to State employees of public universities, to adopt and implement personnel policies. The Act (5 ILCS 430/5-5(c)) states, “The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.” The Board adopted personnel policies for public universities on February 3, 2004, in accordance with the Act. The University has not fully incorporated these policies into the University’s policies.

University officials stated the University continues to work with the faculty to bring the University into compliance with the Act.

By not requiring time sheets from all of its employees, the University does not have complete documentation of time spent by employees on official State business as contemplated by the Act. (Finding Code No. 2015-003, 2014-005, 2013-007, 12-6, 11-5, 10-2, 09-1, 08-1, 07-1, 06-2, 05-4)

Recommendation

We recommend the University revise its policy and require all employees submit time sheets in compliance with State law.

University Response

The University agrees with the recommendation to comply with the Act and will continue to work towards a feasible solution to incorporate compliance of the remaining faculty work group.

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

**Prior Findings Not Repeated**

**A. Finding – Noncompliance with the College Student Immunization Act**

During the prior engagement, the Illinois State University (University) had weaknesses in the University's internal controls over compliance with the College Student Immunization Act. (Finding Code No. 2014-001, 2013-003)

Status: Implemented

During the current engagement, the auditors' sample testing indicated the University's computerized health records, report to the Department of Public Health, and registration holds were supported with appropriate documentation.

**B. Finding – Weaknesses Regarding the Security and Control of Confidential Information**

During the prior engagement, the Illinois State University (University) had not established adequate University-wide procedures for the handling and disposal of confidential information. (Finding Code No. 2014-002, 2013-004, 12-3, 11-4, 10-3, 09-2)

Status: Moved to the University's *Report of Immaterial Findings*

During the current engagement, the auditors' testing indicated the University had made progress with regard to the security and control of its confidential information. The auditors noted the University had formalized a process for the wiping and destruction of data and media and updated their procedures to address continual reporting to the General Assembly in the event of a breach. However, some weaknesses – such as the failure to perform a comprehensive risk assessment – continued to exist. As such, this matter is reported within the University's *Report of Immaterial Findings*.

**C. Finding – Inadequate Controls over Contractual Agreements**

During the prior engagement, the Illinois State University (University) failed to ensure all required contractual certifications were incorporated into the University's contractual agreements on and after July 18, 2013. (Finding Code No. 2014-004)

Status: Implemented

During the current engagement, the auditors noted the University adopted a new contractual certification with the required elements for contractual agreements entered into after February 10, 2015.

**State of Illinois**  
**Illinois State University**  
**Supplementary Information for State Compliance Purposes**  
**For the Year Ended June 30, 2015 and 2014**

**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
  - Analysis of State Appropriations
    - Schedule of Appropriations, Expenditures and Lapsed Balances
    - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
    - Analysis of Significant Variations in Appropriated Expenditures
    - Significant Lapse Period Expenditures
  - Analysis of the University's Income Fund
    - Comparative Schedule of Revenues and Expenses
  - Analysis of Significant Account Balances
    - Schedule of Changes in Capital Assets
    - Comparative Schedule of Cash and Cash Equivalents
    - Comparative Schedule of Investments
    - Analysis of Significant Variations in Revenues and Expenses
    - Analysis of Significant Variations in Assets, Deferred Outflows of Resources and Liabilities
  - Analysis of Accounts Receivable
  - Entity Financial Statements and Related Information
    - Auxiliary Facilities, Activities, and Accounting Entities
  - Local Funds
    - Statement of Net Position
    - Statement of Revenues, Expenses, and Changes in Net Position
  - Service Departments
    - Statement of Net Position
    - Statement of Revenues, Expenses, and Changes in Net Position
  - Auxiliary Facilities
    - Statement of Net Position
    - Statement of Revenues, Expenses, and Changes in Net Position
  - Calculation Sheets for Current Excess Funds (Unaudited)
    - Local Funds (Unaudited)
      - Continuing Education and Public Services (Unaudited)
      - Sales and Services of Educational Activities (Unaudited)
      - Student Programs and Services (Unaudited)
      - Field Trips and Foreign Study (Unaudited)
    - Service Departments (Unaudited)
    - Auxiliary Facilities (Unaudited)
      - Student Housing (Unaudited)
      - Student Activities (Unaudited)
      - Parking Services (Unaudited)

**State of Illinois**  
**Illinois State University**  
**Supplementary Information for State Compliance Purposes**  
**For the Year Ended June 30, 2015 and 2014**

**Summary (continued)**

- Fiscal Schedules and Analysis (continued):
  - Analysis of Indirect Cost Reimbursements
  - Schedule of Sources and Applications
  - Calculation Sheet for Indirect Cost Carry-Forward (Unaudited)
  - Schedule of Federal Expenditures, Non-Federal Expenses, and New Loans
  
- Analysis of Operations (Unaudited):
  - Functions and Planning Program (Unaudited)
  - Employment Statistics (Full-Time Equivalent) (Unaudited)
  - Annual Cost Statistics (Unaudited)
  - Emergency Purchase (Unaudited)
  - Bookstore Information (Unaudited)
  - Service Efforts and Accomplishments (Unaudited)
  - University Guidelines (as amended in 1997) (Unaudited)
    - Special Data Requirements for University Audits (Unaudited)
    - Summary of Foundation Transactions with the University (Unaudited)
    - Undergraduate Tuition and Fee Waivers (Unaudited)
    - Graduate Tuition and Fee Waivers (Unaudited)

The accountant's report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that Schedules 1 through 19, Schedule 28, and Schedule 30 have 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 accountants' report also states the Analysis of Operations Section, Schedules 20 through 27, and Schedule 29 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 it.

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>		<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>STUDENT FINANCIAL AID CLUSTER</b>					
<b>U.S. Department of Education</b>					
Federal Supplemental Educational Opportunity Grants	(M)	84.007		\$ 553,675.24	\$ -
Federal Work-Study Program	(M)	84.033		777,066.04	-
Federal Perkins Loan Program Federal Capital Contributions	(M)	84.038		-	-
Federal Pell Grant Program	(M)	84.063		21,340,173.55	-
Federal Direct Student Loans	(M)	84.268		116,144,105.00	-
Teacher Education Assistance for College & Higher Education Grants (TEACH Grants)	(M)	84.379		<u>322,231.47</u>	<u>-</u>
<i>Total U.S. Department of Education Student Financial Aid Cluster</i>				<u>139,137,251.30</u>	<u>-</u>
<b>U.S. Department of Veterans Affairs</b>					
All-Volunteer Force Educational Assistance	(M)	64.124		<u>1,220,715.68</u>	<u>-</u>
<i>Total U.S. Department of Veterans Educational Affairs Student Financial Aid Cluster</i>				<u>1,220,715.68</u>	<u>-</u>
<b>U.S. Department of Health and Human Services</b>					
Nursing Student Loans	(M)	93.364		<u>-</u>	<u>-</u>
<i>Total U.S. Department of Health and Human Services Student Financial Aid Cluster</i>				<u>-</u>	<u>-</u>
<b>Corporation for National and Community Service</b>					
AmeriCorps	(M)	94.006		<u>51,856.68</u>	<u>-</u>
<i>Total U.S. Department for National and Community Service Student Financial Aid Cluster</i>				<u>51,856.68</u>	<u>-</u>
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>				<u><b>140,409,823.66</b></u>	<u><b>-</b></u>
<b>RESEARCH &amp; DEVELOPMENT CLUSTER</b>					
<b>U.S. Department of Agriculture</b>					
Sustainable Agriculture Research and Education (Passed through University of Minnesota)		10.215	H002484826	447.25	-
Agriculture and Food Research Initiative (AFRI) (Passed through University of Missouri)		10.310	C00042763-1	38,773.45	-
Agriculture and Food Research Initiative (AFRI) (Passed through University of Minnesota)		10.310	H004568902	<u>65,266.48</u>	<u>-</u>
<i>Total U.S. Department of Agriculture R&amp;D</i>				<u>104,487.18</u>	<u>-</u>
<b>U.S. Department of Defense</b>					
Basic Scientific Research - Combating Weapons of Mass Destruction		12.351		114,252.05	-
Basic, Applied, and Advanced Research in Science and Engineering (Passed through University of Texas, San Antonio)		12.630	2604307061	58,248.49	-
Mathematical Sciences Grants Program		12.901		<u>19,768.00</u>	<u>-</u>
<i>Total U.S. Department of Defense R&amp;D</i>				<u>192,268.54</u>	<u>-</u>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<b>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</b>	<b>CFDA Number</b>	<b>Pass-Through Grantor's Number</b>	<b>Expenditures</b>	<b>Passed- Through to Subrecipients</b>
<b>U.S. Geological Survey</b>				
USGS Sample Grant	NONE	40016541	23,262.09	
<i>Total U.S. Geological Survey R&amp;D</i>			<u>23,262.09</u>	<u>-</u>
<b>U.S. Department of Justice</b>				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560		26,809.80	-
<i>Total U.S. Department of Justice R&amp;D</i>			<u>26,809.80</u>	<u>-</u>
<b>U.S. Department of Labor</b>				
Employment Service/Wagner-Peyser Funded Activities (Passed through State of Illinois, Illinois Department of Employment Security)	17.207	11C32	314,407.75	-
WIA/WIOA Pilots, Demonstrations, and Research Projects (Passed through State of Illinois, Illinois Department of Employment Security)	17.261	15C13	124,842.60	-
<i>Total U.S. Department of Labor R&amp;D</i>			<u>439,250.35</u>	<u>-</u>
<b>National Aeronautics and Space Administration</b>				
Science	43.001		22,543.90	-
Science (Passed through University of Pennsylvania)	43.001	562282	5,501.45	-
<i>Total National Aeronautics and Space Administration R&amp;D</i>			<u>28,045.35</u>	<u>-</u>
<b>National Science Foundation</b>				
Engineering Grants (Passed through University of Georgia)	47.041	RR185-434/4893066	9,552.05	-
Mathematical and Physical Sciences	47.049		368,752.48	-
Computer and Information Science and Engineering	47.070		74,235.25	-
Biological Sciences	47.074		253,246.77	-
Social, Behavioral, and Economic Sciences	47.075		48,436.30	-
Education and Human Resources	47.076		777,496.39	334,442.34
Education and Human Resources (Passed through Chicago State University)	47.076	53953	1,133.03	-
Education and Human Resources (Passed through University of Nebraska)	47.076	25-0536-0023-003	19,621.24	-
<i>Total National Science Foundation R&amp;D</i>			<u>798,250.66</u>	<u>334,442.34</u>
			<u>1,552,473.51</u>	<u>334,442.34</u>



STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>U.S. Environmental Protection Agency</b>				
Nonpoint Source Implementation Grants (Passed through State of Illinois, Illinois Environmental Protection Agency)	66.460	3191410	12,990.65	-
<i>Total U.S. Environmental Protection Agency R&amp;D</i>			<u>12,990.65</u>	-
<b>U.S. Department of Energy</b>				
Office of Science Financial Assistance Program (Passed through University of Wisconsin-Madison)	81.049	455K851	129,197.10	-
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/Assistance	81.117		89,916.87	-
<i>Total U.S. Department of Energy R&amp;D</i>			<u>219,113.97</u>	-
<b>U.S. Department of Education</b>				
Career and Technical Education -- Basic Grants to States (Passed through State of Illinois, Illinois State Board of Education)	84.048	4720-00	10,393.14	-
Research in Special Education (Passed through Queens College)	84.324	46374-B	124,753.98	-
School Leadership	84.363		839,608.90	566,232.16
Mathematics & Science Partnerships (Passed through State of Illinois, Illinois State Board of Education)	84.366	4936	179,209.00	-
Improving Teacher Quality State Grants (Passed through State of Illinois, Illinois State Board of Education)	84.367	4932	9,923.00	-
Preschool Development Grants (Passed through State of Illinois, Illinois State Board of Education)	84.419	MY15446	43,718.99	-
<i>Total U.S. Department of Education R&amp;D</i>			<u>1,207,607.01</u>	<u>566,232.16</u>
<b>U.S. Department of Health and Human Services</b>				
Environmental Health	93.113		119,641.68	-
Drug Abuse and Addiction Research Programs (Passed through Case Western Reserve University)	93.279	RES508161	58,900.45	-
Cancer Cause and Prevention Research	93.393		127,165.97	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		90,595.34	-
Allergy and Infectious Diseases Research	93.855		238,744.94	-
Biomedical Research and Research Training	93.859		195,436.68	-
Child Health and Human Development Extramural Research	93.865		226,970.29	-
<i>Total U.S. Department of Health and Human Services R&amp;D</i>			<u>1,057,455.35</u>	-
<b>TOTAL RESEARCH &amp; DEVELOPMENT CLUSTER</b>			<u><b>4,863,763.80</b></u>	<u><b>900,674.50</b></u>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>OTHER PROGRAMS</b>				
<b>U.S. Department of Agriculture</b>				
National School Lunch Program (Passed through State of Illinois, State Board of Education)	10.555	4210	23,257.74	-
Child and Adult Care Food Program (Passed through State of Illinois, State Board of Education)	10.558	4226	<u>7,551.72</u>	-
<i>Total U.S. Department of Agriculture Non-R&amp;D</i>			<u>30,809.46</u>	-
<b>U.S. Department of Defense</b>				
Mathematical Sciences Grants Program	12.901		<u>7,600.00</u>	-
<i>Total U.S. Department of Defense Non-R&amp;D</i>			<u>7,600.00</u>	-
<b>National Endowment for the Humanities</b>				
Promotion of the Arts_Partnership Agreements (Passed through State of Illinois, Illinois Arts Council)	45.025	20141193	<u>12,075.00</u>	-
<i>Total National Endowment for the Humanities Non-R&amp;D</i>			<u>12,075.00</u>	-
<b>National Science Foundation</b>				
Education & Human Resources	47.076		197,248.47	37,587.83
Education & Human Resources (Passed through Chicago State University)	47.076	53725	<u>5,930.00</u>	-
<i>Total National Science Foundation Non-R&amp;D</i>	Total 47.076		<u>203,178.47</u>	<u>37,587.83</u>
			<u>203,178.47</u>	<u>37,587.83</u>
<b>U.S. Small Business Administration</b>				
Small Business Development Center	59.000		(8,333.96)	-
Small Business Development Centers (passed through State of Illinois, Department of Commerce and Economic Opportunity)	59.037	15-181106, 14-561106	<u>79,566.59</u>	-
<i>Total U.S. Small Business Administration Non-R&amp;D</i>			<u>71,232.63</u>	-
<b>U.S. Department of Education</b>				
Special Education_Grants to States (Passed through Southern Illinois University)	84.027	763944	14,563.56	-
TRIO_Student Support Services	84.042		264,357.82	-
Career and Technical Education -- Basic Grants to States (Passed through State of Illinois, Community College Board)	(M) 84.048	CTEL 15001	361,989.51	-
Career and Technical Education -- Basic Grants to States (Passed through State of Illinois, State Board of Education)	(M) 84.048	4720	<u>220,646.95</u>	-
	Total 84.048		<u>582,636.46</u>	-

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>U.S. Department of Education (continued)</b>				
Special Education - State Personnel Development (Passed through State of Illinois, Illinois State Board of Education)	84.323	G Cates	151,327.09	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities (M)	84.325		525,406.21	-
Teacher Quality Partnership Grants	84.336		2,875,684.42	602,008.87
Transition to Teaching	84.350		271,185.12	-
English Language Acquisition State Grants	84.365		707,858.43	-
Improving Teacher Quality State Grants (Passed through State of Illinois, Illinois Board of Higher Education)	84.367	ESEA, CCSS, MY11721	467,421.09	89,782.96
Improving Teacher Quality State Grants (Passed through State of Illinois, Illinois Community College Board)	84.367	15BTG ISU	32,476.59	-
Improving Teacher Quality State Grants (Passed through National Writing Project)	84.367	92-IL03-SEED2012	6,512.99	-
Improving Teacher Quality State Grants (Passed through State of Illinois, Illinois State Board of Education)	84.367	MY11721,MY13625,4935	0.68	-
	Total 84.367		<u>506,411.35</u>	<u>89,782.96</u>
Investing in Innovation (i3) Fund (Passed through University of Minnesota)	84.411	A002619807	89,235.78	-
Race to the Top - Early Learning Challenge (Passed through State of Illinois, Illinois Board of Higher Education)	84.412	2014-4999-00 CENTER	43,468.75	24,695.56
Race to the Top (Passed through State of Illinois, Illinois State Board of Education)	84.413		12,815.78	-
Race to the Top (Passed through State of Illinois, Illinois Community College Board)	84.413	14 RTTT ISU, 15 RTTT ISU	42,810.91	-
	Total 84.413		<u>55,626.69</u>	<u>-</u>
<i>Total U.S. Department of Education Non-R&amp;D</i>			<u>6,087,761.68</u>	<u>716,487.39</u>
<b>U.S. Department of Health and Human Services</b>				
Area Health Education Centers Point of Service Maintenance and Enhancement Awards (Passed through University of Illinois at Chicago)	93.107	U77HP26847	62,405.47	-
Nursing Workforce Diversity	93.178		282,338.11	-
Universal Newborn Hearing Screening (Passed through University of Illinois at Chicago)	93.251	2014-03477-02-00,EC	46,565.76	-
Advanced Education Nursing Traineeships	93.358		349,998.00	-
Temporary Assistance for Needy Families (Passed through State of Illinois, Illinois Department of Human Services)	93.558	Child Care, Metcalf	11,034.83	-
Area Health Education Centers Infrastructure Development Awards (Passed through University of Illinois at Chicago)	93.824	0413, U76HP20207-03-0	24.99	-
<i>Total U.S. Department of Health and Human Services Non-R&amp;D</i>			<u>752,367.16</u>	<u>-</u>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>Corporation for National and Community Service</b>				
AmeriCorps (Passed through Western Illinois University)	94.006	14AFHIL00	24,361.18	-
<i>Total Corporation for National and Community Service Non-R&amp;D</i>			<u>24,361.18</u>	<u>-</u>
<b>Library of Congress</b>				
Teaching with Primary Sources (M)	NONE		179,511.39	-
Teaching with Primary Sources Regional Center Pilot (M)	NONE		194,535.65	98,032.56
Joint TPS Grant for North Carolina State University (M)	NONE		7,953.00	7,953.00
(Passed through Waynesburg University)				
Joint TPS Grant for North Carolina State University (M)	NONE	14823OM	12,927.48	12,927.48
(Passed through Metropolitan State University of Denver)				
<i>Total Library of Congress Non-R&amp;D</i>			<u>394,927.52</u>	<u>118,913.04</u>
<b>Corporation for Public Broadcasting</b>				
Community Service Grant	NONE		162,544.99	-
<i>Total Corporation for Public Broadcasting Non-R&amp;D</i>			<u>162,544.99</u>	<u>-</u>
<b>TOTAL OTHER PROGRAMS NON-R&amp;D</b>			<u>7,746,858.09</u>	<u>872,988.26</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 153,020,445.55</u>	<u>\$ 1,773,662.76</u>

(M) - Program was audited as a major program

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2015**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2015, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements due to specific reporting requirements prescribed by OMB Circular A-133.

**NOTE 2 - LOANS OUTSTANDING**

The University had the following loan balances outstanding at June 30, 2015. These loan balances outstanding are also included in the federal expenditures presented in this schedule.

	<b><u>Outstanding Balance at June 30, 2015</u></b>
Nursing Student Loans	\$ 447,434
Perkins Loan Program	<u>9,010,679</u>
<b>Total loans outstanding</b>	<b><u>\$ 9,458,113</u></b>

There were no administrative costs charged to the Perkins Loan Program.

**NOTE 3 - GUARANTEED STUDENT LOANS - NONCASH EXPENDITURES OF FEDERAL AWARDS**

During the audit period, the University processed the following amounts of new loans under the Federal Direct Student Loans Program:

Direct Student Loans Program	\$ 83,429,399
Direct Parent Loan for Undergraduate Students Program (PLUS)	<u>32,714,706</u>
<b>Total</b>	<b><u>\$116,144,105</u></b>

There were no administrative costs charged to the loan program.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2015**

**NOTE 4 - FOOD DISTRIBUTION PROGRAM - NONCASH EXPENDITURES OF FEDERAL AWARDS**

During the audit period, the University received \$12,095 of food commodities provided by the United States Department of Agriculture, and distributed through the Food Distribution Program that is administered by the State of Illinois, Illinois State Board of Education.

**NOTE 5 - INSURANCE - NONCASH EXPENDITURES OF FEDERAL AWARDS**

During the audit period, there was no Federally-funded insurance in effect.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES,  
AND LAPSED BALANCES  
APPROPRIATIONS FOR FISCAL YEAR 2015**

**For the Fourteen Months Ended August 31, 2015**

	Appropriations (Net After Transfers)	Expenditures, Twelve Months Ended June 30, 2015	Lapse Period Expenditures, Two Months Ended August 31, 2015	Total Expenditures, Fourteen Months Ended August 31, 2015	Balances Lapsed, August 31, 2015
<b>EDUCATION ASSISTANCE FUND— 0007 (P.A. 98-0678 and P.A. 99-0001)</b>					
Personal Services	\$72,226,700	\$72,226,700	\$ -	\$72,226,700	\$ -
<b>Total</b>	\$72,226,700	\$72,226,700	\$ -	\$72,226,700	\$ -
<b>GRAND TOTAL – ALL FUNDS</b>	\$72,226,700	\$72,226,700	\$ -	\$72,226,700	\$ -

Note 1: The data for this report was taken from the University's records and has been reconciled to the data of the Office of the State Comptroller.

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: On March 26, 2015, Public Act 99-0001 was signed into law and reduced the University's Fiscal Year 2015 appropriation from \$73,889,200 to \$72,226,700. The University subsequently returned \$1,227,719 to the State Treasury to meet its reduced appropriation.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES  
For the Fiscal Year Ended June 30,**

	<b>2015 98-0678 and 99-001</b>	<b>2014 98-0035</b>
<b>EDUCATION ASSISTANCE FUND- 0007</b>		
Appropriations (net of transfers)	\$ 72,226,700	\$ 74,089,200
Expenditures		
Personal services	72,226,700	74,089,200
Total expenditures	72,226,700	74,089,200
Lapsed balances	\$ -	\$ -
<b>GRAND TOTAL, ALL FUNDS</b>		
Appropriations (net of transfers)	\$ 72,226,700	\$ 74,089,200
Expenditures	72,226,700	74,089,200
Lapsed balances	\$ -	\$ -

Note 1: The data for this report was taken from the University’s records and has been reconciled to the data of the Office of the State Comptroller.

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: On March 26, 2015, Public Act 99-0001 was signed into law and reduced the University’s Fiscal Year 2015 appropriation from \$73,889,200 to \$72,226,700. The University subsequently returned \$1,227,719 to the State Treasury to meet its reduced appropriation.



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN APPROPRIATED EXPENDITURES  
For the Year Ended June 30, 2015**

**ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENDITURES BETWEEN FISCAL YEARS  
2015 AND 2014**

There were no significant variations in expenditures between Fiscal Years 2015 and 2014.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SIGNIFICANT LAPSE PERIOD EXPENDITURES  
For the Year Ended June 30, 2015**

There were no significant expenditures incurred during the Lapse Period.

**STATE OF ILLINOIS**  
**ILLINOIS STATE UNIVERSITY**  
**COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES**  
**UNIVERSITY INCOME FUND**  
**Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>		
Registration fees	\$ 163,678,422	\$ 155,626,239
Registration – extension	295,118	639,026
Enrollment deposit fee forfeitures	13,050	10,800
Tuition and fees waived	9,960,400	9,053,900
Library fines	7,665	11,808
Instructional support fee	1,060,169	831,580
Investment income	1,257,351	1,108,735
Net increase in fair market value of investments	143,757	289,872
Payments on behalf of University	1,468,954	1,453,205
Gifts and donations	360,424	-
Other	1,124,274	456,944
	\$ 179,369,584	\$ 169,482,109
<b>EXPENSES</b>		
Personal services	\$ 82,378,595	\$ 80,089,053
SURS retirement	157,033	125,974
Medicare	2,433,195	2,414,641
Contractual services	34,852,589	29,733,608
Travel	1,684,694	1,685,591
Commodities	2,749,443	2,600,581
Equipment and library books	10,168,044	9,051,479
Telecommunications services	908,554	2,423,366
Operation of automotive equipment	577,630	664,180
Tuition and fees waived	9,960,400	9,053,900
Awards, grants, and matching funds	17,585,544	13,882,451
Permanent improvements	1,095,230	4,640,961
	164,550,951	156,365,785
Subtotal		
GASB No. 35 Adjustments:		
Depreciation	14,055,165	14,104,850
Equipment additions/disposals	(5,933,292)	(5,901,106)
	\$ 172,672,824	\$ 164,569,529

Note 1: Pursuant to the State Finance Act (30 ILCS 105/6a-1b), responsibility and control of the Illinois State University Income Fund was transferred directly to the University. It is now a non-appropriated, local fund maintained by the University.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF CHANGES IN CAPITAL ASSETS  
For the Year Ended June 30, 2015**

Data for this schedule included all accounting entities and was obtained from University records, which have been reconciled to the property records submitted to the Office of the State Comptroller.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Land	\$ 15,263,775	\$ 642,021	\$ -	\$ 15,905,796
Land Improvements	35,013,200	-	-	35,013,200
Infrastructure	13,146,983	-	-	13,146,983
Buildings	566,184,287	4,195,398	-	570,379,685
Equipment	95,235,693	4,367,671	(2,485,688)	97,117,676
Library materials	90,498,843	4,167,500	-	94,666,343
Construction in progress	<u>11,830,675</u>	<u>13,222,119</u>	<u>(3,226,358)</u>	<u>21,826,436</u>
Subtotal	<u>827,173,456</u>	<u>26,594,709</u>	<u>(5,712,046)</u>	<u>848,056,119</u>
Less accumulated depreciation for:				
Land Improvements	13,444,289	1,003,506	-	14,447,795
Infrastructure	7,296,909	302,551	-	7,599,460
Buildings	217,189,653	13,033,276	-	230,222,929
Equipment	74,694,116	6,322,299	(2,435,531)	78,580,884
Library materials	<u>71,341,483</u>	<u>3,654,056</u>	<u>-</u>	<u>74,995,539</u>
Total accumulated depreciation	<u>383,966,450</u>	<u>24,315,688</u>	<u>(2,435,531)</u>	<u>405,846,607</u>
<b>CAPITAL ASSETS, NET</b>	<u>\$ 443,207,006</u>			<u>\$ 442,209,512</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF CASH AND  
CASH EQUIVALENTS  
June 30, 2015 and 2014**

Significant details of cash and cash equivalents as of June 30, 2015 and 2014 are presented below for all funds of the University:

	<u>2015</u>		<u>2014</u>	
	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Interest Rate</u>
<b>CASH ON HAND – VAULT AND CHANGE FUNDS</b>	\$ 192,504	Non-interest bearing	\$ 230,146	Non-interest bearing
<b>BANK MONEY MARKET FUNDS</b>				
Commerce Bank	39,193,264	0-.04%	32,180,896	N/A
Illinois Funds @ U.S. Bank	9,164,390	0-.051%	7,413,467	0-.019%
Bank of New York	-	0%	6	0%
U.S. Bank	<u>6,982,251</u>	0-.01%	<u>7,497,268</u>	0-.01%
Total bank money market funds	<u>55,339,905</u>		<u>47,091,637</u>	
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 55,532,409</u>		<u>\$47,321,783</u>	

Cash and cash equivalent balances are presented in the balance sheets at June 30, 2015 and 2014 as follows:

Cash and cash equivalents	\$ 48,550,158	\$ 39,824,515
Restricted cash and cash equivalents	<u>6,982,251</u>	<u>7,497,268</u>
<b>TOTAL CASH AND CASH EQUIVALENT BALANCES</b>	<u>\$ 55,532,409</u>	<u>\$ 47,321,783</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF INVESTMENTS  
June 30, 2015 and 2014**

	<u>2015</u>		<u>2014</u>	
	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Interest Rate</u>
U.S. Treasury and Agency Obligations and Agency notes	\$214,998,356	.25-5.625%	\$ 198,430,929	.75-5.625%
<b>TOTAL INVESTMENTS</b>	<u>\$214,998,356</u>		<u>\$198,430,929</u>	

Investments are presented in the balance sheets at June 30, 2015 and 2014 as follows:

Current:		
Investments	\$35,809,640	\$ 20,362,000
Restricted investments	2,142,006	11,947,435
Noncurrent:		
Investments	177,046,710	163,975,141
Restricted investments	<u>-</u>	<u>2,146,353</u>
<b>TOTAL INVESTMENTS</b>	<u>\$214,998,356</u>	<u>\$198,430,929</u>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGIFICANT VARIATIONS IN REVENUES AND EXPENSES  
June 30, 2015 and 2014

Schedule 10

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
<b>OPERATING REVENUES</b>				
Student tuition and fees, net	\$191,621,434	\$180,469,729	\$11,151,705	6.18%
Federal grants and contracts	11,773,800	12,192,971	(419,171)	-3.44%
State and local grants and contracts	2,957,409	2,683,647	273,762	10.20%
Nongovernmental grants and contracts	2,559,332	2,344,371	214,961	9.17%
Sales and services of educational activities	2,868,737	2,866,153	2,584	0.09%
Auxiliary facilities	84,668,594	83,179,349	1,489,245	1.79%
Other operating revenues	23,037,486	22,746,648	290,838	1.28%
<b>OPERATING EXPENSES</b>				
Educational and General:				
Instruction	117,811,710	113,309,443	4,502,267	3.97%
Research	15,699,061	14,766,746	932,315	6.31%
Public service	12,990,705	14,210,276	(1,219,571)	-8.58%
Academic support	20,321,684	19,942,550	379,134	1.90%
Student services	42,767,857	38,757,524	4,010,333	10.35%
Institutional support	37,006,836	35,453,411	1,553,425	4.38%
Operation and maintenance of plant	30,630,543	48,728,240	(18,097,697)	-37.14% (A)
Depreciation	24,315,688	24,529,019	(213,331)	-0.87%
Staff benefits	2,738,511	1,756,425	982,086	55.91%
Student aid	52,129,985	47,116,143	5,013,842	10.64%
Payments on behalf of the University	136,085,524	127,236,673	8,848,851	6.95%
Auxiliary facilities:				
Student housing, activity facilities, and parking	53,973,226	56,645,114	(2,671,888)	-4.72%
Other operating expenditures	1,567,580	1,819,435	(251,855)	-13.84%
<b>NONOPERATING REVENUES (EXPENSES)</b>				
State appropriations	72,226,700	74,089,200	(1,862,500)	-2.51%
Payments on behalf of the University - State	136,085,524	127,236,673	8,848,851	6.95%
Payments on behalf of the University - Foundation	1,468,954	1,453,205	15,749	1.08%
Laboratory Schools	8,479,585	8,618,042	(138,457)	-1.61%
Gifts and donations	557,001	152,182	404,819	266.01%
Investment income, net of investment expenses	3,043,908	2,904,840	139,068	4.79%
Interest expense	(5,616,037)	(5,890,064)	274,027	-4.65%
Other nonoperating revenues	38,575,390	37,055,165	1,520,225	4.10%
Capital appropriations	1,298,673	890,862	407,811	45.78%
Capital grants and gifts	1,091,332	1,350,420	(259,088)	-19.19%

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUES AND EXPENSES  
June 30, 2015 and 2014

Schedule 10

All variances greater than \$1,500,000 and more than 15% from Fiscal Year 2014 are discussed below. Refer to the Analysis of Significant Variations in Account Balances on page 42 for the actual dollar changes.

**Explanations of significant variances:**

- (A) Operation and maintenance of plant - During Fiscal Year 2014, there was a significant increase in expenses due to a transfer of the Central Illinois Regional Broadband Network (CIRBN) assets to the CIRBN, LLC. There were no similar transactions in Fiscal Year 2015.



STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS, DEFERRED OUTFLOWS OF RESOURCES AND LIABILITIES  
June 30, 2015 and 2014

Schedule 11

	2015	2014	Increase (Decrease)	Percentage Change
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$48,550,158	\$39,824,515	\$8,725,643	21.91% (A)
Restricted cash and cash equivalents	6,982,251	7,497,268	(515,017)	-6.87%
Investments	35,809,640	20,362,000	15,447,640	75.87% (B)
Investments Restricted	2,142,006	11,947,435	(9,805,429)	-82.07% (C)
Accrued interest receivable	483,850	476,846	7,004	1.47%
Accrued interest receivable restricted	2,684	2,684	-	0.00%
Accounts receivable, net	12,783,798	14,123,882	(1,340,084)	-9.49%
Student loans receivable, net	8,064,663	1,038,170	7,026,493	676.82% (D)
Appropriations receivable from State	14,508,285	18,260,048	(3,751,763)	-20.55% (E)
Inventories	2,695,897	2,764,499	(68,602)	-2.48%
Prepaid expenses, deposits and other	2,632,650	2,574,519	58,131	2.26%
Noncurrent Assets:				
Investments	177,046,710	163,975,141	13,071,569	7.97% (B)
Investments Restricted	-	2,146,353	(2,146,353)	-100.00% (C)
Student loans receivable, net	385,604	7,577,764	(7,192,160)	-94.91% (D)
Debt issuance costs	521,827	561,460	(39,633)	-7.06%
Capital assets not depreciated	37,732,232	27,094,450	10,637,782	39.26% (F)
Capital assets, net of depreciation	404,477,280	416,112,556	(11,635,276)	-2.80%
Other noncurrent assets	600,000	900,000	(300,000)	-33.33%
Deferred Outflow Pension Contribution	651,497	-	651,497	100.00%
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	18,862,473	20,151,199	(1,288,726)	-6.40%
Obligations under capital leases	507,804	494,561	13,243	2.68%
Assets held in custody for others and deposits	7,127,226	8,093,064	(965,838)	-11.93%
Unearned revenue	11,356,040	10,239,788	1,116,252	10.90%
Certificates of participation	2,633,545	2,558,545	75,000	2.93%
Revenue bonds payable	6,941,053	6,908,055	32,998	0.48%
Accrued compensated absences	2,048,201	2,022,159	26,042	1.29%
Noncurrent Liabilities:				
Assets held in custody for others and deposits	15,873	19,090	(3,217)	-16.85%
Certificates of participation	50,884,018	53,517,563	(2,633,545)	-4.92%
Revenue bonds payable	84,444,326	91,076,578	(6,632,252)	-7.28%
Accrued compensated absences	14,408,569	14,096,647	311,922	2.21%
Obligations under capital leases	-	507,804	(507,804)	-100.00%

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN ASSETS,  
DEFERRED OUTFLOWS OF RESOURCES AND LIABILITIES  
June 30, 2015 and 2014

Schedule 11

All variances greater than \$1,500,000 and more than 15% from Fiscal Year 2014 are discussed below. Refer to the Analysis of Significant Variations in Account Balances on page 44 for the actual dollar changes.

Explanations of significant variances:

- (A) Cash and cash equivalents - The increase is a result of the State reimbursing the University's appropriations drawdowns on a more timely basis.
- (B) Investments - The increase is attributable to an increase in funds available to invest as a result of the University's planning for major capital projects that will commence during Fiscal Year 2016.
- (C) Investments Restricted - The proceeds from the 2014 Certificates of Participation were invested in a mix of short-term and long-term securities in 2014. The University used these proceeds for information technology improvements and high priority facilities improvement projects during Fiscal Year 2015, which resulted in spending the financing proceeds.
- (D) Student loan receivable, net - Overall, the balance has not changed significantly. However, the Perkins loan receivable amount was reclassified to current from long-term accounts receivable during Fiscal Year 2015 due to Congress not continuing the program.
- (E) Appropriations receivable from State - The decrease is a result of the State reimbursing the University's appropriations drawdowns on a more timely basis.
- (F) Capital assets not depreciated - The increase is a result of the University capitalizing the information technology improvements paid for using the 2014 Certificates of Participation.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF ACCOUNTS RECEIVABLE  
June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
<b>ACCOUNTS RECEIVABLE</b>			
Current funds:			
Local funds (less allowance for doubtful accounts of \$1,347,226 and \$1,208,755 at June 30, 2015 and 2014, respectively)	\$ 5,080,411	\$ 5,026,790	\$ 53,621
Auxiliary facilities system (less allowance for doubtful accounts of \$1,030,786 and \$891,826 at June 30, 2015 and 2014, respectively)	2,701,794	3,898,280	(1,196,486)
Restricted funds	4,578,008	4,752,447	(174,439)
Payroll and clearing accounts	<u>47,766</u>	<u>50,640</u>	<u>(2,874)</u>
Total current funds	12,407,979	13,728,157	(1,320,178)
Agency funds	319,670	378,028	(58,358)
Loan funds	<u>56,149</u>	<u>17,696</u>	<u>38,453</u>
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<u>\$12,783,798</u>	<u>\$14,123,881</u>	<u>\$ (1,340,083)</u>

**NOTES RECEIVABLE**

Loan funds:

Student loans receivable (less allowance for doubtful loans of \$1,046,107 and \$984,784 at June 30, 2015 and 2014, respectively)	<u>\$ 8,450,267</u>	<u>\$ 8,615,934</u>	<u>\$ (165,667)</u>
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**AGED ANALYSIS OF ACCOUNTS RECEIVABLE  
AND UNCOLLECTIBLE ACCOUNTS**

The University did not have an aged analysis of accounts receivable; however, accounts receivable other than tuition, room and board, and fees receivable are generally less than 180 days old and considered to be collectible. An allowance for doubtful accounts of \$1,210,978 and \$1,097,523 at June 30, 2015 and 2014, respectively, has been established for tuition receivable deemed uncollectible. An allowance for doubtful accounts of \$904,021 and \$766,448 at June 30, 2015 and 2014, respectively, has been established for room and board receivable deemed uncollectible. An additional allowance for doubtful accounts of \$263,013 and \$236,609 at June 30, 2015 and 2014, respectively, has been established for fees receivable deemed uncollectible.

Notes receivable are presented in the balance sheets at June 30, 2015 and 2014 as follows:

	<u>2015</u>	<u>2014</u>
Current	\$ 1,051,185	\$ 1,038,170
Noncurrent	<u>7,399,082</u>	<u>7,577,764</u>
	<u>\$ 8,450,267</u>	<u>\$ 8,615,934</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES  
Year Ended June 30, 2015**

A listing of the University's Auxiliary Facilities, Activities, Accounting Entities, their purposes, and their sources of revenue for the year ended June 30, 2015, are provided below.

### **Indirect Cost Support**

These accounts are supported by indirect cost reimbursements or accounts that receive funding as a by-product of federal, State, and private grants. The funds pay for administrative costs, physical plant cost (including utilities), and grant proposals.

### **Current Unrestricted Local Funds**

#### Continuing Education and Public Services

These activities are established primarily to provide noncredit services to individuals and groups external to the institution. These activities include community services programs and cooperative extension services. Included in this category are conferences, institutes, general advisory services, reference bureaus, radio and television, consulting, alumni activities, and similar non-instructional services to particular sectors of the community.

#### Sales and Services of Educational Activities

Sales and services of educational activities support instruction and help demonstrate classroom or related educational techniques to students. Revenue is from services and materials furnished which are incidental to the department. Receipts are from testing, cartographic services, book sales, sales of instructional materials, and public opinion services.

#### Student Programs and Services – University

These programs are supported by student activity fees, gate receipts from athletic events, and income from concerts and performances sponsored by the students.

In addition to the intercollegiate athletics programs, the funds sponsor a variety of student functions including speakers, acquisition of art objects, legal assistance, and grants-in-aid.

#### Student Programs and Services – Laboratory Schools

These programs are supported by student activity fees, gate receipts from athletic events, and participation fees for clubs and camps.

#### Field Trips and Foreign Study

These activities are supporting program costs for primarily credit courses at an off-campus site or at a foreign educational institution. The supporting costs include housing, transportation, printing, advertising, admissions, and other related program costs.

#### Income Fund

The income fund is supported by tuition, registration fees, academic support fees, library fines, and other miscellaneous income.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES  
Year Ended June 30, 2015**

**Service Departments**

These departments provide services to various University departments on a charge-back basis. Rates are established and reviewed periodically to operate each service department on a break-even basis.

**Auxiliary Facilities**Student Housing

Accounts for the University's student residence halls and dining facilities whose construction was financed through the issuance of revenue bonds. The primary sources of revenue are room and board income, interest, food stores' sales, bakery sales, and laundry and vending machine commissions.

Student Activities

Accounts for the University's student union, athletic facilities, golf course, center for performing arts, and related facilities whose construction was financed through the issuance of revenue bonds. The primary sources of revenue are student fees and merchandise and service sales.

Parking Services

This account supports the development and maintenance of campus parking lots and decks. The source of funds is from parking permits, meters, fines, and rentals.

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET POSITION - LOCAL FUNDS  
YEAR ENDED JUNE 30, 2015

	Indirect Cost Support	Continuing Education & Public Service	Sales & Service of Educational Activities	Student Programs & Services - University	Student Programs & Services - Laboratory Schools	Field Trip & Foreign Study Activities	Income Fund	Sub-Total
<b>ASSETS</b>								
Current Assets:								
Cash and cash equivalents	\$ -	\$ -	\$ 1,517,967	\$ 8,382,255	\$ 420,529	\$ 1,237,628	\$ 8,249,021	\$ 19,807,400
Cash and cash equivalents - restricted	-	-	-	-	-	-	6,982,251	6,982,251
Investments - Restricted	-	-	-	-	-	-	2,142,006	2,142,006
Accrued interest receivable	5,112	5,682	-	-	-	-	217,952	228,746
Accrued interest receivable - Restricted	-	-	-	-	-	-	2,684	2,684
Accounts receivable, net	-	87,747	50,951	754,493	-	-	3,901,468	4,794,659
Appropriations receivable from State	-	-	-	-	-	-	14,508,285	14,508,285
Inventories	-	224,215	73,035	117,384	-	-	333,552	748,186
Prepaid expenses and deposits	88,943	9,477	8,028	93,187	-	1,316	2,110,033	2,310,984
Deferred charges and obligations	-	-	-	-	-	-	66,193	66,193
<b>Total current assets</b>	<b>94,055</b>	<b>327,121</b>	<b>1,649,981</b>	<b>9,347,319</b>	<b>420,529</b>	<b>1,238,944</b>	<b>38,513,445</b>	<b>51,591,394</b>
Noncurrent Assets:								
Investments	1,920,086	2,134,014	-	-	-	-	81,857,198	85,911,298
Restricted Investments	-	-	-	-	-	-	-	0
Bond issuance costs	-	-	-	-	-	-	234,801	234,801
Capital assets, net	525,394	771,557	4,501,537	2,437,186	4,562	4,821	221,057,293	229,302,350
Other noncurrent assets	-	-	-	-	-	-	600,000	600,000
<b>Total noncurrent assets</b>	<b>2,445,480</b>	<b>2,905,571</b>	<b>4,501,537</b>	<b>2,437,186</b>	<b>4,562</b>	<b>4,821</b>	<b>303,749,292</b>	<b>316,048,449</b>
Deferred outflows of resources	-	-	-	-	-	-	651,497	651,497
<b>Total assets and deferred outflows of resources</b>	<b>2,539,535</b>	<b>3,232,692</b>	<b>6,151,518</b>	<b>11,784,505</b>	<b>425,091</b>	<b>1,243,765</b>	<b>342,914,234</b>	<b>368,291,340</b>
<b>LIABILITIES</b>								
Current Liabilities:								
Accounts payable and accrued liabilities	38,343	319,186	62,096	559,721	22,067	201,699	6,136,510	7,339,622
Obligations payable	-	-	-	-	-	-	48,185	48,185
Obligations under capital leases	-	-	-	-	-	-	507,804	507,804
Assets held in custody for others and deposits	-	43,074	-	208,953	-	-	-	252,027
Unearned revenue	-	517,627	-	919,070	-	396,562	4,500,579	6,333,838
Accrued compensated absences	105	6,112	1,479	97,436	103	1,147	1,601,522	1,707,904
Certificates of Participation	-	-	-	-	-	-	2,633,545	2,633,545
<b>Total current liabilities</b>	<b>38,448</b>	<b>885,999</b>	<b>63,575</b>	<b>1,785,180</b>	<b>22,170</b>	<b>599,408</b>	<b>15,428,145</b>	<b>18,822,925</b>
Noncurrent Liabilities:								
Accrued compensated absences	1,247	72,711	17,601	1,159,171	1,223	13,640	10,920,186	12,185,779
Certificates of participation	-	-	-	-	-	-	50,884,018	50,884,018
<b>Total noncurrent liabilities</b>	<b>1,247</b>	<b>72,711</b>	<b>17,601</b>	<b>1,159,171</b>	<b>1,223</b>	<b>13,640</b>	<b>61,804,204</b>	<b>63,069,797</b>
<b>Total liabilities</b>	<b>39,695</b>	<b>958,710</b>	<b>81,176</b>	<b>2,944,351</b>	<b>23,393</b>	<b>613,048</b>	<b>77,232,349</b>	<b>81,892,722</b>
<b>NET POSITION</b>								
Net investment in capital assets	525,394	771,557	4,501,537	2,437,186	4,562	4,821	225,405,999	233,651,056
Unrestricted	1,974,446	1,502,425	1,568,805	6,402,968	397,136	625,896	40,275,886	52,747,562
<b>Total net position</b>	<b>\$ 2,499,840</b>	<b>\$ 2,273,982</b>	<b>\$ 6,070,342</b>	<b>\$ 8,840,154</b>	<b>\$ 401,698</b>	<b>\$ 630,717</b>	<b>\$ 265,681,885</b>	<b>\$ 286,398,618</b>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - LOCAL FUNDS  
YEAR ENDED JUNE 30, 2015

Schedule 15

	Indirect Cost Support	Continuing Education & Public Service	Sales & Service of Educational Activities	Student Programs & Services - University	Student Programs & Services - Laboratory Schools	Field Trip & Foreign Study Activities	Income Fund	Local Funds Total
<b>OPERATING REVENUES</b>								
Student tuition and fees, net	\$ -	\$ -	\$ -	\$ 30,090,645	\$ -	\$ 2,036,339	\$ 159,494,450	\$ 191,621,434
Sales and services of educational activities	-	-	2,860,877	-	7,860	-	-	2,868,737
Other operating revenues	1,614,885	8,227,763	6,200	9,657,176	209,534	691,890	911,751	21,319,199
Total operating revenues	<u>1,614,885</u>	<u>8,227,763</u>	<u>2,867,077</u>	<u>39,747,821</u>	<u>217,394</u>	<u>2,728,229</u>	<u>160,406,201</u>	<u>215,809,370</u>
<b>OPERATING EXPENSES</b>								
Educational and General								
Instruction	-	151,424	1,726,204	703,008	-	2,735,794	65,071,772	70,388,202
Research	823,552	-	133,112	-	751,463	-	828,899	2,537,026
Public service	-	6,323,057	401,758	1,890	-	-	731,521	7,458,226
Academic support	218,908	1,152	280,679	-	-	-	11,320,458	11,821,197
Student services	-	210,580	60,390	35,837,189	-	-	3,689,330	39,797,489
Institutional support	376,686	147,972	-	-	-	-	25,559,596	26,084,254
Operation and maintenance of plant	285,532	151,564	2,611	231,085	-	-	23,302,765	23,973,557
Depreciation	146,625	22,977	218,712	215,026	4,799	1,071	14,055,165	14,664,375
Staff benefits	140,843	(12,657)	8,270	380,437	1,212	19,087	277,314	814,506
Student aid	1,525	10,445	1,100	2,439,603	-	60,802	27,487,240	30,000,715
Other operating expenditures	-	1,567,579	-	-	-	-	-	1,567,579
Total operating expenses	<u>1,993,671</u>	<u>8,574,093</u>	<u>2,832,836</u>	<u>39,808,238</u>	<u>757,474</u>	<u>2,816,754</u>	<u>172,324,060</u>	<u>229,107,126</u>
Operating income (loss)	<u>(378,786)</u>	<u>(346,330)</u>	<u>34,241</u>	<u>(60,417)</u>	<u>(540,080)</u>	<u>(88,525)</u>	<u>(11,917,859)</u>	<u>(13,297,756)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Payments on behalf of the University - Foundation	-	-	-	-	-	-	1,468,954	1,468,954
Laboratory Schools	-	-	-	-	609,754	-	-	609,754
Gifts and donations	-	207	-	1,325	-	-	555,469	557,001
Investment income, net of investment expenses	1,605	5,086	-	72,676	631	-	1,401,108	1,481,106
Interest expense	-	-	-	-	-	-	(1,358,431)	(1,358,431)
Other nonoperating revenues	-	140,087	7,435	965,493	1,951	703	15,752,907	16,868,576
Net nonoperating revenues	<u>1,605</u>	<u>145,380</u>	<u>7,435</u>	<u>1,039,494</u>	<u>612,336</u>	<u>703</u>	<u>17,820,007</u>	<u>19,626,960</u>
Income (loss) before capital items	<u>(377,181)</u>	<u>(200,950)</u>	<u>41,676</u>	<u>979,077</u>	<u>72,256</u>	<u>(87,822)</u>	<u>5,902,148</u>	<u>6,329,204</u>
Capital appropriations	-	-	-	-	-	-	1,298,673	1,298,673
Capital grants and gifts	-	-	-	-	-	-	260,888	260,888
Total capital items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,559,561</u>	<u>1,559,561</u>
Increase (decrease) in net position	<u>(377,181)</u>	<u>(200,950)</u>	<u>41,676</u>	<u>979,077</u>	<u>72,256</u>	<u>(87,822)</u>	<u>7,461,709</u>	<u>7,888,765</u>
<b>NET POSITION</b>								
Net position - beginning of year	2,877,021	2,474,932	6,028,666	7,861,077	329,442	718,539	257,592,021	277,881,698
Cumulative effect of changes in accounting principle	-	-	-	-	-	-	628,155	628,155
Net position - end of year	<u>\$ 2,499,840</u>	<u>\$ 2,273,982</u>	<u>\$ 6,070,342</u>	<u>\$ 8,840,154</u>	<u>\$ 401,698</u>	<u>\$ 630,717</u>	<u>\$ 265,681,885</u>	<u>\$ 286,398,618</u>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET POSITION - SERVICE DEPARTMENTS  
YEAR ENDED JUNE 30, 2015

Schedule 16

	<u>Service Departments</u>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 10,342,658
Accounts receivable, net	47,766
Inventories	1,727,695
Prepaid expenses and deposits	<u>154,784</u>
Total current assets	<u>12,272,903</u>
Noncurrent Assets:	
Capital assets, net	<u>2,297,979</u>
Total assets	<u>14,570,882</u>
 <b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	811,553
Unearned revenue	97,298
Accrued compensated absences	<u>139,980</u>
Total current liabilities	<u>1,048,831</u>
Noncurrent Liabilities:	
Accrued compensated absences	<u>693,963</u>
Total liabilities	<u>1,742,794</u>
 <b>NET POSITION</b>	
Net investment in capital assets	2,297,979
Unrestricted	<u>10,530,109</u>
Total net position	<u>\$ 12,828,088</u>



ILLINOIS STATE UNIVERSITY  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -  
 SERVICE DEPARTMENTS  
 YEAR ENDED JUNE 30, 2015

Schedule 17

	<u>Service Departments</u>
<b>OPERATING REVENUES</b>	
Other operating revenues	\$ <u>19,705,882</u>
Total operating revenues	<u>19,705,882</u>
<b>OPERATING EXPENSES</b>	
Educational and General:	
Instruction	241,549
Institutional support	5,803,244
Operation and maintenance of plant	12,345,160
Depreciation	822,396
Staff benefits	<u>(90,484)</u>
Total operating expenses	<u>19,121,865</u>
Operating income	<u>584,017</u>
<b>NONOPERATING REVENUES</b>	
Investment income, net of investment expenses	704,918
Other nonoperating revenues	<u>49,702</u>
Increase in net position	<u>1,338,637</u>
<b>NET POSITION</b>	
Net position - beginning of year	<u>11,489,451</u>
Net position - end of year	\$ <u><u>12,828,088</u></u>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET POSITION - AUXILIARY FACILITIES  
YEAR ENDED JUNE 30, 2015

Schedule 18

	<u>Housing</u>	<u>Student Activities</u>	<u>Parking</u>	<u>Auxiliary Facilities Total</u>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 41,056	\$ 158,408	\$ 1,152,625	\$ 1,352,089
Cash and cash equivalents - restricted	-	-	-	-
Investments	34,013,748	1,795,892	-	35,809,640
Accrued interest receivable	222,095	29,942	3,066	255,103
Accounts receivable, net	2,145,153	488,642	67,999	2,701,794
Inventories	169,315	50,701	-	220,016
Prepaid expenses and deposits	20,418	12,468	1,165	34,051
Deferred charges and obligations	8,386	17,276	1,173	26,835
<b>Total current assets</b>	<u>36,620,171</u>	<u>2,553,329</u>	<u>1,226,028</u>	<u>40,399,528</u>
Noncurrent Assets:				
Investments	78,972,703	11,011,169	1,151,540	91,135,412
Bond issuance costs	40,544	238,631	7,850	287,025
Capital assets, net	92,548,295	93,181,633	23,330,472	209,060,400
<b>Total noncurrent assets</b>	<u>171,561,542</u>	<u>104,431,433</u>	<u>24,489,862</u>	<u>300,482,837</u>
<b>Total assets</b>	<u>208,181,713</u>	<u>106,984,762</u>	<u>25,715,890</u>	<u>340,882,365</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	3,191,087	724,897	97,866	4,013,850
Assets held in custody for others and deposits	1,264,241	95,127	-	1,359,368
Unearned revenue	87,439	540,202	118,180	745,821
Accrued compensated absences	119,106	28,871	4,332	152,309
Revenue bonds payable	546,325	5,537,246	857,482	6,941,053
<b>Total current liabilities</b>	<u>5,208,198</u>	<u>6,926,343</u>	<u>1,077,860</u>	<u>13,212,401</u>
Noncurrent Liabilities:				
Assets held in custody for others and deposits	15,873	-	-	15,873
Accrued compensated absences	1,006,319	243,931	36,603	1,286,853
Revenue bonds payable	29,896,893	48,758,670	5,788,763	84,444,326
<b>Total noncurrent liabilities</b>	<u>30,919,085</u>	<u>49,002,601</u>	<u>5,825,366</u>	<u>85,747,052</u>
<b>Total liabilities</b>	<u>36,127,283</u>	<u>55,928,944</u>	<u>6,903,226</u>	<u>98,959,453</u>
<b>NET POSITION</b>				
Net investment in capital assets	62,105,077	38,885,717	16,684,227	117,675,021
Unrestricted	109,949,353	12,170,101	2,128,437	124,247,891
<b>Total net position</b>	<u>\$ 172,054,430</u>	<u>\$ 51,055,818</u>	<u>\$ 18,812,664</u>	<u>\$ 241,922,912</u>

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - AUXILIARY FACILITIES  
YEAR ENDED JUNE 30, 2015

Schedule 19

	<b>Housing</b>	<b>Activities</b>	<b>Parking</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Auxiliary enterprises				
Auxiliary facilities	\$ 60,161,863	\$ 20,461,220	\$ 4,045,511	\$ 84,668,594
Total operating revenues	60,161,863	20,461,220	4,045,511	84,668,594
<b>OPERATING EXPENSES</b>				
Educational and General				
Depreciation	3,615,140	3,856,626	646,065	8,117,831
Auxiliary facilities:				
Student housing, activity facilities, and parking	41,099,326	10,820,342	2,053,559	53,973,227
Total operating expenses	44,714,466	14,676,968	2,699,624	62,091,058
Operating income	15,447,397	5,784,252	1,345,887	22,577,536
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income, net of investment expenses	723,225	100,690	10,807	834,722
Interest expense	(2,363,998)	(1,338,191)	(555,417)	(4,257,606)
Other nonoperating income	242,747	85,314	2,700	330,761
Net nonoperating expenses	(1,398,026)	(1,152,187)	(541,910)	(3,092,123)
Income before capital items	14,049,371	4,632,065	803,977	19,485,413
Capital grants and gifts	-	615,250	-	615,250
Total capital items	-	615,250	-	615,250
Increase in net position	14,049,371	5,247,315	803,977	20,100,663
<b>NET POSITION</b>				
Net position - beginning of year	158,005,059	45,808,503	18,008,687	221,822,249
Net position - end of year	\$ 172,054,430	\$ 51,055,818	\$ 18,812,664	\$ 241,922,912

**STATE OF ILLINOIS**  
**ILLINOIS STATE UNIVERSITY**  
**CURRENT UNRESTRICTED LOCAL FUNDS**  
**CONTINUING EDUCATION AND PUBLIC SERVICES**  
**CALCULATION SHEET FOR CURRENT EXCESS FUNDS**  
**June 30, 2015**  
**(Unaudited)**

**1. Current Available Funds**

Add:	
Cash .....	
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	2,122,777
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	A. 2,122,777

**2. Working Capital Allowance**

Add:	
Highest month's expenditures .....	1,020,220
Encumbrances and current liabilities paid in lapse period .....	319,186
Unearned revenue .....	517,627
Refundable deposits .....	43,074
Allowance for Restoring Inventory to Normal Level .....	-
Allowance for Sick Leave/Vacation Payouts .....	78,823
Working Capital Allowance .....	B. 1,978,930

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	C. 143,847
--	------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	D. (142,514)
Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	1,333

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2015  
(Unaudited)

**1. Current Available Funds**

Add:

Cash .....	
Cash Equivalents .....	
Bank Deposits .....	1,517,967
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 1,517,967</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	342,086
Encumbrances and current liabilities paid in lapse period .....	62,096
Unearned revenue .....	-
Refundable deposits .....	-
Allowance for Restoring Inventory to Normal Level .....	10,658
Allowance for Sick Leave/Vacation Payouts .....	19,080
Working Capital Allowance .....	<b>B. 433,920</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 1,084,047</b>
--	---------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (784,734)</b>
--	---------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>299,313</b>
--	----------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
STUDENT PROGRAMS AND SERVICES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2015  
(Unaudited)**

**1. Current Available Funds**

Add:

Cash .....	
Cash Equivalents .....	
Bank Deposits .....	<b>8,802,784</b>
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	-
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 8,802,784</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	<b>7,884,888</b>
Encumbrances and current liabilities paid in lapse period .....	<b>581,788</b>
Unearned revenue .....	<b>919,070</b>
Refundable deposits .....	<b>208,953</b>
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	<b>1,257,934</b>
Working Capital Allowance .....	<b>B. 10,852,633</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. (2,049,849)</b>
--	-----------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (450,421)</b>
--	---------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(2,500,270)</b>
--	--------------------

STATE OF ILLINOIS  
 ILLINOIS STATE UNIVERSITY  
 CURRENT UNRESTRICTED LOCAL FUNDS  
 FIELD TRIPS AND FOREIGN STUDY  
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
 June 30, 2015  
 (Unaudited)

**1. Current Available Funds**

Add:

Cash .....	
Cash Equivalents .....	
Bank Deposits .....	1,237,628
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	A. 1,237,628

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	493,204
Encumbrances and current liabilities paid in lapse period .....	201,698
Unearned Revenue .....	396,562
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	14,787
Working Capital Allowance .....	B. 1,106,251

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	C. 131,377
--	------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	D. (2,142)
--	------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	129,235
--	---------

STATE OF ILLINOIS  
 ILLINOIS STATE UNIVERSITY  
 SERVICE DEPARTMENTS  
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
 June 30, 2015  
 (Unaudited)

**1. Current Available Funds**

Add:

Cash .....	328,753
Cash Equivalents .....	
Bank Deposits .....	9,753,766
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 10,082,519</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	2,376,486
Encumbrances and current liabilities paid in lapse period .....	811,553
Unearned revenue .....	97,298
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	833,943
Working Capital Allowance .....	<b>B. 4,119,280</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 5,963,239</b>
--	---------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (4,861,327)</b>
--	-----------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>1,101,912</b>
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STATE OF ILLINOIS  
 ILLINOIS STATE UNIVERSITY  
 AUXILIARY FACILITIES - REVENUE BONDS  
 STUDENT HOUSING  
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
 June 30, 2015  
 (Unaudited)

**1. Current Available Funds**

Add:

Cash .....	9,636
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	19,542,206
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 19,551,842</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	4,482,481
Encumbrances and current liabilities paid in lapse period .....	651,113
Unearned revenue .....	87,439
Refundable deposits .....	1,280,113
Allowance for Restoring Inventory to Normal Level .....	64,899
Allowance for Sick Leave/Vacation Payouts .....	1,125,425
Working Capital Allowance .....	<b>B. 7,691,470</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 11,860,372</b>
--	----------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (12,477,331)</b>
--	------------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(616,959)</b>
--	------------------

STATE OF ILLINOIS  
 ILLINOIS STATE UNIVERSITY  
 AUXILIARY FACILITIES - REVENUE BONDS  
 STUDENT ACTIVITIES  
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
 June 30, 2015  
 (Unaudited)

**1. Current Available Funds**

Add:

Cash .....	
Cash Equivalents .....	
Bank Deposits .....	1,078,377
Marketable Securities .....	1,293,067
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	A. 2,371,444

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	969,062
Encumbrances and current liabilities paid in lapse period .....	193,407
Unearned revenue .....	540,202
Refundable deposits .....	95,127
Allowance for Restoring Inventory to Normal Level .....	665
Allowance for Sick Leave/Vacation Payouts .....	272,802
Working Capital Allowance .....	B. 2,071,265

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	C. 300,179
--	------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	D. (11,455,202)
--	-----------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	(11,155,023)
--	--------------

STATE OF ILLINOIS  
 ILLINOIS STATE UNIVERSITY  
 AUXILIARY FACILITIES - REVENUE BONDS  
 PARKING SERVICES  
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
 June 30, 2015  
 (Unaudited)

**1. Current Available Funds**

Add:

Cash .....	
Cash Equivalents .....	
Bank Deposits .....	810,532
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 810,532</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	246,118
Encumbrances and current liabilities paid in lapse period .....	34,314
Unearned revenue .....	118,180
Refundable deposits .....	-
Allowance for Restoring Inventory to Normal Level .....	-
Allowance for Sick Leave/Vacation Payouts .....	40,935
Working Capital Allowance .....	<b>B. 439,547</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 370,985</b>
--	-------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (2,466,019)</b>
--	-----------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(2,095,034)</b>
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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF SOURCES AND APPLICATIONS  
INDIRECT COST REIMBURSEMENTS  
Year Ended June 30, 2015**

Balance, July 1, 2014	<u>\$ 2,877,021</u>
Sources:	
Private Gifts, Grants and Contracts	389,341
United States Government Grants and Contracts	1,009,538
State of Illinois and Local Grants and Contracts	216,006
Other Administrative Allowances	-
Investment income (loss)	<u>1,605</u>
Total Additions	<u>1,616,490</u>
Applications:	
Educational and general:	
Instruction	-
Research	823,552
Public Service	-
Academic Support	218,908
Student Services	-
Institutional Support	376,686
Operation and Maintenance of Plant	285,532
Depreciation	146,625
Staff Benefits	140,843
Student Aid	<u>1,525</u>
Total deductions	<u>1,993,671</u>
Increase in net assets	<u>(377,181)</u>
Balance at June 30, 2015	<u><u>\$ 2,499,840</u></u>

Note: The information above is prepared on an accrual basis.

Indirect cost reimbursements are expended, pursuant to allocations of funds within the University's budget as adopted by the Board of Trustees, to pay for the costs of grants and contracts operations and to pay for overhead expenses of the University. Indirect cost reimbursements are expended in a manner consistent with the formula under which such reimbursements are determined.

Based on the requirements of the *University Guidelines*, patents and royalties do not meet the definition of indirect cost reimbursements and are excluded from this calculation as well as the indirect cost carryforward.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CALCULATION SHEET FOR INDIRECT COST CARRY-FORWARD  
June 30, 2015  
(Unaudited)**

**1. Cash and Equivalents Balance**

Add:

Cash .....	-	
Cash Equivalents .....		
Bank Deposits .....		
Marketable Securities .....	1,909,975	
Certificates of Deposit .....		
Repurchase Agreements .....		
Other cash equivalent items .....		
Interfund receivables .....		1,909,975

**2. Allocated Reimbursements**

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed: \$4,715,949; enter 30% of this amount .....	1,414,785
---	-----------

**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 .....	161,488
---	---------

**4. Encumbrances and Current Liabilities Paid in the Lapse Period**

Enter the amount of:

Current Liabilities .....	38,343
Encumbrances .....	-
Total .....	38,343

**5. Indirect Cost Carry-forward**

a. Enter the total of items 2, 3 and 4 .....	1,614,616
b. Subtract from item 1 .....	295,359
If a positive number results, enter here and remit for deposit in the Income Fund.	295,359

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FEDERAL EXPENDITURES, NON-FEDERAL EXPENSES, AND NEW LOANS  
Year Ended June 30, 2015**

**Schedule A – Federal Financial Component**

Total Federal expenditures reported on SEFA schedule	\$153,020,446
Total new loans made not included on SEFA schedule	- *
Amount of Federal loan balances (not included on the SEFA schedule and continued compliance required)	- *
Other noncash federal award expenditures (not included on SEFA schedule)	<u>12,095</u>
Total Schedule A	<u>\$153,032,541</u>

**Schedule B – Total Financial Component**

Total operating expenses (from financial statements)	\$548,038,910
Total non-operating expenses (from financial statements)	5,616,037
Total new loans made	116,144,105
Amount of Federal loan balances	9,458,113
Other noncash Federal award expenditures	<u>12,095</u>
Total Schedule B	<u>\$679,269,260</u>

**Schedule C**

		<b><u>Percent</u></b>	
Total Schedule A	\$153,032,541	<u>22.53</u>	%
Total Non-Federal Expenses	<u>526,236,719</u>	<u>77.47</u>	%
Total Schedule B	<u>\$679,269,260</u>	<u>100.00</u>	%

\* Loan amounts are included on SEFA schedule

These schedules are used to determine the University's Single Audit costs in accordance with OMB Circular A-133.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF OPERATIONS  
FUNCTIONS AND PLANNING PROGRAM  
June 30, 2015**

(Unaudited)

The Illinois State University was founded in 1857 as the first public institution of higher education in the State. The documents establishing the University as a teacher education institution were drafted by Abraham Lincoln. The University is a multi-purpose institution with degree programs at the bachelor's, master's, and doctoral levels.

The basic purpose and function of academic programming at the University is stated in the *Mission Statements* portion of the University's *Academic Plan*, which is updated and submitted annually to the Illinois Board of Higher Education. The *Mission Statements* include: (1) the *Illinois State University Mission Statement*, (2) *Board of Trustees Vision Statement for 2015*, and (3) *College Mission Statements*.

The Academic Plan submitted during our audit period is for fiscal years 2015-2020 and can be found at [http://provost.illinoisstate.edu/downloads/academic\\_plan/AP1520FinalRev.pdf](http://provost.illinoisstate.edu/downloads/academic_plan/AP1520FinalRev.pdf). It includes: (1) an identification of institutional priorities; (2) the University's strategic plan, *Educating Illinois 2013-2018: Individualized Attention, Shared Aspirations*; and, (3) specific curricular initiatives set forth by those responsible for academic planning within the University.

The *Academic Plan* also includes academic unit (college) objectives for Fiscal Year 2015 and program reviews for the departments in the University being reviewed in the most recent review cycle. Program reviews contain recommendations for enhancing the programs being examined as well as plans for monitoring progress toward the fulfillment of these recommendations. During Fiscal Year 2015, program reviews were completed on the following programs: B.A., B.S., M.A., and M.S. in Criminal Justice Sciences, B.A., B.S. in Economics, M.A., M.S. in Applied Economics, B.A., B.S. in Geography, B.A., B.S., M.A., and M.S. in History, B.A., B.S., M.A., and M.S. in Political Science, S.S.P. in School Psychology, B.S.W., M.S.W. in Social Work, B.A., B.S. in Anthropology, and B.A., B.S., M.A., and M.S. in Sociology.

Compilation of the University's *Academic Plan* is coordinated through the Office of the Associate Provost, whose functions also ensure cohesion between the *Academic Plan* and the University's strategic plan: *Educating Illinois 2013-2018: Individualized Attention, Shared Aspirations*.

- *Educating Illinois* is the University's multi-year strategic plan. It has articulated five core values (pursuit of learning and scholarship, individualized attention, diversity, integrity, and civic engagement) that support four goals and nineteen corresponding action items addressed by the campus community. University progress is summarized on the accomplishments section of the *Educating Illinois* website, [www.educatingillinois.illinoisstate.edu](http://www.educatingillinois.illinoisstate.edu).

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF OPERATIONS  
FUNCTIONS AND PLANNING PROGRAM  
June 30, 2015**

(Unaudited)

Other university-wide planning documents and processes include the following:

- *Resource Allocation and Management Program (RAMP) for Operations and Grants Resource Requirements* is a five-year plan that includes a comparison to the preceding two fiscal years. Among the data included are a summary of operations costs by function and source of funds, summary of staff requirements and earnings, projected enrollments, and tuition and fees. Detailed information by various departments and programs is included.
- *Resource Allocation and Management Program (RAMP) Capital Requirements Plan* is also a five-year planning program that includes a summary of capital requirements by budget category. These requirements are detailed as to building or components of buildings, as well as other capital projects, planned for the University.
- *Master Plan: 2010-2030 Looking to the Future* defines the future physical development of facilities, grounds, technology, and infrastructure. This plan is the basis for those recommendations in *Resource Allocation and Management Program (RAMP) Capital Requirements Plan*.
- Additionally, the Facilities Condition Assessment provides quantitative information on the condition of physical structures and current and projected maintenance needs. The results from this assessment are used to inform the Master Plan and Capital RAMP.

Location of Agency: Normal, Illinois  
Agency Head: Dr. Larry Dietz, President



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
EMPLOYMENT STATISTICS (FULL-TIME EQUIVALENT)  
Years Ended June 30, 2015 and 2014**

(Unaudited)\*

	<u>Instructional Activities</u>	<u>Organized Research</u>	<u>Public Service</u>
<b>YEAR ENDED JUNE 30, 2015</b>			
Appropriated funds:			
Faculty/administrative	1,331.10	8.50	19.00
Civil service	218.70	10.50	8.70
Student employees	191.10	2.50	3.30
Miscellaneous contracts	<u>20.00</u>	<u>.50</u>	<u>3.40</u>
	<u>1,760.90</u>	<u>22.00</u>	<u>34.40</u>
Non-appropriated funds:			
Faculty/administrative	55.10	159.50	63.40
Civil service	18.50	25.80	17.10
Student employees	43.40	50.10	34.60
Miscellaneous contracts	<u>5.00</u>	<u>25.40</u>	<u>14.60</u>
	<u>122.00</u>	<u>260.80</u>	<u>129.70</u>
<b>TOTAL ALL FUNDS</b>	<u>1,882.90</u>	<u>282.80</u>	<u>164.10</u>
<b>YEAR ENDED JUNE 30, 2014</b>			
Appropriated funds:			
Faculty/administrative	1,249.70	15.50	25.20
Civil service	235.50	8.80	11.70
Student employees	80.00	3.00	2.00
Miscellaneous contracts	<u>16.50</u>	<u>.20</u>	<u>.30</u>
	<u>1,581.70</u>	<u>27.50</u>	<u>39.20</u>
Non-appropriated funds:			
Faculty/administrative	65.50	94.10	54.50
Civil service	16.60	30.60	27.60
Student employees	18.00	31.00	18.10
Miscellaneous contracts	<u>8.40</u>	<u>21.00</u>	<u>10.00</u>
	<u>108.50</u>	<u>176.70</u>	<u>110.20</u>
<b>TOTAL ALL FUNDS</b>	<u>1,690.20</u>	<u>204.20</u>	<u>149.40</u>

\* This information has been provided by the University's Office of Budget and Planning and continued on following page.

This is the employment information reported to the Illinois Board of Higher Education. Staff years are computed by dividing the employees' number of months of employment during the fiscal year by 12 and multiplying that number by a factor of one for full-time and multiplying by the percentage of appointment for part-time. Examples of staff year computations are as follows:

- 1 full-time employee employed 12 months of the fiscal year counts – 1 staff year
- 1 full-time employee employed 6 months of the fiscal year counts - .5 staff year
- 1 one-third time employee employed 12 months of the fiscal year counts - .33 staff year
- 1 one-third time employee employed 6 months of the fiscal year counts - .17 staff year

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
EMPLOYMENT STATISTICS (FULL-TIME EQUIVALENT) continued  
Years Ended June 30, 2015 and 2014**

(Unaudited)\*

<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>	<u>Operation and Maintenance Physical Plant</u>	<u>Independent Operations</u>	<u>Total All Functions</u>
94.00	71.80	107.30	15.10	-	1,646.80
76.60	24.00	246.20	306.20	-	890.90
47.40	10.70	42.00	59.10	-	356.10
7.00	1.10	14.10	21.20	-	67.30
<u>225.00</u>	<u>107.60</u>	<u>409.60</u>	<u>401.60</u>	<u>-</u>	<u>2,961.10</u>
4.70	178.70	-	0.00	52.90	514.30
0.10	77.10	1.90	130.40	238.80	509.70
0.10	324.50	-	-	615.70	1,068.40
<u>1.00</u>	<u>25.30</u>	<u>4.80</u>	<u>0.10</u>	<u>101.00</u>	<u>177.20</u>
<u>5.90</u>	<u>605.60</u>	<u>6.70</u>	<u>130.50</u>	<u>1,008.40</u>	<u>2,269.60</u>
<u>230.90</u>	<u>713.20</u>	<u>416.30</u>	<u>532.10</u>	<u>1,008.40</u>	<u>5,230.70</u>
66.40	61.50	71.20	12.70	-	1,502.20
23.00	30.90	181.40	189.50	-	680.80
49.00	10.00	35.70	8.50	-	188.20
1.50	2.50	6.80	37.30	-	65.10
<u>139.90</u>	<u>104.90</u>	<u>295.10</u>	<u>248.00</u>	<u>-</u>	<u>2,436.30</u>
5.50	177.80	0.50	0.20	48.80	446.90
1.00	83.90	2.20	131.20	181.60	474.70
-	95.00	-	-	180.30	342.40
<u>0.80</u>	<u>28.10</u>	<u>6.50</u>	<u>7.00</u>	<u>101.00</u>	<u>182.80</u>
<u>7.30</u>	<u>384.80</u>	<u>9.20</u>	<u>138.40</u>	<u>511.70</u>	<u>1,446.80</u>
<u>147.20</u>	<u>489.70</u>	<u>304.30</u>	<u>386.40</u>	<u>511.70</u>	<u>3,883.10</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANNUAL COST STATISTICS  
June 30, 2015 and 2014**

(Unaudited)

Following is a computation of cost per full-time equivalent student:

	<u><b>2015</b></u>	<u><b>2014</b></u>
Total education and general expenses/expenditures from current appropriated funds	\$ 72,226,700*	\$ 74,089,200*
Expenses/expenditures from locally held University Income Fund	<u>164,550,951</u>	<u>156,365,785</u>
Total expenses from current appropriated and locally held funds	236,777,651	230,454,985
Full-time equivalent students	÷ <u>18,650</u>	÷ <u>18,297</u>
<b>COST PER FULL-TIME EQUIVALENT STUDENT</b>	<u>\$ 12,695</u>	<u>\$ 12,595</u>

\* Amount represents total Education Assistance Fund expenses less the amount for payments on behalf of the University.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
EMERGENCY PURCHASES  
For the Year Ended June 30, 2015**

(Unaudited)

In Fiscal Year 2015, the University had one emergency purchase.

The University contracted with Legacy Stonebriar Hotel LTD for \$85,494 to provide lodging at the NCAA-mandated hotel for the FCS Championship game. This emergency/quick purchase was required due to a situation in which the need for services to protect or further University interests was immediate and use of other competitive source selection procedures under the Illinois Procurement Code could not have been accomplished without significant risk of causing disadvantages to the University.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
BOOKSTORE INFORMATION  
For the Year Ended June 30, 2015**

(Unaudited)

The University has a contractual arrangement for bookstore operations on campus. The University's contract is for the period July 1, 2013, through June 30, 2018. The contract with the bookstore requires commissions to be paid to the University based on the following terms:

1. 11.0% of gross sales up to \$2,000,000; plus
2. 12.0% of gross sales from \$2,000,000 to \$2,500,000; plus
3. 14.0% of gross sales over \$2,500,000.

Bookstore gross sales and University commissions were as follows:

<u>Fiscal Year</u>	<u>Bookstore sales</u>	<u>Commission</u>
2015	\$ 2,669,138	\$ 303,679
2014	\$ 2,447,690	\$ 300,000
2013	\$ 2,358,557	\$ 212,270

The University received a signing amount of \$75,000 and a guaranteed commission of \$300,000 in the first year of the new contract.

The contract with the bookstore gives the contractor exclusive rights to sell books on campus; however, there is a competing bookstore near campus.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
For the Years Ended June 30, 2015 and 2014**

(Unaudited)

	<u>2015</u>	<u>2014</u>
Total University Budget as Approved by the Board of Trustees	\$425,600,000	\$412,600,000
<b>Performance Indicators</b>		
Degrees conferred	5,061	5,092
Retention rate (fall to fall)	81.5%	81.3%
Graduation rate (6 year)	73.4%	71.8%
<b>Enrollment Statistics (FTE)</b>		
Resident Undergraduate	16,417	16,277
Non-Resident Undergraduate	374	440
Resident Graduate/Professional	970	991
Non-Resident Graduate/Professional	422	460

Note: The information within this schedule was provided by the University's Office of Planning, Research, and Policy Analysis

**State of Illinois**  
**Illinois State University**  
**Compliance Examination**  
**Special Data Requirements for University Audits**  
**For the Year Ended June 30, 2015**  
**(Unaudited)**

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled “Matters Regarding University Audits” (Memorandum), certain supplemental data is required to be reported for University audits. The table below cross references the memorandum requirements (indicated by number and letter paragraph references) to the University’s financial audit and compliance examination reports for the year ended June 30, 2015, where such special data is found.

**Compliance Findings**

- 13(a) There were no violations of the compliance requirements of the University Guidelines identified during the financial audit and compliance examination of the Illinois State University for the year ended June 30, 2015.

**Indirect Cost Reimbursements**

- 13(b) A statement of the sources and application of indirect cost recoveries is presented on Schedule 28 within this report at page 63.
- 13(c) The University’s calculation sheet for indirect cost carry-forward and any required remittance to the University’s Income Fund is presented on Schedule 29 within this report at page 64.

**Tuition Diversion to Auxiliary Enterprise Operations**

- 13(d) There were no diversions of tuition revenues to auxiliary enterprise operations identified during the financial audit and compliance examination of the Illinois State University for the year ended June 30, 2015.

**Auxiliary Enterprises, Activities, and Accounting Entities**

- 13(e) An identification of each specific accounting entity and a description of each entity’s sources of revenues and purpose are presented on Schedule 13 within this report at pages 47 – 48.
- 13(f) The present financial statements for each accounting entity are presented on Schedules 14 – 19 within this report at pages 49 – 54. These entity financial statements should be read in conjunction with the University’s audited financial statements for the year ended June 30, 2015.
- 13(g) The University’s calculation sheets for current excess funds within each accounting entity and any required remittance to the University’s Income Fund are presented on Schedules 20 – 27 within this report at pages 55 – 62.

**State of Illinois**  
**Illinois State University**  
**Compliance Examination**  
**Special Data Requirements for University Audits**  
**For the Year Ended June 30, 2015**  
**(Unaudited)**

**Auxiliary Enterprises, Activities, and Accounting Entities (continued)**

- 13(h) The University has certain student employees whom are paid from federal funds under the Work-Study Program (CFDA #84.033). University management discloses – in accordance with the long-standing public policy of the State of Illinois – approximately \$3,458,901 of group insurance expense and \$4,191,035 of retirement plan contributions were paid from State appropriated funds for the year ended June 30, 2015. These payments are shown in the University’s financial statements as “Payments on behalf of the University.”
- 13(i) The revenues and expenses for various bond indenture accounts are presented within the University’s Condensed Statements of Net Position, Condensed Statements of Revenues, Expenses, and Changes in Net Position, and Condensed Statements of Cash Flows for the University’s Auxiliary Facilities System within the financial audit report at Note 22 on page 49.
- Further, the present financial statements for Housing, Activities, and Parking entities are presented on Schedules 18 – 19 within this report at pages 53 – 54. A description of the Housing, Activities, and Parking entities’ sources of revenues and purpose are presented on Schedule 13 within this report at pages 47 – 48.
- 13(j) There were no violations of the bond covenants identified during the financial audit and compliance examination of the Illinois State University for the year ended June 30, 2015.
- 13(k) The University does not currently have any non-instructional facilities reserves established by the University’s Board of Trustees.

**University Related Organizations (UROs)**

- 13(l) The University has one URO, the Illinois State University Foundation. The University does not have any “Independent Organizations” under Section VII of the University Guidelines.
- 13(m) A summary of Illinois State University Foundation payments to the University for services provided by the University is presented within this report at page 77.
- 13(n) A summary of University payments to the Illinois State University Foundation for services provided by the Illinois State University Foundation is presented within this report at page 77.
- 13(o) A disclosure of the cumulative amount of unreimbursed subsidies to the Illinois State University Foundation is presented within this report at page 77.



**State of Illinois**  
**Illinois State University**  
**Compliance Examination**  
**Special Data Requirements for University Audits**  
**For the Year Ended June 30, 2015**  
**(Unaudited)**

**University Related Organizations (UROs) (continued)**

- 13(p) A disclosure and description of debt financed by the Illinois State University Foundation, along with other University long-term liabilities, is disclosed within the financial audit report at Note 9 on pages 33 – 38.

**Other Topics**

- 13(q) The Comparative Schedule of Cash and Cash Equivalents is presented on Schedule 8 within this report at page 40. The Comparative Schedule of Investments is presented on Schedule 9 within this report at page 41.
- 13(r) The University's income from investments of pooled funds has been allocated and credited to the original sources of the funds, to the extent practical. There was no unallocated investment income required to be paid into the University's Income Fund.
- 13(s) The cost per full-time equivalent student – prepared in accordance with requirements of the State of Illinois, Board of Higher Education – is presented within this report at page 70.
- 13(t) The University purchased the following parcel of real estate with an acquisition cost in excess of \$250,000 that was not funded by a separate, specific appropriation from the General Assembly:
- 200 and 202 Kingsley in Normal, Illinois for \$642,202
- 13(u) The University's Certificate of Participation issuances, along with other University and Illinois State University Foundation long-term liabilities, are disclosed within the financial audit report at Note 9 on pages 33 – 38.

**Other Schedules for Universities**

- 13(1) An analysis of State appropriations to the University is presented on Schedules 2 – 5 within this report at pages 34 – 37.
- 13(2) A Comparative Schedule of Revenues and Expenses for the University's Income Fund is presented on Schedule 6 within this report at page 38.
- 13(3) Separate schedules of tuition and fee waivers for undergraduate and graduate students, respectively, are presented within this report at pages 78 – 79.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SUMMARY OF FOUNDATION TRANSACTIONS WITH THE UNIVERSITY  
Years Ended June 30, 2015 and 2014**

(Unaudited)

The University recognizes Illinois State University Foundation as a University-Related Organization as defined in the University Guidelines.

During fiscal years 2015 and 2014, Illinois State University engaged the Foundation, under contract, to provide development and fund raising services. In addition, the University contributed services and expenditures in the amount of \$2,390,524 and \$2,291,329 during fiscal years 2015 and 2014, respectively. As required by contract, the Foundation fully repaid the University, using funds considered unrestricted for purposes of the computations per University Guidelines. There was no cumulative unreimbursed subsidy for fiscal years 2015 and 2014. During fiscal years 2015 and 2014 the Foundation contributed services and expenditures of \$9,216,771 and \$8,319,878, respectively that were for the direct and/or indirect support of the University.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
UNDERGRADUATE TUITION AND FEE WAIVERS  
For the Year Ended June 30, 2015**

(Unaudited)

	<b>Total Number of Recipients*</b>	<b>Tuition Waived</b>		<b>Fees Waived</b>	
		<b>(In Thousands of Dollars)</b>			
	<b>Number of Recipients*</b>	<b>Value of Waivers</b>	<b>Number of Recipients*</b>	<b>Value of Waivers</b>	
<b>Mandatory Waivers</b>					
Teacher Special Education	383	383	\$ 3,809.2	383	\$1,033.7
Reserve Officer's Training Corps	46	46	421.6	-	-
Wards of Illinois Department of Children and Family Services	20	20	153.7	20	22.6
Veterans Grants and Scholarships	297	297	2,672.0	-	-
Children of Employees	<u>327</u>	<u>327</u>	<u>1,433.8</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>1,073</u>	<u>1,073</u>	<u>8,490.3</u>	<u>403</u>	<u>1,056.3</u>
<b>Discretionary Waivers</b>					
Faculty/Administrators (Non-Civil Service)	4	4	7.8	4	2.1
Civil Service	69	69	210.4	69	53.0
Children of Deceased Employees	7	7	42.8	7	8.9
Athletic	381	381	3,160.6	-	-
Academic/Other Talent	460	460	1,586.0	-	-
Foreign Exchange Students	55	55	375.4	-	-
Student Need-Financial Aid	123	123	359.8	-	-
Teaching Assistants	-	-	-	-	-
Retired University Employees	-	-	-	-	-
Cooperating Professionals	<u>4</u>	<u>4</u>	<u>4.5</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>1,103</u>	<u>1,103</u>	<u>5,747.3</u>	<u>80</u>	<u>64.0</u>
<b>Total</b>	<u>2,176</u>	<u>2,176</u>	<u>\$14,237.6</u>	<u>483</u>	<u>\$1,120.3</u>

\* Unduplicated. Totals may be less than the sum of the detail.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
GRADUATE TUITION AND FEE WAIVERS  
For the Year Ended June 30, 2015**

(Unaudited)

	<b>Total Number of Recipients*</b>	<b>Tuition Waived</b>		<b>Fees Waived</b>	
		<b>Number of Recipients*</b>	<b>Value of Waivers</b>	<b>Number of Recipients*</b>	<b>Value of Waivers</b>
<b>(In Thousands of Dollars)</b>					
<b>Mandatory Waivers</b>					
Teacher Special Education	4	4	\$ 28.4	4	\$ 7.7
Veterans Grants & Scholarships	<u>34</u>	<u>34</u>	<u>153.0</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>38</u>	<u>38</u>	<u>181.4</u>	<u>4</u>	<u>7.7</u>
<b>Discretionary Waivers</b>					
Faculty/Administrators (Non-Civil Service)	165	165	500.9	155	109.4
Civil Service	92	92	266.1	85	58.7
Cooperating Professionals	378	378	882.4	-	-
Athletic	2	2	5.4	-	-
Academic/Other Talent	390	390	742.7	-	-
Foreign Exchange Students	30	30	199.0	-	-
Graduate Assistants	1,029	1,029	9,960.4	-	-
Retired University Employees	<u>4</u>	<u>4</u>	<u>8.2</u>	<u>3</u>	<u>2.8</u>
(subtotal)	<u>2,090</u>	<u>2,090</u>	<u>12,565.1</u>	<u>243</u>	<u>170.9</u>
<b>Total</b>	<u>2,128</u>	<u>2,128</u>	<u>\$12,746.5</u>	<u>247</u>	<u>\$ 178.6</u>

\* Unduplicated. Totals may be less than the sum of the detail.