

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE EXAMINATION**

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

**For the Year Ended June 30, 2009**

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE EXAMINATION**

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

**For the Year Ended June 30, 2009**

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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE EXAMINATION**

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**For the Year Ended June 30, 2009**

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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE EXAMINATION**

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

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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CROSS-REFERENCE TABLE OF SPECIAL REPORTING  
REQUIRED BY 1982 UNIVERSITY GUIDELINES, AS AMENDED,  
AND THE OFFICE OF THE AUDITOR GENERAL  
Year Ended June 30, 2009**

**Source of Requirement**

<b>Revised Memo from Office of the Auditor General, <u>Dated July 25, 2000</u></b>	<b>Page Number and Report Where Information <u>is Contained</u></b>
Item 12, Entities Financial Statements	See Note 22 of financial statements
Item 13, Report Contents:	
a. Compliance Findings pertaining to the 1982 University Guidelines, as amended	See Note 1 below
b. Statement of Sources and Applications of Indirect Cost Recoveries	Page 54 in the Report
c. Calculation for Indirect Cost Carryforward	Page 60 in the Report
d. Tuition Diverted to Auxiliary Enterprise Operations	None
e. Identification of Each Specific Accounting Entity and Description of the Sources of Revenue and Purpose of Each	Pages 69 - 70 in the Report
f. Financial Statements by Entity Including Plant Fund Data	Pages 52 - 59 in the Report
g. Calculation Sheets for Current Excess Funds	Pages 61 - 68 in the Report
h. Disclosure of Support Which Auxiliary Enterprise and Activities Have Received During the Year from State Appropriated Funds	Page 73 in the Report
i. Statement of Revenue and Expenditures for Various Bond Indenture Required Accounts	See Note 22 of financial statements
j. Statement of Whether Bond Accounting Conforms to the Terms of the Bond Indenture	See Note 2 below
k. List and Description of Noninstructional Facilities Reserves	Page 72 in the Report

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CROSS-REFERENCE TABLE OF SPECIAL REPORTING  
REQUIRED BY 1982 UNIVERSITY GUIDELINES, AS AMENDED,  
AND THE OFFICE OF THE AUDITOR GENERAL  
Year Ended June 30, 2009**

**Source of Requirement**

<b>Revised Memo from Office of the Auditor General, <u>Dated July 25, 2000</u></b>	<b>Page Number and Report Where Information <u>is Contained</u></b>
Item 13, Report Contents (Continued):	
i. List of All University-Related Organizations (UROs) List of Independent Organizations	Page 71 in the Report None
m. Disclosure of Payments by UROs to the University for Services Provided	Page 71 in the Report
n. Disclosure of Payment by the University to UROs for Services Provided	Page 71 in the Report
o. Disclosure of Cumulative Amount of Unreimbursed Subsidies	Page 71 in the Report
p. Description of Any Debt Financing by a URO	Page 50 in the Report
q. Schedule of Cash and Investments	Pages 33 - 34 in the Report
r. Statement Regarding Income from Investments of Pooled Funds	See Note 3 below
s. Costs per Full-Time Equivalent Student	Page 42 in the Report
t. Disclosure of Acquisition of Real Estate by the University or URO not Funded by Separate Specific Appropriation	Page 51 in the Report
u. Disclosure of Issuance of Certificates of Participation (COPs) or Participation in Lease or Purchase Arrangements involving COPs	See Note 9 of financial statements

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CROSS-REFERENCE TABLE OF SPECIAL REPORTING  
REQUIRED BY 1982 UNIVERSITY GUIDELINES, AS AMENDED,  
AND THE OFFICE OF THE AUDITOR GENERAL  
Year Ended June 30, 2009**

**Source of Requirement**

<b>Revised Memo from Office of the Auditor General, <u>Dated July 25, 2000</u></b>	<b>Page Number and Report Where Information <u>is Contained</u></b>
Other Financial Related Schedules for Universities:	
1. Schedule of Appropriations, Expenditures, and Lapsed Balances by Major Line Item	Page 29 in the Report
2. Schedule of Income Fund Revenues and Expenses	Page 31 in the Report
3. Schedule of Tuition and Fee Waivers	Pages 48 - 49 in the Report
Note 1 - There were no violations of the compliance requirements of the University Guidelines 1982 identified during the audit of Illinois State University for the year ended June 30, 2009.	
Note 2 - There were no violations of revenue bond covenants noted during the audit of Illinois State University for the year ended June 30, 2009.	
Note 3 - Investment income of pooled funds has been allocated and credited to the original sources of the funds to the extent practical. There was no unallocated investment income that was required to be paid into the Income Fund.	

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE EXAMINATION**

**AGENCY OFFICIALS**

President	Dr. C. Alvin Bowman
Vice President - Finance and Planning	Dr. Stephen M. Bragg (Retired 4/30/09) Dr. Dianne Ashby (Interim - 5/1/09-9/14/09) Dr. Daniel Layzell (Effective 9/15/09)
Comptroller	Mr. Greg Alt
Legal Counsel	Ms. Lisa Huson
Director - Internal Audit	Mr. Rick Papuga (retired 10/31/09) Mr. Robert Blemler (effective 1/4/10)

Agency offices are located at:

Illinois State University  
Hovey Hall  
Campus Box 1100  
Normal, IL 61790-1100



ILLINOIS STATE  
UNIVERSITY



Office of the President

421 Hovey Hall  
Campus Box 1000  
Normal, IL 61790-1000  
Telephone: (309) 438-5677

Clifton Gunderson LLP  
301 SW Adams, Suite 900  
Peoria, IL 61615-1835

February 10, 2010

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of Illinois State University. We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2009. Based on this evaluation, we assert that during the year ended June 30, 2009, the University has materially complied with the assertions below.

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

Yours very truly,

Illinois State University

Handwritten signature of C. Al Bowman in black ink.

C. Al Bowman, President

Handwritten signature of Daniel T. Layzell in black ink.

Daniel T. Layzell, Vice President Finance and  
Planning

Handwritten signature of Lisa M. Huson in black ink.

Lisa M. Huson, General Counsel

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE REPORT**

**SUMMARY**

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

**ACCOUNTANT'S REPORTS**

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

**SUMMARY OF FINDINGS**

<u>Number of</u>	<u>Current Report</u>	<u>Prior Report</u>
Findings	2	2
Repeated findings	1	2
Prior recommendations implemented or not repeated	1	1

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

**SCHEDULE OF FINDINGS**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
<u>FINDINGS (GOVERNMENT AUDITING STANDARDS)</u>			
None			
<u>FINDINGS (FEDERAL COMPLIANCE)</u>			
None			
<u>FINDINGS (STATE COMPLIANCE)</u>			
09-1	14	Time Sheets Not Maintained in Compliance With the State Officials and Employees Ethics Act	Significant Deficiency/ Noncompliance
09-2	15	Inadequate Procedures for Disposal of Confidential Information	Significant Deficiency/ Noncompliance

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE REPORT**

**SUMMARY**

**SCHEDULE OF FINDINGS** (CONTINUED)

<b><u>Item No.</u></b>	<b><u>Page</u></b>	<b><u>Description</u></b>	<b><u>Finding Type</u></b>
<b><u>PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)</u></b>			
A	19	Inadequate Disaster Contingency Planning	

**EXIT CONFERENCE**

Findings and recommendations appearing in this report were discussed with University personnel at an exit conference on January 29, 2010. Attending were:

Representing Illinois State University

Vice President - Finance and Planning  
Comptroller  
Assistant Comptroller  
Director - Internal Audit  
Accountant  
Chief Technology Officer

Dr. Daniel Layzell  
Mr. Greg Alt  
Ms. JoEllen Bahnsen  
Mr. Robert Blemler  
Mr. Doug Litwiller  
Dr. Mark Walbert

Representing Clifton Gunderson LLP

Partner  
Senior Manager

Mr. Jeffrey Bonick, CPA  
Ms. Paulette Hurd, CPA

Representing the Office of the Auditor General

Audit Manager

Ms. Candice M. Long, CPA

Responses to the recommendations were provided by Mr. Greg Alt in a communication dated February 1, 2010.

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

Honorable William G. Holland  
Auditor General  
State of Illinois

and

Ms. Anne Davis  
Chair, Illinois State University Audit Committee

**Compliance**

As Special Assistant Auditors for the Auditor General, we have examined Illinois State University's compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2009. The management of Illinois State University is responsible for compliance with these requirements. Our responsibility is to express an opinion on Illinois State University's compliance based on our examination.

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

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

In our opinion, Illinois State University complied, in all material respects, with the requirements listed in the first paragraph of this report during the year ended June 30, 2009. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of findings as findings 09-1 and 09-2.

### **Internal Control**

The management of Illinois State University is responsible for establishing and maintaining effective internal control over compliance with the requirements listed in the first paragraph of this report. In planning and performing our examination, we considered Illinois State University's internal control over compliance with the requirements listed in the first paragraph of this report as a basis for designing our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General, but not for the purpose of expressing an opinion on the effectiveness of the Illinois State University's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Illinois State University's internal control over compliance.

A *deficiency* in an entity's internal control over compliance 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 noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance described in findings 09-1 and 09-2 in the accompanying schedule of findings that we consider to be significant deficiencies in internal control over compliance. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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

### **Supplementary Information for State Compliance Purposes**

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of Illinois State University and its discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2009, and have issued our report thereon dated February 10, 2010. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. The accompanying supplementary information, as listed in the table of contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of Illinois State University. The 2009 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the report of other auditors, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2009, taken as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States, Illinois State University's basic financial statements for the year ended June 30, 2008. In our report dated January 14, 2009, we expressed unqualified opinions on the basic financial statements of Illinois State University. In our opinion, the 2008 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2008, taken as a whole.

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

*Clifton Gundersen LLP*

Peoria, Illinois  
February 10, 2010

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

Honorable William G. Holland  
Auditor General  
State of Illinois

and

Ms. Anne Davis  
Chair, Illinois State University Audit Committee

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of Illinois State University and its discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2009, and have issued our report thereon dated February 10, 2010. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. This report does not include the results of other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Illinois State 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 Illinois State University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Illinois State 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 Illinois State University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*Clifton Anderson LLP*

Peoria, Illinois  
February 10, 2010



**Report on Compliance With Requirements Applicable  
to Each Major Program and on Internal Control Over  
Compliance and Schedule of Expenditures of Federal  
Awards in Accordance With OMB Circular A-133**

Honorable William G. Holland  
Auditor General  
State of Illinois

and

Ms. Anne Davis  
Chair, Illinois State University Audit Committee

**Compliance**

We have audited the compliance of Illinois State University with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. Illinois State University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Illinois State University's management. Our responsibility is to express an opinion on Illinois State University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Illinois State University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Illinois State University's compliance with those requirements.

In our opinion, Illinois State University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**Internal Control Over Compliance**

The management of Illinois State 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 Illinois State 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, 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 Illinois State University's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

### **Schedule of Expenditures of Federal Awards**

We have audited the basic financial statements of Illinois State University and its discretely presented component unit, collectively a component unit of the State of Illinois, as of and for the year ended June 30, 2009, and have issued our report thereon dated February 10, 2010. Our report was modified to include a reference to other auditors. Other auditors audited the financial statements of the University's discretely presented component unit, as described in our report on the University's financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Illinois State University's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Clifton Henderson LLP*

Peoria, Illinois  
February 10, 2010

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  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  No

Identification of major programs:

<b><u>Name of Federal Program or Cluster</u></b>	<b><u>CFDA No.</u></b>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grant	84.007
Federal Work-Study Program	84.033
Federal Perkins Loan Program	84.038
Federal Pell Grant Program	84.063
Byrd Honors Scholarships	84.185
Federal Direct Student Loans	84.268
Academic Competitiveness Grants	84.375
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376
Teacher Education Assistance for College & Higher Education Grants	84.379

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

**SUMMARY OF AUDITOR'S RESULTS (CONTINUED)**

<u>Name of Federal Program or Cluster</u>	<u>CFDA No.</u>
Student Financial Aid Cluster (Continued):	
Nursing Student Loan Program	93.364
Nursing Student Loans	93.364
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925
Research and Development Cluster:	
This cluster includes numerous CFDA numbers. Refer to programs noted with (**) on the Schedule of Expenditures of Federal Awards.	
Dollar threshold used to distinguish between type A and type B programs:	\$695,802
Auditee qualified as low-risk auditee?	<u>  X  </u> Yes <u>    </u> No

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

**CURRENT FINDINGS - STATE**

**09-1. Finding: Time Sheets Not Maintained in Compliance With the State Officials and Employees Ethics Act**

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

We noted that University policy 1.1.12 only requires positive time reporting for hourly civil service employees, student workers, and Board of Trustee Members. Faculty, exempt civil service and academic employees were only required to submit benefit usage cards that identified leave time (vacation, sick, etc.) used to the nearest tenth hour, and did not report actual hours worked.

The Act requires the University (through policies adopted by the Illinois Board of Higher Education (IBHE)) to adopt personnel policies consistent with the Act. The Act (5 ILCS 430/5-5(c)) states, "the policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour." The IBHE adopted personnel policies for public universities on February 3, 2004 in accordance with the Act.

According to University officials, the University has purchased a new Human Resource Information System that will address time and labor reporting issues; however, the system has not yet been fully implemented.

By not requiring positive time reporting sheets from all its employees, the University is not in compliance with the Act. (Finding Code Nos. 09-1, 08-1, 07-1, 06-2, 05-04)

**Recommendation**

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

**University Response**

The University is currently implementing a new Human Resource Information System (HRIS) which includes a time and labor reporting component. Implementation of positive time reporting for all employees with the exception of faculty is scheduled for completion by July 1, 2010. Inclusion of positive time reporting for faculty is scheduled as part of the second implementation phase.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

**CURRENT FINDINGS - STATE**

**09-2. Finding: Inadequate Procedures for Disposal of Confidential Information**

The University had not assured adequate University-wide procedures existed for disposal of confidential information. In addition, security controls over computer equipment maintained within the University Warehouse were inadequate.

Although the University had established various policies relating to the security of confidential information, the University failed to establish and implement University-wide procedures for adequately disposing of confidential information.

We found the University:

- Had not performed a risk assessment of its computing environment to identify confidential or personal information to assure such information is protected from unauthorized disclosure. The Personal Information Protection Act (815 ILCS 530) requires that entities identify and protect all nonpublic personal information.
- Had not installed disk encryption software on its laptop computers.
- Had not formally approved procedures regarding the University's responsibilities, as stated in the Personal Information Protection Act, for the prompt investigation and notification in the event of a breach of personal information.

While performing walkthroughs at the University, we noted the following:

- Health Information Management Office - Personal information and personal health information in unsecured recycling bins.
- Health and Environmental Safety - Employees time report within an unsecured waste can.
- Comptrollers Office - Personal information such as University credit card numbers, account information, name, address, and social security numbers in an unsecured bin.
- Payroll Office - Payroll inquiry screen prints in unsecured recycling bins.
- Cross-cut shredders were not always used to shred confidential documents within Health Services as required by the Health Information Portability and Accountability Act.
- Bins having the capability of being locked were not always secured.

In addition, we found weaknesses in the procedures for wiping confidential information from computers and electronic media. During our review, we noted the following:

- We selected a sample of seven computers that had a certification label affixed to determine if the unit had been properly wiped. In one case, the computer had not been properly wiped even though a label was affixed and it was available for reissuance.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

**CURRENT FINDINGS - STATE**

**09-2. Finding: Inadequate Procedures for Disposal of Confidential Information (Continued)**

- Several boxes containing hard-drives, diskettes, and mainframe cartridges that were waiting to be degaussed. While most of this media was maintained within a secured room, one box containing hard-drives was found in an unsecured location.
- Inconsistent use of certification labels to show a computer was wiped made it difficult for staff to determine if computers had been properly wiped. During our visit, we noted staff had to rescan several computers that had been wiped due to the lack of labels.
- The University had not assured adequate physical security controls over computer equipment maintained within the University Warehouse. During a walkthrough of the Warehouse we noted computer equipment, including computers that had not yet been wiped (to remove) confidential information, monitors, removed hard-drives, and computers that had been wiped and available for re-issuance were not adequately secured.

The University had the responsibility to assure confidential information is protected from accidental or unauthorized disclosure.

University personnel stated that, while staff is fully aware of proper disposal procedures, human error led to the instances of improper disposal noted above. While there are processes that collect personal information as defined in Personal Information Protection Act, specifically social security numbers and credit card numbers, a comprehensive risk assessment in conjunction with the items identified as "highly secure" has not been undertaken. In addition, appropriate governance groups have not yet formally approved current draft procedures for response to a breach of personal information. University personnel stated they were aware of the security risks and are planning to establish a caged area for securing computer equipment prior to wiping and restricted access to computer equipment prior to re-issuance. However, funding had not been secured for establishing adequate physical security necessary for securing computers prior to being wiped and available for re-issuance.

Confidential and personal identifiable information collected and maintained by the University should be adequately secured at all times. As such, it is the University's responsibility to ensure adequate procedures for safeguarding all confidential information have been established, effectively communicated to all personnel, and continually enforced. Inherent within this responsibility is the requirement of adequate disposition of all confidential information that is no longer needed. Failure to establish adequate procedures to protect and timely dispose of confidential information and to enforce compliance with established procedures can lead to such information being compromised. (Finding Code No. 09-2)

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

**CURRENT FINDINGS - STATE**

**09-2. Finding: Inadequate Procedures for Disposal of Confidential Information (Continued)**

**Recommendation**

We recommend the University assess its procedures for safeguarding and subsequent disposal of all confidential information. University-wide procedures for properly disposing confidential information should be established. Once established, the Department should effectively communicate the procedures to all University personnel, and enforce compliance with its procedures ensuring all confidential information is kept secured until no longer needed, and then properly disposed.

We also recommend the University:

- Perform a comprehensive risk assessment of its computer environment and data maintained to ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard its computer resources.
- Encrypt personal or confidential data.
- Obtain formal approval of the policies and procedures regarding security breaches.
- Establish adequate physical security over all computer equipment maintained within its Warehouse.

**University Response**

The University concurs with the recommendation to assess its procedures for safeguarding and subsequent disposal of all confidential information and is in the process of securing an area so that only authorized personnel can access the wiping stations and move equipment in and out.

The University will write new procedures that will include the development and production/acquisition of clear, concise labels and accompanying wiping logs.

In concert with the installation of the locked, fenced in area at the Warehouse, the University will also develop a formal set of procedures for delivering, staging, wiping, recording, accounting for, reissuing and disposing of institutionally-owned physical electronic media. A communications plan will be developed and shared with the University community with special emphasis on institutional IT support staff who start the disposal process.

The University concurs with the recommendation to perform a comprehensive risk assessment. Processes involving Social Security numbers are currently performed in accordance with Illinois State University Policy 1.13 - Identity Protection. Processes involving credit cards are currently performed in accordance with Illinois State University Policy 7.5.2 - University Acceptance of Credit Cards. The University intends to conduct a comprehensive risk assessment in conjunction with the items identified as "highly secure" is needed.



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS  
For the Year Ended June 30, 2009**

**CURRENT FINDINGS - STATE**

**09-2. Finding: Inadequate Procedures for Disposal of Confidential Information (Continued)**

**University Response (Continued)**

Encryption has been installed and utilized on systems storing and transmitting ACH information. The University is developing data classification and corresponding security procedures for each level of data classification. The highest level will incorporate encryption technologies.

The Campus Technology Policy & Planning Council, in concert with the office of General Counsel, is working through the final form of the language for Illinois State Policy 9.8 - Policy and Procedures on Information Access and Security and Policy 9.9 - Policy on Identification and Classification of Institutional Data (noted in Response 1 above).

The University concurs with the recommendation to establish adequate physical security and has commenced a project to erect a locked, fenced in an area at the rear of the Warehouse Road complex. This fenced area will house all non-wiped physical electronic media and wiping will occur within this space. Once media have been appropriately wiped, those devices may be disposed of, relocated to spaces outside of the secured fenced area or reissued.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
FINDINGS AND RECOMMENDATIONS  
For the Year Ended June 30, 2009**

**PRIOR FINDINGS NOT REPEATED**

**A. Finding: Inadequate Disaster Contingency Planning**

In the prior review, we noted the University did not have an adequately developed contingency plan for its network infrastructure, network authentication, e-mail and Web services.

During the current review, we found the University had updated its plan and specific recovery procedures, had done testing in July and December of 2008, and is pursuing a remote alternate recovery facility that appears adequately distanced from the University's primary computer operations. (Finding Code Nos. 08-2, 07-3, 06-3)

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

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

Fiscal Schedules and Analysis:

- Schedule of Expenditures of Federal Awards
- Notes to the Schedule of Expenditures of Federal Awards
- Schedule of Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Net Appropriations, Expenditures and Lapsed Balances
- Comparative Schedule of Revenues and Expenses - University Income Fund
- Schedule of Changes in State Property
- Comparative Schedule of Cash and Cash Equivalents
- Comparative Schedule of Investments
- Analysis of Significant Variations in Certain Revenue and Expense Accounts
- Analysis of Significant Variations in Certain Asset and Liability Accounts
- Comparative Schedule of Receivables and Aged Analysis of Receivables

Analysis of Operations:

- Agency Functions and Planning Program
- Employment Statistics (Unaudited)
- Annual Cost Statistics (Unaudited)
- Emergency Purchases
- Bookstore Information (Unaudited)
- Service Efforts and Accomplishments (Unaudited)
- Schedules of Federal Expenditures, Non-federal Expenses, and New Loans
- Summary of Agency Operations by Function of Program Activity -
  - Student Enrollment Statistics (Unaudited)
- Tuition and Fee Waivers (Unaudited)
- Debt Financed by University Related Organization
- Acquisition of Real Estate by University or URO Not Funded by Separate Specific Appropriation

Special Data Requirements for Audits of Universities:

Entity Financial Statements:

Local Funds:

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Net Assets

Service Departments:

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Net Assets

Auxiliary Facilities:

- Statement of Net Assets
- Statement of Revenues, Expenses, and Changes in Net Assets

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES**

**SUMMARY**

Special Data Requirements for Audits of Universities (Continued):  
Calculation Sheet for Indirect Cost Carryforward  
Calculation Sheet for Current Excess Funds:  
    Current Unrestricted Local Funds:  
        Continuing Education and Public Services  
        Sales and Services of Educational Activities  
        Student Programs and Services  
        Field Trips and Foreign Study  
    Service Departments  
    Auxiliary Facilities - Revenue Bonds:  
        Student Housing  
        Student Activities  
        Parking Services  
    Auxiliary Facilities, Activities, and Accounting Entities  
    Summary of Foundation Payments to the University  
    Noninstructional Facilities Reserve  
    Disclosure of Support Which Auxiliary Facilities and Activities Have  
        Received During the Year from State Appropriated Funds  
    Illinois Institute for Entrepreneurship Education Financial Information

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

STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>STUDENT FINANCIAL AID CLUSTER</b>				
<b>U.S. Department of Education</b>				
Federal Supplemental Educational Opportunity Grant	84.007		\$ 534,416	\$ -
Federal Work-Study Program	84.033		840,184	-
Federal Perkins Loan Program - Federal Capital Contributions	84.038		10,415,532	-
Federal Pell Grant Program	84.063		10,047,851	-
Byrd Honors Scholarships	84.185		10,500	-
Federal Direct Student Loans	84.268		87,480,450	-
Academic Competitiveness Grants	84.375		311,834	-
National Science & Mathematics Access to Retain Talent (Smart) Grants	84.376		302,631	-
Teacher Education Assistance for College & Higher Education Grants	84.379		10,500	-
<b>U.S. Department of Health and Human Services</b>				
Nursing Student Loan Program	93.364		357,066	-
Nursing Student Loans	93.364		3,651	-
Total 93.364			360,717	-
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925		13,038	-
Total Student Financial Aid			110,327,653	-
<b>ARRA FUNDING</b>				
<b>U.S. Department of Education</b>				
** State Fiscal Stabilization Fund - Ed State Grants Recovery Act (Passed through ISBE)	84.394	4850	1,315,788	-
<b>U.S. Department of Health and Human Services</b>				
** Trans - NIH Recovery Act Research Support	93.701		9,208	-
Total ARRA			1,324,996	-
<b>OTHER PROGRAMS</b>				
<b>U.S. Department of Agriculture</b>				
Ecological Land Classification	10.000	SIUC 08-12	8,091	-
** Grants for Agricultural Research Competitive Research Grants	10.206		240,508	-
** Integrated Programs (Passed through Southern Illinois University)	10.303	SIUC 08-13	20,409	-
National School Lunch Program (Passed through Illinois State Board of Education)	10.555	4400	19,009	-
Child and Adult Care Food Program (Passed through Illinois State Board of Education)	10.558	4400	4,428	-
Environmental Quality Incentives Program	10.912		24,322	38,475
** Environmental Quality Incentives Program (Passed through The Nature Conservancy)	10.912	C05-46	38,283	-
Total 10.912			62,605	38,475
Total U.S. Department of Agriculture			355,050	38,475

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>OTHER PROGRAMS (CONTINUED)</b>				
<b>U.S. Department of Commerce</b>				
Manufacturing Extension Partnership (Passed through Illinois Manufacturing Extension Center)	11.611	IMEC	\$ 232,346	\$ -
Total U.S. Department of Commerce			<u>232,346</u>	<u>-</u>
<b>U.S. Department of Defense</b>				
** Mathematical Sciences Grants Program	12.901		8,036	-
Total U.S. Department of Defense			<u>8,036</u>	<u>-</u>
<b>U.S. Department of the Interior</b>				
** National Cooperative Geologic Mapping Program	15.810		22,992	-
Total for U.S. Department of the Interior			<u>22,992</u>	<u>-</u>
<b>U.S. Department of Justice</b>				
** Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants Program (Passed through Illinois Criminal Justice Information Authority)	16.580	R. Weisheit	28,018	-
Total U.S. Department of Justice			<u>28,018</u>	<u>-</u>
<b>U.S. Department of Labor</b>				
WIA Dislocated Workers (Passed through Career Link)	17.260	M. Moody	16,320	-
WIA Pilots, Demonstrations, and Research Projects	17.261		26,338	-
** Incentive Grants - WIA Section 503 (Passed through Illinois Community College Board)	17.267	WIA09004	12,572	6,000
Occupational Safety & Health - Susan Harwood Training Grants (Passed through Illinois Manufacturing Extension Center)	17.502	IMEC	8,964	-
Total for U.S. Department of Labor			<u>64,194</u>	<u>6,000</u>
<b>National Endowment for the Humanities</b>				
Promotion of the Humanities - Public Programs	45.164		1,691	-
Total National Endowment for the Humanities			<u>1,691</u>	<u>-</u>
<b>Institute of Museum &amp; Library Services</b>				
Grants to States (Passed through Illinois State Library)	45.310	LSTA 08-5251, 09-5033, 09-6257	128,225	-
Total Institute of Museum & Library Services			<u>128,225</u>	<u>-</u>
<b>National Science Foundation</b>				
** Mathematical and Physical Sciences	47.049		648,637	-
Mathematical and Physical Sciences	47.049		362,926	-
Mathematical and Physical Sciences (Passed through American Physical Society)	47.049	J. Ansher	(322)	-
** Mathematical and Physical Sciences (Passed through Harold Washington College)	47.049	CHE-0629174	107,553	-
Total 47.049			<u>1,118,794</u>	<u>-</u>
** Computer & Information Science & Engineering	47.070		57,820	-
Computer & Information Science & Engineering (Passed through Marist College)	47.070	NSF CNS-0829558	6,208	-
Total 47.070			<u>64,028</u>	<u>-</u>
** Biological Sciences	47.074		576,847	31,692
Education and Human Resources	47.076		318,109	-
** Education and Human Resources	47.076		373,194	143,550

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>OTHER PROGRAMS (CONTINUED)</b>				
<b>National Science Foundation (Continued)</b>				
** Education and Human Resources (Passed through Chicago State University)	47.076	HRD-0413000,53327	\$ 26,661	\$ -
Education and Human Resources (Passed through University of Missouri)	47.076	CG004954	5,450	-
** Education and Human Resources (Passed through Utah State University)	47.076	041447001	51,449	814
Total 47.076			<u>774,863</u>	<u>144,364</u>
Total National Science Foundation			<u>2,534,532</u>	<u>176,056</u>
<b>U.S. Small Business Administration</b>				
Small Business Development Center	59.000		33,274	-
Small Business Development Center (Passed through Illinois Department of Commerce and Economic Opportunity)	59.037	08-561106,09-181106	82,389	-
Total U.S. Small Business Administration			<u>115,663</u>	<u>-</u>
<b>Environmental Protection Agency</b>				
State Indoor Radon Grants (Passed through Illinois Emergency Management Agency)	66.032	08/09 ISUMCLEAN	56,434	-
Brownfields Training, Research, and Technical Assistance Grants and Cooperative Agreements (Passed through Kansas State University)	66.814	S09042	5,144	-
Total for Environmental Protection Agency			<u>61,578</u>	<u>-</u>
<b>U.S. Department of Energy</b>				
** Office of Science Financial Assistance Program (Passed through University of Wisconsin-Madison)	81.049	384H974	116,119	-
** Renewable Energy Research & Development	81.087		71,578	-
** Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis/ Assistance	81.117		317,066	-
Total U.S. Department of Energy			<u>504,763</u>	<u>-</u>
<b>U.S. Department of Education</b>				
Adult Education - Basic Grants to States (Passed through Illinois Community College Board)	84.002	AEL08004, AEL09004	235,320	46,000
Special Education - Grants to States (Passed through Illinois State Board of Education)	84.027	ATTAP	179,847	-
TRIO - Student Support Services	84.042		264,837	-
Career and Technical Education - Basic Grants to States (Passed through Illinois Community College Board)	84.048	CTEL08001, 09001	289,089	49,500
Career and Technical Education - Basic Grants to States (Passed through Illinois State Board of Education)	84.048	4720-00, 4720-01	249,691	30,166
Total 84.048			<u>538,780</u>	<u>79,666</u>
Rehabilitation Services - Vocational Rehabilitation Grants to States (Passed through Illinois Dept of Human Services)	84.126	4494	203,161	-
Business & International Education Projects	84.153		87,147	-
** Safe and Drug-Free Schools and Communities - State Grants (Passed through Illinois State Board of Education)	84.186	4400-00 4932-00	1,587	-
Bilingual Education Professional Development	84.195		369,370	-
Even Start - State Educational Agencies (Passed through OER Associates)	84.213	OER	17,000	-

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009**

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>OTHER PROGRAMS (CONTINUED)</b>				
<b>U.S. Department of Education (Continued)</b>				
Fund for the Improvement of Education (Passed through DuPage ROE)	84.215	ISU	\$ 10,820	\$ -
** Research in Special Education	84.324		31,670	-
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	84.325		164,976	-
Teacher Quality Partnership Grants	84.336		515,348	42,634
** Mathematics & Science Partnerships (Passed through Illinois State Board of Education)	84.366	4936-71/72/70/80	366,895	-
Mathematics & Science Partnerships (Passed through Illinois State Board of Education)	84.366	4936-72/70/80	338,596	-
Total 84.366			<u>705,491</u>	<u>-</u>
Improving Teacher Quality State Grants (Passed through Illinois Board of Higher Education)	84.367	07NCLB3/FY09NCLB	73,308	-
** Improving Teacher Quality State Grants (Passed through Illinois Board of Higher Education)	84.367	SWEAT	7,251	-
Improving Teacher Quality State Grants (Passed through Illinois State Board of Education)	84.367	4932	595,169	-
** Improving Teacher Quality State Grants (Passed through Illinois State Board of Education)	84.367	4932-00	11,864	-
Improving Teacher Quality State Grants (Passed through Peoria Public Schools District 150)	84.367	PPS-ISU	257,226	-
Total 84.367			<u>944,818</u>	<u>-</u>
National Writing Project (Passed through National Writing Project)	84.928	92-IL03	42,251	-
Total U.S. Department of Education			<u>4,312,423</u>	<u>168,300</u>
<b>U.S. Department of Health and Human Services</b>				
** Research Related to Deafness and Communication Disorders	93.173		15,414	-
Advanced Education Nursing Grant Program	93.247		100,588	4,689
** Drug Abuse and Addiction Research Programs	93.279		48,328	-
** Drug Abuse and Addiction Research Programs (Passed through Case Western Reserve University)	93.279	RES503540	33,647	-
** Drug Abuse and Addiction Research Programs (Passed through University of Utah)	93.279	PO 0000137622	29,121	-
Total 93.279			<u>111,096</u>	<u>-</u>
Advanced Education Nursing Traineeships	93.358		17,992	-
** Nursing Research (Passed through University of Iowa)	93.361	P. Lindsey	6,145	-
National Center for Research Resources	93.389		238,217	23,040
** Cancer Cause & Prevention Research	93.393		41,655	-
Child Care Mandatory and Matching Funds of the Child Care and Development Fund (Passed through Illinois Dept of Human Services)	93.596	4401	8,107	-
** Developmental Disabilities Basic Support and Advocacy Grants (Passed through Illinois Council on Developmental Disabilities)	93.630	1058	44,918	-



STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- Through to Subrecipients</u>
<b>OTHER PROGRAMS (CONTINUED)</b>				
<b>U.S. Department of Health and Human Services (Continued)</b>				
** Adoption Opportunities (Passed through Children's Home & Aid Society of Illinois)	93.652	ISU	\$ 22,167	\$ -
** Adoption Opportunities (Passed through Adoptions Unlimited)	93.652	Year 3, Year 4	<u>63,954</u>	<u>-</u>
Total 93.652			<u>86,121</u>	<u>-</u>
** Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		83,108	-
** Allergy, Immunology, and Transplantation Research	93.855		171,046	-
** Microbiology and Infectious Diseases Research (Passed through University of Florida)	93.856	UF-IFAS-04022551	172,806	-
** Biomedical Research and Research Training	93.859		148,953	-
** Biomedical Research and Research Training	93.859		5,918	-
** Biomedical Research and Research Training (Passed through New Mexico State University)	93.859	B. Wilkinson	<u>10,000</u>	<u>-</u>
Total 93.859			<u>164,871</u>	<u>-</u>
** Child Health and Human Development Extramural Research	93.865		27,567	-
** Aging Research	93.866		<u>8,604</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>1,298,255</u>	<u>27,729</u>
<b>Corporation for National and Community Service</b>				
Americorps	94.006		34,745	-
Americorps (Passed through Jumpstart)	94.006	750200	70,845	-
Americorps (Passed through Western Illinois University)	94.006	5-18271	<u>20,456</u>	<u>-</u>
Total Corporation for National and Community Service			<u>126,046</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 121,446,461</u>	<u>\$ 416,560</u>

\*\* - Research and Development Cluster

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2009**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2009, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements due to specific reporting requirements prescribed by OMB Circular A-133.

**NOTE 2 - LOANS OUTSTANDING**

The University had the following loan balances outstanding at June 30, 2009. These loan balances outstanding are also included in the federal expenditures presented in this schedule.

	<b>Outstanding Balance at June 30, 2009</b>
Nursing Student Loans	\$ 357,066
Perkins Loan Program	<u>10,415,532</u>
<b>Total loans outstanding</b>	<b><u>\$ 10,772,598</u></b>

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

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

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

Direct Student Loans Program	\$ 70,080,764
Direct Parent Loan for Undergraduate Students Program (PLUS)	<u>17,399,686</u>
<b>Total</b>	<b><u>\$ 87,480,450</u></b>

There were no administrative costs charged to the loan program.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2009**

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

During the audit period, the University received \$9,671 of food commodities provided by the United States Department of Agriculture, and distributed through the Food Distribution Program that is administered by the Illinois State Board of Education.

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

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES  
For the Fourteen Months Ended August 31, 2009**

	<b>Appropriations (Net After Transfers)</b>	<b>Voucher Expenditures, Twelve Months Ended June 30, 2009</b>	<b>Lapse Period Expenditures, Two Months Ended August 31, 2009</b>	<b>Total Expenditures, Fourteen Months Ended August 31, 2009</b>	<b>Balances Lapsed, August 31, 2009</b>
<b>GENERAL REVENUE FUND - 001 (P.A. 95-0734)</b>					
Personal services	\$ 76,496,430	\$ 76,113,687	\$ 5,068	\$ 76,118,755	\$ 377,675
Group insurance	3,078,300	3,078,300	-	3,078,300	-
Contractual services	2,721,700	1,571,965	-	1,571,965	1,149,735
Commodities	300,000	-	-	-	300,000
Equipment	2,000,000	2,000,000	-	2,000,000	-
Telecommunications	200,000	200,000	-	200,000	-
Teacher training	300,000	-	-	-	300,000
Total	<u>85,096,430</u>	<u>82,963,952</u>	<u>5,068</u>	<u>82,969,020</u>	<u>2,127,410</u>
<b>STATE COLLEGE AND UNIVERSITY TRUST FUND - 417 (P.A. 95-0734)</b>					
Awards and grants	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>	<u>-</u>
Total	<u>22,000</u>	<u>22,000</u>	<u>-</u>	<u>22,000</u>	<u>-</u>
<b>GRAND TOTAL - ALL FUNDS</b>	<u>\$ 85,118,430</u>	<u>\$ 82,985,952</u>	<u>\$ 5,068</u>	<u>\$ 82,991,020</u>	<u>\$ 2,127,410</u>

Note 1: Data is taken from University records and has been reconciled to the records of the State Comptroller.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,  
AND LAPSED BALANCES  
For the Years Ended June 30, 2009 and 2008**

	<u>Fiscal Year</u>	
	<u>2009</u>	<u>2008</u>
	<u>95-0734</u>	<u>95-0348</u>
<b>GENERAL REVENUE FUND - 001</b>		
Appropriations (net of transfers)	\$ 85,096,430	\$ 82,986,800
Expenditures:		
Personal services	76,118,755	74,186,800
Group insurance	3,078,300	3,078,300
Contractual services	1,571,965	2,721,700
Commodities	-	300,000
Equipment	2,000,000	2,000,000
Telecommunications	200,000	200,000
Permanent improvements	-	500,000
	<u>82,969,020</u>	<u>82,986,800</u>
Total expenditures		
	<u>82,969,020</u>	<u>82,986,800</u>
Lapsed balances	\$ 2,127,410 *	\$ -
	<u>2,127,410</u>	<u>-</u>
<b>STATE COLLEGE AND UNIVERSITY TRUST FUND - 417</b>		
Appropriations (net of transfers)	\$ 22,000	\$ 70,000
Expenditures:		
Awards and grants	22,000	70,000
	<u>22,000</u>	<u>70,000</u>
Total expenditures		
	<u>22,000</u>	<u>70,000</u>
Lapsed balances	\$ -	\$ -
	<u>-</u>	<u>-</u>
<b>GRAND TOTAL, ALL FUNDS</b>		
Appropriations (net of transfers)	\$ 85,118,430	\$ 83,056,800
Expenditures	<u>82,991,020</u>	<u>83,056,800</u>
Lapsed balances	\$ 2,127,410 *	\$ -
	<u>2,127,410</u>	<u>-</u>

\* This amount was a reserve requested by the Governor's Office of Management and Budget and the Illinois Board of Higher Education as a result of the State's financial situation.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES  
UNIVERSITY INCOME FUND  
Years Ended June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
<b>REVENUES</b>		
Registration fees	\$ 108,739,100	\$ 96,287,071
Registration - extension	1,288,415	777,431
Enrollment deposit fee forfeitures	11,593	24,100
Tuition and fees waived	3,919,558	3,668,300
Library fines	27,895	37,103
Investment income	907,661	1,285,229
Net increase in fair market value of investments	50,901	57,322
Payments on behalf of University	1,222,149	1,107,030
Gifts and donations	-	498,831
Other	1,529,697	305,780
	<u>\$ 117,696,969</u>	<u>\$ 104,048,197</u>
 <b>EXPENSES</b>		
Personal services	\$ 60,573,233	\$ 54,598,913
SURS retirement	35,338	25,066
Medicare	1,798,384	1,658,778
Contractual services	23,826,637	16,121,108
Travel	1,456,149	1,379,039
Commodities	2,765,829	2,224,721
Equipment and library books	8,648,607	6,197,304
Telecommunications services	1,219,545	1,262,311
Operation of automotive equipment	536,412	409,855
Tuition and fees waived	3,919,558	3,668,300
Awards, grants, and matching funds	5,846,457	4,588,755
Permanent improvements	4,190,245	2,976,221
	<u>114,816,394</u>	<u>95,110,371</u>
Subtotal		
GASB #35 adjustments:		
Depreciation	10,381,349	9,532,265
Equipment additions/disposals	(9,594,321)	(6,579,061)
Capital lease interest	3,962	9,519
	<u>\$ 115,607,384</u>	<u>\$ 98,073,094</u>

Note 1: Pursuant to Public Act No. 90-10, responsibility and control of the Illinois State University Income Fund was transferred directly to the University. It is now a non-appropriated, local fund maintained by the University.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF CHANGES IN STATE PROPERTY  
For the Year Ended June 30, 2009**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Land	\$ 14,158,006	\$ -	\$ -	\$ 14,158,006
Land improvements	23,259,204	3,260,421	-	26,519,625
Infrastructure	12,682,559	-	-	12,682,559
Buildings	368,843,789	12,584,009	-	381,427,798
Equipment	65,378,926	5,918,745	1,539,128	69,758,543
Library materials	67,247,586	3,376,425	-	70,624,011
Construction in progress	<u>42,135,736</u>	<u>51,743,660</u>	<u>12,632,083</u>	<u>81,247,313</u>
Subtotal	<u>593,705,806</u>	<u>\$ 76,883,260</u>	<u>\$ 14,171,211</u>	<u>656,417,855</u>
Less accumulated depreciation for:				
Land improvements	8,117,922	733,634	-	8,851,556
Infrastructure	5,447,986	311,789	-	5,759,775
Buildings	170,776,707	7,574,796	-	178,351,503
Equipment	50,584,344	4,908,822	1,415,602	54,077,564
Library materials	<u>51,404,285</u>	<u>3,190,590</u>	<u>-</u>	<u>54,594,875</u>
Total accumulated depreciation	<u>286,331,244</u>	<u>\$ 16,719,631</u>	<u>\$ 1,415,602</u>	<u>301,635,273</u>
 <b>CAPITAL ASSETS, NET</b>	 <u>\$ 307,374,562</u>			 <u>\$ 354,782,582</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF CASH AND CASH EQUIVALENTS  
June 30, 2009 and 2008**

Significant details of cash and cash equivalents as of June 30, 2009 and 2008 are presented below for all funds of the University:

	<u>2009</u>		<u>2008</u>	
	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Interest Rate</u>
<b>CASH ON HAND - VAULT AND CHANGE FUNDS</b>	\$ 196,800	Non-interest bearing	\$ 220,742	Non-interest bearing
<b>BANK MONEY MARKET FUNDS</b>				
National City Bank	2,434,413	.010%	6,197,011	.990%
Commerce Bank	3,964,775	N/A	-	
Illinois Funds @ U.S. Bank	2,756,023	.053%	23,768,626	2.010%
Bank of New York	23,451,575	.140% to .290%	43,378,672	1.570% to 2.180%
U.S. Bank	<u>15,209,531</u>	0%	<u>21,567,443</u>	1.090%
Total bank money market funds	<u>47,816,317</u>		<u>94,911,752</u>	
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 48,013,117</u>		<u>\$ 95,132,494</u>	

Cash and cash equivalent balances are presented in the balance sheets at June 30, 2009 and 2008 as follows:

Current:		
Cash and cash equivalents	\$ 9,355,388	\$ 30,235,722
Restricted cash and cash equivalents	<u>38,657,729</u>	<u>64,896,772</u>
<b>TOTAL CASH AND CASH EQUIVALENT BALANCES</b>	<u>\$ 48,013,117</u>	<u>\$ 95,132,494</u>



STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF INVESTMENTS  
June 30, 2009 and 2008

	2009		2008	
	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Interest Rate</u>
U.S. Treasury and agency obligations:				
Agency notes	<u>\$ 93,391,050</u>	2.125 - 5.375%	<u>\$ 103,656,162</u>	2.375 - 5.375%
<b>TOTAL INVESTMENTS</b>	<u><u>\$ 93,391,050</u></u>		<u><u>\$ 103,656,162</u></u>	

Investments are presented in the balance sheets at June 30, 2009 and 2008 as follows:

Current:			
Investments	\$ 24,938,609		\$ 12,046,368
Noncurrent:			
Investments	<u>68,452,441</u>		<u>91,609,794</u>
<b>TOTAL INVESTMENTS</b>	<u><u>\$ 93,391,050</u></u>		<u><u>\$ 103,656,162</u></u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN CERTAIN REVENUE AND EXPENSE ACCOUNTS  
For the Year Ended June 30, 2009**

Amounts shown below are for general analytical purposes. Significant items impacting the University's financial position and operations are also discussed in the Management's Discussion and Analysis section of the financial statements.

	<u>Fiscal Year</u>		<u>Increase (Decrease)</u>	<u>% of Change</u>	<u>Notes</u>
	<u>2009</u>	<u>2008</u>			
<b>OPERATING REVENUES</b>					
Student tuition and fees, net	\$ 137,167,496	\$ 122,216,375	\$ 14,951,121	12.23%	1
<b>OPERATING EXPENSES</b>					
Institutional support	28,555,692	25,096,887	3,458,805	13.78%	2
Student aid	23,817,198	21,189,266	2,627,932	12.40%	3
Payments on behalf of the University	59,580,738	53,493,304	6,087,434	11.38%	4
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Payments on behalf of the University	59,580,738	53,493,304	6,087,434	11.38%	5
Laboratory schools	7,637,498	8,865,222	(1,227,724)	-13.85%	6
Investment income	7,207,850	6,509,333	698,517	10.73%	7
Capital appropriations	5,769,786	10,178,571	(4,408,785)	-43.31%	8
Capital grants and gifts	996,695	298,909	697,786	233.44%	9

**Notes**

- 1 Student tuition and fees increased by \$14,951,121. This increase was largely a result of the University's 9.14% increase in tuition and fees for FY 2009.
- 2 Institutional support expenses increased by \$3,458,805. This increase can be mainly attributed to an increase in personal service expenses of \$1,663,018 and an increase in contractual expenses of \$1,219,282.
- 3 Student aid increased as a result of an increase of \$1,509,498 in funding from the University's Income Fund and an increase in funding of \$1,059,458 from Pell Grants.
- 4/5 Payments on behalf of the University increased by \$ 6,087,434. The state's payments for SURS benefits and insurance benefits increased by \$4,879,462 and \$1,207,972 respectively.
- 6 Laboratory school revenue decreased by \$1,227,724. Beginning mid April, the State of Illinois used ARRA funding in the amount of \$1,315,788 to replace regular State Funding.
- 7 Investment revenue increased by \$698,517. Although interest income actually decreased by \$1,811,034 for this fiscal year, the increase in fair market value of the investments at June 30 provided an increase in investment income of \$2,509,551.
- 8 Capital appropriations decreased by \$4,408,785. The following projects started prior to 2009 had decreases in funding of \$1,434,031, \$2,207,200, and \$653,349, respectively: the Southeast Chilled Water Zone, Life/Safety Improvements, and Abatement in Stevenson and Turner buildings.
- 9 Capital grants and gifts increased by \$697,786. In 2009 the following grants were received by the University: Biology - \$220,600 for a nuclear magnetic resonance system; Agriculture - \$232,400 for wind energy; and the University Laboratory Schools received \$288,780 in state funding for remodeling.

**STATE OF ILLINOIS**  
**ILLINOIS STATE UNIVERSITY**  
**ANALYSIS OF SIGNIFICANT VARIATIONS IN CERTAIN ASSET AND LIABILITY ACCOUNTS**  
**June 30, 2009**

Amounts shown below are for general analytical purposes. Significant items impacting the University's financial position and operations are also discussed in the Management's Discussion and Analysis section of the financial statements.

	<u>Fiscal Year</u>		<u>Increase (Decrease)</u>	<u>% of Change</u>	<u>Notes</u>
	<u>2009</u>	<u>2008</u>			
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 9,355,388	\$ 30,235,722	\$ (20,880,334)	-69.06%	1
Restricted cash and cash equivalents	38,657,729	64,896,772	(26,239,043)	-40.43%	2
Investments	24,938,609	12,046,368	12,892,241	107.02%	3
Accounts receivable	11,926,538	9,919,440	2,007,098	20.23%	4
Appropriations receivable from State	33,150,388	374,114	32,776,274	8761.04%	5
Inventories	3,332,871	2,745,888	586,983	21.38%	6
Prepaid expenses, deposits and other	2,977,412	2,528,505	448,907	17.75%	7
Noncurrent assets:					
Investments	68,452,411	91,609,794	(23,157,383)	-25.28%	8
Capital assets, net	354,782,582	307,374,562	47,408,020	15.42%	9
Other noncurrent assets	2,400,000	-	2,400,000	100.00%	10
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	18,662,417	16,609,551	2,052,866	12.36%	11
Deferred revenue	6,489,343	7,380,579	(891,236)	-12.08%	12
Certificates of participation	820,298	-	820,298	100.00%	13

**Notes**

- 1 Cash and cash equivalents decreased by \$20,880,334. This resulted from the delay of reimbursements from the state.
- 2 Restricted cash and cash equivalents decreased by \$26,239,043. This was a result of payments for major construction and rehabilitation projects on campus.
- 3 Investments increased by \$12,892,241 as a result of the change in the mix of investments held by the University during 2009.
- 4 Accounts receivable increased by \$2,007,098 as a result of the increase in the tuition and fee rates.
- 5 Appropriations receivable from the state. This is a reflection of the lagging repayments from the state.
- 6 Inventories increased primarily as a result of increased natural gas inventory.
- 7 Increase is the result of \$300,000 current portion of prepaid rent under contract with the Foundation.
- 8 Long-term investments decreased by \$23,157,383. One of the contributing factors is the change in the investment mix between short-term and long-term investments. The other cause is the lateness of the state's appropriation payments.
- 9 Net capital assets increased by \$47,408,020. This increase is a result of the various construction and rehabilitation projects on the campus which included rehabilitation of the East Campus Residence Halls, construction of a parking deck, a new chiller, and the Student Fitness and Kinesiology Recreation (SFKR) Building.
- 10 Increase is the result of \$2,400,000 noncurrent portion of prepaid rent under contract with the Foundation.
- 11 Accounts payable and accrued liabilities increased by \$2,052,866. This is a result of the retainage on construction and rehabilitation projects on campus including the chiller plant, the rehabilitation of East Campus Residence Halls, the parking deck and the SFKR Building.
- 12 Deferred revenue decreased by \$891,236. This is a result of grants and contracts.
- 13 Certificates of participation increased by \$820,298 for the current portion as a result of a reclassification of the first payment on the COPS due April 1, 2010.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF RECEIVABLES AND  
AGED ANALYSIS OF RECEIVABLES  
June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>	<u>Increase (Decrease)</u>
<b>ACCOUNTS RECEIVABLE</b>			
Current funds:			
Local funds (less allowance for doubtful accounts of \$1,440,006 and \$1,320,064 at June 30, 2009 and 2008, respectively)	\$ 6,726,366	\$ 5,958,558	\$ 767,808
Auxiliary facilities system (less allowance for doubtful accounts of \$871,299 and \$840,719 at June 30, 2009 and 2008, respectively)	1,403,448	1,588,234	(184,786)
Restricted funds	2,484,919	1,480,207	1,004,712
Payroll and clearing accounts	<u>186,723</u>	<u>233,740</u>	<u>(47,017)</u>
Total current funds	10,801,456	9,260,739	1,540,717
Agency funds	1,109,430	640,363	469,067
Loan funds	<u>15,652</u>	<u>18,338</u>	<u>(2,686)</u>
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<u>\$ 11,926,538</u>	<u>\$ 9,919,440</u>	<u>\$ 2,007,098</u>

**NOTES RECEIVABLE**

Loan funds:

Student loans receivable (less allowance for doubtful loans of \$912,784 and \$937,784 at June 30, 2009 and 2008, respectively)

<u>\$ 9,946,575</u>	<u>\$ 10,141,624</u>	<u>\$ (195,049)</u>
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**AGED ANALYSIS OF ACCOUNTS RECEIVABLE AND  
UNCOLLECTIBLE ACCOUNTS**

The University did not have an aged analysis of accounts receivable; however, accounts receivable other than tuition, room and board, and fees receivable are generally less than 180 days old and considered to be collectible. An allowance for doubtful accounts of \$1,209,200 and \$1,104,111 at June 30, 2009 and 2008, respectively, has been established for tuition receivable deemed uncollectible. An allowance for doubtful accounts of \$614,968 and \$586,730 at June 30, 2009 and 2008, respectively, has been established for room and board receivable deemed uncollectible. An additional allowance for doubtful accounts of \$487,137 and \$469,942 at June 30, 2009 and 2008, respectively, has been established for fees receivable deemed uncollectible.

Notes receivable are presented in the balance sheets at June 30, 2009 and 2008 as follows:

	<u>2009</u>	<u>2008</u>
Current	\$ 902,641	\$ 995,951
Noncurrent	<u>9,043,934</u>	<u>9,145,673</u>
	<u>\$ 9,946,575</u>	<u>\$ 10,141,624</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF OPERATIONS  
AGENCY FUNCTIONS AND PLANNING PROGRAM  
June 30, 2009**

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

The basic purpose and function of academic programming at Illinois State University is stated in the *Mission Statements* portion of the University's *Academic Plan*, which is updated and submitted annually to the Illinois Board of Higher Education. The *Mission Statements* include: (1) the *Illinois State University Board of Trustees Vision Statement for the Year 2014*, (2) *University Mission Statement*, and (3) *College Mission Statements*.

The *Academic Plan* submitted during our audit period is for fiscal years 2009-2014 and can be found at [http://www.provost.ilstu.edu/downloads/academic\\_plan/AcademicPlan2009-2014.pdf](http://www.provost.ilstu.edu/downloads/academic_plan/AcademicPlan2009-2014.pdf). It includes: (1) an identification of institutional priorities; (2) the University's strategic plan, *Educating Illinois 2008-2014 Priorities for Illinois' First Public University*; and (3) specific curricular initiatives set forth by those responsible for academic planning within the University.

The *Academic Plan* also includes academic unit (college) objectives for fiscal year 2010 and program reviews for the departments in the University being reviewed in the most recent review cycle. Program reviews contain recommendations for enhancing the programs being examined as well as plans for monitoring progress toward the fulfillment of these recommendations. During fiscal year 2009, program reviews were completed on the following programs: B.S., M.S. in Chemistry, B.S. in Geology, M.S. in Hydrogeology, B.S. in Physics, B.A., B.S., M.A., M.S. in Arts, Bachelor of Fine Arts and Master of Fine Arts in Art.

Compilation of the University's *Academic Plan* is coordinated through the Office of the Associate Provost, whose functions also ensure cohesion between the *Academic Plan* and the University's strategic plan: *Educating Illinois: 2008-2014 Priorities for Illinois' First Public University*.

- *Educating Illinois* is the University's multi-year strategic plan. It has articulated five core values (individualized attention, public opportunity, active pursuit of learning and scholarship, diversity, and civic engagement) that support 5 goals and 27 corresponding action items addressed by the campus community. University progress is summarized on the accomplishments section of the *Educating Illinois Website*, [www.illinoisstate.edu/educatingillinois](http://www.illinoisstate.edu/educatingillinois).

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

- *Resource Allocation and Management Program (RAMP) for Operations and Grants Resource Requirements* is a five-year plan that includes a comparison to the preceding two fiscal years. Among the data included are a summary of operations costs by function and source of funds, summary of staff requirements and earnings, projected enrollments, and tuition and fees. Detailed information by various departments and programs is included.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF OPERATIONS  
AGENCY FUNCTIONS AND PLANNING PROGRAM  
June 30, 2009**

- *Resource Allocation and Management Program (RAMP) Capital Requirements Plan* is also a five-year planning program that includes a summary of capital requirements by budget category. These requirements are detailed as to building or components of buildings as well as other capital projects planned for the University.
- *The Master Plan: Achieving Distinctiveness and Excellence in Form, Function and Design at Illinois State University 2000-2020* defines the future physical development of facilities, grounds, technology, and infrastructure. This plan is the basis for those recommendations in *Resource Allocation and Management Program (RAMP) Capital Requirements Plan*.
- Additionally, the Facilities Condition Assessment provides quantitative information on the condition of physical structures and current and projected maintenance needs. Results from this are used to inform the Master Plan and Capital RAMP.

Location of Agency: Normal, Illinois  
Agency Head: Dr. C. Alvin Bowman, President

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
EMPLOYMENT STATISTICS (FULL-TIME EQUIVALENT)  
Years Ended June 30, 2009 and 2008**

(Unaudited)\*

	<u>Instructional Activities</u>	<u>Organized Research</u>	<u>Public Service</u>
<b>YEAR ENDED JUNE 30, 2009</b>			
Appropriated funds:			
Faculty/administrative	1,177.90	21.10	42.70
Civil service	214.90	6.10	9.20
Student employees	85.00	0.20	0.60
Miscellaneous contracts	<u>14.70</u>	<u>23.20</u>	<u>0.20</u>
	<u>1,492.50</u>	<u>50.60</u>	<u>52.70</u>
Non-appropriated funds:			
Faculty/administrative	49.30	131.80	57.70
Civil service	19.80	37.00	19.40
Student employees	<u>26.30</u>	<u>16.30</u>	<u>8.90</u>
	<u>95.40</u>	<u>185.10</u>	<u>86.00</u>
<b>TOTAL ALL FUNDS</b>	<u><u>1,587.90</u></u>	<u><u>235.70</u></u>	<u><u>138.70</u></u>
<b>YEAR ENDED JUNE 30, 2008</b>			
Appropriated funds:			
Faculty/administrative	1,133.40	31.50	37.40
Civil service	211.90	5.30	9.10
Student employees	85.00	1.20	0.30
Miscellaneous contracts	<u>14.00</u>	<u>21.20</u>	<u>0.20</u>
	<u>1,444.30</u>	<u>59.20</u>	<u>47.00</u>
Non-appropriated funds:			
Faculty/administrative	62.40	137.70	59.90
Civil service	19.90	34.70	19.60
Student employees	<u>25.00</u>	<u>16.30</u>	<u>8.30</u>
	<u>107.30</u>	<u>188.70</u>	<u>87.80</u>
<b>TOTAL ALL FUNDS</b>	<u><u>1,551.60</u></u>	<u><u>247.90</u></u>	<u><u>134.80</u></u>

\* Provided by the Office of Budget and Planning.

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

One full-time employee employed 12 months of the fiscal year counts as one staff year.

<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>	<u>Operation and Maintenance Physical Plant</u>	<u>Independent Operations</u>	<u>Total All Functions</u>
43.30	58.00	61.70	7.40	-	1,412.10
80.60	23.50	175.60	183.10	-	693.00
16.60	6.00	24.90	4.90	-	138.20
1.40	2.20	6.10	33.30	-	81.10
<u>141.90</u>	<u>89.70</u>	<u>268.30</u>	<u>228.70</u>	<u>-</u>	<u>2,324.40</u>
2.60	132.20	8.00	2.60	39.70	423.90
1.00	75.00	27.00	192.50	218.30	590.00
2.50	63.40	1.90	14.90	223.40	357.60
<u>6.10</u>	<u>270.60</u>	<u>36.90</u>	<u>210.00</u>	<u>481.40</u>	<u>1,371.50</u>
<u>148.00</u>	<u>360.30</u>	<u>305.20</u>	<u>438.70</u>	<u>481.40</u>	<u>3,695.90</u>
42.80	59.40	63.00	7.60	-	1,375.10
80.50	23.30	163.10	178.70	-	671.90
14.90	8.60	22.10	5.00	-	137.10
1.30	2.10	5.70	31.50	-	76.00
<u>139.50</u>	<u>93.40</u>	<u>253.90</u>	<u>222.80</u>	<u>-</u>	<u>2,260.10</u>
2.50	125.70	7.00	3.40	42.80	441.40
1.00	67.30	28.50	195.30	220.90	587.20
2.20	55.20	2.10	14.50	232.80	356.40
<u>5.70</u>	<u>248.20</u>	<u>37.60</u>	<u>213.20</u>	<u>496.50</u>	<u>1,385.00</u>
<u>145.20</u>	<u>341.60</u>	<u>291.50</u>	<u>436.00</u>	<u>496.50</u>	<u>3,645.10</u>



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANNUAL COST STATISTICS  
June 30, 2009 and 2008**

(Unaudited)

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

	<u><b>2009</b></u>	<u><b>2008</b></u>
Total education and general expenses/expenditures from current appropriated funds	\$ 83,211,717*	\$ 83,240,881*
Expenses/expenditures from locally held University Income Fund	<u>114,816,394</u>	<u>95,110,371</u>
	198,028,111	178,351,252
Full-time equivalent students	÷ <u>18,614</u>	÷ <u>18,258</u>
 <b>COST PER FULL-TIME EQUIVALENT STUDENT</b>	 <u><u>\$ 10,639</u></u>	 <u><u>\$ 9,768</u></u>

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
EMERGENCY PURCHASES  
For the Years Ended June 30, 2009 and 2008**

In Fiscal Year 2009, the University had three emergency purchases. Turner Hall had exterior brick work completed in the amount of \$95,500. Watterson Towers had new showers installed in the amount of \$84,000. Both purchases were made for health and safety issues. The South Campus chiller had a compressor and motor replacement installed as an emergency procurement in the amount of \$70,000.

In Fiscal Year 2008, the University had two emergency purchases. The University Farm purchased a combine in the amount of \$49,500. This purchase was made due to limited time pricing. Also, the University purchased a recycling truck in the amount of \$35,570. This purchase was made to avoid health issues.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
BOOKSTORE INFORMATION  
For the Year Ended June 30, 2009**

(Unaudited)

The University has a contractual arrangement for bookstore operations on campus. The University's contract was for the period May 15, 2001 through June 30, 2006 and has been extended for the period July 1, 2006 through June 30, 2011. The contract with the bookstore requires commissions to be paid to the University based on the following terms:

1. 9.0% of gross sales up to \$3,000,000; plus
2. 10.0% of gross sales from \$3,000,000 to \$3,500,000; plus
3. 12.0% of gross sales over \$3,500,000

Bookstore gross sales and University commissions were as follows:

<u>Fiscal Year</u>	<u>Bookstore Sales</u>	<u>Commission</u>
2009	\$ 2,938,367	\$ 264,453
2008	\$ 3,225,494	\$ 292,549
2007	\$ 3,324,936	\$ 302,493

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
For the Year Ended June 30, 2009**

(Unaudited)

**Agency:** Illinois State University (636)

**Major Function:** Higher Education

Total Appropriated and Income Fund Budget as Approved by ISU Board of Trustees	<u>\$ 194,447,800</u>
Faculty FTE (Full Time Equivalent) - Fall 2008	<u>965.6</u>
Lab School FTE - Fall 2008	<u>94.9</u>
Admin/Professional FTE - Fall 2008	<u>673.1</u>
Civil Service FTE - Fall 2008	<u>1,430.1</u>
Fall 2008 Enrollment	<u>20,450</u>
FY 2009 Degrees	<u>4,891</u>
FY 2009 Undergraduate Direct Instruction Costs	<u>\$ 39,127,119</u>
FY 2009 Graduate Direct Instruction Costs	<u>\$ 6,490,286</u>
FY 2009 Undergraduate credit hours	<u>509,110</u>
FY 2009 Graduate credit hours	<u>41,193</u>
FY 2009 Undergraduate Direct Instruction Cost/Credit Hour	<u>\$ 76.85</u>
FY 2009 Graduate Direct Instruction Cost/Credit Hour	<u>\$ 157.56</u>

- Eighty-five percent of the fall 2008 new freshmen return to Illinois State University for a second year of enrollment in fall 2009.
- Almost sixty-nine percent of the most recent cohort of new freshmen graduate from the University within six years. Of these fall 2003 new freshman who entered ISU and graduated, 61 percent graduate in four years, 34 percent graduate in five years, and 5 percent graduate in six years.
- In fall 2008, the University enrolled students from all 50 states and from 56 countries outside the U.S. Fifty-nine percent of University students are from the Chicago area and 25 percent are from central Illinois. Among the entering students, the mean ACT score was 24.3.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULES OF FEDERAL EXPENDITURES,  
NONFEDERAL EXPENSES, AND NEW LOANS  
Year Ended June 30, 2009**

**Schedule A - Federal Financial Component**

Total federal expenditures reported on SEFA schedule	\$ 121,446,461	
Total new loans made not included on SEFA schedule	-	*
Amount of federal loan balances (not included on the SEFA schedule and continued compliance required)	-	*
Other noncash federal award expenditures (not included on SEFA schedule)	9,671	
	<u>9,671</u>	
Total Schedule A	<u>\$ 121,456,132</u>	

**Schedule B - Total Financial Component**

Total operating expenses (from financial statements)	\$ 396,862,248	
Total nonoperating expenses (from financial statements)	2,836,093	
Total new loans made	87,480,450	
Amount of federal loan balances	10,772,598	
Other noncash federal award expenditures	9,671	
	<u>9,671</u>	
Total Schedule B	<u>\$ 497,961,060</u>	

**Schedule C**

		<b>Percent</b>
Total Schedule A	\$ 121,456,132	24.39%
Total non-federal expenses	<u>376,504,928</u>	<u>75.61%</u>
Total Schedule B	<u>\$ 497,961,060</u>	<u>100.00%</u>

\* Loan amounts are included on SEFA schedule.

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

**STATE OF ILLINOIS**  
**ILLINOIS STATE UNIVERSITY**  
**SUMMARY OF AGENCY OPERATIONS BY FUNCTION**  
**OF PROGRAM ACTIVITY**  
**STUDENT ENROLLMENT STATISTICS**  
**Years Ended June 30, 2009 and 2008**

(Unaudited)

Enrollment statistics for the past two academic years are as follows:

	<b>Number of Enrolled Students at Beginning of School Year</b>	
	<b><u>2008-2009</u></b>	<b><u>2007-2008</u></b>
All students, including extension	<u>20,799</u>	<u>20,274</u>
	<b>Full-time Students Equivalent</b>	
	<b><u>2008-2009</u></b>	<b><u>2007-2008</u></b>
All students, including extension	<u>18,614</u>	<u>18,258</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
UNDERGRADUATE TUITION AND FEE WAIVERS  
For the Year Ended June 30, 2009**

(Unaudited)

	<b>Total Number of Recipients*</b>	<b>Tuition Waived</b>		<b>Fees Waived</b>	
		<b>(In Thousands of Dollars)</b>			
	<b>Number of Recipients*</b>	<b>Value of Waivers</b>	<b>Number of Recipients*</b>	<b>Value of Waivers</b>	
<b>Mandatory Waivers</b>					
Teacher Special Education	323	323	\$ 2,099.7	323	\$ 615.9
General Assembly	179	179	1,183.9	-	-
Reserve Officer's Training Corps	45	45	263.4	-	-
Wards of Illinois Department of Children and Family Services	19	19	74.8	19	18.6
Veterans Grants and Scholarships**	412	412	1,244.8	-	-
Children of Employees	<u>300</u>	<u>300</u>	<u>875.4</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>1,278</u>	<u>1,278</u>	<u>5,742.0</u>	<u>342</u>	<u>634.5</u>
<b>Discretionary Waivers</b>					
Faculty/Administrators (Non-Civil Service)	10	10	11.0	10	2.6
Civil Service	78	78	114.7	72	30.2
Children of Deceased Employees	1	1	5.9	1	1.5
Athletic	342	342	1,639.3	-	-
Academic/Other Talent	680	680	1,745.4	7	2.4
Foreign Exchange Students	28	28	104.0	-	-
Out-of-State Students	3	3	15.3	2	2.3
Cooperating Professionals	<u>1</u>	<u>1</u>	<u>3.1</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>1,143</u>	<u>1,143</u>	<u>3,638.7</u>	<u>92</u>	<u>39.0</u>
<b>Total</b>	<u>2,421</u>	<u>2,421</u>	<u>\$ 9,380.7</u>	<u>434</u>	<u>\$ 673.5</u>

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

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
GRADUATE TUITION AND FEE WAIVERS  
For the Year Ended June 30, 2009**

(Unaudited)

	<b>Total Number of Recipients*</b>	<b>Tuition Waived</b>		<b>Fees Waived</b>	
		<b>Number of Recipients*</b>	<b>Value of Waivers</b>	<b>Number of Recipients*</b>	<b>Value of Waivers</b>
<b>(In Thousands of Dollars)</b>					
<b>Mandatory Waivers</b>					
Teacher Special Education	15	15	\$ 49.9	15	\$ 17.3
General Assembly	3	3	6.9	-	-
Veterans Grants and Scholarships**	<u>46</u>	<u>46</u>	<u>61.5</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>64</u>	<u>64</u>	<u>118.3</u>	<u>15</u>	<u>17.3</u>
<b>Discretionary Waivers</b>					
Faculty/Administrators (Non-Civil Service)	152	152	233.4	137	68.7
Civil Service	56	56	73.8	53	22.1
Cooperating Professionals	554	554	596.2	-	-
Athletic	11	11	27.7	-	-
Academic/Other Talent	496	496	630.5	63	25.6
Foreign Exchange Students	48	48	117.0	-	-
Graduate Assistants - Research	228	228	934.2	-	-
Graduate Assistants - Teaching	443	443	1,793.2	-	-
Graduate Assistants - Other	296	296	1,192.1	-	-
Retired University Employees	<u>4</u>	<u>4</u>	<u>4.1</u>	<u>1</u>	<u>0.5</u>
(subtotal)	<u>2,288</u>	<u>2,288</u>	<u>5,602.2</u>	<u>254</u>	<u>116.9</u>
<b>Total</b>	<u>2,352</u>	<u>2,352</u>	<u>\$ 5,720.5</u>	<u>269</u>	<u>\$ 134.2</u>

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

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



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
DEBT FINANCED BY UNIVERSITY RELATED ORGANIZATION  
For the Year Ended June 30, 2009**

A contract at June 30, 2009 consisted of a \$3,300,000 installment contract for deed secured by the Alumni Center building. The contract requires 119 monthly payments of \$22,500 at 6.5% interest with a final payment of the remaining outstanding balance.

Maturities and interest requirements on the contract for deed at June 30, 2009 are as follows:

<b>Year Ending <u>June 30</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2010	\$ 60,684	\$ 209,316	\$ 270,000
2011	64,749	205,251	270,000
2012	69,085	200,915	270,000
2013	73,712	196,288	270,000
2014	<u>78,649</u>	<u>191,351</u>	<u>270,000</u>
	346,879	1,003,121	1,350,000
2015-2019	<u>2,900,845</u>	<u>722,790</u>	<u>3,623,635</u>
<b>Total</b>	<b><u>\$ 3,247,724</u></b>	<b><u>\$ 1,725,911</u></b>	<b><u>\$ 4,973,635</u></b>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ACQUISITION OF REAL ESTATE BY UNIVERSITY OR URO  
NOT FUNDED BY SEPARATE SPECIFIC APPROPRIATION  
Year Ended June 30, 2009**

In fiscal year 2009, the University did not acquire real estate which was funded outside of a separate specific appropriation. The Foundation acquired \$980,000 of real estate related to the new Alumni Center during fiscal year 2009.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET ASSETS - LOCAL FUNDS  
June 30, 2009**

	<b><u>Indirect Cost Support</u></b>	<b><u>Continuing Education &amp; Public Service</u></b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ -	\$ -
Restricted cash and cash equivalents	-	-
Accrued interest receivable	22,039	26,173
Accounts receivable, net	-	58,799
Appropriations receivable from State	-	-
Inventories	-	90,405
Prepaid expenses and deposits	15,393	122,936
Deferred charges and obligations	-	-
Total current assets	<u>37,432</u>	<u>298,313</u>
Noncurrent assets:		
Investments	2,391,205	2,839,866
Bond issuance costs	-	-
Capital assets, net	-	-
Total noncurrent assets	<u>2,391,205</u>	<u>2,839,866</u>
Total assets	<u>2,428,637</u>	<u>3,138,179</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	156,139	232,802
Obligations payable	-	-
Assets held in custody for others and deposits	-	32,038
Deferred revenue	-	483,497
Accrued compensated absences	317	13,813
Certificates of participation	-	-
Total current liabilities	<u>156,456</u>	<u>762,150</u>
Noncurrent liabilities:		
Certificates of participation	-	-
Accrued compensated absences	3,508	152,916
Total noncurrent liabilities	<u>3,508</u>	<u>152,916</u>
Total liabilities	<u>159,964</u>	<u>915,066</u>
<b>NET ASSETS</b>		
Invested in capital assets, net of related debt	-	-
Unrestricted	<u>2,268,673</u>	<u>2,223,113</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 2,268,673</u>	<u>\$ 2,223,113</u>

<u>Sales &amp; Service of Educational Activities</u>	<u>Student Programs &amp; Services - University</u>	<u>Student Programs &amp; Services - High School</u>	<u>Field Trip &amp; Foreign Study Activities</u>	<u>Income Fund</u>	<u>Payroll Fund</u>	<u>Local Funds Total</u>
\$ 1,122,383	\$ 755,005	\$ 199,495	\$ 1,125,878	\$ (720,027)	\$ (186,723)	\$ 2,296,011
-	-	-	-	15,209,531	-	15,209,531
-	23,093	-	-	-	-	71,305
17,369	836,666	-	-	7,517,175	186,723	8,616,732
-	-	-	-	29,803,674	-	29,803,674
27,022	178,713	-	-	-	-	296,140
4,903	211,626	678	3,319	3,131,271	-	3,490,126
-	-	-	-	174,989	-	174,989
<u>1,171,677</u>	<u>2,005,103</u>	<u>200,173</u>	<u>1,129,197</u>	<u>55,116,613</u>	<u>-</u>	<u>59,958,508</u>
-	2,505,663	-	-	-	-	7,736,734
-	-	-	-	545,280	-	545,280
-	-	-	-	188,660,821	-	188,660,821
<u>-</u>	<u>2,505,663</u>	<u>-</u>	<u>-</u>	<u>189,206,101</u>	<u>-</u>	<u>196,942,835</u>
<u>1,171,677</u>	<u>4,510,766</u>	<u>200,173</u>	<u>1,129,197</u>	<u>244,322,714</u>	<u>-</u>	<u>256,901,343</u>
103,742	936,317	26,539	155,551	4,793,867	-	6,404,957
-	-	-	-	144,270	-	144,270
-	106,178	-	-	-	-	138,216
2,547	495,651	-	990,000	2,525,314	-	4,497,009
2,284	86,427	252	913	1,337,446	-	1,441,452
-	-	-	-	820,298	-	820,298
<u>108,573</u>	<u>1,624,573</u>	<u>26,791</u>	<u>1,146,464</u>	<u>9,621,195</u>	<u>-</u>	<u>13,446,202</u>
-	-	-	-	21,321,530	-	21,321,530
<u>25,290</u>	<u>956,813</u>	<u>2,790</u>	<u>10,105</u>	<u>12,076,040</u>	<u>-</u>	<u>13,227,462</u>
<u>25,290</u>	<u>956,813</u>	<u>2,790</u>	<u>10,105</u>	<u>33,397,570</u>	<u>-</u>	<u>34,548,992</u>
<u>133,863</u>	<u>2,581,386</u>	<u>29,581</u>	<u>1,156,569</u>	<u>43,018,765</u>	<u>-</u>	<u>47,995,194</u>
-	-	-	-	181,728,524	-	181,728,524
<u>1,037,814</u>	<u>1,929,380</u>	<u>170,592</u>	<u>(27,372)</u>	<u>19,575,425</u>	<u>-</u>	<u>27,177,625</u>
<u>\$ 1,037,814</u>	<u>\$ 1,929,380</u>	<u>\$ 170,592</u>	<u>\$ (27,372)</u>	<u>\$ 201,303,949</u>	<u>\$ -</u>	<u>\$ 208,906,149</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET ASSETS - LOCAL FUNDS  
Year Ended June 30, 2009**

	<u>Indirect Cost Support</u>	<u>Continuing Education &amp; Public Service</u>
<b>OPERATING REVENUES</b>		
Student tuition and fees, net	\$ -	\$ 1,233
Sales and services of educational activities	-	-
Other operating revenues	1,757,788	9,165,247
Total operating revenues	<u>1,757,788</u>	<u>9,166,480</u>
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	-	516,119
Research	736,914	820
Public service	-	6,049,249
Academic support	90,120	40,063
Student services	-	236,591
Institutional support	1,019,842	163,703
Operation and maintenance of plant	285,532	137,085
Depreciation	-	-
Staff benefits	(18,381)	63,276
Student aid	7,700	5,967
Other operating expenditures	-	2,368,255
Total operating expenses	<u>2,121,727</u>	<u>9,581,128</u>
Operating income (loss)	<u>(363,939)</u>	<u>(414,648)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Payments on behalf of the University - Foundation	-	-
Laboratory schools	-	-
Gifts and donations	-	2,113
Investment income, net of investment expenses	119,320	125,135
Interest expense	-	-
Other nonoperating revenues	30	150,425
Net nonoperating revenues	<u>119,350</u>	<u>277,673</u>
Income (loss) before capital items	<u>(244,589)</u>	<u>(136,975)</u>
<b>CAPITAL APPROPRIATIONS</b>		
	-	-
<b>CAPITAL GRANTS AND GIFTS</b>		
	-	-
Total capital items	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(244,589)	(136,975)
<b>NET ASSETS</b>		
Net assets - beginning of year	<u>2,513,262</u>	<u>2,360,088</u>
Net assets - end of year	<u>\$ 2,268,673</u>	<u>\$ 2,223,113</u>

<u>Sales &amp; Service of Educational Activities</u>	<u>Student Programs &amp; Services - University</u>	<u>Student Programs &amp; Services - High School</u>	<u>Field Trip &amp; Foreign Study Activities</u>	<u>Income Fund</u>	<u>Local Funds Total</u>
\$ -	\$ 21,672,328	\$ -	\$ 1,535,269	\$ 113,958,666	\$ 137,167,496
2,455,278	-	6,041	-	-	2,461,319
-	9,041,480	186,926	359,753	1,516,894	22,028,088
<u>2,455,278</u>	<u>30,713,808</u>	<u>192,967</u>	<u>1,895,022</u>	<u>115,475,560</u>	<u>161,656,903</u>
1,715,160	438,606	-	1,776,938	62,793,206	67,240,029
108,560	-	657,699	-	390,419	1,894,412
415,360	12,396	-	-	1,018,280	7,495,285
252,393	-	-	-	1,602,657	1,985,233
43,099	28,139,967	-	-	822,962	29,242,619
-	-	-	-	9,290,020	10,473,565
30,595	221,115	-	-	15,732,337	16,406,664
-	-	-	-	10,862,534	10,862,534
14,630	126,023	4,619	1,460	(183,575)	8,052
500	2,788,040	-	163	9,740,561	12,542,931
-	-	-	-	-	2,368,255
<u>2,580,297</u>	<u>31,726,147</u>	<u>662,318</u>	<u>1,778,561</u>	<u>112,069,401</u>	<u>160,519,579</u>
<u>(125,019)</u>	<u>(1,012,339)</u>	<u>(469,351)</u>	<u>116,461</u>	<u>3,406,159</u>	<u>1,137,324</u>
-	-	-	-	1,222,149	1,222,149
-	-	519,483	-	-	519,483
-	-	-	-	226,393	228,506
857	210,406	1,820	-	958,563	1,416,101
-	-	-	-	(3,962)	(3,962)
<u>8,296</u>	<u>512,778</u>	<u>-</u>	<u>-</u>	<u>40,699</u>	<u>712,228</u>
<u>9,153</u>	<u>723,184</u>	<u>521,303</u>	<u>-</u>	<u>2,443,842</u>	<u>4,094,505</u>
<u>(115,866)</u>	<u>(289,155)</u>	<u>51,952</u>	<u>116,461</u>	<u>5,850,001</u>	<u>5,231,829</u>
-	-	-	-	5,769,786	5,769,786
-	-	-	-	47,360	47,360
-	-	-	-	5,817,146	5,817,146
<u>(115,866)</u>	<u>(289,155)</u>	<u>51,952</u>	<u>116,461</u>	<u>11,667,147</u>	<u>11,048,975</u>
<u>1,153,680</u>	<u>2,218,535</u>	<u>118,640</u>	<u>(143,833)</u>	<u>189,636,802</u>	<u>197,857,174</u>
<u>\$ 1,037,814</u>	<u>\$ 1,929,380</u>	<u>\$ 170,592</u>	<u>\$ (27,372)</u>	<u>\$ 201,303,949</u>	<u>\$ 208,906,149</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET ASSETS - SERVICE DEPARTMENTS  
June 30, 2009**

	<u>Service Departments</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,912,287
Investments	3,519,533
Accrued interest receivable	23,250
Accounts receivable, net	209,607
Inventories	1,693,722
Prepaid expenses and deposits	<u>167,403</u>
Total current assets	7,525,802
Noncurrent assets:	
Capital assets, net	<u>2,691,297</u>
Total assets	<u>10,217,099</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	785,691
Deferred revenue	99,029
Accrued compensated absences	<u>85,868</u>
Total current liabilities	970,588
Noncurrent liabilities:	
Accrued compensated absences	<u>1,053,435</u>
Total liabilities	<u>2,024,023</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	2,691,297
Unrestricted	<u>5,501,779</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 8,193,076</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET ASSETS - SERVICE DEPARTMENTS  
Year Ended June 30, 2009**

	<b><u>Service Departments</u></b>
<b>OPERATING REVENUES</b>	
Other operating revenues	<u>\$ 14,290,939</u>
Total operating revenues	<u>14,290,939</u>
 <b>OPERATING EXPENSES</b>	
Educational and general:	
Instruction	423,812
Institutional support	7,708,821
Operation and maintenance of plant	5,626,533
Depreciation	1,110,554
Staff benefits	<u>122,865</u>
Total operating expenses	<u>14,992,585</u>
Operating loss	<u>(701,646)</u>
 <b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income, net of investment expenses	1,128,484
Other nonoperating revenues	<u>1,169</u>
Net nonoperating revenues (expenses)	<u>1,129,653</u>
Increase in net assets	428,007
 <b>NET ASSETS</b>	
Net assets - beginning of year	<u>7,765,069</u>
Net assets - end of year	<u>\$ 8,193,076</u>



**STATE OF ILLINOIS**  
**ILLINOIS STATE UNIVERSITY**  
**STATEMENT OF NET ASSETS - AUXILIARY FACILITIES**  
**June 30, 2009**

	<u>Housing</u>	<u>Student Activities</u>	<u>Parking</u>	<u>Auxiliary Facilities Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 594,850	\$ 1,917,154	\$ (2,203,026)	\$ 308,978
Restricted cash and cash equivalents	23,926	18,961,315	4,462,957	23,448,198
Investments	16,373,776	-	-	16,373,776
Accrued interest receivable	619,752	66,218	-	685,970
Accounts receivable, net	824,182	517,519	61,747	1,403,448
Inventories	1,077,280	265,729	-	1,343,009
Prepaid expenses and deposits	3,405	6,927	1,347,133	1,357,465
Deferred charges and obligations	17,150	75,811	19,063	112,024
	<u>19,534,321</u>	<u>21,810,673</u>	<u>3,687,874</u>	<u>45,032,868</u>
Total current assets				
Noncurrent assets:				
Investments	55,628,210	7,184,811	-	62,813,021
Bond issuance costs	267,513	1,103,792	85,803	1,457,108
Capital assets, net	73,857,788	66,297,995	21,597,292	161,753,075
	<u>129,753,511</u>	<u>74,586,598</u>	<u>21,683,095</u>	<u>226,023,204</u>
Total noncurrent assets				
Total assets				
	<u>149,287,832</u>	<u>96,397,271</u>	<u>25,370,969</u>	<u>271,056,072</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	7,509,877	4,005,295	559,847	12,075,019
Assets held in custody for others and deposits	1,703,032	169,070	-	1,872,102
Deferred revenue	174,678	248,452	164,825	587,955
Revenue bonds payable	1,260,773	2,119,638	1,871,284	5,251,695
Accrued compensated absences	113,047	23,151	10,414	146,612
	<u>10,761,407</u>	<u>6,565,606</u>	<u>2,606,370</u>	<u>19,933,383</u>
Total current liabilities				
Noncurrent liabilities:				
Assets held in custody for others and deposits	225,920	-	-	225,920
Revenue bonds payable	35,644,387	52,125,399	14,587,296	102,357,082
Accrued compensated absences	1,370,563	280,674	126,255	1,777,492
	<u>37,240,870</u>	<u>52,406,073</u>	<u>14,713,551</u>	<u>104,360,494</u>
Total noncurrent liabilities				
Total liabilities				
	<u>48,002,277</u>	<u>58,971,679</u>	<u>17,319,921</u>	<u>124,293,877</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	36,976,554	31,014,273	9,601,669	77,592,496
Unrestricted	64,309,001	6,411,319	(1,550,621)	69,169,699
	<u>101,285,555</u>	<u>37,425,592</u>	<u>8,051,048</u>	<u>146,762,195</u>
<b>TOTAL NET ASSETS</b>				
	<u>\$ 101,285,555</u>	<u>\$ 37,425,592</u>	<u>\$ 8,051,048</u>	<u>\$ 146,762,195</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET ASSETS - AUXILIARY FACILITIES  
Year Ended June 30, 2009**

	<u>Housing</u>	<u>Student Activities</u>	<u>Parking</u>	<u>Auxiliary Facilities Total</u>
<b>OPERATING REVENUES</b>				
Auxiliary enterprises:				
Auxiliary facilities	\$ 54,503,051	\$ 15,008,132	\$ 3,670,373	\$ 73,181,556
Total operating revenues	<u>54,503,051</u>	<u>15,008,132</u>	<u>3,670,373</u>	<u>73,181,556</u>
<b>OPERATING EXPENSES</b>				
Education and general:				
Depreciation	1,525,492	2,299,240	417,133	4,241,865
Auxiliary facilities:				
Student housing, activity facilities, and parking	<u>42,120,459</u>	<u>8,338,715</u>	<u>1,325,513</u>	<u>51,784,687</u>
Total operating expenses	<u>43,645,951</u>	<u>10,637,955</u>	<u>1,742,646</u>	<u>56,026,552</u>
Operating income	<u>10,857,100</u>	<u>4,370,177</u>	<u>1,927,727</u>	<u>17,155,004</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment income, net of investment expenses	4,108,695	486,738	16,970	4,612,403
Interest revenue (expense)	(929,253)	(1,253,147)	(649,731)	(2,832,131)
Other nonoperating revenues	<u>216,197</u>	<u>8,509</u>	<u>-</u>	<u>224,706</u>
Net nonoperating revenues (expenses)	<u>3,395,639</u>	<u>(757,900)</u>	<u>(632,761)</u>	<u>2,004,978</u>
Increase in net assets	14,252,739	3,612,277	1,294,966	19,159,982
<b>NET ASSETS</b>				
Net assets - beginning of year	<u>87,032,816</u>	<u>33,813,315</u>	<u>6,756,082</u>	<u>127,602,213</u>
Net assets - end of year	<u>\$ 101,285,555</u>	<u>\$ 37,425,592</u>	<u>\$ 8,051,048</u>	<u>\$ 146,762,195</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CALCULATION SHEET FOR INDIRECT COST CARRYFORWARD  
June 30, 2009**

**1. Cash and Equivalents Balance**

Add:

Cash .....	-	
Cash Equivalents .....		
Bank Deposits .....		
Marketable Securities .....	2,244,872	
Certificates of Deposit .....		
Repurchase Agreements .....		
Other cash equivalent items .....		
Interfund receivables .....		2,244,872

**2. Allocated Reimbursements**

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed: <u>\$6,177,299</u> ; enter 30% of this amount .....	1,853,190
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**3. Unallocated Reimbursements**

Enter the lesser of the actual unallocated indirect cost reimbursements for the year completed OR 10% of total indirect cost allocations for the year completed .....	175,475
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**4. Encumbrances and Current Liabilities Paid in the Lapse Period**

Enter the amount of:	
Current Liabilities .....	156,456
Encumbrances .....	-
Total .....	156,456

**5. Indirect Cost Carry-forward**

a. Enter the total of items 2, 3 and 4 .....	2,185,121
b. Subtract from item 1 .....	59,751
If a positive number results, enter here and remit for deposit in the Income Fund.	59,751

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
CONTINUING EDUCATION AND PUBLIC SERVICES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	-
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	2,666,079
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 2,666,079</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	1,372,552
Encumbrances and current liabilities paid in lapse period .....	327,827
Deferred income .....	483,497
Refundable deposits .....	32,038
Allowance for Restoring Inventory to Normal Level .....	-
Allowance for Sick Leave/Vacation Payouts .....	166,729
Working Capital Allowance .....	<b>B. 2,382,643</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 283,436</b>
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**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (150,748)</b>
--	---------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>132,688</b>
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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	1,122,383
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	A. 1,122,383

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	259,860
Encumbrances and current liabilities paid in lapse period .....	103,742
Deferred income .....	2,547
Refundable deposits .....	-
Allowance for Restoring Inventory to Normal Level .....	61,687
Allowance for Sick Leave/Vacation Payouts .....	27,575
Working Capital Allowance .....	B. 455,411

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	C. 666,972
--	------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	D. (717,664)
--	--------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	(50,692)
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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
STUDENT PROGRAMS AND SERVICES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	954,681
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	-
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	2,352,327
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 3,307,008</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	4,862,654
Encumbrances and current liabilities paid in lapse period .....	962,857
Deferred income .....	495,650
Refundable deposits .....	106,177
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	1,046,282
Working Capital Allowance .....	<b>B. 7,473,620</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. (4,166,612)</b>
--	-----------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (282,913)</b>
--	---------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(4,449,525)</b>
--	--------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
FIELD TRIPS AND FOREIGN STUDY  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	1,125,878
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 1,125,878</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	279,371
Encumbrances and current liabilities paid in lapse period .....	155,551
Deferred income .....	990,000
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	11,018
Working Capital Allowance .....	<b>B. 1,435,940</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. (310,062)</b>
--	---------------------

**4. Calculation of Income Fund Remittance**

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

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(310,062)</b>
--	------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE DEPARTMENTS  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	5,431,820
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	209,607
Total Current Available Funds .....	<b>A. 5,641,427</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	1,385,383
Encumbrances and current liabilities paid in lapse period .....	785,691
Deferred income .....	99,029
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	1,139,303
Working Capital Allowance .....	<b>B. 3,409,406</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 2,232,021</b>
--	---------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (4,233,543)</b>
--	-----------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(2,001,522)</b>
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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES - REVENUE BONDS  
STUDENT HOUSING  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	7,000
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	16,664,581
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 16,671,581</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	5,316,850
Encumbrances and current liabilities paid in lapse period .....	3,390,627
Deferred income .....	174,678
Refundable deposits .....	1,928,952
Allowance for Restoring Inventory to Normal Level .....	-
Allowance for Sick Leave/Vacation Payouts .....	1,483,611
Working Capital Allowance .....	<b>B. 12,294,718</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 4,376,863</b>
--	---------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (9,637,506)</b>
--	-----------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(5,260,643)</b>
--	--------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES - REVENUE BONDS  
STUDENT ACTIVITIES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	65,298
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	2,432,863
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 2,498,161</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	1,300,022
Encumbrances and current liabilities paid in lapse period .....	1,345,068
Deferred income .....	248,451
Refundable deposits .....	169,070
Allowance for Restoring Inventory to Normal Level .....	-
Allowance for Sick Leave/Vacation Payouts .....	303,825
Working Capital Allowance .....	<b>B. 3,366,436</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. (868,275)</b>
--	---------------------

**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (6,667,340)</b>
--	-----------------------

Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(7,535,615)</b>
--	--------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES - REVENUE BONDS  
PARKING SERVICES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2009**

**1. Current Available Funds**

Add:

Cash .....	(833,869)
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. (833,869)</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	360,181
Encumbrances and current liabilities paid in lapse period .....	67,935
Deferred income .....	164,825
Refundable deposits .....	-
Allowance for Restoring Inventory to Normal Level .....	-
Allowance for Sick Leave/Vacation Payouts .....	136,669
Working Capital Allowance .....	<b>B. 729,610</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. (1,563,479)</b>
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**4. Calculation of Income Fund Remittance**

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any here .....	<b>D. (1,665,966)</b>
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Enter the algebraic sum of <b>C</b> and <b>D</b> and remit the amount due, if any, for deposit in the Income Fund.	<b>(3,229,445)</b>
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**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES  
Year Ended June 30, 2009**

A listing of the University's Auxiliary Facilities, Activities, Accounting Entities, their purposes, and their sources of revenue for the year ended June 30, 2009 are provided below.

**Indirect Cost Support**

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

**Current Unrestricted Local Funds**

Continuing Education and Public Service

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

Sales and Services of Educational Activities

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

Student Programs and Services

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

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

Field Trips and Foreign Study

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES  
Year Ended June 30, 2009**

**Service Departments**

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

**Auxiliary Facilities**

Student Housing

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

Student Activities

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

Parking Services

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SUMMARY OF FOUNDATION PAYMENTS TO THE UNIVERSITY  
Years Ended June 30, 2009 and 2008**

The University recognizes Illinois State University Foundation as a University-Related Organization as defined in the University Guidelines 1982 as Amended 1997.

During fiscal years 2009 and 2008, Illinois State University engaged the Foundation, under contract, to provide fund raising services. As provided in the contractual agreement, the University advanced funds to the Foundation of \$260,000 in fiscal years 2009 and 2008. In addition, the University contributed services and expenditures in the amount of \$1,650,600 and \$1,468,276 during fiscal years 2009 and 2008, respectively. As required by contract, the Foundation fully repaid the University, using funds considered unrestricted for purposes of the computations per University Guidelines 1982 as Amended 1997. In addition, the Foundation gave the University non-qualifying restricted funds. Presented below is a summary of all funds that the Foundation gave to the University during fiscal years 2009 and 2008. There was no cumulative unreimbursed subsidy for fiscal years 2009 and 2008.

	<u>2009</u>	<u>2008</u>
Totally unrestricted funds	\$ 93,047	\$ 136,052
Funds restricted only as to campus, college, or department, and generally available for ongoing University operations:		
Given to a particular college	582,704	415,301
Given to a particular department	2,580,363	2,104,503
Funds restricted:		
Given for scholarships	1,806,780	1,811,877
Given for certain programs	2,825,555	2,483,196
Other restricted funds	<u>52,339</u>	<u>70,384</u>
Total funds considered restricted	<u>7,847,741</u>	<u>6,885,261</u>
<b>Total funds provided to the University by the Foundation</b>	<b><u>\$ 7,940,788</u></b>	<b><u>\$ 7,021,313</u></b>

During the performance of our procedures, we noted no other independent organizations related to the University.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
NONINSTRUCTIONAL FACILITIES RESERVE  
For the Years Ended June 30, 2009 and 2008**

**Non-instructional Facilities Reserve Account (Development Reserve)**

The Board of Regents, on behalf of Illinois State University, established a Non-instructional Facility Reserve on January 22, 1987, by transferring \$1,250,000 of available revenue from the 1985B Bond Series to be held for use to acquire additional student recreational space. The Board also approved the use of interest derived from the investment of the reserve for the lease of additional student recreational space until such time as the purchase of additional space is approved by the Board. The balance of the Development Reserve at June 30, 2009, is \$1,301,497.

On May 12, 2006, the Board of Trustees authorized the planning and design of a new student recreation center. Construction for the project began in 2008 and is estimated to be completed by the Fall of 2010.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
DISCLOSURE OF SUPPORT WHICH AUXILIARY FACILITIES  
AND ACTIVITIES HAVE RECEIVED DURING THE YEAR  
FROM STATE APPROPRIATED FUNDS  
June 30, 2009**

Certain student employees are paid from funds of the Federal College Work-Study Program. In accordance with long standing public policy in Illinois, approximately \$3,874,632 of group insurance expense and \$1,931,744 of retirement plan contributions were also paid from State appropriated funds during the year ended June 30, 2009. These amounts are shown in the University's financial statements as "Payments on behalf of the University."



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ILLINOIS INSTITUTE FOR ENTREPRENEURSHIP EDUCATION  
FINANCIAL INFORMATION  
For the Year Ended June 30, 2009**

**REVENUES AND EXPENDITURES**

**REVENUES**

Allocated portion of Illinois State University appropriations from the State of Illinois and tuition and fees	<u>\$ 184,934</u>
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**EXPENDITURES**

Personal services and benefits	160,006
Contractual services	18,108
Travel	3,171
Commodities	1,409
Telecommunications	<u>2,240</u>
Total expenditures	<u>184,934</u>

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u><u>\$ -</u></u>
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The Illinois Institute for Entrepreneurship Education (IIEE) was created by an act of the Illinois General Assembly in 1988. The purpose of the IIEE is to foster growth and development of entrepreneurship by educating Illinois citizens to the viability of entrepreneurship as a career option and to the role and contributions of entrepreneurs in economic development and job creation. The IIEE is mandated to reach all areas of the State, all ages, all ethnic groups, and income levels.

The IIEE's goals are to help remedy the deficiencies in the preparation of entrepreneurship education teachers, increase the quality and quantity of entrepreneurship education programs, improve instructional materials, and prepare personnel to serve as leaders and consultants in the field of entrepreneurship education and economic development.

The IIEE was created under the oversight of Illinois State University and, by working cooperatively with the University, the IIEE offers Illinois teachers two university accredited graduate courses in entrepreneurship.

The IIEE has a thirteen-member board of directors representing education, commerce and industry, government, and labor.

To more effectively reach its markets, the Institute has established three distinct operational divisions: Community Economic Development, Youth Enterprise Development, and Teacher Education and Training.

The current Director of the IIEE is Ida Manning, located at 409 N. Racine, Chicago, Illinois 60642, telephone (312) 587-9296.