

**STATE OF ILLINOIS
WESTERN ILLINOIS UNIVERSITY**

COMPLIANCE EXAMINATION

**In Accordance with the Single Audit Act and OMB Circular A-133
FOR THE YEAR ENDED JUNE 30, 2011**

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



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

**State of Illinois
Western Illinois University
Compliance Examination
(In Accordance with the Single Audit Act and OMB Circular A-133)
For the Year Ended June 30, 2011**

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**State of Illinois
Western Illinois University**

University Officials

President	Dr. Jack Thomas (Effective 07/01/11 to present) Dr. Alvin Goldfarb (Through 06/30/11)
Vice President for Administrative Services	Ms. Julie DeWees, Interim (Effective 06/30/11 to present) Mrs. Jacqueline K. Thompson (Through 06/29/11)
Director of Business Services	Ms. Dana Biernbaum, Interim (Effective 06/01/11 to present) Mr. Ronald Ward (Through 05/31/11)
Director of Internal Auditing	Ms. Rita M. Moore

University offices are located at:

Macomb Campus
1 University Circle
Macomb, Illinois 61455

Quad Cities Campus
3561 60th Street
Moline, Illinois 61265



WESTERN
ILLINOIS
UNIVERSITY

March 14, 2012

E. C. Ortiz & Co., LLP
333 S. Des Plaines Street, Suite 2-N
Chicago, Illinois 60661

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the Western Illinois University (University). We are responsible for and we have established and maintained an effective system of internal controls over compliance requirements, except as disclosed to the auditors during the engagement. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2011. Based on this evaluation, we assert that during the year ended June 30, 2011, 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. 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. 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. Jack Thomas
President

Julie DeWees
Interim VP for Administrative
Services

Dana Biernbaum
Assistant VP for Administrative
Services/Interim Director -
Business Services

**State of Illinois
Western Illinois University**

Compliance Report

Summary

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

Accountants' Report

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 Findings

Number of	Compliance Report	Prior Compliance Report
Findings	7	6
Repeated findings	3	2
Prior recommendations implemented or not repeated	3	3

Schedule of Findings and Questioned Costs

Item No.	Page	Description	Finding Type
<i>FINDINGS (GOVERNMENT AUDITING STANDARDS)</i>			
11-1	16	Inadequate Controls Over University Property and Equipment	Significant Deficiency
11-2	19	Inaccurate Accounting for Participation in Public Entity Risk Pool	Significant Deficiency
<i>FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)</i>			
11-3	21	Inaccurate Pell Grants Awarded	Noncompliance and Significant Deficiency
11-4	22	Inadequate Controls Over Reporting of Student Data	Noncompliance and Significant Deficiency
11-5	24	Employee Time Sheets Were Not Adequate	Noncompliance and Significant Deficiency

**State of Illinois
Western Illinois University**

Schedule of Findings and Questioned Costs (Continued)

Item No.	Page	Description	Finding Type
FINDINGS (STATE COMPLIANCE)			
11-6	25	Noncompliance With Required Contracting Procedures	Noncompliance and Significant Deficiency
11-7	28	Untimely Approval and Payment of Vouchers	Noncompliance and Significant Deficiency

In addition, the following findings which are reported as current findings and questioned costs relating to *Government Auditing Standards* also meet the reporting requirements for State Compliance.

11-1	16	Inadequate Controls Over University Property and Equipment	Noncompliance and Significant Deficiency
11-2	19	Inaccurate Accounting for Participation in Public Entity Risk Pool	Noncompliance and Significant Deficiency

PRIOR FINDINGS NOT REPEATED

A	30	Inadequate Controls Over Acquisition of Public TV Station	
B	30	Inadequate Process for Evaluating the Estimated Allowance for Doubtful Accounts Receivable	
C	30	Weaknesses Regarding the Security and Control of Confidential Information	

Exit Conference

The University waived having an exit conference in a letter dated February 1, 2012 from Barbara Thompson, University's Assistant Comptroller.

Responses to the recommendations were provided by Barbara Thompson, on behalf of management in a letter dated February 1, 2012.



**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

and

The Board of Trustees
Western Illinois University

Compliance

As Special Assistant Auditors for the Auditor General, we have examined Western Illinois University's (University) 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, 2011. The management of the University is responsible for compliance with these requirements. Our responsibility is to express an opinion on the University's compliance based on our examination.

- 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. 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. 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.

We conducted our examination 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 University's compliance with those requirements listed in the first paragraph of this report and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the University's compliance with specified requirements.

In our opinion, the University complied, in all material respects, with the compliance requirements listed in the first paragraph of this report during the year ended June 30, 2011. However, the results of our procedures disclosed instances of noncompliance with the requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings and questioned costs as items 11-1, 11-2, 11-5, 11-6, and 11-7.

Internal Control

Management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered the University's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

A deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the requirements listed in the first paragraph of this report on a timely basis. *A material weakness over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we considered to be

significant deficiencies as described in the accompanying schedule of findings and question costs as items 11-1, 11-2, 11-5, 11-6, and 11-7. A *significant deficiency in an entity's internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of the University and its discretely presented component unit as of and for the year ended June 30, 2011, which collectively comprise the University's basic financial statements, and have issued our report thereon dated February 8, 2012. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. 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 University. The 2011 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, 2011 taken as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States, the University's basic financial statements for the year ended June 30, 2010. In our report dated February 4, 2011, we expressed unqualified opinions on the financial statements of the business-type activities of the University and its discretely presented component unit. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. In our opinion, the 2010 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited," is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2010, 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, the Board of Trustees and the University's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

E. C. Ortiz & Co., LLP

Chicago, Illinois

March 14, 2012, except for the Schedule of Expenditures of Federal Awards and the related notes, as to which the date is February 8, 2012.



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

Honorable William G. Holland
Auditor General
State of Illinois

and

The Board of Trustees
Western Illinois University

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of Western Illinois University (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, 2011, which collectively comprise the University's basic financial statements and have issued our report thereon dated February 8, 2012. Our report was modified to include a reference to other auditors. 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. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the University is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

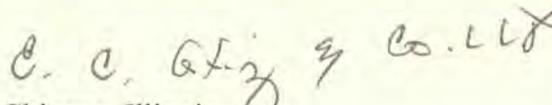
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in findings 11-1 and 11-2 in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

The University's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the University's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Board of Trustees and the University's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Chicago, Illinois
February 8, 2012



E.C. ORTIZ & CO., LLP
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on 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

and

The Board of Trustees
Western Illinois University

Compliance

We have audited Western Illinois University's (University) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2011. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the University's management. Our responsibility is to express an opinion on the University's compliance based on our audit.

The schedule of expenditures of federal awards and our audit described below does not include expenditures of federal awards for those agencies determined to be component units of the University for financial statement purposes.

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 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 University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 11-3 and 11-4.

Internal Control Over Compliance

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the University's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-3 and 11-4. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities of the 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, 2011, and have issued our report thereon dated February 8, 2012. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the 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.

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

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, the Board of Trustees and the University's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

E. C. Ortiz & Co., LLP

Chicago, Illinois

March 14, 2012, except for the Schedule of Expenditures of Federal Awards and the related notes, as to which the date is February 8, 2012.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? Yes No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
	Student Financial Assistance Cluster:
84.007	Federal Supplemental Educational Opportunity Grants
84.033	Federal Work-Study Program
84.038	Federal Perkins Loan Program
84.063	Federal Pell Grant Program
84.268	Federal Direct Student Loans
84.375	Academic Competitiveness Grants (ACG)
84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants
84.379	Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Summary of Auditors' Results (Continued)

Federal Awards (Continued)

Identification of major programs (continued):

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
	Research and Development Cluster:
10.001	Agricultural Research_Basic and Applied Research
10.310	Agriculture and Food Research Initiative (AFRI)
10.215	Sustainable Agriculture Research Education
11.307	Economic Adjustment Assistance
12.431	Basic Scientific Research
15.650	Research Grants (Generic)
15.608	Fish and Wildlife Management Assistance
15.615	Cooperative Endangered Species Conservation Fund
47.050	Geosciences
47.074	Biological Sciences
47.075	Social, Behavioral, and Economic Sciences
47.082	ARRA - Trans-NSF Recovery Act Research Support
66.460	Nonpoint Source Implementation Grants
66.605	Performance Partnership Grants
84.048	Career and Technical Education -- Basic Grants to States
84.133E	National Institute on Disability and Rehabilitation Research
93.395	Cancer Treatment Research
93.701	ARRA - Trans-NIH Recovery Act Research Support
20.509	Formula Grants for Other Than Urbanized Areas
84.195N	Bilingual Education Professional Development
84.002	Adult Education - Basic Grants to States
84.173	Special Education_Preschool Grants
93.558	Temporary Assistance for Needy Families
97.067	Homeland Security Grant Program

Dollar threshold used to distinguish between
Type A and B programs:

\$300,000

Auditee qualified as low-risk auditee?

Yes No

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - *Government Auditing Standards*

Finding No. 11-1 - Inadequate Controls Over University Property and Equipment

Western Illinois University (University) has not established adequate internal controls over property records to ensure proper calculation and recording of depreciation expense. In addition, the management control created to account for missing property and review the missing property report was not operating as intended.

During our review of capital asset depreciation, we noted 4 of 29 (14%) assets examined were not accurately depreciated during FY 2011. Through further examination of all capital assets, it was determined that depreciation expenses on capital assets with additional capitalized costs in a fiscal year subsequent to the capitalized fiscal year were incorrectly calculated. To calculate depreciation expenses on these assets, the University's fixed assets inventory system rounds down the assets' useful lives by omitting the last two decimal digits (i.e., asset net useful life of 6.67 years was replaced by 6 years). Thus, useful lives of these assets were shortened which resulted in net overstatement of the University's depreciation expense and corresponding accumulated depreciation by approximately \$71,858 in FY 2011.

During our review of the FY 2011 annual inventory certification submitted to the Department of Central Management Services (DCMS), we noted the University reported 459 missing inventory items totaling \$811,467. Details showed that 184 items totaling \$456,703 are under the custodianship of the one Department (Department) and represent 62% of the Department's total inventory accountability totaling \$736,530 as of fiscal year end. As of June 30, 2011, the reported missing items were still included in the fixed assets inventory because the University generally reflects deletion of the missing property from the fixed assets inventory system two years after it was reported or discovered missing. Upon auditors' notification, the Department further investigated the missing items and found 99 items totaling \$293,898. Subsequently, we performed a physical observation of the equipment for this Department and found two of 25 (8%) items from the revised list of missing equipment. These items were located in a room different from the location indicated in the property accounting records.

The University calculates its depreciation using the straight line depreciation method by spreading the cost evenly over the life of the fixed assets. According to University policy, additional capitalized costs are depreciated over the remaining useful life of the main asset. Government Accounting Standards Board (GASB) Statement No. 34 paragraph 22, states that depreciation expense should be measured by allocating the net cost of depreciable assets (historical cost less estimated salvage value) over their estimated useful lives in a systematic and rational manner.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - *Government Auditing Standards* (Continued)

**Finding No. 11-1 - Inadequate Controls Over University Property and Equipment
(Continued)**

The University policy also states that equipment belonging to the University is controlled under the provisions of the State Property Control Act and is subject to the regulations of the DCMS as “State-owned property.” Each department’s Director, considered as the inventory custodian, is delegated the responsibility of maintaining proper accountability and control of the equipment within their jurisdiction. Once the annual physical inventory is complete and the Inventory Certification Discrepancy Report has been completed and signed, each Vice President is asked to review a listing of missing items within their area and determine whether to continue searching for the missing equipment, request a Public Safety investigation to determine if the equipment was stolen or request Business Services to remove the item from the departmental inventory. If the equipment is later located, it is reinstated on the departmental inventory listing.

The Illinois Administrative Code (Title 44, Subtitle D, Chapter 1, Part 5010.400) requires agencies to adjust property records within 30 days of acquisition, change or deletion of equipment items.

University management stated that the error in the computation of depreciation expense is due to the University’s fixed assets inventory system’s limitation in calculating depreciation of capital assets with additional capitalized costs. WIU management also stated that a former employee did not keep track of the inventory, equipment location transfers, and did not fulfill the duties of the job as outlined. Further, some items listed as “missing” on the inventory list are actually items that have lost their inventory control tags or are very old pieces of equipment that have been cannibalized for parts or the items broke/stopped working and were thrown away. In either case these items were not properly reported to Property Accounting and thus, were inaccurately reported to DCMS as discrepancies.

Failure to properly calculate depreciation may result in the overstatement or understatement of capital asset records and an inaccurate presentation of the University’s financial statements. The lack of thorough inventories and delay in the investigation of missing equipment increases the potential for possible loss or theft of State property. Inaccurate property reporting reduces the reliability of University capital asset information. (Finding Code No. 11-1)

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - *Government Auditing Standards* (Continued)

**Finding No. 11-1 - Inadequate Controls Over University Property and Equipment
(Continued)**

Recommendation

We recommend the University make the necessary adjustments to its capital asset depreciation calculations to ensure all assets have the correct depreciation amounts and book values at year end. In addition, we recommend the University work with its system administrators to update the values in the fixed assets inventory system so that these miscalculations do not continue in the future. We also recommend the University ensure that oversight review is being performed on results of the annual physical inventory by custodial departments and responsible Vice Presidents to assure inventory accuracy and prompt resolution of inventory discrepancies.

University Response

The University agrees with the finding. The University will review existing procedures in these areas and take corrective action to address the recommendations in the finding.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - *Government Auditing Standards* (Continued)

Finding No. 11-2 - Inaccurate Accounting for Participation in Public Entity Risk Pool

Western Illinois University (University) did not properly account for its participation in the State Universities Risk Management Association (SURMA) in accordance with accounting principles generally accepted in the United States of America (GAAP).

The University has been a member of SURMA since its inception on February 1, 1996. SURMA was created as a successor to the Board of Governors' Self-Insurance Liability Program. SURMA was initially funded by the surplus of the Board of Governors' Self-Insurance Liability Program upon its termination (treated as capital contributions of the original participants), as well as additional contributions which were assessed to the members. The SURMA members are Chicago State University, Eastern Illinois University, Governors State University, Northeastern Illinois University, and Western Illinois University. Each university has an employee appointed as a member to the SURMA Board, which meets on a quarterly basis.

While all past payments made by the University to SURMA have been recorded to prepaid insurance and amortized over the term of the current insurance policies, the capital contributions to SURMA have not been recorded as an asset on the books of the University. The University's share of the excess capital contributions to SURMA was \$667,071 and \$700,503 as of June 30, 2011 and June 30, 2010, respectively. SURMA's bylaws state that in the event of termination, if there are surplus funds available, such surplus shall be distributed to the then-existing members in the same proportion that each existing member's contributions over the immediately previous five years were in proportion to the contributions of all members. Similar provisions also apply to members who elect to withdraw (if approved by the remaining participants) prior to the termination of SURMA. An adjusting entry was proposed to the University to correct the error. The University did not record the entry as it was considered immaterial to the financial statements.

Further, we noted the University did not adequately monitor SURMA to ensure SURMA underwent an annual audit in FY 2010, to provide assurance as to the accuracy of financial information required to be reported by the University.

Governmental Accounting Standards Board (GASB) Interpretation No. 4 - *Accounting and Financial Reporting for Capitalization Contributions to Public Entity Risk Pools* was issued in February 1996 with an effective date of periods beginning after June 15, 1996. It states, "A capitalization contribution to a public entity risk pool with transfer or pooling of risk should be reported as a deposit if it is probable that the contribution will be returned to the entity upon either the dissolution of or approved withdrawal from the pool. An entity's determination that a return of the contribution is probable should be based on the provisions

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - *Government Auditing Standards* (Continued)

**Finding No. 11-2 - Inaccurate Accounting for Participation in Public Entity Risk Pool
(Continued)**

of the pooling agreement and an evaluation of the pool's financial capacity to return the contribution.”

Further, the Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain a system of fiscal and administrative controls to ensure resources are properly recorded and accounted for to permit the preparation of accounts, reliable financial and statistical reports, and to maintain accountability over the State's resources.

University management stated they do not believe SURMA would approve a withdrawal from the pool due to the effect it would have on the remaining member's contribution rates. Management believes the requirement of GASB interpretation No. 4 to report contributions as deposits will therefore not apply. Management further stated they will not record the proposed adjustment since the amount is immaterial to the financial statements.

Failure to adequately monitor SURMA's activities and properly account for the University's participation in SURMA resulted in an understatement of assets on the University's financial statements. (Finding Code No. 11-2)

Recommendation

We recommend the University implement controls to monitor the activities of SURMA and properly account for its participation in SURMA in accordance with GAAP.

University Response

The University agrees with the finding. The University will implement controls to monitor the activities of SURMA and properly account for its participation in SURMA in accordance with GAAP.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - Federal Compliance

Finding No. 11-3 - Inaccurate Pell Grants Awarded

Federal Agency:	U. S. Department of Education
Program Name:	Federal Pell Grant Program
CFDA#:	84.063
Questioned Costs:	None

Federal Pell grants awarded to 2 of 40 (5%) students tested were incorrect. In these instances, the Pell award should have been \$5,550 based on the students' expected family contribution (EFC) and cost of attendance from the payment and disbursement schedules published by the U.S. Department of Education (ED). Western Illinois University (University) only awarded \$5,350, thus each student was under awarded by \$200. After notification by the auditors, the University corrected the Pell awards of the students.

Code of Federal Regulations (34 CFR 690.62 (a)) requires that the amount of a student's Pell grant for an academic year should be based upon the payment and disbursement schedules published by the Secretary of ED for each award year.

University management stated that the University had already begun awarding Pell grants for award year 2010-2011 when new Federal Pell Grant Payment and Disbursement Schedules were released by the ED in January 2010. All previous awards were updated to reflect the new Pell disbursement amounts except for these students. All incorrect Pell grants awarded have been corrected.

Inaccurate Pell grant award calculation may result in either over or under award to eligible students and noncompliance with the Code of Federal Regulations. (Finding Code No. 11-3)

Recommendation

We recommend the University provide adequate oversight in ensuring that the Pell grants awarded to students are correct. Award calculation should be based on the final Pell Disbursement Schedule published by the ED during the award year.

University Response

The University agrees with the finding. The University will improve procedures to ensure the correct amount is awarded to students for Pell grants.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - Federal Compliance (Continued)

Finding No. 11-4 - Inadequate Controls Over Reporting of Student Data

Federal Agency: U. S. Department of Education
Program Name: Federal Pell Grant Program
CFDA#: 84.063
Questioned Costs: None

Federal Agency: U. S. Department of Education
Program Name: Federal Perkins Loan Program
CFDA#: 84.038
Questioned Costs: None

Western Illinois University (University) did not have adequate controls over reporting of disbursement dates to the Common Origination and Disbursement (COD) system and student loan information to National Student Loan Data System (NSLDS).

During our review of Student Financial Aid Cluster, we noted the following:

- Pell disbursement dates reported to the COD system were not accurate. During Spring 2011 term, Pell disbursement dates reported to the COD system for 36 of 40 (90%) students tested differed by 10 days from the disbursement dates per University records. In addition, Pell disbursements during the Fall 2010 term for 4 of 40 (10%) students tested, were reported late to the COD system. Pell disbursement dates were reported 38 to 53 days after the 30 days grace period.
- The Federal Perkins Loan information for one of 23 (4%) students tested was not reported to NSLDS. The student had no Federal Perkins loan history/record in the NSLDS website. For FY 2011, the University disbursed a total of \$5,354 in three payments, in April 2010, December 2010 and January 2011. The University attempted to report these disbursements via an electronic batch data transmission to NSLDS but all attempts were rejected. The loan data of the student was rejected because of conflicting personal information (student's first name) stored between NSLDS and WIU's system. The University failed to report the error to NSLDS and conduct necessary investigation to resolve the error timely.

The federal regulation (34 CFR 668.164(a)) states that federal Pell grants are disbursed on the date the institution credits a student's account at the institution or pays a student or parent directly, even if an institution uses its own funds in advance or receives program funds from the U.S. Department of Education (ED).

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - Federal Compliance (Continued)

Finding No. 11-4 - Inadequate Controls Over Reporting of Student Data (Continued)

Per Office of Management and Budget (OMB) No. 1845-0039, institutions must report student payment data within 30 calendar days after the school makes the payment; or becomes aware of the need to make an adjustment to previously reported student payment data or expected student payment data.

OMB No. 1845-0035 requires educational institutions to enter data in NSLDS, the national database of information about loans and other financial aid awarded to students under Title IV. Federal Perkins Loan is one of the Title IV grant programs of ED. NSLDS also requires that errors in the transmission of loan information be corrected by the reporting institution within a reasonable timeframe.

University management stated that an incorrect disbursement date was erroneously provided to the programmer for Pell Grants disbursed for the Spring semester. After notification by the auditors, all incorrect dates were corrected in the COD system. A reconciliation to identify unreported disbursements in the COD system within 30 calendar days was not performed in September 2010 for the Fall term. This caused some students to be overlooked in the batch submission. Since that time, a monthly reconciliation has been performed to identify unreported disbursements. University management also stated that a suffix on the student's name caused the last name to be incorrect in electronic batch reporting. Management stated this error was corrected subsequent to our testing.

Reporting accurate information to NSLDS is critical for effective administration of the Title IV student loan programs. Reporting inaccurate and late loan disbursement information to the COD system results in noncompliance with OMB No. 1845-0039 and federal regulations. (Finding Code No. 11-4)

Recommendation

We recommend the University ensure its financial aid system provides accurate and timely student information as the source for COD system and NSLDS reports. We also recommend the Financial Aid Office provide adequate oversight by reviewing the reports before submission.

University Response

The University agrees with the finding. Programming changes were implemented to ensure the financial aid system provides accurate and timely student information. Biweekly reconciliations were instituted to identify disbursements missed by the program within the 30-day deadline.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - State Compliance

Finding No. 11-5 - Employee Time Sheets Were Not Adequate

Western Illinois University (University) did not require all employees to submit timesheets as required by the State Officials and Employees Ethics Act (Act).

The University implemented a system which allows all administrative, professional and faculty employees to submit time sheets on a periodic basis. During our testing of payroll, we selected 40 employees and noted that five graduate assistant employees did not file timesheets as required by the Act. Based upon inquiry of the University management, there is currently no formal time reporting required for graduate assistants other than what informal time reporting may take place within hiring departments. Graduate assistants are not eligible for vacation, sick or other types of leave. The University has 506 Graduate Assistants in FY 2011 which represents 18% of the total University employees.

The Act (5 ILCS 430/5-5(c)) requires the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The Act states, "The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour."

University management stated that there was no policy in place to require positive timekeeping for graduate assistant employees during FY 2011. Management stated the positive time reporting system will be fully implemented for all University employees in FY 2012.

Failure to follow the time reporting requirements of the Act for all employees results in noncompliance with the statute and a lack of accountability for graduate assistants. (Finding Code Nos. 11-5, 10-3, 09-3, 08-2, 07-3, 06-1, 05-2)

Recommendation

We recommend the University implement procedures to ensure all employees submit time sheets as required by the Act.

University Response

The University agrees with the finding. Positive time reporting will be fully implemented for all University employees in the next fiscal year.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - State Compliance (Continued)

Finding No. 11-6 - Noncompliance with Required Contracting Procedures

Western Illinois University (University) has not established adequate internal controls over contracts and leases to ensure they contained all necessary provisions, were properly executed prior to performance, and were filed with the State of Illinois, Office of the Comptroller (Comptroller) on a timely basis.

During our review of real estate leases and contracts executed during the year ended June 30, 2011, we noted the following:

- A real estate lease disclosure form was not prepared for one of three (33%) real property contracts tested. The real property lease was for office space rental at an annual rate of \$37,550. In addition, the real estate lease disclosure form for one of three (33%) real estate contracts tested was completed 153 days after the commencement of the lease term. The real property lease was for parking space rental at an annual rate of \$7,800.
- Two of three (67%) real property contracts tested were executed after the lease term began. The lease execution dates ranged from 19 days to 162 days after the beginning of the lease term. These real property leases pertained to office and parking space rental agreements at an annual rate of \$37,550 and \$7,800, respectively.
- One of 40 (3%) contracts tested was executed subsequent to the contract start date. This contract pertains to services rendered for scoreboard replacement amounting to \$36,985 and was executed 4 days after the beginning of the contract start date. In addition, this contract did not include the required State Board of Elections certification.
- One of 22 (5%) large contracts tested did not include a “Memorandum of Approval” (MOA) as required, signed by the University President, Legal Counsel and Vice President for Administrative Services (VPAS). This contract pertains to procurement of computer software and hardware items for resale amounting to \$500,000.
- Twenty of 22 (91%) large contracts tested were filed with the Comptroller prior to completion of MOAs. MOAs were completed one to 496 days after filing of contracts. The contract amounts ranged from \$253,000 to \$3,572,000. In addition, a total of \$8,037 of authorizations for payment were filed with the Comptroller for one of 20 contracts prior to completion of the required MOA. The payment pertained to coal purchases.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - State Compliance (Continued)

Finding No. 11-6 - Noncompliance With Required Contracting Procedures (Continued)

Disclosure of the identity of owners and trust beneficiaries required by the Public Officer Prohibited Activities Act (50 ILCS 105/3.1) must be completed in writing prior to the agency entering a lease.

The Contract Procedures of the University Policy Manual state that contracts must be submitted for signature prior to the effective date of the agreement. Good business practice requires all contracts and leases to be fully executed prior to the beginning of the lease term or the commencement of services.

The Illinois Procurement Code (30 ILCS 500/20-160) states that every bid submitted to and every contract executed by the State shall contain a certification by the bidder or contractor that either the bidder or contractor is not required to register as a business entity with the State Board of Elections pursuant to this Section or the bidder or contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration.

The State Finance Act (30 ILCS 105/9.02) states that any new contract, contract renewal, order against a master contract, or any contract amendment of \$250,000 or more in a fiscal year, shall be signed or approved in writing by the agency's chief executive officer, chief legal counsel and chief fiscal officer. No contract, contract renewal, order against a master contract, or any contract amendment of \$250,000 or more in a fiscal year may be filed with the Comptroller, nor may any authorization for payment pursuant to such documents be filed with the Comptroller, if the required signatures or approvals are lacking.

University management stated the noncompletion of the required disclosure form was due to oversight. Management stated the delay in completion of the disclosure form and untimely execution of contracts/leases was due to late submissions by the using department and the lessor/vendor. Management stated the contract lacking the required MOA and the State Board of Elections certification was due to an oversight in contract review and a delay in obtaining signatures. Management stated the MOA was not included with the contracts due to a lack of clarity as to whether or not MOAs were needed for certain purchases.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - State Compliance (Continued)

Finding No. 11-6 - Noncompliance With Required Contracting Procedures (Continued)

Failure to complete a real estate disclosure form prior to the University entering a lease results in noncompliance with the Public Officers Prohibited Activities Act and increases the risk that a potential conflict of interest may not be detected timely. In addition, failure to fully execute a contract or real estate lease prior to the commencement of services or lease term, leaves the University vulnerable to unnecessary liabilities and potential legal issues. Further, filing contracts with the Comptroller prior to completion of required MOA and failure to include all appropriate signatures and certifications in contracts and leases, result in noncompliance with State statutes and reduced accountability. (Finding Code Nos. 11-6 and 10-4)

Recommendation

We recommend the University establish appropriate procedures to ensure that all contracts and leases and related disclosure forms are properly completed, approved and executed prior to the start of the services or lease terms.

University Response

The University agrees with the finding. The University will take the necessary corrective action to address the recommendation in the finding.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - State Compliance (Continued)

Finding No. 11-7 - Untimely Approval and Payment of Vouchers

Western Illinois University (University) did not timely process vouchers and pay required interest.

We tested 66 vouchers from State appropriated funds totaling \$499,785 and noted the following:

- The University did not approve for payment vendor interest charges totaling \$10,078 on 42 of 42 (100%) vouchers tested where interest charges were required to be automatically calculated and paid by the University. In these instances, the invoices were not paid by the Illinois Office of the Comptroller within 60 days of receipt.
- Seven of 66 (11%) vouchers tested totaling \$68,629 were approved for payment 1 to 33 days late.
- Eleven of 66 (17%) vouchers tested totaling \$90,051 were not stamped received by the requesting department. In these cases, invoice date was used to determine timely payment.

The Illinois Administrative Code (74 Ill. Adm. Code 900.70) requires the University to review each vendor's invoice and either deny the bill in whole or in part, ask for more information necessary to review the bill; or approve the voucher in whole or in part, within 30 days after the receipt of the bill. In addition, the State Prompt Payment Act (30 ILCS 540/3-2) requires State agencies to determine whether interest is due and to automatically pay the interest to the appropriate vendor when payment is not issued within 60 days after receipt of a proper bill. The University is responsible for paying interest amounting to \$50 or more to the appropriate vendor. Effective July 1, 2010, Public Act 96-959 requires interest less than \$50 shall not be paid but shall be accrued until all interest due the vendor for all similar warrants exceeds \$50, at which time the accrued interest shall be payable and interest will begin accruing again, except that interest accrued as of the end of the fiscal year that does not exceed \$50 shall be payable at that time. Amounts due for interest should be measured and paid in accordance with the law that was in effect on the day the State of Illinois issued payment.

The Illinois Administrative Code (74 Ill. Adm. Code 900.30) requires the University to maintain written or electronic records reflecting the date or dates on which the proper bill was received and approval for payment of the bill was made.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Current Findings - State Compliance (Continued)

Finding No. 11-7 - Untimely Approval and Payment of Vouchers (Continued)

Regarding unpaid interest charges, University management stated that the majority of voucher approvals were submitted to the Comptroller within 30 days, but payment was delayed at the Comptroller's Office. Management stated that they did not require University departments to date stamp invoices when received. Management did not provide the underlying cause for the University's untimely approval of seven vouchers.

Late approval of vouchers, failure to approve payment of required interest, and inadequate documentation of invoice receipt and voucher payment date result in noncompliance with the Illinois Administrative Code and State Prompt Payment Act. Untimely processing and approval of vouchers may result in the University incurring unnecessary interest charges. (Finding Code Nos. 11-7, 10-5 and 09-5)

Recommendation

We recommend the University strengthen its controls over voucher processing to ensure documentation of invoice receipt and voucher payment date and timely approval of vouchers, including interest as required.

University Response

The University agrees with the finding. Interest is not calculated and vouchered on late payments in accordance with the law. The University does not agree that it should be responsible for the calculation and payment of vouchers for interest as it is the Illinois Office of the Comptroller who is primarily responsible for the late payments. The University complied, in most instances, with the only portion of the law under its control after the General Assembly formally approved the University's appropriations. Seven of the 66 vouchers cited were approved outside the 30-day window allotted to the University by law. It is likely that no interest would have been due to vendors had the Comptroller's Office paid invoice vouchers in a timely manner. The University believes it is inappropriate to impose interest penalties for processes that are outside its control. Furthermore, it is the University's belief that the original intent of the law was to ensure that State agencies make payments to vendors in a timely manner. It appears that the law has had the undesirable effect of penalizing State agencies for the State's cash flow crisis.

**State of Illinois
Western Illinois University
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2011**

Prior Findings Not Repeated

A. Inadequate Controls Over Acquisition of Public TV Station

In the prior examination, the University did not perform adequate due diligence regarding the acquisition of a public television station. Errors were made in recording the value of capital assets and there were inadequate controls over physical inventory and records of fixed assets. (Finding Code No. 10-1)

Status: Not repeated

In the current examination, the University had no business acquisition transactions. Errors noted in recording related transactions were corrected, physical inventory was properly conducted and equipment records were accurately maintained and updated.

B. Inadequate Process for Evaluating the Estimated Allowance for Doubtful Accounts Receivable

In the prior examination, the University did not have an adequate process for evaluating the estimated allowance for doubtful accounts. (Finding Code No. 10-2)

Status: Not repeated

In the current examination, the University developed a process to evaluate the reasonableness of the accounting estimate.

C. Weaknesses Regarding the Security and Control of Confidential Information

In the prior examination, the University continued to have weaknesses in regards to the security and control of confidential information. (Finding Code No. 10-6)

Status: Partially implemented

During the current examination, we found the University had established a Sensitive Data Task Force and had started conducting a comprehensive risk assessment and survey of the University's sensitive data usage to identify and secure confidential information.

**State of Illinois
Western Illinois University
Supplementary Information for State Compliance Purposes
For the Year Ended June 30, 2011**

Summary

Supplementary Information for State Compliance Purposes presented in this section of the report includes the following:

- Fiscal Schedules and Analysis
 - Schedule of Expenditures of Federal Awards
 - Notes to Schedule of Expenditures of Federal Awards
 - Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
 - Schedule of Changes in State Property
 - Comparative Schedule of Income Fund Revenues and Expenditures
 - Comparative Schedule of Cash, Cash Equivalents and Investments at Fair Value
 - Analysis of Significant Variations in Account Balances
 - Analysis of Significant Variations in Operating and Nonoperating Revenues and Expenses
 - Analysis of Significant Lapse Period Spending
 - Analysis of Accounts Receivable
 - Summary of Indirect Cost Reimbursements:
 - Statement of Sources and Applications
 - Calculation Sheet for Indirect Cost Carry-Forward
 - Calculation of Current Excess Funds
 - Current Funds, Unrestricted, Other:
 - Balance Sheet by Entity
 - Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
 - Auxiliary Enterprises and Activities, Financial Statements by Functional Entity
 - Auxiliary Enterprise Funds - Other:
 - Balance Sheet by Entity
 - Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
 - Auxiliary Enterprise Funds - Revenue Bonds:
 - Balance Sheet by Entity
 - Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
 - Plant Funds Statement of Changes in Fund Balances by Entity

**State of Illinois
Western Illinois University
Supplementary Information for State Compliance Purposes
For the Year Ended June 30, 2011**

Summary (Continued)

- Analysis of Operations
 - University Functions and Planning Program
 - Employment Statistics - Full-Time Equivalent (Unaudited)
 - Service Efforts and Accomplishments - Enrollment Statistics (Unaudited)
 - Schedule of Unrestricted Current Funds General Expenditures Per Full-Time Equivalent Student as Reported to the Board of Higher Education (Unaudited)
 - Comments on the Percentage of Total Expenditures Represented by Administrative Costs
 - Comments on Certain Matters Pertaining to the University Guidelines
 - Summary of Western Illinois University Foundation Payments to the University
 - Analysis of Bookstore Operations (Unaudited)
 - University Accounting Entities and Related Sources of Revenues and Purposes
 - Schedules of Federal Expenditures, Nonfederal Expenses, and New Loans
 - Undergraduate Tuition and Fee Waivers (Unaudited)
 - Graduate Tuition and Fee Waivers (Unaudited)
 - Emergency Purchase

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 auditors' 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.

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title		CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
STUDENT FINANCIAL ASSISTANCE CLUSTER:				
<u>DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Education Opportunity Grants	(M)	84.007	P007A101313	\$ 423,536
Federal Work-Study Program	(M)	84.033	P033A101313	715,874
Federal Perkins Loan Program	(M)	84.038	P038A071313	2,352,347
Federal Pell Grant Program				
<i>Federal Pell - 2008-2009</i>	(M)	84.063	P063P081391	(1,183)
<i>Federal Pell - 2009-2010</i>	(M)	84.063	P063P091391	21,279
<i>Federal Pell - 2010-2011</i>	(M)	84.063	P063P101391	17,304,039
Federal Direct Student Loans				
<i>Federal Direct Student Loans - FY10</i>	(M)	84.268	P268K101391	206,763
<i>Federal Direct Student Loans - FY11</i>	(M)	84.268	P268K111391	73,782,823
Academic Competitiveness Grants (ACG)				
<i>ACG - 2009-2010</i>	(M)	84.375	P375A091391	862
<i>ACG - 2010-2011</i>	(M)	84.375	P375A101391	550,008
National Science and Mathematics Access to Retain Talent (SMART) Grants	(M)	84.376	P376S101391	353,561
Teacher Education Assistance for College & Higher Education Grants (TEACH Grants)	(M)	84.379	P379T111391	<u>85,000</u>
TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER				<u>\$ 95,794,909</u>
RESEARCH AND DEVELOPMENT CLUSTER:				
<u>DEPARTMENT OF AGRICULTURE</u>				
Agricultural Research_Basic and Applied Research <i>Cuphea Development II</i>	(M)	10.001	583620-6-105	<u>\$ 1,491</u>
Agriculture and Food Research Initiative (AFRI) <i>Undergraduate Training & Research in Plant Breeding</i>	(M)	10.310	2010-85117-20535	<u>211,588</u>
Sustainable Agriculture Research Education Passed-Through University of Minnesota <i>Alternative Oilseeds for Sustainable, High-Quality Biodiesel</i>	(M)	10.215	H408626311	<u>3,212</u>
TOTAL DEPARTMENT OF AGRICULTURE				<u>\$ 216,291</u>
<u>DEPARTMENT OF COMMERCE</u>				
Economic Adjustment Assistance <i>Local Technical Assistance Flood Impact and Recovery Study</i>	(M)	11.307	06-69-05607	<u>\$ 563</u>
TOTAL DEPARTMENT OF COMMERCE				<u>\$ 563</u>

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
RESEARCH AND DEVELOPMENT CLUSTER: (Continued)			
<u>DEPARTMENT OF DEFENSE</u>			
Basic Scientific Research			
<i>Near Net Shape Manufacturing for Current & Future Generation Armament Systems</i>	(M) 12.431	W15QKN-11-2-0008	\$ 27,873
TOTAL DEPARTMENT OF DEFENSE			\$ 27,873
<u>DEPARTMENT OF INTERIOR</u>			
Research Grants (Generic)			
<i>Genetic Relationships of Decurrent False Aster</i>	(M) 15.650	301818G092	\$ 5,693
<i>Seed Bank Composition</i>	(M) 15.650	301819J146	45
<i>Spatial Distribution of Indiana Bat Habitats</i>	(M) 15.650	30181AG112	14,115
			<u>19,853</u>
Fish and Wildlife Management Assistance			
Passed-Through University of Illinois			
<i>Asian Carp and Water Productivity</i>	(M) 15.608	292613	17,318
<i>Asian Carp and Water Productivity II</i>	(M) 15.608	P0484313	1,726
			<u>19,044</u>
Cooperative Endangered Species Conservation Fund			
Passed-Through Illinois Department of Natural Resources			
<i>Monitoring Fungal Communities and Occurrence of White-Nose Bat Syndrome</i>	(M) 15.615	RC11E53RI	13,206
TOTAL DEPARTMENT OF INTERIOR			\$ 52,103
<u>NATIONAL SCIENCE FOUNDATION</u>			
Geosciences			
<i>Biogenic Cave Carbonates</i>	(M) 47.050	EAR-0719710	\$ 15,949
Biological Sciences			
<i>RUI: Deciphering Plant-Herbivore Interactions</i>	(M) 47.074	DBI-0820367	98,577
<i>Dynamics of Plant-Soil Feedbacks in Changing Environments</i>	(M) 47.074	DEB-0919510	75,180
			<u>173,757</u>
Social, Behavioral, and Economic Sciences			
<i>SGER: Resiliency of Agricultural Communities After the 2008 Mississippi Floods</i>	(M) 47.075	BCS-0900891	2,915
Trans-NSF Recovery Act Research Support			
<i>ARRA - RUI: Selective Oxidative Transformations Using Water-Soluble Hypervalent Iodine Reagents</i>	(M) 47.082	CHE-0910565	62,437
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 255,058

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
RESEARCH AND DEVELOPMENT CLUSTER: (Continued)			
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Nonpoint Source Implementation Grants			
Passed-Through McDonough County Soil and Water Conservation District			
<i>Soil Phosphorus Study of Selected Spring Lake Erosion Areas</i>	(M) 66.460	None	\$ 1,171
Performance Partnership Grants			
Passed-Through Illinois Environmental Protection Agency			
<i>Intensive Basin Survey Assistance 11-13</i>	(M) 66.605	FW-11304	3,579
<i>Intensive Basin Survey Assistance 09-10</i>	(M) 66.605	FW-9305	3,283
<i>Phytoplankton ID/Enumeration II</i>	(M) 66.605	WCF8301	5,624
			12,486
TOTAL ENVIRONMENTAL PROTECTION AGENCY			\$ 13,657
<u>DEPARTMENT OF EDUCATION</u>			
Career and Technical Education -- Basic Grants to States			
Passed-Through Illinois State University			
<i>Illinois University Council for Career and Technical Education</i>	(M) 84.048	RSP10D282.04	\$ 4,240
National Institute on Disability and Rehabilitation Research			
Passed-Through University of Illinois Chicago			
<i>College & Community Fitness Facility Accessibility Research</i>	(M) 84.133E	H133E070029	28,709
TOTAL DEPARTMENT OF EDUCATION			\$ 32,949
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Cancer Treatment Research			
<i>AREA Synthesis and Evaluation</i>	(M) 93.395	R15CA086933	\$ 61,059
<i>Phenoxazines Inhibition</i>	(M) 93.395	1R15CA115404	1,145
			62,204
Trans-NIH Recovery Act Research Support			
<i>ARRA - AREA Synthesis & Evaluation Summer Research Experience</i>	(M) 93.701	3R15CA086933-04A2S1	55,877
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			\$ 118,081
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			\$ 716,575
OTHER PROGRAMS:			
<u>DEPARTMENT OF AGRICULTURE</u>			
Rural Community Development Initiative			
<i>Rural Community Development Initiative - Entrepreneurship</i>	10.446	13-055-0370910458	\$ 177,507
Rural Cooperative Development Grants			
<i>Rural Cooperative and Economic Development Center</i>	10.771	None	44,570
TOTAL DEPARTMENT OF AGRICULTURE			\$ 222,077

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
OTHER PROGRAMS: (Continued)			
<u>DEPARTMENT OF COMMERCE</u>			
Public Telecommunications Facilities Planning and Construction			
<i>PTFP AC/Generator Project</i>	11.550	07-01-N10004	\$ 48,270
<i>PTFP Antenna Project</i>	11.550	07-01-N10005	<u>2,790</u>
TOTAL DEPARTMENT OF COMMERCE			<u>\$ 51,060</u>
<u>DEPARTMENT OF DEFENSE</u>			
Procurement Technical Assistance For Business Firms			
Passed-Through Illinois Department of Commerce and Economic Opportunity			
<i>IL Procurement Technical Assistance Center FY11</i>	12.002	11-601104	<u>\$ 28,333</u>
TOTAL DEPARTMENT OF DEFENSE			<u>\$ 28,333</u>
<u>DEPARTMENT OF JUSTICE</u>			
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus			
<i>Relationship Violence Awareness and Prevention Initiative</i>	16.525	2010WAAX0004	<u>\$ 48,714</u>
Bulletproof Vest Partnership Program			
<i>Bulletproof Vest Replacement Program FY09</i>	16.607	None	2,100
<i>Bulletproof Vest Replacement Program FY10</i>	16.607	None	<u>1,950</u>
			<u>4,050</u>
Violence Against Women Formula Grants			
Passed-Through Illinois Attorney General			
<i>Illinois Sexual Assault Nurse Examiner (SANE) Online Training Phase II</i>	16.588	None	<u>71,997</u>
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program			
Passed-Through Illinois State's Attorney Appellate Prosecutor's Office			
<i>Grant to Encourage Arrest Policies & Enforcement of Protection Orders Program</i>	16.590	None	<u>64,229</u>
Enforcing Underage Drinking Laws Program			
Passed-Through Eastern Illinois University			
<i>IDHS EUDL FY11</i>	16.727	11-01	7,430
<i>IDHS EUDL Equipment FY11</i>	16.727	10-09	2,000
<i>IDHS EUDL FY11 PART 2</i>	16.727	11-06	<u>7,500</u>
			<u>16,930</u>
TOTAL DEPARTMENT OF JUSTICE			<u>\$ 205,920</u>

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
OTHER PROGRAMS: (Continued)			
<u>DEPARTMENT OF LABOR</u>			
Incentive Grants - WIA Section 503			
Passed-Through Illinois Community College Board			
<i>Transitions & Pathway Development Training</i>	17.267	WIASCN01	\$ 409
<i>Career and Academic Readiness System FY11</i>	17.267	CARS 11	<u>25,082</u>
TOTAL DEPARTMENT OF LABOR			\$ 25,491
<u>DEPARTMENT OF TRANSPORTATION</u>			
Formula Grants for Other Than Urbanized Areas			
Passed-Through Illinois Department of Transportation			
<i>Interagency Coordinating Council on Transportation</i>	(M) 20.509	IL-1818X025	\$ 161,794
<i>Program Coordination & Monitoring to Assist with the</i>	(M) 20.509	PROJ 10-15	121,002
<i>Development & Implementation of ARRA Funded Capital Projects</i>	(M) 20.509	IL-18-X026	<u>342,589</u>
<i>Rural Transit Assistance Center</i>			<u>625,385</u>
Public Transportation Research			
Passed-Through Illinois Department of Transportation			
<i>United We Ride / MY TRIP</i>	20.514	IL-18-X026	<u>19,666</u>
TOTAL DEPARTMENT OF TRANSPORTATION			\$ 645,051
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
Promotion of the Humanities_Public Programs			
<i>Lincoln: The Constitution and the Civil War</i>	45.164	LL-50015-09	<u>\$ 2,042</u>
Promotion of the Humanities_Federal/State Partnership			
Passed-Through Humanities Iowa			
<i>Country School: One Room - One Nation</i>	45.129	32-1-009	<u>1,500</u>
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			\$ 3,542
<u>NATIONAL SCIENCE FOUNDATION</u>			
Education and Human Resources			
<i>Incorporating Usable Security Concepts into Computer</i>			
<i>Science Curriculum</i>	47.076	DUE-0736643	<u>\$ 47,550</u>
TOTAL NATIONAL SCIENCE FOUNDATION			\$ 47,550

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
OTHER PROGRAMS: (Continued)			
<u>SMALL BUSINESS ADMINISTRATION</u>			
Congressional Grants			
<i>SBDC Congressional Grant</i>	59.059	SBAHQ-10-I-0170	\$ 12,336
Small Business Development Centers			
Passed-Through Illinois Department of Commerce & Economic Opportunity			
<i>SBDC FY11</i>	59.037	10-561127	80,000
<i>SBDC CY11</i>	59.037	11-181127	35,219
<i>SBDC Disaster Assistance</i>	59.037	09-182106	28,776
			143,995
TOTAL SMALL BUSINESS ADMINISTRATION			\$ 156,331
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Water Pollution Control State, Interstate and Tribal Program Support			
Passed-Through Illinois Environmental Protection Agency			
<i>Adapting IIRA Livestock GIS Resources for IEPA Use</i>	66.419	FW-11302	\$ 9,231
TOTAL ENVIRONMENTAL PROTECTION AGENCY			\$ 9,231
<u>DEPARTMENT OF EDUCATION</u>			
Fund for the Improvement of Postsecondary Education			
<i>Transatlantic Dual Degree Program</i>	84.116J	P116J060007	\$ 182,240
Passed-Through University of Vermont			
<i>Tri-National Competencies Across Borders and Corporate Social Responsibility Program</i>	84.116	GN88-17389	4,565
Passed-Through DePaul University			
<i>ACTIVE: Atlantis Collaborative Team Interaction Virtual Environment</i>	84.116	500665SG056	14,935
Passed-Through Northern Michigan University			
<i>A Brazilian and U.S. Partnership for People, Planet & Profits: Fostering Socially, Environmentally, & Economically Sustainable Entrepreneurship</i>	84.116M	P116M08005	8,891
Passed-Through Western Kentucky University			
<i>Alliance to Enhance Entrepreneurial Impact to Stimulate Economic Growth among Underserved Groups in N. America</i>	84.116N	WKURF 524549-09-01	9,149
			219,780
Bilingual Education Professional Development			
<i>Project Estrella</i>	(M) 84.195N	T195N070388	315,310

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
OTHER PROGRAMS: (Continued)			
<u>DEPARTMENT OF EDUCATION (Continued)</u>			
Adult Education - Basic Grants to States			
Passed-Through Illinois Community College Board			
<i>Central Illinois Adult Education Service Center - 2010</i>	(M) 84.002	AEL10006	1,226
<i>Central Illinois Adult Education Service Center - 2011</i>	(M) 84.002	AEL11006	363,401
<i>GED Illinois Online - 2010</i>	(M) 84.002A	AEL10008	2,024
<i>GED Illinois Online - 2011</i>	(M) 84.002A	AEL11008	239,645
<i>Data and Information System Illinois (DAISI) - 2011</i>	(M) 84.002A	AEL11007	150,507
<i>ICCB - Curriculum Publications Clearinghouse - 2010</i>	(M) 84.002A	AEL10002	(22)
<i>ICCB - Curriculum Publications Clearinghouse - 2011</i>	(M) 84.002A	AEL11002	115,425
			<u>872,206</u>
Special Education_Preschool Grants			
Passed-Through Illinois State Board of Education			
<i>Illinois Starnet - 2010</i>	(M) 84.173	10-4605-00-26-062-5440-51	1,228
<i>Illinois Starnet - 2011</i>	(M) 84.173	11-4605-00-26-062-5440-51	970,069
			<u>971,297</u>
Fund for the Improvement of Education			
Passed-Through Regional Office of Education			
<i>Disseminating Traditional American History to Teachers</i>	84.215X	U215X080056	33,587
Improving Teacher Quality State Grants			
Passed-Through Illinois Board of Higher Education			
<i>Math & Science Teachers Training Teachers to Teach M+ST(4)</i>	84.367	None	92,427
TOTAL DEPARTMENT OF EDUCATION			\$ 2,504,607
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Temporary Assistance for Needy Families			
Passed-Through Illinois Department of Human Services			
<i>Low Income Degree Scholarship Program 09-10</i>	(M) 93.558	81X6967000	\$ 1,509
<i>Low Income Degree Scholarship Program 10-11</i>	(M) 93.558	81X6967000	559,715
			<u>561,224</u>
Medical Library Assistance			
Passed-Through University of Illinois-Chicago			
<i>Added Value Instructional Development and Distribution (A-VIDD)</i>	93.879	TECH532	4,892
<i>Building the Future with Community Health Information</i>	93.879	N01-LM-6-3503	22,193
			<u>27,085</u>
TOTAL DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ 588,309

State of Illinois
Western Illinois University
Schedule of Expenditures of Federal Awards
For the Period Ending June 30, 2011

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Pass-Through/Contract Number	FY 2011 Expenditures
OTHER PROGRAMS: (Continued)			
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
Volunteers in Service to America <i>Community Outreach Support</i>	94.013	06VSNIL008	\$ 18,829
AmeriCorps Passed-Through Illinois Department of Human Services <i>AmeriCorps Project 09-12</i>	94.006	11GL679000	130,158
<i>ARRA - AmeriCorps Volunteer Project</i>	94.006	11GK920000	5,544
			<u>135,702</u>
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			\$ 154,531
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Degrees at a Distance Program <i>Degrees at a Distance Year 8</i>	97.103	2009-RB-63-K145	\$ 449
<i>Degrees at a Distance Year 9</i>	97.103	2010-RB-63-K145	8,046
			<u>8,495</u>
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Passed-Through Illinois Emergency Management Agency <i>Snow Removal</i>	97.036	FEMA-1960--109-0CF67-00	14,299
Homeland Security Grant Program Passed-Through Illinois Law Enforcement Training and Standards Board <i>Homeland Security Federal Fiscal Year 09 Funds</i>	(M) 97.067	None	303,962
<i>Homeland Security Federal Fiscal Year 10 Funds</i>	(M) 97.067	None	174,646
			<u>478,608</u>
TOTAL DEPARTMENT OF HOMELAND SECURITY			\$ 501,402
<u>UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT</u>			
USAID Development Partnerships for University Cooperation and Development Passed-Through Association Liaison Office <i>Capacity Building in Southern Mexico - Phase II TIES Initiative</i>	98.012	None	\$ 11,796
<i>Capacity Building in Southern Mexico - Part II</i>	98.012	AEG-A-00-05-00007-00	16,052
TOTAL UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT			\$ 27,848
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 101,682,767

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

**State of Illinois
 Western Illinois University
 Notes to Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2011**

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

The 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 - STUDENT LOAN PROGRAM ADMINISTERED BY THE UNIVERSITY

The University administered the following federal loan program during the year ended June 30, 2011:

Perkins Loan Program CFDA No. 84.038

Outstanding balance, July 1, 2010	<u>\$ 2,392,939</u>
Additions:	
Interest income	54,854
Contributions	<u>44,940</u>
Total additions	<u>99,794</u>
Deductions:	
Loans cancelled or written-off	39,631
Miscellaneous adjustment	2,814
Administrative charges	73,842
Collection agency fees, net	4
Litigation costs	<u>24,095</u>
Total deductions	<u>140,386</u>
Outstanding balance, June 30, 2011	<u>\$ 2,352,347</u>

**State of Illinois
Western Illinois University
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011**

NOTE 3 - SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the University provided Federal awards in the amount of \$167,939 to subrecipients in 2011 as follows:

<u>Grant/Program Title</u>	<u>CFDA Number</u>	<u>Reference Number</u>	<u>Provided To Subrecipients</u>
Biological Sciences	47.074	DBI-0820367	\$ 32,026
National Institute on Disability and Rehabilitation Research	84.133E	H133E070029	25,976
Fund for the Improvement of Postsecondary Education	84.116J	P116J060007	88,410
AmeriCorps	94.006	11GL679000	20,532
USAID Development Partnerships for University Cooperation and Development	98.012	AEG-A-00-05-00007-00	995
Total			<u>\$ 167,939</u>

**State of Illinois
Western Illinois University
Schedule of Net Appropriations, Expenditures and Lapsed Balances
Fourteen Months Ended August 31, 2011**

	<u>Appropriations Net of Transfers</u>	<u>Expenditures Through June 30, 2011 (b)</u>	<u>Approximate Lapse Period Expenditures July 1 - August 31 (c)</u>	<u>Approximate Total Expenditures August 31, 2011 (c)</u>	<u>Approximate Balances Lapsed August 31, 2011 (c)</u>
Public Act No. 96-0956					
GENERAL REVENUE FUND (001) (a)					
Operational expenses	\$ 56,182,700	\$ 56,182,700	\$ -	\$ 56,182,700	\$ -
STATE COLLEGES & UNIVERSITIES TRUST FUND (417) (a)					
Scholarships - license plates	<u>10,000</u>	<u>7,973</u>	<u>-</u>	<u>7,973</u>	<u>2,027</u>
TOTALS	<u>\$ 56,192,700</u>	<u>\$ 56,190,673</u>	<u>\$ -</u>	<u>\$ 56,190,673</u>	<u>\$ 2,027</u>

Notes:

- (a) The information reflected in this schedule was taken from University's records and has been reconciled to the State Comptroller's records.
- (b) Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for payment to vendors.
- (c) Approximate lapse period expenditures do not include interest payments approved for payment by the University and submitted to the Comptroller for payment after August.

State of Illinois
Western Illinois University
Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
For the Years Ended June 30, 2011 and 2010

	Fiscal Years	
	2011 P.A. 96-0956 (b)	2010 P.A. 96-0114 (c)
GENERAL REVENUE FUND (001) (a)		
Appropriations (net of transfers)	\$ 56,182,700	\$ 59,919,600
Expenditures		
Operational expenses	56,182,700	56,391,080
Personal Services - ARRA	-	3,528,500
Total expenditures	<u>56,182,700</u>	<u>59,919,580</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 20</u>
STATE COLLEGES AND UNIVERSITY TRUST (417) (a)		
Appropriations (net of transfers)	\$ 10,000	\$ 10,000
Expenditures		
Scholarships	<u>7,973</u>	<u>10,000</u>
Lapsed balances	<u>\$ 2,027</u>	<u>\$ -</u>
GRAND TOTAL, ALL FUNDS		
Total appropriations (net of transfers)	\$ 56,192,700	\$ 59,929,600
Total expenditures	<u>56,190,673</u>	<u>59,929,580</u>
Total lapsed balances	<u>\$ 2,027</u>	<u>\$ 20</u>

Notes:

- (a) The information reflected in this schedule was taken from University's records and has been reconciled to the State Comptroller's records.
- (b) FY 2011 expenditures and related lapsed balances do not reflect any interest payments approved for payment by the University and submitted to the Comptroller for payment after August.
- (c) FY 2010 amounts are final and include any interest payments made after August.

**State of Illinois
Western Illinois University
Schedule of Changes in State Property
For the Year Ended June 30, 2011**

	Balance July 1, 2010	Additions	Retirements	Transfers	Balance June 30, 2011
Non-depreciable capital assets:					
Land and land improvements	\$ 3,221,432	\$ 50,000	\$ (35,000)	\$ -	\$ 3,236,432
Works of art and historical treasures	471,569	-	-	-	471,569
Construction in progress	15,715,051	26,777,548	-	(12,368,186)	30,124,413
Total non-depreciable capital assets	19,408,052	26,827,548	(35,000)	(12,368,186)	33,832,414
Depreciable capital assets:					
Site improvements	28,638,147	-	-	-	28,638,147
Buildings and building improvements	233,180,970	1,556,361	-	12,368,186	247,105,517
Equipment	73,736,645	1,595,545	(1,331,582)	-	74,000,608
Total depreciable capital assets	335,555,762	3,151,906	(1,331,582)	12,368,186	349,744,272
Less accumulated depreciation:					
Site improvements	14,084,887	931,649	-	-	15,016,536
Buildings and building improvements	121,351,849	6,587,508	-	-	127,939,357
Equipment	65,592,974	2,749,068	(1,286,260)	-	67,055,782
	201,029,710	10,268,225	(1,286,260)	-	210,011,675
Total depreciable capital assets, net	134,526,052	(7,116,319)	(45,322)	12,368,186	139,732,597
Capital assets, net	\$ 153,934,104	\$ 19,711,229	\$ (80,322)	\$ -	\$ 173,565,011

Note: Data for this schedule included all accounting entities and was obtained from University records which have been reconciled to the basic financial statements and to the property records submitted to the Office of the Comptroller.

State of Illinois
Western Illinois University
Comparative Schedule of Income Fund Revenues and Expenditures
For the Years Ended June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
INCOME FUND		
REVENUES		
Registration fees	\$ 66,768,995	\$ 64,416,489
Other student charges	1,069,541	868,939
Fines	5,531	10,772
Finance charges	370,661	354,212
Interest	11,973	38,078
Extension	6,088,862	4,689,894
Other	475,629	297,059
Tuition and fees waived, faculty and staff	(3,810,384)	(3,919,221)
Tuition and fees waived, students	(3,840,557)	(3,726,638)
	<u>67,140,251</u>	<u>63,029,584</u>
EXPENDITURES		
Personal services	47,807,499	43,743,280
Contractual services	6,039,674	6,816,876
Travel	666,533	867,603
Commodities	1,228,329	1,277,014
Library books and equipment	2,014,820	2,185,866
Operation of automotive equipment	49,754	155,816
Telecommunications	221,273	303,054
Awards, grants, and matching funds	1,682,689	1,042,340
FICA/Medicare	604,025	598,779
Permanent improvements	165,845	238,121
Employment security	11,298	20,528
	<u>60,491,739</u>	<u>57,249,277</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 6,648,512</u>	<u>\$ 5,780,307</u>

State of Illinois
Western Illinois University
Comparative Schedule of Cash, Cash Equivalents and Investments at Fair Value
June 30, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash and cash equivalents		
Cash on hand	\$ 65,211	\$ 80,684
Checking accounts		
Morton Community Bank (non-interest bearing)	115,324	237,786
Illinois Funds (2011, 0.116%; 2010, 0.129%)	51,716,267	40,570,412
Certificates of deposit		
Morton Community Bank (2011, 0.350%; 2010, 0.700%)	3,005,375	3,000,000
Total cash and cash equivalents	<u>54,902,177</u>	<u>43,888,882</u>
Investments		
Certificates of deposit		
Morton Community Bank (2011, 0.400-1.050%; 2010, 1.000-1.250%)	25,000,000	7,000,000
First Bankers Trust Co. (2011, not applicable; 2010, 0.650-0.750%)	-	3,000,205
First State Bank (2011, 0.650-0.900%; 2010, not applicable)	3,004,685	-
Total investments	<u>28,004,685</u>	<u>10,000,205</u>
Total cash and cash equivalents and investments	<u>\$ 82,906,862</u>	<u>\$ 53,889,087</u>

State of Illinois
Western Illinois University
Analysis of Significant Variations in Account Balances
For the Year Ended June 30, 2011

A comparative schedule of significant variations in account balances (at least \$200,000 and 20% of the previous year) for the fiscal years ended June 30, 2011 and June 30, 2010 are shown below:

ACCOUNTS	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2011	2010	AMOUNT	%
Cash and cash equivalents	\$ 54,825,938	\$ 43,706,204	\$ 11,119,734	25%
Investments, current	28,004,685	10,000,205	18,004,480	180%
Due from primary government	25,359,680	17,925,991	7,433,689	41%
Other assets, noncurrent	1,775,501	1,053,952	721,549	68%
Accounts payable and accrued liabilities	5,095,763	2,791,624	2,304,139	83%
Other liabilities, current	1,355,662	758,808	596,854	79%
Revenue bonds payable, current	2,694,602	4,077,680	(1,383,078)	(34%)
Certificates of participation, current	1,484,943	838,081	646,862	77%
Revenue bonds payable, noncurrent	54,290,293	31,474,896	22,815,397	72%
Certificates of participation, noncurrent	30,470,171	20,172,555	10,297,616	51%
Other obligations, noncurrent	-	224,175	(224,175)	(100%)
Unrestricted net assets	40,742,082	31,949,730	8,792,352	28%

State of Illinois
Western Illinois University
Analysis of Significant Variations in Account Balances (Continued)
For the Year Ended June 30, 2011

University management provided the following explanations for the significant variations identified above.

Cash and cash equivalents

The increase in cash and cash equivalents is due to funds held by the University from unspent debt proceeds for current capital projects.

Investments, current

The increase in investments, current, is due to additional funds available for investment from the issuance of the Series 2011 Certificates of Participation and Series 2010 Revenue Bonds Payable by the University during fiscal year 2011.

Due from primary government

The increase in due from primary government is due to delays in receipt of State appropriations for fiscal year 2011 expenditures of the University.

Other assets, noncurrent

The increase in other assets, noncurrent, is due to the issuance costs related to the Series 2011 Certificates of Participation and the Series 2010 Revenue Bonds Payable. Issuance costs are classified as an asset and amortized over the number of years in the repayment schedule.

Accounts payable and accrued liabilities

The increase in accounts payable and accrued liabilities is primarily due to the timing of the payments for vendor invoices during the fiscal year end. Also, the increase is due to recognition of retention fees on capital projects at year end because of new construction projects which began in fiscal year 2011 and were funded by new debt issuances.

Other liabilities, current

The increase in other liabilities, current, is attributable to the increase in interest payable for new debt issued during fiscal year 2011.

Revenue bonds payable, current

The decrease in revenue bonds payable, current, reflects a decrease in the required principal payments in fiscal year 2012 on Series 2005 Revenue Bonds Payable.

State of Illinois
Western Illinois University
Analysis of Significant Variations in Account Balances (Continued)
For the Year Ended June 30, 2011

Certificates of participation, current

The increase in certificates of participation, current, is due to an increase in required principal payments in fiscal year 2012 from the issuance of the Series 2011 Certificates of Participation.

Revenue bonds payable, noncurrent

The increase in revenue bonds payable, noncurrent, is due to the issuance of the Series 2010 Revenue Bonds Payable which were issued by the University during fiscal year 2011.

Certificates of participation, noncurrent

The increase in certificates of participation, noncurrent, is due to the issuance of the Series 2011 Certificates of Participation which were issued by the University during fiscal year 2011.

Other obligations, noncurrent

The decrease in other obligations, noncurrent, is due to restructuring of student housing deposits and subsequent refunding of the deposits to the students during the fiscal year.

Unrestricted net assets

The increase in unrestricted net assets is primarily due to the net increase in the University's tuition and fees and nonoperating grant revenues during fiscal year 2011.

State of Illinois
Western Illinois University
Analysis of Significant Variations in Operating and Nonoperating
Revenues and Expenses
For the Year Ended June 30, 2011

A comparative schedule of significant variations in operating and nonoperating revenues and expenses (at least \$200,000 and 20% of the previous year) for the fiscal years ended June 30, 2011 and June 30, 2010 are shown below:

ACCOUNTS	FISCAL YEAR ENDED JUNE 30,		INCREASE (DECREASE)	
	2011	2010	AMOUNT	%
Nonoperating revenues/expenses:				
Nonoperating grants	\$17,324,135	\$14,293,498	\$ 3,030,637	21%
Investment income	298,293	97,094	201,199	207%
Other nonoperating revenues	193,751	3,958,254	(3,764,503)	(95%)
Capital State appropriations	11,471,389	6,495,559	4,975,830	77%

University management provided the following explanations for the significant variations identified above.

Nonoperating grants

The increase in nonoperating grants is a result of additional funding for Pell grants during fiscal year 2011.

Investment income

The increase in investment income is a result of the additional funding available for investment from unspent debt issuance proceeds.

Other nonoperating revenues

A decrease in other nonoperating revenues occurred because State fiscal stabilization funding (ARRA) was not available for operations during fiscal year 2011.

Capital State appropriations

The increase in capital State appropriations represents an increase in capital funding provided by the Capital Development Board (CDB) to the University for State funded renovations of Memorial Hall and the Quad Cities campus.

State of Illinois
Western Illinois University
Analysis of Significant Lapse Period Spending
For the Year Ended June 30, 2011

No appropriation line item had lapse period expenditures in excess of \$200,000 and 20% of total line item expenditures for the fourteen months ended August 31, 2011.

**State of Illinois
Western Illinois University
Analysis of Accounts Receivable
June 30, 2011 and 2010**

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

	2011	2010
Current unrestricted funds	\$ 5,147,362	\$ 3,814,491
Current restricted funds	2,630,839	3,417,715
Loan funds	308	201
Plant funds	280,525	52,916
Agency funds	241	47
Total accounts receivable (net)	<u>\$ 8,059,275</u>	<u>\$ 7,285,370</u>

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

	2011	2010
Accounts receivable - all funds, at gross	\$ 11,231,875	\$ 11,153,670
Less: allowance for uncollectible accounts	3,172,600	3,868,300
Total accounts receivable (net)	<u>\$ 8,059,275</u>	<u>\$ 7,285,370</u>

Accounts receivable aging was as follows:

	2011	2010
Receivables not past due	<u>\$ 4,766,294</u>	<u>\$ 5,062,897</u>
Past due receivables:		
1 day - 90 days	2,042,606	2,300,868
91 days - 180 days	-	-
181 days - 1 year	729,223	778,863
Over 1 year	3,693,752	3,011,042
Total receivables past due	<u>6,465,581</u>	<u>6,090,773</u>
Total receivables, at gross	<u>\$ 11,231,875</u>	<u>\$ 11,153,670</u>

Accounts receivable of WIU consists of tuition and fee charges to students, amounts receivable from funding agencies for grants, amounts receivable from third parties, and charges for auxiliary enterprise services provided to students, faculty and staff.

Collection Policies for Accounts Receivables

The University processes student accounts receivable through the Billing and Receivables Office. Monthly statements are processed for all students. If the balance on the account exceeds \$4.99 and payment is not received by the due date, academic transcripts are not released. A 1% finance charge is assessed on all past due balances that exceed \$14.99. Students with past due balances exceeding \$499.99 are not permitted to register for future terms.

Students who are no longer enrolled and have an account balance continue to receive monthly statements. Accounts with balances less than \$5.00 are not subject to collection efforts due to the costs associated with the collection process. Accounts with balances less than \$100.00 are sent two separate collection notices by the Billing and Receivables Office. If the account is not paid in full by the due date of the second collection notice, the debt is subject to offset through the Comptroller's Office. Accounts with balances that are \$100.00 and over are subject to collection notices, telephone contacts, Comptroller's offset and attorney/collection agency placement.

**State of Illinois
Western Illinois University
Summary of Indirect Cost Reimbursements
Statement of Sources and Applications
For the Years Ended June 30, 2011 and 2010**

	<u>2011</u>	<u>2010</u>
SOURCES		
Federal	\$ 556,011	\$ 556,273
State	399,444	422,308
Private	1,217	23,719
Other	234,610	211,119
	<u>1,191,282</u>	<u>1,213,419</u>
APPLICATIONS		
Research	218,396	126,248
Academic support	309,210	274,422
Institutional support	408,510	507,034
	<u>936,116</u>	<u>907,704</u>
EXCESS OF SOURCES OVER APPLICATIONS	255,166	305,715
TRANSFERS AND OTHER DEDUCTIONS		
Transfers to other funds	(69,714)	(69,475)
	<u>185,452</u>	<u>236,240</u>
EXCESS OF SOURCES OVER APPLICATIONS AFTER TRANSFERS AND OTHER DEDUCTIONS	185,452	236,240
FUND BALANCE, BEGINNING OF YEAR	<u>774,569</u>	<u>538,329</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 960,021</u></u>	<u><u>\$ 774,569</u></u>

**State of Illinois
 Western Illinois University
 Summary of Indirect Cost Reimbursements
 Calculation Sheet for Indirect Cost Carry-Forward
 For the Year Ended June 30, 2011**

1. Cash and cash equivalents balance

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

Add:

Cash.....	\$	1,031,055	
Cash equivalents.....	\$	-	
Bank deposits.....	\$	-	
Marketable securities.....	\$	-	
Certificates of deposit.....	\$	-	
Repurchase agreements.....	\$	-	
Other cash equivalent items.....	\$	-	
Interfund receivables.....	\$	-	\$ 1,031,055

2. Allocated Reimbursements

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:

\$ 1,924,149; enter 30% of this amount..... \$ 577,245

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.....

\$ -

4. Encumbrances and current liabilities

Paid in lapse period

Enter the amount of:

Current liabilities.....	\$	77,563
Encumbrances.....	\$	3,859
Total.....	\$	81,422

5. Indirect Cost Carry-forward

a. Enter the total of items 2, 3 and 4..... \$ 658,667

b. Subtract from item 1 \$ 372,388

If a positive number results, enter here and remit for deposit in the Income Fund..... \$ 372,388

**State of Illinois
Western Illinois University
Calculation of Current Excess Funds
June 30, 2011**

	Auxiliary Enterprises - Revenue Bond		
	University Union	Recreation Facility	University Housing and Dining
CURRENT AVAILABLE FUNDS:			
Cash and cash equivalents (A)	\$ 2,807,439	\$ 625,849	\$ 1,377,031
WORKING CAPITAL ALLOWANCES:			
Highest month's expenditures	1,897,366	431,681	5,294,549
Encumbrances and current liabilities paid in lapse period	463,149	110,963	1,096,948
Refundable deposits/deferred income	29,176	71,188	607,528
Allowance for sick leave/vacation payouts	38,329	27,116	109,042
Total working capital allowances (B)	2,428,020	640,948	7,108,067
CURRENT EXCESS FUNDS:			
Deduct B from A (C)	379,419	(15,099)	(5,731,036)
CALCULATION OF INCOME FUND REMITTANCE:			
An entity may offset excess capital or current funds within the entity:			
Enter the amount to be offset (D)	(380,000)	-	-
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	\$ (581)	\$ (15,099)	\$ (5,731,036)

State of Illinois
Western Illinois University
Calculation of Current Excess Funds (Continued)
June 30, 2011

	Public Service 02	Student Programs and Services 03	Instructional Resources and Services 04	University Stores and Service Centers 05	University Publications 06	Sponsored Credit Programs 08	University Services 12	Auxiliary Enterprises Parking Operations 11	Enterprises Transit Fee 13
CURRENT AVAILABLE FUNDS:									
Cash and cash equivalents	\$ 753,421	\$ 1,580,274	\$ 712,190	\$(1,458,847)	\$ 3,248	\$ 171,321	\$ 504,280	\$ 358,306	\$ (25,402)
Interfund receivables	390	1,218	-	94,417	-	-	-	-	-
Total current available funds (A)	753,811	1,581,492	712,190	(1,364,430)	3,248	171,321	504,280	358,306	(25,402)
WORKING CAPITAL ALLOWANCES:									
Highest month's expenditures	512,889	3,221,585	582,971	885,085	7,219	57,429	443,103	78,314	219,486
Encumbrances and current liabilities paid in lapse period	325,689	700,155	158,431	371,953	-	37,408	158,311	32,656	110,414
Refundable deposits/deferred income	116,103	149,674	18,268	-	-	110,860	-	-	6,001
Total working capital allowances (B)	954,681	4,071,414	759,670	1,257,038	7,219	205,697	601,414	110,970	335,901
CURRENT EXCESS FUNDS:									
Deduct B from A (C)	(200,870)	(2,489,922)	(47,480)	(2,621,468)	(3,971)	(34,376)	(97,134)	247,336	(361,303)
CALCULATION OF INCOME FUND REMITTANCE:									
An entity may offset excess capital or current funds within the entity:									
Enter the amount to be offset (D)	(94,130)	(47,126)	(340,228)	(57,212)	(823)	-	-	(273,728)	-
Enter the sum of C and D and move the amount due, if any, for deposit in the Income Fund	\$ (295,000)	\$ (2,537,048)	\$ (387,708)	\$ (2,678,680)	\$ (4,794)	\$ (34,376)	\$ (97,134)	\$ (26,392)	\$ (361,303)

**State of Illinois
Western Illinois University
Current Funds, Unrestricted, Other
Balance Sheet by Entity
June 30, 2011**

	Indirect Cost	Public Service	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
ASSETS												
Cash and temporary cash investments	\$1,031,055	\$ 752,721	\$1,573,259	\$ 712,015	\$ (1,469,912)	\$ 3,248	\$ 44,845	\$ 171,321	\$ 41,868	\$ 1,977,242	\$504,280	\$5,341,942
Cash, change funds	-	700	7,015	175	11,065	-	-	-	-	-	-	18,955
Accounts receivable, net	6,529	9,171	422,633	45,835	130,126	17	35	-	-	-	20	614,366
Inventories	-	1,655	34,841	46,603	1,069,087	-	-	-	-	-	-	1,152,186
Investment in plant:												
Equipment	-	69,755	250,706	138,981	1,014,025	-	-	-	-	-	-	1,473,467
Building	-	-	332,645	-	95,997	-	-	-	-	-	139,903	568,545
Construction in progress	-	-	-	-	92,867	-	-	-	-	-	-	92,867
TOTAL ASSETS	1,037,584	834,002	2,621,099	943,609	943,255	3,265	44,880	171,321	41,868	1,977,242	644,203	9,262,328
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Accrued payroll	38,046	287,439	195,521	29,907	121,502	-	-	35,017	13,256	-	155,075	875,763
Interfund payables	-	-	-	-	-	-	-	-	398	-	-	398
Accounts payable	39,518	22,389	400,797	95,975	228,936	-	20,208	1,725	-	-	3,236	812,784
Accrued compensated absences	-	-	-	-	-	-	-	-	-	1,236,836	-	1,236,836
Deferred revenues	-	116,103	149,674	18,268	-	-	25,215	110,860	-	-	-	420,120
Installment purchases payable	-	-	-	-	271,723	-	-	-	-	-	-	271,723
Total liabilities	77,564	425,931	745,992	144,150	622,161	-	45,423	147,602	13,654	1,236,836	158,311	3,617,624
FUND BALANCES												
Current unrestricted	960,020	244,186	1,244,631	320,250	(657,210)	2,442	(543)	23,719	28,214	740,406	345,989	3,252,104
Renewals and replacements	-	94,130	47,126	340,228	47,137	823	-	-	-	-	-	529,444
Net investment in plant	-	69,755	583,350	138,981	931,167	-	-	-	-	-	139,903	1,863,156
Total fund balances (deficit)	960,020	408,071	1,875,107	799,459	321,094	3,265	(543)	23,719	28,214	740,406	485,892	5,644,704
TOTAL LIABILITIES AND FUND BALANCES	\$1,037,584	\$ 834,002	\$2,621,099	\$ 943,609	\$ 943,255	\$ 3,265	\$ 44,880	\$ 171,321	\$ 41,868	\$ 1,977,242	\$644,203	\$9,262,328

State of Illinois
Western Illinois University
Current Funds, Unrestricted, Other
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
For the Year Ended June 30, 2011

	Indirect Cost	Public Service	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
REVENUES AND OTHER ADDITIONS												
Fees and dues	\$ -	\$ 367,456	\$ 11,873,820	\$ 1,854,215	\$ 2,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,098,176
Indirect cost recovery	1,125,655	-	-	-	-	-	-	-	-	-	-	1,125,655
Investment income	422	272	853	173	289	-	-	2	26	1,250	764	4,051
Sales and subscriptions	-	81,002	300,284	223,288	2,670,207	5,591	-	-	-	-	-	3,280,372
Charges for services	49,447	2,685,499	1,354,769	50,616	3,684,144	2,943	378,921	352,702	-	-	4,280	8,563,321
Athletic guarantees	-	-	570,721	-	-	-	-	-	-	-	-	570,721
Other	-	9,134	1,050,343	71,345	232,273	-	41,301	-	-	-	33,723	1,438,119
Gifts	15,757	60,060	77,371	-	20,000	-	4,545	-	130,329	-	300	308,362
Expended for plant facilities	62,555	36,407	130,500	134,399	66,304	-	-	-	-	-	-	430,165
Other fixed asset additions	-	5,995	-	34,532	123,770	-	-	-	-	-	-	164,297
Total revenues and other additions	1,253,836	3,245,825	15,358,661	2,368,568	6,799,672	8,534	424,767	352,704	130,355	1,250	39,067	29,983,239
EXPENDITURES AND OTHER DEDUCTIONS												
Cost of sales	116	59,242	81,062	11,375	2,689,363	-	-	-	-	-	-	2,841,158
Personal services	67,279	2,353,672	3,419,632	472,936	2,081,665	-	12,021	160,126	101,770	-	2,474,277	11,143,378
Contractual services	354,825	370,855	3,580,548	708,658	327,692	2,495	387,359	27,443	37,845	-	451,577	6,249,297
Telecommunications	5,661	18,434	151,508	35,764	417,407	228	83	-	185	-	2,566	631,836
Travel	69,328	28,266	190,526	21,250	352,715	-	21,619	24,931	165	-	5,181	713,981
Retirement	2,918	-	-	-	-	-	-	-	-	-	-	2,918
Commodities	63,824	84,745	804,627	356,609	381,992	4,490	6,516	6,463	2,464	-	16,693	1,728,423
Equipment	156,573	115,368	408,927	487,463	147,435	2,161	144	-	-	-	2,775	1,320,846
Scholarships	59	150	2,060,669	-	-	-	-	53,718	6,739	-	-	2,121,335
Compensated absences adjustment	-	-	-	-	-	-	-	-	-	(59,377)	-	(59,377)
Athletic guarantees	-	-	85,858	-	-	-	-	-	-	-	-	85,858
Other	215,533	204,882	3,769,032	118,421	364,668	427	477	63,108	1,245	-	(2,995,320)	1,742,473
Other fixed asset deductions	-	23,315	113,888	79,261	319,310	-	-	-	-	-	11,338	547,112
Total expenditures and other deductions	936,116	3,258,929	14,666,277	2,291,737	7,082,247	9,801	428,219	335,789	150,413	(59,377)	(30,913)	29,069,238
NET INCREASE (DECREASE) IN FUND BALANCES BEFORE TRANSFERS												
	317,720	(13,104)	692,384	76,831	(282,575)	(1,267)	(3,452)	16,915	(20,058)	60,627	69,980	914,001
TRANSFERS												
Transfers from (to) other funds, current funds	(69,714)	(2,273)	175,235	(102,079)	(34,264)	-	-	-	-	-	-	(33,095)
Transfers from (to) other funds, plant funds	(62,555)	2,273	(2,766)	114,562	60,937	-	-	-	-	-	-	112,451
Transfers for installment purchase payments	-	-	-	(34,291)	(102,071)	-	-	-	-	-	(95,000)	(231,362)
Total transfers	(132,269)	-	172,469	(21,808)	(75,398)	-	-	-	-	-	(95,000)	(152,006)
NET INCREASE (DECREASE) FOR THE YEAR	185,451	(13,104)	864,853	55,023	(357,973)	(1,267)	(3,452)	16,915	(20,058)	60,627	(25,020)	761,995
FUND BALANCES, BEGINNING OF YEAR	774,569	421,175	1,010,254	744,436	679,067	4,532	2,909	6,804	48,272	679,779	510,912	4,882,709
FUND BALANCES (DEFICIT), END OF YEAR	\$ 960,020	\$ 408,071	\$ 1,875,107	\$ 799,459	\$ 321,094	\$ 3,265	\$ (543)	\$ 23,719	\$ 28,214	\$ 740,406	\$ 485,892	\$ 5,644,704

**State of Illinois
Western Illinois University
Auxiliary Enterprise Funds - Other
Balance Sheet by Entity
June 30, 2011**

	Parking Operations	Transit Fee	Total
ASSETS			
Cash and temporary cash investments (overdraft)	\$ 358,006	\$ (25,402)	\$ 332,604
Change funds	300	-	300
Accounts receivable, net	62,883	321,587	384,470
Investment in plant:			
Buildings	24,190	-	24,190
Site improvements	1,485,397	-	1,485,397
Equipment	31,085	33,892	64,977
Construction in Progress	-	12,800	12,800
TOTAL ASSETS	1,961,861	342,877	2,304,738
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accrued payroll	28,818	5,017	33,835
Accounts payable	-	101,381	101,381
Deferred revenues	-	6,001	6,001
Total liabilities	28,818	112,399	141,217
FUND BALANCES			
Current funds	118,643	183,786	302,429
Renewals and replacements	273,728	-	273,728
Net investment in plant	1,540,672	46,692	1,587,364
Total fund balances	1,933,043	230,478	2,163,521
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,961,861	\$ 342,877	\$ 2,304,738

State of Illinois
Western Illinois University
Auxiliary Enterprise Funds - Other
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
For the Year Ended June 30, 2011

	Parking Operations	Transit Fee	Total
REVENUES AND OTHER ADDITIONS			
Sales and services	\$ 461,678	\$ 1,032,401	\$ 1,494,079
Fees	-	726,077	726,077
Investment income	158	71	229
Fines	247,556	-	247,556
Other	1,982	4,160	6,142
Expended for plant facilities	-	12,800	12,800
Total revenues and other additions	711,374	1,775,509	2,486,883
EXPENDITURES AND OTHER DEDUCTIONS			
Personal services	543,902	75,025	618,927
Contractual services	30,239	1,038,921	1,069,160
Commodities	28,064	35,405	63,469
Permanent improvements	-	12,800	12,800
Equipment	1,511	4,313	5,824
Travel	700	2,255	2,955
Telecommunications	2,173	714	2,887
Other	57,124	563,501	620,625
Other fixed asset deductions	88,352	9,430	97,782
Total expenditures and other deductions	752,065	1,742,364	2,494,429
NET INCREASE (DECREASE) IN FUND BALANCES BEFORE TRANSFERS			
	(40,691)	33,145	(7,546)
TRANSFERS			
Transfers to other funds, current funds	(50,000)	-	(50,000)
Transfers from other funds, plant funds	50,000	-	50,000
Total transfers	-	-	-
NET INCREASE (DECREASE) FOR THE YEAR			
	(40,691)	33,145	(7,546)
FUND BALANCES, BEGINNING OF YEAR			
	1,973,734	197,333	2,171,067
FUND BALANCES, END OF YEAR			
	<u>\$ 1,933,043</u>	<u>\$ 230,478</u>	<u>\$ 2,163,521</u>

State of Illinois
Western Illinois University
Auxiliary Enterprise Funds - Revenue Bonds
Balance Sheet by Entity
June 30, 2011

	University Union	Recreation Facility	University Housing & Dining	Total
ASSETS				
Current funds:				
Cash and investments	\$ 2,807,439	\$ 625,849	\$ 1,377,031	\$ 4,810,319
Accounts and interest receivable, less allowance for doubtful accounts of \$1,612,700	424,345	70,492	1,247,130	1,741,967
Inventories	1,056,862	16,055	-	1,072,917
Equipment, net	96,510	-	-	96,510
Total assets, current funds	4,385,156	712,396	2,624,161	7,721,713
Plant funds:				
Cash - retirement of indebtedness	6,931	60,912	654,538	722,381
Cash - renewals and replacements	2,359,882	(2,132,690)	20,788,737	21,015,929
Cash - construction funds	-	683	19,565,471	19,566,154
Interest receivable	-	-	107,458	107,458
Investment in plant:				
Land, buildings, and improvements	2,353,211	14,103,428	40,372,770	56,829,409
Equipment	25,764	247,754	431,286	704,804
Construction in progress	-	-	11,976,485	11,976,485
Bond issuance costs	14,351	91,513	961,221	1,067,085
Total assets, plant funds	4,760,139	12,371,600	94,857,966	111,989,705
TOTAL ASSETS	9,145,295	13,083,996	97,482,127	119,711,418
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Current funds:				
Accrued payroll	125,207	83,732	506,604	715,543
Accounts payable	270,816	27,231	574,946	872,993
Deferred revenues	29,176	71,188	607,528	707,892
Accrued compensated absences	291,009	205,877	827,895	1,324,781
Total liabilities, current funds	716,208	388,028	2,516,973	3,621,209
FUND BALANCES				
Fund balances, reserve for operations	3,668,948	324,368	107,188	4,100,504
Total liabilities and fund balances, current funds	4,385,156	712,396	2,624,161	7,721,713
LIABILITIES				
Plant funds:				
Accounts payable and accrued payroll	8,393	3,653	1,448,248	1,460,294
Accrued interest	6,931	60,912	648,796	716,639
Revenue bonds payable	687,557	5,840,676	50,456,663	56,984,896
Total liabilities, plant funds	702,881	5,905,241	52,553,707	59,161,829
FUND BALANCES				
Retirement of indebtedness	14,351	91,513	966,964	1,072,828
Renewals, replacements reserve	2,351,489	(2,136,344)	20,074,249	20,289,394
Project construction fund	-	683	(5,356,732)	(5,356,049)
Investment in plant, net	1,691,418	8,510,507	26,619,778	36,821,703
Total fund balances, plant funds	4,057,258	6,466,359	42,304,259	52,827,876
Total liabilities and fund balances, plant funds	4,760,139	12,371,600	94,857,966	111,989,705
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,145,295	\$ 13,083,996	\$ 97,482,127	\$ 119,711,418

State of Illinois
Western Illinois University
Auxiliary Enterprise Funds - Revenue Bonds
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity
For the Year Ended June 30, 2011

	University Union	Recreation Facility	University Housing & Dining	Total
REVENUES				
Room and board	\$ -	\$ -	\$ 33,734,994	\$ 33,734,994
Graduate and family housing	-	-	1,228,332	1,228,332
Sales and services	4,965,227	579,037	1,817,154	7,361,418
Student fees	2,980,192	3,241,665	776,651	6,998,508
Investment income	11,762	2,767	36,612	51,141
Other	132,484	20,610	1,339,084	1,492,178
Total revenues	8,089,665	3,844,079	38,932,827	50,866,571
OPERATING EXPENDITURES				
Cost of merchandise sold	3,186,139	53,667	-	3,239,806
Personal services:				
Student	186,970	264,567	1,462,770	1,914,307
Regular	2,145,243	1,199,385	7,683,358	11,027,986
Compensated absences	(30,880)	(17,265)	(110,601)	(158,746)
Fringe benefits	74,060	27,001	252,829	353,890
Food service and catering	40,841	761	12,349,202	12,390,804
Contractual services	204,473	62,859	772,759	1,040,091
Supplies	77,229	86,847	304,430	468,506
Travel	8,562	4,456	27,003	40,021
Utilities	622,834	110,938	3,597,540	4,331,312
Telephone	17,921	4,580	99,827	122,328
Repairs and maintenance	90,042	80,767	675,216	846,025
Insurance	21,779	6,309	132,911	160,999
Other financial	58,812	3,096	18,219	80,127
Equipment	5,334	5,435	210,517	221,286
Bad debts	(12,226)	(15,453)	3,767	(23,912)
Administrative support	295,734	140,533	1,423,043	1,859,310
Miscellaneous	133,134	50,113	792,950	976,197
Total operating expenditures	7,126,001	2,068,596	29,695,740	38,890,337
EXCESS OF REVENUES OVER OPERATING EXPENDITURES	\$ 963,664	\$ 1,775,483	\$ 9,237,087	\$ 11,976,234

State of Illinois
Western Illinois University
Auxiliary Enterprise Funds - Revenue Bonds
Statement of Revenues, Expenditures and Changes in Fund Balances by Entity (Continued)
For the Year Ended June 30, 2011

	<u>University Union</u>	<u>Recreation Facility</u>	<u>University Housing & Dining</u>	<u>Total</u>
TRANSFERS				
Transfers for principal and interest	\$ (234,145)	\$ (1,072,295)	\$ (5,671,306)	\$ (6,977,746)
Transfers for renewals, replacements, deferred maintenance and equipment reserve	(728,283)	(678,617)	(3,541,407)	(4,948,307)
Total transfers	<u>(962,428)</u>	<u>(1,750,912)</u>	<u>(9,212,713)</u>	<u>(11,926,053)</u>
NET INCREASE FOR THE YEAR	1,236	24,571	24,374	50,181
FUND BALANCES, BEGINNING OF YEAR	<u>3,667,712</u>	<u>299,797</u>	<u>82,814</u>	<u>4,050,323</u>
FUND BALANCES, END OF YEAR	<u>\$ 3,668,948</u>	<u>\$ 324,368</u>	<u>\$ 107,188</u>	<u>\$ 4,100,504</u>

State of Illinois
Western Illinois University
Auxiliary Enterprise Funds - Revenue Bonds
Plant Funds Statement of Changes in Fund Balances by Entity
For the Year Ended June 30, 2011

	<u>University Union</u>	<u>Recreation Facility</u>	<u>University Housing & Dining</u>	<u>Total</u>
Retirement of indebtedness				
Fund balances, July 1, 2010	\$ 15,991	\$ 99,723	\$ 412,884	\$ 528,598
Bond issuance expenditures	(1,640)	(7,992)	(58,950)	(68,582)
Retirement of bonds	(201,141)	(806,837)	(3,132,022)	(4,140,000)
Interest paid, bonds	(33,004)	(265,676)	(2,539,533)	(2,838,213)
Mandatory debt retirement transfer	234,145	1,072,295	5,671,306	6,977,746
Bond proceeds	-	-	508,279	508,279
Transfers from current funds	-	-	105,000	105,000
Fund balances, June 30, 2011	<u>\$ 14,351</u>	<u>\$ 91,513</u>	<u>\$ 966,964</u>	<u>\$ 1,072,828</u>
Renewals, replacements, def. maint. and equipment reserve				
Fund balances (deficits), July 1, 2010	\$ 2,436,712	\$ (2,734,767)	\$ 20,380,026	\$ 20,081,971
Transfers from current funds	728,283	678,617	3,436,407	4,843,307
Expenditures for renewals and replacements	(813,506)	(80,194)	(3,742,184)	(4,635,884)
Fund balances (deficits), June 30, 2011	<u>\$ 2,351,489</u>	<u>\$ (2,136,344)</u>	<u>\$ 20,074,249</u>	<u>\$ 20,289,394</u>
Project construction fund				
Fund balances, July 1, 2010	\$ -	\$ 683	\$ -	\$ 683
Investment income	-	-	149,529	149,529
Capitalized interest	-	-	1,214,099	1,214,099
Bond proceeds	-	-	25,001,721	25,001,721
Bonds issued	-	-	(25,510,000)	(25,510,000)
Expenditures for renewals and replacements	-	-	(6,212,081)	(6,212,081)
Fund balances (deficits), June 30, 2011	<u>\$ -</u>	<u>\$ 683</u>	<u>\$ (5,356,732)</u>	<u>\$ (5,356,049)</u>
Investment in plant (net)				
Fund balances, July 1, 2010	\$ 862,800	\$ 8,188,954	\$ 16,171,103	\$ 25,222,857
Retirement of bonds	201,142	824,700	3,114,158	4,140,000
Additions to plant	772,109	22,957	9,847,780	10,642,846
Depreciation	(142,313)	(509,121)	(2,423,716)	(3,075,150)
Discount amortization	1,165	1,629	4,199	6,993
Refund amortization	(3,485)	(18,612)	(47,216)	(69,313)
Transfers (net)	-	-	(46,530)	(46,530)
Fund balances, June 30, 2011	<u>\$ 1,691,418</u>	<u>\$ 8,510,507</u>	<u>\$ 26,619,778</u>	<u>\$ 36,821,703</u>

State of Illinois
Western Illinois University
University Functions and Planning Program
For the Year Ended June 30, 2011

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. Jack Thomas is the current President of the University. The University has campuses located in Macomb and Moline, Illinois.

The University developed various institutional planning programs to guide implementation of the University's vision, mission, values, goals and priorities. These programs include the University's *Higher Values in Higher Education 2008-2018* Strategic Plan, Campus Master Plans, Institutional Strategic Plan for Technology, and institutional accreditation reporting for the Higher Learning Commission - North Central Association of Colleges and Schools. The following shows a brief description of the institutional plans:

- The University developed a strategic plan (*Higher Values in Higher Education 2008-2018*) that guides its daily operations, planning and resource allocation in support of academic mission and service operations. The Strategic Plan is a ten-year long term vision for the University which was endorsed by all campus governance groups and approved for implementation by the University Board of Trustees. The University holds itself accountable to advancing the priorities and goals of the University's Strategic Plan by means of monthly/annual updates and each spring, the Vice Presidents and areas that report to the President provide a summary of annual accomplishments and plans to the campus community.
- The University's Board of Trustees approved *Campus Master Plans* for the Macomb and Quad Cities campuses in March 2007 and June 2006, respectively. Both *Campus Master Plans* identify general (macro) parameters for the future physical development of new and existing facilities, grounds, technology, and infrastructure to support the academic mission and service operations of the University. The University has also developed specific implementation plans that are carefully aligned to *Campus Master Plans*. These component plans include the *University Housing and Dining Master Plan*, *Target Western Forward Plan* for athletic facilities, *Institutional Strategic Plan for Technology* and the *Utilities and Infrastructure Master Plan*. The *Campus Master Plan Updates* document institutional master plan accomplishments annually.
- The University's Board of Trustees unanimously approved in June 2007, the five-year *Institutional Strategic Plan for Technology* at Western Illinois University. The technology plan aims to provide state-of-the-art technology and service to support the academic mission and service operations of the University. The Board of Trustees receives progress reports on the status of the technology plan.
- Western Illinois University is fully accredited by the Higher Learning Commission - North Central Association of Colleges and Schools (Commission). Receiving

State of Illinois
Western Illinois University
University Functions and Planning Program (Continued)
For the Year Ended June 30, 2011

institutional accreditation by the Commission is designed to provide assurance to the public, and particularly to prospective students, that the University meets clearly stated criteria and that there are reasonable grounds for believing that it will continue to meet them. Institutional accreditation is also required for the University to receive and disperse federal Title IV financial aid and assures that University credit hours and degrees are transferable to other accredited institutions of higher education. The University was first accredited in 1913 and accreditation has been continuous since that time. During the February 2011 on-site visit, the On-Site Review Team reaffirmed Western Illinois University's accreditation with the next comprehensive visit scheduled for 2021. The team's visit was followed by a review process and Commission action. The Commission's process is multilayered to ensure the appropriateness of its actions. The process included review of documents relating to the visit by a Readers Panel and final action by the Institutional Actions Council (IAC). These actions were made official September 6, 2011, and are posted on the Commission's website www.hlcommission.org/component/option,com_directory/Action,ShowBasic/Itemid,/instid,1170/lang.en/.

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 institutional planning programs 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 budgetary category. These requirements are detailed as to buildings or components of buildings as well as other capital projects planned for the University.

State of Illinois
Western Illinois University
Employment Statistics - Full-Time Equivalent (Unaudited)
For the Years Ended June 30, 2011 and 2010

	<u>Instructional Activities</u>	<u>Organized Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>	<u>O&M Physical Plant</u>	<u>Independent Operations</u>	<u>Total All Functions</u>
Year Ended June 30, 2011									
Appropriated funds:									
Faculty/administrative	755.0	13.9	27.6	42.8	57.7	33.0	5.5	-	935.5
Civil service	173.7	8.0	13.2	63.9	37.2	79.4	163.0	-	538.4
Student employees	23.9	0.4	1.2	21.8	5.7	3.9	3.9	-	60.8
Total appropriated	<u>952.6</u>	<u>22.3</u>	<u>42.0</u>	<u>128.5</u>	<u>100.6</u>	<u>116.3</u>	<u>172.4</u>	<u>-</u>	<u>1,534.7</u>
Non-appropriated funds:									
Faculty/administrative	4.7	13.1	87.3	-	48.5	-	9.8	39.6	203.0
Civil service	4.0	0.2	12.4	0.1	53.1	1.1	128.8	84.7	284.4
Student employees	23.2	3.5	7.4	-	57.3	0.8	12.9	108.7	213.8
Total non-appropriated	<u>31.9</u>	<u>16.8</u>	<u>107.1</u>	<u>0.1</u>	<u>158.9</u>	<u>1.9</u>	<u>151.5</u>	<u>233.0</u>	<u>701.2</u>
Total all funds	<u>984.5</u>	<u>39.1</u>	<u>149.1</u>	<u>128.6</u>	<u>259.5</u>	<u>118.2</u>	<u>323.9</u>	<u>233.0</u>	<u>2,235.9</u>
Year Ended June 30, 2010									
Appropriated funds:									
Faculty/administrative	776.3	13.3	25.1	42.8	59.7	32.9	6.6	-	956.7
Civil service	179.1	8.3	16.4	66.7	37.2	79.3	163.0	-	550.0
Student employees	26.2	0.2	1.3	24.4	7.8	5.3	3.4	-	68.6
Total appropriated	<u>981.6</u>	<u>21.8</u>	<u>42.8</u>	<u>133.9</u>	<u>104.7</u>	<u>117.5</u>	<u>173.0</u>	<u>-</u>	<u>1,575.3</u>
Non-appropriated funds:									
Faculty/administrative	7.7	11.3	88.4	0.3	49.2	-	5.5	41.1	203.5
Civil service	4.0	0.1	11.4	-	55.1	1.5	138.5	85.0	295.6
Student employees	25.8	2.8	9.5	0.1	50.4	0.3	13.7	117.8	220.4
Total non-appropriated	<u>37.5</u>	<u>14.2</u>	<u>109.3</u>	<u>0.4</u>	<u>154.7</u>	<u>1.8</u>	<u>157.7</u>	<u>243.9</u>	<u>719.5</u>
Total all funds	<u>1,019.1</u>	<u>36.0</u>	<u>152.1</u>	<u>134.3</u>	<u>259.4</u>	<u>119.3</u>	<u>330.7</u>	<u>243.9</u>	<u>2,294.8</u>

**State of Illinois
Western Illinois University
Service Efforts and Accomplishments -
Enrollment Statistics (Unaudited)
For the Years Ended June 30, 2011 and 2010**

Enrollment figures, as developed by University personnel for the undergraduate and graduate schools during the years ended June 30, 2011 and 2010 are presented below:

	<u>2011</u>	<u>2010</u>
Fall term:		
Undergraduate students	9,977	10,077
Graduate students	1,677	1,762
Extension students	931	840
Total enrollment	<u>12,585</u>	<u>12,679</u>
Full-time equivalent students	<u>11,019</u>	<u>11,101</u>
Spring term:		
Undergraduate students	9,119	9,235
Graduate students	1,589	1,685
Extension students	973	906
Total enrollment	<u>11,681</u>	<u>11,826</u>
Full-time equivalent students	<u>10,139</u>	<u>10,230</u>
Summer term:		
Undergraduate students	1,241	1,245
Graduate students	595	730
Extension students	2,034	1,774
Total enrollment	<u>3,870</u>	<u>3,749</u>
Full-time equivalent students	<u>2,814</u>	<u>2,718</u>
Annual full-time equivalent students (based on average per term exclusive of summer term)	<u>10,579</u>	<u>10,666</u>

State of Illinois
Western Illinois University
Schedule of Unrestricted Current Funds
General Expenditures Per Full-Time Equivalent Student*
as Reported to the Board of Higher Education (Unaudited)
For the Year Ended June 30, 2011

	Total Costs**	Total Costs Per Full-Time Equivalent Student*
	<u>Total Costs**</u>	<u>Student*</u>
Direct salary	\$ 38,772,821	\$ 3,665
Indirect instruction	8,224,194	777
Departmental research	2,333,037	221
Departmental overheads	11,917,833	1,127
College or school overheads	5,062,044	478
	<u>66,309,929</u>	<u>6,268</u>
Total department and college costs		
Overhead support unique to a function	7,110,614	672
All other academic support	7,874,491	744
Student services	5,482,167	518
Institutional support	10,342,272	978
	<u>30,809,544</u>	<u>2,912</u>
Total University overheads		
Total department and college costs with University overheads	<u>97,119,473</u>	<u>9,180</u>
Operation and maintenance of physical plant	<u>13,462,203</u>	<u>1,273</u>
Total costs	<u>\$ 110,581,676</u>	<u>\$ 10,453</u>

NOTE:

* *The number of full-time equivalent students for fiscal year 2011 is the sum of full-time equivalent students for Fall 2010 and Spring 2011 semesters divided by two.*

Fall 2010 FTE	11,019
Spring 2011 FTE	10,139
Full-time equivalent	10,579

** *Total costs include instructional costs, public service, and organized research expenditures.*

Source: FY2011 WIU Discipline Cost Study

**State of Illinois
Western Illinois University
Comments on the Percentage of Total Expenditures Represented by
Administrative Costs
For the Year Ended June 30, 2011**

The percentage of total fiscal year 2011 expenditures represented by administrative costs for the year ended June 30, 2011 was approximately 9.7%. This percentage was computed based upon appropriated 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, and the Provost and Academic Vice President. Administrative expenses also include Medicare costs and the CMS Group Insurance payment.

State of Illinois
Western Illinois University
Comments on Certain Matters Pertaining to the University Guidelines
For the Year Ended June 30, 2011

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled "Matters Regarding University Audits" (Memorandum), certain supplemental data is required to be reported for University audits. The table below cross references the memorandum requirements (indicated by number and letter paragraph references) to the University financial statements and audit reports for the year ended June 30, 2011, where such special data is found.

Compliance Findings

13(a) As of June 30, 2011, no findings of noncompliance with *University Guidelines* were noted.

Indirect Cost Reimbursements

13(b) A statement of sources and applications of indirect cost reimbursements is included in this report on page 54.

13(c) The University's calculation sheet for indirect cost carry-forward is included in this report on page 55.

Tuition, Charges and Fees

13(d) The University does not have statutory authority to divert tuition to Auxiliary Enterprise operations and we noted no instances of any such diversion.

Auxiliary Enterprises, Activities and Accounting Entities

13(e) Identification of each specific accounting entity and description of the sources of revenue and purpose of each are presented on pages 77 through 79.

13(f) Entity financial statements are presented on pages 58 through 65 of this report. The entity financial statements should be read in conjunction with Western Illinois University's audited financial statements for the year ended June 30, 2011.

13(g) The University's calculation sheets for current excess funds are presented in this report on pages 56 through 57.

13(h) The University Auxiliary Enterprises and activities received \$2,183,190 for group insurance and \$1,284,860 for pensions from State appropriated funds for the year ended June 30, 2011. These amounts of support were estimated by University management.

State of Illinois
Western Illinois University
Comments on Certain Matters Pertaining to the University Guidelines
For the Year Ended June 30, 2011

- 13(i) Revenue and expenditures for the various bond indenture required accounts are included on page 63 of this report. Description of the accounts and requirements is included in Note 8 of the June 30, 2011 financial statements.
- 13(j) Audit tests of the Revenue Bond Fund accounting revealed no instances of noncompliance with the terms of the bond indenture during the year ended June 30, 2011.
- 13(k) As of June 30, 2011, the 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.

University Related Organizations

- 13(l) The Western Illinois University Foundation (the "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.
- 13(m) A summary of the Foundation payments to the University is presented on page 75 of this report.
- 13(n) The University provided the Foundation with \$684,700 in administration and support services during the year ended June 30, 2011, for the Foundation's fund-raising services.
- 13(o) There were no unreimbursed subsidies from the University to the Foundation for the year ended June 30, 2011.
- 13(p) There was no debt financing by the Foundation in fiscal year 2011.

Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in this report on page 47.
- 13(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
Comments on Certain Matters Pertaining to the University Guidelines
For the Year Ended June 30, 2011

- 13(s) A schedule of costs per full-time equivalent student is presented on page 70 of this report.
- 13(t) There were no acquisitions of real estate by the University or the Foundation costing in excess of \$250,000 and not funded by separate specific appropriation as stated on page 75 of this report.
- 13(u) On March 30, 2011, the Series 2011 Certificates of Participation were issued in the principal amount of \$11,775,000. Proceeds from the sale of the Series 2011 Certificates of Participation were used for issuance costs and the rest will be used to finance capital improvements projects to several campus buildings as well as Phase II of the campus steam line replacement plan.

On February 23, 2010, the Series 2010 Certificates of Participation were issued in the principal amount of \$11,585,000. Proceeds from the sale of the Series 2010 Certificates of Participation were used for issuance costs and the rest will be used to finance heating plant capital improvements and steam line replacements. Additionally, proceeds from the sale will reimburse the University for a portion of the cost of the sprinkler system installation in Thompson and Tanner Halls.

In 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 sales of the Series 2005 COPS were used to renovate the student section of the football stadium, to construct a new Multicultural 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 2011, the University continued making scheduled payments to the finance company.

- 13(v) The Schedule of Income Fund Revenues and Expenditures is presented on page 46 of this report.
- 13(w) The Schedule of Tuition and Fee Waivers is presented on page 81 through 82 of this report.

State of Illinois
Western Illinois University
Summary of Western Illinois University Foundation Payments
to the University
For the Year Ended June 30, 2011

During the year ended June 30, 2011, Western Illinois University (University) had a contract with Western Illinois University Foundation (the "Foundation") to provide fund-raising services. The University advanced funds to the Foundation personal service costs, facility use, and other costs amounting to \$684,700 for the year ended June 30, 2011. 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 for the year ended June 30, 2011:

Funds considered unrestricted for purpose of the University Guidelines computations:	
Totally unrestricted	\$ 272,969
Restricted only as to campus, college or department and generally available for ongoing University operations	<u>3,054,143</u>
Total funds considered unrestricted	<u>3,327,112</u>
Funds considered restricted for purpose of the University Guidelines computations:	
Total funds given for scholarships, grants and awards	2,028,528
Other restricted funds	<u>264,010</u>
Total funds considered restricted	<u>2,292,538</u>
Total funds provided to the University by the Foundation	<u>\$ 5,619,650</u>

During the year ended June 30, 2011, the Foundation received a gift of real estate valued at \$3.0 million. The University did not purchase or receive a donation or gift of real estate with a value in excess of \$250,000.

**State of Illinois
 Western Illinois University
 Analysis of Bookstore Operations (Unaudited)
 For the Year Ended June 30, 2011**

Contracted/Rents to students/University operated	University operated
Contractor	Not applicable
Contract term	Not applicable
Amount of gross sales for bookstore in FY 2011	\$4,679,228
Commissions	Not applicable
Commission terms	Not applicable
Given exclusive rights	No
Competition “other” nearby /on-campus bookstores	Chapman’s Bookstore Sarge’s Bookstore

**State of Illinois
Western Illinois University
University Accounting Entities and Related Sources of
Revenues and Purposes
For the Year Ended June 30, 2011**

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.

State of Illinois
Western Illinois University
University Accounting Entities and Related Sources of
Revenues and Purposes (Continued)
For the Year Ended June 30, 2011

University Publications

Source: Subscriptions and charges for University-sponsored publications.

Purpose: Preparation, promotion and distribution of University publications.

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.

State of Illinois
Western Illinois University
University Accounting Entities and Related Sources of
Revenues and Purposes (Continued)
For the Year Ended June 30, 2011

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.

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
Schedules of Federal Expenditures, Nonfederal Expenses, and New Loans
For the Year Ended June 30, 2011

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA	\$101,682,767	
Total new loans made	-	*
Amount of federal loan balances at beginning of the year	-	*
Total Schedule A	<u>\$101,682,767</u>	

Schedule B - Total Financial Component

Total operating expenses	\$262,048,789
Total nonoperating expenses	2,066,799
Total new loans made	73,989,586
Amount of federal loan balances at beginning of the year	<u>2,392,939</u>
Total Schedule B	<u>\$340,498,113</u>

Schedule C

Total Schedule A	\$ 101,682,767	29.9%
Total Nonfederal Expenses	<u>238,815,346</u>	<u>70.1%</u>
Total Schedule B	<u>\$ 340,498,113</u>	<u>100.0%</u>

* Loan amounts are included on SEFA schedule.

Note: These schedules are used to determine the Agency's single audit costs in accordance with OMB Circular A-133.

State of Illinois
Western Illinois University
Undergraduate Tuition and Fee Waivers (Unaudited)
For the Year Ended June 30, 2011

	Tuition Waived			Fees Waived	
	Number of Recipients *	Number of Recipients *	Value of Waivers (In Thousands)	Number of Recipients *	Value of Waivers (In Thousands)
<u>MANDATORY WAIVERS</u>					
<u>(SUBTOTAL)</u>	712	712	\$ 3,659.0	43	\$ 72.4
Teacher Special Education	37	37	189.0	29	50.5
General Assembly	91	91	484.0		
ROTC	39	39	269.9		
DCFS	17	17	79.2	14	21.9
Children of Employees	157	157	388.9		
Senior Citizens	2	2	2.7		
Honorary Scholarships					
Veterans Grants & Scholarships**	369	369	2,245.3		
Other (please specify) ***					
<u>DISCRETIONARY WAIVERS</u>					
<u>(SUBTOTAL)</u>	817	775	2,472.1	64	21.0
Faculty/Administrators	2	2	4.8	6	2.2
Civil Service	93	93	139.9	42	16.6
Academic/Other Talent	299	299	687.7		
Athletic	216	196	930.0		
Gender Equity in					
Intercollegiate Athletics	142	120	650.0		
Foreign Exchange Students					
Out-of-State Students					
Foreign Students					
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	37	37	24.0	15	0.9
Research Assistants					
Teaching Assistants	4	4	3.9		
Other Assistants	21	21	23.2		
Student Employment					
Interinstitutional/Related Agencies					
Retired University Employees	2	2	4.6		
Children of Deceased Employees	1	1	4.0	1	1.3
Contract/Training Grants					
All Other (please specify)**					
TOTAL	1,529	1,487	\$ 6,131.1	107	\$ 93.4

* 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
Graduate Tuition and Fee Waivers (Unaudited)
For the Year Ended June 30, 2011**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients *	Value of Waivers (In Thousands)	Number of Recipients *	Value of Waivers (In Thousands)
<u>MANDATORY WAIVERS</u>					
<u>(SUBTOTAL)</u>	<u>7</u>	<u>7</u>	<u>\$ 16.4</u>	<u>6</u>	<u>\$ 2.8</u>
Teacher Special Education	<u>6</u>	<u>6</u>	<u>15.6</u>	<u>6</u>	<u>2.8</u>
General Assembly	<u>1</u>	<u>1</u>	<u>0.8</u>		
ROTC					
DCFS					
Children of Employees					
Senior Citizens					
Honorary Scholarships					
Veterans Grants & Scholarships**					
Other (please specify) ***					
<u>DISCRETIONARY WAIVERS</u>					
<u>(SUBTOTAL)</u>	<u>1,015</u>	<u>1,015</u>	<u>3,717.6</u>	<u>167</u>	<u>50.4</u>
Faculty/Administrators	<u>54</u>	<u>54</u>	<u>84.3</u>	<u>42</u>	<u>16.5</u>
Civil Service	<u>60</u>	<u>60</u>	<u>94.8</u>	<u>40</u>	<u>13.9</u>
Academic/Other Talent	<u>8</u>	<u>8</u>	<u>12.9</u>	<u>1</u>	<u>0.5</u>
Athletic	<u>1</u>	<u>1</u>	<u>1.2</u>		
Gender Equity in					
Intercollegiate Athletics					
Foreign Exchange Students					
Out-of-State Students					
Foreign Students					
Student Need-Financial Aid					
Student Need-Special Programs					
Cooperating Professionals	<u>174</u>	<u>174</u>	<u>223.8</u>	<u>81</u>	<u>19.1</u>
Research Assistants	<u>12</u>	<u>12</u>	<u>48.6</u>		
Teaching Assistants	<u>104</u>	<u>104</u>	<u>430.0</u>		
Other Assistants	<u>599</u>	<u>599</u>	<u>2,820.2</u>		
Student Employment					
Interinstitutional/Related Agencies					
Retired University Employees	<u>3</u>	<u>3</u>	<u>1.8</u>	<u>3</u>	<u>0.4</u>
Children of Deceased Employees					
Contract/Training Grants					
All Other (please specify)**					
TOTAL	<u>1,022</u>	<u>1,022</u>	<u>\$ 3,734.0</u>	<u>173</u>	<u>\$ 53.2</u>

* 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
Emergency Purchase
For the Year Ended June 30, 2011**

The University incurred an emergency purchase during the fiscal year ended June 30, 2011:

<u>Vendor Name</u>	<u>Description</u>	<u>Amount</u>
Johnson Controls Inc.	Rental of portable chillers for the Bayliss and Henninger Residence Halls	\$ 67,850