





**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY**

**COMPLIANCE AUDIT  
(In Accordance With the Single Audit Act  
and OMB Circular A-133)  
For the Year Ended June 30, 2003**

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



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE AUDIT  
(In Accordance With the Single Audit Act and OMB Circular A-133)  
For the Year Ended June 30, 2003**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>TABLE OF CONTENTS</b> .....	i
<b>CROSS-REFERENCE TABLE OF SPECIAL REPORTING REQUIRED BY 1982 UNIVERSITY GUIDELINES, AS AMENDED, AND THE OFFICE OF THE AUDITOR GENERAL</b> .....	v
<b>AGENCY OFFICIALS</b> .....	viii
 <b>COMPLIANCE REPORT</b>	
Summary .....	1
Auditor's Reports:	
Special Report on State Compliance Testing as Measured by State Audit Guide Criteria.....	3
Special Report on Internal Controls for State Purposes as Measured by State Audit Guide Criteria.....	5
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing</i> <i>Standards</i> .....	7
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 .....	9
Schedule of Findings and Questioned Costs:	
Schedule of Findings and Questioned Costs - Summary of Auditor's Results.....	11
Current Findings - Government Auditing Standards .....	12
Current Findings - Federal (None Reported) .....	-
Current Findings - State Compliance .....	16
Prior Findings Not Repeated .....	20

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE AUDIT  
(In Accordance With the Single Audit Act and OMB Circular A-133)  
For the Year Ended June 30, 2003**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>FINANCIAL RELATED INFORMATION</b>	
Summary .....	21
Independent Auditor's Report on Supplementary Information for State Compliance Purposes .....	24
Supplementary Information: Financial Related Schedules:	
Schedule of Expenditures of Federal Awards .....	25
Notes to Schedule of Expenditures of Federal Awards.....	28
Schedule of Appropriations, Expenditures, and Lapsed Balances .....	29
Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances .....	31
Comparative Schedule of Revenues and Expenses - University Income Fund.....	33
Schedule of Changes in Property and Equipment.....	34
Comparative Schedule of Cash and Cash Equivalents.....	35
Comparative Schedule of Investments.....	36
Analysis of Significant Variations Between Certain Revenue and Expense Accounts .....	37
Analysis of Significant Lapse Period Spending.....	39
Analysis of Significant Variations Between Certain Asset and Liability Accounts .....	40
Comparative Schedule of Receivables and Aged Analysis of Receivables .....	42
Analysis of Operations: Data on Operations:	
Agency Functions and Planning Program.....	43
Employment Statistics (Unaudited) .....	45
Annual Cost Statistics .....	47
Emergency Purchases.....	48
Service Efforts and Accomplishments (Unaudited).....	49
Calculation of Federal Versus Nonfederal Expenditures.....	53
Summary of Agency Operations by Function of Program Activity - Student Enrollment Statistics (Unaudited) .....	54
Tuition and Fee Waivers (Unaudited).....	55
10th Day Room Utilization (Unaudited).....	57
Debt Financed by University Related Organization .....	58
Acquisition of Real Estate by University Not Funded by Separate Specific Appropriation .....	59

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE AUDIT  
(In Accordance With the Single Audit Act and OMB Circular A-133)  
For the Year Ended June 30, 2003**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>FINANCIAL RELATED INFORMATION (CONTINUED)</b>	
Supplementary Information (Continued):	
University Guidelines 1982 as Amended 1997 and Other	
University Matters:	
Entity Financial Statements:	
Local Funds:	
Statement of Net Assets .....	60
Statement of Revenues, Expenses, and Changes in Net Assets.....	62
Service Departments:	
Statement of Net Assets .....	64
Statement of Revenues, Expenses, and Changes in Net Assets.....	65
Auxiliary Facilities:	
Statement of Net Assets .....	66
Statement of Revenues, Expenses, and Changes in Net Assets.....	67
Calculation Sheet for Indirect Cost Carryforward .....	68
Calculation Sheet for Current Excess Funds:	
Current Unrestricted Local Funds:	
Continuing Education and Public Services .....	69
Sales and Services of Educational Activities .....	70
Student Programs and Services .....	71
Field Trips and Foreign Study.....	72
Service Departments .....	73
Auxiliary Facilities - Revenue Bonds:	
Student Housing .....	74
Student Activities.....	75
Parking Services.....	76
Auxiliary Facilities, Activities, and Accounting Entities.....	77
Summary of Foundation Payments to University .....	79
Noninstructional Facilities Reserve .....	80
Disclosure of Support Which Auxiliary Facilities and Activities Have Received During the Year From State Appropriated Funds.....	81
Illinois Institute for Entrepreneurship Education Financial Information.....	82

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPLIANCE AUDIT  
(In Accordance With the Single Audit Act and OMB Circular A-133)  
For the Year Ended June 30, 2003**

**TABLE OF CONTENTS**

	<b>PAGE</b>
<b>FINANCIAL RELATED INFORMATION (CONTINUED)</b>	
Supplementary Information (Continued):	
FY2003 Performance Data Budget and Cumulative Quarterly Report Child Abuse Prevention and Tax Checkoff Grants, Contract No. 0815799013 (Unaudited).....	83
FY2003 Performance Data Budget and Cumulative Quarterly Report Child Abuse Prevention and Tax Checkoff Grants, Contract No. 0815796013 (Unaudited).....	85
 <b>OTHER REPORTS ISSUED UNDER SEPARATE COVER</b>	
Illinois State University Financial Statements - June 30, 2003 and 2002	
Illinois State University Foundation: Financial Audit for the Years Ended June 30, 2003 and 2002	

**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, 2003**

**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, Transfers for Debt Service	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 62 in the Report
c. Calculation for Indirect Cost Carryforward	Page 68 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 77 - 78 in the Report
f. Financial Statements by Entity Including Plant Fund Data	Pages 60 - 67 in the Report
g. Calculation Sheets for Current Excess Funds	Pages 69 - 76 in the Report
h. Disclosure of Support Which Auxiliary Enterprise and Activities Have Received During the Year from State Appropriated Funds	Page 81 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 80 in the Report
l. List of All University-Related Organizations (UROs) List of Independent Organizations	Page 79 in the Report None

**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, 2003**

**Source of Requirement**

<b>Revised Memo from Office of the Auditor General, Dated July 25, 2000</b>	<b>Page Number and Report Where Information is Contained</b>
Item 13, Report Contents (Continued):	
m. Disclosure of Payments by UROs to the University for Services Provided	Page 79 in the Report
n. Disclosure of Payment by the University to UROs for Services Provided	Page 79 in the Report
o. Disclosure of Cumulative Amount of Unreimbursed Subsidies	Page 79 in the Report
p. Description of Any Debt Financing by a URO	Page 58 in the Report
q. Schedule of Cash and Investments	Pages 35 - 36 in the Report
r. Statement Regarding Income from Investments of Pooled Funds	See Note 3 below
s. Costs per Full-Time Equivalent Student	Page 47 in the Report
t. Disclosure of Acquisition of Real Estate by the University or URO not Funded by Separate Specific Appropriation	Page 59 in the Report
u. Disclosure of Issuance of Certificates of Participation (COPs) or Participation in Lease or Purchase Arrangements involving COPs	None
Other Financial Related Schedules for Universities:	
1. Schedule of Appropriations, Expenditures, and Lapsed Balances by Major Line Item	Pages 29 - 30 in the Report
2. Schedule of Income Fund Revenues and Expenses	Page 33 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, 2003**

**Source of Requirement**

**Revised Memo from  
Office of the Auditor General,  
Dated July 25, 2000**

**Page Number  
and Report  
Where Information  
is Contained**

Other Financial Related Schedules for Universities (Continued):

- |   |                             |
|---|-----------------------------|
| 3. Schedule of Tuition and Fee Waivers  | Pages 55 - 56 in the Report |
| 4. Information on Classroom Utilization | Page 57 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, 2003.

Note 2 - There were no violations of revenue bond covenants noted during the audit of Illinois State University for the year ended June 30, 2003.

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**

**AGENCY OFFICIALS**

President (through May 31, 2003)

Dr. Victor J. Boschini, Jr.

Interim President (effective June 1, 2003)

Dr. C. Alvin Bowman

Vice-President - Finance and Planning

Dr. Steven M. Bragg

Comptroller

Mr. Greg Alt

Legal Counsel

Ms. Renee Smith Byas

Internal Auditor

Mr. Rick Papuga

Agency offices are located at:

Hovey Hall  
1100 Vice-President of Finance and Planning  
Normal, Illinois 61790-1100

**ILLINOIS STATE UNIVERSITY  
COMPLIANCE REPORT SUMMARY  
For the Year Ended June 30, 2003**

The compliance audit testing performed in this audit was conducted in accordance with *Government Auditing Standards*, OMB Circular A-133, and in accordance with the Illinois State Auditing Act.

**AUDITOR'S REPORT**

The auditor's reports on compliance and on internal control do not contain scope limitations, disclaimers, or other significant nonstandard language.

**SUMMARY OF MATERIAL AUDIT FINDINGS**

<u>Material Findings</u>	<u>Number of</u>	<u>This Audit</u>	<u>Prior Audit</u>
Audit findings	5	5	3
Repeated audit findings	2	2	1
Prior recommendations implemented or not repeated	1	1	3

**SUMMARY OF FINDINGS AND QUESTIONED COSTS**

<u>Item No.</u>	<u>Description</u>	<u>Prior Finding Code</u>
<b><u>Current Findings – Government Auditing Standards</u></b>		
03-1	Capital Asset Additions and Retirements Not Properly Recorded	02-1
03-2	Construction in Progress Not Properly Recorded	N/A
<b><u>Current Findings – State Compliance</u></b>		
03-3	Noncompliance With University Faculty Research and Consulting Act	N/A
03-4	Smoke Detection and Central Fire Alarm System	N/A
03-5	Inadequate Disaster Contingency Planning	02-3, 01-1
<b><u>Prior Findings Not Repeated – Government Auditing Standards</u></b>		
03-6	Accounts Receivable Report Contained Amounts Which Could Not Be Supported	02-2

**ILLINOIS STATE UNIVERSITY  
COMPLIANCE REPORT SUMMARY  
For the Year Ended June 30, 2003**

**EXIT CONFERENCE**

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on January 22, 2004. Those participating were:

**Illinois State University:**

Dr. Stephen M. Bragg	Vice President of Finance and Planning
Greg Alt	Comptroller
JoEllen Bahnsen	Assistant Comptroller
Doug Litwiller	Comptroller's Office
Dan Hayden	Assistant Vice President for Administrative Information Systems
Rick Papuga	Director - Internal Audit

**Clifton Gunderson LLP:**

Jeffrey R. Bonick, CPA	Partner
Paulette M. Hurd, CPA	Senior Manager
Richard Marsho	Senior Technology Specialist
Sean Scranton	Senior Technology Specialist
Chris Bildilli	Technology Specialist

**Office of the Auditor General:**

Candice M. Long, CPA	Audit Manager
Joseph A. Gudgel, CISA	Information Systems Audit Manager

The University responses to the recommendations were provided by Greg Alt, Comptroller in correspondence dated February 5, 2004.

**Special Report on State Compliance Testing  
as Measured by State Audit Guide Criteria**

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have performed special State compliance testing in accordance with the *Audit Guide for Performing Compliance Audits of Illinois State Agencies* (Audit Guide), issued by the Office of the Auditor General of the operations of the State of Illinois, Illinois State University for the year ended June 30, 2003.

We conducted our special State compliance testing in accordance with the Illinois State Auditing Act (Act); in accordance with the applicable auditing standards which are set forth in the Audit Guide as adopted by the Auditor General pursuant to the Act; and, insofar as such standards are applicable to this special testing, in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

Our examination included such tests of the accounting records and such other procedures as we considered necessary in the circumstances. Our program of tests and other auditing procedures has been separately furnished to you. The procedures for special State compliance testing as required by the Audit Guide were designed to determine with reasonable, but not absolute, assurance:

- A. Whether the audited agency 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. Whether the audited agency 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. Whether the audited agency has generally complied with applicable laws and regulations, including the State uniform accounting system, in its financial and fiscal operations.
- D. In the case of a State agency which receives or makes grants:
  1. Whether the agency is auditing the grantees of funds granted by the audited agency for compliance with the terms of the grants and other applicable laws, regulations, and rules and whether the frequency and quality of such audits is generally adequate.
  2. Whether the agency is auditing grants which it receives to determine that it is using the grant funds in accordance with grant requirements and applicable State and federal laws, regulations, and rules and whether the frequency and quality of such audits is generally adequate.

- E. Whether the audited agency is maintaining effective accounting control over revenues, obligations, expenditures, assets, and liabilities.
- F. Whether collections of State revenues and receipts by the audited agency are in accordance with applicable laws and regulations and whether the accounting and recordkeeping of such revenues and receipts is fair, accurate, and in accordance with law.
- G. Whether money or negotiable securities or similar assets handled by the audited agency on behalf of the State or held in trust by the audited agency have been properly and legally administered and whether the accounting and recordkeeping relating thereto is proper, accurate, and in accordance with law.
- H. Whether tests of agency fiscal operations reveal no evidence of fraud or dishonesty.
- I. Whether the records, books, and accounts of the audited agency adequately record its financial and fiscal operations and provide a basis for review of accountability by external auditors.
- J. Whether key financial, statistical, and program data produced by the audited agency provide useful information for review of accountability regarding service efforts and accomplishments.

The concept of obtaining reasonable, but not absolute, assurance recognizes that the cost of the audit should not exceed the benefits derived and that judgments need to be made regarding the nature and extent of audit procedures. Special State compliance testing of this type is based upon test samples and would not necessarily disclose all situations of noncompliance which might exist.

There were findings of noncompliance disclosed by our special State compliance audit tests which are required to be reported in accordance with the Audit Guide and they are described in the Schedule of Findings in this report.

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

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

*Clifton Henderson LLP*

Peoria, Illinois  
October 31, 2003

**Special Report on Internal Controls for State Purposes  
as Measured by State Audit Guide Criteria**

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have performed special State compliance testing of the operations of the State of Illinois, Illinois State University for the year ended June 30, 2003, and we have issued our special report thereon dated October 31, 2003. We have also made a study of the internal controls of the State of Illinois, Illinois State University that we considered relevant to the criteria established by the Office of the Auditor General in Chapter 7 of the *Audit Guide for Performing Compliance Audits of Illinois State Agencies* (Audit Guide). Our study included tests of compliance with such internal controls during the period from July 1, 2002 through June 30, 2003. These tests were performed as a portion of our testing of that agency for State compliance purposes. This special report concerns only our State compliance testing.

We conducted our special State compliance testing in accordance with the Audit Guide; applicable auditing standards generally accepted in the United States of America; and applicable *Government Auditing Standards*, issued by the Comptroller General of the United States.

In planning and performing our special State compliance testing, we considered the internal controls in order to determine our auditing procedures for the purpose of reporting on our special State compliance testing and to satisfy the requirements of the Audit Guide, but not to provide an opinion on the internal controls. Accordingly, we do not express such an opinion.

The management of the State of Illinois, Illinois State University is responsible for establishing, maintaining, and monitoring internal controls. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal controls. Because of inherent limitations in any internal controls, errors or fraud may nevertheless occur and not be detected. Also, projection of any evaluation of internal controls to future periods is subject to the risk that internal controls may become inadequate because of changes in conditions or that the effectiveness of the design and operation of control activities may deteriorate.

For the purpose of this special report, we have classified the significant internal control activities in the following categories:

- Agency Organization and Management
- Administrative Support Services
- Budgeting, Accounting, and Reporting
- Purchasing, Contracting, and Leasing
- Expenditure Control
- Personnel and Payroll

- Property, Equipment, and Inventories
- Revenues and Receivables
- Petty Cash and Local Funds
- Grant Administration
- Electronic Data Processing

For all of the internal control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal controls would not necessarily disclose all matters in the internal controls that might be reportable. Reportable matters for State compliance audit purposes involve items coming to our attention relating to significant deficiencies in the design or operation of the internal controls. We understand that internal controls in conformity with the criteria established by your Audit Guide are considered by the Office of the Auditor General to be adequate for State compliance audit purposes in accordance with the Illinois State Auditing Act and related regulations, and that policies or procedures not in conformity with those criteria indicate some inadequacy for such purposes which should be reported.

Based on this understanding and on our study, we believe the conditions described in the Schedule of Findings in this report are significant matters for State compliance purposes and are required to be reported pursuant to the criteria established by your Audit Guide.

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

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

*Clifton Henderson LLP*

Peoria, Illinois  
October 31, 2003

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

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the State of Illinois, Illinois State University, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 31, 2003. 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.

**Compliance**

As part of obtaining reasonable assurance about whether the State of Illinois, Illinois State University's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain instances of noncompliance which do not meet the criteria for reporting herein and which are reported as State compliance findings in the schedule of findings. We also noted certain immaterial instances of noncompliance, which we have reported to management of the State of Illinois, Illinois State University in a separate letter dated October 31, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the State of Illinois, Illinois State University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Illinois, Illinois State University's ability to record, process, summarize, and report financial data consistent with the assertions of management in the basic financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 03-1 and 03-2.



A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable conditions described above are material weaknesses. We also noted certain immaterial instances of internal control deficiencies, which we have reported to management of the State of Illinois, Illinois State University in a separate letter dated October 31, 2003.

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

*Clifton Henderson LLP*

Peoria, Illinois  
October 31, 2003

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

Honorable William G. Holland  
Auditor General  
State of Illinois

**Compliance**

As Special Assistant Auditors for the Auditor General, we have audited the compliance of the State of Illinois, 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, 2003. The State of Illinois, Illinois State University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the State of Illinois, Illinois State University's management. Our responsibility is to express an opinion on the State of Illinois, 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 the State of Illinois, 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 the State of Illinois, Illinois State University's compliance with those requirements.

In our opinion, the State of Illinois, 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, 2003.

**Internal Control Over Compliance**

The management of the State of Illinois, 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 the State of Illinois, 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 and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

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

*Clifton Gunderson LLP*

Peoria, Illinois  
October 31, 2003

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
SUMMARY OF AUDITOR'S RESULTS  
For the Year Ended June 30, 2003**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?   X   Yes        No
- Reportable condition(s) identified that are not considered to be material weakness(es)?        Yes   X   None reported

Noncompliance material to financial statements noted?        Yes   X   No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified?        Yes   X   No
- Reportable condition(s) identified that are not considered to be material weakness(es)?        Yes   X   None reported

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

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

Identification of major programs:

<u><b>Name of Federal Program or Cluster</b></u>	<u><b>CFDA Number</b></u>
Student Financial Aid Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loan Program - Federal Capital Contributions	84.038
Federal Pell Grant Program	84.063
Federal Direct Student Loans	84.268
Nursing Student Loans	93.364
Education and Human Resources	47.076

Dollar threshold used to distinguish between Type A and Type B programs: \$605,720

Auditee qualified as low-risk auditee?   X   Yes        No

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS  
For the Year Ended June 30, 2003**

**03-1. Finding: Capital Asset Additions and Retirements Not Properly Recorded**

Some purchases and disposals of capital assets were originally not properly recorded in the property control records or in the University's financial records.

During our testing of capital asset additions and deletions, we noted the following errors in recording of capital asset additions and deletions. We brought these errors to management's attention and the University's final financial statements were adjusted accordingly. Items noted included the following:

- One item with a value of approximately \$112,000, which was purchased during fiscal year 1992, was not reported as an addition until fiscal year 2003. At that time it was incorrectly recorded as an addition for \$162,316. This entire amount was incorrectly expensed as depreciation in fiscal year 2003.
- One item with a value of \$109,531 was recorded as an addition twice and capitalized twice by the University.
- There were two items with a value of \$20,220, which were purchased in fiscal year 2001 that were not reported as additions until fiscal year 2003.
- Assets with a value of \$48,211 (six items) were inadvertently deleted from the property control records. When the error was discovered by the University in fiscal year 2003 the items were "re-added."

Generally accepted accounting principles require all capital asset additions and all deletions be recorded in the financial records in the year in which the transaction occurs. Also, under the State Property Control Act (30 ILCS 605/6.02) the University "shall maintain a permanent record of all items of property."

According to University personnel, department staff did not always follow University procedures for reporting capital asset additions, deletions and transfers. Furthermore, some of the errors were not identified and corrected during the annual physical inventory counts.

Failure to record capital asset additions and deletions in the proper period can result in inaccurate financial reporting and can impede management oversight controls. Also, failure to maintain accurate capital asset records results in noncompliance with State Property Control Act. (Finding Code Nos. 03-1, 02-1)

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS  
For the Year Ended June 30, 2003**

**03-1. Finding: Capital Asset Additions and Retirements Not Properly Recorded  
(Continued)**

**Recommendations:**

We recommend the University coordinate its current procedures for tracking property additions and deletions with its procedures for conducting physical counts of inventories. Additional training may be necessary to ensure University personnel are following procedures and are properly completing the annual inventory.

**University Response:**

The University agrees with the recommendation and has implemented new procedures to periodically review general ledger transaction activity to ensure the proper recording of capital asset additions and retirements. The University believes the items noted in the finding were isolated incidents and are not indicative of a systemic problem.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS  
For the Year Ended June 30, 2003**

**03-2. Finding: Construction in Progress Not Properly Recorded**

Expenditures and capital appropriations related to construction in progress on the University's College of Business building were not properly recorded in the University's financial statements.

During our testing of the University's financial statements, we noted the following errors relating to construction in progress. These errors were brought to University management's attention. Errors noted consisted of the following:

- Capital appropriations received during the current fiscal year from the Capital Development Board were reported as a reduction in operating expenditures rather than reported as capital appropriations (revenue). This error resulted in expenses and revenue being understated by \$9,255,246 in fiscal year 2003. We also noted that expenses and revenue were understated \$2,082,741 in fiscal year 2002 as a result of this error. These errors have been corrected in the financial statements.
- The University's June 30, 2003 financial statements reflect five quarters of Capital Development Board capital appropriations. This results in an overstatement of capital appropriations of \$1,201,493 for fiscal year 2003. Prior to fiscal year 2003, the University had recorded these capital appropriations one quarter late. The University recorded five quarters during fiscal year 2003 to correct this error and ensure that capital appropriations include all amounts received through the end of the fiscal year. This error has not been corrected in the financial statements as it was not considered material to the University's financial statements.
- The University incurred costs related to the construction of the College of Business building totaling \$116,007 and \$183,993 in fiscal years 2002 and 2003, respectively. During fiscal year 2003 the Illinois State University Foundation reimbursed the University for these amounts. Additions to construction in progress for these costs incurred on the building was not recorded nor was the revenue recognized for the amount received from the Foundation. This results in an understatement of assets and revenue over the two-year period. These errors have not been corrected in the financial statements as they were not considered material to the University's financial statements.
- The University expensed \$300,000 and \$550,000 in fiscal years 2002 and 2003, of expenditures related to the construction of the College of Business building. The expenditures should have been capitalized and reflected as construction in progress at June 30, 2002 and 2003. These errors result in an overstatement of expenses over the two-year period and an understatement of capital assets. These errors have not been corrected in the financial statements as they were not considered material to the University's financial statements.

Generally accepted accounting principles require costs related to the construction of capital assets be capitalized in the year in which the transaction occurs.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS  
For the Year Ended June 30, 2003**

**03-2. Finding: Construction in Progress Not Properly Recorded (Continued)**

According to University personnel, the failure to record expenditures by the University as capital assets arose due to a misunderstanding between employees responsible for the construction projects and those responsible for financial reporting.

The failure to record construction in progress in the proper period can result in inaccurate financial reporting and can impede management oversight controls. (Finding Code No. 03-2)

**Recommendations:**

We recommend the University review its financial reporting practice related to construction projects. Further, the University should record capital appropriations as well as funds received from the University's Foundation as revenue. University management should also establish policies to ensure that future construction projects are reported appropriately.

**University Response:**

The University agrees with the recommendation and has completed a review of its practice for recording construction projects and has implemented new procedures to ensure that construction projects are properly reported. University policy has been modified to record capital appropriations and funds received from the Foundation as revenue.



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - STATE COMPLIANCE  
For the Year Ended June 30, 2003**

**03-3. Finding: Noncompliance With University Faculty Research and Consulting Act**

The University did not comply with the University Faculty Research and Consulting Act.

During our testing of 60 faculty requests for approval of outside employment, 30 requests were not approved prior to start of outside employment, 13 faculty members did not submit annual reports prior to June 30, 2003, and 1 faculty member did not file a request seeking approval for outside employment.

The University Faculty Research and Consulting Act (110 ILCS 100/1) states that no full time member of the faculty of any state-supported institution of higher learning may undertake, contract for or accept anything of value in return for research or consulting services for any person other than that institution on whose faculty he serves unless 1) he has prior written approval of the President of the institution based on a request that estimates time to be spent and 2) he submits to the President an annual statement of actual time spent on such outside services. University policy states annual reports must be submitted to the College Dean by June 30.

Faculty members and Department heads are responsible for the completion and submission of the request for approval and the annual report. The University did not completely follow University procedures to monitor compliance of the approval requirement and follow-up on missing reports.

Failure to seek prior approval for outside employment and timely filing of annual report results in non-compliance with State Statutes and University policy. (Finding Code No. 03-3)

**Recommendation:**

We recommend the University establish and implement procedures to ensure requests for approvals of outside employment and filing of annual reports are done in a timely manner.

**University Response:**

The University agrees with the recommendation to modify its procedures to ensure requests for approvals of outside employment and filing of annual reports are done more timely. The Provost's Office will send information to department chairpersons annually to ensure faculty awareness of the University Faculty Research and Consulting Act and the requirements for approvals and annual reports. Also, University policy will be revised to require annual reports to be submitted by August 31 of each year to better correlate with faculty presence on campus.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - STATE COMPLIANCE  
For the Year Ended June 30, 2003**

**03-4. Finding: Smoke Detection and Central Fire Alarm System**

The University has not implemented "The Plan for Compliance with Fire Alarm Requirements" submitted to the Office of the State Fire Marshal in March 1997. The plan called for the University to upgrade the final complex, comprised of two Residence Halls, to contain smoke detectors in the hallways and connection of those detectors to a monitor panel. The plan, as submitted, was to be completed by the end of the year 2000.

According to Illinois State University Law (110 ILCS 675/20-55), the Board was required to submit to the Office of the State Fire Marshal the plans for its smoke detection system in all University dormitory corridors and the connection of that system to a monitor panel and to a central fire alarm system. The University developed and submitted the plan as required, however, the University has not begun implementation of the plan.

The Residence Halls in question have heat detectors in the hallways and independent smoke detectors in the rooms. The heat detectors are connected to a monitor panel, which is connected to a central reporting point located in the University Police Department. The independent smoke detectors are not connected to a central monitor or reporting system. Both Residence Halls were housing students during the audit period.

According to University personnel, implementation was not completed due to lack of resources (original cost estimate by the University was approximately \$1.8 million) and a definitive plan in regard to the continued use of the complex.

Failure to implement the plan results in noncompliance with the Office of the State Fire Marshal. (Finding Code No. 03-4)

**Recommendation:**

We recommend the University proceed with the plan submitted to the Office of the State Fire Marshal if students are continuing to be housed in the complex.

**University Response:**

The University agrees with the recommendation to proceed with the plan submitted to the Office of the State Fire Marshal. All upgrades required by the plan were completed by January 30, 2004.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - STATE COMPLIANCE  
For the Year Ended June 30, 2003**

**03-5. Finding: Inadequate Disaster Contingency Planning**

The University had not ensured adequate contingency planning for recovery of its computing operations.

The University has over \$26 million in computing equipment that is utilized to perform mission critical functions, including two computer systems (one for primary production and another for backup purposes) that are dedicated to the Financial Accounting System (FAS) and another computer system for its other administrative computing operations, in addition to more than 40 local area networks.

The University had developed two disaster contingency plans; one updated in October 2003 for recovery of FAS, and another updated in July 2003 for recovery of the University's critical Administrative Information Systems (AIS).

Since the prior audit, the University had identified and prioritized critical AIS systems and relocated the FAS backup computer to an off-site location. In addition, although the University had not established a schedule of planned recovery tests, the University had performed recovery tests in January and May 2003. The first test was limited and consisted primarily of restoring AIS backup data tapes. The test was not comprehensive and did not test AIS' contingency plan. A second test allowed tape restoration of the mainframe operating system and a database system. Again, the test was not comprehensive and did not include a test of the AIS contingency plan.

Although the University has made progress in its contingency planning, we identified the following deficiencies in the University's disaster contingency planning efforts:

- The University had not performed detailed comprehensive recovery tests to ensure its critical systems could be recovered within the required timeframe.
- The University does not have a guaranteed and tested alternate recovery site to ensure the capability to recover all critical systems from a disaster. Without an acceptable alternate-processing site, the University can't ensure the recovery of its critical computer systems within the required timeframe.

Comprehensive contingency planning is a crucial necessity for ensuring the University's computer operations can be recovered within a reasonable timeframe and reducing the potential damaging impact resulting from a disaster. An adequately developed comprehensive plan that has been thoroughly tested and documented would assist the University in reducing the overall risk and potential impact that a disaster would have on its operations. In addition, performing routine and comprehensive tests would allow the University to identify any weaknesses within its Plan and make revisions where necessary. Without a documented comprehensive and adequately tested disaster contingency plan, there is a risk that critical functions may be delayed for an extended period of time or may be unavailable to meet the needs of the University. (Finding Codes 03-5, 02-3, 01-1, as modified)

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT FINDINGS - STATE COMPLIANCE  
For the Year Ended June 30, 2003**

**03-5. Finding: Inadequate Disaster Contingency Planning (Continued)**

Recommendation:

We recommend the University assure contingency planning is a continuous process to ensure that contingency plans are adequate and tested to provide the capability to recover critical operations and systems within the required timeframes.

In addition, we strongly recommend the University continue its efforts to establish an adequate alternate recovery site. Once established, the University should ensure routine recovery tests are performed at least annually. A comprehensive test should also be done to ensure the contingency plan is adequate and any deficiencies within the plan are appropriately addressed.

University Response:

The University agrees with the recommendation to continue its efforts to establish an adequate alternate recovery site. An alternate recovery facility for the Financial Accounting System has already been established on campus. Some additional work on this facility is needed, but in its current configuration, the University has the capability to use this system should the primary system fail or should access to the primary system be denied for any reason. This facility will be expanded to host mirror images of data files for departmental servers. In addition, a Request for Proposals for Disaster Recovery Services was issued July 28, 2003 to locate an alternate recovery site for the mainframe operations. Responses were evaluated and a recommendation was submitted to enter into a subscription with a disaster recovery services provider. The contract will be awarded once funding is identified.

The University also agrees to review the disaster recovery plan annually and test on a periodic basis.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
PRIOR FINDINGS NOT REPEATED  
For the Year Ended June 30, 2003**

**03-6. Prior Finding: Accounts Receivable Report Contained Amounts Which Could Not Be Supported**

During the previous audit, we noted the University's December 31, 2001 quarterly report for "Aging of Total Gross Receivables" filed with the State Comptroller contained amounts which were not supported with adequate documentation by the University. (Finding Code No. 02-2)

**Disposition:**

During our current audit, we noted that selected quarterly reports for "Aging of Total Gross Receivables" filed with the State Comptroller were supported with documentation by the University.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
For the Year Ended June 30, 2003**

**FINANCIAL RELATED INFORMATION  
SUMMARY**

Financial related information presented in this section of the audit includes the following:

- Financial Related Schedules:

- 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 Property and Equipment
- Comparative Schedule of Cash and Cash Equivalents
- Comparative Schedule of Investments
- Analysis of Significant Variations Between Certain Revenue and Expense Accounts
- Analysis of Significant Lapse Period Spending
- Analysis of Significant Variations Between 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
- Emergency Purchases
- Service Efforts and Accomplishments (Unaudited)
- Calculation of Federal Versus Nonfederal Expenditures
- Summary of Agency Operations by Function of Program Activity - Student Enrollment Statistics (Unaudited)
- Tuition and Fee Waivers (Unaudited)
- 10th Day Room Utilization (Unaudited)
- Debt Financed by University Related Organization
- Acquisition of Real Estate by University Not Funded by Specific Appropriation

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
For the Year Ended June 30, 2003**

**FINANCIAL RELATED INFORMATION  
SUMMARY**

- **University Guidelines 1982 as Amended 1997 and Other University Matters:**
  - 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
  - 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 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**
- **FY2003 Performance Data Budget and Cumulative Quarterly Report Child Abuse Prevention and Tax Checkoff of Grants, Contract No. 0815799013 (Unaudited)**
- **FY2003 Performance Data Budget and Cumulative Quarterly Report Child Abuse Prevention and Tax Checkoff of Grants, Contract No. 0815796013 (Unaudited)**

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
For the Year Ended June 30, 2003**

**FINANCIAL RELATED INFORMATION  
SUMMARY**

The auditor's report on the supplementary information presented in this section states that it has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Schedule of Expenditures of Federal Awards presented in this section has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in the auditor's opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The auditor's reports on compliance testing and internal control related to federal awards are presented in the Compliance Report section of this audit report.



**Independent Auditor's Report on Supplementary  
Information for State Compliance Audit Purposes**

Honorable William G. Holland  
Auditor General  
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the State of Illinois, Illinois State University as of and for the years ended June 30, 2003 and 2002, and have issued our report thereon dated October 31, 2003, under separate cover. These financial statements and the supplementary information referred to below are the responsibility of the State of Illinois, Illinois State University management. Our responsibility is to express opinions on these financial statements based on our audits.

We conducted our audits in accordance with the Illinois State Auditing Act (Act); the auditing standards which are set forth in the Audit Guide as adopted by the Auditor General pursuant to the Act; auditing standards generally accepted in the United States of America; and insofar as such standards are applicable, in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were made for the purpose of forming an opinion on the basic financial statements of the State of Illinois, Illinois State University taken as a whole. The accompanying supplementary information, as listed in the Table of Contents as Financial Related Schedules, is presented for the purpose of additional analysis and is not a required part of the basic financial statements of the State of Illinois, Illinois State University. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits 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, and University management, and is not intended to be and should not be used by anyone other than these specified parties.

*Clifton Gunderson LLP*

Peoria, Illinois  
October 31, 2003

**ILLINOIS STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2003

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor's Number</u>	<u>Expenditures</u>	<u>Passed- through to Subrecipients</u>
<b>STUDENT FINANCIAL AID CLUSTER</b>				
<b>U.S. Department of Education</b>				
* Federal Supplemental Educational Opportunity Grants	84.007		\$ 394,919	\$ -
* Federal Work-Study Program	84.033		998,509	-
* Federal Pell Grant Program	84.063		8,729,679	-
* Federal Perkins Loan Program-Federal Capital Contributions	84.038		10,238,132	-
* Federal Direct Student Loans	84.268		53,910,577	-
<b>U.S. Department of Health and Human Services</b>				
* Nursing Student Loans	93.364		293,544	-
Total Student Financial Aid			<u>74,565,360</u>	<u>-</u>
<b>OTHER PROGRAMS</b>				
<b>U.S. Department of Agriculture</b>				
** Grants for Agricultural Research-Competitive Research Grants	10.206		74,280	-
Higher Education Challenge Grants	10.217		25,428	-
National School Lunch Program (Passed through Illinois State Board of Education)	10.555		17,137	-
Child and Adult Care Food Program (Passed through Illinois State Board of Education)	10.558		6,864	-
** Forestry Research	10.652		9,645	-
Total U.S. Department of Agriculture			<u>133,354</u>	<u>-</u>
<b>U.S. Department of the Interior</b>				
** National Cooperative Geologic Mapping Program	15.810		4,813	-
Total for U.S. Department of the Interior			<u>4,813</u>	<u>-</u>
<b>U.S. Department of Justice</b>				
** National Institute of Justice Research, Evaluation and Development Project Grants	16.560		17,975	-
Total for U.S. Department of Justice			<u>17,975</u>	<u>-</u>
<b>U.S. Department of Labor</b>				
DW Integrated System Tech PY01	17.255		303,124	-
School to Work Serving All Learners (Passed through Illinois State Board of Education)	17.249		168,291	-
			<u>471,415</u>	<u>-</u>
<b>U.S. Department of State</b>				
Professional Development - International Educators/Administrators	19.404		4,100	-
Professional Exchanges - Annual Open Grant	19.415		9,836	-
Total U.S. Department of State			<u>13,936</u>	<u>-</u>
<b>National Aeronautics and Space Administration</b>				
** Aerospace Education Services Program	43.001		49,071	-
Total National Aeronautics and Space Administration			<u>49,071</u>	<u>-</u>
<b>National Foundation of the Arts and Humanities</b>				
Promotion of the Arts Grants to Organizations and Individuals	45.024		4,928	-
Promotion of the Humanities-Division of Preservation & Access	45.149		3,868	-
State Library Program (Passed through Illinois State Library)	45.310	LSTA 03-1041, 4021	30,317	-
Total National Foundation of the Arts and Humanities			<u>39,113</u>	<u>-</u>
<b>National Science Foundation</b>				
** Mathematical and Physical Sciences	47.049		265,951	-
** Biological Sciences	47.074		711,559	96,450
** Biological Sciences (Passed through from Mississippi State University)	47.074	DBI-9987028	24,008	-
** Social, Behavioral, and Economic Sciences	47.075		30,293	-
** Social, Behavioral, and Economic Sciences (Passed through Northern Arizona University)	47.075	ENG323B-01	7,177	-
* Education and Human Resources	47.076		1,366,128	92,040
** Education and Human Resources	47.076		113,931	-
* Education and Human Resources (passed through Chicago State Univ.)	47.076	HRD-0000341	38,730	-
* Education and Human Resources (passed through Univ. of Missouri)	47.076	ESI-9714999/ISU & CG004954-4	52,462	-
Total National Science Foundation			<u>2,610,239</u>	<u>188,490</u>

**ILLINOIS STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2003

<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 Energy</b>				
** Office of Science Financial Assistance Program	81.049		\$ 3,341	\$ -
** Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training, and Technical Analysis/Assistance (Passed through University of Illinois)	81.117		5,000	-
Total U.S. Department of Energy			8,341	-
<b>U.S. Department of Education</b>				
** Adult Education - State Grant Program (Passed through Illinois Community College Board)	84.002	5127, AEL03004	314,388	-
Adult Education - State Grant Program (Passed through Western Illinois University)	84.002	5-28630	240	-
** Special Education - Grants to States (Passed through Illinois State Board of Education)	84.027	2003-4630	2,446	-
TRIO - Student Support Services	84.042		236,411	-
** Vocational Education - Basic Grants to States (Passed through Illinois State Board of Education)	84.048	4720	180,000	-
** Vocational Education - Basic Grants to States (Passed through Illinois Community College Board)	84.048	02-0339, CTEL03004	151,000	-
Vocational Education - Basic Grants to States (Passed through Illinois State Board of Education)	84.048	861000228	700	-
Fund for the Improvement of Postsecondary Education	84.116		215,401	-
Fund for the Improvement of Postsecondary Education (Passed through Emporia State University)	84.116	426-01	3,745	-
Rehabilitation Services - Vocational Rehabilitation Grants to States (Passed through from Illinois Dept of Human Services)	84.126	146A0001002, 240A2001005	5,998	-
Safe and Drug-Free Schools and Communities - State Grants (Passed through Illinois State Board of Education Regional Office of Education)	84.186	2003-4400	2,654	-
Bilingual Education - Professional Development	84.195		426,991	-
Graduate Assistance in Areas of National Need	84.200		10,726	-
** Star Schools (Passed through University of North Texas)	84.203	01-482-1	1,818	562
Star Schools (Passed through Western Illinois University)	84.203	5-28130	4,306	-
** Even Start - State Educational Agencies (Passed through Illinois State Board of Education)	84.213	2002-4335, 2003-4335	197,289	-
Fund for the Improvement of Education (Passed through Illinois State Board of Higher Education)	84.215	IVHS	97,093	-
Eisenhower Professional Development State Grants (Passed through Illinois Board of Higher Education)	84.281	02F983447606, 46, 51	129,504	-
** Eisenhower Professional Development State Grants (Passed through Illinois Board of Higher Education)	84.281	02F983447613	31,780	-
Innovative Education Program Strategies (Passed through Illinois State Board of Education Regional Office of Education)	84.298	2003-4100	4,559	-
Innovative Education Program Strategies (Passed through Illinois State Board of Education)	84.298	CB0302 5/18GN	8,715	-
Special Education-Research & Innovation to Improve Services and Results for Children w/ Disabilities	84.324		69,927	-
Teacher Quality Enhancement Grants	84.336		2,793,723	2,284,260
Reading Excellence (Passed through Western IL University)	84.338	5-29031	140,490	-
Improving Teacher Quality State Grants	84.367		66,420	-
Improving Teacher Quality State Grants (Passed through Illinois Board of Higher Education Regional Office of Education)	84.367	4932	8,781	-
National Writing Project	84.928		33,664	-
Civic Education	84.929		208	-
Total U.S. Department of Education			5,138,977	2,284,822

**ILLINOIS STATE UNIVERSITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2003

<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</b>				
** Biological Response to Environmental Health Hazards	93.113		\$ 24,060	\$ -
** Substance Abuse and Mental Health Services - Projects of Regional and National Significance (PRNS) (Passed through Chestnut Health Systems)	93.243	03GF0033 1345	24,006	-
** Substance Abuse and Mental Health Services - Projects of Regional and National Significance (PRNS) (Passed through Chestnut Health Systems)	93.243	03GF0032 1346	19,781	-
Advanced Education Nursing Traineeships	93.358		33,941	-
** Academic Research Enhancement Award	93.390		181,424	-
Community-Based Family Resource and Support Grants (Passed through Illinois Department of Children and Family Services)	93.590	815799023	238,884	219,775
Child Welfare Services Training Grants	93.648		304,076	15,000
** Adoption Opportunities (Passed through Illinois Department of Children and Family Services)	93.652	815796013	22,363	-
Child Abuse and Neglect State Grants (Passed through Illinois Department of Children and Family Services)	93.669		43,419	-
** Cell Biology and Biophysics Research	93.821		45,912	-
** Diabetes, Endocrinology and Metabolism Research	93.847		30,134	-
** Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		65,888	-
** Microbiology and Infectious Diseases Research	93.856		140,299	-
Microbiology and Infectious Diseases Research (Passed through University of Florida)	93.856	S99006	63,197	-
** Center for Research for Mothers and Children	93.865		85,808	-
** Aging Research	93.866		39,423	-
Grants to States for Operations of Offices of Rural Health (Passed through IL Dept of Public Health)	93.913		27,500	-
** Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems (Passed through Illinois State Board of Education)	93.938	2002	105,901	-
Special Minority Initiatives (Passed through Vanderbilt University)	93.960	2 R25 GM60190-02	11,942	-
Total U.S. Department of Health and Human Services			<u>1,507,958</u>	<u>234,775</u>
<b>Corporation for National and Community Service</b>				
Learn and Serve America-Higher Education (Passed through Indiana Campus Compact)	94.005	00-LHEIN015	72,382	33,190
Total Corporation for National and Community Service			<u>72,382</u>	<u>33,190</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 84,632,934</u>	<u>\$ 2,741,277</u>

\* - Major Program

\*\* - Research and Development Cluster

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2003**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity for the year ended June 30, 2003, 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, 2003. These loan balances outstanding are also included in the federal expenditures presented in this schedule.

	<b>Outstanding Balance at <u>June 30, 2003</u></b>
Nursing Student Loans	\$ 293,544
Perkins Loan Program	<u>10,238,132</u>
<b>Total loans outstanding</b>	<b><u>\$ 10,531,676</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	\$ 45,933,785
Direct Parent Loan for Undergraduate Students Program (PLUS)	<u>7,976,792</u>
<b>Total</b>	<b><u>\$ 53,910,577</u></b>

There were no administrative costs charged to the loan program.

**STATE OF ILLINOIS**  
**ILLINOIS STATE UNIVERSITY**  
**SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES**  
**For the Fourteen Months Ended August 31, 2003**

	<u>Appropriations</u> at <u>June 30, 2003</u>	<u>Lapse Period</u> <u>Expenditures</u> <u>July 1, 2003 to</u> <u>August 31, 2003</u>	<u>Total</u> <u>Expenditures</u> <u>14 Months Ended</u> <u>August 31, 2003</u>	<u>Balances</u> <u>Lapsed</u> <u>August 31, 2003</u>
<b>APPROPRIATIONS BILLS</b>				
<b>General Revenue Fund - 001</b>				
Expenditures:				
Ordinary and contingent expense	\$ 73,278,800**	\$ 753,147	\$ 70,876,070	\$ 2,402,730**
Total General Revenue Fund	<u>73,278,800</u>	<u>753,147</u>	<u>70,876,070</u>	<u>2,402,730</u>
<b>Educational Assistance Fund - 007</b>				
Expenditures:				
Ordinary and contingent expense	<u>14,394,700</u>	<u>-</u>	<u>14,394,700</u>	<u>-</u>
Total Educational Assistance Fund	<u>14,394,700</u>	<u>-</u>	<u>14,394,700</u>	<u>-</u>
<b>Capital Development Fund - 141</b>				
Technology infrastructure - 98	<u>6,390</u>	<u>6,390</u>	<u>6,390</u>	<u>-</u>
Total Capital Development Fund	<u>6,390</u>	<u>6,390</u>	<u>6,390</u>	<u>-</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SCHEDULE OF APPROPRIATIONS, EXPENDITURES, AND LAPSED BALANCES  
For the Fourteen Months Ended August 31, 2003**

	<u>Appropriations</u> <u>at</u> <u>June 30, 2003</u>	<u>Lapse Period</u> <u>Expenditures</u> <u>July 1, 2003 to</u> <u>August 31, 2003</u>	<u>Total</u> <u>Expenditures</u> <u>14 Months Ended</u> <u>August 31, 2003</u>	<u>Balances</u> <u>Lapsed</u> <u>August 31, 2003</u>
<b>APPROPRIATIONS BILLS</b>				
<b>State College and University Trust</b>				
<b>Fund - 417</b>				
<b>Public Act</b>				
<b><u>No. 92-0538</u></b>				
Student financial assistance	\$ 45,350	\$ -	\$ 45,350	\$ -
Total State College and University Trust Fund	<u>45,350</u>	<u>-</u>	<u>45,350</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 87,725,240</u></b>	<b><u>\$ 759,537</u></b>	<b><u>\$ 85,322,510</u></b>	<b><u>\$ 2,402,730</u></b>

Note: All amounts have been reconciled to State Comptroller records.

\*\* During fiscal year 2003, the State rescinded \$2,402,730 of this appropriation which is included in balances lapsed.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES  
Years Ended June 30, 2003 and 2002**

	<u>2003</u> <u>P.A. 92-0538</u>	<u>2002</u> <u>P.A. 92-008</u>
<b>GENERAL REVENUE FUND - 001</b>		
Appropriations (net after transfers)	\$ <u>73,278,800*</u>	\$ <u>79,675,500**</u>
Expenditures:		
Ordinary and contingent expense (previously known as lump-sum operations)	70,876,070	78,246,500
Costs for students integrating	<u>-</u>	<u>329,699</u>
Total expenditures	<u>70,876,070</u>	<u>78,576,199</u>
<b>LAPSED BALANCES</b>	<u>\$ 2,402,730*</u>	<u>\$ 1,099,301**</u>
 <b>EDUCATIONAL ASSISTANCE FUND - 007</b>		
Appropriations (net after transfers)	\$ 14,394,700	\$ 13,709,200
Expenditures:		
Ordinary and contingent expense (previously known as lump-sum operations)	<u>14,394,700</u>	<u>13,709,200</u>
<b>LAPSED BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>
 <b>CAPITAL DEVELOPMENT FUND - 141</b>		
Appropriations (net after transfers)	\$ <u>6,390</u>	\$ <u>158,131</u>
Expenditures:		
97 Technology Infrastructure	-	5,644
98 Technology Infrastructure	<u>6,390</u>	<u>146,098</u>
Total expenditures	<u>6,390</u>	<u>151,742</u>
<b>LAPSED BALANCES</b>	<u>\$ -</u>	<u>\$ 6,389</u>

Note: In FY00, ISU began receiving lump-sum appropriations for the General Revenue and Educational Assistance Funds from the State of Illinois to be spent at the discretion of the University.

\* During fiscal year 2003, the State rescinded \$2,402,730 of this appropriation which is included in lapsed balances.

\*\* During fiscal year 2002, the State rescinded \$1,064,000 of this appropriation which is included in lapsed balances.



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS,  
EXPENDITURES, AND LAPSED BALANCES  
Years Ended June 30, 2003 and 2002**

	<b>2003</b>	<b>2002</b>
	<b><u>P.A. 92-0538</u></b>	<b><u>P.A. 92-008</u></b>
<b>STATE COLLEGE AND UNIVERSITY TRUST FUND - 417</b>		
Appropriations (net after transfers)	\$ 45,350	\$ 45,350
Expenditures:		
Student financial assistance	<u>45,350</u>	<u>-</u>
<b>LAPSED BALANCES</b>	<b><u>\$ -</u></b>	<b><u>\$ 45,350</u></b>
<b>TOTAL OF ALL APPROPRIATED FUNDS</b>		
Appropriations (net after transfers)	\$ 87,725,240	\$ 93,588,181
Expenditures	<u>85,322,510</u>	<u>92,437,141</u>
<b>LAPSED BALANCES</b>	<b><u>\$ 2,402,730</u></b>	<b><u>\$ 1,151,040</u></b>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF REVENUES AND EXPENSES -  
UNIVERSITY INCOME FUND  
Years Ended June 30, 2003 and 2002**

	<u>2003</u>	<u>2002</u>
<b>REVENUES</b>		
Registration fees	\$ 59,362,611	\$ 55,064,078
Registration - extension	175,925	179,455
Orientation fees	-	(78)
Graduation fees	101,289	103,455
Enrollment deposit fee forfeitures	16,374	-
Tuition and fees waived	7,996,200	6,983,800
Gifts and donations	-	3,412,358
Library fines	17,659	4,421
Investment income	122,384	203,208
Net increase (decrease) in fair value of investments	(22,131)	19,362
Other	<u>92,364</u>	<u>136,108</u>
	<u>\$ 67,862,675</u>	<u>\$ 66,106,167</u>
<b>EXPENSES</b>		
Personal services	\$ 24,174,972	\$ 22,000,582
Medicare	1,191,251	1,192,917
Contractual services	14,697,818	15,148,288
Travel	886,296	1,022,934
Commodities	2,167,860	2,521,539
Equipment and library books	5,490,348	7,038,720
Operation of automotive equipment	278,535	272,231
Telecommunications services	1,148,238	1,183,948
Refunds	-	2,916
Tuition and fees waived	7,996,200	6,983,800
Awards, grants, and matching funds	1,090,995	278,617
Permanent improvements	<u>3,050,385</u>	<u>2,131,202</u>
Subtotal	62,172,898	59,777,694
GASB #35 adjustments:		
Depreciation	7,340,271	10,681,179
Equipment additions/disposals	(5,188,344)	(11,122,786)
Capitalized interest	<u>1,068</u>	<u>17,637</u>
	<u>\$ 64,325,893</u>	<u>\$ 59,353,724</u>

Note: 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 PROPERTY AND EQUIPMENT  
Year Ended June 30, 2003**

Data for this schedule includes 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.

	<b><u>Beginning Balance, as Restated</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>Ending Balance</u></b>
Land	\$ 13,590,917	\$ 35,659	\$ -	\$ 13,626,576
Land improvements	12,126,145	114,704	-	12,240,849
Infrastructure	11,944,587	569,325	-	12,513,912
Buildings	273,709,126	17,668,061	-	291,377,187
Equipment	51,092,774	2,244,905	2,534,056	50,803,623
Library materials	48,413,090	3,097,409	-	51,510,499
Construction in progress	<u>19,356,862</u>	<u>11,621,145</u>	<u>16,250,490</u>	<u>14,727,517</u>
Subtotal	<u>430,233,501</u>	<u>\$ 35,351,208</u>	<u>\$ 18,784,546</u>	<u>446,800,163</u>
Less accumulated depreciation for:				
Land improvements	5,971,962	\$ 241,768	\$ -	6,213,730
Infrastructure	3,556,817	292,442	-	3,849,259
Buildings	133,969,502	6,159,310	-	140,128,812
Equipment	37,586,187	4,186,168	2,522,825	39,249,530
Library materials	<u>38,790,555</u>	<u>1,490,847</u>	<u>-</u>	<u>40,281,402</u>
Total accumulated depreciation	<u>219,875,023</u>	<u>\$ 12,370,535</u>	<u>\$ 2,522,825</u>	<u>229,722,733</u>
<b>Capital assets, net</b>	<u>\$ 210,358,478</u>			<u>\$ 217,077,430</u>

In 2003, the University changed the capitalization threshold for equipment from \$500 to \$5,000. The change resulted in writing off \$45.2 million of equipment and \$32.8 million of accumulated depreciation producing a \$12.4 million reduction of net assets.

	<b><u>Cost</u></b>	<b><u>Accumulated Depreciation</u></b>
Balance - beginning of year, as originally reported	\$ 475,413,348	\$ 252,670,492
Equipment capitalization threshold change	<u>(45,179,847)</u>	<u>(32,795,469)</u>
<b>Beginning balance as restated (above)</b>	<u>\$ 430,233,501</u>	<u>\$ 219,875,023</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF CASH AND  
CASH EQUIVALENTS  
June 30, 2003 and 2002**

Significant details of cash and cash equivalents as of June 30, 2003 and 2002 are presented below for all funds of the University:

	<u>2003</u>		<u>2002</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>	\$ 156,516	Noninterest bearing	\$ 212,262	Noninterest bearing
<b>BANK MONEY MARKET FUNDS</b>				
National City Bank	7,714,200	0.8101%	7,173,858	1.4304%
Illinois Funds @ U.S. Bank	26,307,897	1.065%	16,763,866	1.733%
Bank One	<u>928,114</u>	0.930%	<u>1,031,718</u>	0.810%
Total bank money market funds	<u>34,950,211</u>		<u>24,969,442</u>	
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 35,106,727</u>		<u>\$ 25,181,704</u>	
Cash and cash equivalent balances are presented in the balance sheets at June 30, 2003 and 2002 as follows:				
Current	\$ 35,106,727		\$ 25,181,704	
Noncurrent	<u>-</u>		<u>-</u>	
<b>TOTAL CASH AND CASH EQUIVALENT BALANCES</b>	<u>\$ 35,106,727</u>		<u>\$ 25,181,704</u>	

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF INVESTMENTS  
June 30, 2003 and 2002**

	<u>2003</u>		<u>2002</u>	
	<u>Ending Balance</u>	<u>Interest Rate</u>	<u>Ending Balance</u>	<u>Interest Rate</u>
U.S. Treasury and agency obligations:				
Agency notes	\$ 29,846,912	1.140 - 3.500%	\$ 24,552,220	1.724 - 5.900%
Commercial paper	<u>-</u>	- %	<u>8,949,070</u>	1.764 - 2.196%
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 29,846,912</u></b>		<b><u>\$ 33,501,290</u></b>	

Investments are presented in the balance sheets at June 30, 2003 and 2002 as follows:

Current	\$ 2,425,506	\$ 17,928,920
Noncurrent	<u>27,421,406</u>	<u>15,572,370</u>
<b>TOTAL INVESTMENTS</b>	<b><u>\$ 29,846,912</u></b>	<b><u>\$ 33,501,290</u></b>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN CERTAIN  
REVENUE AND EXPENSE ACCOUNTS  
Year Ended June 30, 2003**

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

	<u>Fiscal Year</u>		<u>Increase (Decrease)</u>	<u>Percent of Change</u>	<u>See Notes on Page 38</u>
	<u>2003</u>	<u>2002</u>			
Operating revenues:					
Nongovernmental grants and contracts	\$ 2,450,953	\$ 3,843,145	\$ (1,392,192)	(36.23)%	1
Operating expenses:					
Depreciation	12,370,535	16,845,068	(4,474,533)	(26.56)%	2
Staff benefits	385,707	1,260,155	(874,448)	(69.39)%	3
Other operating expenditures	2,563,537	4,920,833	(2,357,296)	(47.90)%	4
Nonoperating revenues (expenses):					
Gifts and donations	3,218	3,428,309	(3,425,091)	(99.91)%	5
Investment income, net of investment expenses	1,190,912	2,142,233	(951,321)	(44.41)%	6
Interest expense	(3,827,125)	(3,246,665)	580,460	17.88%	7
Capital appropriations	11,412,336	2,234,483	9,177,853	410.74%	8
Capital grants and gifts	467,292	1,150,307	(683,015)	(59.38)%	9

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN CERTAIN  
REVENUE AND EXPENSE ACCOUNTS  
Year Ended June 30, 2003**

1. The University received a large grant in 2002 in the amount of \$1,687,500, Coalition for Systems Changed. No such grant was received in 2003.
2. The decrease is a result of the University's change in the capitalization threshold for equipment from \$500 to \$5,000 which is in accordance with the State of Illinois guidelines.
3. The decrease is a result of the University's method of adjusting accrued compensated absences. There was a change due to several employees with large compensated absence balances leaving the University.
4. The decrease is a result of operating expenditures required for the transition between the old University Farm and the new University Farm during 2002. These types of expenditures were not necessary in 2003.
5. The University received several large donations of software and equipment totaling over \$3.4M in 2002. No such donations were received in 2003.
6. The decrease is a result of lower interest rates on investments during 2003 than 2002. The economic interest rate drops from FY02 yield of 3.022 percent to FY03 yield of 1.774 percent.
7. The increase is primarily the result of the refunding of the 93 Bonds during 2003. Included in the interest line is an additional cost of \$191,000 for the 2 percent premium paid on the early retirement. Amortization of bond discounts increased by approximately \$153,000 and amortization of deferred financial increased by about \$131,000. Both of these increases are attributable to the refunding of the 93 Bonds. Additionally, interest from accreted bonds was approximately \$78,000 more in FY03 than in FY02.
8. The increase is related to the construction of the College of Business building. The main phases of the construction of this building did not begin until 2003. There were no such State supported capital projects in FY02.
9. The University received two large one-time grants in 2002: a motorcycle safety grant of \$453,264 for the purchase of motorcycles for the program and a grant of \$200,000 to assist with the installation of turf in Hancock Stadium. No comparable grants were received in 2003.

Explanations were provided by University personnel.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
Year Ended June 30, 2003**

No significant lapse period spending was noted for the General Revenue Fund, Educational Assistance Fund, Capital Development Fund, or the State College and University Trust Fund.



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN  
CERTAIN ASSET AND LIABILITY ACCOUNTS  
Year Ended June 30, 2003**

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

	<u>Fiscal Year</u>		<u>Increase (Decrease)</u>	<u>Percent of Change</u>	<u>See Notes on Page 41</u>
	<u>2003</u>	<u>2002</u>			
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 35,106,727	\$ 25,181,704	\$ 9,925,023	39.41%	1
Short-term investments	2,425,506	17,928,920	(15,503,414)	(86.47)%	2
Student loans receivable, net	1,648,033	1,350,283	297,750	22.05%	3
Appropriations receivable from State	11,253,920	719,573	10,534,347	1,463.97%	4
Noncurrent assets:					
Long-term investments	27,421,406	15,572,370	11,849,036	76.09%	5
<b>LIABILITIES</b>					
Current liabilities:					
Assets held in custody for others and deposits	\$ 6,455,980	\$ 3,747,163	\$ 2,708,817	72.29%	6

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS BETWEEN  
CERTAIN ASSET AND LIABILITY ACCOUNTS  
Year Ended June 30, 2003**

1. Cash, short-term investments, and long-term investments increased a total of \$6,270,645 during FY03 primarily due to \$7 million of additional funds from the 2003 Project Bonds that were issued.
2. The decrease is due to a change in the mix of investments and cash held by the University during 2003.
3. The increase is a result of lower interest rates which encouraged many students to refinance their loans during 2003. The method the University uses to classify student loans receivable is based on the current year's collection history. Students with outstanding Perkins Loan balances at 5 percent could get an outside consolidation loan for approximately 2.7 - 4.5 percent. Perkins borrowers were motivated to pay off the 5 percent loans by increasing payments and/or securing outside loan consolidations. As a result, FY03 collections against principal increased causing an increase in the short-term portion of receivable.
4. Increase is the result of the State of Illinois not paying the appropriations to the University in as timely of a manner as in the past. During FY03, the University experienced delays of about 60 days in State reimbursements for payroll.
5. The increase is due to a change in the mix of investments and cash held by the University during 2003. \$5 Million of the increase in long-term investments was attributable to the 2003 bond proceeds.
6. This increase is primarily the result of the University implementing a policy in 2003 that allows faculty with nine month contracts to be paid over twelve months. The remaining increase is related to a timing difference in CARS distributions by the University.

Explanations were provided by University personnel.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
COMPARATIVE SCHEDULE OF RECEIVABLES AND  
AGED ANALYSIS OF RECEIVABLES  
June 30, 2003 and 2002**

	<u>2003</u>	<u>2002</u>	<u>Increase (Decrease)</u>
<b>ACCOUNTS RECEIVABLE</b>			
Current funds:			
Local funds (less allowance for doubtful accounts of \$955,703 and \$911,122 at June 30, 2003 and 2002, respectively)	\$ 4,358,143	\$ 3,014,276	\$ 1,343,867
Auxiliary facilities system (less allowance for doubtful accounts of \$1,486,835 and \$1,407,716 at June 30, 2003 and 2002, respectively)	1,266,731	1,805,446	(538,715)
Restricted funds	2,304,423	2,484,037	(179,614)
Payroll and clearing accounts	<u>(964,114)</u>	<u>26,946</u>	<u>(991,060)</u>
Total current funds	6,965,183	7,330,705	(365,522)
Agency funds	398,669	494,308	(95,639)
Loan funds	<u>17,361</u>	<u>17,786</u>	<u>(425)</u>
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<u>\$ 7,381,213</u>	<u>\$ 7,842,799</u>	<u>\$ (461,586)</u>
<b>NOTES RECEIVABLE</b>			
Loan funds:			
Student loans receivable (less allowance for doubtful loans of \$896,132 and \$885,572 at June 30, 2003 and 2002, respectively)	<u>\$ 9,682,729</u>	<u>\$ 9,621,343</u>	<u>\$ 61,386</u>

**AGED ANALYSIS OF ACCOUNT 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 \$793,128 and \$756,596 at June 30, 2003 and 2002, respectively, has been established for tuition receivable deemed uncollectible. An allowance for doubtful accounts of \$1,243,597 and \$1,183,888 at June 30, 2003 and 2002, respectively, has been established for room and board receivable deemed uncollectible. An additional allowance for doubtful accounts of \$405,813 and \$378,354 at June 30, 2003 and 2002, respectively, has been established for fees receivable deemed uncollectible.

Notes receivable are presented in the balance sheets at June 30, 2003 and 2002 as follows:

	<u>2003</u>	<u>2002</u>
Current	\$ 1,648,033	\$ 1,350,283
Noncurrent	<u>8,034,696</u>	<u>8,271,060</u>
	<u>\$ 9,682,729</u>	<u>\$ 9,621,343</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AGENCY FUNCTIONS AND PLANNING PROGRAM**

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 2007*, (2) *University Mission Statement*, and (3) *College Mission Statements*.

The *Academic Plan* submitted during our audit period is for fiscal years 2003-2008. It includes: (1) an identification of institutional priorities; (2) the University's strategic plan, *Educating Illinois: An Action Plan for Distinctiveness and Excellence at Illinois State University 2000-2007*; 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 2003 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 2003, program reviews were completed on the programs within English, Writing, Communication Studies, and Mathematics.

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: An Action Plan for Distinctiveness and Excellence at Illinois State University 2000-2007*.

- *Educating Illinois* is the University's multi-year strategic plan. It has articulated five core values (individualized attention, public opportunity, active pursuit of learning, diversity, and creative response to change) that support 15 goals and 79 corresponding action items. Fifteen teams are implementing the action items in *Educating Illinois*; priorities and progress is summarized on the Institutional Report Card section of the *Educating Illinois* Web site, [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  
AGENCY FUNCTIONS AND PLANNING PROGRAM**

- *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 includes 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.

Auditor's Assessment of Planning Program

The University's planning program appears adequate for both the financial and nonfinancial aspects of its operations.

Location of Agency: Normal, Illinois

Agency Head: Dr. Victor J. Boschini, Jr., President, July 1, 2002 to May 31, 2003  
C. Alvin Bowman, Interim President, June 1, 2003 to present

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
EMPLOYMENT STATISTICS (FULL-TIME EQUIVALENT)  
Years Ended June 30, 2003 and 2002**

(Unaudited)\*

	<u>Instructional Activities</u>	<u>Organized Research</u>	<u>Public Service</u>
<b>YEAR ENDED JUNE 30, 2003</b>			
Appropriated funds:			
Faculty/administrative	1,110.80	31.90	45.90
Civil service	225.40	4.60	6.10
Student employees	85.00	1.60	.50
Miscellaneous contracts	<u>30.40</u>	<u>26.90</u>	<u>.50</u>
	<u>1,451.60</u>	<u>65.00</u>	<u>53.00</u>
Nonappropriated funds:			
Faculty/administrative	73.80	155.70	52.90
Civil service	20.40	43.80	19.50
Student employees	<u>26.50</u>	<u>18.30</u>	<u>9.00</u>
	<u>120.70</u>	<u>217.80</u>	<u>81.40</u>
<b>TOTAL ALL FUNDS</b>	<u><u>1,572.30</u></u>	<u><u>282.80</u></u>	<u><u>134.40</u></u>
<b>YEAR ENDED JUNE 30, 2002</b>			
Appropriated funds:			
Faculty/administrative	1,141.40	33.00	46.40
Civil service	231.80	5.10	6.90
Student employees	85.00	1.10	.30
Miscellaneous contracts	<u>55.30</u>	<u>.30</u>	<u>.50</u>
	<u>1,513.50</u>	<u>39.50</u>	<u>54.10</u>
Nonappropriated funds:			
Faculty/administrative	71.10	147.20	57.60
Civil service	24.60	37.90	20.70
Student employees	<u>25.20</u>	<u>18.90</u>	<u>10.60</u>
	<u>120.90</u>	<u>204.00</u>	<u>88.90</u>
<b>TOTAL ALL FUNDS</b>	<u><u>1,634.40</u></u>	<u><u>243.50</u></u>	<u><u>143.00</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>
38.40	65.80	72.40	5.20	-	1,370.40
99.70	31.80	132.60	180.00	-	680.20
26.30	11.50	16.70	7.70	-	149.30
2.80	4.60	12.50	68.70	-	146.40
<u>167.20</u>	<u>113.70</u>	<u>234.20</u>	<u>261.60</u>	<u>-</u>	<u>2,346.30</u>
-	104.80	1.60	1.70	38.90	429.40
-	75.80	22.30	176.90	229.40	588.10
8.70	51.60	2.10	15.50	308.20	439.90
<u>8.70</u>	<u>232.20</u>	<u>26.00</u>	<u>194.10</u>	<u>576.50</u>	<u>1,457.40</u>
<u>175.90</u>	<u>345.90</u>	<u>260.20</u>	<u>455.70</u>	<u>576.50</u>	<u>3,803.70</u>
38.90	53.90	70.40	4.40	-	1,388.40
101.80	34.80	139.30	192.30	-	712.00
29.20	14.80	20.30	8.90	-	159.60
2.80	4.60	12.50	68.60	-	144.60
<u>172.70</u>	<u>108.10</u>	<u>242.50</u>	<u>274.20</u>	<u>-</u>	<u>2,404.60</u>
-	111.70	1.10	2.10	36.20	427.00
-	76.40	23.00	186.30	264.40	633.30
10.30	56.40	2.00	14.40	279.10	416.90
<u>10.30</u>	<u>244.50</u>	<u>26.10</u>	<u>202.80</u>	<u>579.70</u>	<u>1,477.20</u>
<u>183.00</u>	<u>352.60</u>	<u>268.60</u>	<u>477.00</u>	<u>579.70</u>	<u>3,881.80</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ANNUAL COST STATISTICS  
June 30, 2003 and 2002**

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

	<u>2003</u>	<u>2002</u>
Total education and general expenses/expenditures from current appropriated funds	\$ 85,633,220	\$ 92,720,656*
Expenses/expenditures from locally held University Income Fund	<u>62,172,899</u>	<u>59,353,724</u>
	147,806,119	152,074,380
Full-time equivalent students	÷ <u>18,707</u>	÷ <u>18,672</u>
 <b>COST PER FULL-TIME EQUIVALENT STUDENT</b>	 <u>\$ 7,901</u>	 <u>\$ 8,145</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, 2003 and 2002**

<u>Emergency Purchases</u>	<u>2002</u>
Mold removal at Milner Library	\$ 80,000
Tape backup and data archive system	<u>188,255</u>
	<u>\$ 268,255</u>

There were no emergency purchases in fiscal year 2003.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
For the Year Ended June 30, 2003**

(Unaudited)

**Agency:** Illinois State University (636)  
**Fund(s):** General Revenue (001)

**Major Function:** Higher Education

**Input Indicators:**

Total Appropriation and Income Fund Budget as Approved by IBHE	\$ 147,435.8
Faculty FTE - Fall 2002	937.7
Lab School FTE - Fall 2002	110.4
Admin/Professional FTE - Fall 2002	622.5
Civil Service FTE - Fall 2002	1,525.3
Fall 2002 Enrollment	20,975
Undergraduate Direct Instruction Costs	\$ 32,026,677*
Graduate Direct Instruction Costs	\$ 5,480,867*

\*FY02 Data, FY03 data is not yet available.

**Output Indicators:**

(Major goals and objectives)

1. Higher education will help Illinois business and industry sustain strong economic growth.
2. Higher education will join elementary and secondary education to improve teaching and learning at all levels.
3. No Illinois citizen will be denied an opportunity for a college education because of financial need.
4. Illinois will increase the number and diversity of citizens completing training and education programs.
5. Illinois colleges and universities will hold students to even higher expectations for learning and will be accountable for the quality of academic programs and the assessment of learning.
6. Illinois colleges and universities will continually improve productivity, cost-effectiveness, and accountability.
7. Degrees awarded 4,987
8. Undergraduate credit hours 510,375.5
9. Graduate credit hours 49,891

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
For the Year Ended June 30, 2003**

(Unaudited)

**Outcome Indicators:**

Illinois State University's Fiscal Year 2003 Service Efforts and Accomplishments Report highlights progress toward the six goals of the Illinois Commitment, Board of Trustees Vision Statement for the Year 2007, and Academic Plan 2003-2008. Activities under each of these are described below. Selected outcome indicators follow:

**Goal 1: Higher Education Will Help Business and Industry Sustain Strong Economic Growth.**

Illinois State University appointed the Edmonson-Miller Endowed Chair in Insurance and Risk Management, established new degree programs in athletic training and clinical-counseling psychology, and received over \$20 million to support research and creative activities. The University's best practice is participation in the Illinois Council for Food and Agricultural Research. Illinois State University will continue to increase the clients served by the Extended University and annually pursue \$23 million for externally funded research and creative activities.

**Goal 2: Higher Education Will Join Elementary and Secondary Education to Improve Teaching and Learning at All Levels.**

Appointing the Kara Peters Endowed Chair in Special Education Technology, receiving \$2.95 million in federal grants related to bilingual instruction, and hosting the Teacher Education Access for Minorities program are strategies to improve teaching and learning at all levels. The University's best practice highlights outcomes from the Special Education Assistive Technology Center. Illinois State University will continue to provide statewide and national leadership in those organizations committed to improving teaching and learning at all levels (e.g., National Board for Professional Teaching Standards, Governors Advisory Council for Teacher and Learner Quality), and will continue to implement strategies to increase minority student enrollment in teacher education.

**Goal 3: No Illinois Citizen Will Be Denied an Opportunity for a College Education Because of Financial Need.**

Holding Fiscal Year 2004 tuition constant for students currently enrolled at the University and holding Fiscal Year 2005 tuition constant for Fall 2004 new students continuously enrolled at the University in academic good standing demonstrates Illinois State University's commitment to affordability. The University's best practice is applying \$200 thousand in internal reallocations to restore fifth year Monetary Award Program funding and to offset reductions for other program recipients enrolled at Illinois State University. The University will continue to pursue its goal of collection \$20 million to support endowed scholarships for minority students and high achieving students (\$8.2 million has been collected) and strive to remain in the top 25 percent nationally in terms of undergraduate students who graduate with the least amount of cumulative debt.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
For the Year Ended June 30, 2003**

(Unaudited)

**Goal 4: Illinois Will Increase the Number and Diversity of Citizens Completing Training and Educational Programs.**

Illinois State University implemented new admissions strategies to remain in contact with minority students from initial inquiry until Fall semester enrollment, including the first Minority Students Scholar Days program and application workshops at selected high schools with large minority student populations. Initial results have proven successful. Compared to Fall 2002, minority first-time freshmen applications are up 9 percent and minority freshmen admissions are up 35 percent. Illinois State University's participation in LS-AMP, a program designed to increase the participation and achievement of traditionally underrepresented students in the sciences, mathematics, and technology, is the University's best practice. Illinois State University will continue to develop, implement, and refine strategies to increase student enrollment, retention, and graduation rates. Currently, 42 percent of students admitted to the University enroll at Illinois State, 80 percent of first-year students return for a second year of study, and 57 percent of all students graduate within six years.

**Goal 5: Illinois Colleges and Universities Will Hold Students to Even Higher Expectations for Learning and be Accountable for the Quality of Academic Programs and the Assessment of Student Learning.**

Advancing in national collegiate rankings, exceeding benchmarks from the *National Survey of Student Engagement*, enrolling freshmen with ACT averages well above other State of Illinois and national college bound (core curriculum) students, receiving acceptance into the National Association of State Universities and Land Grant Colleges, and being selected as a Carnegie Cluster Leader, demonstrates Illinois State University's high expectations for students and academic programs. The University's best practice is being one of 13 colleges and universities nationwide to be honored by the Arnold and Mildred Beckman Foundation with the 2003 Beckman Scholars Program. During Fiscal Year 2004, the University will continue to increase recruiting efforts of high-achieving, motivated students and apply to participate in the American Association for Higher Education's *Engaged Campus for a Diverse Democracy Project*.

**Goal 6: Illinois Colleges and Universities Will Continually Improve Productivity, Cost-Effectiveness, and Accountability.**

Receiving an upgraded credit rating from Moody's Investor Services and \$54.8 million from the state for capital projects, demonstrates public confidence in Illinois State University. Accountability reports for the University's highest priorities are displayed at [www.illinoisstate.edu/educatingillinois](http://www.illinoisstate.edu/educatingillinois), [www.illinoisstate.edu/masterplan](http://www.illinoisstate.edu/masterplan), and [www.illinoisstate.edu/campaign](http://www.illinoisstate.edu/campaign). Fiscal Year 2003 actions totaling \$5.3 million in cost avoidance and \$8.5 million in internal reallocations (3.1 percent of the University's base budget) are the University's best practice. During Fiscal Year 2004, Illinois State University will continue to pursue its highest priority, faculty and staff compensation. Additionally, the University will reduce the deferred maintenance backlog (currently at \$450 million) and continue to reallocate at least 1 percent of the base budget from lower to higher priorities.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE EFFORTS AND ACCOMPLISHMENTS  
For the Year Ended June 30, 2003**

(Unaudited)

**Efficiency Cost Effective Indicators:**

Undergraduate Direct Instruction Cost/Credit Hour	\$ 62.71
Graduate Direct Instruction Cost/Credit Hour	\$ 124.16
	FY02 data.

- Eighty percent of the new freshmen return to Illinois State University for a second year of enrollment.
- Fifty-seven percent of the new freshmen graduate from the University within six years.
- Of these graduates, 53 percent graduate in four years, 40 percent graduate in five years, and 7 percent graduate in six years.

**Explanatory Information:**

In Fall 2002, the University enrolled students from 47 states and 86 countries. The largest segment of the student body (44 percent) is from the Chicago area and 28 percent is from central Illinois. The enrollment includes a significant number of minority students, students with disabilities, and adult learners. Among the entering students, the mean ACT score was 23.3 with 82 percent in the top half of their high school graduating class.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CALCULATION OF FEDERAL VERSUS NONFEDERAL EXPENDITURES  
For the Two Years Ended June 30, 2003**

	<u>Fiscal Year 2003</u>		<u>Fiscal Year 2002</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Federal expenditures	\$ 20,190,681	6.6%	\$ 19,364,336	6.2%
Nonfederal expenditures	<u>286,887,748</u>	<u>93.4</u>	<u>291,054,675</u>	<u>93.8</u>
<b>TOTAL</b>	<u>\$307,078,429</u>	<u>100.0%</u>	<u>\$310,419,011</u>	<u>100.0%</u>

Sources: Schedule of Expenditures of Federal Awards and Statement of Revenues, Expenses, and Changes in Net Assets.

Note: Federal expenditures are shown here net of the following noncash expenditures:

	<u>2003</u>	<u>2002</u>
Nursing Student Loans	\$ 293,544	\$ 267,677
Perkins Loan Program	10,238,132	10,197,594
Direct Loan Program	<u>53,910,577</u>	<u>52,658,602</u>
	<u>\$ 64,442,253</u>	<u>\$ 63,123,873</u>

**STATE OF ILLINOIS**  
**ILLINOIS STATE UNIVERSITY**  
**SUMMARY OF AGENCY OPERATIONS BY FUNCTION**  
**OF PROGRAM ACTIVITY**  
**STUDENT ENROLLMENT STATISTICS**  
**Years Ended June 30, 2003 and 2002**

(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>2002-2003</u></b>	<b><u>2001-2002</u></b>
All students, including extension	<u>21,183</u>	<u>21,240</u>
	<b>Full-time Students Equivalent</b>	
	<b><u>2002-2003</u></b>	<b><u>2001-2002</u></b>
All students, including extension	<u>18,707</u>	<u>18,672</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
FISCAL YEAR 2003  
UNDERGRADUATE TUITION AND FEE WAIVERS**

(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	267	267	\$ 961.3	267	\$ 362.5
General Assembly	201	201	694.4	-	-
Reserve Officer's Training Corps	67	67	175.0	-	-
Wards of Illinois Department of Children and Family Services	15	13	12.0	-	-
Children of Employees	<u>293</u>	<u>293</u>	<u>439.8</u>	<u>15</u>	<u>2.9</u>
(subtotal)	<u>843</u>	<u>841</u>	<u>2,282.5</u>	<u>282</u>	<u>365.4</u>
<b>Discretionary Waivers</b>					
Faculty/Administrators (Non-Civil Service)	17	17	14.6	17	5.8
Civil Service	102	102	89.2	89	31.9
Children of Employees	21	21	29.5	-	-
Children of Deceased Employees	7	7	11.0	7	3.7
Athletic	302	302	850.2	-	-
Academic/Other Talent	433	433	866.7	-	-
Foreign Exchange Students	40	40	118.0	-	-
Out-of-state Students	<u>4</u>	<u>3</u>	<u>9.2</u>	<u>4</u>	<u>2.4</u>
(subtotal)	<u>926</u>	<u>925</u>	<u>1,988.4</u>	<u>117</u>	<u>43.8</u>
<b>Total</b>	<u>1,769</u>	<u>1,766</u>	<u>\$ 4,270.9</u>	<u>399</u>	<u>\$ 409.2</u>

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



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
FISCAL YEAR 2003  
GRADUATE TUITION AND FEE WAIVERS**

(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	18	18	\$ 45.1	18	\$ 16.9
General Assembly	<u>1</u>	<u>1</u>	<u>2.1</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>19</u>	<u>19</u>	<u>47.2</u>	<u>18</u>	<u>16.9</u>
<b>Discretionary Waivers</b>					
Faculty/Administrators (Non-Civil Service)	163	163	136.5	144	44.3
Civil Service	73	73	53.9	67	16.7
Retired University Employees	2	2	.9	-	-
Cooperating Professionals	633	633	411.4	-	-
Athletic	3	3	2.4	-	-
Academic/Other Talent	1,123	1,123	636.7	643	58.3
Foreign Exchange Students	29	29	90.4	-	-
Graduate Assistants - Research	209	209	439.0	-	-
Graduate Assistants - Teaching	506	506	1,193.5	-	-
Graduate Assistants - Other	<u>320</u>	<u>320</u>	<u>713.4</u>	<u>-</u>	<u>-</u>
(subtotal)	<u>3,061</u>	<u>3,061</u>	<u>3,678.1</u>	<u>854</u>	<u>119.3</u>
<b>Total</b>	<u>3,080</u>	<u>3,080</u>	<u>\$ 3,725.3</u>	<u>872</u>	<u>\$ 136.2</u>

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
10th DAY ROOM UTILIZATION  
Year Ended June 30, 2003**

(Unaudited)

**FALL 2002**

**DAYTIME**

	<b><u>Stations</u></b>	<b><u>Rooms</u></b>
110 Space (classroom)	48.3%	65.1%
210 Space (lab)	30.0%	41.9%

**EVENINGS**

	<b><u>Stations</u></b>	<b><u>Rooms</u></b>
110 Space (classroom)	16.0%	34.8%
210 Space (lab)	14.7%	26.5%

**SPRING 2003**

**DAYTIME**

	<b><u>Stations</u></b>	<b><u>Rooms</u></b>
110 Space (classroom)	54.1%	69.4%
210 Space (lab)	32.7%	42.7%

**EVENINGS**

	<b><u>Stations</u></b>	<b><u>Rooms</u></b>
110 Space (classroom)	16.4%	33.9%
210 Space (lab)	17.2%	28.4%

Source: Facilities Planning

Space utilization presented is as of the 10<sup>th</sup> day of classes of the respective semesters. Utilization is computed by dividing the workspace (desk, lab space) hours used by the workspace hours available.

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
DEBT FINANCED BY UNIVERSITY RELATED ORGANIZATION  
For the Year Ended June 30, 2003**

Long-term debt at the Illinois State University Foundation at June 30 consists of the following:

Note payable to Bank One, requiring monthly interest payments of 4.25 percent per year, with the principal due in full in December 2004.	\$ 1,000,000
--	--------------

Less current installments	<u>                  -</u>
---------------------------	----------------------------

<b>Long-term debt, less current installments</b>	<b><u>\$ 1,000,000</u></b>
--	----------------------------

Future maturities of long-term debt are as follows:

2004	\$ -
2005	<u>1,000,000</u>

<b>Total</b>	<b><u>\$ 1,000,000</u></b>
--------------	----------------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
ACQUISITION OF REAL ESTATE BY UNIVERSITY NOT  
FUNDED BY SEPARATE SPECIFIC APPROPRIATION  
Year Ended June 30, 2003**

In Fiscal Year 2003, the University purchased land near Lexington, Illinois for University research. The cost of the land was \$35,659, which was funded by proceeds from farmland sold by ISU in fiscal year 2000. The University was permitted to retain the farmland sale proceeds in local funds if the proceeds were intended to purchase land for research.

**ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET ASSETS - LOCAL FUNDS  
AS OF JUNE 30, 2003**

	<b>Indirect Cost Support</b>	<b>Continuing Education &amp; Public Service</b>	<b>Sales &amp; Service Of Educational Activities</b>	<b>Student Programs &amp; Services - University</b>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 1,761,002	\$ 1,554,205	\$ 1,211,267	\$ 1,555,698
Accrued interest receivable	5,166	1,359	471	6,238
Accounts receivable, net		92,079	12,692	3,773,899
Inventories		42,473	13,581	121,389
Prepaid expenses and deposits	835	3,916	10,492	3,734
Deferred charges and obligations				
<b>Total current assets</b>	<b><u>1,767,003</u></b>	<b><u>1,694,032</u></b>	<b><u>1,248,503</u></b>	<b><u>5,460,958</u></b>
Noncurrent Assets:				
Capital assets, net				
<b>Total noncurrent assets</b>				
<b>Total assets</b>	<b><u>1,767,003</u></b>	<b><u>1,694,032</u></b>	<b><u>1,248,503</u></b>	<b><u>5,460,958</u></b>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	535,092	300,256	217,651	368,434
Obligations payable				
Obligations under capital leases				76,424
Assets held in custody for others and deposits				317,157
Deferred revenue		198,112	1,110	115,924
Long-term liabilities - current portion	394	42,217	2,821	
<b>Total current liabilities</b>	<b><u>535,486</u></b>	<b><u>540,585</u></b>	<b><u>221,582</u></b>	<b><u>877,939</u></b>
Noncurrent Liabilities:				
Long-term liabilities	3,037	325,739	21,767	894,411
Obligations under capital leases				
<b>Total noncurrent liabilities</b>	<b><u>3,037</u></b>	<b><u>325,739</u></b>	<b><u>21,767</u></b>	<b><u>894,411</u></b>
<b>Total liabilities</b>	<b><u>538,523</u></b>	<b><u>866,324</u></b>	<b><u>243,349</u></b>	<b><u>1,772,350</u></b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt				
Unrestricted	1,228,480	827,708	1,005,154	3,688,608
<b>Total net assets</b>	<b><u>\$ 1,228,480</u></b>	<b><u>\$ 827,708</u></b>	<b><u>\$ 1,005,154</u></b>	<b><u>\$ 3,688,608</u></b>

<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>Clearing</u>	<u>Local Funds Total</u>
\$ 156,488	\$ 481,980	\$	\$ 1,058,683	\$ 19,500	\$ 7,798,823
203		14,755			28,192
	6,201	11,026,922	(964,113)		13,947,680
	429				177,443
		926,160			19,406
					926,160
<u>156,691</u>	<u>488,610</u>	<u>11,967,837</u>	<u>94,570</u>	<u>19,500</u>	<u>22,897,704</u>
		133,768,510			133,768,510
		133,768,510			133,768,510
<u>156,691</u>	<u>488,610</u>	<u>145,736,347</u>	<u>94,570</u>	<u>19,500</u>	<u>156,666,214</u>
19,844	92,372	2,495,988	94,570		4,124,207
		926,160			926,160
		102,458			102,458
					76,424
	364,360	1,360,360			2,241,099
175	4,777	1,709,675		1,476	1,877,459
<u>20,019</u>	<u>461,509</u>	<u>6,594,641</u>	<u>94,570</u>	<u>1,476</u>	<u>9,347,807</u>
1,348	36,854	12,587,169		11,387	13,881,712
		173,907			173,907
<u>1,348</u>	<u>36,854</u>	<u>12,761,076</u>		<u>11,387</u>	<u>14,055,619</u>
<u>21,367</u>	<u>498,363</u>	<u>19,355,717</u>	<u>94,570</u>	<u>12,863</u>	<u>23,403,426</u>
		133,492,145			133,492,145
135,324	(9,753)	(7,111,515)		6,637	(229,357)
<u>\$ 135,324</u>	<u>\$ (9,753)</u>	<u>\$ 126,380,630</u>	<u>\$</u>	<u>\$ 6,637</u>	<u>\$ 133,262,788</u>

**ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - LOCAL FUNDS  
YEAR ENDED JUNE 30, 2003**

	<u>Indirect Cost Support</u>	<u>Continuing Education &amp; Public Service</u>	<u>Sales &amp; Service Of Educational Activities</u>	<u>Student Programs &amp; Services - University</u>
<b>OPERATING REVENUES</b>				
Student tuition and fees, net	\$	\$ 1,089	\$ 1,821,619	\$ 13,922,680
Sales and services of educational activities				6,998,349
Other operating revenues	<u>1,232,774</u>	<u>6,727,592</u>	<u>1,821,619</u>	<u>6,998,349</u>
Total operating revenues	<u>1,232,774</u>	<u>6,728,681</u>	<u>1,821,619</u>	<u>20,921,029</u>
<b>OPERATING EXPENSES</b>				
Educational and General				
Instruction		315,273	1,131,783	338,774
Research	259,432	2,265	137,814	
Public service		4,262,668	245,219	73,135
Academic support	36,065	49,223	239,166	
Student services		217,523	27,934	18,740,325
Institutional support	73,121	395,876		
Operation and maintenance of plant	740,766	56,976	11,463	258,664
Depreciation				
Staff benefits	3,661	148,983	(36,209)	(30,218)
Student aid	3,800	51,549	2,225	1,833,835
Other operating expenditures		<u>1,666,070</u>	<u>1,200,061</u>	
Total operating expenses	<u>1,116,845</u>	<u>7,166,406</u>	<u>2,959,456</u>	<u>21,214,515</u>
Operating income (loss)	<u>115,929</u>	<u>(437,725)</u>	<u>(1,137,837)</u>	<u>(293,486)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Laboratory Schools				3,218
Gifts and donations				58,218
Investment income, net of investment expenses	35,865	13,228	9,771	
Interest expense				
Other nonoperating revenues		<u>200,718</u>	<u>7,484</u>	<u>451,672</u>
Net nonoperating revenues	<u>35,865</u>	<u>213,946</u>	<u>17,255</u>	<u>513,108</u>
Net nonoperating revenues (expenses)	35,865	213,946	17,255	513,108
Income (Loss) before capital items	<u>151,794</u>	<u>(223,779)</u>	<u>(1,120,582)</u>	<u>219,622</u>
Capital appropriations				
Total capital items				
Increase (decrease) in net assets	151,794	(223,779)	(1,120,582)	219,622
<b>NET ASSETS</b>				
Net assets - beginning of year	1,076,686	1,051,487	2,125,736	3,468,986
Cumulative effect of changes in accounting principle				
Net assets - end of year	<u>\$ 1,228,480</u>	<u>\$ 827,708</u>	<u>\$ 1,005,154</u>	<u>\$ 3,688,608</u>

<b>Student Programs &amp; Services - High School</b>	<b>Field Trip &amp; Foreign Study Activities</b>	<b>Income Fund</b>	<b>Clearing</b>	<b>Local Funds Total</b>
\$	\$	\$	\$	\$
	992,962	67,652,398		82,569,129
137,667	331,354	23,429		1,821,619
137,667	1,324,316	67,675,827		15,451,165
	1,352,636	25,600,499		28,738,965
748,273		558,040		1,705,824
		109,066		4,690,088
		1,387,971		1,712,425
		462,215		19,447,997
		8,742,089		9,211,086
		12,869,602		13,937,471
		7,340,271		7,340,271
1,712	(1,435)	(1,487,774)	(24,068)	(1,425,348)
	500	9,038,646		10,930,555
		(302,594)		2,563,537
749,985	1,351,701	64,318,031	(24,068)	98,852,871
(612,318)	(27,385)	3,357,796	24,068	989,042
568,728				568,728
2,368		100,253		3,218
		(7,862)		219,703
210	2,168	86,595		(7,862)
571,306	2,168	178,986		748,847
571,306	2,168	178,986		1,532,634
(41,012)	(25,217)	3,536,782	24,068	1,532,634
		11,405,946		2,521,676
		11,405,946		11,405,946
(41,012)	(25,217)	14,942,728	24,068	11,405,946
176,336	15,464	120,883,254	(17,431)	13,927,622
		(9,445,352)		128,780,518
\$ 135,324	\$ (9,753)	\$ 126,380,630	\$ 6,637	\$ 133,262,788



**ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET ASSETS - SERVICE DEPARTMENTS  
JUNE 30, 2003**

	<b>Service Departments</b>
<b>ASSETS</b>	
Current Assets:	
Cash and cash equivalents	\$ 5,063,850
Accrued interest receivable	19,217
Accounts receivable, net	650,698
Inventories	1,746,475
Prepaid expenses and deposits	<u>167,342</u>
Total current assets	<u>7,647,582</u>
Noncurrent Assets:	
Capital assets, net	<u>3,778,482</u>
Total noncurrent assets	<u>3,778,482</u>
Total assets	<u>11,426,064</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts payable and accrued liabilities	902,668
Obligations under capital leases	28,755
Deferred revenue	215,284
Long-term liabilities - current portion	<u>115,219</u>
Total current liabilities	<u>1,261,926</u>
Noncurrent Liabilities:	
Long-term liabilities	1,190,564
Obligations under capital leases	<u>15,070</u>
Total noncurrent liabilities	<u>1,205,634</u>
Total liabilities	<u>2,467,560</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	3,734,656
Unrestricted	<u>5,223,848</u>
Total net assets	<u>\$ 8,958,504</u>

**ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - SERVICE DEPARTMENTS  
YEAR ENDED JUNE 30, 2003**

	<u>Service Departments</u>
<b>OPERATING REVENUES</b>	
Other operating revenues	\$ 18,979,770
Total operating revenues	<u>18,979,770</u>
<b>OPERATING EXPENSES</b>	
Educational and General	
Instruction	419,953
Institutional support	10,500,824
Operation and maintenance of plant	8,184,653
Depreciation	1,497,603
Staff benefits	<u>(146,702)</u>
Total operating expenses	<u>20,456,331</u>
Operating (loss)	<u>(1,476,561)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income, net of investment expenses	157,131
Interest expense	(7,924)
Other nonoperating revenues	<u>5,853</u>
Net nonoperating revenues	<u>155,060</u>
Decrease in net assets	(1,321,501)
<b>NET ASSETS</b>	
Net assets - beginning of year	10,887,062
Cumulative effect of changes in accounting principle	<u>(607,057)</u>
Net assets - end of year	<u>\$ 8,958,504</u>

**ILLINOIS STATE UNIVERSITY  
STATEMENT OF NET ASSETS - AUXILIARY FACILITIES  
AS OF JUNE 30, 2003**

	<u>Housing</u>	<u>Student Activities</u>	<u>Parking</u>	<u>Auxiliary Facilities Total</u>
<b>ASSETS</b>				
Current Assets:				
Cash and cash equivalents	\$ 4,484,827	\$ 7,026,622	\$ 2,532,555	\$ 14,044,004
Short-term investments		1,016,730	1,408,776	2,425,506
Accrued interest receivable	48,825	46,328	27,128	122,281
Accounts receivable, net	824,641	371,038	71,052	1,266,731
Inventories	507,698	84,317		592,015
Prepaid expenses and deposits	1,125			1,125
Deferred charges and obligations	28,168	49,031	23,966	101,165
Total current assets	<u>5,895,284</u>	<u>8,594,066</u>	<u>4,063,477</u>	<u>18,552,827</u>
Noncurrent Assets:				
Long-term investments	18,581,914	3,260,803	5,578,689	27,421,406
Bond issuance costs	110,878	383,539	283,789	778,206
Capital assets, net	<u>16,560,647</u>	<u>45,499,784</u>	<u>16,839,769</u>	<u>78,900,200</u>
Total noncurrent assets	<u>35,253,439</u>	<u>49,144,126</u>	<u>22,702,247</u>	<u>107,099,812</u>
Total assets	<u>41,148,723</u>	<u>57,738,192</u>	<u>26,765,724</u>	<u>125,652,639</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable and accrued liabilities	2,077,499	890,894	257,297	3,225,690
Obligations under capital leases		30,959	5,181	36,140
Assets held in custody for others and deposits	991,278	6,039		997,317
Deferred revenue	224,581	251,419	45,763	521,763
Long-term liabilities - current portion	<u>3,203,699</u>	<u>1,896,723</u>	<u>(249,106)</u>	<u>4,851,316</u>
Total current liabilities	<u>6,497,057</u>	<u>3,076,034</u>	<u>59,135</u>	<u>9,632,226</u>
Noncurrent Liabilities:				
Assets held in custody for others and deposits	151,747			151,747
Long-term liabilities	9,115,093	27,066,589	19,540,666	55,722,348
Obligations under capital leases		32,859		32,859
Total noncurrent liabilities	<u>9,266,840</u>	<u>27,099,448</u>	<u>19,540,666</u>	<u>55,906,954</u>
Total liabilities	<u>15,763,897</u>	<u>30,175,482</u>	<u>19,599,801</u>	<u>65,539,180</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	5,635,500	17,434,940	4,579,155	27,649,595
Restricted for:				
Expendable			8,245,438	8,245,438
Unrestricted	<u>19,749,326</u>	<u>10,127,770</u>	<u>(5,658,670)</u>	<u>24,218,426</u>
Total net assets	<u>\$ 25,384,826</u>	<u>\$ 27,562,710</u>	<u>\$ 7,165,923</u>	<u>\$ 60,113,459</u>

**ILLINOIS STATE UNIVERSITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS - AUXILIARY FACILITIES  
FOR YEAR ENDED JUNE 30, 2003**

	<u>Housing</u>	<u>Student Activities</u>	<u>Parking</u>	<u>Auxiliary Facilities Total</u>
<b>OPERATING REVENUES</b>				
Auxiliary enterprises:				
Auxiliary facilities	\$ 40,905,157	\$ 11,500,368	\$ 3,843,627	\$ 56,249,152
Total operating revenues	<u>40,905,157</u>	<u>11,500,368</u>	<u>3,843,627</u>	<u>56,249,152</u>
<b>OPERATING EXPENSES</b>				
Educational and General				
Depreciation	1,468,700	1,526,974	357,263	3,352,937
Auxiliary facilities:				
Student housing, activity facilities, and parking	<u>37,378,926</u>	<u>5,725,474</u>	<u>1,755,774</u>	<u>44,860,174</u>
Total operating expenses	<u>38,847,626</u>	<u>7,252,448</u>	<u>2,113,037</u>	<u>48,213,111</u>
Operating income	<u>2,057,531</u>	<u>4,247,920</u>	<u>1,730,590</u>	<u>8,036,041</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Gifts and donations				
Investment income, net of investment expenses	483,299	294,231	23,725	801,255
Interest revenue (expense)	1,677,968	(4,268,189)	(1,221,118)	(3,811,339)
Other nonoperating revenues	<u>188,641</u>	<u>19,599</u>		<u>208,240</u>
Net nonoperating revenues (expenses)	<u>2,349,908</u>	<u>(3,954,359)</u>	<u>(1,197,393)</u>	<u>(2,801,844)</u>
Income (loss) before capital items	<u>4,407,439</u>	<u>293,561</u>	<u>533,197</u>	<u>5,234,197</u>
Capital grants and gifts		<u>160,640</u>		<u>160,640</u>
Increase (decrease) in net assets	4,407,439	454,201	533,197	5,394,837
<b>NET ASSETS</b>				
Net assets - beginning of year	21,864,723	27,514,013	6,704,499	56,083,235
Cumulative effect of changes in accounting principle	<u>(887,336)</u>	<u>(405,504)</u>	<u>(71,773)</u>	<u>(1,364,613)</u>
Net assets - end of year	<u>\$ 25,384,826</u>	<u>\$ 27,562,710</u>	<u>\$ 7,165,923</u>	<u>\$ 60,113,459</u>

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CALCULATION SHEET FOR INDIRECT COST CARRYFORWARD  
June 30, 2003**

**1. Cash and Equivalents Balance**

Add:

Cash .....	1,761,002	
Cash Equivalents .....		
Bank Deposits .....		
Marketable Securities .....		
Certificates of Deposit .....		
Repurchase Agreements .....		
Other cash equivalent items .....		
Interfund receivables .....		1,761,002

**2. Allocated Reimbursements**

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed: \$ <u>3,756,871</u> ; enter 30% of this amount .....	1,127,062
---	-----------

**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 .....	123,223
---	---------

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

Enter the amount of:

Current Liabilities .....	538,523
Encumbrances .....	-
Total .....	538,523

**5. Indirect Cost Carry-forward**

a. Enter the total of items 2,3 and 4 .....	1,788,808
b. Subtract from item 1 .....	(27,806)

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

--

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
CONTINUING EDUCATION AND PUBLIC SERVICES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	1,554,205
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	A. 1,554,205

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	1,035,616
Encumbrances and current liabilities paid in lapse period .....	300,256
Deferred income .....	198,112
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	42,473
Allowance for Sick Leave/Vacation Payouts .....	367,956
Working Capital Allowance .....	B. 1,944,413

**3. Current Excess Funds**

Deduct **B** from **A** and enter here ..... C. (390,208)

**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. (45,691)

Enter the algebraic sum of **C** and **D** and remit the amount due, if any, for deposit in the Income Fund. (435,899)

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
SALES AND SERVICES OF EDUCATIONAL ACTIVITIES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	1,211,267
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 1,211,267</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	408,039
Encumbrances and current liabilities paid in lapse period .....	217,651
Deferred income .....	1,110
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	13,581
Allowance for Sick Leave/Vacation Payouts .....	24,588
Working Capital Allowance .....	<b>B. 664,969</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 546,298</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. (550,455)</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>(4,157)</b>
--	----------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
STUDENT PROGRAMS AND SERVICES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	1,712,186
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	3,338,945
Total Current Available Funds .....	<b>A. 5,051,131</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	3,617,094
Encumbrances and current liabilities paid in lapse period .....	388,278
Deferred income .....	317,157
Refundable deposits .....	76,424
Allowance for Restoring Inventory to Normal Level .....	121,389
Allowance for Sick Leave/Vacation Payouts .....	1,011,858
Working Capital Allowance .....	<b>B. 5,532,200</b>

**3. Current Excess Funds**

Deduct B from A and enter here .....	<b>C. (481,069)</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. (196,619)</b>
--	---------------------

Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<b>(677,688)</b>
--	------------------



**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
CURRENT UNRESTRICTED LOCAL FUNDS  
FIELD TRIPS AND FOREIGN STUDY  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	481,980
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 481,980</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	287,593
Encumbrances and current liabilities paid in lapse period .....	92,372
Deferred income .....	364,360
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	41,631
Working Capital Allowance .....	<b>B. 785,955</b>

**3. Current Excess Funds**

Deduct B from A and enter here .....	<b>C. (303,976)</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 C and D and remit the amount due, if any, for deposit in the Income Fund.	<b>(303,976)</b>
--	------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
SERVICE DEPARTMENTS  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	5,063,850
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	19,217
Interfund receivables .....	650,698
Total Current Available Funds .....	<b>A. 5,733,765</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	1,262,794
Encumbrances and current liabilities paid in lapse period .....	1,045,648
Deferred income .....	215,284
Refundable deposits .....	
Allowance for Restoring Inventory to Normal Level .....	
Allowance for Sick Leave/Vacation Payouts .....	1,305,783
Working Capital Allowance .....	<b>B. 3,829,509</b>

**3. Current Excess Funds**

Deduct B from A and enter here .....	<b>C. 1,904,256</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. (3,568,533)</b>
--	-----------------------

Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<b>(1,664,277)</b>
--	--------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES - REVENUE BONDS  
STUDENT HOUSING  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	1,947,090
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	8,037,440
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	A. 9,984,530

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	3,925,834
Encumbrances and current liabilities paid in lapse period .....	2,723,655
Deferred income .....	224,581
Refundable deposits .....	-
Allowance for Restoring Inventory to Normal Level .....	267,667
Allowance for Sick Leave/Vacation Payouts .....	1,393,644
Working Capital Allowance .....	B. 8,535,381

**3. Current Excess Funds**

Deduct B from A and enter here .....	C. 1,449,149
--------------------------------------	--------------

**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. (6,219,926)
--	----------------

Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	(4,770,777)
--	-------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES - REVENUE BONDS  
STUDENT ACTIVITIES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	(53,277)
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	2,019,230
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 1,965,953</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	998,383
Encumbrances and current liabilities paid in lapse period .....	518,544
Deferred income .....	251,419
Refundable deposits .....	-
Allowance for Restoring Inventory to Normal Level .....	24,871
Allowance for Sick Leave/Vacation Payouts .....	323,591
Working Capital Allowance .....	<b>B. 2,116,808</b>

**3. Current Excess Funds**

Deduct B from A and enter here .....	<b>C. (150,855)</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. (435,224)</b>
--	---------------------

Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<b>(586,079)</b>
--	------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES - REVENUE BONDS  
PARKING SERVICES  
CALCULATION SHEET FOR CURRENT EXCESS FUNDS  
June 30, 2003**

**1. Current Available Funds**

Add:

Cash .....	1,422,335
Cash Equivalents .....	
Bank Deposits .....	
Marketable Securities .....	-
Certificates of Deposit .....	
Repurchase Agreements .....	
Other cash equivalent items .....	
Interfund receivables .....	
Total Current Available Funds .....	<b>A. 1,422,335</b>

**2. Working Capital Allowance**

Add:

Highest month's expenditures .....	314,238
Encumbrances and current liabilities paid in lapse period .....	77,425
Deferred income .....	45,763
Refundable deposits .....	-
Allowance for Restoring Inventory to Normal Level .....	-
Allowance for Sick Leave/Vacation Payouts .....	104,822
Working Capital Allowance .....	<b>B. 542,248</b>

**3. Current Excess Funds**

Deduct <b>B</b> from <b>A</b> and enter here .....	<b>C. 880,087</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. (1,336,098)</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>(456,011)</b>
--	------------------

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES  
Year Ended June 30, 2003**

A listing of the University's Auxiliary Facilities, Activities, and Accounting Entities, their purpose, and their sources of revenue for the year ended June 30, 2003 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.

**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 Activity Facilities

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. The source of funds is from parking permits, meters, fines, and rental.

**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.

**Current Unrestricted Local Funds**

Continuing Education and Public Services

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

**STATE OF ILLINOIS  
ILLINOIS STATE UNIVERSITY  
AUXILIARY FACILITIES, ACTIVITIES, AND ACCOUNTING ENTITIES  
Year Ended June 30, 2003**

**Current Unrestricted Local Funds (Continued)**

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  
SUMMARY OF FOUNDATION PAYMENTS TO UNIVERSITY  
Years Ended June 30, 2003 and 2002**

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 2003 and 2002, Illinois State University engaged the Foundation, under contract, to provide fund raising services. As provided in the contract agreement, the University advanced funds to the Foundation of \$260,000 in fiscal years 2003 and 2002. 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 nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation gave to the University during fiscal years 2003 and 2002. There was no cumulative unreimbursed subsidy for fiscal years 2003 and 2002.

	<u>2003</u>	<u>2002</u>
Totally unrestricted funds	\$ 120,406	\$ 141,501
Funds restricted only as to campus, college, or department, and generally available for ongoing University operations:		
Given to a particular college	213,800	190,150
Given to a particular department	<u>1,318,524</u>	<u>2,851,283</u>
Total funds considered unrestricted	<u>1,652,730</u>	<u>3,182,934</u>
Funds restricted:		
Given for scholarships	928,523	1,813,765
Given for certain programs	1,832,267	2,033,873
Other restricted funds	<u>35,032</u>	<u>32,430</u>
Total funds considered restricted	<u>2,795,822</u>	<u>3,880,068</u>
<b>Total funds provided to the University by the Foundation</b>	<u>\$ 4,448,552</u>	<u>\$ 7,063,002</u>

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, 2003 and 2002**

**Noninstructional Facilities Reserve Account (Development Reserve)**

The Board of Regents, on behalf of Illinois State University, established a Noninstructional 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 recreational space is approved by the Board.

**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, 2003**

Certain student employees are paid from funds of the Federal College Work-Study Program. In accordance with long standing public policy in Illinois, approximately \$2,579,954 of group insurance expense and \$1,175,824 of retirement plan contributions were also paid from State appropriated funds during the year ended June 30, 2003. 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, 2003**

**REVENUES AND EXPENDITURES**

**REVENUES**

Allocated portion of Illinois State University lump sum appropriations from the State of Illinois	<u>\$ 200,000</u>
---	-------------------

**EXPENDITURES**

Personal services and benefits	153,996
Telephone	2,714
University administrative costs	16,000
Office expense	594
Postage/delivery	190
Rent	4,887
Insurance	477
Bookkeeping and accounting	10,605
Consulting	3,427
Equipment maintenance	850
E-Day 2002	<u>6,189</u>
Total expenditures	<u>199,929</u>

<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u><u>\$ 71</u></u>
---	---------------------

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 fifteen-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 Executive Director of the IIEE is Hazel King, located at 222 W. Ontario, Suite 420, Chicago, Illinois 60610, telephone (312) 587-9296.

**FY03 PERFORMANCE DATA BUDGET AND CUMULATIVE QUARTERLY REPORT  
 CHILD AUBE PREVENTION AND TAX CHECKOFF GRANTS**

FEIN NO. 37-6014070 FEPC NO. \_\_\_\_\_

Agency Illinois State University

Address Comptroller's Office, Campus Box 1200, Normal, IL 61790-1200

Program Name Center for Adoption Studies Phone No. 309-438-5694

**CUMULATIVE QUARTERLY REPORTING**  
 (These columns may also be used to project during budgeting)

Unit Definition \_\_\_\_\_

Unit Capacity \_\_\_\_\_ Units Budgeted \_\_\_\_\_

Case Definition Used \_\_\_\_\_

DCFS Cases Projected for Contract Period \_\_\_\_\_

DCFS Cases Projected At Any Given Time \_\_\_\_\_

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
DCFS Units Provided	_____	_____	_____	_____
Other Units Provided	_____	_____	_____	_____
TOTAL Units Provided	_____	_____	_____	_____
DCFS Cases Served	_____	_____	_____	_____

	BUDGET			CUMULATIVE OPERATING COSTS							
	1	2	3	4	5	6	7	8	9	10	11
A. DIRECT EXPENSES	Actual Cost — Actual or — Contract Period	In-Kind (Optional)	Approved Reimbursable Cost	1 <sup>st</sup> Quarter Actual TOTAL	1 <sup>st</sup> Quarter In-Kind (Optional)	2 <sup>nd</sup> Quarter Actual TOTAL	2 <sup>nd</sup> Quarter In-Kind (Optional)	3 <sup>rd</sup> Quarter Actual TOTAL	3 <sup>rd</sup> Quarter In-Kind (Optional)	4 <sup>th</sup> Quarter Actual TOTAL	4 <sup>th</sup> Quarter In-Kind (Optional)
1. Salaries, Wages Consultant and Related Expenses											
a. Salaries and Wages	278,049			64,834		87,546		53,498		80,293	
b. Payroll Taxes & Benefits	56,729			13,751		15,981		145		16,427	
c. Program Consultant & Contractual											
d. Other Consultants & Contractual	8,000									5,500	
e. Other											
f. Subtotal (1a thru 1e)	342,778			78,585		103,527		53,643		102,220	
2. Consumable Supplies (1)											
a. Food											
b. Other Supplies	4,830			395		1,128		1,528		7,823	
c. Expensed Equipment	5,500			0		2,914		663		1,576	
d. Subtotal (2a thru 2c)	10,330			395		4,042		2,191		9,399	
3. Occupancy (not including rent & depreciation)											
4. Local Transportation (not including rent & depreciation) (in-state travel)	9,545			1,572		0		1,823		3,916	
5. Specific Assistance to Individuals											
a. Clothing											
b. Allowance											
c. Other											
d. Other											
e. Subtotal (5a thru 5d)											
6. Lease/Rent											
a. Equipment											
b. Buildings											
c. Subtotal (6a thru 6b)											
7. Depreciation (1)											
a. Equipment											
b. Buildings											
c. Subtotal (7a thru 7b)											
8. Interest											
a. Current Operating											
b. Other											
c. Subtotal (8a thru 8b)											
9. Miscellaneous											
a. Telephone & Telegraph	3,000			369		468		678		663	
b. Conference and Conventions (travel)	3,000			628		1,007		174		1,326	
c. Subscriptions & Reference Material											
d. Postage and Shipping	1,200			257		138		157		266	
e. Outside Printing and Artwork											
f. Other services	25,465			115		186		409		18,970	
g. Subtotal (9a thru 9f)	32,665			1,369		1,799		1,418		21,225	
<b>SUBTOTAL DIRECT EXPENSES</b>	<b>395,318</b>			<b>81,921</b>		<b>109,368</b>		<b>59,075</b>		<b>136,760</b>	
<b>B. TOTAL ALLOCATED MANAGEMENT &amp; GENERAL EXPENSES</b>	<b>31,625</b>			<b>6,554</b>		<b>8,749</b>		<b>4,726</b>		<b>10,941</b>	
<b>C. GRAND TOTAL EXPENSES</b>	<b>426,943</b>			<b>88,475</b>		<b>118,117</b>		<b>63,801</b>		<b>147,701</b>	
<b>D. REVENUE</b>											
1. Grants-DCFS	426,943			0		0		206,592		63,801	
2. Grants-Other Governmental Units											
3. Cash Donations											
4. Non-Cash Donations											
5. Other											
<b>E. TOTAL REVENUE</b>	<b>426,943</b>			<b>0</b>		<b>0</b>		<b>206,592</b>		<b>63,801</b>	

(1) Any item purchased for a cost greater than \$500.00 must be depreciated under line A. 7a, not expensed under line A. 2.

FY 03 PERFORMANCE DATA BUDGET AND CUMULATIVE QUARTERLY REPORT  
CHILD ABUSE PREVENTION AND TAX CHECKOFF GRANTS

BREAK OUTS

	BUDGET			CUMULATIVE OPERATING COSTS								
	1	2	3	4	5	6	7	8	9	10	11	
<b>F. ADMINISTRATION</b> (IL Res Stat Chap 23.15a)												
Reimbursable, administrative Expenses may not exceed 20% of the total of other reimbursable expenses	Actual Cost — Actual or — Contract Period	In-Kind (Optional)	Approved Reimbursable Cost	1 <sup>st</sup> Quarter Actual TOTAL	1 <sup>st</sup> Quarter In-Kind (Optional)	2 <sup>nd</sup> Quarter Actual TOTAL	2 <sup>nd</sup> Quarter In-Kind (Optional)	3 <sup>rd</sup> Quarter Actual TOTAL	3 <sup>rd</sup> Quarter In-Kind (Optional)	4 <sup>th</sup> Quarter Actual TOTAL	4 <sup>th</sup> Quarter In-Kind (Optional)	
1. Program Administration												
Salaries and Fringe Benefits	20,328			5,082		4,082		5,082		5,082		
2. Supervision and Consultation												
Salaries and Fringes (Direct)												
3. Postage and Shipping (Direct)	1,200			257		138		157		157		
4. Outside Printing, Artwork (Direct)												
5. Subscription and Reference Publication (Direct)												
6. Allocated Management and General (Indirect) - Line B. 968-3	31,625			6,554		8,749		4,726		10,941		
7. Total Administration	53,153			11,893		13,969		9,965		16,180		

	BUDGET			CUMULATIVE OPERATING COSTS								
	1	2	3	4	5	6	7	8	9	10	11	
<b>G. NON-ALLOWABLE EXPENSES</b>												
Detail the non-allowable Expenses as identified in Exhibit B of the IL 418-968-9	Actual Cost — Actual or — Contract Period	In-Kind (Optional)		1 <sup>st</sup> Quarter Actual TOTAL	1 <sup>st</sup> Quarter In-Kind (Optional)	2 <sup>nd</sup> Quarter Actual TOTAL	2 <sup>nd</sup> Quarter In-Kind (Optional)	3 <sup>rd</sup> Quarter Actual TOTAL	3 <sup>rd</sup> Quarter In-Kind (Optional)	4 <sup>th</sup> Quarter Actual TOTAL	4 <sup>th</sup> Quarter In-Kind (Optional)	

**FY03 PERFORMANCE DATA BUDGET AND CUMULATIVE QUARTERLY REPORT  
CHILD ABUSE PREVENTION AND TAX CHECKOFF GRANTS**

FEIN NO. 37-6014070 \_\_\_\_\_ FEPC NO. \_\_\_\_\_

Agency Illinois State University \_\_\_\_\_

Address Comptroller's Office, Campus Box 1200, Normal, IL 61790-1200 \_\_\_\_\_

Program Name Family Support Initiative \_\_\_\_\_ Phone No. 309-438-5694 \_\_\_\_\_

Unit Definition \_\_\_\_\_

Unit Capacity \_\_\_\_\_ Units Budgeted \_\_\_\_\_

Case Definition Used \_\_\_\_\_

DCFS Cases Projected for Contract Period \_\_\_\_\_

DCFS Cases Projected At Any Given Time \_\_\_\_\_

**CUMULATIVE QUARTERLY REPORTING**  
(These columns may also be used to project during budgeting)

	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
DCFS Units Provided	_____	_____	_____	_____
Other Units Provided	_____	_____	_____	_____
TOTAL Units Provided	_____	_____	_____	_____
DCFS Cases Served	_____	_____	_____	_____

	BUDGET			CUMULATIVE OPERATING COSTS							
	1	2	3	4	5	6	7	8	9	10	11
<b>A. DIRECT EXPENSES</b>											
1. Salaries, Wages Consultant and Related Expenses	Actual Cost — Actual or — Contract Period	In-Kind (Optional)	Approval Reimbursable Cost	1 <sup>st</sup> Quarter Actual TOTAL	1 <sup>st</sup> Quarter In-Kind (Optional)	2 <sup>nd</sup> Quarter Actual TOTAL	2 <sup>nd</sup> Quarter In-Kind (Optional)	3 <sup>rd</sup> Quarter Actual TOTAL	3 <sup>rd</sup> Quarter In-Kind (Optional)	4 <sup>th</sup> Quarter Actual TOTAL	4 <sup>th</sup> Quarter In-Kind (Optional)
a. Salaries and Wages	136,500			30,645		34,686		26,534		44,608	
b. Payroll Taxes & Benefits	31,700			6,286		10,013		5,265		10,116	
c. Program Consultant & Contractual											
d. Other Consultants & Contractual											
e. Other											
f. Subtotal (1a thru 1e)	168,200			36,931		44,699		31,799		54,724	
2. Consumable Supplies (1)											
a. Food											
b. Other Supplies	8,200			788		559		590		6,279	
c. Expensed Equipment											
d. Subtotal (2a thru 2c)	8,200			788		559		590		6,279	
3. Occupancy (not including rent & depreciation)											
4. Local Transportation (not including rent & depreciation)	3,000			406		956		335		1,274	
5. Specific Assistance to Individuals											
a. Clothing											
b. Allowance											
c. Other	19,387			2,083		3,223		3,125		4,543	
d. Other											
e. Subtotal (5a thru 5d)	19,387			2,083		3,223		3,125		4,543	
6. Lease/Rent											
a. Equipment											
b. Buildings	21,600			4,800		4,800		4,800		7,224	
c. Subtotal (6a thru 6b)	21,600			4,800		4,800		4,800		7,224	
7. Depreciation (1)											
a. Equipment											
b. Buildings											
c. Subtotal (7a thru 7b)											
8. Interest											
a. Current Operating											
b. Other											
c. Subtotal (8a thru 8b)											
9. Miscellaneous											
a. Telephone & Telegraph	2,600			457		643		321		1,160	
b. Conferences and Conventions Training	3,300			238		1,886		796		357	
c. Subscriptions & Reference Material											
d. Postage and Shipping											
e. Outside Printing and Artwork											
f. Other											
g. Subtotal (9a thru 9f)	5,900			695		2,529		1,117		1,497	
<b>SUBTOTAL DIRECT EXPENSES</b>	226,287			45,703		56,766		41,766		75,541	
<b>B. TOTAL ALLOCATED MANAGEMENT &amp; GENERAL EXPENSES</b>	19,677			3,974		4,936		3,632		6,568	
<b>C. GRAND TOTAL EXPENSES</b>	245,964			49,677		61,702		45,398		82,109	
<b>D. REVENUE</b>											
1. Grants-DCFS	245,964			0		122,982		122,982			
2. Grants-Other Governmental Units											
3. Cash Donations											
4. Non-Cash Donations											
5. Other											
<b>E. TOTAL REVENUE</b>	245,964			0		122,982		122,982			

(1) Any item purchased for a cost greater than \$500.00 must be depreciated under line A. 7a, not expensed under line A. 2

FY \_\_\_\_\_ PERFORMANCE DATA BUDGET AND CUMULATIVE QUARTERLY REPORT  
CHILD ABUSE PREVENTION AND TAX CHECKOFF GRANTS

BREAK OUTS

F. ADMINISTRATION (Ill. Rev. Stat. Chap. 12.74c) Reimbursable, administrative Expenses may not exceed 20% of the total of other reimbursable expenses	BUDGET			CUMULATIVE OPERATING COSTS							
	1	2	3	4	5	6	7	8	9	10	11
	Actual Cost — Actual or — Contract Period	In-Kind (Optional)	Approved Reimbursable Cost	1 <sup>st</sup> Quarter Actual TOTAL	1 <sup>st</sup> Quarter In-Kind (Optional)	2 <sup>nd</sup> Quarter Actual TOTAL	2 <sup>nd</sup> Quarter In-Kind (Optional)	3 <sup>rd</sup> Quarter Actual TOTAL	3 <sup>rd</sup> Quarter In-Kind (Optional)	4 <sup>th</sup> Quarter Actual TOTAL	4 <sup>th</sup> Quarter In-Kind (Optional)
1 Program Administration Salaries and Fringe Benefits											
2 Supervision and Consultation Salaries and Fringes (Direct)											
3 Postage and Shipping (Direct)											
4 Outside Printing, Artwork (Direct)											
5 Subscription and Reference Publication (Direct)											
6 Allocated Management and General (Indirect) = Line B, 968-3	19,677			3,974		4,936		3,632		6,568	
7 Total Administration	19,677			3,974		4,936		3,632		6,568	

C. NON-ALLOWABLE EXPENSES Detail the non-allowable Expenses as identified in Exhibit B of the IL 418-968-9	BUDGET			CUMULATIVE OPERATING COSTS							
	1	2	3	4	5	6	7	8	9	10	11
	Actual Cost — Actual or — Contract Period	In-Kind (Optional)		1 <sup>st</sup> Quarter Actual TOTAL	1 <sup>st</sup> Quarter In-Kind (Optional)	2 <sup>nd</sup> Quarter Actual TOTAL	2 <sup>nd</sup> Quarter In-Kind (Optional)	3 <sup>rd</sup> Quarter Actual TOTAL	3 <sup>rd</sup> Quarter In-Kind (Optional)	4 <sup>th</sup> Quarter Actual TOTAL	4 <sup>th</sup> Quarter In-Kind (Optional)