

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
Compliance Examination  
For the Year Ended June 30, 2006  
(In Accordance with the Single Audit Act and OMB Circular A-133)  
(With Partial Financial Information for the Year Ended June 30, 2005)  
Performed as Special Assistant Auditors for the Auditor General, State of Illinois

**State of Illinois**  
**Western Illinois University**

(A Component Unit of the State of Illinois)

**Compliance Examination**

(In Accordance with the Single Audit Act and OMB Circular A-133)

**For the Year Ended June 30, 2006**

(with Partial Financial Information for the Year Ended June 30, 2005)

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**State of Illinois**  
**Western Illinois University**

(A Component Unit of the State of Illinois)

**Compliance Examination**

(In Accordance with the Single Audit Act and OMB Circular A-133)

**For the Year Ended June 30, 2006**

(with Partial Financial Information for the Year Ended June 30, 2005)

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**State of Illinois**  
**Western Illinois University**

(A Component Unit of the State of Illinois)

**Compliance Examination**

(In Accordance with the Single Audit Act and OMB Circular A-133)

**For the Year Ended June 30, 2006**

**(with Partial Financial Information for the Year Ended June 30, 2005)**

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**State of Illinois**  
**Western Illinois University**

**(A Component Unit of the State of Illinois)**

**Compliance Examination**

**(In Accordance with the Single Audit Act and OMB Circular A-133)**

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The information requirements of Part II (Chapter 4 of the *Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies*), are set forth in the financial reports of the State of Illinois, Western Illinois University for the years ended June 30, 2006 and 2005, which are incorporated herein by reference.

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Agency Officials**  
**For the Year Ended June 30, 2006**

President	Dr. Alvin Goldfarb
Vice President for Administrative Services	Mrs. Jackie Thompson
Director of Business Services	Mr. Ronald G. Ward
Internal Auditor	Mrs. Carole H. Carter (Through May 31, 2006)
	Ms. Rita M. Moore (Effective December 1, 2006)

University offices are located at:

Western Illinois University  
1 University Circle  
Macomb, IL 61455



WESTERN  
ILLINOIS  
UNIVERSITY

November 2, 2006

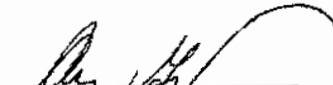
BKD, LLP  
Certified Public Accountants  
225 North Water Street, Suite 400  
Post Office Box 1580  
Decatur, IL 62525-1580

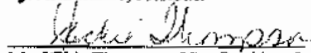
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the University. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2006. Based on this evaluation, we assert that during the year ended June 30, 2006 the University has materially complied with the assertions below.

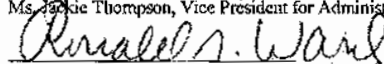
- A. The University has obligated, expended, received and used public funds of the State in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The University has obligated, expended, received and used public funds of the State in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The University has complied, in all material respects, with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. The State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Western Illinois University

  
\_\_\_\_\_  
Dr. Al Goldfarb, President

  
\_\_\_\_\_  
Ms. Jackie Thompson, Vice President for Administrative Services

  
\_\_\_\_\_  
Ronald G. Ward, Director of Business Services

Office of the President  
Sherman Hall 209, 1 University Circle, Macomb, IL 61455-1390  
Tel 309.298.1824 Fax 309.298.2089

# **Compliance Report**



**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Compliance Report Summary**  
**For the Year Ended June 30, 2006**

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

**Auditors' Reports**

The Independent Accountants' 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 Compliance Findings*

<b>Number of</b>	<b>This Report</b>	<b>Prior Report</b>
Findings	5	3
Repeated findings	2	1
Prior recommendations implemented or not repeated	1	2

Details of findings are presented in a separately tabbed report section.

**Schedule of Findings and Questioned Costs**

<b>Item No.</b>	<b>Page</b>	<b>Description</b>
<b>Findings (Government Auditing Standards)</b>		
None		
<b>Findings and Questioned Costs (Federal Compliance)</b>		
None		
<b>Findings (State Compliance)</b>		
06-1	15	Employee time sheets were not adequate
06-2	17	Exclusion of Required Phrase on University publications
06-3	18	Inadequate computer security
06-4	21	Inadequate computer security administration
06-5	23	Lack of disaster contingency planning or testing to ensure recovery of computer systems

**State of Illinois  
Western Illinois University  
(A Component Unit of the State of Illinois)  
Compliance Report Summary  
For the Year Ended June 30, 2006**

**Schedule of Findings and Questioned Costs**

Item No.	Page	Description
<b>Prior Findings Not Repeated (Federal Compliance)</b>		
06-6	25	Untimely billing and collection procedures
<b>Prior Findings Not Repeated (State Compliance)</b>		
None		

***Exit Conference***

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on December 19, 2006. Attending were:

Janet Gabbert	Foundation
Dan Hendricks	Vice President for Advancement and Public Services
Rita Moore	Director Internal Auditing
Barb Thompson	Business Services
Jackie Thompson	Vice President for Administrative Services
Ron Ward	Director Business Services
Cheryl Webster	Business Services
Joe Rives	Assistant to President for Planning and Budget
Andrea Farr	Foundation Accountant
Karen Appelbaum	Office of the Auditor General – Manager
Leslie Wilson	<b>BKD, LLP</b> – Partner
Heather Goodman Browning	<b>BKD, LLP</b> – Senior

Responses to the findings and recommendations appearing in this report were provided by Rita Moore, Director, Internal Auditing, in a letter dated December 19, 2006.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Cross-Reference Table of University Guidelines Reporting Requirements**  
**For the Year Ended June 30, 2006**

**Sources of Requirements**

University Guidelines 1982 as amended 1997 and the OAG policy memo dated July 25, 2000 titled "Matters Regarding University Audits."

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## Independent Accountants' 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

### Compliance

As Special Assistant Auditors for the Auditor General, we have examined the State of Illinois, Western Illinois 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, 2006. The management of the State of Illinois, Western Illinois University is responsible for compliance with these requirements. Our responsibility is to express an opinion on State of Illinois, Western Illinois University's compliance based on our examination.

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

Honorable William G. Holland  
Auditor General  
Page 2.

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 State of Illinois, Western Illinois University's compliance with those requirements 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 State of Illinois, Western Illinois University's compliance with specified requirements.

In our opinion, the State of Illinois, Western Illinois University complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those 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 State findings and questioned costs as findings 06-1, 06-2, 06-3, 06-4 and 06-5. As required by the Audit Guide, immaterial findings relating to instances of noncompliance excluded from this report have been reported in a separate letter to your office.

### **Internal Control**

The management of the State of Illinois, Western Illinois University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the State of Illinois, Western Illinois University's internal control over compliance with the aforementioned requirements in order to determine our examination procedures 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.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control 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 State findings and questioned costs as findings 06-1, 06-2, 06-3, 06-4 and 06-5. As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Honorable William G. Holland  
Auditor General  
Page 3.

**Supplementary Information for State Compliance Purposes**

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the State of Illinois, Western Illinois University and its discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2006, which collectively comprise the basic financial statements, and have issued our report thereon dated November 2, 2006. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the State of Illinois, Western Illinois University. The 2006 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements for the year ended June 30, 2006, taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the State of Illinois, Western Illinois University's basic financial statements for the year ended June 30, 2005. In our report dated October 21, 2005, we expressed an unqualified opinion on the 2005 financial statements. In our opinion, the 2005 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" on which we express no opinion, is fairly stated, in all material respects, in relation to the basic financial statements for the year ended June 30, 2005, taken as a whole.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor and University management and is not intended to be and should not be used by anyone other than these specified parties.

**BKD, LLP**

November 2, 2006



**Independent Accountants' 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

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the State of Illinois, Western Illinois University and its discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2006 and have issued our report thereon dated November 2, 2006. We conducted our audit in accordance with 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the State of Illinois, Western Illinois University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable William G. Holland  
Auditor General  
Page 2.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the State of Illinois, Western Illinois 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*. However, we noted certain matters which are reported as State compliance findings in the schedule of findings and questioned costs.

We also noted certain matters, not considered to be reportable conditions, that we reported to your office in a separate letter dated November 2, 2006.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, University 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**

November 2, 2006





**Independent Accountants' Report on Compliance with Requirements  
Applicable to Each Major Program, on Internal Control over  
Compliance and on the Schedule of Expenditures of Federal Awards  
in Accordance with OMB Circular A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

We have audited the compliance of the State of Illinois, Western Illinois University with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The State of Illinois, Western Illinois University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State of Illinois, Western Illinois University's management. Our responsibility is to express an opinion on the compliance of the State of Illinois, Western Illinois University based on our audit.

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 State of Illinois, Western Illinois 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. Our audit does not provide a legal determination of the State of Illinois, Western Illinois University's compliance with those requirements.

In our opinion, the State of Illinois, Western Illinois University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

**Internal Control Over Compliance**

The management of the State of Illinois, Western Illinois University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State of Illinois, Western Illinois University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the State of Illinois, Western Illinois University and its discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2006 and have issued our report thereon dated November 2, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State of Illinois, Western Illinois University's basic financial statements. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

November 2, 2006

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Schedule of Findings and Questioned Costs**  
For the Year Ended June 30, 2006

**Summary of Auditor's Results**

1. The opinions expressed in the independent accountants' report were:  
 Unqualified     Qualified     Adverse     Disclaimed
2. The independent accountants' report on internal control over financial reporting described:  
Material weakness(es)?     Yes     No  
Reportable condition(s) noted that are not considered to be a material weakness?     Yes     None Reported
3. Noncompliance considered material to the financial statements was disclosed by the audit?     Yes     No
4. The independent accountants' report on internal control over compliance with requirements applicable to major federal awards programs described:  
Material weakness(es)?     Yes     No  
Reportable condition(s) noted that are not considered to be a material weakness?     Yes     None Reported
5. The opinion expressed in the independent accountants' report on compliance with requirements applicable to major federal awards was:  
 Unqualified     Qualified     Adverse     Disclaimed
6. The audit disclosed findings required to be reported by OMB Circular A-133?     Yes     No
7. The University's major programs were:

Cluster/Program	CFDA Number
Student Financial Aid Adult Education-State Grant Program	Cluster 84.002A

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$492,502.
9. The University qualified as a low-risk auditee as that term is defined in OMB Circular A-133?     Yes     No

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2006**

**Findings Required to be Reported by *Government Auditing Standards***

No matters are reportable.

**Findings Required to be Reported by OMB Circular A-133**

No matters are reportable.

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2006**

***Current Findings – State***

**06-1. Finding** — Employee Time Sheets Were Not Adequate

The University did not require all employees to periodically submit timesheets as required by the State Officials and Employees Ethics Act 5 ILCS 430/5-5(c).

Administrative, professional and faculty employees are required to submit time reports. However, the employee's time is reported using a negative reporting method. The negative reporting method assumes employees are working their contracted/required hours on official state business unless otherwise reported. The time report lists minimum contracted hours and the employee indicates time away from the office, for vacation, sick or other types of leave (bereavement, family leave, etc.).

The statute requires the University adopt personnel policies consistent with the State Officials and Employees Ethics Act (5 ILCS 430/5-5(c)). The statute states that "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."

University personnel stated that they have implemented a system for all non-monthly employees, but have not yet developed a system for monthly employees.

By not requiring the submission of positive time sheets for its employees, the University is not in compliance with the Act. (Finding Code No. 06-1, 05-2)

**Recommendation**

We recommend the University begin requiring monthly employees to submit time sheets in compliance with the statute.

**University Response**

The University concurs with the finding that the University has not yet established a procedure for administrative and professional employees to submit positive timekeeping sheets. The statutory requirement has been reviewed and implementation has been delayed by two factors.

The first factor relates to the provisions of 430/15-35 which provides that the rights provided for in collective bargaining agreements cannot be diminished. For this reason, any additional job related requirements placed on employees subject to collective bargaining agreements have to be negotiated. This is complicated by the fact that the University is still bound by the terms of multi-year agreements which are currently in negotiation.

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**06-1. Finding — Employee Time Sheets Were Not Adequate (Continued)**

**University Response (continued)**

The second factor relates to the request for clarification on the requirements and implementation of the law filed by the University of Illinois. Initially, Universities were advised by the Executive Inspector General that “negative” timekeeping was acceptable. This ruling has not been addressed by her successor. To date, no response to the request to the Attorney General has been received. The unique nature of teaching and interacting with students for University faculty, while complying with the requirements for Public Service and Professional Research, presents issues, which cannot be addressed by traditional timekeeping methods.

Upon satisfactorily resolving these issues, the University will comply with the applicable requirements of the law.

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**Current Findings – State**

**06-2. Finding** — Exclusion of Required Phrase on University Publications

The University did not include information required by the Illinois Procurement Code on publications printed for the University.

The Illinois Procurement Code (30ILCS 500/20-105) requires the University to include the phrase, “Printed by the authority of the State of Illinois,” the date of each publication, the number of copies printed and the printing order number on all books, pamphlets, documents and reports published by the University.

University personnel stated that they have recently implemented these procedures, but some documents are still out that were not marked with the required phrase.

By not including the required phrase on items published by the University, the University is not in compliance with the Illinois Procurement Code. (Finding Code No. 06-2, 05-3)

**Recommendation**

We recommend the University personnel put into place a policy and ensure the required information is printed on all University publications.

**University Response**

Changes to include the appropriate wording were implemented in February 2006. The sample selected for testing included two transactions that were in process prior to the implementation date. One was originated in August 2005 and the other in January 2006.

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**Current Findings - State**

**06-3. Finding** — Inadequate Computer Security

The University had a mainframe and network servers for maintaining several critical, financially sensitive and/or confidential systems used to meet the University's mission and objectives. However, the University failed to ensure adequate security over its computer systems and resources.

During our review, we noted the following:

- The University failed to implement solutions to correct security administration and firewall weaknesses identified in the prior audit. In June 2006, the University experienced a security breach which led to the unauthorized access and potential compromise of personal and confidential information, including social security numbers and credit card numbers of anywhere from 200,000 to 240,000 students and alumni.
- The University did not ensure that personal, confidential, or sensitive information is adequately disposed when no longer needed. During our review, we noted that approximately 24 disks were maintained in a box on a shelf within a network room. Although access to the network room is restricted, University officials stated the disks were maintained because they did not have the means to properly dispose of the information. It was noted that the disks contained personal and confidential information similar to the data breached.
- Access to the University's Data Center and network wiring closets were not adequately restricted. Access to the Data Center is restricted using a keypad system; however, the access code is shared by everyone having access to the computer room thereby eliminating adequate accountability. University officials stated the access code is changed only annually. A review of the list of authorized personnel having access to the Data Center found that access was granted to a former computer operator who is now a programmer and a former student worker.
- The number of personnel having powerful system-level access privileges was excessive.

University personnel indicated after three consecutive years of no new and decreased state funding, the financial resources have not previously been available to improve security, address environmental controls, and centralize security responsibilities with a dedicated security position. Therefore, the University accepted the risk to share security administrative responsibilities across the University and to maintain the existing technology systems, environment and support structures.

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) endorses the safeguarding of computer resources, including critical systems and confidential data. An adequately secured computer environment would assist the University in ensuring the risks of unauthorized access and data manipulation or destruction are mitigated.



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**Current Findings - State**

**06-3. Finding** — Inadequate Computer Security (Continued)

Without an adequately secured computer environment, the University cannot ensure that access to critical applications, programs and confidential data is appropriately restricted to authorized personnel and the integrity of its computer systems and data is maintained. Furthermore, without adequate security over personal, confidential information, the University exposes itself to unnecessary liability and costs associated with correcting potential security exposures and breach notifications and exposes students and alumni to costs associated with the potential impact. (Finding Code No. 06-3)

**Recommendation**

We recommend the University evaluate its computer environment and data maintained to ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard its computer resources.

In addition, we recommend the University:

- Ensure access to personal, confidential and/or sensitive data is restricted to authorized personnel only. If the University determines that personal and confidential information, including social security numbers and credit card numbers, should be maintained, this data should be encrypted.
- Ensure information maintained on personal computers, servers and electronic media that is no longer needed is properly cleaned and adequately removed prior to being disposed.
- Ensure physical access to the University's Data Center and telecommunications wiring closets is adequately restricted to authorized personnel only. Individual unique access should be established to ensure accountability.
- Assess the need for personnel having powerful system-level access privileges.

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**06-3. Finding** — Inadequate Computer Security (Continued)

**University Response**

Overall we are in agreement with the findings presented.

Since the security breach, Western Illinois University has taken measures to strengthen security and address the noted control weakness. The following measures have been completed:

1. Installed a firewall which allows for additional security measures to block and restrict access.
2. Enhanced Security Patch Management Controls.
3. Evaluated and changed network infrastructure to mitigate the risk for network vulnerabilities.
4. Established task forces that are working to address the computing environment and data maintenance for private and confidential information for both electronic and hard copy files. (*i.e.*, social security number, credit card, personal identifiable private information)
5. Erased the disks observed in the secured area using Western's standard operating procedure.

The following measures are in process or are planned to occur:

6. Enforcement of operating procedures for disposal of disk and media containing personal, confidential or sensitive data across all University support areas.
7. Implementation of a Virtual Private Network (VPN), installation of a new access control system for the University's data center and acquisition and implementation of an intrusion and prevention system.
8. Investigation and evaluation of encryption technologies.
9. An assessment of persons having powerful system access will be conducted and changes made as deemed appropriate.

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***Current Findings – State***

**06-4. Finding** — Inadequate Computer Security Administration

The University had not formally assigned a Security Administrator over computer operations and failed to establish adequate University-wide security policies and procedures. In addition, a formal security awareness program did not exist.

Although the University had formally assigned a Security Administrator over its mainframe operations, security responsibilities were informally assigned at the department level over network operations. The University failed to establish adequate security-related policies and procedures, including policies addressing individual user access rights and responsibilities. In addition, the University did not ensure security procedures were consistently applied to all departments. Network personnel assigned administrator responsibilities also acted as the Security Administrator over their specific area. As such, we found security was inconsistently established and enforced. In addition, we learned that the University had experienced a security breach in which confidential information including social security numbers and credit card information were compromised. Had a formal Security Administrator and awareness program existed, the University might have been able to ensure adequate security was established and possibly could have avoided this breach.

University officials noted that since primary technology support areas are decentralized, the application of security policies and procedures may not always be consistently applied.

An appropriate security infrastructure should be established and documented to ensure information assets and resources are adequately protected from unauthorized or accidental disclosure, modification and destruction. Adequate security administration would require policies and procedures regarding computer security, individual access rights and user access responsibilities be properly approved, documented and consistently monitored. In addition, appropriate segregation of duties should exist where possible to ensure computer systems and technology resources are adequately secured. (Finding Code No. 06-4)

**Recommendation**

We recommend the University:

- Formally assign a University-wide Security Administrator. This position should be independent of individual IT departments and report to upper management.

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**06-4. Finding — Inadequate Computer Security Administration (Continued)**

- Ensure adequate University-wide security-related policies and procedures are established and approved by upper management. Policies should also address acceptable and prohibited use of the University's computer resources, including network and Internet security and key security-related responsibilities. Once established, the approved security policies and procedures should be consistently enforced for all computer operations across all departments and platforms; and,
- Establish a formal security awareness program to ensure the University community and users are made aware of established security policies and procedures. The University should ensure users understand their responsibilities and acknowledge this understanding by signing a statement of agreement to comply with established security policies and procedures at least annually.

**University Response**

We concur with the findings and recommendations that computer security administration could be improved. The following actions have or will occur:

1. Initiate a new search for a University Security Administrator in the spring of 2007. An unsuccessful initial search was conducted in the fall of 2006. The position description is currently under revision and a new search will begin.
2. Review, update, and create new security policies under the direction of the Assistant to the President for Planning, Budget and Institutional Research. The identified areas of concern will be evaluated and addressed as deemed appropriate. All security related policies and procedures are presented to the President and President's Cabinet for review and approval. Once established, approved security policies and procedures will be promulgated across the University.
3. Establish a formal security awareness program. When hired, the new security officer will have responsibilities to work with the new security committee to implement such a program; and this will include developing institutional protocol for having users periodically sign a statement of agreement to comply with established policies and procedures.

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***Current Findings – State***

**06-5. Finding** — Lack of Disaster Contingency Planning or Testing to Ensure Recovery of Computer Systems

The University had not updated or tested its contingency plans during the audit period for ensuring timely recovery of its critical computer resources. In addition, the University failed to ensure that an adequately developed and tested contingency plan was established for all computing areas.

The University maintains separate contingency plans for the network (University Computer Support Services – UCSS) and mainframe (University Information Management Systems – UIMS) operations; however, a formal contingency plan for Electronic Student Services did not exist. The UCSS network contingency plan (last tested in June 2003) was last updated in June 2004; the UIMS mainframe contingency plan (last tested in July 2004) was last updated in February 2004. In addition, we found the contingency plans did not identify all critical systems maintained nor include a recovery timeframe for critical systems.

The University relies on its mainframe and network servers for maintaining several critical, financially sensitive and/or confidential systems used to meet the University's computing needs. As such, an extended disruption of service resulting from a disaster situation could have a significant impact on the University's ability to meet its overall mission and objectives.

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) endorses adequate development and formal testing of disaster contingency plans. An adequately developed and tested contingency plan would assist the University in ensuring its plans, procedures and available resources (including personnel) are adequate for recovering the University's critical systems within the required timeframes.

University personnel stated more stringent testing and planning processes were not previously implemented due to lack of funding and resources.

Failure to adequately update and test the disaster recovery plans leaves the University exposed to the possibility of major disruptions of services. A comprehensive test of the plan across all platforms utilized will assist management in identifying weaknesses to ensure recovery procedures are adequate in the event of a disaster. Continuous reviews and tests of plans would help management ensure the plans are appropriately modified, as the University's computing environment and disaster recovery needs change. (Finding Code No. 06-5)

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**06-5. Finding** — Lack of Disaster Contingency Planning or Testing to Ensure Recovery of Computer Systems (Continued)

**Recommendation**

We recommend the University ensure an adequately developed and formally tested contingency plan exists for all computing areas to ensure critical systems can be recovered within the required timeframes. Specifically, we recommend the University:

- ensure an adequately developed and tested contingency plan exists for all areas, including Electronic Student Services;
- update its contingency plans to include a list of prioritized critical systems and associated recovery timeframes;
- regularly review and update its plans to ensure they remain current; and,
- test the plans at least annually to identify any plan weaknesses and resources needed to recover from a disaster situation. Testing should be documented and the plans updated if necessary.

**University Response**

We concur with the findings and recommendations. The following actions have or will be taken:

1. Updated the University Information Management Systems Business Recovery Plan and procedures for declaring a disaster and transferring operation to our hot-site in November 2006. The schedule for recovery services governed by the master agreement between our vendor and Western Illinois University identifies critical systems to be maintained.
2. Successfully tested the recovery of WIU's system at the vendor's site on December 5, 2006.
3. Develop and test contingency plans. All technology areas at WIU will be responsible for adequately developing and testing contingency plans. Plans will include a prioritized list of critical systems and associated recovery timeframes.
4. Review and update contingency plans. A regular review and update process will be established for contingency plans.
5. Test plans on an annual basis.

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***Prior Findings Not Repeated – Federal***

**06-6. Finding —** Untimely Billing and Collection Procedures

The University did not contact the Federal Perkins loan borrower at the required times during the nine month grace period.

During our current year examination we noted the University made the correction to the system and Federal Perkins loan borrowers are contacted at the required times during the grace period.  
(Finding Code No. 05-1, 04-2)

**Supplementary Information for  
State Compliance Purposes**



**State of Illinois**  
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**Supplementary Information for State Compliance Purposes**  
**Summary**  
**For the Year Ended June 30, 2006**

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 and Related Note Disclosures for the Year Ended June 30, 2006
  - Schedule of Appropriations, Expenditures and Lapsed Balances for the Fourteen Months Ended August 31, 2006
  - Comparative Schedule of Net Appropriations, Expenditures Including Lapse Period and Lapsed Balances for the Fourteen Months Ended August 31, 2006 and 2005
  - Schedule of Changes in Property and Equipment for the Year Ended June 30, 2006
  - Comparative Schedule of Income Fund Revenues and Expenditures for the Years Ended June 30, 2006 and 2005
  - Comparative Schedule of Cash, Temporary Cash Investments and Investments – at Fair Value as of June 30, 2006 and 2005
  - Explanation of Significant Variations in Account Balances Fiscal Year 2006 Compared to Fiscal Year 2005
  - Explanation of Significant Variations in Operating Revenues Fiscal Year 2006 Compared to Fiscal Year 2005
  - Explanation of Significant Variations in Operating Expenses Fiscal Year 2006 Compared to Fiscal Year 2005
  - Explanation of Significant Variations in Nonoperating Revenues and Expenses Fiscal Year 2006 Compared to Fiscal Year 2005
  - Explanation of Significant Lapse Period Expenditures for the Fourteen Months Ended August 31, 2006
  - Analysis of Accounts Receivable as of June 30, 2006 and 2005
  - Indirect Cost Support as of and for the Year Ended June 30, 2006:
    - Schedule of Sources and Applications of Indirect Cost Recoveries for the Year Ended June 30, 2006
    - Calculation Sheet for Current Excess Funds at June 30, 2006
  - University Accounting Entities:
    - Calculation of Current Excess Funds at June 30, 2006
    - Current Funds – Unrestricted – Other – Combining Financial Statements by Functional Entity as of and for the Year Ended June 30, 2006
    - Auxiliary Enterprises – Combining Financial Statements by Functional Entity as of and for the Year Ended June 30, 2006

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**Summary**  
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- Analysis of Operations

- University Functions and Planning Program

- Unaudited Employment Statistics

- Unaudited Service Efforts and Accomplishments – Enrollment Statistics

- Unaudited Schedule of Unrestricted Current Funds General Expenditures Per Full-Time Equivalent Student as Reported to the Illinois Board of Higher Education for the Year Ended June 30, 2006

- Comments on the Percentage of Total Expenditures Represented by Administrative Costs for the Year Ended June 30, 2006

- Information on Restricted Accounts, Auxiliary Facilities System –1999, 2002, 2005 and 2006 Bond Series for the Year Ended June 30, 2006

- Comments on Certain Matters Pertaining to the University Guidelines for the Year Ended June 30, 2006

- Summary of Western Illinois University Foundation Payments to the University for the Year Ended June 30, 2006

- Special Data Required by the Auditor General – Unaudited Comparative Schedule of Accrued Compensated Absences Since 1985

- Emergency Purchases for the Year Ended June 30, 2006

- Analysis of Bookstore Operations for the Year Ended June 30, 2006

- The University Accounting Entities and Related Sources of Revenue and Purpose for the Year Ended June 30, 2006

- Calculation of Federal vs. Nonfederal Expenditures for the Year Ended June 30, 2006

- Unaudited Undergraduate Tuition and Fee Waivers

- Unaudited Graduate Tuition and Fee Waivers

The accountants' report that covers the Supplementary Information for State Compliance Purposes presented in the Compliance Report Section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the accountants' opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

## **Fiscal Schedules and Analysis**

**State of Illinois**  
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**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2006**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Department of Agriculture</u>			
Direct Programs			
Rural Community Development Initiative	10.446	None	\$ 123,763
Rural Cooperative Development Grants	10.771	None	<u>129,878</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>253,641</u>
<u>Department of Commerce</u>			
Direct Programs			
Economic Development-Support for Planning Organizations	11.302	06-86-04948	71,910
Economic Development-Technical Assistance	11.303	06-66-04939	3,208
Passed Through Bradley University			
Manufacturing Extension Partnership	11.611	None	<u>72,707</u>
TOTAL DEPARTMENT OF COMMERCE			<u>147,825</u>
<u>Department of Housing and Urban Development</u>			
Direct Program			
Community Development Block Grant/Brownfields Economic Development Initiative	14.246	B04NOIL0908	<u>83,513</u>
TOTAL DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			<u>83,513</u>
<u>Department of Justice</u>			
Direct Programs			
Public Safety Partnership & Community Policing Grants	16.710	2002CMWX0169	29,821
Passed Through Il Law Enforcement Training and Standards Board			
Police Corps	16.712	2002PO-R-034	<u>139,271</u>
TOTAL DEPARTMENT OF JUSTICE			<u>169,092</u>
<u>Department of Labor</u>			
Passed Through Illinois State University			
WIA Adult Program	17.258	None	<u>15,000</u>
TOTAL DEPARTMENT OF LABOR			<u>15,000</u>

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Department of State</u>			
Direct Programs			
Professional Development-International Educators/Administrators	19.424	S-ECAAS-03-GR-223 (DH)	\$ 121,775
TOTAL DEPARTMENT OF STATE			<u>121,775</u>
<u>Department of Transportation</u>			
Passed Through Illinois Department of Transportation			
Formula Grants for Other Than Urbanized Areas	20.509	DOT05-DPT-01, DOT06-DPIT-09	284,291
Public Transportation Research	20.514	DOT06-DPIT10	56,139
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	AL5-3435-124, AL6-3435-01	15,286
Safety Incentives to Prevent Operation of Motorized Vehicles by Intoxicated Persons	20.605	AL5-3435-008	<u>7,723</u>
TOTAL DEPARTMENT OF TRANSPORTATION			<u>363,439</u>
<u>National Foundation on the Arts &amp; the Humanities</u>			
Direct Programs			
Promotion of the Arts-Grants to Organizations and Individuals	45.024	05-7800-7102 06-7800-7075	8,475
Passed Through Illinois State Library Grants to States	45.310	None	<u>500</u>
TOTAL FOUNDATION ON ARTS & HUMANITIES			<u>8,975</u>
<u>National Science Foundation</u>			
Passed Through University Corporation for Atmospheric Research			
Geosciences	47.050	S05-38761	<u>3,997</u>
TOTAL NATIONAL SCIENCE FOUNDATION			<u>3,997</u>
<u>Department of Education</u>			
<u>Student Financial Aid Cluster</u>			
Direct Programs: Student Financial Aid Cluster			
Federal Supplemental Education Opportunity Grants	84.007	P007A051313	474,047
Federal Work-Study Program	84.033	P033A051313	553,845
Federal Perkins Loan Program-Federal Capital Contributions	84.038	P038A041313	135,378
Federal Pell Grant Program	84.063	P063P041391 & P063P051391	<u>7,800,813</u>
TOTAL STUDENT FINANCIAL AID CLUSTER			<u>8,964,083</u>

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Department of Education</u>			
Direct Programs:			
Overseas - Group Projects Abroad	84.021A	P021A050007 P021A050005	\$ 2,392
Fund for the Improvement of Postsecondary Education	84.116	P116N020003	43,808
Business & International Education Projects	84.153A	P153A050025	27,215
Bilingual Education-Professional Development	84.195N	T195N020063	244,538
Special Education-Research & Innovation to Improve Services & Results for Children with Disabilities	84.324R	H324R030013	181,629
Special Education-Technology & Media Services for Individuals with Disabilities	84.327A	H327A030048	79,534
Child Care Access Means Parents in School	84.335A	P335A010073	14,229
Passed Through Illinois Board of Higher Education improving Teacher Quality State Grants	84.367B	04F983490026 05F983NCLB20 & None	278,890
Passed Through Illinois Community College Board			
Adult Education-State Grant Program	84.002	AEL06006	426,366
Adult Education-State Grant Program	84.002A	AEL06002,AEL06008, AEL06007	639,884
Preparing Tomorrows Teachers To Use Technology	84.342A	PT305002	95,454
Passed Through Illinois State Board of Education			
Special Education-Preschool Grants	84.173	05-4605-00-26-062-5440-51 06-4605-00-26-062-5440-51	1,004,186
Reading First State Grants	84.357	MY06434	207,668
Improving Teacher Quality State Grants	84.367A	06.162	113,108
Passed Through University of Vermont			
Fund for the Improvement of Postsecondary Education	84.116	GN88-17389	13,297
Passed Through Regional Office of Education			
Fund for the Improvement of Education	84.215	U215X05143	22,305
Passed Through Peoria County Regional Office of Education			
Education Technology State Grants	84.318	None	<u>12,320</u>
TOTAL DEPARTMENT OF EDUCATION			<u>12,370,906</u>

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Department of Health &amp; Human Services</u>			
Passed Through Illinois Department of Public Health			
State Rural Hospital Flexibility Program	93.241	1172A & 1303A	\$ 17,316
Centers for Disease Control & Prevention - Investigations & Technical Assistance	93.283	63286024	812
Grants to States for Operation of Offices of Rural Health	93.913	62580224	19,217
Passed through Illinois Department of Human Services			
Temporary Assistance for Needy Families	93.558	81X6967000	<u>300,045</u>
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES			<u>337,390</u>
<u>Corporation for National &amp; Community Service</u>			
Direct Programs:			
Volunteers in Service to America	94.013	03VSNIL063	1,379
Passed through Illinois Department of Human Services			
Americorps	94.006	11G4835000	<u>87,429</u>
TOTAL CORPORATION FOR NATIONAL & COMMUNITY SERVICE			<u>88,808</u>
<u>Department of Homeland Security</u>			
Direct Programs:			
National Fire Academy Educational Program	97.019	EME2002CA020	10,522
Passed through Illinois Emergency Services Management Association			
State Homeland Security Program	97.073	None	<u>30,635</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			<u>41,157</u>
<u>United States Agency for International Development</u>			
Passed through Association Liaison Office			
USAID Development Partnerships for University Cooperation and Development	98.012	HNEA00970005	<u>88,429</u>
TOTAL UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT			<u>88,429</u>

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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Direct Appropriations</u>			
Passed through Corporation for Public Broadcasting Community Service Grant	None	None	\$ 212,397
Internet Services Acquisition Grant	None	None	2,873
Passed through Army Corp of Engineers	None	W912EK-06-P-0120	22,428
<b>TOTAL DIRECT APPROPRIATIONS</b>			<b>237,698</b>
<b>TOTAL INSTRUCTION AND PUBLIC SERVICE</b>			<b>14,331,645</b>
<u>Department of Agriculture</u>			
Direct Programs			
Agricultural Research-Basic & Applied Research	10.001	58-3620-1-151 58-3620-3-134 & 583620-6-105 033550412870	72,054
Grants for Agricultural Research-Competitive Research Grants	10.206	043550414712 043530014656	58,631
Passed through University of Illinois Grants for Agricultural Research, Special Research Grants	10.200	033446213005 & 03-173	77,803
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<b>208,488</b>
<u>Army Research Office</u>			
Passed through Iowa Army Ammunition Plant Basic Scientific Research	12.431	None	1,000
<b>TOTAL ARMY RESEARCH OFFICE</b>			<b>1,000</b>
<u>Department of the Interior</u>			
National Spatial Data Infrastructure Cooperative Agreements Program	15.809	04HQAG0145	1,912
<b>TOTAL DEPARTMENT OF INTERIOR</b>			<b>1,912</b>
<u>National Science Foundation</u>			
Direct Programs			
Mathematical and Physical Sciences	47.049	CHE-0412614	56,119
Education and Human Resources	47.076	DUE-0211080	174
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<b>56,293</b>



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Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>Department of Education</u>			
Direct Programs			
Fund for the Improvement of Postsecondary			
Education	84.116M	P116M010013	\$ 29,675
Star Schools	84.203F	R203F000003	991,791
Special Education- Research & Innovation to Improve Services & Results for Children with Disabilities	84.324M	H324M030200	188,188
Special Education-Technology & Media Services for Individuals with Disabilities	84.327A	H327A040087 H327A040100 & H327A020050	467,553
TOTAL DEPARTMENT OF EDUCATION			<u>1,677,207</u>
<u>Department of Health and Human Services</u>			
Direct Programs			
Cancer Treatment Research	93.395	1R15CA115404	35,985
Microbiology and Infectious Diseases Research	93.856	7R21A1059270	104,191
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>140,176</u>
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			<u>2,085,076</u>
TOTAL FINANCIAL ASSISTANCE			<u>\$ 16,416,721</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2006**

**Note 1: Background**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the University. The schedule includes all federal awards received directly from federal agencies as well as federal financial awards passed through other agencies.

**Summary of Significant Accounting Policies – Basis of Presentation**

This schedule includes the federal awards activity of the University and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**Note 2: Perkins Loans**

Perkins Loan Program CFDA #84.038

Outstanding Balance, July 1, 2005	<u>\$ 1,917,560</u>
Additions:	
Interest Income	<u>33,282</u>
Contributions:	
Miscellaneous adjustment	<u>2,368</u>
Total Contributions	<u>2,368</u>
Repayment for cancelled loans	<u>53,651</u>
Total Additions, net	<u>89,301</u>
Deductions:	
Loans cancelled or written-off	62,882
Allowance for uncollectible adjustment	(2,250)
Administrative Charges	71,834
Collection Agency fees- net	368
Litigation Costs	<u>2,544</u>
Total Deductions	<u>135,378</u>
Outstanding Balance, June 30, 2006	<u>\$ 1,871,483</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2006**

**Note 3: Stafford Loans**

During the year ended June 30, 2006, the University processed new loans totaling \$45,886,484 under the Federal Family Education Loan Program.

**Note 4: Subrecipients**

Of the Federal expenditures presented in the schedule, the University provided Federal awards in the amount of \$297,872 to subrecipients in 2006 as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Reference Number</u>	<u>Provided To Subrecipients</u>
Professional Development-International Educations/Administrators	19.424	S-ECAAS-03-GR-223	\$ 1,724
Fund For the Improvement of Postsecondary Education	84.116	P116N020003	1,084
Star Schools	84.203F	R203F000003	242,864
Americorps	94.006	11G4835000	18,500
USAID Development Partnerships for University Cooperation in Development	98.012	HNEA00970005	<u>33,700</u>
			<u>\$ 297,872</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of The State of Illinois)  
**Schedule of Appropriations, Expenditures and Lapsed Balances**  
**Current Funds - Unrestricted - General**  
**Fourteen Months Ended August 31, 2006**

	Total		Expenditures		Lapse Period		Total Expenditures		Balance	
	Appropriations		Through June 30, 2006		Expenditures July 1 - August 31		August 31, 2006		Lapsed	
<b>Public Act No. 94-0015</b>										
<b>GENERAL REVENUE FUND (001)</b>										
Personal services	\$ 48,603,800	\$	48,603,785	\$	-	\$	48,603,785	\$	15	
Contractual services	3,346,300		3,346,300		-		3,346,300		-	
Commodities	800,000		753,678		46,322		800,000		-	
Library books and equipment	1,000,000		957,541		42,459		1,000,000		-	
Telecommunications	450,000		450,000		-		450,000		-	
FICA/Medicare/Group Insurance	2,191,000		2,191,000		-		2,191,000		-	
	<u>56,391,100</u>		<u>56,302,304</u>		<u>88,781</u>		<u>56,391,085</u>		<u>15</u>	
<b>STATE COLLEGES &amp; UNIVERSITIES TRUST</b>										
Scholarships - License Plates	10,000		10,000		-		10,000		-	
<b>TOTALS</b>	<u>\$ 56,401,100</u>	<u>\$</u>	<u>56,312,304</u>	<u>\$</u>	<u>88,781</u>	<u>\$</u>	<u>56,401,085</u>	<u>\$</u>	<u>15</u>	

Note: The above information is from University records, and it has been reconciled to the State Comptroller's records

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Comparative Schedule of Net Appropriations,**  
**Expenditures Including Lapse Period and Lapsed Balances**  
**For the Fourteen Months Ended August 31, 2006 and 2005**

	2006	2005
<b>GENERAL REVENUE FUND:</b>		
Appropriations (net of transfers)	\$ 56,391,100	\$ 56,391,100
Expenditures		
Personal services	48,603,785	48,600,000
Contractual services	3,346,300	2,986,300
Travel	-	150,000
Commodities	800,000	800,000
Library books and equipment	1,000,000	1,000,000
Awards, grants and matching funds	-	50,000
Operation of automotive equipment	-	60,000
Telecommunications	450,000	450,000
FICA/Medicare/Group Insurance	2,191,000	2,194,800
Permanent improvements	-	100,000
Total Expenditures	56,391,085	56,391,100
Lapsed Balances	\$ 15	\$ -
<b>STATE COLLEGES AND UNIVERSITY TRUST:</b>		
Appropriations (net of transfers)	\$ 10,000	\$ 2,000
Expenditures		
Scholarships	10,000	2,000
Amount re-appropriated	-	-
Lapsed Balances	\$ -	\$ -
<b>GRAND TOTAL, ALL FUNDS:</b>		
Total Appropriations (net of transfers)	\$ 56,401,100	\$ 56,393,100
Total expenditures	56,401,085	56,393,100
Total amount re-appropriated	-	-
<b>TOTAL LAPSED BALANCES</b>	<b>\$ 15</b>	<b>\$ -</b>

**State of Illinois**  
**Western Illinois University**  
 (A Component Unit of the State of Illinois)  
 Schedule of Changes in Property and Equipment  
 Year Ended June 30, 2006

	Additions					Deductions			Ending Balance	
	Beginning Balance	Appropriations Other Funds	Transfers from Capital Development Board	Gifts and Other	Allowance on Equipment Traded-in	Transfers In (Out)	Transfers/Scrapped Missing or Stolen	Carrying Value of Equipment Traded-in		Depreciation
<b>AUXILIARY ENTERPRISES</b>										
Revenue bond:										
Land	\$ 158,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Buildings	46,338,877	442,307	-	-	-	1,524,774	-	-	1,926,753	-
Site Improvements	1,784,037	49,023	-	-	-	(8,526)	-	-	89,532	-
Equipment	1,158,116	102,736	-	211,628	8,700	(8,526)	6,127	5,642	300,238	33,266
Construction in Progress	500,420	1,997,582	-	63,704	-	(1,708,976)	-	-	-	-
	<u>49,960,260</u>	<u>2,591,648</u>	-	<u>275,332</u>	<u>8,700</u>	<u>(192,728)</u>	<u>6,127</u>	<u>5,642</u>	<u>2,316,523</u>	<u>33,266</u>
<b>Other:</b>										
Buildings	34,807	-	-	-	-	-	-	-	1,769	-
Site Improvements	991,472	5,485	-	-	-	25,835	-	-	44,674	-
Equipment	54,912	16,581	-	-	1,000	-	-	-	16,786	-
Construction in Progress	-	86,202	-	-	-	-	-	-	-	-
	<u>1,081,191</u>	<u>108,268</u>	-	-	<u>1,000</u>	<u>25,835</u>	-	-	<u>63,229</u>	-
<b>Total auxiliary enterprises</b>	<u>51,041,451</u>	<u>2,699,916</u>	-	<u>275,332</u>	<u>9,700</u>	<u>(166,893)</u>	<u>6,127</u>	<u>5,642</u>	<u>2,379,752</u>	<u>33,266</u>
<b>EDUCATIONAL PLANT</b>										
General:										
Land	3,064,337	-	-	-	-	-	-	-	-	-
Buildings	47,700,857	193,707	-	252,367	-	3,020,344	-	-	3,101,546	-
Site Improvements	14,145,095	25,835	-	3,689	-	(25,835)	14,380	-	746,131	-
Equipment	8,320,782	2,020,704	-	192,139	8,935	86,511	22,054	12,403	2,423,966	54,084
Construction in Progress	825,048	1,053,429	-	112,288	-	(2,804,787)	-	-	-	-
	<u>74,056,119</u>	<u>3,293,675</u>	-	<u>560,483</u>	<u>8,935</u>	<u>276,233</u>	<u>36,434</u>	<u>12,403</u>	<u>6,271,643</u>	<u>54,084</u>
<b>Activities:</b>										
Buildings	457,685	67,930	-	-	-	106,268	-	-	36,127	-
Equipment	2,714,150	425,686	-	108,707	-	(77,985)	2,946	-	1,238,725	80,792
Construction in Progress	94,803	305,320	-	-	-	(137,623)	-	-	-	-
	<u>3,266,638</u>	<u>599,136</u>	-	<u>108,707</u>	-	<u>(109,340)</u>	-	<u>2,946</u>	<u>1,274,852</u>	<u>80,792</u>
<b>Total educational plant</b>	<u>77,322,757</u>	<u>3,892,811</u>	-	<u>669,190</u>	<u>8,935</u>	<u>166,893</u>	<u>36,434</u>	<u>15,349</u>	<u>7,546,495</u>	<u>134,876</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<u>\$ 128,364,208</u>	<u>\$ 6,592,727</u>	-	<u>\$ 944,522</u>	<u>\$ 18,635</u>	<u>\$ -</u>	<u>\$ 42,561</u>	<u>\$ 20,991</u>	<u>\$ 9,926,247</u>	<u>\$ 168,142</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Comparative Schedules of Income Fund**  
**Revenues and Expenditures**  
**Years Ended June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>INCOME FUND REVENUES</b>		
Registration fees	\$ 48,970,460	\$ 44,089,277
Other student charges	82,339	85,309
Fines	10,310	10,015
Finance Charges	281,387	274,185
Interest	844,725	346,364
Extension	2,641,349	2,636,623
Other	167,727	157,886
Tuition and fees foregone, faculty and staff	(2,750,991)	(2,529,619)
Tuition and fees foregone, scholarship students	<u>(2,247,961)</u>	<u>(1,972,014)</u>
<b>TOTAL INCOME FUND REVENUES</b>	<b><u>\$ 47,999,345</u></b>	<b><u>\$ 43,098,026</u></b>
<b>INCOME FUND EXPENDITURES</b>		
Personal Services	\$ 32,445,100	\$ 27,167,265
Contractual Services	6,961,087	6,050,777
Travel	911,590	680,369
Commodities	992,464	707,545
Library books and equipment	2,199,577	2,428,855
Operation of automotive equipment	72,437	55,778
Telecommunications	91,132	78,279
Awards, grants, and matching funds	714,828	481,470
FICA/Medicare	399,173	297,777
Permanent improvements	440,462	260,530
Employment Security	<u>31,748</u>	<u>36,021</u>
<b>TOTAL INCOME FUND EXPENDITURES</b>	<b><u>\$ 45,259,598</u></b>	<b><u>\$ 38,244,666</u></b>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Comparative Schedules of Cash, Temporary Cash Investments, and**  
**Investments - At Fair Value**  
**June 30, 2006 and 2005**

	2006	2005
<b>By Depository</b>		
<b>Cash and temporary cash investments:</b>		
Cash on hand	\$ 116,909	\$ 113,775
Cash Held by Treasurer	323,494	353,539
Checking accounts:		
The Illinois Funds, Springfield, Illinois, Clearing Fund (2006, 4.0379%; 2005, 2.0258%)	(2,082,518)	(1,106,256)
The Illinois Funds, Springfield, Illinois, Payroll Fund (2006, 4.0379%; 2005, 2.0258%)	(756,124)	(98,407)
The Illinois Funds, Springfield, Illinois, Income Fund (2006, 4.0379%; 2005, 2.0258%)	(35,649)	(91,025)
Certificates of deposit, First State, Macomb, Illinois (2006, 5.300%; 2005, not applicable)	2,523,400	-
U.S. Treasury Bills, Treasury Direct, Minneapolis, MN (2006, 4.610 - 4.958%; 2005, 2.767 - 3.039%)	2,173,447	8,438,666
The Illinois Funds, Springfield, Illinois, State University Risk Management Assn (2006, 4.0379%; 2005, 2.0258%)	2,599,768	2,517,208
First Bankers Trust Co., Macomb, Illinois, Depository Account	159,886	228,415
LaSalle National Bank, Chicago, Illinois, Debt Service Reserve	-	72
LaSalle National Bank, Chicago, Illinois, '05 Bond & Interest Sinking Fund	-	38,082
Temporary cash investments -		
The Illinois Funds, Springfield, Illinois, (2006, 4.0379%; 2005, 2.0258%)	23,944,215	32,107,554
<b>Total cash and temporary cash investments</b>	<b>28,966,828</b>	<b>42,501,623</b>
<b>Investments:</b>		
Certificates of deposit, Bank of America, St. Louis, Missouri (2006, not applicable; 2005, 1.59%)	-	1,000,000
Certificates of deposit, First Midwest, Moline, Illinois (2006, 4.500 - 5.250%; 2005, not applicable)	2,010,662	-
Certificates of deposit, First State, Macomb, Illinois (2006, 4.350 - 4.990%; 2005, not applicable)	1,003,309	-
Federal Home Loan Bank, US Bank Trust, Springfield, Illinois (2006, 2.250 - 4.875%; 2005, 2.250 - 4.875%)	12,511,805	1,495,781
U.S. Treasury Bills, Treasury Direct, Minneapolis, MN (2006, 4.472-4.999%; 2005, 3.172 - 3.319%)	4,883,568	1,869,778
U.S. Treasury Notes, US Bank Trust, Springfield, Illinois (2006, 2.507 - 6.571%; 2005, 2.493 - 6.571%)	9,814,004	2,355,377
U.S. Treasury Securities - State & Local Government - US Bank Trust, Springfield, Illinois, (2006, 4.650%; 2005, 2.47 - 4.65%)	1,009,386	1,109,386
<b>Total cash and investments</b>	<b>\$ 60,199,562</b>	<b>\$ 50,331,945</b>
<b>By Fund</b>		
<b>Unrestricted current funds:</b>		
General	\$ 10,450,280	\$ 14,921,762
Other	6,067,460	8,235,311
Auxiliary enterprises:		
Revenue bond	3,602,270	5,578,508
Other	64,306	210,211
<b>Restricted current funds</b>		
<b>Loan funds:</b>		
Student Loan funds	140,729	129,238
Perkins-National Direct Student Loan fund	87,248	37,015
Plant funds	36,906,927	17,914,514
<b>Agency funds:</b>		
Clearing accounts	128,345	158,664
Accounts held in custody for others	2,660,045	2,568,856
<b>Total cash and investments</b>	<b>\$ 60,199,562</b>	<b>\$ 50,331,945</b>



**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Explanation of Significant Variations in Account Balances**  
**Fiscal Year 2006 Compared to Fiscal Year 2005**

The following are explanations for account balances that changed by at least \$700,000 and by more than 10% of the previous year:

	<b>2006</b>	<b>2005</b>
<b>Cash and Cash Equivalents</b>	\$28,807,984	\$42,390,439
<p>In fiscal year 2006, there was a net overall increase in cash, cash equivalents and investments of over \$9 million. This increase is attributable primarily to the 2005 Certificates of Participation and 2006 Revenue Bond issues. There was a decrease in cash attributable to the shift of investments from cash equivalents to longer term investments to maximize investment income.</p>		
<b>Current Investments</b>	\$24,146,728	\$ 4,131,731
<p>In fiscal year 2006, there was a net overall increase in cash, cash equivalents and investments of over \$9 million. This increase is attributable primarily to the 2005 Certificates of Participation and 2006 Revenue Bond issues. The increase in current investments is attributable partially to the shift of investments from cash equivalents to current investments and partially to the increase in investable cash due to the Certificates of Participation and Revenue Bond issues.</p>		
<b>Due From Primary Government</b>	\$ 2,319,096	\$ 1,082,500
<p>Fiscal year 2006 receivables from the Capital Development Board were approximately \$758,000 higher than in fiscal year 2005. In addition, there were approximately \$424,000 more receivables reported on the SCO565 and SCO567 as due from primary government.</p>		
<b>Inventories</b>	\$ 3,048,665	\$ 2,125,046
<p>Approximately \$643,000 of the increase is due to an increase in textbook inventory. The bookstore received textbook orders much sooner in fiscal year 2006 than in fiscal year 2005. The remainder of the increase is due to normal fluctuations in inventory levels and timing of the receipt of inventory items.</p>		
<b>Noncurrent Investments</b>	\$ 7,086,006	\$ 3,698,591
<p>In fiscal year 2006, there was a net overall increase in cash, cash equivalents and investments of over \$9 million. This increase is attributable primarily to the 2005 Certificates of Participation and 2006 Revenue Bond issues. The increase in long term investments is attributable partially to the shift of investments from cash equivalents to long-term investments and partially to the increase in investable cash due to the Certificates of Participation and Revenue Bond issues.</p>		

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Explanation of Significant Variations in Account Balances**  
**Fiscal Year 2006 Compared to Fiscal Year 2005**

	<b>2006</b>	<b>2005</b>
<b>Accounts Payable and Accrued Liabilities</b>	\$ 3,236,161	\$ 4,809,683
<p>In fiscal year 2006, payments to JP Morgan Chase in conjunction with the Pcard program were made in a more timely manner in order to earn a rebate from JP Morgan Chase. In addition, there were fewer bookstore credit memos outstanding at June 30, 2006 than there were at June 30, 2005. Because there were fewer credit memos outstanding, there were fewer invoices being held by credit memos. The combination of these two fluctuations accounts for roughly \$1.1 million of the decrease. The remainder of the decrease is due to normal fluctuations in the timing of payments from year to year.</p>		
<b>Accrued Payroll</b>	\$ 6,304,612	\$12,914,922
<p>The semi-monthly, student and monthly payrolls for the period ending June 30 are payable on July 1. However, since July 1 was a Saturday in fiscal year 2006 as compared to a Friday in fiscal year 2005, those payroll checks were dated June 30 rather than July 1. Because they were dated June 30, they weren't booked as payables resulting in a decrease in payables.</p>		
<b>Certificates of Participation Payables</b>	\$10,290,000	\$ —
<p>On December 7, 2005, the University issued Certificates of Participation to renovate the student portion of the football stadium, to construct a Multicultural Center and to construct a combination Document &amp; Publication Services &amp; Property Accounting Redistribution Center. Prior to this, the University had not issued Certificates of Participation.</p>		
<b>Unrestricted Net Assets</b>	\$14,645,051	\$ 9,871,076
<p>An increase in overall cash, cash equivalents and investments coupled with decreases in payables, increases in revenue bonds and certificates of participation payable all combined for a net increase in unrestricted net assets.</p>		

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Explanation of Significant Variations in Operating Revenues**  
**Fiscal Year 2006 Compared to Fiscal Year 2005**

The following are explanations for operating revenue that changed by at least \$700,000 and by more than 10% of the previous year:

	<u>2006</u>	<u>2005</u>
<b>Tuition and Fees, Net</b>	\$ 56,901,766	\$ 51,075,172
Students entering the University for the first time in the Summer of 2005 semester, were assessed tuition which represented a 9.5% increase and fees which represented a 6.48% increase over those students entering the University in the prior year. These increases coupled with increases in campus student enrollment resulted in an increase in tuition and fee revenue.		

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Explanation of Significant Variations in Operating Expenses**  
**Fiscal Year 2006 Compared to Fiscal Year 2005**

The following are explanations for operating expenses that changed by at least \$700,000 and by more than 10% of the previous year:

	<b>2006</b>	<b>2005</b>
<b>Academic Support</b>	\$ 16,251,212	\$ 12,894,622
<p>Overall operating expenses increased in fiscal year 2006 due to the availability of additional funds as a result of increased tuition and increased interest rates. While virtually all categories of expense increased, the most notable increases occurred in the academic support, student service and institutional support categories.</p>		
<b>Student Services</b>	\$ 17,518,386	\$ 15,254,938
<p>Overall operating expenses increased in fiscal year 2006 due to the availability of additional funds as a result of increased tuition and increased interest rates. While virtually all categories of expense increased, the most notable increases occurred in the academic support, student service and institutional support categories.</p>		
<b>Institutional Support</b>	\$ 11,215,194	\$ 9,572,886
<p>Overall operating expenses increased in fiscal year 2006 due to the availability of additional funds as a result of increased tuition and increased interest rates. While virtually all categories of expense increased, the most notable increases occurred in the academic support, student service and institutional support categories.</p>		

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Explanation of Significant Variations in Nonoperating Revenues and Expenses**  
**Fiscal Year 2006 Compared to Fiscal Year 2005**

The following are explanations for nonoperating revenues and expenses that changed by at least \$700,000 and by more than 10% of the previous year:

	<u>2006</u>	<u>2005</u>
<b>Investment Income</b>	\$ 2,420,131	\$ 1,033,515
Increase in interest rates coupled with an increased amount of investable cash due to the 2005 Certificates of Participation and 2006 Revenue Bond issues combined for an increase in investment income.		
<b>Capital State Appropriations</b>	\$ 3,152,373	\$ 346,136
The Capital Development Board expended funds on projects such as roof replacements, Memorial Hall renovations and elevator upgrades in fiscal year 2006. Funds were not expended on these projects in fiscal year 2005.		

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Explanation of Significant Lapse Period Expenditures**  
**Fiscal Year 2006 Compared to Fiscal Year 2005**

No appropriation line item had lapse period expenditures in excess of \$700,000 and 10% of total line item expenditures for the fourteen months ended August 31, 2006.

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Analysis of Accounts Receivable**  
**As of and for the Years Ended June 30, 2006 and 2005**

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

	<u>2006</u>	<u>2005</u>
Current unrestricted funds	\$ 2,479,919	\$ 2,923,501
Current restricted funds	1,859,928	1,526,272
Loan funds	293	357
Plant funds	133,588	14,316
Agency funds	(790)	(54)
Total accounts receivable (net)	<u>\$ 4,472,938</u>	<u>\$ 4,464,392</u>

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

	<u>2006</u>	<u>2005</u>
Accounts receivable - all funds, at gross	\$ 7,611,438	\$ 7,388,942
Less: Allowance for uncollectible accounts	<u>3,138,500</u>	<u>2,924,550</u>
Total accounts receivable (net)	<u>\$ 4,472,938</u>	<u>\$ 4,464,392</u>

Accounts receivable aging was as follows:

	<u>2006</u>	<u>2005</u>
Receivables not past due	<u>\$ 2,194,084</u>	<u>\$ 2,277,948</u>
Past due receivables:		
1 day - 90 days	1,786,471	1,644,686
91 days - 180 days	53,164	225,325
181 days - 1 year	584,777	587,353
Over 1 year	<u>2,395,888</u>	<u>2,223,988</u>
Total receivables past due	<u>4,820,300</u>	<u>4,681,352</u>
Other receivables	<u>597,054</u>	<u>429,642</u>
Total receivables, at gross	<u>\$ 7,611,438</u>	<u>\$ 7,388,942</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Schedule of Sources and Applications of Indirect  
Cost Recoveries**  
**Year Ended June 30, 2006**

**SOURCES:**

Federal funds	\$	725,187
State funds		355,491
Private funds		16,533
Other		116,816
		1,214,027
Total Sources		1,214,027

**APPLICATIONS:**

Research		155,581
Academic Support		363,765
Student Services		-
Institutional Support		536,295
		1,055,641
Total Applications		1,055,641

Excess of Sources Over Applications		158,386
-------------------------------------	--	---------

**TRANSFERS AND OTHER DEDUCTIONS**

Transfers for other funds		(18,818)
		(18,818)
Total Transfers/Other		(18,818)

Fund Balance, Beginning of Year		437,451
		437,451

<b>FUND BALANCE, END OF YEAR</b>	<b>\$</b>	<b>577,019</b>
		<b>577,019</b>



**State of Illinois  
Western Illinois University  
(A Component Unit of the State of Illinois)  
Indirect Cost Carry-forward  
Calculation Sheet for Current Excess Funds  
June 30, 2006**

**1. Cash and Equivalents Balance**

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

Add:

Cash.....	607,948	
Cash Equivalents.....		
Bank Deposits.....		
Marketable Securities.....		
Certificates of Deposit.....		
Repurchase Agreements.....		
Other cash equivalent items.....		
Interfund receivables.....	0	607,948

**2. Allocated Reimbursements**

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed: 1,440,012; enter 30% of this amount.....

\$ 432,004

**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.....

\$ 144,000

**4. Encumbrances and current liabilities**

Paid in Lapse Period

Enter the amount of:

Current Liabilities.....	30,929
Encumbrances.....	99,089
Total.....	130,018

**5. Indirect Cost Carry-forward**

a. Enter the total of items 2, 3 and 4.....

706,022

b. Subtract from item 1

-98,074

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

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Calculation of Current Excess Funds**  
**June 30, 2006**

	<b>Auxiliary Enterprises - Revenue Bond</b>		
	<b>Recreation Facility</b>	<b>University Housing &amp; Dining</b>	<b>University Union</b>
<b>CURRENT AVAILABLE FUNDS:</b>			
Cash and cash equivalents	\$ 299,721	\$ 942,316	\$ 2,360,233
Marketable securities	-	-	-
Interfund receivables	-	-	-
	299,721	942,316	2,360,233
<b>WORKING CAPITAL ALLOWANCES:</b>			
Highest month's expenditures	329,148	4,781,709	2,539,532
Encumbrances and current liabilities paid in lapse period	43,554	838,856	525,974
Refundable deposits/deferred income	-	-	-
	372,702	5,620,565	3,065,506
<b>CURRENT EXCESS FUNDS</b>			
Deduct B from A ( C )	(72,981)	(4,678,249)	(705,273)
<b>CALCULATION OF INCOME FUND REMITTANCE:</b>			
An entity may offset excess capital or current funds within the entity:			
Enter the amount to be offset (D)	-	-	-
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	\$ (72,981)	\$ (4,678,249)	\$ (705,273)

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Calculation of Current Excess Funds**  
**Entity 07**  
**June 30, 2006**

Unique Charge Programs

	<b>Gwangju Service Summer '05 3-52870</b>
<b>CURRENT AVAILABLE FUNDS:</b>	
Cash and cash equivalents	\$ 0.59
Marketable securities	-
Interfund receivables	-
Total current available funds (A)	0.59
<b>WORKING CAPITAL ALLOWANCES:</b>	
Encumbrances and current liabilities paid in lapse period	-
Refundable deposits/deferred income	-
Total working capital allowances (B)	-
<b>CURRENT EXCESS FUNDS</b>	
Deduct B from A (C)	0.59
<b>CALCULATION OF INCOME FUND REMITTANCE:</b>	
An entity may offset excess capital or current funds within the entity:	
Enter the amount to be offset (D)	-
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	0.59

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Calculation of Current Excess Funds by Entity**  
**June 30, 2006**

	02	03	04	05	06	08	11	12	13
		Student Programs and Services	Instructional Resources and Services	University Stores and Service Centers	University Publications	Sponsored Credit Programs	Parking Operations	University Services	Transit Fee
<b>CURRENT AVAILABLE FUNDS:</b>									
Cash and cash equivalents	\$ 762,389	\$ 1,432,626	\$ 75,370	\$ 570,362	\$ 2,420	\$ 99,533	\$ 552,154	\$ 140,458	\$ (36,980)
Marketable securities	-	-	-	-	-	-	-	-	-
Interfund receivables	10,884	577	-	75,919	-	-	-	-	161,903
<b>Total current available funds (A)</b>	<b>773,273</b>	<b>1,433,203</b>	<b>75,370</b>	<b>646,281</b>	<b>2,420</b>	<b>99,533</b>	<b>552,154</b>	<b>140,458</b>	<b>124,923</b>
<b>WORKING CAPITAL ALLOWANCES:</b>									
Highest month's expenditures	577,960	2,855,581	452,572	1,017,687	11,666	47,407	79,511	535,781	221,265
Encumbrances and current liabilities paid in lapse period	139,527	257,448	39,090	277,515	-	22,577	17,558	50,253	36,699
Refundable deposits/deferred income	139,251	65,973	24,643	-	146	60,144	-	-	6,782
<b>Total working capital allowances (B)</b>	<b>856,738</b>	<b>3,179,002</b>	<b>516,305</b>	<b>1,295,202</b>	<b>11,812</b>	<b>130,128</b>	<b>97,069</b>	<b>586,034</b>	<b>264,746</b>
<b>CURRENT EXCESS FUNDS</b>	<b>(83,465)</b>	<b>(1,745,799)</b>	<b>(440,935)</b>	<b>(648,921)</b>	<b>(9,392)</b>	<b>(30,595)</b>	<b>455,085</b>	<b>(445,576)</b>	<b>(139,823)</b>
Deduct B from A (C)									
	(207,966)	(42,144)	(3,149)	(144,335)	-	-	(455,368)	-	-
<b>CALCULATION OF INCOME FUND REMITTANCE:</b>									
An entity may offset excess capital or current funds within the entity:									
Enter the amount to be offset (D)									
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	\$ (291,431)	\$ (1,787,943)	\$ (444,084)	\$ (793,256)	\$ (9,392)	\$ (30,595)	\$ (283)	\$ (445,576)	\$ (139,823)

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Current Funds - Unrestricted - Other**  
**Combining Balance Sheet**  
As of and for the Year Ended June 30, 2006

ASSETS	Indirect Cost Accounts	Public Service Accounts	Student Programs and Services	Instructional Resources and Services	University Stores and Service Centers	University Publications	Unique Charge Programs	Sponsored Credit Programs	Unrestricted Gifts	Compensated Absences for All Entities	University Services	Total
<b>Assets</b>												
Cash and temporary cash investments	\$ 607,888	\$ 761,539	\$ 1,421,801	\$ 74,735	\$ 538,702	\$ 2,420	\$ 6,365	\$ 99,533	\$ 55,242	\$ 1,796,239	\$ 140,458	\$ 5,524,922
Cash, change funds	60	850	10,825	635	11,660	-	-	-	-	-	-	24,030
Accounts receivable, less allowance for doubtful accounts	-	48,962	204,605	17,952	115,578	-	702	-	990	-	20	388,809
Inventories	-	11,448	73,024	44,849	996,813	-	-	-	-	-	-	1,126,134
Other	-	-	48,097	-	14,603	-	-	-	-	-	-	62,700
Investment in plant:												
Equipment	-	118,159	195,497	176,290	1,145,080	-	-	-	-	-	213,067	1,848,093
Building	-	-	406,039	-	-	-	-	-	-	-	189,717	595,756
<b>Total assets</b>	<b>\$ 607,948</b>	<b>\$ 940,958</b>	<b>\$ 2,359,888</b>	<b>\$ 314,461</b>	<b>\$ 2,842,436</b>	<b>\$ 2,420</b>	<b>\$ 7,067</b>	<b>\$ 99,533</b>	<b>\$ 56,232</b>	<b>\$ 1,796,239</b>	<b>\$ 543,262</b>	<b>\$ 9,570,444</b>

**LIABILITIES AND FUND BALANCES**

Liabilities	Fund Balances											
	Accrued salaries and wages	Accounts payable	Accrued compensated absences	Deferred revenue	Lease obligations payable	Installment purchases payable	Total liabilities	Current unrestricted	Renewals and replacements	Net investment in plant	Total fund balances (deficits)	Total liabilities and fund balances (deficits)
Accrued salaries and wages	\$ 1,086	\$ 38,723	\$ 47,229	\$ -	\$ -	\$ -	\$ 734	\$ 16,450	\$ 1,018	\$ -	\$ 50,204	\$ 282,897
Accounts payable	29,843	43,479	131,717	14,835	114,741	-	14,836	4,612	96	-	49	354,248
Accrued compensated absences	-	-	-	-	-	-	-	-	-	1,118,266	-	1,118,266
Deferred revenue	-	139,251	65,973	24,643	-	146	4,573	60,144	-	-	-	294,730
Lease obligations payable	-	-	-	-	62,727	-	-	-	-	-	-	62,727
Installment purchases payable	-	-	449,245	123,478	1,696,695	-	-	-	-	-	-	2,269,419
<b>Total liabilities</b>	<b>30,929</b>	<b>241,453</b>	<b>694,184</b>	<b>183,843</b>	<b>1,960,730</b>	<b>146</b>	<b>20,163</b>	<b>81,206</b>	<b>1,114</b>	<b>1,118,266</b>	<b>50,253</b>	<b>4,382,287</b>
<b>Fund balances</b>												
Current unrestricted	577,019	373,379	1,423,171	74,656	1,337,112	2,274	(13,096)	18,327	55,118	677,973	90,225	4,616,138
Renewals and replacements	-	207,966	42,144	3,149	144,335	-	-	-	-	-	-	397,594
Net investment in plant	-	118,160	200,369	52,813	(599,741)	-	-	-	-	-	402,784	174,405
<b>Total fund balances (deficits)</b>	<b>577,019</b>	<b>699,505</b>	<b>1,665,704</b>	<b>130,618</b>	<b>881,706</b>	<b>2,274</b>	<b>(13,096)</b>	<b>18,327</b>	<b>55,118</b>	<b>677,973</b>	<b>493,009</b>	<b>5,188,157</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 607,948</b>	<b>\$ 940,958</b>	<b>\$ 2,359,888</b>	<b>\$ 314,461</b>	<b>\$ 2,842,436</b>	<b>\$ 2,420</b>	<b>\$ 7,067</b>	<b>\$ 99,533</b>	<b>\$ 56,232</b>	<b>\$ 1,796,239</b>	<b>\$ 543,262</b>	<b>\$ 9,570,444</b>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Current Funds - Unrestricted - Other**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
As of and for the Year Ended June 30, 2006

	Indirect Cost Accounts	Public Service Accounts	Student Programs and Services	Instructional Resources and Services	University Stores and Service Centers	University Publications	Unique Charge Programs	Sponsored Credit Programs	Unrestricted Gifts	Compensated Absences for All Entities	University Services	Total
<b>REVENUES AND OTHER ADDITIONS</b>												
Fees and dues	\$ -	\$ 402,805	\$ 9,398,560	\$ 1,070,697	\$ 2,467	\$ -	\$ 21,244	\$ -	\$ -	\$ -	\$ -	\$ 10,895,773
Indirect cost recovery	1,193,943	-	-	-	-	-	-	-	-	-	-	1,193,943
Investment income	14,569	14,614	94,988	12,078	21,434	426	-	40	1,871	54,789	12,801	227,610
Sales and subscriptions	-	73,881	368,409	220,604	1,482,053	11,413	-	112	-	-	-	2,156,472
Charges for services	5,292	2,500,258	1,379,464	109,896	5,120,986	12,238	224,283	275,818	-	-	560	9,628,795
Athletic guarantees	-	-	351,022	-	-	-	-	-	-	-	-	351,022
Other	223	14,830	653,968	59,193	348,921	-	2,327	-	-	-	-	1,079,462
Gifts	-	1,717	111,597	-	541	-	-	-	163,098	-	-	276,953
Expended for plant facilities	109,339	39,258	104,341	5,451	251,948	-	541	-	-	-	88,799	599,136
Other fixed asset additions	17,782	-	213,655	58,920	433,430	-	-	-	-	-	-	599,136
<b>Total revenues and other additions</b>	<b>1,341,148</b>	<b>3,047,363</b>	<b>12,676,004</b>	<b>1,536,839</b>	<b>7,661,239</b>	<b>24,077</b>	<b>288,395</b>	<b>275,970</b>	<b>164,969</b>	<b>54,789</b>	<b>102,160</b>	<b>27,132,953</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>												
Cost of sales	-	28,488	48,932	19,493	1,495,398	-	-	120	-	-	-	1,592,431
Personal services	84,237	1,802,338	3,136,916	453,734	2,273,556	400	14,197	149,988	99,545	-	2,368,538	10,383,449
Contractual services	478,047	401,815	3,581,554	171,811	422,857	7,375	174,711	23,244	67,943	-	576,838	5,906,195
Telecommunications	2,743	33,605	134,847	57,210	759,197	-	391	-	885	-	4,216	993,094
Travel	63,616	51,332	228,869	13,278	320,518	171	15,894	20,483	597	-	3,604	710,452
Retirement	3,510	-	-	-	-	-	-	-	-	-	-	3,510
Group insurance	4,669	-	-	-	-	-	-	-	-	-	-	4,669
Commodities	68,536	126,701	962,084	316,141	459,165	11,454	3,242	6,726	4,447	-	16,264	1,974,760
Equipment	290,954	169,455	353,348	251,916	316,471	9,807	240	8,144	1,445	-	15,015	1,416,795
Scholarships	5,313	6,852	1,434,572	-	-	-	9,964	34,922	413	-	-	1,492,036
Compensated absences adjustment	-	-	-	-	-	-	-	-	-	(94,392)	-	(94,392)
Athletic guarantees	-	-	90,038	-	-	-	-	-	-	-	-	90,038
Other	54,016	189,550	2,638,698	98,506	380,663	1,207	5,601	13,028	713	-	(2,806,305)	575,877
Other fixed asset deductions	-	44,718	163,091	103,328	872,588	-	-	-	169,865	-	-	1,353,590
<b>Total expenditures and other deductions</b>	<b>1,055,641</b>	<b>2,854,854</b>	<b>12,765,149</b>	<b>1,485,417</b>	<b>7,300,413</b>	<b>30,414</b>	<b>224,240</b>	<b>256,655</b>	<b>175,988</b>	<b>(94,392)</b>	<b>348,125</b>	<b>26,402,504</b>
<b>Net increase (decrease) to fund balances before transfers</b>	<b>285,507</b>	<b>192,509</b>	<b>(89,145)</b>	<b>51,422</b>	<b>360,826</b>	<b>(6,337)</b>	<b>24,155</b>	<b>19,315</b>	<b>(11,019)</b>	<b>149,181</b>	<b>(245,965)</b>	<b>730,449</b>
<b>TRANSFERS AMONG FUNDS</b>												
Transfers (to) from other funds, current funds	(18,818)	(130,075)	(289,500)	6,528	(185,008)	-	(6,528)	-	-	-	-	(623,401)
Transfers (to) from other funds, plant funds	(127,121)	123,511	(411)	(262)	194,430	-	-	-	-	-	5,096	195,243
Transfers for lease obligation payments	-	-	(112,957)	(186,336)	(475,706)	-	-	-	-	-	-	(33,726)
Transfers for installment purchase payments	-	-	(402,868)	(180,070)	(500,010)	-	(6,528)	-	-	-	-	(774,999)
<b>Total transfers among funds</b>	<b>(145,939)</b>	<b>(6,564)</b>	<b>(402,868)</b>	<b>(180,070)</b>	<b>(500,010)</b>	<b>-</b>	<b>(6,528)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,096</b>	<b>(1,236,883)</b>
<b>Net increase (decrease) for the year</b>	<b>139,568</b>	<b>185,945</b>	<b>(492,013)</b>	<b>(128,648)</b>	<b>(139,184)</b>	<b>(6,337)</b>	<b>17,627</b>	<b>19,315</b>	<b>(11,019)</b>	<b>149,181</b>	<b>(240,869)</b>	<b>(506,434)</b>
<b>FUND BALANCE (DEFICIT), beginning</b>	<b>437,451</b>	<b>513,560</b>	<b>2,157,717</b>	<b>259,266</b>	<b>1,020,890</b>	<b>8,611</b>	<b>(30,723)</b>	<b>(988)</b>	<b>66,137</b>	<b>528,792</b>	<b>733,878</b>	<b>5,694,591</b>
<b>FUND BALANCE (DEFICIT), ending</b>	<b>577,019</b>	<b>699,505</b>	<b>1,665,704</b>	<b>130,618</b>	<b>881,706</b>	<b>2,274</b>	<b>(13,096)</b>	<b>18,327</b>	<b>55,118</b>	<b>677,973</b>	<b>493,009</b>	<b>5,188,157</b>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Auxiliary Enterprises - Other**  
**Combining Balance Sheet**  
**As of and for the Year Ended June 30, 2006**

ASSETS	<u>Parking Services</u>	<u>Transit Fee</u>	<u>Total</u>
<b>Assets</b>			
Cash and temporary cash investments	\$ 551,854	\$ (36,980)	\$ 514,874
Change funds	300	-	300
Accounts receivable	60,062	171,731	231,793
Investment in plant:			
Buildings	33,038	-	33,038
Site improvements	978,118	-	978,118
Equipment	30,077	25,630	55,707
Construction in progress	43,872	-	43,872
<b>Total assets</b>	<u>\$ 1,697,321</u>	<u>\$ 160,381</u>	<u>\$ 1,857,702</u>

**LIABILITIES AND FUND BALANCES**

<b>Liabilities</b>			
Accrued salaries and wages	\$ 11,559	\$ -	\$ 11,559
Accounts payable	90,846	36,699	127,545
Deferred revenue	-	6,782	6,782
<b>Total liabilities</b>	<u>102,405</u>	<u>43,481</u>	<u>145,886</u>
<b>Fund balances</b>			
Current funds	143,802	91,270	235,072
Renewals and replacements	366,009	-	366,009
Net investment in plant	1,085,105	25,630	1,110,735
<b>Total fund balances</b>	<u>1,594,916</u>	<u>116,900</u>	<u>1,711,816</u>
<b>Total liabilities and fund balances</b>	<u>\$ 1,697,321</u>	<u>\$ 160,381</u>	<u>\$ 1,857,702</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Auxiliary Enterprises - Other**  
**Combining Statement of Revenues, Expenditures**  
**And Changes in Fund Balances**  
**As of and for the Year Ended Year Ended June 30, 2006**

	<u>Parking Operations</u>	<u>Transit Fee</u>	<u>Total</u>
<b>REVENUES AND OTHER ADDITIONS</b>			
Sales and services	\$ 538,358	\$ 631,966	\$ 1,170,324
Fees	-	678,719	678,719
Investment income	15,531	834	16,365
Fines	354,287	-	354,287
Other revenues	105	4,055	4,160
Expended for plant facilities	65,938	-	65,938
Other fixed asset additions	1,000	-	1,000
<b>Total revenues and other additions</b>	<u>975,219</u>	<u>1,315,574</u>	<u>2,290,793</u>
<b>EXPENDITURES AND OTHER DEDUCTIONS</b>			
Personal services	417,291	74,759	492,050
Contractual services	8,352	789,448	797,800
Commodities	35,472	12,331	47,803
Equipment	26,141	8,097	34,238
Travel	50	2,795	2,845
Telecommunications	1,156	2,595	3,751
Other expenditures	63,427	265,370	328,797
Expended for plant facilities	48,013	-	48,013
Expended for renewals and replacements	107,321	-	107,321
Other fixed asset deductions	52,549	10,682	63,231
<b>Total expenditures and other deductions</b>	<u>759,772</u>	<u>1,166,077</u>	<u>1,925,849</u>
<b>Net increase in fund balances before transfers</b>	<u>215,447</u>	<u>149,497</u>	<u>364,944</u>
<b>TRANSFERS AMONG FUNDS</b>			
Transfers (to) from other funds, current funds	(510,445)	-	(510,445)
Transfers (to) from other funds, plant funds	536,280	-	536,280
<b>Total transfers among funds</b>	<u>25,835</u>	<u>-</u>	<u>25,835</u>
<b>Net increase for the year</b>	241,282	149,497	390,779
<b>FUND BALANCE (DEFICIT), beginning</b>	<u>1,353,634</u>	<u>(32,597)</u>	<u>1,321,037</u>
<b>FUND BALANCE, ending</b>	<u>\$ 1,594,916</u>	<u>\$ 116,900</u>	<u>\$ 1,711,816</u>



**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Auxiliary Enterprises - Revenue Bond Funds**  
**Combining Balance Sheet**  
As of and for the Year Ended June 30, 2006

ASSETS	University Union	Recreation Facility	University Housing & Dining	Total
<b>Current funds:</b>				
Cash and investments	\$ 2,360,233	\$ 299,721	\$ 942,316	\$ 3,602,270
Accounts and interest receivable, less allowance for doubtful accounts of \$1,556,000	256,920	42,634	1,073,193	1,372,747
Inventories	1,893,490	29,041	-	1,922,531
Total current funds	<u>\$ 4,510,643</u>	<u>\$ 371,396</u>	<u>\$ 2,015,509</u>	<u>\$ 6,897,548</u>
<b>Plant Funds:</b>				
Cash - retirement of indebtedness	\$ (117,360)	(639,943)	1,248,335	\$ 491,032
Cash - renewals and replacements	1,331,546	(1,441,402)	13,531,741	13,421,885
Cash - construction funds	43,039	381,053	1,468,146	1,892,238
Investments - construction funds	189,354	1,770,729	6,895,267	8,855,350
Accrued interest receivable	437	10,332	45,897	56,666
Investment in plant:				
Land, buildings, and improvements	1,216,625	8,604,398	38,480,519	48,301,542
Equipment	56,801	191,746	878,835	1,127,382
Construction in progress	-	29,465	783,593	813,058
Bond Issuance Costs	22,551	111,210	571,850	705,611
Total plant funds	<u>\$ 2,742,993</u>	<u>\$ 9,017,588</u>	<u>\$ 63,904,183</u>	<u>\$ 75,664,764</u>
Total assets	<u>\$ 7,253,636</u>	<u>\$ 9,388,984</u>	<u>\$ 65,919,692</u>	<u>\$ 82,562,312</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Current funds:</b>				
Accrued payroll	\$ 57,436	26,348	261,135	\$ 344,919
Accounts payable	443,201	14,093	415,116	872,410
Student deposits	-	-	140,330	140,330
Deferred revenue	25,058	58,562	154,923	238,543
Accrued compensated absences	385,733	26,420	1,071,851	1,484,004
	<u>\$ 911,428</u>	<u>\$ 125,423</u>	<u>\$ 2,043,355</u>	<u>\$ 3,080,206</u>
Fund balance, reserve for operations	3,599,215	245,973	(27,846)	3,817,342
Total current funds	<u>\$ 4,510,643</u>	<u>\$ 371,396</u>	<u>\$ 2,015,509</u>	<u>\$ 6,897,548</u>
<b>Plant Funds:</b>				
Accounts payable and accrued payroll	\$ 15,280	8,026	385,441	\$ 408,747
Accrued interest	14,948	86,236	457,235	558,419
Revenue bonds payable	1,603,311	7,263,533	40,645,795	49,512,639
Notes payable	-	-	253,978	253,978
	<u>\$ 1,633,539</u>	<u>\$ 7,357,795</u>	<u>\$ 41,742,449</u>	<u>\$ 50,733,783</u>
<b>Fund balances:</b>				
Retirement of indebtedness	\$ (109,757)	(614,969)	1,362,950	\$ 638,224
Renewals and replacements reserve	1,316,266	(1,448,950)	13,270,624	13,137,940
Project construction fund	232,830	840,342	2,494,900	3,568,072
Net investment in plant	(329,885)	2,883,370	5,033,260	7,586,745
	<u>\$ 1,109,454</u>	<u>\$ 1,659,793</u>	<u>\$ 22,161,734</u>	<u>\$ 24,930,981</u>
Total plant funds	<u>\$ 2,742,993</u>	<u>\$ 9,017,588</u>	<u>\$ 63,904,183</u>	<u>\$ 75,664,764</u>
Total liabilities and fund balances	<u>\$ 7,253,636</u>	<u>\$ 9,388,984</u>	<u>\$ 65,919,692</u>	<u>\$ 82,562,312</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Auxiliary Enterprises - Revenue Bond Funds**  
**Combining Statement of Revenues and Operating Expenditures**  
**By Functional Entity**  
**As of and for the Year Ended June 30, 2006**

	University Union	Recreation Facility	University Housing and Dining Services	Total
<b>REVENUES</b>				
Room and board	\$ -	\$ 285	\$ 30,338,670	\$ 30,338,955
Graduate and family housing	-	-	1,486,046	1,486,046
Sales and services	6,347,398	509,876	1,919,135	8,776,409
Student fees	2,309,337	2,541,471	443,351	5,294,159
Investment income	181,473	42,685	567,822	791,980
Other	125,487	108,172	1,147,047	1,380,706
<b>Total revenues</b>	<b>8,963,695</b>	<b>3,202,489</b>	<b>35,902,071</b>	<b>48,068,255</b>
<b>OPERATING EXPENDITURES</b>				
Cost of merchandise sold	4,215,334	83,987	-	4,299,321
Personal services:				
Student	139,748	292,156	1,284,263	1,716,167
Regular	2,254,225	887,592	6,905,581	10,047,398
Compensated absences	(30,765)	(12,113)	(94,244)	(137,122)
Fringe benefits	70,683	23,335	228,240	322,258
Food service and catering	34,750	1,763	11,616,023	11,652,536
Contractual services	181,656	83,998	717,544	983,198
Supplies	71,600	97,265	309,444	478,309
Travel	11,084	8,773	53,337	73,194
Utilities	603,301	107,403	3,484,710	4,195,414
Telephone	22,212	9,539	568,641	600,392
Repairs and maintenance	162,222	57,379	904,236	1,123,837
Insurance	32,908	8,279	164,457	205,644
Other financial	64,937	2,259	16,933	84,129
Equipment	21,753	16,246	473,561	511,560
Bad debts	14,425	10,026	215,614	240,065
Administrative support	339,790	121,354	1,360,858	1,822,002
Miscellaneous	25,708	36,699	553,719	616,126
<b>Total operating expenditures</b>	<b>8,235,571</b>	<b>1,835,940</b>	<b>28,762,917</b>	<b>38,834,428</b>
<b>Revenue over operating expenditures</b>	<b>\$ 728,124</b>	<b>\$ 1,366,549</b>	<b>\$ 7,139,154</b>	<b>\$ 9,233,827</b>

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Auxiliary Enterprises - Revenue Bond - Current Funds**  
**Combining Statement of Changes in Fund Balances**  
**Year Ended June 30, 2006**

	<u>University Union</u>	<u>Recreation Facility</u>	<u>University Housing &amp; Dining</u>	<u>Total</u>
<b>Balances (Deficits) July 1, 2005</b>	\$ 3,580,609	\$ 233,088	\$ (58,124)	\$ 3,755,573
Revenues and other additions:				
Operating Revenues	8,963,695	3,202,489	35,902,071	48,068,255
Expenditures and other deductions:				
Operating expenditures	8,235,571	1,835,940	28,762,917	38,834,428
Transfers and other additions (deductions):				
Mandatory transfers:				
Principal and interest	(220,344)	(757,132)	(3,685,787)	(4,663,263)
Renewals, replacements, def. maint., equipment reserve	(489,174)	(574,006)	(3,245,023)	(4,308,203)
Other transfers:				
Transfer for 2006 Bond Issue	<u>-</u>	<u>(22,526)</u>	<u>(178,066)</u>	<u>(200,592)</u>
Total transfers	<u>(709,518)</u>	<u>(1,353,664)</u>	<u>(7,108,876)</u>	<u>(9,172,058)</u>
<b>Balances (Deficits) June 30, 2006</b>	<u>\$ 3,599,215</u>	<u>\$ 245,973</u>	<u>\$ (27,846)</u>	<u>\$ 3,817,342</u>

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Auxiliary Enterprises - Revenue Bond - Plant Funds**  
**Combining Statement of Changes in Fund Balances**  
**Year Ended June 30, 2006**

	University Union	Recreation Facility	University Housing & Dining	Total
<b>Renewals, Replacements, Def Maint. &amp; Equipment Reserve</b>				
Balances June 30, 2005	\$ 946,555	\$ (1,836,469)	\$ 11,945,629	\$ 11,055,715
Transfers from current funds	489,174	574,006	3,245,023	4,308,203
Expenditures for renewals and replacements	<u>(119,463)</u>	<u>(186,487)</u>	<u>(1,920,028)</u>	<u>(2,225,978)</u>
Balances June 30, 2006	<u>\$ 1,316,266</u>	<u>\$ (1,448,950)</u>	<u>\$ 13,270,624</u>	<u>\$ 13,137,940</u>
<b>Retirement of Indebtedness</b>				
Balances June 30, 2005	\$ (94,125)	\$ (607,679)	\$ 1,229,640	\$ 527,836
Interest income	48	177	599	824
Other income	4,807	14,965	48,218	67,990
Bond issuance expenditures	(1,640)	(5,765)	(29,875)	(37,280)
Retirement of bonds	(160,843)	(533,236)	(2,355,921)	(3,050,000)
Bond issue proceeds	-	46,825	205,192	252,017
Interest paid, bonds	(63,411)	(250,503)	(1,459,028)	(1,772,942)
Bonds issued	-	(2,570)	(11,262)	(13,832)
Mandatory debt retirement transfer	<u>205,407</u>	<u>722,817</u>	<u>3,735,387</u>	<u>4,663,611</u>
Balances June 30, 2006	<u>\$ (109,757)</u>	<u>\$ (614,969)</u>	<u>\$ 1,362,950</u>	<u>\$ 638,224</u>
<b>Investment in Plant</b>				
Balances June 30, 2005	\$ (376,970)	\$ 2,646,177	\$ 2,488,209	\$ 4,757,416
Retirement of bonded indebtedness	160,842	533,237	2,355,921	3,050,000
Bonds refunded	-	850,909	6,779,125	7,630,034
Additions to plant	17,741	88,139	2,494,468	2,600,348
Depreciation	(102,855)	(359,819)	(1,887,114)	(2,349,788)
Gifts and other (Additions & Deductions to Fixed Assets)	-	(5,642)	(48,477)	(54,119)
Discount amortization	6,880	21,292	68,358	96,530
Refund amortization	(17,782)	(18,693)	(182,503)	(218,978)
Bonds issued	-	(866,752)	(6,865,218)	(7,731,970)
Transfers (net)	<u>(17,741)</u>	<u>(5,478)</u>	<u>(169,509)</u>	<u>(192,728)</u>
Balances June 30, 2006	<u>\$ (329,885)</u>	<u>\$ 2,883,370</u>	<u>\$ 5,033,260</u>	<u>\$ 7,586,745</u>
<b>Project Construction Fund</b>				
Balances June 30, 2005	\$ 232,830	\$ 869,933	\$ 3,754,735	\$ 4,857,498
Investment income	-	12,623	217,010	229,633
Bond proceeds	-	1,304,557	5,716,741	7,021,298
Bonds issued	-	(1,325,524)	(5,808,621)	(7,134,145)
Capitalized interest	-	4,465	19,566	24,031
Discount amortization	-	(235)	(1,031)	(1,266)
Expenditures for renewals and replacements	-	(25,477)	(1,403,151)	(1,428,628)
Transfers (net)	<u>-</u>	<u>-</u>	<u>(349)</u>	<u>(349)</u>
Balances June 30, 2006	<u>\$ 232,830</u>	<u>\$ 840,342</u>	<u>\$ 2,494,900</u>	<u>\$ 3,568,072</u>

## **Analysis of Operations**

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**University Functions and Planning Program**  
**For the Year Ended June 30, 2006**

The primary focus of Western Illinois University (University), a component unit of the State of Illinois (State), is on instruction and an additional commitment to research and public service. Dr. Alvin Goldfarb became President of the University as of July 1, 2002. The University is located in Macomb, Illinois.

The basic purpose and function of the University is stated in the "Planning Statements and Program Reviews" document, which is submitted annually to the Illinois Board of Higher Education. That document includes the mission statements of the University, as well as the statement of scope and mission of the individual academic departments. This document also includes the new program requirements and program reviews for various departments.

The primary planning program of the University is coordinated through the Budget Office, which provides a full-time budget and planning function.

In addition to the planning portion of the "Planning Statements and Program Reviews" described above, other significant planning documents and a brief description of the related planning process are as follows:

- Resource Allocation and Management Program (RAMP) for Operations and Grants Resource Requirements. This is a five-year plan that includes comparison to the preceding two fiscal years. Among other data included are a summary of operations cost by function and source of funds, summary of staff requirements and earnings, projected enrollments, tuition and fees. In addition, detailed information by various departments and programs is included.
- Resource Allocation and Management Program (RAMP) Capital Requirements Plan. This also is a five-year planning program and includes a summary of capital requirements by budget category. These requirements are detailed as to buildings or components of buildings as well as other capital projects planned for the University.

In addition to these planning programs, the University submits information on various programs and planning as a part of its annual budgetary request and approval process.

Our observation of the agency functions and planning programs at the University for the year ended June 30, 2006, indicates that the University does have an adequate planning system through which the University establishes formal written goals consistent with the statutory mandate and authority of the University. The system provides for the goals and objectives of the University to be periodically re-evaluated with alternative approaches being considered. The planning system provides for the University's planning to be coordinated with the Illinois Board of Higher Education.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Unaudited Employment Statistics**  
**For the Years Ended June 30, 2006 and 2005**

	Institutional Activities	Organized Research	Public Service	Academic Support	Student Services	Institutional Support	O&M Phys. Plant	Independent Operations	Total All Functions
<b>Year ending June 30, 2006</b>									
Appropriated funds:									
Faculty/administrative	740.1	11.0	24.9	42.1	52.1	26.9	5.5	0.0	902.6
Civil Service	162.0	6.5	14.9	65.0	35.5	69.3	157.7	0.0	510.9
Student employees	29.1	0.1	2.0	22.2	5.3	5.5	4.9	0.0	69.1
Total Appropriated	931.2	17.6	41.8	129.3	92.9	101.7	168.1	0.0	1,482.6
Non-appropriated funds:									
Faculty/administrative	7.0	24.4	83.8	0.0	48.5	0.0	3.7	38.7	206.1
Civil Service	4.5	0.9	14.6	0.1	56.4	1.7	145.7	97.3	321.2
Student employees	31.5	2.1	9.8	0.2	52.8	0.0	11.0	127.0	234.4
Total Non-Appropriated	43.0	27.4	108.2	0.3	157.7	1.7	160.4	263.0	761.7
Total all funds	974.2	45.0	150.0	129.6	250.6	103.4	328.5	263.0	2,244.3
<b>Year ending June 30, 2005</b>									
Appropriated funds:									
Faculty/administrative	707.4	10.4	24.3	35.2	50.5	24.3	1.8	0.0	853.9
Civil Service	170.5	5.5	14.9	60.8	35.7	64.8	152.1	0.0	504.3
Student employees	23.1	0.2	2.0	21.2	7.0	5.4	4.7	0.0	63.6
Total Appropriated	901.0	16.1	41.2	117.2	93.2	94.5	158.6	0.0	1,421.8
Non-appropriated funds:									
Faculty/administrative	7.4	23.2	88.8	0.0	45.7	0.0	0.4	32.6	198.1
Civil Service	4.0	1.2	16.6	0.1	58.2	1.8	145.0	91.2	318.1
Student employees	33.1	3.7	12.7	0.4	51.2	0.0	10.7	126.3	238.1
Total Non-Appropriated	44.5	28.1	118.1	0.5	155.1	1.8	156.1	250.1	754.3
Total all funds	945.5	44.2	159.3	117.7	248.3	96.3	314.7	250.1	2,176.1

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Unaudited Service Efforts and Accomplishments**  
**Enrollment Statistics**  
**For the Years Ended June 30, 2006 and 2005**

Enrollment figures, as developed by University personnel for the undergraduate and graduate schools during the years ended June 30, 2006 and 2005 are presented below:

Unaudited enrollment statistics:

	<u>2006</u>	<u>2005</u>
<b>Summer term:</b>		
Undergraduate students	1,631	1,610
Graduate students	887	953
Extension students	<u>1,155</u>	<u>1,021</u>
Total Enrollment	<u>3,673</u>	<u>3,584</u>
Full-time equivalent students	<u>2,709</u>	<u>2,603</u>
<b>Fall term:</b>		
Undergraduate students	10,930	10,752
Graduate students	1,564	1,715
Extension students	<u>910</u>	<u>1,091</u>
Total Enrollment	<u>13,404</u>	<u>13,558</u>
Full-time equivalent students	<u>11,772</u>	<u>11,690</u>
<b>Spring term:</b>		
Undergraduate students	10,065	9,864
Graduate students	1,502	1,619
Extension students	<u>938</u>	<u>1,005</u>
Total Enrollment	<u>12,505</u>	<u>12,488</u>
Full-time equivalent students	<u>10,898</u>	<u>10,779</u>
Annual full-time equivalent students (based on average per term exclusive of summer term)	<u>11,335</u>	<u>11,235</u>



**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Unaudited Schedule of Unrestricted Current Funds**  
**General Expenditures Per Full-time Equivalent Student\***  
**As Reported to the Board of Higher Education**  
**Year Ended June 30, 2006**

	<u>Total Costs</u>	<u>Total costs per full-time equivalent*</u>
Direct salary	\$33,727,927	\$2,975.56
Indirect instruction	7,673,540	676.98
Departmental research	1,408,844	124.29
Departmental overheads	9,560,641	843.46
College or school overheads	<u>5,122,244</u>	<u>451.90</u>
Subtotal of department and college costs	57,493,196	5,072.19
Overhead support unique to a function	6,952,967	613.41
All other academic support	7,548,777	665.97
Student services	4,738,375	418.03
Institutional support	<u>8,563,739</u>	<u>755.51</u>
Total of department and college costs with University overheads	85,297,054	7,525.11
Operation and maintenance of physical plant	<u>12,236,369</u>	<u>1,079.52</u>
Total of all costs	<u>\$97,533,423</u>	<u>\$8,604.63</u>

\*Full-time equivalent student is the sum of full-time equivalent students for Fall 2005 and Spring 2006 semesters divided by two.

Variables:

Fall FTE	11,772
Spring FTE	10,898
Full-time equivalent	11,335

NOTE:

costs represents total costs from far right hand column not just instructional costs, also include public service, and organized research expenditures.

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Comments on the Percentage of Total Expenditures**  
**Represented By Administrative Costs**  
**For The Year Ended June 30, 2006**

The percentage of total fiscal year 2006 expenditures represented by administrative costs for the year ending June 30, 2006 was approximately 9%. This percentage was computed based upon expenditures considered as administrative and reported to the Illinois Board of Higher Education. These expenditures primarily included the various administrative offices of the President, Vice President for Administrative Services, Provost and Academic Vice President, Medicare and the CMS Group Insurance payment.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Information on Restricted Accounts**  
**Auxiliary Facilities System**  
**1999, 2002, 2005, and 2006 Bond Series**  
**Year Ended June 30, 2006**

**Summary of Activity (Repair & Replacement, Equipment Reserve, and Sinking Fund)**

Fund Balance per report June 30, 2005	\$	11,583,551
Interest paid		(1,772,942)
Principal paid		(3,050,000)
Expenditures for repair and replacement		(1,859,200)
Expenditures for equipment		(366,778)
Transfers for debt retirement		4,663,611
Transfers for repair and replacement		3,753,203
Transfers for equipment		555,000
Other income		67,990
Net Bond Proceeds		238,185
Net investment income and increase in fair value		824
Amortization of Bond Issuance Costs		(37,280)
Fund Balance, June 30, 2006	\$	<u><u>13,776,164</u></u>

**Fund Balances June 30, 2006**

Bond & Interest Sinking Fund	\$	638,224
Repair and Replacement Reserve		12,315,286
Equipment Reserve		822,654
	\$	<u><u>13,776,164</u></u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Information on Restricted Accounts**  
**Auxiliary Facilities System**  
**1999, 2002, 2005 and 2006 Bond Series**  
**Year Ended June 30, 2006**

**Comparison with requirements or allowable:**

**Bond and Interest Sinking:**

Cash and investments		\$ 491,032
3 months interest payable	516,059	
3 months bonds payable	<u>800,000</u>	<u>1,316,059</u>
Difference		<u>\$ (825,027) *</u>

**Repair and Replacement Reserve:**

Cash and investments		\$ 12,586,866
Balance June 30, 2005	10,524,985	
Approved fiscal year 2006 expenditures	(1,807,308)	
Transfer June 30, 2006 per resolution	3,753,203	
Fiscal year 2005 accounts payable	(155,595)	
Add back fiscal year 2006 accounts payable	<u>271,581</u>	<u>12,586,866</u>
Difference		<u>\$ -</u>

**Equipment Reserve:**

Cash and investments		\$ 835,019
Accounts Payable		<u>12,365</u>
		<u>\$ 822,654</u>
Balance June 30, 2005	686,325	
Approved fiscal year 2005 expenditures	(418,671)	
Transfer June 30, 2006	<u>555,000</u>	<u>822,654</u>
Difference		<u>\$ -</u>

\* The University does not choose to move these funds until the due date.

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Comments on Certain Matters Pertaining to the**  
**University Guidelines**  
**For The Year Ended June 30, 2006**

The following comments on certain matters are a requirement of the University Guidelines 1982 as amended 1997. The letters preceding each comment below correspond to the letter appearing on Cross-Reference Table of University Guidelines reporting requirement presented at the beginning of the Compliance Section of this report.

- a. We noted no violations of the compliance requirements of the *University Guidelines*.
- d. Western Illinois University does not have statutory authority to divert tuition to Auxiliary Enterprise operations and we noted no instances of any such diversion.
- h. The University Auxiliary Enterprises and activities received \$1,781,350 for group insurance and \$942,870 for pensions from State appropriated funds for the year ended June 30, 2006. These amounts of support were estimated by University management.
- j. Testing of the Revenue Bond Fund accounting revealed no instances of noncompliance with the terms of the bond indenture.
- k. As of June 30, 2006, Western Illinois University did not have a noninstructional facilities reserve account. Previously, such account was established in conjunction with the September 1995 Board of Governors of the State Colleges and Universities issuance of Western Illinois University Auxiliary Facilities Systems Revenue and Refunding Bonds, Series 1995 which were defeased during fiscal year 2005. However, the University does have the ability to establish a noninstructional facilities reserve account in conjunction with the Series 2005 Bonds.
- l. The Western Illinois University Foundation is recognized by Western Illinois University as a University related organization. There are no organizations considered by the University to be independent organizations, as defined in Section VII of *University Guidelines*.
- n. The University provided the Foundation with \$927,009 in administration and support services during the year ended June 30, 2006, for the Foundation's fund-raising services.
- o. There were no unreimbursed subsidies from the University to the Foundation for the year ended June 30, 2006.
- p. There is no debt financing by the Western Illinois University Foundation.
- r. Income from investments of pooled funds has been allocated and credited to the original sources of the funds.

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Comments on Certain Matters Pertaining to the**  
**University Guidelines**  
**For The Year Ended June 30, 2006**

- u. During fiscal year 2006, the University issued the Series 2005 Certificates of Participation (COPS) (Capital Improvement Projects) in the amount of \$10,290,000. Proceeds from the sale of the Series 2005 COPS are being used to renovate the student section of the football stadium, to construct a new multi-cultural center and to construct a combination Document and Publication Services and Property Accounting and Redistribution Center. In addition, Series 2005 proceeds were used to pay the costs of issuing the Series 2005 COPS. There is no participation in lease or purchase arrangements involving COPS issued by other third-parties other than as follows. In 2005, the University refinanced a telecommunications switch for which the finance company issued COPS. The University did not request the COPS transaction nor was the University a party to the COPS issuance. During 2006, the University continued making scheduled payments to the finance company.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Summary of Western Illinois University**  
**Foundation Payments to the University**  
**Year Ended June 30, 2006**

During the year ended June 30, 2006, Western Illinois University had a contract with Western Illinois University Foundation (the "Foundation") to provide fund-raising services. The University provided to the Foundation personal service costs, facility use, and other costs amounting to \$927,009 for the year ended June 30, 2006. As required by contract, the Foundation fully repaid the University, using funds considered unrestricted for purposes of the University Guidelines computations. In addition, the Foundation gave the University nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation gave to the University during the year ended June 30, 2006.

Funds considered unrestricted for purpose of the University Guidelines computations:	
Totally unrestricted	\$ 298,103
Restricted only as to campus, college or department and generally available for ongoing University operations	<u>1,860,136</u>
Total Funds Considered Unrestricted	<u>2,158,239</u>
Funds considered restricted for purpose of the University Guidelines computations:	
Total funds given for scholarships, grants and awards	1,545,104
Other restricted funds	<u>219,793</u>
Total Funds Considered Restricted	<u>1,764,897</u>
<b>TOTAL FUNDS PROVIDED TO THE UNIVERSITY BY THE FOUNDATION</b>	<u><u>\$ 3,923,136</u></u>

During the year ended June 30, 2006, neither the Foundation nor the University purchased or received as a donation or gift real estate with a value in excess of \$250,000.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Special Data Required by the Auditor General**  
**Unaudited Comparative Schedule of**  
**Accrued Compensated Absences Since 1985**  
**For the Year Ended June 30, 2006**

<b>Fiscal Year</b>	<b>Accrued Vacation Pay</b>	<b>Accrued Sick Pay</b>	<b>Total</b>
2006	6,256,553	10,525,772	16,782,325
2005	6,076,728	11,957,987	18,034,715
2004	5,587,537	12,733,558	18,321,095
2003	5,532,469	13,729,745	19,262,214
2002	5,666,099	15,380,298	21,046,397
2001	5,130,808	15,253,829	20,384,637
2000	4,684,852	15,265,458	19,950,310
1999	4,356,241	15,757,184	20,113,425
1998	4,064,157	16,209,936	20,274,093
1997	3,948,383	16,212,982	20,161,365
1996	3,835,562	15,163,268	18,998,830
1995	3,630,018	13,758,796	17,388,814
1994	3,408,132	12,709,581	16,117,713
1993	3,265,134	11,320,508	14,585,642
1992	3,150,677	10,336,735	13,487,412
1991	3,094,987	8,985,475	12,080,462
1990	2,917,408	7,654,553	10,571,961
1989	2,872,230	6,254,170	9,126,400
1988	2,622,866	4,941,728	7,564,594
1987	2,380,783	3,817,349	6,198,132
1986	2,174,500	2,592,300	4,766,800
1985	1,985,000	1,883,000	3,868,000



**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Emergency Purchases**  
**For the Year Ended June 30, 2006**

The University incurred the following emergency purchases during the fiscal year ended June 30, 2006:

<u>Vendor Name</u>	<u>Description</u>	<u>Amount</u>
Mid-Continental Restoration, Inc	Repair Stipes Hall facia	\$74,693

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**Analysis of Bookstore Operations**  
**For The Year Ended June 30, 2006**

Contracted/Rents to Students/University Operated	University Operated
Contractor	N/A
Contract term	N/A
Amount of gross sales for bookstore in FY06	\$5,884,649
Commissions	N/A
Commission terms	N/A
Given exclusive rights	No
Competition/"other" nearby/on-campus bookstores	Yes

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**University Accounting Entities and Related Sources of**  
**Revenue and Purpose**  
**For The Year Ended June 30, 2006**

***Indirect Cost***

Source: Facilities and administrative costs paid on grants and contracts from outside agencies.

Purpose: To pay for costs of grants and contract operations, overhead expenses and cost sharing and matching requirements of grants and contracts.

***Public Service***

Source: Registration and related fees that are charged for non-credit programs and services.

Purpose: To facilitate the development, promotion and presentation of various non-credit programs for the regional area.

***Student Programs and Services***

Source: Student fees, income generated by student organizations, athletic ticket sales and other charges for student services.

Purpose: To administer receipts and disburse funds for student activities, organizations and services.

***Instructional Resources and Services***

Source: Charges for services, programs and special instructional materials in connection with instruction.

Purpose: To enhance and expand instruction through related programs and activities.

***University Stores and Service Centers***

Source: Charges for materials and services supplied primarily to units of the University.

Purpose: To operate stores and maintenance service centers for all units of the University.

***University Publications***

Source: Subscriptions and charges for University-sponsored publications.

Purpose: Preparation, promotion and distribution of University publications.

**State of Illinois**  
**Western Illinois University**  
**(A Component Unit of the State of Illinois)**  
**University Accounting Entities and Related Sources of**  
**Revenue and Purpose**  
**For The Year Ended June 30, 2006**

***Unique Charge Programs***

Source: Charges for special costs associated with field trips and other travel credit programs.

Purpose: To operate and administer travel credit programs and field trips.

***Sponsored Credit Programs***

Source: Fees charged for credit programs sponsored fully by outside agencies.

Purpose: To facilitate the development, promotion and presentation of various credit programs for sponsoring agencies.

***Unrestricted Gifts***

Source: Unrestricted gifts received by the University.

Purpose: To support University programs at the discretion of the University President.

***Compensated Absences***

Source: None.

Purpose: To reflect the University's accrued liability for employee compensated absences, including earned vacation and accumulated sick leave benefits.

***Auxiliary Enterprises – Revenue Bond Fund***

The Auxiliary Enterprises – Revenue Bond Fund consists of the University Union, Campus Recreation and University Housing and Dining Services.

Source: Funds generated from operation of Residence Halls, Graduate and Family Housing, University Union and Recreation Facility; also bond revenue fee income from students.

Purpose: Revenues are used to support the operational costs of the revenue bond buildings, provide services to occupants or those using the facility, fund required reserves and to pay financial requirements.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**University Accounting Entities and Related Sources of  
Revenue and Purpose**  
**For The Year Ended June 30, 2006**

***Auxiliary Enterprises – Other***

The Auxiliary Enterprises – Other consists of the transit system and parking operations.

Source: Student fees are the primary source of income for the transit system. Parking permits and fines are the primary sources of income for parking operations.

Purpose: To operate and maintain buses and parking facilities.

***University Services***

Source: A percentage of gross revenue assessed to local and revenue bond fund accounts.

Purpose: To recover costs associated with general university support services such as utilities, janitorial, physical plant, Internal Auditing, University Computer Support Services, etc... provided to locally funded operations.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Calculation of Federal vs. Non-Federal Expenditures**  
**Year Ended June 30, 2006**

	<u>Amount</u>	<u>Percent</u>
Federal Funds	\$ 16,416,721	7.7%
Nonfederal Funds	<u>196,277,643</u>	<u>92.3%</u>
	<u>\$ 212,694,364</u>	<u>100.0%</u>

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Unaudited Undergraduate Tuition and Fee Waivers**  
**Year Ended June 30, 2006**

Western Illinois University (in thousands of dollars)

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<b>MANDATORY WAIVERS</b>					
<b>(SUBTOTAL)</b>	646	646	\$ 1,655.0	49	\$ 48.2
Teacher Special Education	37	37	132.7	34	36.7
General Assembly	76	76	323.4		
ROTC	47	47	191.8		
DCFS	15	15	44.7	14	11.4
Children of Employees	146	146	251.7		
Senior Citizens	1	1	0.5	1	0.1
Honorary Scholarships					
Veterans Grants & Scholarships**	324	324	710.2		
Other (please specify) ***					
<b>DISCRETIONARY WAIVERS</b>					
<b>(SUBTOTAL)</b>	564	564	1,380.8	71	19.4
Faculty/Administrators	11	11	11.8	11	2.6
Civil Service	73	73	72.5	55	11.9
Academic/Other Talent	170	170	217.3	4	3.4
Athletic	175	175	645.6		
Gender Equity in					
Intercollegiate Athletics	134	134	428.3		
Foreign Exchange Students					
Out-of-State Students					
Foreign Students					
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals					
Research Assistants					
Teaching Assistants					
Other Assistants					
Student Employment					
Interinstitutional/Related Agencies					
Retired University Employees					
Children of Deceased Employees	1	1	5.3	1	1.5
Contract/Training Grants					
All Other (please specify)**					
<b>TOTAL</b>	<b>1,210</b>	<b>1,210</b>	<b>\$ 3,035.8</b>	<b>120</b>	<b>\$ 67.6</b>

\* Unduplicated

\*\* Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

\*\*\* Other waiver categories must be approved by the Board of Higher Education prior to reporting.

**State of Illinois**  
**Western Illinois University**  
(A Component Unit of the State of Illinois)  
**Unaudited Graduate Tuition and Fee Waivers**  
**Year Ended June 30, 2006**

Western Illinois University (in thousands of dollars)

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<b>MANDATORY WAIVERS</b>					
<b>(SUBTOTAL)</b>	3	3	\$ 1.6	1	\$ 0.1
Teacher Special Education	1	1	0.5	1	0.1
General Assembly	2	2	1.1		
ROTC					
DCFS					
Children of Employees					
Senior Citizens					
Honorary Scholarships					
Veterans Grants & Scholarships**					
Other (please specify) ***					
<b>DISCRETIONARY WAIVERS</b>					
<b>(SUBTOTAL)</b>	1,029	1,029	2,647.4	219	34.9
Faculty/Administrators	77	77	81.5	59	14.8
Civil Service	55	55	60.1	35	7.9
Academic/Other Talent	1	1	1.1		
Athletic					
Gender Equity in					
Intercollegiate Athletics					
Foreign Exchange Students					
Out-of-State Students					
Foreign Students					
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	171	171	161.0	125	12.2
Research Assistants	633	633	2,097.1		
Teaching Assistants	73	73	162.1		
Other Assistants	19	19	84.5		
Student Employment					
Interinstitutional/Related Agencies					
Retired University Employees					
Children of Deceased Employees					
Contract/Training Grants					
All Other (please specify)**					
<b>TOTAL</b>	1,032	1,032	\$ 2,649.0	220	\$ 35.0

\* Unduplicated

\*\* Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

\*\*\* Other waiver categories must be approved by the Board of Higher Education prior to reporting.