

## WESTERN GOVERNORS UNIVERSITY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### ( 1 ) Summary of significant accounting policies (continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes the level in the fair value hierarchy within which the fair value measurement falls in its entirety is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the University's own assumptions are set to reflect those that the University believes market participants would use in pricing the asset or liability at the measurement date.

See Note 5 for a description of valuation techniques applied to the major categories of financial instruments measured at fair value.

**New accounting pronouncements adopted** – The following accounting pronouncements were recently issued by the Financial Accounting Standards Board ("FASB") and adopted by the University.

The FASB recognized the complexity of its standard-setting process and embarked on a revised process in 2004 that culminated in the release on July 1, 2009, of the FASB Accounting Standards Codification TM ("FASB ASC"), which is also sometimes referred to as the Codification or ASC. The ASC is the single official source of authoritative, nongovernmental generally accepted accounting principles ("GAAP"), other than guidance issued by the SEC. The Codification does not change how the University accounts for its transactions or the nature of related disclosures made.

References to GAAP issued by the FASB, included within the notes to the consolidated financial statements are references to the Codification. The FASB finalized the Codification effective for periods ending on or after September 15, 2009.

In 2010, the University adopted the FASB ASC. All references to the ASC are structured by Topic, Subtopic, Section and Paragraph. For example, XXX-YY-ZZ-PP, where XXX is the Topic, YY is the Subtopic, ZZ is the Section, and PP is the Paragraph. The adoption of the ASC did not have any impact on the consolidated financial statements included herein.

FASB ASC 825, *Financial Instruments*, ("ASC 825"), ASC 825-10-65, *Transition and Open Effective Date Information*, ("ASC 825-10-65" and formerly referred to as FSP FAS No. 107-1 and APB Opinion No. 28-1), requires disclosures about fair value of financial instruments in the consolidated financial statements. ASC 825-10-65 is effective prospectively for periods ending after June 15, 2009. The adoption did not have a material impact on the consolidated financial statements.

FASB ASC 855, *Subsequent Events*, ("ASC 855" and formerly referred to as SFAS No. 165), modified the subsequent event guidance.

## WESTERN GOVERNORS UNIVERSITY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### (1) Summary of significant accounting policies (continued)

The three modifications to the subsequent events guidance are: 1) To name the two types of subsequent events either as recognized or non-recognized subsequent events, 2) To modify the definition of subsequent events to refer to events or transactions that occur after the balance sheet date, but before the consolidated financial statements are issued or available to be issued and 3) To require entities to disclose the date through which an entity has evaluated subsequent events and the basis for that date, i.e. whether that date represents the date the consolidated financial statements were issued or were available to be issued. This guidance is effective for financial periods ending after June 15, 2009, and should be applied prospectively. The adoption did not have a material impact on the consolidated financial statements.

In August 2009, the FASB issued Accounting Standards Update No. 2009-05 ("ASU 2009-05"), an update to FASB ASC 820, *Fair Value Measurements and Disclosures*. This update provides amendments to reduce potential ambiguity in financial reporting when measuring the fair value of liabilities. Among other provisions, this update provides clarification that in circumstances, in which a quoted price in an active market for the identical liability is not available, a reporting entity is required to measure fair value using one or more of the valuation techniques described in ASC Update 2009-05. ASC Update 2009-05 became effective for the University's consolidated financial statements for the year ended June 30, 2010. The adoption did not have a material impact on the consolidated financial statements.

The University adopted the provisions of FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes* ("FASB ASC 740-10-25" formerly FASB Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*) on July 1, 2009. ASC 740-10-25 provides that a tax benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon the adoption of ASC 740-10-25 and in subsequent periods. This interpretation also provides guidance on measurement, derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. The implementation of ASC 740-10-25 had no impact on the University's financial statements. The University does not believe there are any material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits. No interest or penalties were accrued as of the July 1, 2009, as a result of the adoption of ASC 740-10-25. For the year ended June 30, 2010 there were no interest or penalties recorded or included in its financial statements.

**Recent accounting pronouncements not yet adopted** – In January 2010, the FASB issued an update ASU 2010-06, *Fair Value Measurements and Disclosures* (ASU 2010-06). ASU 2010-06 updates FASB ASC 820, *Fair Value Measurements* (ASC 820). ASU 2010-06 requires additional disclosures about fair value measurements including transfers in and out of Levels 1 and 2 and a higher level of disaggregation for the different types of financial instruments. For the reconciliation of Level 3 fair value measurements, information about purchases, sales, issuances and settlements should be presented separately. ASU 2010-06 is effective for periods beginning after December 15, 2010.

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 1 ) Summary of significant accounting policies (continued)**

The adoption of ASU 2010-06 is not expected to have a material impact on the consolidated financial statements of the University.

**( 2 ) Contributions receivable**

Contributions receivable consist of the following amounts:

	<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>
Contributions receivable to be collected in:		
Less than one year	\$ 32,228	\$ 84,401
Between one and five years	161,138	161,138
Greater than five years	16,114	53,327
Less: discount on contributions receivable	(32,602)	(37,587)
	176,878	261,279
Less: current portion	(32,228)	(84,401)
Total long-term contributions receivable	\$ 144,650	\$ 176,878

Contributions receivable expected to be received in more than one year are discounted using risk adjusted rates which are approximately 5 percent.

Included in contributions receivable is an in-kind contribution for the University's building lease which is being recognized on a straight-line basis over the life of the lease. As of the June 30, 2010 and 2009, the amounts recorded in contributions receivable related to this lease were \$176,878 and \$183,919, respectively.

**( 3 ) Property and equipment**

Property and equipment consist of the following:

	<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>
Property and equipment:		
Computers	\$ 3,610,054	\$ 2,860,270
Equipment	1,168,164	1,153,388
Furniture and fixtures	377,747	377,747
Leasehold improvements	381,207	258,282
Real property and buildings	175,443	175,443
Total cost of property and equipment	5,712,615	4,825,130
Accumulated depreciation	(3,930,707)	(3,215,370)
Total property and equipment	\$ 1,781,908	\$ 1,609,760

Depreciation expense for property and equipment for the years ended June 30, 2010 and 2009 was \$1,068,034 and \$910,146, respectively.

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 4 ) Information systems**

Information systems consist of the following:

	June 30,	
	2010	2009
Information systems:		
Student information software	\$ 1,361,083	\$ 1,361,083
Software	2,232,299	1,392,842
Catalog	918,887	918,887
Total cost of information systems	4,512,269	3,672,812
Accumulated amortization	(3,603,856)	(3,196,172)
Total information systems	\$ 908,413	\$ 476,640

Amortization expense for information systems for the years ended June 30, 2010 and 2009 was \$407,684 and \$370,530, respectively.

**( 5 ) Investments**

Investments, carried at fair market value, are summarized as follows:

	June 30,	
	2010	2009
Corporate securities	\$ 1,211,805	\$ 359,503
Index/mutual funds	19,068,739	11,137,009
Corporate notes and bonds	7,804,360	12,026,739
US & municipal bonds	7,074,702	-
Mortgage backed securities	395,438	-
Trust preferred securities	348,231	-
Publicly traded partnerships	178,230	-
Alternative investments	1,417,696	1,216,755
Total investments at fair value	\$ 37,499,201	\$ 24,740,006

The following summarizes the return on investments from the statement of activities for the year ended June 30, 2010:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 1,149,334	\$ -	\$ 1,149,334
Net realized and unrealized gains (losses)	91,176	(24,536)	66,640
Management fees	(158,582)	-	(158,582)
Total return on investments	\$ 1,081,928	\$ (24,536)	\$ 1,057,392

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 5 ) Investments (continued)**

The following summarizes the return on investments from the statement of activities for the year ended June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Interest and dividends	\$ 966,877	\$ 2,318	\$ 969,195
Net realized and unrealized losses	(741,630)	(36,628)	(778,258)
Management fees	(86,479)	-	(86,479)
Total return on investments	<u>\$ 138,768</u>	<u>\$ (34,310)</u>	<u>\$ 104,458</u>

The following table sets forth by level, within the fair value hierarchy, the investments at fair value as of June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate securities	\$ 1,211,805	\$ -	\$ -	\$ 1,211,805
Index/mutual funds	19,068,739	-	-	19,068,739
Corporate notes and bonds	7,804,360	-	-	7,804,360
US & municipal bonds	7,074,702	-	-	7,074,702
Mortgage backed securities	-	395,438	-	395,438
Trust preferred securities	348,231	-	-	348,231
Publicly traded partnerships	178,230	-	-	178,230
Alternative investments	-	-	1,417,696	1,417,696
Total investments at fair value	<u>\$ 35,686,067</u>	<u>\$ 395,438</u>	<u>\$ 1,417,696</u>	<u>\$ 37,499,201</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the year end June 30, 2010:

	<u>Level 3 Investments</u>
Balance, beginning of year	\$ 1,347,171
Reclassifications to level 1 investments	(209,390)
Unrealized gains relating to instruments held at the reporting date	116,362
Purchases, issuances, and settlements	142,907
Realized gains	20,646
Balance, end of year	<u>\$ 1,417,696</u>

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 5 ) Investments (continued)**

The following table sets forth by level, within the fair value hierarchy, the investments at fair value as of June 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate securities	\$ 359,503	\$ -	\$ -	\$ 359,503
Index/mutual funds	11,137,009	-	-	11,137,009
Corporate notes and bonds	11,618,960	257,125	150,654	12,026,739
Alternative investments	20,238	-	1,196,517	1,216,755
Total investments at fair value	<u>\$ 23,135,710</u>	<u>\$ 257,125</u>	<u>\$ 1,347,171</u>	<u>\$ 24,740,006</u>

The table below sets forth a summary of changes in the fair value of the Plan's Level 3 investments for the year end June 30, 2010:

	<u>Level 3</u> <u>Investments</u>
Balance, beginning of year	\$ 1,405,343
Unrealized losses relating to instruments held at the reporting date	(283,417)
Purchases, issuances, and settlements	<u>225,245</u>
Balance, end of year	<u>\$ 1,347,171</u>

**( 6 ) Endowment**

The University's endowment includes donor-restricted endowments. As required by Generally Accepted Accounting Principles (GAAP), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of relevant law** – The Board of Directors of the University has interpreted the *Uniform Prudent Management of Institutional Funds Act* (“UPMIFA”) as adopted by the State as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the University in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the University considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds:

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 6 ) Endowment (continued)**

- (1) The duration and preservation of the fund
- (2) The purposes of the organization and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the University
- (7) The investment policies of the University

**Return objectives and risk parameters** – The University’s investment portfolio is managed to provide for the long-term support of the University. Accordingly, these funds are managed with disciplined longer-term investment objectives and strategies designed to meet cash flow and spending requirements. Management of the assets is designed to attain the maximum total return consistent with acceptable and agreed upon levels of risk.

**Strategies employed for achieving objectives** – To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets an asset allocation strategy wherein assets are diversified among several asset classes. The pursuit of maximizing total return is tempered by the need to minimize the volatility of returns and preserve capital. As such, the University seeks broad diversification among assets having different characteristics with the intent to endure lower relative performance in strong markets in exchange for greater downside protection in weak markets.

Endowment net asset composition by type of fund as of June 30, 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ -	\$ 69,032	\$ 50,000	\$ 119,032
Board-designated endowment funds	-	-	-	-
Total endowment net assets	<u>\$ -</u>	<u>\$ 69,032</u>	<u>\$ 50,000</u>	<u>\$ 119,032</u>

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 6 ) Endowment (continued)**

Change in endowment net assets for 2010:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year, July 1, 2009	\$ -	\$ 44,690	\$ 50,000	\$ 94,690
Investment return:				
Investment income	-	1,684	-	1,684
Net depreciation (realized and unrealized)	-	(26,219)	-	(26,219)
Total investment return	-	(24,535)	-	(24,535)
Contributions	-	54,877	-	54,877
Appropriation of endowment assets for expenditure	-	(6,000)	-	(6,000)
Endowment net assets, end of year, June 30, 2010	<u>\$ -</u>	<u>\$ 69,032</u>	<u>\$ 50,000</u>	<u>\$ 119,032</u>

Endowment net asset composition by type of fund as of June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted	\$ -	\$ 44,690	\$ 50,000	\$ 94,690
Board-designated endowment funds	-	-	-	-
Total endowment net assets	<u>\$ -</u>	<u>\$ 44,690</u>	<u>\$ 50,000</u>	<u>\$ 94,690</u>

Change in endowment net assets for 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year, July 1, 2008	\$ -	\$ 87,000	\$ 50,000	\$ 137,000
Investment return:				
Investment income	-	2,318	-	2,318
Net depreciation (realized and unrealized)	-	(36,628)	-	(36,628)
Total investment return	-	(34,310)	-	(34,310)
Appropriation of endowment assets for expenditure	-	(8,000)	-	(8,000)
Endowment net assets, end of year, June 30, 2009	<u>\$ -</u>	<u>\$ 44,690</u>	<u>\$ 50,000</u>	<u>\$ 94,690</u>

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 6 ) Endowment (continued)**

Description of amount classified as permanently restricted net assets and temporarily restricted net assets (endowment only) are as follows:

	<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>
Permanently restricted net assets		
The portion of perpetual endowment funds that is required to be retained permanently either by donor stipulation or by UPMIFA	\$ 50,000	\$ 50,000
Total endowment funds classified as permanently restricted net assets	\$ 50,000	\$ 50,000
Temporary restricted net assets		
The portion of perpetual endowment funds subject to a restriction under UPMIFA:		
With purpose restrictions	\$ 69,032	\$ 44,690
Total endowment funds classified as temporarily restricted net assets	\$ 69,032	\$ 44,690

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires. In accordance with GAAP, deficiencies of this nature would be reported in unrestricted net assets. As of June 30, 2010 and 2009, there were no deficiencies of this nature.

Distributions of endowment funds are approved by the Board of Directors and are made when deemed appropriate.

**( 7 ) Temporarily restricted net assets**

Temporarily restricted net assets are for the following purposes:

	<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>
Building lease	\$ 176,878	\$ 183,919
Time restricted promises to give	-	50,000
General scholarship program	69,032	44,690
Total temporarily restricted net assets	\$ 245,910	\$ 278,609

**WESTERN GOVERNORS UNIVERSITY**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**( 7 ) Temporarily restricted net assets (continued)**

Temporarily restricted net assets were released for the following purposes:

	June 30,	
	2010	2009
Scholarships	\$ 211,522	\$ 127,698
Rent	7,041	1,728
	\$ 218,563	\$ 129,426

**( 8 ) Permanently restricted net assets**

Permanently restricted net assets consist of a restricted endowment in which the principal is invested in perpetuity and the income is expendable to provide scholarships.

**( 9 ) Commitments**

The University leases office space under an operating lease agreement with escalating lease payments. During fiscal year ended June 30, 2010, the University expanded its office space and amended the lease agreement, increasing the escalating rent payments. The University is expensing the rent payments on a straight line basis over the life of the lease which ends on December 31, 2016. In addition, the University leases equipment under non-cancelable operating leases. Total rent expense for the years ended June 30, 2010 and 2009 was \$1,638,766 and \$1,438,633, respectively.

Future operating lease commitments as of June 30, 2010 are as follows:

<u>Years Ending June 30,</u>	
2011	\$ 1,353,665
2012	1,398,474
2013	1,440,294
2014	1,467,576
2015	1,480,014
Thereafter	2,242,518
	\$ 9,382,541

**( 10 ) Federal grants**

The Federal Pell Grant program provided grants to students enrolled in eligible undergraduate programs and is intended to provide a foundation of financial aid. For the years ended June 30, 2010 and 2009, \$26,797,503 and \$13,134,475, respectively, were expended under this program.

The SMART grant provides grants to eligible third and fourth-year full-time undergraduates who major in certain designated technical fields or foreign languages with need-based grant assistance to help meet educational expenses. For the years ended June 30, 2010 and 2009, \$480,000 and \$191,010, respectively, were expended under this program.

## WESTERN GOVERNORS UNIVERSITY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### ( 10 ) Federal grants (continued)

The TEACH grant provides annual grants of up to \$4,000 to eligible undergraduate and graduate students who agree to teach specified high-need subjects at schools serving primarily disadvantaged populations for four years within eight years of graduation. For the year ended June 30, 2010, \$847,000 was expended under this program. There were no amounts expended under this grant for the year ended June 30, 2009.

During the year ended June 30, 2007, the University was awarded a grant from the Department of Labor for the Development of K-12 Teachers for Rural Communities Program, CFDA Number 17.261. During the years ended June 30, 2010 and 2009, the University recognized grant revenues and expended a total of \$856,523 and \$1,065,819, respectively, in accordance with the terms of the grant, which expired on March 31, 2010.

During the year ended June 30, 2010, the University was awarded a grant from the Department of Labor for the Technology Based Learning Initiative Program, CFDA Number 17.269. During the year ended June 30, 2010, the University recognized grant revenues and expended a total of \$184,509.

During the year ended June 30, 2010, the University was awarded a subgrant from the California Employment Development Department under the Workforce Investment Act Adult Program, CFDA Number 17.258 for development of a multi-state, degreed program to prepare registered nurses with enhanced clinical experience. During the year ended June 30, 2010, the University recognized grant revenue and expended a total of \$300,000 in accordance with the terms of the grant, which expired on June 30, 2010.

During the year ended June 30, 2010, the University was awarded a subgrant from the Texas Workforce Commission under the Workforce Investment Act Dislocated Workers Program, CFDA Number 17.260 for development of a multi-state, degreed program to prepare registered nurses with enhanced clinical experience. During the year ended June 30, 2010, the University recognized grant revenue and expended a total of \$410,327 in accordance with the terms of the grant, which expires on September 30, 2010.

#### ( 11 ) Concentrations of credit risk

The University places its cash and cash equivalents with various financial institutions located in the State of Utah. The accounts are held by financial institutions that are well established and highly regarded. Balances on deposit may at times exceed federally insured limits of \$250,000. The University has not experienced any losses related to these accounts and does not believe that, as a result of this concentration, it is subject to unusual financial risk beyond the normal risk associated with commercial banking relationships.

## WESTERN GOVERNORS UNIVERSITY

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

#### ( 12 ) Employee benefit plans

The University has a defined contribution profit sharing plan ("the Plan") under section 403(b) of the Internal Revenue Code for the benefit of its employees. Participants may elect to contribute up to 100% of their annual eligible earnings on a pre-tax basis, subject to the maximum amount allowable by the Internal Revenue Service. Participants may also contribute amounts representing distributions from other tax qualified retirement plans. The University makes nondiscretionary employer contributions each pay period based on the participant's eligible earnings. The amount contributed is equal to 3% of the participant's eligible earnings. Employer matching contributions are also made each pay period by the University based on the participant's elective deferral. The amount contributed is equal to 100% of the first 3% deferred of the participant's annual eligible earnings. During the years ended June 30, 2010 and 2009, the University contributed \$1,671,437 and \$1,364,212, respectively, to the Plan.

#### ( 13 ) Conflict of interest transactions

Members of the University's governing boards may, from time to time, be associated, either directly or indirectly, with companies doing business with the University. There are written conflict of interest policies for the University that require, among other things, that no member of a governing board may participate in any decision in which he or she has a material financial interest. If a relationship exists where a member has a direct financial interest, measures are taken to mitigate any actual or perceived conflict, including requiring that such transactions be conducted at arm's length, for good and sufficient consideration, based on terms that are fair and reasonable to and for the benefit of the University, and in accordance with applicable conflict of interest laws.

#### ( 14 ) Contingencies

Various claims, lawsuits, and other contingent liabilities arise in the ordinary course of the University's education activities. In the opinion of management, all such matters have been either adequately provided for, are without merit, or are of such a nature that if disposed of unfavorably, would not have a material adverse effect on the consolidated financial position of the University.

#### ( 15 ) In-kind donations

During the year ended June 30, 2010, the University received in-kind donations of data storage and hosting valued at \$154,260 and donated software valued at \$33,542.

**OFFICE OF MANAGEMENT AND BUDGET  
CIRCULAR A-133 REPORTS AND SCHEDULES**

Year ended June 30, 2010  
(with Independent Auditors' reports thereon)

**WESTERN GOVERNORS UNIVERSITY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2010

<b>Federal and State Grantors/Pass-Through Grantor/Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Labor</b>			
<b>Workforce Investment Act Cluster</b>			
California Employment Development Department			
WIA Adult Program	17.258	R871496	\$ 300,000
Texas Workforce Commission			
WIA Dislocated Workers	17.260	2909WSW004	410,327
Total Workforce Investment Act Cluster			<u>710,327</u>
Technology Based Learning Initiative	17.269		184,509
WIA, Pilots, Demonstrations and Research Projects	17.261		856,523
			<u>1,751,359</u>
<b>U.S. Department of Education</b>			
Student Financial Aid - Cluster:			
Federal Family Education Loan	84.032		109,667,309
Federal Direct Loans	84.268		20,223,717
Federal Pell Grant	84.063		26,796,853
SMART Grant	84.376		480,000
TEACH Grant	84.379		847,000
ACG Grant	84.376		650
Total Student Financial Aid - Cluster			<u>158,015,529</u>
Total Expenditures of Federal Awards			<u>\$ 159,766,888</u>

## WESTERN GOVERNORS UNIVERSITY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### ( 1 ) Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2010 (the Schedule) includes the federal grant activity of Western Governors University (the University) and is presented on the accrual basis of accounting. Funds derived from federal grants may be used only to meet current expenditures for the purposes specifically identified by sponsoring agencies. The information in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, certain amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the basic consolidated financial statements. Federal expenditures reported in the Schedule agrees with the federal grants reported in the University's statement of activities for the year ended June 30, 2010, after consideration of the Pell Grant and Federal Loan programs. Programs are accounted for in the University's consolidated financial statements as agency transactions, the federal expenditures reflected on the Schedule of Expenditures of Federal Awards is not included in the University's Statement of Activities.

The University includes loans granted under the Federal Family Education Loans Program as expenditures of Federal awards.

#### ( 2 ) Program Clusters

OMB Circular A-133 defines a cluster of programs as a grouping of closely related programs that share common compliance requirements. According to this definition, we have determined the Federal Student Financial Assistance Programs of the University to be a cluster of programs. In addition, the OMB Circular A-133 Compliance Supplement identifies the WIA Cluster as an "Other Cluster".

#### ( 3 ) Grants

The Federal Pell Grant program provided grants to students enrolled in eligible undergraduate programs and is intended to provide a foundation of financial aid. For the year ended June 30, 2010, \$26,797,503 was expended under this program.

The SMART grant provides grants to eligible third and fourth-year full-time undergraduates who major in certain designated technical fields or foreign languages with need-based grant assistance to help meet educational expenses. For the year ended June 30, 2010, \$480,000 was expended under this program.

The TEACH grant provides annual grants of up to \$4,000 to eligible undergraduate and graduate students who agree to teach specified high-need subjects at schools serving primarily disadvantaged populations for four years within eight years of graduation. For the year ended June 30, 2010 \$847,000 was expended under this program.

During the year ended June 30, 2007, the University was awarded a grant from the Department of Labor for the Development of K-12 Teachers for Rural Communities Program, CFDA Number 17.261. During the year ended June 30, 2010, the University recognized grant revenues and expended a total of \$856,523, in accordance with the terms of the grant, which expired on March 31, 2010.

## WESTERN GOVERNORS UNIVERSITY

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

#### ( 3 ) Grants (continued)

During the year ended June 30, 2010, the University was awarded a grant from the Department of Labor for the Technology Based Learning Initiative Program, CFDA Number 17.269. During the year ended June 30, 2010, the University recognized grant revenues and expended a total of \$184,509

During the year ended June 30, 2010, the University was awarded a subgrant from the California Employment Development Department under the Workforce Investment Act Adult Program, CFDA Number 17.258 for development of a multi-state, degreed program to prepare registered nurses with enhanced clinical experience. During the year ended June 30, 2010, the University recognized grant revenue and expended a total of \$300,000 in accordance with the terms of the grant, which expired on June 30, 2010.

During the year ended June 30, 2010, the University was awarded a subgrant from the Texas Workforce Commission under the Workforce Investment Act Dislocated Workers Program, CFDA Number 17.260 for development of a multi-state, degreed program to prepare registered nurses with enhanced clinical experience. During the year ended June 30, 2010, the University recognized grant revenue and expended a total of \$410,327 in accordance with the terms of the grant, which expires on September 30, 2010.

#### ( 4 ) Loan Programs

During the year ended June 30, 2010, the University authorized for processing the following loans under the Federal Family Education Loan Program:

<u>Loan Program</u>	<u>CFDA #</u>	<u>Loans Disbursed</u>
Federal Family Education Loan	84.032	\$ 109,667,309
Federal Direct Loans	84.268	20,223,717
Total Loans Disbursed		<u>\$ 129,891,026</u>

The purpose of the Federal Family Education Loans is to encourage lenders such as banks, credit unions, savings and loan associations and other financial institutions to make loans to students to pursue their education at eligible secondary institutions. The loans are made directly to the students and guaranteed by state or non-profit guaranty agencies and reinsured by the Federal Government. The University verifies student eligibility and disburses funds to students.



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**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**

To the Board of Trustees

**WESTERN GOVERNORS UNIVERSITY**

We have audited the consolidated financial statements of Western Governors University (the University) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 10, 2010. We conducted our audit in accordance with the U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Western Governors University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Governors University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Western Governors 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 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 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's consolidated 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 consolidated 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*.

We noted other certain matters that we reported to management of the University in a separate letter dated December 10, 2010.

This report is intended solely for the information and use of the Board of Trustees, management, others within the University and officials of the U.S. Department of Education or its representatives, the U.S. Department of Labor or its representatives, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mayer Hoffman McLean P.C.*

Salt Lake City, Utah  
December 10, 2010



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE  
TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Trustees

**WESTERN GOVERNORS UNIVERSITY**

**Compliance**

We have audited the compliance of Western Governors University (the University) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement (OMB Compliance Supplement)* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010. 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.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards; 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 described in the OMB Compliance Supplement 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 on the University's compliance with those requirements.

In our opinion, the University complied, in all material respects, with the 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, 2010.

**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 requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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 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.

This report is intended solely for the information and use of the Board of Trustees, management, others within the University and officials of the U.S. Department of Education or its representatives, the U.S. Department of Labor or its representatives, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Mayer Hoffman McCann P.C.*

Salt Lake City, Utah  
December 10, 2010

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, 2010

**SECTION I – SUMMARY OF AUDITOR'S RESULTS**

Consolidated Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?                   \_\_yes        X\_no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?                   \_\_yes        X\_none reported

Noncompliance material to financial statements noted?                   \_\_yes        X\_no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?                   \_\_yes        X\_no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?                   \_\_yes        X\_none reported

Type of auditor's 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        X\_no

Identification of Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
Cluster Program*	Student Financial Assistance (Cluster)
Cluster Program*	Workforce Investment Act (Cluster)
17.261	WIA, Pilots, Demonstrations and Research Projects

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?                   X\_yes        \_\_no

\* See Schedule of Expenditures of Federal Awards for a complete listing of the student financial assistance cluster and workforce investment act cluster programs and their related CFDA numbers.

**WESTERN GOVERNORS UNIVERSITY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

Year Ended June 30, 2010

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No matters were reported

**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported

**SECTION IV – SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

No matters were reported

**WESTERN GOVERNORS UNIVERSITY**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

Year Ended June 30, 2010

**FINANCIAL STATEMENT FINDINGS**

For the year ended June 30, 2009, no matters were reported

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2009, no matters were reported



# *Program Management*

*Learning Resources – Product Management – Courses of Study –  
Career & Alumni Services - Degree Development*

Students obtain degrees like a python eats an elephant...one bite at a time. The program management team has worked from this perspective over the last 9 months to try to impact students at the most essential level of their experience, that is the individual courses they are engaged in completing. Students successfully completing courses leads to students staying on track for graduation progress, which in turn leads to retention, satisfaction, and ultimately graduation.

This focus was why we launched a major initiative with the assessment team to improve student pass rates and completion rates in individual courses. It has also been at the root of our increased collaboration with other departments. In the last year we have worked more closely with admissions to make sure we set appropriate expectations for incoming students in each program, held focus groups with students and mentors with student services to get feedback on various initiatives, and worked with graduation and SAP specialists to encourage students near graduation to complete their programs.

This is only the beginning. There are a number of projects underway to further improve the student experience, through better Learning Resources, more focused Courses of Study, and improved quality assurance through data analysis in product management.

The purpose of this newsletter is to give you a general overview of some of the work that Program Management has been engaged in, overall results, and what we see as some upcoming opportunities to further improve the WGU experience. The Senior Managers in each of these areas are more than willing to go into greater detail about our efforts or answer any questions you might have about the information you see here.

We look forward to working more closely with all of you to make WGU an even greater place for both students and employees.

Greg Fowler

Associate Provost, Program Management

## *How Passed/Completion Rates Work*

*Pass rates are the number of actual passes (not students) for an assessment divided by the total number of attempts for the assessment.*

*For example if 1 student took the assessment a total of 3 times before passing the pass rate is 33%. If 5 students each passed the assessment on the first attempt at it, the pass rate is 100%. What this tells us is the level of difficulty students are having in passing an assessment, which may be due to misalignment of resources or students not engaging the resources prior to taking the assessment.*

*Generally a pass rate of 80-85% is considered appropriate.*

*Completion rates are the number of students that successfully complete an assessment divided by the number of students enrolled in an assessment. If only 10 students out of 20 enrolled in an assessment complete it, the pass rate is 50%. If 15 of the 20 students enrolled complete it, the pass rate is 75%. Since all students need to pass all assessments, the ideal would be to have a 100% completion rate.*

## ***College of Education (Sr. Product Manager: Conrad Lotze)***

**New Development/Redevelopment:** WGU launched its MS in Curriculum and Instruction degree in March 2011. The Granddaddy of all projects began in earnest in September, 2010, with the current redevelopment of the Professional Studies Domains, which include: Foundations of Teaching, Effective Teaching Practices, Subject-Specific Teaching Practices, Pre-Clinical Experiences, Demonstration Teaching, Cohort Seminar, the Teacher Work Sample, and the new Teacher Performance Assessment (TPA). We have undertaken this project because we believe it has the potential to have the single biggest impact on student KPIs at WGU. The domains are outdated with most of, the items and prompts having been around for seven years, and therefore needing to be updated to reflect recent advances in educational research. The redevelopment of both the BA in Special Education and MS in Special Education will be folded into this project as Assessment Department bandwidth allows. We are also planning to revise the Science content domains as soon as the Assessment development calendar permits.

In addition, key challenges have arisen in our Early Childhood Education, Special Education, and Science program. We have seen a rise in ECE withdrawals, and continue to investigate the causes. We have initiated concentrated mentoring, and are in the process of implementing other initiatives designed to strengthen the early experiences of ECE students and to provide additional support to incoming ECE students. We are tracking the attrition rates on a monthly basis. The lowest month was September when we saw 13 month retention of just over 58%. We are currently inching upward bit by bit. Ongoing efforts to support the BAECE include monthly mentor information and training sessions. A monthly open agenda question and answer session, publication of news briefs to disseminate important updates and reminders, and ongoing student support chats.

Science attrition continues to cause concern. We recently implemented entry requirements in math and science degree programs that we believe will result in lower attrition rates in the future since these students will have a stronger preliminary background, but this also means lower monthly enrollments.

The BA Math and Science Programs have shown improvement in some areas. For example, 13 month retention rates have increased in a number of areas with only PB-Math 5-12 declining slightly. We are currently collaborating with the Mentoring teams to closely review all students progressing through these programs to track what issues seem to be impacting their retention and graduation progress rates.

## College of Business (Sr. Product Manager: Mitsu Phillips)

Business is continuing to grow in size both by way of student body and faculty. With roughly 28% of WGU students engaging in business programs; maintaining and developing innovative products is a key goal for student success.

**Key Performance Indicators:** One of the largest impacts product managers have made in the Business curriculum is in the breaking apart of poor performing assessments into smaller assessments that are more effective in allowing students to learn the content/skills. The results have created an increase in pass rates and overall satisfaction of the assessments. Specifically, pass rates have jumped from 26% in the ABC2 course to 68% in the new ADC2 course. Not only has there been an increase in the pass rate but students are able to access a pre-assessment and confirm their knowledge prior to taking the final exam. Another example relates to the completion rates in the old BMO1 exam. The assessment maintained a completion rate of 81% before shifting to a split assessment. The change has generated rates of 87% (OBC1) and 91% (QDC1).

Additionally, the new MBA and BSSM programs which launched in July of 2010 continue to provide students with new opportunity within business. To date, roughly 600 students are engaging the new MBA and 100 students are working in the undergraduate sales and sales management degree program.

The new MBA program has generated 12 graduates since its launch in July with an anticipated 20 total graduates by the end of FY2011. To date, no BSSM students have completed the full program.

### New Development

A new MS in Accounting is scheduled to launch in January 2012. In discussions with a working group, the Program Council, student focus groups, and mentors, it was determined that while the infrastructure will be built to topically align with the CPA, the CPA itself will not be a part of the degree program. Traditionally after completing 150 hours of course time, most students at traditional institutions then engage in further intense coursework to prepare for the CPA. For the general student population, many of whom may not need the CPA certification, we have decided to develop a graduate degree in accounting that will allow students to be competent to work whether they choose to obtain a CPA or not.

Course Code	Title	Q3 FY2010		Q3 FY2011	
		Pass %	Completion %	Pass %	Completion %
LWC1	FUNDAMENTALS OF BUSINESS LAW AND ETHICS	95.42%	87.40%	93.94%	88.72%
MGC1	PRINCIPLES OF MANAGEMENT	93.03%	94.30%	93.73%	91.66%
ORC1	FUNDAMENTALS OF ORGANIZATIONAL BEHAVIOR AND LEADERSHIP	95.86%	94.27%	92.48%	92.16%

## College of Information Technology (Sr. PM: Gwen Britton)

**KPIs:** The College of IT has taken a number of steps to address the challenges it faced in trying to improve its KPIs. A major initiative that we believe will have a huge impact is the implementation of a new learning resource, LabSim, to replace less efficient resources. The reason we believe LabSim will be effective when the old LRs were not is that LabSim includes lab simulations, allowing students to act rather than just read. Preliminary results do seem to show a substantial increase in completion rates.

**Learning Resources:** We are nearly 100% complete with the initiative to move to e-texts. We have adopted learning resources that include lab simulations. The nature of IT is hands-on and these labs provide a student with the ability to apply themselves to manage networks, administer security control, etc. We replaced our practice exam resource with uCertify. LabSim and uCertify also serve as the new pre-assessments for our IT objective exams. Most of our objective exams are industry certifications. These resources are in alignment with the certification vendor's objectives. We have launched an initiative to work with Soomo to wrap some of our courses. The goal is to track a student's progress through the required activities and to provide us with valuable analytics. Implementing Soomo will be particularly beneficial in the BSHI courses, as it will provide the student with immediate feedback on formative assessments throughout the courses of study, a change suggested by CAHIIM. Analytics will allow course mentors to easily track student engagement, and Soomo is including a variety of methods for course mentors to interact within the course with students.

**Program Development/Redevelopment:** We are planning the launch of a MS in Network Management at the end of 2011. On February 1, we re-launched all of the degree programs. We changed the standard path and reassigned competency units for some of lowest performing assessments. We also changed some of the industry certifications that were used to keep up with current technology. IT trends tend to change every couple of years, which requires us to re-evaluate the certification exams used. The BSHI program is also changing assessments for two of its courses of study from AHIMA objective exams to required tasks. These courses are planned for a July 1 launch.

Course Code	Title	Q3 FY2010		Q3 FY2011	
		Pass %	Completion %	Pass %	Completion %
TEV1	IT FUNDAMENTALS II	77.55%	66.86%	96.66%	84.44%
WPV1	SOFTWARE II	85.71%	75.00%	83.33%	95.65%
TTV1	IT FUNDAMENTALS III	79.73%	67.40%	92.89%	85.17%

### *College of Health Professions (Sr. PM: Bonnie Beardsley)*

The fiscal year has brought with it several major accomplishments, not the least of which is the successful CCNE visit completed in March 2011. Other important points during the year include an evaluation of the current MSN program with maintenance and revision to specific content areas. One particular area of evaluation centered on the RN to BSN completion track.

Another major initiative has been the conclusion of the pilot program WGU and the American Nurses Credentialing Center (ANCC), allowing students to complete either the Nurse Educator or Nurse Executive certification exams as part of their programs. Although we are no longer accepting students into this pilot program it was a testament to WGU staff and its programs that allowed us to participate in this one of a kind program and present this benefit to a number of our students.

**Degree Program Development/Redevelopment:** One of the largest projects at the university this year has involved the modification of the courses in the Prelicensure program to more closely align those courses with the BSN essentials. Work has begun on the development of an RN to BSN completion track that will enhance the student's opportunities to move directly into the graduate program through bridged courses. The goal is three program offerings; Prelicensure to BSN; RN to BSN completion; and RN to MSN.

Throughout the year a major effort to revise, maintain or redevelop each COS was considered. Every Assessment was reviewed for alignment and pass/completion rates. Extensive workshops were conducted to address poor performing assessments. In many cases old COS versions were closed and learning resources were removed or new ones were added.

The second major project is the development work tied to mapping WGU courses to the new MSN Essentials released in March 2011. This work will begin in fall 2011 and is expected to be completed within one year. The planning stage for the development of the MSN program and tracks is underway.

Course Code	Title	Q3 FY2010		Q3 FY2011	
		Pass %	Completion %	Pass %	Completion %
NGC2	Nursing Theory	90.91	81.25	100	94.44
RAC1	Health Diversity Global Health and Disease Prevention	78.57	100	87.34	98.78
EBT1	Evidence Based Practice	97.92	71.70	99.39	87.61

### ***Liberal Arts/General Education/Education without Boundaries (Sr. PM: Anthony Siciliano)***

A key initiative in Liberal Arts has been to repackage the Liberal Arts core in a way that would allow for more transfer credits. For example, students who were scheduled to take the History course at WGU often could not transfer in credit if they had taken History elsewhere unless they had taken BOTH U.S. History and World History because the course was built to cover both. In the new model, the course will be split so that a student could get credit for the appropriate course if they had already taken it and only be required to take the remaining course if the program required it.

This year also saw the launch of the WGU channel, which has received a lot of positive feedback from students and faculty, and as a result we will be adding more just-in-time video clips so that students may use them as needed to answer questions they have.

**Key Performance Indicators:** Few areas of WGU have had as dramatic of a change as the Liberal Arts. Pass/Completion rates across the board have dramatically improved in the last two years. There are still areas we are working to improve, including the Natural Science course. Meanwhile CLRPS, which had previously been a series of performance tasks with low completion rates has actually swung in the other direction as an objective exam with a 99% pass rate. Recent work on CLRPS has helped us achieve a more reasonable pass rate.

We continue to look at the Education without Boundaries process and the Foundations courses to determine how best to ensure students receive the help they need without placing unnecessary obstacles to their progress. The overwhelming response to what students receive in EWB is positive. We are examining ways to give them the information they need to start their coursework and make the rest of the information available as they would encounter it (the module on how to most effectively work in Taskstream, for example).

With Foundations, early results indicate that this testing process (but not the individual scores themselves) may be a strong indicator of the level of student motivation. Students that either transfer in BOTH the reading and math credits or students that take and pass BOTH the reading and math assessments have a 90% 7-month retention rate. Students that transfer the credits are retained at 88% while students that take and pass both assessments here at WGU are retained at an amazing 95%. We are still in discussions about how best to use this information to help students be successful.

Course Code	Title	Q3 FY2010		Q3 FY2011	
		Pass %	Completion %	Pass %	Completion %
INC1	INTEGRATED NATURAL SCIENCE PART II	67.92%	56.41%	70.02%	60.58%
AZC1	US CONSTITUTION, LAW AND CITIZENSHIP	57.75%	100.00%	80.59%	70.11%
QLC1	COLLEGE ALGEBRA, GEOMETRY, AND MEASUREMENT	77.48%	67.83%	83.51%	73.04%

### ***Degree Development/Redevelopment (Sr. Manager: Randall Case)***

The Degree Development team has been working with all programs in a number of key areas. The team has worked across all university departments to develop and implement a standard degree development process that would ensure that degrees are of the highest academic quality, that those degrees are completed on time, and that all stakeholders are engaged in the process, not simply included in the launch announcement. For the first time we have a formal process that requires a detailed conceptual framework that all Associate Provosts must approve prior to development and a project management team to shepherd each course/program through the process.

In keeping with our goal of increasing our graduate to undergraduate ratio this team has worked with Product Managers in developing a number of new degrees, including an MS in Accounting and MS in Network Management. They also have the responsibility for doing quality assurance reviews of degrees we have launched in the last year, including the new MBA, the BS in Sales and Sales Management, and the MS Nursing. These are discussed in more detail in the appropriate college section of this newsletter.

A huge initiative that is ongoing since last Fall has been a collaborative effort with the Assessment Department to review alignment and content of assessment items in low performing (low pass and completion rates). Each of the product managers have participated in extensive workshops to clean up (and in many cases eliminate) items that have been identified as confusing, inaccurate, misaligned, etc. At this point we have reviewed 71 assessments, impacting every college and have scheduled reviews continuing throughout the rest of the year.

### ***Learning Resources/Courses of Study (Sr. Manager: Margaret Korosec)***

The Learning Resource team has been heavily engaged in seeing through the mandate to have as substantial an impact on the WGU student experience as previous focus on assessment and mentoring has had.

#### Major initiatives:

**E-texts:** We are currently completing a project that will make approximately 75% of all texts available in digital form. There are a few texts that are not currently available and will remain in hard cover and a second group of texts that we believe can be replaced with a different e-text after alignment, resulting in that 75% moving closer to 90%. The discovery of suitable digital replacements for hardcopy text purchases will continue towards the goal of full digitization, which will also in many cases include an updating of materials to more current editions.

**Deep Linking:** The deep-linking effort aims to offer students a more seamless coordination between their courses of study, the learning resources, and the coaching reports, thus allowing students to be pointed directly to the material they need to master. These coaching reports, offered as feedback on objective assessments, were aligned more directly

with the courses of study. Then a link was created that enables students to be directed to the relevant course activities by topic from directly within the coaching reports. This will help students and mentors alike to focus on the areas of study that need additional study. At present, all objective assessment coaching reports have been submitted for alignment, with 109 assessments addressed and 80% of links in place and active. The final resolution and completion of linking in all coaching reports is expected by June 2011. Additionally, this deep-linking was applied between our courses of study and their respective learning resources. This effort provides just-in-time delivery of learning resources, in most cases giving students a direct click to their reading assignment or course modules directly from the activity instructions

**Single Sign On:** Single sign-on eliminates the need for students to actually request, wait for, track, and continually enter access codes or passwords for learning resources. Instead, the SSO approach allows students to simply click a link in the course of study and be immediately placed within the resource. At present we have successfully integrated Soomo, MindEdge, and SkillSoft materials, and more of our major providers like Thinkwell and Cengage are in the finalization process currently. Since beginning this process, almost 5000 different learning resource items have been added to our Equella LR catalog.

**Timing of Activities in Courses of Study:** In collaboration with Student Services, the COS team has worked to review the amount of time a Course of Study indicates is necessary for completion compared to the amount of time indicated by CU value. For example, a 3 CU course should indicate that it is to be completed in 6 weeks at the undergraduate level, but when looking at what the COS says it often indicates either more or less weeks are necessary.

**Weighting of Activities in Courses of Study:** This project is quite different from the Timing work being done and focuses rather on the amount of time it would take an average student to complete the activities associated with a Course of Study in the amount of time available based upon CU values. For example, requiring students to read thousands of pages of texts within a month does not lend itself to an engaging or reasonable student experience. In this instance the COS teams are working closely with product managers to audit the nature and number of activities to ensure that students can finish their interactions in the amount of time being indicated.

**Comprehensive Course of Study Audit:** Recently, it became clear that many of these projects related to the Course of Study could not be done in isolation. Reviewing the amount of time an entire COS would take can't be completed until you have certified that you have signed off on all of the LRs that will be used, for example. As a result the COS team is creating a comprehensive calendar/project plan that will indicate everything that needs to be done to any given COS before we feel it can be approved and launched. Each of the most recent versions of a COS will undergo this process, in the hope that once it is done, revisions and continuous improvement will still take place but there will no longer be a need to do complete overhauls of a COS.

**Examination of new technologies and LRs:** In the past year the Learning Resources Specialists have worked with the Product Management team to review dozens of potential LRs, implementing some directly and, in other cases, implementing the functionality of one tool in another resource. Regardless of the LR all future LRs should have these things in common: (1) a pre-diagnostic tool that allows the student to know which areas they are already competent in and which areas they should focus on for developing competency; (2) digital formats for all learning resources used; (3) multiple ways of mastering competency, including mobile learning capabilities; (4) the ability for both student and course mentors to track student engagement and performance, and (5) the ability for students to evaluate whether they have learned the material in a given section of the LR prior to moving forward to the next section or to taking the high-stakes assessment.

## ***Alumni & Career Services (Sr. Manager: Elizabeth Balcazar)***

As an overview, the Alumni and Career Services team has launched a number of initiatives throughout the year. Primarily they were focused on increasing engagement of alumni with the university and current students, providing job assistance to both current students and graduates, tracking/reporting on the activities of WGU graduates and the impact our graduates are having in the workplace or at other universities when they pursue other degrees.

Alumni and Career Services is also developing a WGU Alumni Peer Mentor Network for students and graduates. This program will be designed to help students and graduates connect with WGU alumni who have volunteered to assist with career development (advice/insight about graduate school process, information about the alum's career, relocation advice, job shadow opportunities, informational interviews, etc). In 2010, the Alumni and Career Services team provided career support to 2,452 (students/graduates) and WGU alumni answered 246 Ask-a-Grad requests from prospective and current students.

This April, Alumni and Career Services marked its one year anniversary of the WGU Career Café webinars, serving over 1,700 attendees. Alumni and Career Services engaged twelve alumni and two students to present career webinars. Another increasingly successful program is the launch of the WGU Online Job Club, which is an online support group for unemployed students and graduates. To date, 182 students and graduates have participated in the online job club. Besides interacting online, WGU students and alumni will have opportunities to interact and network in person. This Spring, six network gatherings are being organized by students and alumni: Kalispell, MT; Chicago, IL; Polson, MT; Houston; TX; and San Jose, CA.

WGU is also quickly approaching the 10,000<sup>th</sup> graduate mark. As of March 31, 2011, the top five graduate-producing states are: Utah (1,050), Texas (886), California (833), Georgia (615) and Washington (490). To capture the impact WGU graduates have in the workplace, WGU will be conducting an annual employer case study and employer survey.



WESTERN GOVERNORS UNIVERSITY  
ONLINE. ACCELERATED. AFFORDABLE. ACCREDITED.

June 14, 2011

Iowa College Student Aid Commission  
Postsecondary Registration Administrator  
200 10<sup>th</sup> Street, Fourth Floor  
Des Moines, IA 50309

Chairman  
Jim Geringer  
Governor, Wyoming 1995-2003

Chairman Emeritus  
Michael O. Leavitt  
Governor, Utah 1993-2003

- Member Governors
- Governor Parnell  
*Alaska*
- Governor Brewer  
*Arizona*
- Governor Brown  
*California*
- Governor Hickenlooper  
*Colorado*
- Governor Calvo  
*Guam*
- Governor Abercrombie  
*Hawaii*
- Governor Otter  
*Idaho*
- Governor Daniels  
*Indiana*
- Governor Schweitzer  
*Montana*
- Governor Heineman  
*Nebraska*
- Governor Sandoval  
*Nevada*
- Governor Martinez  
*New Mexico*
- Governor Dalrymple  
*North Dakota*
- Governor Fallin  
*Oklahoma*
- Governor Kitzhaber  
*Oregon*
- Governor Daugaard  
*South Dakota*
- Governor Perry  
*Texas*
- Governor Herbert  
*Utah*
- Governor Gregoire  
*Washington*
- Governor Mead  
*Wyoming*

As part of its *Application for Approval and Registration* under the provisions of the Iowa Code, chap 261B, Western Governors University affirms its commitment to the delivery of programs to students located in Iowa, and agrees to allow all current matriculates to complete programs at WGU if WGU suspends the program before students have completed their courses of study. Please note that WGU only suspends programs with the prior approval of its regional accrediting body, the Northwest Commission on Colleges and Universities, and provides the Commission with the assurance that all current program matriculates will be allowed to continue in and complete the program.

Yours very truly,

Robert W. Mendenhall, PhD  
President and CEO  
801-274-3280  
[rwm@wgu.edu](mailto:rwm@wgu.edu)

STATE OF: Utah

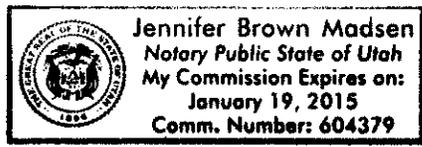
COUNTY OF: Salt Lake

I, Robert W. Mendenhall, PhD, being duly sworn, on oath do say that the statements and representations made by me in the foregoing statement are true in every respect.

Signed before me on this 14th day of June, 2011  
in the county of Salt Lake in the state of Utah.

Notary Public:

My commission expires: Jan. 19, 2015



10146411

State of Utah  
Department of Commerce  
Division of Corporations and Commercial Code

RECEIVED  
JAN 15 1997

I Herby certify that the foregoing has been read and approved on the 15 day of Jan 1997 in the office of this Division and hereby issue this Certificate thereof

ARTICLES OF INCORPORATION  
OF THE

Utah Div. of Corp. & Comm. Code

Examiner: *[Signature]* Date: 1-15-97

WESTERN GOVERNORS UNIVERSITY



A Utah Nonprofit Corporation

The undersigned natural persons of the age of eighteen (18) years or more, acting as incorporators under the provisions of the Utah Non-Profit Corporation and Co-operative Association Act (hereinafter referred to as the "Act"), adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of the corporation is WESTERN GOVERNORS UNIVERSITY (the "Corporation").

ARTICLE II

DURATION

The duration of the Corporation is to be perpetual.

ARTICLE III

PURPOSES

The purposes for which the Corporation is organized are to operate exclusively for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation may, among other activities consistent with the foregoing, carry out the following objectives:

To establish, operate and administer an institution of higher education, to be known as the Western Governors University, with the power and authority to provide for the instruction of students, the assessment of competencies, and the award of such degrees, diplomas or certificates as may be appropriate;

To create an educational system to enable learners to effectively and efficiently access educational services, with particular attention to the needs of unserved and underserved populations;

7015000043

To develop a program of competency-based assessment for the award of degrees, diplomas and certificates and to demonstrate the efficacy of such a program in addressing the human resources needs of public and private employers; and

To engage in any and all other lawful purposes, activities, and pursuits presently or hereafter allowed by laws and consistent with the foregoing; provided, that the Corporation shall not engage in activities of any kind that are not permitted to be carried on by a corporation which qualifies under Section 501(c)(3) of the Code.

In furtherance thereof, the corporation may receive property by gift, devise, or bequest, invest or reinvest the same, and apply the income and principal thereof as the Board of Trustees may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for educational purposes, and shall likewise in furtherance of its corporate purposes, have all the general powers enumerated in § 16-6-22 of the Act or any successor law or regulation, together with the power to solicit grants and contributions for such purposes.

## **ARTICLE IV**

### **MEMBERS**

The Corporation shall have one class of members, which shall consist of the Governor of each State that is a participant in the program of the Corporation, as such participation is defined by resolution duly adopted by a majority of the Members. The States which shall initially be determined to be participants in the program of the Corporation are Arizona, Colorado, Hawaii, Idaho, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oregon, Utah, Washington, and Wyoming. Dues and assessments levied upon Members shall require the affirmative vote of a majority of the Members and the Members may by majority vote of all of the Members reserve to themselves such further powers and actions as they may from time to time deem necessary and appropriate.

## **ARTICLE V**

### **SHARES**

The Corporation shall issue no capital stock.

## **ARTICLE VI**

### **LIMITATIONS**

In all events and under all circumstances, and notwithstanding any other provisions of these Articles of Incorporation or any merger, consolidation, reorganization, termination,

dissolution, or winding up of the Corporation, voluntarily, or by operation of law, or upon amendment of the Articles of Incorporation, the Corporation's operations and activities shall be strictly of a nonprofit nature and exclusively educational nature and:

(a) The Corporation shall not have nor exercise any power or authority either expressly, by interpretation, or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent it from qualifying and continuing to qualify as (i) a corporation described in Section 501(c)(3) of the Code or (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

(b) The property, assets, profits and net income of the Corporation are irrevocably dedicated to the purposes set forth in Article III hereof, and no part of the assets or net earnings of the Corporation shall ever inure to the benefit of or be distributable to its incorporators, Trustees, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in carrying out the purposes set forth in Article III hereof.

(c) No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda or otherwise attempting to influence legislation, nor shall the Corporation participate or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

(d) At no time shall the Corporation engage in any activities which are unlawful under the laws of the United States of America or under the laws of the State of Utah.

(e) Neither the whole, nor any part or portion, of the assets or net earnings of the Corporation shall be used, nor shall the corporation ever be operated, for objects or purposes other than those set forth in Article III hereof.

(f) Upon dissolution of the Corporation or the winding up of its affairs, the assets of the Corporation will be distributed per capita to, and only to, each of the States represented by a Member of the Corporation, so long as such distribution is explicitly restricted to use for public purposes. In no event shall any of such assets or property be distributed to any director or officer, or to any other private individual.

## ARTICLE VII

### TRUSTEES

The affairs of the Corporation shall be managed by its Board of Trustees. Trustees need not be residents of the State of Utah. Except for the initial Board of Trustees whose names are set forth below, the Board of Trustees shall be elected or appointed as provided in the Bylaws. The number of Trustees constituting the Board of Trustees of the Corporation shall be fixed by

the Bylaws, except that there shall not be less than three (3). The number of Trustees constituting the initial Board of Trustees is thirteen, and the names and addresses of the persons who are to serve as Trustees until the first annual meeting of the Board of Trustees or until their successors are elected and qualified, are as follows:

<u>Name</u>	<u>Address</u>
Governor Fife Symington	State Capitol Phoenix, AZ 85007
Governor Roy Romer	State Capitol Denver, CO 80203
Governor Benjamin J. Cayetano	State Capitol Honolulu, HI 96813
Governor Phil Batt	State Capitol Boise, ID 83720
Governor Marc Racicot	State Capitol Helena, MT 59620
Governor Ben Nelson	State Capitol Lincoln, NE 68509
Governor Robert J. Miller	State Capitol Carson City, NV 89710
Governor Gary E. Johnson	State Capitol Santa Fe, NM 87503
Governor Edward T. Schafer	State Capitol Bismarck, ND 58505
Governor John Kitzhaber	State Capitol Salem, OR 97310
Governor Michael O. Leavitt	State Capitol Salt Lake City, Utah 84114
Governor Mike Lowry	State Capitol Olympia, WA 98504
Governor Jim Geringer	State Capitol Cheyenne, WY 82002

The majority of the members of the Board of Trustees shall constitute a quorum, and are authorized to adopt Bylaws to govern the operation of the Corporation to transact the business and exercise the powers of the Board of Trustees as herein provided.

### ARTICLE VIII

#### INCORPORATORS

The name and address of the incorporators of the Corporation are:

<u>Name</u>	<u>Address</u>
Governor Roy Romer	State Capitol Denver, CO 80203
Governor Michael O. Leavitt	State Capitol Salt Lake City, Utah 84114

### ARTICLE IX

#### PRINCIPAL OFFICE

The location and street address of the Corporation's initial principal office is:

170 South Main #1500  
Salt Lake City, Utah 84101

### ARTICLE X

#### REGISTERED AGENT

The name and address of the Corporation's initial registered agent is Max A. Farbman, 170 South Main #1500, Salt Lake City, Utah 84101.

### ARTICLE XI

#### ELIMINATION OF LIABILITY OF TRUSTEES AND OFFICERS

(a) A Trustee or officer of the Corporation shall not be personally liable to the Corporation for civil claims arising from acts or omissions made in the performance of

his or her duties as a Trustee or officer, unless the acts or omissions are the result of his or her intentional misconduct.

(b) Any repeal or modification of the foregoing paragraph by the Trustees of the Corporation shall not adversely affect any right or protection of a trustee or officer of the Corporation existing at the time of such repeal or modification.

## ARTICLE XII

### MEETINGS OF THE BOARD OF TRUSTEES

Regular meetings of the Board of Trustees of the Corporation shall be held at the times and at the places specified in the Bylaws.

## ARTICLE XIII

### BYLAWS

The Board of Trustees shall have the power to make such Bylaws as it deems proper for the management of the affairs of the Corporation. Except as provided by applicable statutes of the State of Utah, the Bylaws may be altered and amended or repealed and new Bylaws may be adopted by the Board of Trustees at any regular or special meeting.

## ARTICLE XIV

### AMENDMENT OF ARTICLES AND DISSOLUTION OF CORPORATION

These Articles may be amended and the Corporation may be merged, terminated, dissolved or otherwise liquidated by a two-thirds vote of all of the Members of the Corporation.

IN WITNESS WHEREOF, the undersigned, being the incorporators of the Corporation, execute these Articles of Incorporation and certify to the truth of the facts herein stated this 15<sup>th</sup> day of January, 1997.



Governor Michael O. Leavitt



Governor Roy Romer

## ACKNOWLEDGMENT

Max A. Farbman hereby acknowledges that he has been named as Registered Agent of Western Governors University, a Utah nonprofit corporation, to be formed pursuant to Articles of Incorporation to which this acknowledgement is attached, and hereby agrees to act as Registered Agent of such corporation. My address as registered agent is 170 South Main #1500, Salt Lake City, Utah 84101.

A handwritten signature in cursive script that reads "Max A. Farbman". The signature is written in black ink and is positioned above a horizontal line.

Max A. Farbman



[As amended 9/15/03]

**ARTICLES OF INCORPORATION**  
**OF**  
**WESTERN GOVERNORS UNIVERSITY**  
**A Utah Nonprofit Corporation**

The undersigned natural persons of the age of eighteen (18) years or more, acting as incorporators under the provisions of the Utah Non-Profit Corporation and Co-operative Association Act (hereinafter referred to as the "Act"), adopt the following Articles of Incorporation:

**ARTICLE I**

**NAME**

The name of the corporation is WESTERN GOVERNORS UNIVERSITY (the "Corporation").

**ARTICLE II**

**DURATION**

The duration of the Corporation is to be perpetual.

**ARTICLE III**

**PURPOSES**

The purposes for which the Corporation is organized are to operate exclusively for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The Corporation may, among other activities consistent with the foregoing, carry out the following objectives:

To establish, operate and administer an institution of higher education, to be known as the Western Governors University, with the power and authority to provide for the instruction of students, the assessment of competencies, and the award of such degrees, diplomas or certificates as may be appropriate;

To create an educational system to enable learners to effectively and efficiently access educational services, with particular attention to the needs of unserved and underserved populations;

To develop a program of competency-based assessment for the award of degrees, diplomas and certificates and to demonstrate the efficacy of such a program in addressing the human resources needs of public and private employers; and

To engage in any and all other lawful purposes, activities, and pursuits presently or hereafter allowed by laws and consistent with the foregoing; provided, that the Corporation shall not engage in activities of any kind that are not permitted to be carried on by a corporation which qualifies under Section 501(c)(3) of the Code.

In furtherance thereof, the corporation may receive property by gift, devise, or bequest, invest or reinvest the same, and apply the income and principal thereof as the Board of Trustees may from time to time determine, either directly or through contributions to any charitable organization or organizations, exclusively for educational purposes, and shall likewise in furtherance of its corporate purposes, have all the general powers enumerated in §16-6-22 of the Act or any successor law or regulation, together with the power to solicit grants and contributions for such purposes.

#### **ARTICLE IV**

##### **MEMBERS**

The Corporation shall have one class of members, which shall consist of the Governor of each State that is a participant in the program of the Corporation, as such participation is defined by resolution duly adopted by the Board of Trustees. The States which are currently participants in the program of the Corporation are Alaska, Arizona, Colorado, Guam, Hawaii, Idaho, Indiana, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, Utah, South Dakota, Texas, Washington, and Wyoming. No dues and assessments shall be levied upon Members.

#### **ARTICLE V**

##### **SHARES**

The Corporation shall issue no capital stock.

#### **ARTICLE VI**

##### **LIMITATIONS**

In all events and under all circumstances, and notwithstanding any other provisions of these Articles of Incorporation or any merger, consolidation, reorganization, termination, dissolution, or winding up of the Corporation, voluntarily, or by operation of law, or upon amendment of the Articles of Incorporation, the Corporation's operations and activities shall be strictly of a nonprofit nature and exclusively educational nature and:

(a) The Corporation shall not have nor exercise any power or authority either expressly, by interpretation, or by operation of law, nor shall it directly or indirectly engage in any activity that would prevent it from qualifying and continuing to qualify as (i) a corporation

described in Section 501(c)(3) of the Code or (ii) a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.

(b) The property, assets, profits and net income of the Corporation are irrevocably dedicated to the purposes set forth in Article III hereof, and no part of the assets or net earnings of the Corporation shall ever inure to the benefit of or be distributable to its incorporators, Trustees, officers or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in carrying out the purposes set forth in Article III hereof.

(c) No substantial part of the activities of the Corporation shall consist of the carrying on of propoganda or otherwise attempting to influence legislation, nor shall the Corporation participate or intervene in (including the publishing or distributing of statements) any political campaign on behalf of any candidate for public office.

(d) At no time shall the Corporation engage in any activities which are unlawful under the laws of the United States of America or under the laws of the State of Utah.

(e) Neither the whole, nor any part or portion, of the assets or net earnings of the Corporation shall be used, nor shall the corporation ever be operated, for objects or purposes other than those set forth in Article III hereof.

(f) Upon dissolution of the Corporation or the winding up of its affairs, the assets of the corporation will be distributed per capita to, and only to, each of the States represented by a Member of the Corporation, so long as such distribution is explicitly restricted to use for public purposes. In no event shall any of such assets or property be distributed to any director or officer, or to any other private individual.

## ARTICLE VII

### TRUSTEES

The affairs of the Corporation shall be managed by its Board of Trustees. Trustees need not be residents of the State of Utah. The Board of Trustees shall be elected or appointed as provided in the Bylaws. The number of Trustees constituting the Board of Trustees of the Corporation shall be fixed by the Bylaws, except that there shall not be less than three (3). The requirements for a quorum of the Board of Trustees shall be determined pursuant to the provisions of the Bylaws.

## ARTICLE VIII

### INCORPORATORS

The name and address of the incorporators of the Corporation are:

Name

Address

Governor Roy Romer

State Capitol  
Denver, CO 80203

Governor Michael O. Leavitt

State Capitol  
Salt Lake City, Utah 84114

## ARTICLE IX

### PRINCIPAL OFFICE

The location and street address of the Corporation's initial principal office is:

170 South Main #1500  
Salt Lake City, Utah 84101

## ARTICLE X

### REGISTERED AGENT

The name and address of the Corporation's initial registered agent is Max A. Farbman, 170 South Main #1500, Salt Lake City, Utah 84101.

## ARTICLE XI

### ELIMINATION OF LIABILITY OF TRUSTEES AND OFFICERS

(a) A Trustee or officer of the Corporation shall not be personally liable to the Corporation for civil claims arising from acts or omissions made in the performance of his or her duties as a Trustee or officer, unless the acts or omissions are the results of his or her intentional misconduct.

(b) Any repeal or modification of the foregoing paragraph by the Trustees of the Corporation shall not adversely affect any right or protection of a trustee or officer of the Corporation existing at the time of such repeal or modification.

## ARTICLE XII

### MEETINGS OF THE BOARD OF TRUSTEES

Regular meetings of the Board of Trustees of the Corporation shall be held at the times and at the places specified in the Bylaws.

## ARTICLE XIII

### BYLAWS

The Board of Trustees shall have the power to make such Bylaws as it deems proper for the management of the affairs of the Corporation. Except as provided by applicable statutes of the State of Utah, the Bylaws may be altered and amended or repealed and new Bylaws may be adopted by the Board of Trustees at any regular or special meeting.

#### ARTICLE XIV

#### AMENDMENT OF ARTICLES

These Articles may be amended by the Board of Trustees at any regular or special meeting.

IN WITNESS WHEREOF, the undersigned, being the incorporators of the Corporation, execute these Articles of Incorporation and certify to the truth of the facts herein stated this 15<sup>th</sup> day of January, 1997.

---

Governor Michael O. Leavitt

---

Governor Roy Romer



**BYLAWS**  
of the  
**Western Governors University**

**ARTICLE I. PURPOSES**

The purposes of the Corporation shall be exclusively as set forth in the Articles of Incorporation.

**ARTICLE II. OFFICES**

SECTION 1. Location. The Corporation may have such offices, either within or without the State of Utah, as the Board of Trustees may determine or as the affairs of the Corporation may require from time to time.

SECTION 2. Registered Office. The Corporation shall have and continuously maintain in the State of Utah a registered office, and a registered agent, as required by the Utah Nonprofit Corporation and Cooperative Association Act. The registered office may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Trustees.

**ARTICLE III. MEMBERS**

SECTION 1. General Rights and Powers. Except as may otherwise be provided by law, the Articles of Incorporation of the Corporation or these Bylaws, the number, qualifications, rights, privileges, dues, fees, responsibilities and the provisions governing the withdrawal, suspension, and expulsion of Members shall be determined by majority vote of the Members.

SECTION 2. Qualification for Membership. Membership shall be vested in the Governor of each State that is a participant in the program of the Corporation, as such participation is defined by resolution duly adopted by a majority of the Members.

SECTION 3. Obligations of Members. Members shall not be personally responsible for any obligations of the Corporation.

## ARTICLE IV. MEETINGS OF MEMBERS

Section 1. Annual Meeting. The Annual Meeting of the Members shall be held at the same place and immediately preceding or following the Annual Meeting of the Board of Trustees of the Corporation.

SECTION 2. Other Meetings. The Members shall meet at the same place and immediately preceding or following each Regular or Special Meeting of the Board of Trustees of the Corporation.

SECTION 3. Special Meetings. Special meetings of the Members shall be called upon written petition delivered to the Secretary signed by not less than one-third of the Members. Special meetings shall be held at such time and place as shall be determined by the Co-Chairs of the Board of Trustees, provided that said meeting shall be called not more than fifteen days after the date of presentation of such petition to the Secretary.

SECTION 4. Notice. Written notice stating the place, date and hour of any meeting of Members shall be delivered, either personally or by regular mail, to each member entitled to vote at such meeting, not less than thirty (30) days before the date of such meeting, except not less than ten (10) days in the event of the calling of a Special Meeting pursuant to Section 3, above, by or at the direction of the Secretary. In the case of a Special Meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

SECTION 5. Quorum. A majority of the Members then in good standing shall constitute a quorum for the transaction of any business. If at any such meeting less than a quorum is present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

SECTION 6. Manner of Acting. A majority of the votes cast on a matter to be voted upon by the Members shall be necessary for the adoption thereof unless a greater proportion is required by law, the Articles of Incorporation or these Bylaws.

SECTION 7. Use of Telecommunications Devices. Members may meet in person, or through the use of any telecommunications device or combination of devices which allow each of the Members to participate in the conduct of the Meeting, and the participation by a Member through such telecommunications device shall be deemed present for the purpose of determining a quorum.

SECTION 8. Proxies. Proxies shall not be used in the conduct of the affairs of the Corporation.

SECTION 9. Alternative Action. Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by two thirds of the Members entitled to vote with respect to the subject matter thereof.

## ARTICLE V. TRUSTEES

SECTION 1. General Powers. The property, business and affairs of the Corporation shall be managed by its Board of Trustees in accordance with these Bylaws, the Articles of Incorporation and the purposes of the Corporation.

SECTION 2. Number. The number of Trustees shall be not less than twice the number of Members.

SECTION 3. Classes. Each Member shall contemporaneously serve as a Trustee (hereafter "Member Trustee"), and each such Member Trustee shall designate one additional individual with whom he or she reposes trust and confidence to serve as a Trustee (hereafter "Designee Trustee"). The Trustees may by two-thirds majority elect such other persons as Trustees as may benefit the affairs of the Corporation (hereafter "Elected Trustees"), such number not to exceed one-half the number of Members of the Corporation. The manner of nomination of such Elected Trustees shall from time to time be determined by resolution of the Trustees.

SECTION 4. Term of Office. Member Trustees shall serve during such period as they shall serve as Members of the Corporation. Designee Trustees shall serve for a term of three (3) years commencing from the date of the first meeting of the Board of Trustees following designation. Elected Trustees shall serve for such term as the Board of Trustees shall determine at the time of election.

SECTION 5. Vacancies. Vacancies among Designee Trustees arising from the expiration of the term of office of such Designee Trustee shall be filled by the designating Member Trustee or his or her successor, and such successor Designee Trustee shall serve for a full three year term. Vacancies among Designee Trustees arising from the death, disability or resignation of such Designee Trustee shall be filled by the designating Member Trustee or his or her successor for the unexpired term. Vacancies among Elected Trustees arising from death, disability or resignation shall be filled by majority vote of the remaining members of the Board of Trustees for the unexpired term, or for such other period as the Board of Trustees may by resolution determine.

SECTION 6. Quorum. A majority of the Trustees then in office shall constitute a quorum for the transaction of any business, provided that among that number shall be not less than a majority of the Member Trustees then in office. If the number of Trustees then in office is six or less, then three Trustees shall constitute a quorum. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

SECTION 7. Meetings. Meetings of the Board of Trustees shall be held at such place as may from time to time be fixed by resolution of the Board, or as may be specified in the notice of the meeting. Regular meetings of the Board shall be held at such times as may from time to time be fixed by resolution of the Board and special meetings may be held at any time upon the call of the Co-Chairs, or upon written request signed by three Trustees and submitted to the Secretary, by written notice to each Trustee not less than ten days before such meeting. Notice need not be given of regular meetings of the Board of Trustees held at times fixed by resolution of the Board of Trustees. Meetings may be held at any time without notice if all the Trustees are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing.

SECTION 8. Compensation. No Trustee shall receive any compensation for his or her services in such capacity, except that the Board may by resolution provide for the reimbursement of actual travel and lodging expenses incurred in the performance of the duties of Trustee, to the extent provided by such resolution.

SECTION 9. Officers of the Board. The Trustees shall at each Annual Meeting elect from among the Member Trustees Co-Chairpersons of the Board of Trustees. The Co-Chairpersons shall alternately, as initially determined by lot immediately following their election, preside over meetings of the Members and of the Board of Trustees and its Executive Committee, and shall be ex officio voting members of all committees of the Board. In the absence of the Co-Chairperson whose turn it is to preside over a meeting, the other Co-Chairperson shall serve in his or her stead. In the event of the death, disability or resignation of a Co-Chairperson, the Board shall, at its next meeting, elect a successor to complete the unexpired term.

## ARTICLE VI. OFFICERS

SECTION 1. Officers. The officers of the Corporation shall consist of the Co-Chairpersons, Chief Executive Officer, Chief Academic Officer, Chief Financial Officer, Corporate Secretary and such other officers as the Board of Trustees may from time to time appoint or authorize any other officer to appoint.

SECTION 2. Appointment. The Chief Executive Officer, Chief Academic Officer, Chief Financial Officer and Corporate Secretary shall be appointed by action of the Board of Trustees under such terms and conditions as the Board shall in its discretion determine. Other officers may be similarly appointed by action of the Board, or such authority may be delegated to the Chief Executive Officer, Chief Academic Officer, Chief Financial Officer or Corporate Secretary, as the Board may determine appropriate.

SECTION 3. Powers and Duties. The powers and duties of each officer appointed by the Board of Trustees or whose appointment is authorized by the Board shall be as determined by the Board and set forth in the resolution of appointment. The resolution of appointment may specify that any office shall be known by a different name than that set forth herein. Except as otherwise set forth in the resolution of appointment, the Chief Executive Officer, Chief Academic Officer and Chief Financial Officer shall serve *ex officio* as non-voting members of each Committee of the Board, inclusive of the Executive Committee.

SECTION 4. Compensation of officers. Officers, other than the Co-Chairs, shall be paid such reasonable compensation and serve under such terms and conditions as the Board of Trustees may from time to time authorize and direct.

## ARTICLE VII. COMMITTEES

SECTION 1. Committees of Trustees. The Board of Trustees, by resolution adopted by a majority of the Trustees in office, may designate and appoint one or more committees, each of which shall consist of two or more Trustees, which Committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Corporation, except that no such committee shall have the authority of the Board in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any committee or any Trustee or officer of the Corporation; amending the Articles of Incorporation; restating Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Trustees which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any individual Trustee, of any responsibility imposed thereon by law. Each Committee shall report its activities at each meeting of the Board of Trustees.

SECTION 2. Executive Committee. There shall be an Executive Committee of the Board of Trustees, which shall consist of the Co-Chairs and three additional Trustees. The members of the Executive Committee shall be elected at the Annual Meeting of the Board and shall serve until a successor is elected. The Executive Committee shall oversee the affairs of the Corporation and shall act for the Board of Trustees between meetings of the full Board, except as otherwise limited by Section 1 of this Article, by law or by the Articles of Incorporation.

SECTION 3. Other Committees. Other Committees not having and exercising the authority of the Board of Trustees in the management of the Corporation may be appointed in such manner as may be designated by resolution adopted by a majority of the Trustees present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee need not be Trustees and the Board may delegate to an officer of the Corporation the appointment of the members thereof.

SECTION 4. Term of Office. The term of office of each member of a committee shall be as established by the Board and shall continue until a successor is appointed.

SECTION 5. Chair. One member of each committee shall be appointed Chair by the Co-Chairs of the Board of Trustees except as otherwise provided in these Bylaws.

SECTION 6. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 7. Quorum. Unless otherwise provided in the resolution of the Board of Trustees designating a committee, a majority of the whole committee shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee.

## **ARTICLE VIII. INFORMAL ACTION BY TRUSTEES**

SECTION 1. Written Consent. Action taken by a majority of the Trustees or members of a committee without a meeting is nevertheless Board or committee action if written consent to the action in question is signed by two thirds of the Trustees or members of the committee, as the case may be, and filed with the minutes of the proceedings of the Board or committee, whether done before or after the action so taken.

SECTION 2. Ratification. If an otherwise valid meeting of Trustees is held without proper call or notice, action taken at such meeting is deemed ratified by a Trustee who did not attend unless, promptly after having knowledge of the action taken and of the impropriety in question, the Trustee shall have filed with the Secretary of the Corporation written objections to the holding of the meeting or to any specific action so taken.

SECTION 3. Telecommunicated Meetings. Any one or more Trustees or members of a committee may participate in a meeting of the Board or committee by means of a telecommunications device which allows all persons to participate in the conduct of the meeting and such participation in a meeting shall be deemed presence in person at such meeting.

## ARTICLE IX. INDEMNIFICATION OF TRUSTEES, OFFICERS, ETC.

SECTION 1. Authority to Indemnify Trustees: Third Party Actions. The Corporation shall indemnify any trustee of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact he or she is or was an authorized representative of the Corporation (which, for the purposes of this Article shall mean a trustee, officer, employee or agent of the Corporation, or a person who is or was serving at the request of the Corporation as a trustee, director, officer, employee or agent of another corporation, person partnership, joint venture, trust or other enterprise) against judgments, fines, amounts paid in settlement and reasonable expenses (including attorneys' fees), incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that no indemnification shall be made in connection with any proceeding charging that such person derived an improper personal benefit, whether or not involving action in an official capacity, in which such person was adjudged liable on the basis that he or she derived an improper personal benefit. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

SECTION 2. Authority to Indemnify Trustees: Derivative Actions. The Corporation shall indemnify any trustee of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was an authorized representative of the Corporation, against expenses (including attorneys' fees but not amounts paid in settlement) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in connection with any other proceeding charging that such person derived an improper personal benefit, whether or not involving action in an official capacity, in which such person is adjudged liable on the basis that he or she derived an improper personal benefit.

SECTION 3. Employees and Agents. To the extent that an authorized representative of the Corporation who neither was nor is a trustee or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article or in defense of any claim, issue or matter therein, he or she shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Such an authorized representative may, at the discretion of the Board of Trustees, be indemnified by the Corporation in any other circumstances to any extent if the Corporation would be required by Section 1 and 2 of this Article to indemnify such person in such circumstances to such extent if he or she were or had been a trustee or officer of the Corporation.

SECTION 4. Procedure for Effecting Indemnification. Indemnification under Sections 1, 2 and 3 of this Article shall be made when ordered by a court or shall be made in a specific case upon a determination that indemnification of the authorized representative is required or proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article. Such determination shall be made by the Board of Trustees by a majority vote of a quorum consisting of trustees who were not parties to such action, suit or proceeding, or any other manner allowed under the laws of the State of Utah. If a claim under this Article is not paid in full by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any action, suit or proceeding in advance of its final disposition where the undertaking and determinations necessary for advancing expenses have been made) that the claimant has not met the standards of conduct which make it permissible for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Trustees or its independent legal counsel) to have made a determination prior to commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct, nor an actual determination by the Corporation (including its Board of Trustees or its independent legal counsel) that the claimant has not met such applicable standard of conduct shall be a defense to the action or create a presumption that the claimant had not met the applicable standard of conduct.

SECTION 5. Advancing Expenses. Expenses (including attorneys' fees) incurred by a person that may be indemnified under the provisions of this Article, in defending a civil or criminal action, suit or proceeding, may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of:

1. An undertaking by that person or on that person's behalf by an authorized representative to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as required in this Article or authorized by law;

2. The person furnishes to the Corporation a written affirmation of his or her good faith belief that he or she has met the standard conduct set forth in Section 1 and 2 of this Article, and;

3. A determination is made that the facts then known to those making the determination under Section 4 of this Article would not preclude indemnification as provided by this Article.

SECTION 6. Scope of Article. Each person who shall act as an authorized representative of the Corporation, shall be deemed to be doing so in reliance upon such rights of indemnification as are provided in this Article. The indemnification and advancement of expenses provided by the Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, vote of disinterest trustees, statute or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such a person.

## **ARTICLE X. RETENTION OF SOVEREIGN IMMUNITY, LIMITATIONS ON LIABILITY AND INDEMNIFICATION OF STATES.**

SECTION 1. Sovereign Immunity of the States and Disclaimer by Members. By consenting to be Members and by participating in the affairs of the Corporation, the Members of the Corporation do not intend and shall not be deemed, expressly or impliedly, to waive the sovereign immunity (including but not limited to immunity under the Eleventh Amendment to the Constitution of the United States) of their respective States, and such consent or participation shall not be deemed to constitute consent to suit or consent to the jurisdiction of the State of Utah or of any other State within which the Corporation may be present, or to the jurisdiction of the courts of such States.

SECTION 2. Limitation on Liability of the States. The States represented by the Members of the Corporation shall not be liable for the obligations of the Corporation, and there shall not be any recourse against any State for such obligations by virtue of the status of a Member as a public official of such State.

SECTION 3. Indemnification of the States. The Corporation shall indemnify and hold harmless each and every State represented by a Member of the Corporation against any loss or damage (inclusive of personal injury or death and damage to property) and any expenses in connection therewith (including expenses of litigation) arising out of or in connection with the activities of the Corporation, including any loss or damage and incidental expense for any alleged liability of any kind, and for any cause whatsoever, arising out of or connected with the Corporation, in the same manner as provided herein respecting the indemnification of Trustees and Officers, as set forth at Article IX of these Bylaws. The indemnification provided herein shall not be exclusive of any other rights to which a State may be entitled under applicable law, and shall inure to the benefit of any officer, agent or employee of a State authorized to act on behalf of such State.

## ARTICLE XI. INSURANCE

SECTION 1. Insurance Against Liability Asserted Against Trustees, Officers, Etc. The Corporation, whenever so authorized by the Board of Trustees, may purchase and maintain insurance on behalf of any authorized representative (which, for the purposes of this Article shall mean a trustee, officer, employee or agent of the Corporation, or a person who is or was serving at the request of the Corporation as a trustee, director, officer, employee or agent of another corporation, person, partnership, joint venture, trust or other enterprise) against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Corporation would be authorized or required to indemnify him or her by law or Article IX of these Bylaws.

## ARTICLE XII. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

SECTION 1. Contracts. The Board of Trustees may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

SECTION 2. Checks, Drafts, etc. All checks, drafts, orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees. In the absence of such determination of the Board of Trustees, such instrument shall be signed by the Chief Executive Officer.

SECTION 3. Deposits. Funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Trustees may designate.

SECTION 4. Gifts. The Board of Trustees may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

### ARTICLE XIII. BOOKS AND RECORDS

The Corporation shall keep correct and complete books and records of accounts and shall also maintain the minutes of meetings of the Members and of the proceedings of the Board of Trustees.

### ARTICLE XIV. FISCAL YEAR

The fiscal year of the Corporation shall be established by resolution of the Board of Trustees.

### ARTICLE XV. WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Utah Nonprofit Corporation and Co-operative Association Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation a waiver thereof in writing signed by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

### ARTICLE XVI. AMENDMENTS TO BYLAWS

Except as otherwise provided by law or as may require ratification by the Members as set forth in the Articles of Incorporation, these Bylaws may be amended or repealed or new Bylaws adopted upon the affirmative vote of a majority of the Board of Trustees at any regular or special meeting of the Board of Trustees.

Adopted this 3rd day of February, 1997

Attest:



Secretary



**AMENDED  
BYLAWS  
of the  
Western Governors University**

**ARTICLE I. PURPOSES**

The purposes of the Corporation shall be exclusively as set forth in the Articles of Incorporation.

**ARTICLE II. OFFICES**

**SECTION 1. Location.** The Corporation may have such offices, either within or without the State of Utah, as the Board of Trustees may determine or as the affairs of the Corporation may require from time to time.

**SECTION 2. Registered Office.** The Corporation shall have and continuously maintain in the State of Utah a registered office, and a registered agent, as required by the Utah Nonprofit Corporation and Cooperative Association Act. The registered office may be, but need not be, identical with the principal office, and the address of the registered office may be changed from time to time by the Board of Trustees.

**ARTICLE III. MEMBERS**

**SECTION 1. General Rights and Powers.** Except as may otherwise be provided by law, the Articles of Incorporation of the Corporation or these Bylaws, the number, qualifications, rights, privileges, dues, fees, responsibilities and the provisions governing the withdrawal, suspension, and expulsion of Members shall be determined by majority vote of the Members.

**SECTION 2. Qualification for Membership.** Membership shall be vested in the Governor of each State that is a participant in the program of the Corporation, as such participation is defined by resolution duly adopted by a majority of the Members.

**SECTION 3. Obligations of Members.** Members shall not be personally responsible for any obligations of the Corporation.

## ARTICLE IV. MEETINGS OF MEMBERS

**SECTION 1. Annual Meeting.** The Annual Meeting of the Members shall be held at the same place and time as the Western Governors Association annual meeting .

**SECTION 2. Special Meetings.** Special meetings of the Members shall be called upon written petition delivered to the Secretary signed by not less than one-third of the Members or by not less than one-third of the Trustees. Special meetings shall be held at such time and place as shall be determined by the Chair or Co-Chairs of the Board of Trustees, provided that said meeting shall be called as soon as practicable after the date of presentation of such petition to the Secretary.

**SECTION 3. Notice.** Written notice stating the place, date and hour of any meeting of Members shall be delivered either personally, by regular mail, by electronic mail (e-mail), or by facsimile to each member entitled to vote at such meeting not less than ten (10) days before the date of such meeting. In the case of a Special Meeting or when required by statute or these Bylaws, the purpose or purposes for which the meeting is called shall be stated in the notice.

**SECTION 4. Quorum.** A majority of the Members then in good standing either present or represented by proxy shall constitute a quorum for the transaction of any business. If at any such meeting less than a quorum is present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained.

**SECTION 5. Manner of Acting.** Unless otherwise required by law or the Articles of Incorporation, a vote by a majority of the Members present at a meeting (either in person or by duly authorized and executed proxy) at which a quorum is present shall constitute the necessary majority to approve or adopt any matter or action, including any action set forth in these Bylaws requiring a majority vote of the Members .

**SECTION 6. Use of Telecommunications Devices.** Members may meet in person, or through the use of any telecommunications device or combination of devices which allow each of the Members to participate in the conduct of the Meeting, and the participation by a Member through such telecommunications device shall be deemed present for the purpose of determining a quorum.

**SECTION 7. Proxies.** Proxies may be used in the conduct of the affairs of the Corporation.

**SECTION 8. Action by Consent.** Any action which may be taken at a meeting of the Members may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Members entitled to vote with respect to the subject matter thereof.

## **ARTICLE V. TRUSTEES**

**SECTION 1. General Powers.** The property, business and affairs of the Corporation shall be managed by its Board of Trustees in accordance with these Bylaws, the Articles of Incorporation and the purposes of the Corporation.

**SECTION 2. Number, Classes and Term.** There shall be no less than nine (9) nor more than twenty-one (21) Trustees. Trustees shall serve for a term of three (3) years and shall, whenever possible, be elected in such a manner to provide for an equal number of Trustees serving staggered terms.

**SECTION 3. Manner of Selection.** Trustees shall be elected by the Members at the Annual Meeting of the Corporation from among their own number and from among candidates proposed by the Nominating Committee established pursuant to these Bylaws, provided that at all times no less than three (3) Trustees shall be Members of the Corporation. A Trustee shall be removed from office for any cause upon a majority vote of the Members or a vote of two-thirds of the Trustees.

**SECTION 4. Vacancies.** Vacancies among Trustees arising from death, disability, removal or resignation shall be filled by a majority vote of the remaining members of the Board of Trustees for the unexpired term, or for such other period as the Board of Trustees may by resolution determine.

**SECTION 5 Quorum/Voting.** Forty percent (40%) of the Trustees then in office (rounded down to the nearest whole number) present either in person, by proxy, or by duly authorized attorney-in-fact shall constitute a quorum for the transaction of any business. If the number of Trustees then in office is eight or less, then three Trustees shall constitute a quorum. If at any meeting of the Board there shall be less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time until a quorum shall have been obtained. Unless otherwise required by law, a vote by a majority of the Trustees present at a meeting at which a quorum is present shall constitute the necessary majority to approve or adopt any matter or action, including any action set forth in these Bylaws requiring a majority vote of the Trustees. A Trustee may vote in person, by proxy, or by duly authorized attorney-in-fact

**SECTION 6. Meetings.** Regular meetings of the Board shall be held at such times as may from time to time be fixed by resolution of the Board and special meetings may be held at any time upon the call of the Chair, or either Co-Chairs, if such have been elected, or upon written request signed by three Trustees and submitted to the Secretary, by written notice to each Trustee not less than ten days before such meeting. Notice need not be given of regular meetings of the Board of Trustees held at times fixed by resolution of the Board of Trustees. Meetings may be held at any time without notice if all the Trustees are present, or if at any time before or after the meeting those not present waive notice of the meeting in writing.

**SECTION 7. Compensation.** No Trustee shall receive any compensation for his or her services in such capacity, except that the Board may by resolution provide for the reimbursement of actual travel and lodging expenses incurred in the performance of the duties of Trustee, to the extent provided by such resolution.

**SECTION 8. Officers of the Board.** The Trustees shall at each Annual Meeting elect from among their number a Chairperson or Co-Chairpersons of the Board of Trustees. In the event Co-Chairpersons are so elected, the Co-Chairpersons shall alternately preside over meetings of the Members and of the Board of Trustees and its Executive Committee. The Chairperson or Co-chairpersons shall be ex officio voting members of all committees of the Board. In the absence of the Co-Chairperson whose turn it is to preside over a meeting, the other Co-Chairperson shall serve in his or her stead. In the event of the death, disability or resignation of a Chairperson or Co-Chairperson, the Board shall, at its next meeting, elect a successor to complete the unexpired term.

## **ARTICLE VI. OFFICERS**

**SECTION 1. Principal Officers.** The principal officers of the Corporation shall consist of the Chairperson or Co-Chairpersons, a Chief Executive Officer, who may be designated as such or by the title President, Chancellor or other title designated by the Board of Trustees, a Corporate Secretary and such other principal officers as Chief Academic Officer, Chief Financial Officer, or other principal officer as the Board of Trustees may from time to time appoint.

**SECTION 2. Appointment.** The principal officers shall be appointed by action of the Board of Trustees under such terms and conditions as the Board shall in its discretion determine. Other officers may be similarly appointed by action of the Board, or such authority may be delegated to the principal officers as the Board may determine appropriate.

**SECTION 3. Powers and Duties.** The powers and duties of each officer appointed by the Board of Trustees or whose appointment is authorized by the

Board shall be as determined by the Board and set forth in the resolution of appointment. The resolution of appointment may specify that any office shall be known by a different name than that set forth herein. Except as otherwise set forth in the resolution of appointment, the principal officers may serve *ex officio* as non-voting members of any Committee of the Board, inclusive of the Executive Committee.

**SECTION 4. Compensation of officers.** Officers, other than the Co-Chairs, shall be paid such reasonable compensation and serve under such terms and conditions as the Board of Trustees may from time to time authorize and direct.

## **ARTICLE VII. COMMITTEES**

**SECTION 1. Committees of Trustees.** The Board of Trustees may designate and appoint one or more committees, each of which shall consist of two or more Trustees, which Committees, to the extent provided in said resolution, shall have and exercise the authority of the Board in the management of the Corporation, except that no such committee shall have the authority of the Board in reference to amending, altering or repealing the Bylaws; electing, appointing or removing any member of any committee or any Trustee or officer of the Corporation; amending the Articles of Incorporation; restating Articles of Incorporation; adopting a plan of merger or adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings therefor; adopting a plan for the distribution of the assets of the Corporation; or amending, altering or repealing any resolution of the Board of Trustees which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board or any individual Trustee, of any responsibility imposed thereon by law. Each Committee shall report its activities at each meeting of the Board of Trustees.

**SECTION 2. Executive Committee.** There shall be an Executive Committee of the Board of Trustees, which shall consist of the Chair or the Co-Chairs and at least three additional Trustees. The members of the Executive Committee shall be elected at the Annual Meeting of the Board and shall serve until a successor is elected. The Executive Committee shall oversee the affairs of the Corporation and shall act for the Board of Trustees between meetings of the full Board, except as otherwise limited by Section 1 of this Article, by law or by the Articles of Incorporation.

**SECTION 3. Nominating Committee.** The Board shall at each Annual Meeting appoint a Nominating Committee consisting of at least three members of the Board of Trustees, together with such other persons as the Board shall determine,

which Committee shall be charged with proposing candidates to the Members of the Corporation for election to the Board pursuant to Section 3 of Article V of these Bylaws.

**SECTION 4. Special Committees.** Other Committees, including, but not limited to, a National Advisory Board, not having and exercising the authority of the Board of Trustees in the management of the Corporation, may be appointed in such manner as may be designated by resolution adopted by a majority of the Trustees present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee need not be Trustees and the Board may delegate to an officer of the Corporation the appointment of the members thereof.

**SECTION 5. Term of Office.** The term of office of each member of a committee shall be as established by the Board and shall continue until a successor is appointed.

**SECTION 6. Chair.** One member of each committee shall be appointed Chair by the Co-Chairs of the Board of Trustees except as otherwise provided in these Bylaws.

**SECTION 7. Vacancies.** Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

**SECTION 8. Quorum/Voting.** Unless otherwise provided in the resolution of the Board of Trustees designating a committee, forty percent (40%) of the whole committee (rounded down to the nearest whole number), but in no event less than two committee members, present either in person, by proxy, or by duly authorized attorney-in-fact shall constitute a quorum and the act of the majority of the members present at a meeting at which a quorum is present shall be the act of the committee; provided, however, that the Executive Committee shall not act except upon the affirmative vote of at least three (3) members of that committee. A committee member may vote in person, by proxy, or by duly authorized attorney-in-fact.

## **ARTICLE VIII. INFORMAL ACTION BY TRUSTEES**

**SECTION 1. Written Consent.** Action taken by the Trustees or members of a committee without a meeting is nevertheless Board or committee action if written consent to the action in question is signed by all of the Trustees or members of the committee, as the case may be, and filed with the minutes of the proceedings of the Board or committee, whether done before or after the action so taken.

**SECTION 2. Ratification.** If an otherwise valid meeting of Trustees is held without proper call or notice, action taken at such meeting is deemed ratified by a Trustee who did not attend unless, promptly after having knowledge of the action taken and of the impropriety in question, the Trustee shall have filed with the Secretary of the Corporation written objections to the holding of the meeting or to any specific action so taken.

**SECTION 3. Telecommunicated Meetings.** Any one or more Trustees or members of a committee may participate in a meeting of the Board or committee by means of a telecommunications device which allows all persons to participate in the conduct of the meeting and such participation in a meeting shall be deemed presence in person at such meeting.

## **ARTICLE IX. INDEMNIFICATION OF TRUSTEES, OFFICERS, ETC.**

**SECTION 1. Authority to Indemnify Trustees: Third Party Actions.** The Corporation shall indemnify any trustee of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact he or she is or was an authorized representative of the Corporation (which, for the purposes of this Article shall mean a trustee, officer, employee or agent of the Corporation, or a person who is or was serving at the request of the Corporation as a trustee, director, officer, employee or agent of another corporation, person partnership, joint venture, trust or other enterprise) against judgments, fines, amounts paid in settlement and reasonable expenses (including attorneys' fees), incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that no indemnification shall be made in connection with any proceeding charging that such person derived an improper personal benefit, whether or not involving action in an official capacity, in which such person was adjudged liable on the basis that he or she derived an improper personal benefit. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

**SECTION 2. Authority to Indemnify Trustees: Derivative Actions.** The Corporation shall indemnify any trustee of the Corporation who was or is a party or

is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that he or she is or was an authorized representative of the Corporation, against expenses (including attorneys' fees but not amounts paid in settlement) actually and reasonably incurred by him or her in connection with the defense or settlement of such action or suit if he or she acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation in connection with any other proceeding charging that such person derived an improper personal benefit, whether or not involving action in an official capacity, in which such person is adjudged liable on the basis that he or she derived an improper personal benefit.

**SECTION 3. Employees and Agents.** To the extent that an authorized representative of the Corporation who neither was nor is a trustee or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 1 and 2 of this Article or in defense of any claim, issue or matter therein, he or she shall be indemnified by the Corporation against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith. Such an authorized representative may, at the discretion of the Board of Trustees, be indemnified by the Corporation in any other circumstances to any extent if the Corporation would be required by Section 1 and 2 of this Article to indemnify such person in such circumstances to such extent if he or she were or had been a trustee or officer of the Corporation.

**SECTION 4. Procedure for Effecting Indemnification.** Indemnification under Sections 1, 2 and 3 of this Article shall be made when ordered by a court or shall be made in a specific case upon a determination that indemnification of the authorized representative is required or proper in the circumstances because he or she has met the applicable standard of conduct set forth in Sections 1 or 2 of this Article. Such determination shall be made by the Board of Trustees by a majority vote of a quorum consisting of trustees who were not parties to such action, suit or proceeding, or any other manner allowed under the laws of the State of Utah. If a claim under this Article is not paid in full by the Corporation within ninety (90) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any action, suit or proceeding in advance of its final disposition where the undertaking and determinations necessary for advancing expenses have been made) that the claimant has not met the standards of conduct which make it permissible for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the

Corporation (including its Board of Trustees or its independent legal counsel) to have made a determination prior to commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct, nor an actual determination by the Corporation (including its Board of Trustees or its independent legal counsel) that the claimant has not met such applicable standard of conduct shall be a defense to the action or create a presumption that the claimant had not met the applicable standard of conduct.

**SECTION 5. Advancing Expenses.** Expenses (including attorneys' fees) incurred by a person that may be indemnified under the provisions of this Article, in defending a civil or criminal action, suit or proceeding, may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of:

1. An undertaking by that person or on that person's behalf by an authorized representative to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as required in this Article or authorized by law;
2. The person furnishes to the Corporation a written affirmation of his or her good faith belief that he or she has met the standard conduct set forth in Section 1 and 2 of this Article, and;
3. A determination is made that the facts then known to those making the determination under Section 4 of this Article would not preclude indemnification as provided by this Article.

**SECTION 6. Scope of Article.** Each person who shall act as an authorized representative of the Corporation, shall be deemed to be doing so in reliance upon such rights of indemnification as are provided in this Article. The indemnification and advancement of expenses provided by the Article shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any agreement, vote of disinterested trustees, statute or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office or position, and shall continue as to a person who has ceased to be an authorized representative of the Corporation and shall inure to the benefit of the heirs, executors and administrators of such a person.

**ARTICLE X. RETENTION OF SOVEREIGN IMMUNITY, LIMITATIONS ON LIABILITY AND INDEMNIFICATION OF STATES.**

**SECTION 1. Sovereign Immunity of the States and Disclaimer by Members.** By consenting to be Members and by participating in the affairs of the Corporation, the Members of the Corporation do not intend and shall not be deemed, expressly or impliedly, to waive the sovereign immunity (including but not limited to immunity under the Eleventh Amendment to the Constitution of the United States) of their respective States, and such consent or participation shall not be deemed to constitute consent to suit or consent to the jurisdiction of the State of Utah or of any other State within which the Corporation may be present, or to the jurisdiction of the courts of such States.

**SECTION 2. Limitation on Liability of the States.** The States represented by the Members of the Corporation shall not be liable for the obligations of the Corporation, and there shall not be any recourse against any State for such obligations by virtue of the status of a Member as a public official of such State.

**SECTION 3. Indemnification of the States.** The Corporation shall indemnify and hold harmless each and every State represented by a Member of the Corporation against any loss or damage (inclusive of personal injury or death and damage to property) and any expenses in connection therewith (including expenses of litigation) arising out of or in connection with the activities of the Corporation, including any loss or damage and incidental expense for any alleged liability of any kind, and for any cause whatsoever, arising out of or connected with the Corporation, in the same manner as provided herein respecting the indemnification of Trustees and Officers, as set forth at Article IX of these Bylaws. The indemnification provided herein shall not be exclusive of any other rights to which a State may be entitled under applicable law, and shall inure to the benefit of any officer, agent or employee of a State authorized to act on behalf of such State.

## **ARTICLE XI. INSURANCE**

**SECTION 1. Insurance Against Liability Asserted Against Trustees, Officers, Etc.** The Corporation, whenever so authorized by the Board of Trustees, may purchase and maintain insurance on behalf of any authorized representative (which, for the purposes of this Article shall mean a trustee, officer, employee or agent of the Corporation, or a person who is or was serving at the request of the Corporation as a trustee, director, officer, employee or agent of another corporation, person, partnership, joint venture, trust or other enterprise) against any liability asserted against him or her and incurred by him or her in such capacity, or arising out of his or her status as such, whether or not the Corporation would be authorized or required to indemnify him or her by law or Article IX of these Bylaws.

## **ARTICLE XII. CONTRACTS, CHECKS, DEPOSITS AND FUNDS**

**SECTION 1. Contracts.** The Board of Trustees may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

**SECTION 2. Checks, Drafts, etc.** All checks, drafts, orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or officers, agent or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees. In the absence of such determination of the Board of Trustees, such instrument shall be signed by the Chief Executive Officer.

**SECTION 3. Deposits.** Funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Trustees may designate.

**SECTION 4. Gifts.** The Board of Trustees may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

### **ARTICLE XIII. BOOKS AND RECORDS**

The Corporation shall keep correct and complete books and records of accounts and shall also maintain the minutes of meetings of the Members and of the proceedings of the Board of Trustees.

### **ARTICLE XIV. FISCAL YEAR**

The fiscal year of the Corporation shall be established by resolution of the Board of Trustees.

### **ARTICLE XV. WAIVER OF NOTICE**

Whenever any notice is required to be given under the provisions of the Utah Nonprofit Corporation and Co-operative Association Act or under the provisions of the Articles of Incorporation or the Bylaws of the Corporation a waiver thereof in writing signed by the persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

### **ARTICLE XVI. AMENDMENTS TO BYLAWS**

Except as otherwise provided by law or as may require ratification by the Members as set forth in the Articles of Incorporation, these Bylaws may be amended or repealed or new Bylaws adopted upon the affirmative vote of a majority of the Board of Trustees at any regular or special meeting of the Board of Trustees.

Adopted this 3rd day of February, 1997

Amended this 23rd day of September, 1997.

Amended this 26<sup>th</sup> day of March, 1999.

Amended this 21<sup>st</sup> day of January, 2000.



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah Department of Commerce

FRANCINE A. GIANI  
Executive Director

THAD LEVAR  
Deputy Director

KEVIN V. OLSEN  
Director, Division of Consumer Protection

September 18, 2007

WESTERN GOVERNORS UNIVERSITY  
ATTN SHAYNA LAMSON  
4001 SOUTH 700 EAST STE 700  
SALT LAKE CITY UT 84107-2533

Re: Exemption under U.C.A. §13-34-105 (Utah Postsecondary Proprietary School Act)

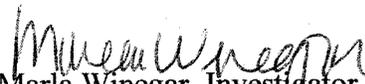
Dear Ms. Lamson:

This letter is to confirm that based on the representations that you have made to this office, **Western Governors University**, maintains its exempt status from the registration requirements of U.C.A. §13-34-105.

According to the Utah Postsecondary Proprietary School Act, §13-34-105(1)(e), a school or institution which is accredited by a regional or national accrediting agency recognized by the United States Department of Education is exempt. An institution, branch, extension, or facility operating within the state which is affiliated with an institution operating in another state must be separately approved by the affiliate's regional or national accrediting agency to qualify for this exemption.

You must notify this office within thirty (30) days of any material change in circumstances that may affect this exempt status. You should retain this letter in your permanent files for future reference.

Sincerely,

  
Marla Winegar, Investigator  
Utah Division of Consumer Protection

# IOWA

No: W00739634  
Date: 06/17/2011

## SECRETARY OF STATE

504RFN-418553  
WESTERN GOVERNORS UNIVERSITY

### ACKNOWLEDGEMENT OF DOCUMENT FILED

The Secretary of State acknowledges receipt of the following document:

Certificate of Authority

The document was filed on Jun 9 2011 3:12PM, to be effective as of Jun 9 2011 3:12PM.

The amount of \$25.00 was received in full payment of the filing fee.



  
MATT SCHULTZ SECRETARY OF STATE

