

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

(In Accordance with the Single Audit Act
and OMB Circular A-133)
For the Year Ended June 30, 2006

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

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPLIANCE EXAMINATION
(In Accordance with the Single Audit Act and OMB Circular A-133)
For the Year Ended June 30, 2006**

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**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
UNIVERSITY OFFICIALS
June 30, 2006**

President	Mr. Louis V. Hencken
Provost and Vice President for Academic Affairs	Dr. Blair M. Lord
Vice President for Business Affairs	Mr. Jeffrey L. Cooley, CPA
Vice President for Student Affairs – 8/1/05 to present	Dr. Daniel P. Nadler
Interim Vice President for Student Affairs – 1/1/05 to 7/31/05	Ms. Lynette Drake
Vice President for External Relations	Dr. Jill F. Nilsen
Director of Business Services and Treasurer	Mr. Paul A. McCann, CPA
Director of Accounting & Finance and Assistant Director of Business Services	Mr. Larry G. Cannon
General Counsel	Mr. Joseph T. Barron
Director of Internal Auditing	Ms. Kathleen Moreno, CGFM

University offices are located at:

600 Lincoln Avenue
Charleston, Illinois 61920

Vice President for Business Affairs
and Treasurer, Board of Trustees

600 Lincoln Avenue
Charleston, Illinois 61920-3099

Office: 217-581-2921
Fax: 217-581-3290



November 10, 2006

E. C. Ortiz & Co., LLP
Certified Public Accountants
333 S. Des Plaines St., Suite 2-N
Chicago, IL 60661

Ladies and Gentlemen:

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

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

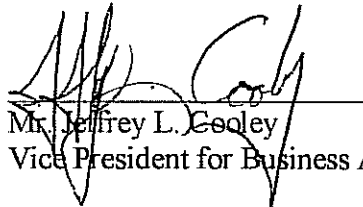
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Eastern Illinois University:



Mr. Louis V. Hencken
President



Mr. Jeffrey L. Cooley
Vice President for Business Affairs

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPLIANCE REPORT SUMMARY
June 30, 2006**

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

AUDITORS' REPORTS

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

SUMMARY OF FINDINGS

Number of	This Report	Prior Report
Findings	5	8
Repeated findings	4	1
Prior recommendations implemented or not repeated	4	1

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Item No.	Page	Description
FINDINGS (GOVERNMENT AUDITING STANDARDS)		
06-01	17	Inadequate controls over bank reconciliation process
FINDING AND QUESTIONED COST (FEDERAL COMPLIANCE)		
06-02	19	Untimely and inaccurate reporting of financial aid information
FINDINGS (STATE COMPLIANCE)		
06-03	21	Time sheets not required
06-04	23	Required information not included on printed materials
06-05	25	Purchasing/disbursement system internal control deficiencies
PRIOR FINDING NOT REPEATED (GOVERNMENT AUDITING STANDARDS)		
06-06	27	Improper recording of accounts payable/receivable

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPLIANCE REPORT SUMMARY
June 30, 2006**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
06-07	28	Improper control over renovations and alterations materials
06-08	28	Sexual assault community task force
06-09	28	Ethics training not being administered in compliance with the State Officials and Employees Ethics Act

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on January 3, 2007. Attending were:

Eastern Illinois University

Jeffrey L. Cooley, Vice President of Business Affairs
Paul McCann, Director of Business Services and Treasurer
Monty Bennett, Director of Purchasing
Larry Cannon, Director of Accounting and Finance and Assistant Director of Business Services
Carol Morgan, Assistant Comptroller
Rick Edwards, Assistant Comptroller
Mihir Chatterji, Assistant Vice President for Information Technology Systems
Kathleen Moreno, Director of Internal Auditing
Rebecca Litton, Internal Auditor III

Auditor General

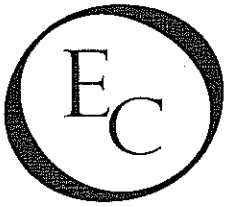
Karen Appelbaum, Audit Manager

E. C. Ortiz & Co. LLP

Edilberto C. Ortiz, Partner
Stella Marie B. Santos, Partner
Marites U. Sy, Manager

Responses to the recommendations were provided by Paul McCann in a letter dated January 22, 2007.

The financial audit report for the year ended June 30, 2006 is issued under a separate cover.



**Independent Accountants' Report on State Compliance,
on Internal Control over Compliance, and on
Supplementary Information for State Compliance Purposes**

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined Eastern Illinois University's (University) compliance with the requirements listed below, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General, during the year ended June 30, 2006. The management of the University is responsible for compliance with these requirements. Our responsibility is to express an opinion on the University's compliance based on our examination.

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller

General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the University's compliance with specified requirements.

In our opinion, the University complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2006. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings and questioned costs as findings 06-3, 06-4, and 06-5.

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

Internal Control

The management of the University is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations. In planning and performing our examination, we considered the University's internal control over compliance with the aforementioned requirements in order to determine our examination procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Audit Guide, issued by the Illinois Office of the Auditor General.

Our consideration of internal control over compliance with the aforementioned requirements would not necessarily disclose all matters in internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to one or more of the aforementioned requirements being examined may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over compliance that we consider to be material weaknesses. However, the results of our procedures disclosed other matters involving internal control which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying schedule of State findings and questioned costs as finding 06-5.

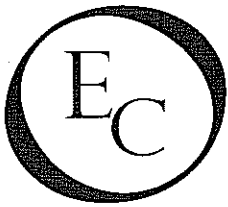
As required by the Audit Guide, immaterial findings relating to internal control deficiencies excluded from this report have been reported in a separate letter to your office.

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the business-type activities of the University as of and for the year ended June 30, 2006, which comprise the University's basic financial statements, and have issued our report thereon dated November 10, 2006. The accompanying supplementary information, as listed in the Table of Contents as Supplementary Information for State Compliance Purposes, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the University. The 2006 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements for the year ended June 30, 2006, taken as a whole. The prior year comparative information has been derived from the University's basic financial statements as of and for the year ended June 30, 2005 and 2004 which were audited by other auditors who expressed unqualified opinions on the basic financial statements in their report dated November 4, 2005.

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

C. C. Grij & Co. LLP
November 10, 2006



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

Honorable William G. Holland
Auditor General
State of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of Eastern Illinois University (University), and its discretely presented component units, collectively a component unit of the State of Illinois as of and for the year ended June 30, 2006, and have issued our report thereon dated November 10, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 University's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs as finding 06-1.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 that none of the reportable conditions described above is a material weakness. However, we noted certain deficiencies in the design or operation of internal control over financial reporting 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

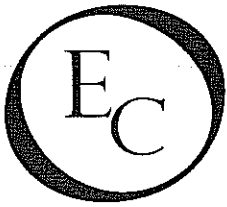
immaterial instances of internal control deficiencies, which we have reported to management of the University in a separate letter dated November 10, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted certain matters, which are reported as State compliance findings in the schedule of findings. We also noted certain other matters, which we have reported to management of the University in a separate letter dated November 10, 2006.

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

E. C. Grij & Co. LLP
November 10, 2006



Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

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

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

In our opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questions costs as item 06-2.

Internal Control over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business type activities and the aggregate discretely presented component units of Eastern Illinois University as of and for the year ended June 30, 2006, and have issued our report thereon dated November 10, 2006. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprised the University's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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

E. C. G. & Co. LLP
November 10, 2006

**STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF FINDINGS AND QUESTIONED COST
 SUMMARY OF AUDITORS' RESULTS
 For the Year Ended June 30, 2006**

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified not considered to be material weaknesses? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Reportable condition(s) identified not considered to be material weaknesses? Yes None Reported

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
84.007, 84.033, 84.038, 84.063 93.045, 93.053	Student Financial Aid Cluster Aging Cluster
66.516, 11.420, 47.049, 47.050, 47.070, 47.074, 10.206, 15.611, 15.634, 93.173, 93.856, 93.242	Research and Development Cluster
20.600, 20.602	Highway Safety Cluster

Dollar threshold used to distinguish between Type A and B programs: \$371,349

Auditee qualified as low-risk auditee? Yes No

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2006**

06-1. Inadequate controls over bank reconciliation process

The University did not have adequate controls over bank reconciliations.

Each month, the University is reconciling four separate bank accounts: the General Fund, the Foundation account, the Payroll disbursements account, and the Athletics account, therefore a total of 48 reconciliations are to be performed each year. During our review of the monthly bank reconciliations, we noted the following:

- Reconciliations were not timely completed. The July 2005 reconciliation for the General Fund account was completed 52 days after the month ended. Subsequent bank account reconciliations were not dated as to preparation and review, therefore, timeliness cannot be determined.
- Long outstanding checks were not promptly investigated and disposed. As of the June 30, 2006 bank account reconciliations, 268 outstanding checks totaling \$35,525 were more than 6 months from the checks' issue date.

Effective internal control policies require all transactions be recorded in the accounting system in a timely manner and bank reconciliations be performed and reviewed in a timely manner. Reconciling items should be investigated and disposed promptly.

According to University personnel, these exceptions occurred due to employee turnover of staff preparing bank reconciliations.

Failure to perform and review monthly bank reconciliations in a timely manner may result in inaccurate financial statement information. Additionally, inaccurate information may mislead management in analyzing cash flow and cash availability of the University. Improprieties involving cash accounts could also go unnoticed until the reconciliation is completed. (Finding Code No. 06-1, 05-1).

Recommendation

We recommend the University establish procedures to perform and review bank account reconciliations in a timely manner and retain documentation that such has occurred. In addition, long outstanding checks should be reviewed and disposed of promptly.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2006**

University Response

We agree that the bank reconciliation process is an important element of the University's system of internal controls. We have had some difficulty in this area due to retirements and the training of new personnel. With new personnel in place and trained, we believe that this situation will be remedied.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – FEDERAL COMPLIANCE
For the Year Ended June 30, 2006**

06-2. Untimely and inaccurate reporting of financial aid information

Federal Agency: United States Department of Education
Program Name: Federal Pell Grant Program
CFDA #: 84.063
Questioned Costs: None

Federal Agency: United States Department of Education
Program Name: Federal Direct Loan Program
CFDA #: 84.268
Questioned Costs: None

Federal Agency: United States Department of Education
Program Name: Federal Perkins Loan Program
CFDA #s: 84.038
Questioned Costs: None

The University did not ensure timely and accurate reporting of information as required in the administration of Federal Title IV programs.

In our testing of financial aid processing, we noted the following:

- In Fall 2005, 29 of 40 (72%) Pell disbursements to students tested were reported to Common Origination and Disbursement (COD) of the Department of Education (ED) 3 to 15 days late. In Spring 2006, 2 of 40 (5%) Pell disbursements to students were not timely reconciled with the student account records to ensure that accurate information was submitted to COD.
- The University reports student information with direct loans to the National Clearing House 3 times each semester. The National Clearing House in turn reports student information to the National Student Loan Data System (NSLDS). During our review, we noted that the status of 21 of 40 (52%) students per NSLDS records did not agree with the University records. In addition, 4 of 40 (10%) students tested who were determined as withdrawn per University records were not reported as such per NSLDS records.
- Information of borrowers under the Perkins loan program was not reported to NSLDS as required by the Department of Education.

The Student Financial Aid Handbook requires that institutions report student Pell payment data within 30 calendar days after the school makes a payment.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – FEDERAL COMPLIANCE
For the Year Ended June 30, 2006**

The NSLDS enrollment reporting guide requires the University to report enrollment information to NSLDS whenever the student's attendance pattern changes. These changes include reduction or increases in the attendance levels, withdrawals, graduation, or approved leaves-of-absence. It is the school's responsibility, as a participant of Title IV aid programs, to monitor and report these changes to NSLDS.

The Dear Colleague Letter CB-95-5 requires all schools in the Title IV programs to participate with NSLDS. Schools with active Perkins Loans are required to provide updated data to NSLDS once a month on a schedule established by the Department of Education.

According to University personnel, Pell disbursements not timely reported to COD and students' information with direct loans not reported accurately to NSLDS were due to problems with the computer programs used to submit the files to COD and the National Clearing House. Pell disbursements to students not timely reconciled with student records were due to oversight. Lastly, information of borrower under the Perkins loans program were not submitted to NSLDS due to numerous unresolved errors each time students information were uploaded to NSLDS.

Because a student's enrollment status determines eligibility for in-school status, deferment, grace periods, and repayments, as well as the government's payment of interest subsidies, accurate information is critical for effective administration of the Title IV student loan programs. (Finding Code No. 06-2)

Recommendation

We recommend the University establish procedures to ensure that reports are accurately and timely filed as required by the Federal Financial Aid Program.

University Response

It is the University's intention to timely and accurately report all information required by the Federal student financial aid programs. The reporting process is highly automated and several errors have been found in this process. The University will work to fix the programs and to file the required information on a timely and accurate basis.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – STATE COMPLIANCE
For the Year Ended June 30, 2006**

06-3. Time sheets not required

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

The Act required the Illinois Board of Higher Education (IBHE), with respect to State employees of public universities, to adopt and implement personnel policies. The Act (5 ILCS 430/5-5(c)) states, “The policies shall require State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour.” The IBHE adopted personnel policies for public universities on February 3, 2004, in accordance with the Act. The University has not incorporated these policies into the University’s policies.

We noted that the University’s salaried employees did not maintain timesheets in compliance with the Act. Employees’ time is tracked using time rosters, which are filled out by each department’s Fiscal Agent. The time rosters used are effectively a “negative” timekeeping system whereby the employee is assumed to be working unless noted otherwise. No time sheets documenting the time spent each day on official State business to the nearest quarter hour are maintained for the majority of the University’s employees. The employees documenting time to the nearest quarter hour were only Civil Service biweekly-paid and student employees, who record time on time sheets to the nearest quarter hour.

According to University personnel they relied upon an opinion received from the Office of the Executive Inspector General and General Counsel for the Office of the Executive Inspector General that a system of “absence reporting” would be an appropriate method of time keeping under the Act.

By not requiring time sheets from its employees, the University is not in compliance with the Act. (Finding Code No. 06-3, 05-4)

Recommendation

We recommend the University amend its policies to require all employees to submit time sheets in compliance with the Act.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – STATE COMPLIANCE
For the Year Ended June 30, 2006**

University Response

The University assumed its procedures were in compliance with the time reporting requirements of the State Officials and Employees Ethics Act (the “Ethics Act”) based on guidance received from the Executive Inspector General. The University received a memo from the Office of the Inspector General that states: “it appears that a system of ‘absence reporting’ would be an appropriate method of time keeping under the Ethics Act. Under this system, an employee would only report time during their normal work schedule that was not spent at work and provide the category of leave taken for that time away.”

Auditor’s Comments

The State Officials and Employees Ethics Act defines “State agency” to include “public institutions of higher learning...” 5 ILCS 430/1-5. Eastern Illinois University is defined as a “public institution of higher learning” in Section 2 of the Higher Education Cooperation Act (110 ILCS 220/2). Further, the State Officials and Employees Ethics Act defines “State employee” to be “any employee of a State Agency.” 5 ILCS 430/1-5.

As noted in the finding, the State Officials and Employees Ethics Act requires “State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour...” 5 ILCS 430/5-5 (c). This timekeeping requirement went into effect March 1, 2004. The negative timekeeping system used for several categories of University employees requires those employees to report only time away from State business, not the time spent each day on State business. Further, it is logical to assume that, by adopting this language, the legislature meant to effect a change in the method used by State employees to record their time – that is, to adopt a positive timekeeping system. Finally, the May 24, 2004, memorandum from the Office of Executive Inspector General upon which the University relied in maintaining its customary negative timekeeping system for several categories of its employees clearly states that it “is not a legal opinion.”

The auditors continue to believe that a positive timekeeping system for State employees is required by the State Officials and Employees Ethics Act. If the University disagrees with this conclusion, we further recommend that it seek a formal, written opinion from the Attorney General’s Office on the requirements of this statutory provision.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – STATE COMPLIANCE
For the Year Ended June 30, 2006**

06-4. Required information not included on printed materials

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

None of the books, pamphlets, documents or reports published by or for the University contains the information required by the Illinois Procurement Code.

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

According to University personnel, the University relied upon a decision made by the Illinois Public Higher Education Consortium (IPHEC) Directors of Purchasing that the General Assembly did not intend to apply the above cited section of the Illinois Procurement Code on state agency printing to academic materials published by the State universities.

Failure to include the information listed above is not in compliance with the Illinois Procurement Code. (Finding Code No. 06-4, 05-6)

Recommendation

We recommend the University begin printing the information required by the Illinois Procurement Code on all publications or pursue a statutory change.

University Response

As stated in the finding, the University believes the General Assembly did not intend to apply the section of the Procurement Code on State agency printing (Section 20-105) to academic materials published by the State universities. Universities were not covered by the predecessor act on State printing and Section 20-105 (which incorporated former Section 39 of the State Printing Act without any changes) makes no mention of its applicability to the State universities. In other parts of the Code, where the General Assembly was extending an existing law to apply to the universities, it was explicit in doing so. For this reason, IPHEC did not promulgate any rules relating to the printing of academic materials.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – STATE COMPLIANCE
For the Year Ended June 30, 2006**

It is important to note that with the exception of the Annual Report, the University does not publish any official state documents. Books and articles that are published do not represent official state policies or regulations and as such are not specifically approved or authorized by the State. To include such language, could be misleading. In addition, some books and articles that are published are paid from non-appropriated funds. Describing these publications as “printed by authority of the State of Illinois” would not be accurate.

Auditor’s Comments

Universities are specifically enumerated as “State Agencies” for purposes of the Procurement Code (30 ILCS 500/1-15.100). Section 20-105 requires all “State agencies” to print certain information on each publication. This section does not have an exception for universities; therefore it does apply.

Whether or not the predecessor State Printing Contracts Act (30 ILCS 515/1 et seq. repealed 7198) applied to universities is not relevant as there is no ambiguity in the current law.

The auditors continue to believe that the Illinois Procurement Code, Section 20-105, applies to the University. If the University disagrees with this conclusion, we recommend that it seek a formal, written opinion from the Attorney General’s Office on the requirements of this statutory provision.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – STATE COMPLIANCE
For the Year Ended June 30, 2006**

06-5. Purchasing/disbursement system internal control deficiencies

The University did not maintain adequate control over its purchasing/disbursement systems.

During our testing we noted the following:

- All purchasing personnel have been given access to override budgetary controls on the purchasing system if a purchase order amount would cause the account to go over the budget.
- Of the 25 fiscal agents tested, only 5 document their monthly review of the accounts they are responsible for. All the other fiscal agents indicated that they review their accounts but did not document this review.

Good internal control procedures require that information system budgetary control features be utilized to prevent purchases from exceeding budgetary limits without the proper authorization. In addition, Internal Governing Policies of the University require that individuals responsible for certain accounts review the activity in those accounts on a regular basis and document that review.

According to University personnel, the ability to override budgetary controls was not addressed during the current year because the new integrated system which will be effective in the next fiscal year will eliminate this issue. The failure of fiscal agents to document review of their monthly reports is generally due to other priorities and a lack of awareness of the importance of this task.

Failure to establish proper controls over the purchasing/disbursement system creates an opportunity for fraudulent purchases and could, at a minimum, lead to the improper and unauthorized use of the University assets. (Finding Code Nos. 06-5, 05-7)

Recommendation

We recommend the University limit the access to override the purchasing system budgetary controls to only two or three employees to maintain accountability. We also recommend that fiscal agents be required to review the accounts they are responsible for on a monthly basis and that they formally document that review.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CURRENT FINDINGS – STATE COMPLIANCE
For the Year Ended June 30, 2006**

University Response

The University believes that adequate compensating controls were in place to provide reasonable assurance that there were no improper or unauthorized uses of University assets. With the implementation of the new Banner Finance System, as of July 1, 2006, the University has revised its system of controls as it relates to purchasing and disbursements and believes that the issues raised about the system of internal control have been addressed.

The University conducts regular training for its fiscal agents. The issue of monthly reviews of the accounts that they are responsible for is a regular topic. We will continue to emphasize that a review of their accounts is an important part of the University's system of internal controls and that their review should be documented.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
PRIOR FINDING NOT REPEATED – GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2006**

06-6. Improper recording of accounts payable/receivable

During the previous engagement, the University did not properly follow generally accepted accounting principles (GAAP) for the recording of accounts payable and accounts receivable.

Status: Implemented

During the current engagement, the University established the cut off date near the end of the year. Our testing did not disclose significant exceptions relating to proper recording of accounts payable/receivable. However, we noted other certain matters which are reported in the letter of immaterial findings. (Finding Code No. 05-2)

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
PRIOR FINDINGS NOT REPEATED – STATE COMPLIANCE
For the Year Ended June 30, 2006**

06-7. Improper control over renovations and alterations materials

During the previous engagement, the University did not maintain proper control over or records of materials purchased for campus renovations and alterations to ensure that assets were properly reported and safeguarded.

Status: Implemented

During the current engagement, the University installed a camera to monitor the warehouse of renovations and alterations materials. However, we noted certain matters which were not considered significant and therefore reported in the letter of immaterial findings. (Finding Code No. 05-3)

06-8. Sexual assault community task force

During the previous engagement, the University did not have a community task force in place to help prevent sexual assault and ensure a coordinated response in the aftermath.

Status: Implemented

During the current engagement, our testing disclosed that the sexual assault community task force was revived and functioning as required. (Finding Code No. 05-5)

06-9. Ethics training not being administered in compliance with the State Officials and Employees Ethics Act

During the previous engagement, the University did not ensure that all new employees received ethics training within six months of being hired in compliance with the State Officials and Employee Ethics Act.

Status: Implemented

During the current engagement, our testing disclosed that all new hires selected for testing completed the initial ethics training within six months upon hiring. (Finding Code No. 05-8)

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

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

Fiscal Schedules and Analysis

Schedule of Expenditures of Federal Awards

Notes to Schedule of Expenditures of Federal Awards

Schedule of Net Appropriations, Expenditures and Lapsed Balances

Comparative Schedule of Net Appropriations, Expenditures, Lapsed, and Reappropriated Balances

Comparative Schedule of Income Fund Revenues and Expenses

Schedule of Changes in Capital Assets

Auxiliary Enterprises and Activities, Financial Statements by Functional Entity

Designated Funds - Auxiliary Activities:

Balance Sheet by Entity

Current Funds Statement of Changes in Fund Balances by Entity

Statement of Changes in Plant Fund Balances (Deficit) by Entity

Auxiliary Enterprise Funds - Revenue Bond:

Current Funds, Unrestricted, Balance Sheet by Entity

Statement of Current Funds, Unrestricted, Revenues and Expenditures by Entity

Statement of Current Funds, Unrestricted, Statement of Changes in Fund Balances by Entity

Plant Funds, Balance Sheet by Entity

Plant Funds, Statement of Changes in Fund Balances by Entity

Auxiliary Enterprise Funds - Other:

Balance Sheet by Entity

Current Funds Statement of Revenues and Expenditures by Entity

Current Funds Statement of Changes in Fund Balances by Entity

Plant Funds Statement of Changes in Fund Balances by Entity

Analysis of Revenues, Expenses and Changes in Net Assets

Analysis of Significant Variations in Account Balances

Analysis of Significant Lapse Period Spending

Schedule of Accounts Receivable

Schedule of Cash and Investments

Summary of Indirect Cost Reimbursement:

Statement of Sources and Applications

Calculation Sheets for Indirect Cost Carry-Forward

Analysis of Operations

University Functions and Planning Program

Average Number of Employees (unaudited)

Service Efforts and Accomplishments (unaudited)

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

Schedule of Federal and Nonfederal Expenditures
Undergraduate Tuition and Fee Waivers (unaudited)
Graduate Tuition and Fee Waivers (unaudited)
Bookstore and Textbook Rental Information (unaudited)

University Guidelines 1982, as amended 1997

Special Data Requirements for Audits of Universities
Summary of Eastern Illinois University Foundation Payments to the University
Summary of Eastern Illinois University Alumni Association Payments to the University
Description of Accounting Entities, Sources of Revenue and Purpose of Each Entity
Calculation Sheets for Current Excess Funds
Schedule of Accrued Liability for Employee Compensated Absences (unaudited)

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

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2006

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Grantor's Contract Number	Program or Award Amount	Disbursements/Expenditures	Total
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Flow Through Grants and Contracts					
Illinois Department of Human Services					
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	10C6002526		\$ 416,457	
Child Care Development Block Grant	93.575			569,416	
Temporary Assistance Needy Families	93.558			683,026	
Social Services Block Grant	93.667			5,231	
Block Grants for Preventions and Treatment of Substance Abuse					
Illinois Higher Education Prevention	93.959	10C5002526	\$ 265,100	2,779	
Illinois Higher Education Prevention	93.959	10C6002526	265,100	258,207	
			530,200	260,986	
Aging Cluster					
East Central Illinois Area Agency on Aging					
Special Programs for the Aging, Title III, Part C, Nutrition Services	(2)		664,293	165,743	
Peace Meal Senior Nutrition Program FY05	(2)		632,357	466,301	
Peace Meal Senior Nutrition Program FY06			1,316,650	632,044	
Nutrition Services Incentive Program					
Peace Meal Senior Nutrition Program FY05	(2)		209,481	66,540	
Peace Meal Senior Nutrition Program FY06	(2)		203,539	145,290	
			413,020	211,830	
Total Aging Cluster			2,259,870	843,874	
Total Department of Health and Human Services				\$ 2,778,990	
U. S. DEPARTMENT OF JUSTICE					
Flow Through Grants and Contracts					
Illinois Department of Human Services					
Enforcing Underage Drinking Laws Program					
Illinois Higher Education Prevention	16.727	10C6002526	132,000	121,443	
Illinois Higher Education Prevention	16.727	10C5002526	132,000	4,060	
Total U.S. Department of Justice			264,000	125,503	125,503

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2006

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Grantor's/ Contract Number	Program or Award Amount	Disbursements/ Expenditures	Total
U. S. DEPARTMENT OF TRANSPORTATION					
<i>Highway Safety Cluster</i>					
Flow Through Grants and Contracts					
Illinois Department of Transportation					
State and Community Highway Safety					
Local Law Enforcement Liaison Program	(4)	OP5-1010-013	804,734	194,025	
IDOT 408 X FY05 (Local Alcohol Program)	(4)	CP5-1010-096	190,000	37,977	
Local Law Enforcement Liaison Program	(4)	CP6-1010-055	971,983	565,019	
Local Alcohol Program	(4)	AL4-1010-118	158,092	76,195	
			<u>2,124,809</u>	<u>873,216</u>	
Occupant Protection					
Child Passenger Safety	(4)	OP5-1010-012	226,577	67,386	
<i>Total Highway Safety Cluster</i>			<u>2,351,386</u>	<u>940,602</u>	940,602
Total U.S. Department of Transportation					
U.S. DEPARTMENT OF EDUCATION					
Direct Grants and Contracts					
Trio - Student Support Services					
Education Grant					
<i>Financial Aid Cluster</i>					
Federal Perkins Loan Program-Federal Capital Contributions					
Perkins Loan	(1)	P038A041143	107,396	23,900	
Federal Work-Study Program	(1)	P063041143	459,580	428,823	
Federal Pell Grant Program					
FY05	(1)	P063P040106	5,649,869	41,562	
FY06	(1)	P063P040106	6,014,188	5,978,469	
			<u>11,664,057</u>	<u>5,970,031</u>	
Federal Supplemental Educational Opportunity Grants					
FY05	(1)	P007A041143	343,336	42,824	
FY06	(1)	P007A041143	358,883	373,635	
			<u>702,219</u>	<u>416,459</u>	
<i>Total Financial Aid Cluster</i>				<u>6,839,213</u>	

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2006

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Grantor's/ Contract Number	Program or Award Amount	Disbursements/ Expenditures	Total
Flow Through Grants and Contracts					
Illinois State Board of Education					
Special Education Grants to States					
Increasing Special Education					
Vocational Education Grants to States					
Perceptions of secondary CTE Teachers Concerning the NCLB Act	84.027A	2004-4630-00-64-108-6790-51	163,440	28,441	
Mathematics and Science Partnerships	84.048A	05D287.03	6,480	2,855	
Project TEAMS (Technical Enhancements and Applications)	84.366B	2005-4936-00-64-108-6790-51	150,000	95,505	
Project STAR (Science/Mathematics, Technology Applications)	84.366B	2005-4936-01-64-108-6790-51	241,920	70,084	
Project STAR (Science/Mathematics, Technology Applications)	84.366B	2005-4936-01-64-108-6790-51	128,235	94,487	
			520,155	260,076	
Improving Teacher Quality State Grants					
Teacher Grad Survey	84.367A		25,000	25,000	
Illinois Board of Higher Education					
Regional Beginning Teacher Induction Program	84.367B		81,000	3,908	
Leadership for the Improvement of Teaching Performance	84.367B		110,000	495	
Project TEAMS (Technological Enhancements and Application in Mathematics & Science)	84.367B		102,000	45,388	
			293,000	49,791	
Corporation for Public Broadcasting					
Ready-to-Learn Television	84.295A		30,000	4,368	
Ready-to-Learn	84.295A		15,000	13,970	
Ready-to-Learn			45,000	18,338	
			14,730,770		7,472,703

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2006

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Grantor's/ Contract Number	Program or Award Amount	Disbursements/ Expenditures	Total
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES					
Flow Through Grants and Contracts					
Illinois Humanities Council					
Promotion of the Humanities Federal/State Partnership					
Art and Artifact: The Arts and Culture of the Ancient Mound Builders	45.129	3638	4,150	3,875	
Secretary of State					
Grants to States					
Art and Architecture in Illinois Libraries	45.310	LSTA 06-5069	125,000	55,297	
Enhancing the Education Collections	45.310		4,000	46	
Warbler Digitiation Project	45.310	LSTA 06-5069	10,740	10,740	
			139,740	66,083	
			143,890		69,958
Total National Foundation on the Arts and Humanities					
DEPARTMENT OF LABOR, EMPLOYMENT AND TRAINING ADMINISTRATION					
Flow Through Grants and Contracts					
WIA Adult Program					
Business and Technology Institution	17.258		20,000	19,910	
WIA Youth Activities					
Business and Technology Institution	17.259		20,000	19,910	
WIA Dislocated Workers					
Business and Technology Institution	17.260		20,000	19,910	
			60,000		59,730
Total Department of Labor, Employment and Training Administration					
LIBRARY OF CONGRESS					
Direct Grants and Contracts					
Adventures of the American Mind	None		541,817	172,546	
Total Library of Congress			541,817	172,546	172,546

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2006

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Grantor's/Contract Number	Program or Award Amount	Disbursements/Expenditures	Total
RESEARCH AND DEVELOPMENT CLUSTER					
ENVIRONMENTAL PROTECTION AGENCY					
Direct Grants and Contracts					
National Student Design Competition for Sustainability					
Increase Water Drinking Supply Through Improved Cistern Design	(3)	SU-83249701-0	10,000	3,306	3,306
Total Environmental Protection Agency			10,000		
DEPARTMENT OF DEFENSE					
Flow Through Grants and Contracts					
Defense Advanced Research Project					
TRACE RIMS Phase I	(3)	None	300,000	101,244	101,244
Total Department of Defense			300,000		
U.S. DEPARTMENT OF COMMERCE					
Direct Grants and Contracts					
Coastal Zone Management Estuarine Research Services					
Benthic Algal Community Structure and Bioaccumulation of Mercury in Coastal Watershed	(3)	11.420	20,000	418	418
Total Department of Commerce			20,000		
NATIONAL SCIENCE FOUNDATION					
Direct Grants and Contracts					
Mathematical and Physical Sciences					
Phosphine Exchange in Metal Carbonyls	(3)	47.049	159,000	14,842	14,842
MRU/RUI: Acquisition of 400 MHz NMR Spectrometer for Solutions and Solids	(3)	CHE-0136423 CHE-0321321	407,353	56,294	56,294
Social, Behavioral and Economic Sciences					
RUI: Haptic Spatial Perception in the Sighted and Blind Geosciences	(3)	47.075	566,353	71,136	71,136
Collaborative Research: The Effect of Atmospheric Humidity on the Susceptibility of Dry Soils to Wind Erosion					
Computer and Information Science and Engineering	(3)	47.050	195,318	52,427	52,427
Collaborative Research: ITWF: Building Communities: Recruit	(3)	47.070	73,581	30,058	30,058
			69,997	12,316	12,316

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2006

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Grantor's/Contract Number	Program or Award Amount	Disbursements/Expenditures	Total
<i>Research and Development Cluster (continued)</i>					
Biological Sciences					
SGER NSF	(3)	IBN-0221297	12,334	156	
LTREB: Controls & Consequences of Exotic Plant Invasions in Abandoned Agricultural Land	(3)	DEB-0424605	235,331	46,046	
Flow Through Grants and Contracts					
University of the Pacific					
Biological Sciences					
CRUI: Molecular Mechanisms for the Mechanical Diversity	(3)	UOP Index 0112165	271,392	39,684	
Illinois State University					
Biological Sciences					
Functional Analysis of The Tomato CcrATPase Mechanism	(3)		14,000	1,118	
Miami University					
Biological Sciences					
Novel Roles of Urea in Amphibian Hibernation	(3)	NSF-Costanzo 4/07 GO	74,656	38,920	
			607,713	125,924	
			1,512,962		291,861
Total National Science Foundation					
US DEPARTMENT OF AGRICULTURE					
Direct Grants and Contracts					
Grants for Agricultural Research Competitive Research Grants					
Female Sperm Storage and Paternity Outcomes in Relation to Male Copulatory Courtship in the Tephritid Fly	(3)	2004-35302-14673	99,287	46,177	
Behavioral Mechanisms Underlying Individual and Population Patterns in Japanese Beetle	(3)	2005-35302-16364	330,000	94,283	
			429,287	140,460	
Total Department of Agriculture					140,460

The accompanying notes are an integral part of this schedule.

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended June 30, 2006

Federal Grantor/Pass Through Grantor/Program/Grant Title	CFDA Number	Grantor's/ Contract Number	Program or Award Amount	Disbursements/ Expenditures	Total
<i>Research and Development Cluster (continued)</i>					
U.S. DEPARTMENT OF THE INTERIOR					
Flow Through Grants and Contracts					
Southern Illinois University					
Wildlife Restoration					
Beaver Study	(3)	SIUC 06-01	33,280	33,280	
Illinois Department of Natural Resources					
State Wildlife Grants					
Repairation as a Mechanism for Restoring a Pond-Breeding Amphibians	(3)	T-22-P-1	56,416	13,281	
Ecology and Genetics of Red Squirrels in Illinois	(3)	T-22-P-1	169,486	50,136	
Developing a Multi-Metric Habitat Index for Wadable Streams in Illinois	(3)		120,336	8,218	
			346,238	71,635	
Total U.S. Department of Interior			379,518		104,915
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Direct Grants and Contracts					
National Institutes of Health					
Research Related to Deafness and Communication Disorders					
Effects of apoE on Olfactory Neuron Plasticity in Mice	(3)	2R15DC03889-02A1	185,835	58,497	
Microbiology and Infectious Diseases Research					
Breeding Habitat of Malaria Vectors	(3)	1R15A147796-01A1	118,970	8,034	
Mental Health Research Grants					
Validity and Reliability of ASCA For Native Americans	(3)	1R15MH066829-01	119,787	21,746	
			424,592	88,277	
Flow Through Grants and Contracts					
University of Illinois					
Research Related to Deafness and Communication Disorders					
Subtypes and Associated Risk Factors in Stuttering	(3)	03-144	146,561	27,786	
<i>Total Research and Development Cluster</i>				671,984	
Total U.S. Department of Health and Human Services			238,757		116,063
TOTAL EXPENDITURES OF FEDERAL AWARDS					\$ 12,378,299

The accompanying notes are an integral part of this schedule.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Eastern Illinois University for the year ended June 30, 2006. All federal awards received directly from federal agencies as well as federal awards passed through other government and nonprofit agencies are included on the schedule.

Following is a legend of acronyms used in the Schedule of Expenditures of Federal Awards:

ASCA	Adjustment Scales for Children and Adolescents
CRUI	Collaborative Research in Undergraduate Institutions
CTE	Career and Technical Education
IDOT	Illinois Department of Transportation
ITWF	Information Technology Workforce
LTREB	Long-term Research in Environmental Biology
MRI	Major Research Instrumentation
NCLB	No Child Left Behind Act
NSF	National Science Foundation
RUI	Research in Undergraduate Institutions
SGER	Small Grants for Exploratory Research
STAR	Science/Mathematics, Technology Applications and Research
TEAMS	Technological Enhancements and Applications in Math and Science
WIA	Workforce Investment Act

2. BASIS OF ACCOUNTING

With the exception of Peace Meal grants presented on page 31, the accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. The Peace Meal grants are presented using the cash basis of accounting since this method is allowed under the grant agreement.

3. WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

During fiscal year 2006, the University participated in the William D. Ford Federal Direct Student Loan Program sponsored by the U.S. Department of Education. Neither the loans nor the related activity have been reflected in the Schedule of Expenditures of Federal Awards for the year ended June 30, 2006.

The lender is the federal government (via the school). The U.S. Department of Education guarantees the repayment of the principal and related interest to the financial institution. The University is responsible for completing portions of the loan applications, verifying

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

student eligibility, filing student status confirmation reports (SSCR), refunding money to lenders when appropriate and requesting funds from the U.S. Department of Education when disbursing loan checks.

During the year ended June 30, 2006, the University's students or their parents were eligible to receive the following loans:

Stafford Loans - Subsidized	\$ 18,258,122
Stafford Loans - Unsubsidized	11,910,000
Parents Loans for Undergraduate Students (PLUS)	<u>4,419,443</u>
Total	<u>\$ 34,587,565</u>

4. STUDENT LOAN PROGRAMS ADMINISTERED BY THE UNIVERSITY

The University administered the following federal loan program during the year ended June 30, 2006:

Perkins Loan Program CFDA #84.038

Outstanding balance, July 1, 2005	\$ 6,364,852
Additions:	
Interest income	109,533
Other income	17,048
Contributions:	
Teacher cancellation repayments	<u>117,935</u>
Total	<u>244,516</u>
Deductions:	
Loans canceled or written-off	128,392
Collection agency fees – net	827
Administrative expenditures	<u>48,488</u>
Total	<u>177,707</u>
Outstanding balance, June 30, 2006	<u>\$ 6,431,661</u>

The above deductions include disbursements and expenditures such as bad debts and administrative expenditures.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

5. MAJOR PROGRAMS

The following federal program expenditures comprise major program expenditures under OMB Circular A-133 for the year ended June 30, 2006 (Major programs are indicated in the Schedule of Expenditures of Federal Awards by (1), (2), (3), or (4)):

1) Student Financial Aid Cluster	\$ 6,839,213
2) Aging Cluster	843,874
3) Research and Development Cluster	758,267
4) Highway Safety Cluster	940,602
	<hr/>
Total major program expenditures	9,381,956
Nonmajor program expenditures	2,996,343
	<hr/>
Total federal expenditures	<u>\$ 12,378,299</u>

As part of the Student Financial Aid Program, Eastern Illinois University administers loan proceeds under the Perkins Loan Program (as described in Note 4) and the William D. Ford Federal Direct Loan Program (as described in Note 3). However, the Schedule of Expenditures of Federal Awards only includes administrative costs of these loan programs.

6. NONCASH TRANSACTION INFORMATION

Certain noncash expenditures are included in the expenditures total on the Schedule of Expenditures of Federal Awards. The childcare program of the University is a processor of childcare claims for the Illinois Department of Human Services (DHS). The University determines eligibility and reimbursable hours for the participants. This information is sent to DHS who then pays the claims. The noncash amounts are recorded in the following programs: Child Care Development Block Grant \$202,731 (Federal CFDA #93.575), Child Care Mandatory and Matching Funds of the Child Care and Development Fund \$416,457 (Federal CFDA #93.596), Temporary Assistance Needy Families \$683,026 (Federal CFDA #93.558) and Social Services Block Grant \$5,232 (Federal CFDA #93.667). These noncash transactions have not been recorded on the University's financial statements.

There was no federal insurance in effect for the year ended June 30, 2006.

7. SUBRECIPIENTS

The University provided no federal awards to subrecipients for the year ended June 30, 2006.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

8. RECONCILIATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS TO THE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The following is a reconciliation of total expenditures as reported on the accompanying Schedule of Expenditures of Federal Awards to the revenue items reported as federal and state grants and contracts on the Statement of Revenues, Expenses and Changes in Net Assets included in the University's financial statements.

Funds, derived from federal aid, gifts or grants, may be used only to meet expenditures for the purposes specifically identified by sponsoring agencies. The federal aid, gifts or grants are recognized as revenue in the University's financial statements as expended.

Therefore, expenditures on the Schedule of Expenditures of Federal Awards agree with revenues on the Statement of Revenues, Expenses and Changes in Net Assets, except as noted below:

Total expenditures as shown on the Schedule of Expenditures of Federal Awards	\$ 12,378,299
Add: direct state grants/contracts	1,701,570
Subtract: Noncash expenditures included in the Schedule of Expenditures of Federal Awards not included in the financial statements	<u>(1,307,446)</u>
Total federal and state grants and contracts revenues shown on the Statement of Revenues, Expenses and Changes in Net Assets	<u>\$ 12,772,423</u>

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, LAPSED, AND REAPPROPRIATED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2006
 Fourteen Months Ended August 31, 2006

	Balances Reappropriated July 1, 2005	Appropriations (Net after Transfers)	Expenditures Through June 30, 2006	Lapse Period Expenditures 7/1 - 8/31/06	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2006
<u>Public Act 94-0015</u>							
GENERAL REVENUE FUND - 001							
Personal services	\$ -	\$ 45,009,500	\$ 45,009,499	\$ -	\$ 45,009,499	\$ 1	\$ -
Contractual services	-	1,400,000	1,400,000	-	1,400,000	-	-
Commodities	-	400,000	400,000	-	400,000	-	-
Equipment	-	500,000	500,000	-	500,000	-	-
Telecommunication services	-	300,000	300,000	-	300,000	-	-
Total General Revenue Fund - 001	-	47,609,500	47,609,499	-	47,609,499	1	\$ -
CAPITAL DEVELOPMENT FUND - 141							
Fine Arts renovation	5,430,384	-	131,666	-	131,666	5,298,718	5,298,718
Booth Library renovation	357,617	-	247,543	-	247,543	110,074	110,074
Total Capital Development Fund - 141	5,788,001	-	379,209	-	379,209	5,408,792	5,408,792
STATE COLLEGE & UNIVERSITY TRUST FUND - 417							
Scholarship Grant Awards	-	2,000	2,000	-	2,000	-	-
Totals - All appropriated funds	\$ 5,788,001	\$ 47,611,500	\$ 47,990,708	\$ -	\$ 47,990,708	\$ 5,408,793	\$ 5,408,792

Note: The data for this report was taken from the University's records and reconciled to the data of the State Comptroller.

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES
LAPSED, AND REAPPROPRIATED BALANCES

	Fiscal Year	
	2006	2005
	PA 94-0015	PA 93-0842
GENERAL REVENUE FUND - 001		
Appropriations (net of transfers)	\$ 47,609,500	\$ 47,609,500
General Revenue Fund expenditures		
Personal services	45,009,499	45,079,095
Contractual services	1,400,000	1,389,001
Commodities	400,000	341,212
Equipment	500,000	500,000
Telecommunication services	300,000	300,000
	<u>47,609,499</u>	<u>47,609,308</u>
Lapsed balances	<u>\$ 1</u>	<u>\$ 192</u>
CAPITAL DEVELOPMENT FUND - 141		
Appropriations (net of transfers)	\$ 5,788,001	\$ 6,124,434
Capital Development Fund expenditures		
Fine Arts renovation	131,666	-
Digitalized infrastructure	-	285,946
Booth Library renovation	247,543	50,488
	<u>379,209</u>	<u>336,434</u>
Balances Reappropriated	<u>\$ 5,408,792</u>	<u>\$ 5,788,000</u>
STATE COLLEGE & UNIVERSITY TRUST - 417		
Appropriations (net of transfers)	\$ 2,000	\$ 2,000
State College & University Trust expenditures		
Scholarships	2,000	2,000
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>
Grand total, all funds		
Appropriations (net of transfers)	\$ 53,399,501	\$ 53,735,934
Expenditures	47,990,708	47,947,742
Lapsed Balances	<u>\$ 1</u>	<u>\$ 192</u>
Balances reappropriated	<u>\$ 5,408,792</u>	<u>\$ 5,788,000</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENSES
For the Years Ended June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
INCOME FUND		
Revenues		
Tuition	\$ 48,718,990	\$ 42,943,821
Services fees	340,711	358,982
Fines and penalties	77,008	66,951
Interest income	542,588	274,565
Other	100,661	226,501
	<u>49,779,958</u>	<u>43,870,820</u>
Expenses		
Personal services	23,439,352	20,518,388
FICA - Medicare	1,109,894	993,263
Group insurance	1,275,660	1,264,473
Compensated absences	(247,771)	(288,003)
Contractual services	6,686,879	6,760,486
Travel	937,529	909,226
Commodities	1,460,434	1,466,604
Awards, grants, and matching funds	848,060	739,703
Permanent improvements	1,394,108	1,391,142
Equipment and library books	2,809,793	2,483,493
Telecommunications	305,729	294,033
Operation of automotive equipment	173,395	160,246
Student awards/Tuition waived	5,549,327	4,930,956
	<u>45,742,389</u>	<u>41,624,010</u>
Excess of revenues over expenses	<u>\$ 4,037,569</u>	<u>\$ 2,246,810</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF CHANGES IN CAPITAL ASSETS
For the Year Ended June 30, 2006

	(In Thousands)				
	6/30/2005	Additions	Deletions	Transfers	6/30/2006
Capital assets not being depreciated					
Land and land improvements	\$ 2,172	-	-	\$ 87	\$ 2,259
Capitalized collections	199	-	-	-	199
Construction in progress	21,061	31,314	950	(4,334)	47,091
Total capital assets not being depreciated	23,432	31,314	950	(4,247)	49,549
Other capital assets being depreciated					
Site improvements	13,851	-	-	483	14,334
Building and building improvements	193,267	250	-	3,425	196,942
Equipment	49,931	7,903	4,146	689	54,377
Capital leases - equipment	380	63	-	(350)	93
Total capital assets being depreciated	257,429	8,216	4,146	4,247	265,746
Less accumulated depreciation for:					
Site improvements	7,135	693	-	-	7,828
Buildings and building improvements	81,146	5,051	-	-	86,197
Equipment	39,161	5,806	2,243	350	43,074
Capital leases - equipment	265	96	-	(350)	11
Total accumulated depreciation	127,707	11,646	2,243	-	137,110
Total capital assets, being depreciated, net	129,722	(3,430)	1,903	4,247	128,636
Capital assets, net	\$ 153,154	\$ 27,884	\$ 2,853	\$ -	\$ 178,185

The total property and equipment has been reconciled to the property reports submitted to the State Comptroller.

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 DESIGNATED FUNDS - AUXILIARY ACTIVITIES
 BALANCE SHEET BY ENTITY
 June 30, 2006

	ASSETS										Total	
	Student Fee Programs	Material Fees	Service Departments	Student/Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract	Credit		
CURRENT FUNDS												
Cash and temporary investments	\$ 921,721	\$ 4,124	\$ 2,621,477	\$ 17,749	\$ 40,348	\$ (37,958)	\$ 194,225	\$ 211,965	\$ 65,095	\$ 4,038,746		
Investments	571,518	848	51,223	6,885	7,498	-	55,360	36,842	16,459	746,633		
Accrued interest	4,241	6	16,988	51	56	-	411	273	122	22,148		
Accounts receivable	1,234,985	12,909	9,349	34,935	10,988	156,187	42,030	-	152,698	1,654,081		
Inventories	41,283	-	656,313	1,116	-	-	-	-	-	698,712		
Prepaid expense	96,637	-	-	-	4,158	-	225	-	-	101,020		
Total current funds	2,870,385	17,887	3,355,350	60,736	63,048	118,229	292,251	249,080	234,374	7,261,340		
PLANT FUNDS												
Temporary cash investments	6,957,358	-	435,025	46,667	16,303	-	525	-	16,475	7,472,353		
Investments	1,475,052	-	91,166	10,088	3,525	-	114	-	3,562	1,583,507		
Accrued interest receivable	10,945	-	677	75	26	-	1	-	26	11,750		
Accounts receivable	487,400	-	-	-	-	-	-	-	-	487,400		
Bond discount	196,357	-	-	-	-	-	-	-	-	196,357		
Buildings and improvements	202,669	-	373,852	35,430	-	-	-	42,344	-	654,295		
Equipment	7,996,598	33,756	2,091,775	35,295	33,089	-	8,000	20,687	8,323	10,827,523		
Construction in progress	7,166,530	-	-	-	-	-	-	-	-	7,166,530		
Accumulated depreciation	(5,973,577)	(28,888)	(2,671,944)	(28,708)	(26,495)	-	(7,429)	(22,405)	(2,473)	(8,761,919)		
Other assets	139,752	-	-	-	-	-	-	-	-	139,752		
Total plant funds	18,659,084	4,868	920,551	98,847	36,448	-	1,211	40,626	25,913	19,777,548		
Total assets	\$ 21,529,469	\$ 22,755	\$ 4,275,901	\$ 159,583	\$ 89,496	\$ 118,229	\$ 293,462	\$ 289,706	\$ 260,287	\$ 27,038,888		
LIABILITIES AND FUND BALANCES												
CURRENT FUNDS												
Accounts payable and accrued expenses	\$ 829,281	\$ 3,537	\$ 556,636	\$ 118	\$ 5,908	\$ 41,500	\$ 6,538	\$ 3,176	\$ 7,170	\$ 1,453,864		
Accrued payroll	43,414	-	278,892	5,765	1,421	-	5,911	10,845	3,027	349,275		
Accrued compensated absences	-	-	164,549	-	-	-	-	-	-	164,549		
Deferred income	296,415	320	346	180	11,484	76,729	165,348	-	-	550,822		
Total liabilities - current funds	1,169,110	3,857	1,000,423	6,063	18,813	118,229	177,797	14,021	10,197	2,518,510		
Fund balances												
Current unrestricted	1,701,275	14,030	2,354,927	54,673	44,235	-	114,454	235,059	234,177	4,742,830		
Total current funds	2,870,385	17,887	3,355,350	60,736	63,048	118,229	292,251	249,080	234,374	7,261,340		
PLANT FUNDS												
Accounts payable	144,988	-	-	-	-	-	-	-	-	144,988		
Notes Leases payable	93,153	-	-	-	-	-	-	-	-	93,153		
Certificates of participation payable	14,799,400	-	-	-	-	-	-	-	-	14,799,400		
Bond premium	77,456	-	-	-	-	-	-	-	-	77,456		
Non-indentured reserve	23,226	-	526,867	56,830	19,854	-	640	-	20,063	647,480		
Net investment in plant	(4,897,899)	4,868	393,684	42,017	6,594	-	571	40,626	5,850	(4,403,689)		
Bond issuance costs	144,504	-	-	-	-	-	-	-	-	144,504		
Construction reserve	8,274,256	-	-	-	-	-	-	-	-	8,274,256		
Total plant funds	18,659,084	4,868	920,551	98,847	26,448	-	1,211	40,626	25,913	19,777,548		
Total liabilities and fund balances	\$ 21,529,469	\$ 22,755	\$ 4,275,901	\$ 159,583	\$ 89,496	\$ 118,229	\$ 293,462	\$ 289,706	\$ 260,287	\$ 27,038,888		

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 DESIGNATED FUNDS - AUXILIARY ACTIVITIES - CURRENT FUNDS
 STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
 For the Year Ended June 30, 2006

	Student Fee Programs	Material Fees	Service Departments	Student Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract Credit	Total
REVENUES										
Tuition and fees	\$ 11,956,842	\$ 259,619	\$ -	\$ 157,655	\$ -	\$ -	\$ -	\$ -	\$ 946,917	\$ 13,321,033
Federal grants and contracts	-	-	-	-	-	-	-	273,684	-	273,684
State grants and contracts	-	-	-	-	-	-	-	252,079	-	252,079
Private gifts, grants, and contracts	150,512	-	-	49,369	-	-	2,225	3,787	-	205,893
Investment income	79,304	1,829	-	5,420	12,536	1,003	5,136	15,747	8,007	128,982
Educational activities	2,114,724	1,011	-	289,430	499,703	-	1,067,826	-	-	3,972,694
Other additions	1,103,951	1,165	-	47,315	8,200	515,516	81,734	1,610	521	1,760,012
Total revenues and other additions	15,405,333	263,624	-	549,189	520,439	516,519	1,156,921	546,907	955,445	19,914,377
EXPENDITURES										
Educational and general										
Instruction	-	251,496	-	176,718	2,306	516,378	9,674	-	932,271	1,888,843
Public service	-	-	-	61,689	496,136	-	1,099,006	-	-	1,656,831
Academic support	-	21,877	-	273,006	-	-	13	160,269	-	435,165
Student services	11,410,376	-	-	40,379	185	-	-	125,685	-	11,576,625
Institutional support	-	-	(567,742)	17,002	-	-	-	186,831	-	(363,909)
Operation and maintenance of plant	-	-	-	-	34,893	-	-	57,178	-	93,071
Scholarships and fellowships	901,695	-	-	-	-	-	-	-	-	901,695
Total educational and general expenditures	12,312,071	273,373	(567,742)	568,794	534,520	516,378	1,108,693	529,963	932,271	16,208,321
TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)										
Mandatory transfers										
Principal	(618,007)	-	(95,402)	-	-	-	-	-	-	(713,409)
Interest	(343,180)	-	(4,284)	-	-	-	-	-	-	(347,464)
Student aid matching grants	377,235	-	-	-	-	-	-	-	-	377,235
Total mandatory transfers	(583,952)	-	(99,686)	-	-	-	-	-	-	(683,638)
Non-mandatory transfers										
Renewal and replacement	(1,635,582)	-	(53,550)	-	-	-	-	-	-	(1,689,112)
Construction	(250,000)	-	-	-	-	-	-	-	-	(250,000)
Excess local funds	-	-	-	-	-	(2,552)	-	-	-	(2,552)
Transfers, other	-	(30)	(11)	(2,568)	-	2,494	-	(16,794)	-	(16,909)
Total non-mandatory transfers	(1,885,582)	(30)	(53,541)	(2,568)	-	(58)	-	(16,794)	-	(1,958,573)
NET INCREASE (DECREASE) FOR THE YEAR	623,728	(9,779)	414,515	(22,173)	(14,081)	83	48,228	16,944	6,380	1,063,845
FUND BALANCES (DEFICIT) AT JULY 1, 2005	1,077,547	23,809	1,940,412	76,846	58,316	(83)	66,226	218,115	217,797	3,678,985
FUND BALANCES AT JUNE 30, 2006	1,701,275	14,030	2,354,927	54,673	44,235	\$ -	\$ 114,454	\$ 235,059	\$ 224,177	\$ 4,742,830

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
DESIGNATED FUNDS - AUXILIARY ACTIVITIES
STATEMENT OF CHANGES IN PLANT FUND BALANCES (DEFICIT) BY ENTITY
For the Year Ended June 30, 2006**

	Student Fee Programs	Material Fees	Service Departments	Student/Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract Credit	Total
NON-INDENTURED RESERVES										
Balances at July 1, 2005	\$ 28,706	\$ -	\$ 499,721	\$ 64,190	\$ 19,865	\$ -	\$ 640	\$ -	\$ 30,352	\$ 643,474
Reserve additions	-	-	37,370	-	-	-	-	-	-	37,370
Transfer from Blair Hall fire proceeds	28	-	(296)	(23)	(11)	-	-	-	-	(302)
Changes in fair value of investments	1,635,582	-	53,530	-	-	-	-	-	-	1,689,112
Current funds	1,635,610	-	90,604	(23)	(11)	-	-	-	-	1,726,180
Total Additions										
Reserve deductions	35,508	-	39,126	-	-	-	-	-	10,289	84,923
Non-capitalized equipment purchases	1,605,582	-	24,332	-	-	-	-	-	-	1,629,914
Transfer to Plant Fund	-	-	-	7,337	-	-	-	-	-	7,337
Total Deductions	1,641,090	-	63,458	7,337	-	-	-	-	10,289	1,722,174
Balances at June 30, 2006	\$ 23,226	\$ -	\$ 526,867	\$ 56,830	\$ 19,854	\$ -	\$ 640	\$ -	\$ 20,063	\$ 647,480
NET INVESTMENT IN PLANT										
Balances (deficit) at July 1, 2005	\$ (6,585,104)	\$ 8,605	\$ 476,052	\$ 41,140	\$ 4,919	\$ -	\$ 1,714	\$ 36,151	\$ 7,039	\$ (6,009,484)
Plant additions	735,897	-	195,147	5,298	5,477	-	-	8,585	-	950,404
Current funds	1,605,582	-	24,333	-	-	-	-	-	-	1,629,915
Non-indentured reserves	1,504,536	-	-	-	-	-	-	-	-	1,504,536
Construction funds	226,576	-	-	-	-	-	-	-	-	226,576
Other current funds	-	-	12,270	-	-	-	-	-	-	12,270
Other construction funds	(392,911)	-	401,856	-	-	-	-	-	-	8,945
Omitted equipment	27,414	-	-	-	-	-	-	-	-	27,414
Amortization of bond premium	3,707,094	-	633,606	5,298	5,477	-	-	8,585	-	4,360,060
Total additions										
Plant deductions	1,990,638	3,737	(3,927)	-	-	-	-	-	-	(3,927)
Interest expense	8,858	-	716,817	4,421	3,802	-	1,143	4,110	1,189	2,725,857
Depreciation	20,393	-	3,084	-	-	-	-	-	-	11,942
Disposed property	2,019,889	3,737	715,974	4,421	3,802	-	1,143	4,110	1,189	20,393
Bond premium/discount										
Total deductions	\$ (4,897,899)	\$ 4,868	\$ 393,684	\$ 42,017	\$ 6,594	\$ -	\$ 571	\$ 40,626	\$ 5,850	\$ (4,403,689)

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 DESIGNATED FUNDS - AUXILIARY ACTIVITIES
 STATEMENT OF CHANGES IN PLANT FUND BALANCES (DEFICIT) BY ENTITY
 For the Year Ended June 30, 2006

	Student Fee Programs	Material Fees	Service Departments	Student/Staff Programs	Educational Services	Unique Charges Credit Courses	Public Service Activities	Indirect Costs	Continuing Education Contract Credit	Total
BOND ISSUANCE COSTS										
Balances at July 1, 2005	\$ 453,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453,764
Additions										
Investment income	3,999	-	-	-	-	-	-	-	-	3,999
Change in fair value of investment	353	-	-	-	-	-	-	-	-	353
Total additions	4,352	-	-	-	-	-	-	-	-	4,352
Deductions										
Amortization of closing costs	21,702	-	-	-	-	-	-	-	-	21,702
Interest expense	267,675	-	-	-	-	-	-	-	-	267,675
Transfer to construction funds	24,235	-	-	-	-	-	-	-	-	24,235
Total deductions	313,612	-	-	-	-	-	-	-	-	313,612
Balances at June 30, 2006	\$ 144,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,504
CONSTRUCTION RESERVE										
Balances at July 1, 2005	\$ 9,504,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,504,115
Additions										
Gifts	54,000	-	-	-	-	-	-	-	-	54,000
Investment income	272,454	-	-	-	-	-	-	-	-	272,454
Change in fair value of investment	(3,216)	-	-	-	-	-	-	-	-	(3,216)
Current funds	250,000	-	-	-	-	-	-	-	-	250,000
Bond issuance funds	24,235	-	-	-	-	-	-	-	-	24,235
Other construction funds	2	-	-	-	-	-	-	-	-	2
Total additions	597,475	-	-	-	-	-	-	-	-	597,475
Deductions										
Transfer to plant fund	1,504,536	-	-	-	-	-	-	-	-	1,504,536
Non-capitalized construction expenses	322,798	-	-	-	-	-	-	-	-	322,798
Transfers to other construction funds	-	-	-	-	-	-	-	-	-	-
Total deductions	1,827,334	-	-	-	-	-	-	-	-	1,827,334
Balances at June 30, 2006	\$ 8,274,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,274,256

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
CURRENT FUNDS, UNRESTRICTED
BALANCE SHEET BY ENTITY
June 30, 2006

	Student Living	Student Facilities	Total
ASSETS			
Cash and cash equivalents	\$ 3,877,737	\$ 636,554	\$ 4,514,291
Investments	1,125,870	31,458	1,157,328
Accounts receivable	1,307,938	589,045	1,896,983
Accrued interest receivable	8,354	233	8,587
Inventories	160,712	680,810	841,522
Prepaid expenses	20,975	2,977	23,952
Total assets	\$ 6,501,586	\$ 1,941,077	\$ 8,442,663
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 1,437,072	\$ 602,171	\$ 2,039,243
Accrued payroll	407,739	69,751	477,490
Security deposits	236,876	-	236,876
Accrued compensated absences	1,085,174	180,430	1,265,604
Deferred income, room and board	68,249	-	68,249
Deferred income, other	109,045	112,832	221,877
Total liabilities	3,344,155	965,184	4,309,339
Fund balances	3,157,431	975,893	4,133,324
Total liabilities and fund balances	\$ 6,501,586	\$ 1,941,077	\$ 8,442,663

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
STATEMENT OF CURRENT FUNDS, UNRESTRICTED
REVENUES AND EXPENDITURES BY ENTITY
For the Year Ended June 30, 2006

	Student Living	Student Facilities	Total
Revenues			
Room and board	\$ 26,703,776	\$ -	\$ 26,703,776
Duplicating	2,833	290,748	293,581
Bowling and recreation	-	89,145	89,145
Merchandise sales	83,632	1,932,389	2,016,021
Other	238,760	117,008	355,768
Student fees	669,725	2,877,565	3,547,290
Investment income	252,546	96,479	349,025
Operating fee	-	2,067,974	2,067,974
Desk sales revenue	1,016,370	52,425	1,068,795
Games revenue	4,616	-	4,616
Subsidy reduction fee	16,957	67,851	84,808
Canned drink sales	-	33,275	33,275
Vending	255,605	9,184	264,789
Service and rental fees	252,065	75,342	327,407
Total revenues	<u>29,496,885</u>	<u>7,709,385</u>	<u>37,206,270</u>
Expenditures			
Merchandise	265	1,572,834	1,573,099
Food	3,526,855	39,750	3,566,605
Salaries			
Faculty	1,283,934	130,628	1,414,562
Civil service	7,840,261	1,721,523	9,561,784
Student	1,612,821	193,676	1,806,497
Resident assistants	792,490	-	792,490
Compensated absences	37,659	7,658	45,317
Commodities			
Office and administrative supplies	679,787	303,645	983,432
Household - cleaning supplies	368,599	-	368,599
Other commodities	218,409	60,088	278,497
Operation of automotive equipment	13,299	3,398	16,697
Travel	44,484	5,129	49,613
Contractual services			
Repairs	149,261	41,766	191,027
Rentals	269,066	-	269,066
Services	787,035	205,517	992,552
Insurance	174,478	49,154	223,632
Operating taxes and fees	136,283	103,971	240,254
Utilities	1,227,702	337,765	1,565,467
Office and administrative	59,926	7,139	67,065
Other contractual services	1,663,119	406,291	2,069,410
Equipment	251,565	64,185	315,750
Telecommunications charges	549,742	13,923	563,665
Waivers & scholarships	12,869	44,207	57,076
Building improvements	2,931	-	2,931
Total expenditures	<u>21,702,840</u>	<u>5,312,247</u>	<u>27,015,087</u>
Excess of revenues over expenditures	<u>\$ 7,794,045</u>	<u>\$ 2,397,138</u>	<u>\$ 10,191,183</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
STATEMENT OF CURRENT FUNDS, UNRESTRICTED
STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
For the Year Ended June 30, 2006**

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Total</u>
Fund balances at July 1, 2005	\$ 2,078,999	\$ 568,554	\$ 2,647,553
Revenue and other additions			
Operating revenue	<u>29,496,885</u>	<u>7,709,385</u>	<u>37,206,270</u>
Expenditures and other deductions			
Operating expenditures	21,410,685	5,240,404	26,651,089
Change in compensated absences	37,659	7,658	45,317
Equipment	251,565	64,185	315,750
Building improvements	<u>2,931</u>	<u>-</u>	<u>2,931</u>
Total expenditures and other deductions	<u>21,702,840</u>	<u>5,312,247</u>	<u>27,015,087</u>
Transfers among funds			
Deductions			
Mandatory transfers			
Debt retirement	2,545,367	1,496,577	4,041,944
Non-mandatory transfers			
Repair and replacement reserve	4,165,274	474,204	4,639,478
Other	<u>4,972</u>	<u>19,018</u>	<u>23,990</u>
Total transfers	<u>6,715,613</u>	<u>1,989,799</u>	<u>8,705,412</u>
Net increase for the year	<u>1,078,432</u>	<u>407,339</u>	<u>1,485,771</u>
Fund balances at June 30, 2006	<u>\$ 3,157,431</u>	<u>\$ 975,893</u>	<u>\$ 4,133,324</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
PLANT FUNDS
BALANCE SHEET BY ENTITY
June 30, 2006

ASSETS	Student Living	Student Facilities	Total
RENEWAL AND REPLACEMENT			
Cash and temporary cash investments	\$ 1,339,545	\$ 1,733,288	\$ 3,072,833
Investments	317,154	413,073	730,227
Interest receivable	2,353	3,065	5,418
Total renewal and replacement	<u>1,659,052</u>	<u>2,149,426</u>	<u>3,808,478</u>
RETIREMENT OF INDEBTEDNESS			
Bond and interest sinking fund			
Accounts receivable	586,923	362,380	949,303
Bond issuance costs			
Cash	515	-	515
Investments	110	-	110
Interest receivable	1	-	1
Other assets	168,939	105,747	274,686
Total retirement of indebtedness	<u>756,488</u>	<u>468,127</u>	<u>1,224,615</u>
INVESTMENT IN PLANT			
Accounts receivable	600,262	155,182	755,444
Bond discount	40,192	21,955	62,147
Deferred accounting loss	1,242,713	868,811	2,111,524
Land	118,981	-	118,981
Building and site improvements	70,795,604	35,948,883	106,744,487
Equipment	1,131,743	1,145,564	2,277,307
Accumulated depreciation	(34,494,919)	(14,232,154)	(48,727,073)
Construction in progress	2,325,790	478,533	2,804,323
Total investment in plant	<u>41,760,366</u>	<u>24,386,774</u>	<u>66,147,140</u>
DEVELOPMENT RESERVE			
Cash and temporary investments	-	7,039	7,039
Investments	-	1,504	1,504
Interest receivable	-	10	10
Total development reserve	<u>-</u>	<u>8,553</u>	<u>8,553</u>
Total assets	<u>\$ 44,175,906</u>	<u>\$ 27,012,880</u>	<u>\$ 71,188,786</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
PLANT FUNDS
BALANCE SHEET BY ENTITY
June 30, 2006

	Student Living	Student Facilities	Total
LIABILITIES AND FUND BALANCES			
RENEWAL AND REPLACEMENT			
Accounts payable	\$ 22,672	\$ 106,636	\$ 129,308
Renewal and replacement reserve	1,636,380	2,042,790	3,679,170
Total renewal and replacement	<u>1,659,052</u>	<u>2,149,426</u>	<u>3,808,478</u>
RETIREMENT OF INDEBTEDNESS			
Accounts payable	298,766	188,037	486,803
Bond and interest sinking fund reserve	288,157	174,343	462,500
Bond issuance costs	169,565	105,747	275,312
Total retirement of indebtedness	<u>756,488</u>	<u>468,127</u>	<u>1,224,615</u>
INVESTMENT IN PLANT			
Accounts payable	-	2,682	2,682
Revenue bonds outstanding	26,244,347	16,655,653	42,900,000
Notes payable	-	146,278	146,278
Lease obligations	5,289,825	1,575,190	6,865,015
Bond premium	191,198	134,885	326,083
Net investment in plant	10,034,996	5,872,086	15,907,082
Total investment in plant	<u>41,760,366</u>	<u>24,386,774</u>	<u>66,147,140</u>
DEVELOPMENT RESERVE			
Development reserve	-	8,553	8,553
Total liabilities and fund balances	<u>\$ 44,175,906</u>	<u>\$ 27,012,880</u>	<u>\$ 71,188,786</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
PLANT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
For the Year Ended June 30, 2006

	Student Living	Student Facilities	Total
RENEWAL AND REPLACEMENT			
Balances at July 1, 2005	\$ 694,556	\$ 1,460,429	\$ 2,154,985
Investment income	27,180	186	27,366
Other revenue	-	422,671	422,671
Non-mandatory transfers - current	1,273,399	769,675	2,043,074
Non-mandatory transfers from debt service reserve	314,200	649,481	963,681
Non-mandatory to bond and interest sinking	(57,278)	(331,518)	(388,796)
Non-mandatory transfers from project construction	(586,402)	(258,880)	(845,282)
Non-mandatory transfers - Project Directors' accounts	2,546,403	50,000	2,596,403
Non-mandatory transfers to project construction	887,121	331,488	1,218,609
Grants from University-related organization	-	25,000	25,000
Repair expenditures	(3,462,799)	(1,075,742)	(4,538,541)
Balances at June 30, 2006	<u>\$ 1,636,380</u>	<u>\$ 2,042,790</u>	<u>\$ 3,679,170</u>
PROJECT CONSTRUCTION			
Balances at July 1, 2005	\$ 37,308	\$ 349,387	\$ 386,695
Investment income	2,286	491	2,777
Non-mandatory transfers from renewal and replacement	770,445	74,837	845,282
Non-mandatory transfers to renewal and replacement	(887,121)	(331,488)	(1,218,609)
Non-mandatory transfers to bond and interest sinking	(249,601)	(4,677)	(254,278)
Expenditures-other	(269)	(675)	(944)
Construction expenditures	326,952	(87,875)	239,077
Balances at June 30, 2006	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
RETIREMENT OF INDEBTEDNESS			
BOND AND INTEREST SINKING FUND			
Balances at July 1, 2005	\$ 364,604	\$ 254,147	\$ 618,751
Mandatory transfer from current fund	2,650,487	1,391,456	4,041,943
Mandatory transfer from project construction	249,601	4,677	254,278
Non-mandatory transfer from bond issuance costs	3,632	3,164	6,796
Non-mandatory transfer from renewal and replacement	57,278	331,518	388,796
Investment Income	3,853	2,965	6,818
Debt retirement principal	(1,941,667)	(1,138,334)	(3,080,001)
Debt retirement interest	(1,099,631)	(675,250)	(1,774,881)
Balances at June 30, 2006	<u>\$ 288,157</u>	<u>\$ 174,343</u>	<u>\$ 462,500</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
PLANT FUNDS
STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
For the Year Ended June 30, 2006

	Student Living	Student Facilities	Total
RETIREMENT OF INDEBTEDNESS (continued)			
BOND ISSUANCE COSTS			
Balances at July 1, 2005	\$ 181,701	\$ 107,332	\$ 289,033
Bond proceeds	105,369	75,771	181,140
Investment income	18	552	570
Bond closing costs	(113,891)	(74,744)	(188,635)
Non-mandatory transfers to bond and interest sinking	(3,632)	(3,164)	(6,796)
Balances at June 30, 2006	<u>169,565</u>	<u>105,747</u>	<u>275,312</u>
DEBT SERVICE RESERVE			
Balances at July 1, 2005	306,553	624,937	931,490
Investment income	2,675	5,530	8,205
Non-mandatory transfer from current funds	4,972	19,014	23,986
Mandatory transfer to renewal and replacement	(314,200)	(649,481)	(963,681)
Balances at June 30, 2006	<u>-</u>	<u>-</u>	<u>-</u>
Total retirement of indebtedness - June 30, 2006	<u>\$ 457,722</u>	<u>\$ 280,090</u>	<u>\$ 737,812</u>
INVESTMENT IN PLANT			
Balances at July 1, 2005	\$ 6,676,883	\$ 5,020,561	\$ 11,697,444
Equipment purchased (net of deletions)	34,846	52,265	87,111
Buildings/sites (net of deletions)	2,273,870	530,211	2,804,081
Construction in progress	184,043	-	184,043
Depreciation	(2,175,218)	(1,347,533)	(3,522,751)
Debt retirement - principal payment	2,666,748	1,361,014	4,027,762
Bond refunding	(859,832)	(608,279)	(1,468,111)
Bond discount expense	(9,057)	(4,964)	(14,021)
Deferred accounting loss (net)	1,242,713	868,811	2,111,524
Balances at June 30, 2006	<u>\$ 10,034,996</u>	<u>\$ 5,872,086</u>	<u>\$ 15,907,082</u>
DEVELOPMENT RESERVE			
Balances at July 1, 2005	\$ -	\$ 27,828	\$ 27,828
Investment income	-	423	423
Expenditures - permanent improvements	-	(19,698)	(19,698)
Balances at June 30, 2006	<u>\$ -</u>	<u>\$ 8,553</u>	<u>\$ 8,553</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - OTHER
BALANCE SHEET BY ENTITY
June 30, 2006**

	Student/Staff Programs	Regional Services	Total
ASSETS			
CURRENT FUNDS			
Cash and temporary cash investments	\$ 178,638	\$ -	\$ 178,638
Accounts receivable	98,211	-	98,211
Investments	34,817	-	34,817
Interest receivable	258	-	258
Total current funds	<u>311,924</u>	<u>-</u>	<u>311,924</u>
PLANT FUNDS			
Cash and temporary cash investments	709,682	-	709,682
Investments	156,097	-	156,097
Interest receivables	1,158	-	1,158
Building and site improvements	3,339,440	-	3,339,440
Land	453,362	-	453,362
Equipment	93,580	8,455	102,035
Accumulated depreciation	(1,703,856)	(7,851)	(1,711,707)
Construction in progress	196,047	-	196,047
Total plant funds	<u>3,245,510</u>	<u>604</u>	<u>3,246,114</u>
Total assets	<u>\$ 3,557,434</u>	<u>\$ 604</u>	<u>\$ 3,558,038</u>
LIABILITIES AND FUND BALANCES			
CURRENT FUNDS			
Accounts payable	\$ 3,214	\$ -	\$ 3,214
Accrued payroll	15,543	-	15,543
Deferred revenue	52,178	-	52,178
Fund balance	240,989	-	240,989
Total current funds	<u>311,924</u>	<u>-</u>	<u>311,924</u>
PLANT FUNDS			
Non-indentured reserve	866,938	-	866,938
Net investment in plant	2,378,572	604	2,379,176
Total plant funds	<u>3,245,510</u>	<u>604</u>	<u>3,246,114</u>
Total liabilities and fund balances	<u>\$ 3,557,434</u>	<u>\$ 604</u>	<u>\$ 3,558,038</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - OTHER
CURRENT FUNDS STATEMENT OF REVENUE AND EXPENDITURES BY ENTITY
For the Year Ended June 30, 2006

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
REVENUES			
Sales, services - enterprises	\$ 543,756	\$ -	\$ 543,756
Fines and penalties	259,778	-	259,778
Investment income	38,675	-	38,675
Other income	50,000	762	50,762
Total revenues	<u>892,209</u>	<u>762</u>	<u>892,971</u>
EXPENDITURES			
Salaries	259,066	-	259,066
Other expenses	25,991	843	26,834
Contractual services	75,586	30	75,616
Commodities	9,610	110	9,720
Total expenditures	<u>370,253</u>	<u>983</u>	<u>371,236</u>
Revenues over (under) expenditures	<u>\$ 521,956</u>	<u>\$ (221)</u>	<u>\$ 521,735</u>

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 AUXILIARY ENTERPRISE FUNDS - OTHER
 CURRENT FUNDS STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
 For the Year Ended June 30, 2006

	Student/Staff Programs	Regional Services	Total
Balances at July 1, 2005	\$ 189,028	\$ 983	\$ 190,011
Revenues and other additions			
Operating revenues	892,209	762	892,971
Change in investment market value	5	1	6
Total revenues and other additions	892,214	763	892,977
Expenditures and other deductions			
Operating expenditures	370,253	983	371,236
Net Investment in plant	-	-	-
Non-mandatory transfers	470,000	-	470,000
Excess fund transfers	-	763	763
Total expenditures and other deductions	840,253	1,746	841,999
Net increase (decrease) in fund balances	51,961	(983)	50,978
Balances at June 30, 2006	\$ 240,989	\$ -	\$ 240,989

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 AUXILIARY ENTERPRISE FUNDS - OTHER
 PLANT FUNDS STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY
 For the Year Ended June 30, 2006

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
NON-INDENTURED RESERVES			
Balances at July 1, 2005	\$ 885,339	\$ -	\$ 885,339
Plant additions			
Current funds	406,000	-	406,000
Investment income	(552)	-	(552)
Total additions	<u>405,448</u>	<u>-</u>	<u>405,448</u>
Reserve deductions			
Repair and maintenance	20,667	-	20,667
Permanent improvements	403,182	-	403,182
Total reductions	<u>423,849</u>	<u>-</u>	<u>423,849</u>
Balances at June 30, 2006	<u>\$ 866,938</u>	<u>\$ -</u>	<u>\$ 866,938</u>
INVESTMENT IN PLANT			
Balances at July 1, 2005	\$ 2,177,804	\$ 1,812	\$ 2,179,616
Plant additions - Reserve funds	390,905	-	390,905
Plant reductions - Depreciation	<u>190,137</u>	<u>1,208</u>	<u>191,345</u>
Balances at June 30, 2006	<u>\$ 2,378,572</u>	<u>\$ 604</u>	<u>\$ 2,379,176</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2006 and 2005

	2006	2005	Increase (Decrease)	Percentage Change
Operating Revenues:				
Student tuition and fees	\$ 56,480,594	\$ 49,726,069	\$ 6,754,525	14%
Federal grants and contracts	8,737,303	8,340,373	396,930	5%
State grants and contracts	4,035,120	3,781,050	254,070	7%
Local grants and contracts	223,812	130,090	93,722	72%
Private grants and contracts	1,141,573	1,927,681	(786,108)	-41% (A)
Sales and services of educational departments	3,972,693	3,691,383	281,310	8%
Auxiliary enterprises	36,096,832	33,777,288	2,319,544	7%
Other operating revenues	2,493,714	2,361,455	132,259	6%
Operating Expenses:				
Educational and general				
Instruction	70,108,070	67,892,563	2,215,507	3%
Research	1,171,032	1,152,343	18,689	2%
Public service	7,758,929	7,724,273	34,656	0%
Academic support	12,254,338	11,993,150	261,188	2%
Student services	17,606,275	16,287,373	1,318,902	8%
Institutional support	16,319,773	16,648,005	(328,232)	-2%
Operations of maintenance of plant	10,895,526	10,845,988	49,538	0%
Student aid	5,128,002	4,384,504	743,498	17%
Auxiliary enterprises	27,178,279	26,356,774	821,505	3%
Depreciation expense	11,663,569	10,550,627	1,112,942	11%
Nonoperating Revenues (Expenses):				
State appropriations	47,609,499	47,609,309	190	0%
Payments on behalf of the University	24,902,749	25,551,432	(648,683)	-3%
Gifts	2,356,684	2,437,745	(81,061)	-3%
Investment income (net)	1,888,134	917,046	971,088	106% (B)
Net increase (decrease) in fair value of investments	15,700	57,522	(41,822)	-73%
Interest on capital asset-related debt	(2,964,097)	(2,756,638)	207,459	8%
Nonoperating grants and contracts	(23,691)	85,440	(109,131)	-128%
Amortization of bond costs	(123,029)	(38,764)	84,265	217%
Payments to the Foundation	(16,339)	(11,594)	4,745	41%
Loss on disposal of capital assets	(103,609)	(1,245,197)	(1,141,588)	-92% (C)
Blair Hall fire insurance recoveries	3,000,000	2,500,000	500,000	20% (D)
Other nonoperating revenues (expenses)	11,634	(18,376)	30,010	163%
Other Changes in Net Assets:				
Capital appropriations	381,209	335,934	45,275	13%
Capital grants and gifts	53,873	1,304,598	(1,250,725)	-96% (E)
Assets donated by other State agencies	21,240,680	3,391,529	17,849,151	526% (F)

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2006**

All variances greater than \$150,000, and more than a 20% variance from fiscal year 2005 are discussed below. Refer to the Analysis of Revenues, Expenses and Changes in Net Assets on page 61 for the actual dollar changes.

Explanations of significant variances:

- (A) Private grants and contracts – There was a different mix of grants in fiscal year 2006. The Corporation of Public Broadcasting and Radioisotope Micro Power Sources grants had less revenue in fiscal year 2006 as compared to fiscal year 2005.
- (B) Investment income – the issuance of 2005 series revenue bonds resulted in a cash inflow of about \$19 million to the University. Additional investment income was earned by the University as a result of this transaction. This coupled with the increased interest rates resulted in an increase in investment income in fiscal year 2006.
- (C) Loss on disposal of capital assets – fiscal year 2005 balances of this account was unusually high due to the demolition of the Doudna Fine Arts building during that year. This account returns to normal level in fiscal year 2006.
- (D) Blair Hall fire insurance recoveries – Additional insurance was received for the Blair Hall fire during the fiscal year 2006.
- (E) Capital grants and gifts – There were capital grants in fiscal year 2005 that had large expenditures, such as a grant to purchase a spectrometer, as well as a couple of digital upgrade grants. Two of these grants were not awarded again in fiscal year 2006 and one of the grants had lower fiscal year 2006 expenditures.
- (F) Assets donated by other State agencies – The increase in fiscal year 2006 was due to the funding by the Capital Development Board for the expansion and renovations of the Doudna Fine Arts building.

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
JUNE 30, 2006 AND 2005

	2006	2005	Increase (Decrease)	Percentage Change
Assets:				
Current assets:				
Cash and cash equivalents	\$ 11,497,859	\$ 10,790,208	\$ 707,651	7%
Restricted cash and cash equivalents	16,193,981	15,788,625	405,356	3%
Short-term investments	3,277,716	1,096,724	2,180,992	199% (A)
Restricted short-term investments	2,514,746	1,839,047	675,699	37% (A)
Accounts receivable, net of allowance	9,066,517	7,762,408	1,304,109	17%
State appropriation receivable	-	471,736	(471,736)	-100% (B)
Interest receivable	66,673	89,483	(22,810)	-25%
Inventories	1,540,233	1,630,272	(90,039)	-6%
Notes receivable, current portion, net	862,708	861,786	922	0%
Other assets	567,884	868,774	(300,890)	-35% (C)
Noncurrent assets:				
Notes receivable, less current portion	5,007,888	4,980,349	27,539	1%
Endowment investments	497,281	457,144	40,137	9%
Restricted investments	972,690	4,223,859	(3,251,169)	-77% (D)
Other long-term investments	-	2,520,935	(2,520,935)	-100% (D)
Other long-term assets	353,150	411,123	(57,973)	-14%
Capital assets, net of accumulated depreciation	178,184,836	153,154,084	25,030,752	16%
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	8,798,361	12,125,908	(3,327,547)	-27% (E)
Deferred revenues	3,175,101	2,499,402	675,699	27% (F)
Long-term liabilities, current portion	6,874,358	8,089,263	(1,214,905)	-15%
Noncurrent liabilities:				
Long term liabilities, less current portion	76,220,006	80,188,844	(3,968,838)	-5%
Federal loan program contributions refundable	5,528,360	5,362,429	165,931	3%

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Year Ended June 30, 2006**

All variances greater than \$150,000, and more than a 20% variance from fiscal year 2005 are discussed below. Refer to the Analysis of Significant Variations in Account Balances on page 63 for the actual dollar changes.

Explanations of significant variances:

- (A) Short-term investment and restricted short-term investments – The increases in these account balances were due to a reclassification of investments that will mature within 12 months to short term classification. These investments used to be classified as noncurrent assets.
- (B) State appropriation receivable – The State owed the University for an unpaid voucher at the end of fiscal year 2005. There was no outstanding balances due from the State at the end of fiscal year 2006.
- (C) Other assets – In fiscal year 2006, approximately \$393,000 in debt service reserve was used to pay the remaining debt on an energy performance contract.
- (D) Restricted investments and other long-term investments – The decrease was due to investments that matured during the fiscal year and funds used in operation. In addition, investments that will mature within the next 12 months from 6/30/06 were reclassified as current assets. See explanation of short-term investment and restricted short-term investments above.
- (E) Accounts payable and accrued expenses – there was a large payable accrued on a grant at the end of fiscal year 2005 that was not present in fiscal year 2006. Also, the University made a concentrated effort to reduce payables earlier by obtaining invoices and paying these invoices before year end in preparation for the migration to the new integrated system in July 2006.
- (F) Deferred revenues – grant money received that were not spent at the end of fiscal year 2006 from another State agency and a private corporation resulted in an increase in deferred revenues in fiscal year 2006.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
June 30, 2006**

In our analysis of expenditures, amounts expended in the lapse period which were both greater than 20% of the total and greater than \$150,000 were considered significant. For fiscal year 2006, no significant lapse period expenditures were noted.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF ACCOUNTS RECEIVABLE
June 30, 2006 and 2005**

Accounts receivable are as follows as of June 30:

Aging Analysis:	2006	2005
Current	\$ 3,050,677	\$ 3,035,302
1 - 180 days past due	1,383,526	1,044,753
181 days - 1 year past due	797,872	692,504
Over 1 year past due	3,323,798	2,885,046
	8,555,873	7,657,605
Grants receivables not aged	1,369,042	1,104,072
Scholarship receivables not aged	1,256,313	1,271,116
Total accounts receivable	11,181,228	10,032,793
Less allowance for doubtful accounts	(2,114,711)	(1,798,649)
	\$ 9,066,517	\$ 8,234,144

The majority of the receivables relate to amounts due from student accounts for tuition and fees and room and board. Smaller receivable amounts are for summer camp activities, publication advertising and NCAA donations.

Scholarship receivables and grant receivables are not aged due to their nature. These are usually received from other governmental agencies within the semester in which the billings or expenses are incurred.

Collection Policies for Accounts Receivable

The University pursues a collection process for student receivables as soon as students begin their career at EIU. Monthly statements are sent to the students as long as balances exist on their accounts. Unpaid balances are assessed a 1% per month finance charge. Records of students who do not pay their balances in full by a specified date are placed on hold so that they are prevented from receiving University services or registering for classes for the next semester.

Once students leave the University, monthly statements continue to be sent. After 90 days, if the balance of the account is more than \$1,000, the account is placed in the State Offset System. Large accounts (over \$200) with no payment activity are eventually placed with a collection agency for six months. Accounts between \$200 and \$1,000 are also placed into the State Offset System at the time they are referred to the collection agency.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF CASH AND INVESTMENTS**

Cash and cash equivalents are as follows as of June 30:

	<u>2006</u>	<u>2005</u>
CASH AND CASH EQUIVALENTS		
Petty Cash Funds	\$ 37,690	\$ 39,715
The Illinois Funds		
Money Market Account	8,732,568	21,639,425
Prime Fund Account	18,884,085	3,586,304
Checking accounts		
First Mid-Illinois Bank & Trust, Charleston, Illinois	35,881	31,915
LaSalle National Bank, Chicago, Illinois	-	1,058
Money market		
LaSalle National Bank, Chicago, Illinois, 4.48%	<u>1,616</u>	<u>1,280,416</u>
Total cash and cash equivalents	<u>27,691,840</u>	<u>26,578,833</u>
INVESTMENTS		
U.S. Treasury and Agency securities, interest range (3% - 4%)	6,746,886	9,679,093
Gift stock	-	1,019
Mutual funds	<u>515,527</u>	<u>457,597</u>
Total investments	<u>7,262,413</u>	<u>10,137,709</u>
Total cash and investments	<u>\$ 34,954,253</u>	<u>\$ 36,716,542</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SUMMARY OF INDIRECT COST REIMBURSEMENT
STATEMENT OF SOURCES AND APPLICATIONS
For the Year Ended June 30, 2006**

	<u>2006</u>	<u>2005</u>
Sources		
Federal	\$ 273,684	\$ 226,434
State	252,079	223,865
Other	21,144	27,652
	<u>546,907</u>	<u>477,951</u>
Applications		
Academic support	160,269	94,497
Institutional support	186,831	191,505
Operations and maintenance	57,178	35,955
Student services	125,685	124,113
	<u>529,963</u>	<u>446,070</u>
Sources over applications	16,944	31,881
Fund balance, beginning of year	<u>218,115</u>	<u>186,234</u>
Fund balance, end of year	<u>\$ 235,059</u>	<u>\$ 218,115</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SUMMARY OF INDIRECT COST REIMBURSEMENT
CALCULATION SHEET FOR INDIRECT COST CARRY-FORWARD
For the Year Ended June 30, 2006**

1. Cash and Equivalents Balance		
Enter the June 30 indirect cost entity balance for cash and equivalents		<u>\$ 249,411</u>
2. Allocated Reimbursements		
Enter the total indirect cost reimbursements allocated for expenditure		
\$ 790,386; enter 30% of this amount		<u>237,116</u>
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		<u>-</u>
4. Encumbrances and Current Liabilities Paid in the Lapse Period		
Enter the amount of		
Current liabilities	14,021	
Encumbrances	<u>4,283</u>	
Total		<u>18,304</u>
5. Indirect Cost Carry-forward		
a. Enter the total of items 2, 3 and 4		<u>255,420</u>
Subtract line 5a. from item 1		<u>\$ (6,009)</u>
If the positive number results, enter here and remit for deposit in the Income Fund		<u>\$ -</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM
For the Year Ended June 30, 2006**

Description of Planning System

EIU's mission statement states that it offers superior yet accessible undergraduate and graduate education. Students learn the methods and outcomes of free inquiry in the arts, sciences, humanities and professionals guided by a faculty known for its commitment to teaching, research/creative activity, and service. The University community strives to create an educational and cultural environment in which students refine their abilities to reason and to communicate clearly so as to become responsible citizens in a diverse world. The University's mission is the basis of the University's Long Range Strategic Plan which was presented and accepted by the Board of Trustees. The Long term Strategic Plan includes foundation goals of the University which are:

- 1) Improve quality of education in both the undergraduate and graduate programs
- 2) Recruit and retain diverse, highly qualified faculty and staff
- 3) Improve University service and outreach
- 4) Recruit and retain a diverse and highly qualified student body
- 5) Increase financial support for the University
- 6) Preserve and improve historical character and physical environment of the campus

The University has planning objectives in order to achieve the above foundational goals. Responsibilities for achieving the foundation goals of the University are assigned to the President and to the Vice Presidents. The President develops goals that support the University foundational goals. The Vice Presidents in turn developed planning focus statements to support the President's goals and served as the guidelines for the development of the Dean/Directors objectives. Initiatives were established that pertain to programs, activities, services, projects or operations that had to identify results and performance measures to assess the progress of the initiatives.

The State level planning process is derived from the Illinois State Board of Higher Education and involves both a top-down and bottom-up approach. The University evaluates planning and results on an annual basis. Reports regarding the planning activities, future plans and results of the planning activities of the University are stated in the 2006 "Performance Report" document submitted annually to the Illinois Board of Higher Education.

Auditor's Assessment of Planning Program

A planning process exists at Eastern Illinois University both at the department and the University-wide level. The University has established written long-term and short-term goals in its planning process. Each fiscal year, new goals and objectives are developed and the University is held accountable on its progress in the next fiscal year. Implementation of the University goals and objectives is dependent upon the level of

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM
For the Year Ended June 30, 2006**

funding received from the State. The University's planning process has been designed and implemented to meet the needs of the University and the requirements of the State.

Location, Address, and Head of the Agency

Louis V. Hencken, President
Eastern Illinois University
Charleston, Illinois 61920

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 AVERAGE NUMBER OF EMPLOYEES (UNAUDITED)
 For the Years Ended June, 2006 and 2005

	Operations and										Total All Functions
	Instructional Activities	Organized Research	Public Services	Academic Support	Student Services	Institutional Support	Maintenance Physical Plant	Independent Operations			
Year ended June 30, 2006											
Appropriated funds											
Faculty/administrative	616.80	23.00	8.10	49.30	54.80	26.30	3.00	-	-	-	781.30
Civil service	131.20	-	2.90	70.30	45.30	79.20	101.80	-	-	-	430.70
Student employees	19.30	0.40	2.10	13.80	4.90	6.20	6.00	-	-	-	52.70
Total	767.30	23.40	13.10	133.40	105.00	111.70	110.80	-	-	-	1,264.70
Non-appropriated funds											
Faculty/administrative	11.50	7.60	23.90	2.00	41.50	2.10	32.00	35.20	-	-	155.80
Civil service	12.40	0.70	77.40	0.20	33.60	21.20	136.50	124.50	-	-	406.50
Student employees	33.30	3.40	12.10	7.40	48.20	5.50	11.80	177.80	-	-	299.50
Total	57.20	11.70	113.40	9.60	123.30	28.80	180.30	337.50	-	-	861.80
Total all funds	824.50	35.10	126.50	143.00	228.30	140.50	291.10	337.50	-	-	2,126.50
Year ended June 30, 2005											
Appropriated funds											
Faculty/administrative	627.00	23.20	8.60	49.80	42.90	27.80	2.00	-	-	-	781.30
Civil service	120.20	0.40	1.90	67.80	43.30	84.40	103.10	-	-	-	421.10
Student employees	21.20	0.60	1.70	15.60	4.60	6.20	5.20	-	-	-	55.10
Total	768.40	24.20	12.20	133.20	90.80	118.40	110.30	-	-	-	1,257.50
Non-appropriated funds											
Faculty/administrative	23.30	9.80	26.30	3.90	39.70	2.70	42.90	40.50	-	-	189.10
Civil service	10.40	1.10	83.80	0.50	33.20	20.00	135.80	120.70	-	-	405.50
Student employees	27.70	2.30	6.00	1.90	42.10	3.30	8.50	158.50	-	-	250.30
Total	61.40	13.20	116.10	6.30	115.00	26.00	187.20	319.70	-	-	844.90
Total all funds	829.80	37.40	128.30	139.50	205.80	144.40	297.50	319.70	-	-	2,102.40

This information has been provided by the University's Office of Planning Services.

This is the employment information reported to the Illinois Board of Higher Education. Staff years are computed by dividing the employees' 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. Examples of staff year computations are as follows:

- 1 full-time employee employed 12 months of the fiscal year counts - 1 staff year
- 1 full-time employee employed 6 months of the fiscal year counts - .5 staff year
- 1 one-third time employee employed 12 months of the fiscal year counts - .33 staff year
- 1 one-third time employee employed 6 months of the fiscal year counts - .25 staff year

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SERVICE EFFORTS AND ACCOMPLISHMENTS (UNAUDITED)
For the Years Ended June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
PERFORMANCE INDICATORS		
Degrees conferred	2,726	2,625
Retention rate (fall to fall)	80.4%	78.3%
Graduation rate (6 year)	61.0%	62.0%

Enrollment figures, as developed by University personnel for the undergraduate and graduate schools during the year under review, are presented below:

ENROLLMENT STATISTICS

Summer term

Undergraduate students	1,880	1,750
Graduate students	840	910
Extension class	1,422	1,267
Total enrollment	<u>4,142</u>	<u>3,927</u>

Fall term

Undergraduate students	9,825	9,429
Graduate students	1,194	1,228
Extension class	1,110	994
Total enrollment	<u>12,129</u>	<u>11,651</u>
Full-time equivalent students	<u>10,753</u>	<u>10,409</u>

Spring term

Undergraduate students	9,097	8,599
Graduate students	1,185	1,198
Extension class	1,132	1,042
Total enrollment	<u>11,414</u>	<u>10,839</u>
Full-time equivalent students	<u>10,042</u>	<u>9,578</u>

Annual full-time equivalent students (based on average per term exclusive of summer term)

<u>10,396</u>	<u>9,994</u>
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COST PER FULL-TIME EQUIVALENT STUDENT (as reported to the Board of Higher Education)

Current funds unrestricted, state appropriated plus income fund locally held

General expenditure and transfers	<u>\$ 123,930,861</u>	<u>\$ 118,453,754</u>
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Cost per full-time equivalent student

<u>\$ 11,919</u>	<u>\$ 11,852</u>
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STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
For the Year Ended June 30, 2006

Schedule of Federal and Nonfederal Expenditures

	<u>Amount</u>	<u>Percent</u>
Federal funds expended	\$ 12,378,299	6.8%
Nonfederal funds expended	<u>170,936,259</u>	<u>93.2%</u>
Total expenditures (1)	<u>\$ 183,314,558</u>	<u>100.0%</u>

(1) Amount represents operating expenses, interest on capital related debt, amortization of bond costs, loss on disposal of assets, payments to the Foundation and other nonoperating expenses per the Statement of Revenues, Expenses and Changes in Net Assets for the year ended June 30, 2006.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
UNDERGRADUATE TUITION AND FEE WAIVERS (UNAUDITED)
For the Year Ended June 30, 2006**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)
Teacher Special Education	82	81	\$ 338.1	-	\$ -
General Assembly	85	84	309.4	-	-
Reserve Officer's Training Corps	70	69	252.9	-	-
Department of Children and Family Services	8	8	21.8	-	-
Children of Employees	189	186	327.3	-	-
SUBTOTAL	434	428	1,249.5	-	-

MANDATORY WAIVERS

DISCRETIONARY WAIVERS

Civil Service	139	136	145.5	136	18.3
Children of Deceased Employees	2	2	8.5	2	3.4
Academic/Other Talent	127	120	291.1	-	-
Athletic	130	129	566.0	-	-
Gender Equity in Intercollegiate Athletics	61	60	291.5	-	-
Foreign Exchange Students	5	5	30.2	-	-
Foreign Students	13	12	98.7	-	-
Student Need - Financial Aid	7	7	26.6	-	-
Other - ISAC Shortfall**	123	122	131.7	15	3.4
SUBTOTAL	607	593	1,589.8	153	25.1
TOTAL	1,041	1,021	\$ 2,839.3	153	\$ 25.1

* Unduplicated

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

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
GRADUATE TUITION AND FEE WAIVERS (UNAUDITED)
For the Year Ended June 30, 2006**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers (In thousands)	Number of Recipients	Value of Waivers (In thousands)
Teacher Special Education	20	20	\$ 78.5	-	\$ -
General Assembly	2	2	5.0	-	-
SUBTOTAL	22	22	83.5	-	-

MANDATORY WAIVERS

DISCRETIONARY WAIVERS

Faculty/Administrators (Non-Civil Service)	46	44	39.8	46	14.8
Civil Service	50	49	40.9	49	11.5
Foreign Students	41	31	204.4	-	-
Student Need - Financial Aid	3	3	8.0	-	-
Cooperating Professionals	397	378	264.6	332	85.2
Research Assistants	159	148	439.0	-	-
Teaching Assistants	237	183	771.5	-	-
Other Assistants	226	207	820.1	-	-
Contract/Training Grants	55	48	38.3	-	-
SUBTOTAL	1,214	1,091	2,626.6	427	111.5
TOTAL	1,236	1,113	\$ 2,710.1	427	\$ 111.5

* Unduplicated

**STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 BOOKSTORE AND TEXTBOOK RENTAL INFORMATION (UNAUDITED)
 For the Year Ended June 30, 2006**

The University owns and operates its own textbook rental and bookstore operation. The following is the summary of the textbook rental and bookstore operation.

Contractor	Not applicable
Contract term	Not applicable
Bookstore and textbook rental information	<ul style="list-style-type: none"> • The textbook rental facility takes care of procuring the textbooks that the students use in their classes. • The academic personnel of EIU 1) determine the textbook needs of the University; 2) decide which books need to be replaced; and 3) order updated textbooks. • Students pay \$7.95 per credit hour and are fined for damages if necessary. • The faculty must use the textbook for two years or three consecutive semesters before switching. • Bookstore sells supplementary textbook materials but not the actual textbooks. It also sells office supplies, computers, and other merchandise.
Amount of gross textbook rental income for FY 06	\$2,599,833
Amount of gross sales for Bookstore for FY 06	\$1,925,427
Amount to be paid to bookstore for FY 06 (if any) by University	Not applicable
Commissions	Not applicable
Commission terms	Not applicable
Given exclusive rights	Yes
Competition/"Other" nearby/ On campus bookstore and textbook rental	None

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES
For the Year Ended June 30, 2006**

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled "Matters Regarding University Audits" (Memorandum), certain supplemental data is required to be reported for University audits. The table below cross references the memorandum requirements (indicated by number and letter paragraph references) to the University financial statements and audit reports for the year ended June 30, 2006, where such special data is found.

Compliance Findings

- 13(a) At June 30, 2006, no findings of noncompliance with *University Guidelines* was noted.

Indirect Cost Reimbursements

- 13(b) A statement of sources and applications of indirect cost reimbursements is included in this report on page 68.
- 13(c) The University's calculation sheet for indirect cost carry-forward is included in this report on page 69.

Tuition, Charges and Fees

- 13(d) No instances of tuition being diverted to auxiliary enterprise operations were noted.

Auxiliary Enterprises, Activities and Accounting Entities

- 13(e) Identification of each specific accounting entity and description of the sources of revenue and purpose of each are presented on pages 83 through 84.
- 13(f) Entity financial statements are presented on pages 46 through 60 of this report. The entity financial statements should be read in conjunction with Eastern Illinois University's audited financial statements for the year ended June 30, 2006.
- 13(g) The University's calculation sheets for current excess funds are presented in this report on pages 85 through 89.

**STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES
 For the Year Ended June 30, 2006**

13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits was estimated by University management and is as follows:

	<u>2006</u>	<u>2005</u>
Group Insurance	\$ 6,923,062	\$ 6,231,317
Pension	1,360,623	2,212,953

13(i) Revenue and expenditures for the various bond indenture required accounts are included on pages 51 through 52 and 55 through 56 of this report. Description of the accounts and requirements is included in Note 11 of the June 30, 2006 financial statements.

13(j) Audit tests of the revenue bond fund accounting revealed no instances of noncompliance with the terms of the bond indenture during the year ended June 30, 2006.

13(k) As of June 30, 2006, no non-instructional facilities reserves (development reserves) have been established by the University. During fiscal year 2000, the University sold the President's house and the Board of Trustees of the University designated that the proceeds from the sale of this property be used to upgrade the meeting facilities of the University. The proceeds of this sale were recorded in the revenue bond activity in a development reserve account in anticipation that the funds would be used to upgrade revenue bond property. There were \$19,698 of expenditures during fiscal year 2006 which were renovations made to a ballroom located in the University Union. The account also earned interest of \$424 leaving a balance in the reserve of \$8,554 as of June 30, 2006.

University Related Organizations

13(l), (m) and (n)

Organizations recognized by the University as University Related Organizations (URO's) are as follows:

- Eastern Illinois University Foundation
- Eastern Illinois University Alumni Association, Inc.

A summary of Foundation and Alumni Association payments to the University is included on pages 81 and 82.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES
For the Year Ended June 30, 2006**

The University provided cash, services and resources of \$187,829 to the Eastern Illinois University Foundation for the year ended June 30, 2006, and \$27,225 to the Eastern Illinois University Alumni Association, Inc. for the year ended June 30, 2006, for services provided by the University Related Organizations.

The University has designated no organizations as “Independent Organizations” as defined in Section VII of *University Guidelines*.

- 13(o) As of June 30, 2006, there were no unreimbursed subsidies to the URO’s from University or appropriated funds.
- 13(p) During fiscal year 2002, the Eastern Illinois University Foundation assumed a demand mortgage note payable for the purchase of land and construction of a new foundation center, known as the Neal Welcome Center. The outstanding balance of this demand mortgage note payable was \$1,512,238 as of June 30, 2006.

Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in this report on page 67.
- 13(r) Investment income of unrestricted 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.
- 13(s) A schedule of costs per full-time equivalent student is presented on page 73 of this report.
- 13(t) There were no acquisitions of real estate by the University or URO not funded by separate specific appropriation.
- 13(u) There were no certificates of participations issued by the University during the fiscal year.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SUMMARY OF EASTERN ILLINOIS UNIVERSITY FOUNDATION
PAYMENTS TO THE UNIVERSITY
For the Year Ended June 30, 2006 and 2005**

During the years ended June 30, 2006 and 2005, the Foundation was under contract with the University to provide the University with fund-raising services. As provided in the contract, the University provided cash, services and other resources to the Foundation in the amount of \$187,829 and \$183,683, respectively. Although not required by contract, the Foundation fully repaid the University for these advances using cash, services and resources considered unrestricted for purposes of the *University Guidelines* computations. In addition, the Foundation gave the University funds, which are considered restricted for purposes of the Guidelines computations. Presented below is a summary of all funds that the Foundation gave to the University during the years ended June 30:

	<u>2006</u>	<u>2005</u>
Funds considered unrestricted for purposes of the Guidelines computations:		
Restricted only as to campus, college or department and generally available for on-going University operations	\$ 866,092	\$ 1,022,676
Office and warehouse space and utilities provided at no charge	<u>62,355</u>	<u>59,733</u>
Total funds considered unrestricted	<u>928,447</u>	<u>1,082,409</u>
Funds considered restricted for purposes of the Guidelines computations:		
Given for scholarships, grants and awards	<u>614,524</u>	<u>523,678</u>
Total funds considered restricted	<u>614,524</u>	<u>523,678</u>
Total funds provided to the University by the Foundation	<u>\$ 1,542,971</u>	<u>\$ 1,606,087</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SUMMARY OF EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION
PAYMENTS TO THE UNIVERSITY
For the Year Ended June 30, 2006 and 2005**

The Alumni Association provided office space to the University with an annual fair market value of \$47,536 for fiscal years ended June 30, 2006 and 2005.

Additionally, during the fiscal years ended June 30, 2006 and 2005, the Alumni Association provided unrestricted grants to the University in the amounts of \$56,941 and \$90,557, respectively.

No funds were given by the Alumni Association to the University for restricted purposes. The University provided cash, services, and other resources to the Alumni Association in the amount of \$27,225 and \$25,625 for fiscal year ended June 30, 2006 and 2005, respectively.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
DESCRIPTION OF ACCOUNTING ENTITIES,
SOURCES OF REVENUE AND PURPOSE OF EACH ENTITY**

Accounting entities as defined by the 1982 (Amended 1997) Legislative Audit Commission Guidelines and their primary revenue sources are as follows:

Auxiliary Enterprises (Revenue Bond)

Student Living: Accounts for the University's student residence halls, related dining facilities, and student apartment operations whose construction was financed through the issuance of revenue bonds. The primary sources of revenues are room & board, and rental income.

Student Facilities: Accounts for the operations of the University's student union, and the financing of the University's athletic facilities, whose construction was respectively, wholly and partially, funded through the issuance of revenue bonds. The primary sources of revenue in the union area are meal income, merchandise sales, student fees, investment income, and income from recreational and other services. In the athletic facility area, the primary source of revenue is from student fees.

Auxiliary Enterprises (Other)

Student/Staff Programs: Accounts for the University's parking operation and the University lounge facilities. The primary sources of revenue are from the sale of parking permits and revenue from vending operations. Interest earned on invested funds is another source of income.

Regional Services: Accounts for the operation of the services not related to instruction made available to local governments and other outside parties. The primary source of revenue is the service income from these operations.

Designated Funds - Auxiliary Activities

Student Fee Programs: Accounts for student oriented programs and services, which are in whole or in part funded by student fees. The primary sources of revenue are student fees and sales of services and merchandise.

Material Fees: Accounts for the purchase of materials used in laboratory, art, physical education, home economics, and industrial arts classrooms. Primary sources of revenue are user fees and material sales.

Service Departments: Accounts for the operations of certain cost centers, which provide selected services to the University as a whole. Examples are postage, certain computer services, and an automobile fleet. The primary source of revenue is the fee charged for these services to other University departments.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
DESCRIPTION OF ACCOUNTING ENTITIES,
SOURCES OF REVENUE AND PURPOSE OF EACH ENTITY**

Student/Staff Programs: Accounts for the operations of the University's testing services, document reproduction and binding services, and various student/staff recreational services. The primary source of revenue is service income for the operations mentioned above.

Educational Services: Accounts for the operations of educational, scientific, and artistic services related to instruction made available to local governments and other outside parties. The primary source of revenue is the service income from these operations.

Unique Charges Credit Courses: Accounts for the fees charged and expenses of administering various credit courses offered by the University. These credit courses include:

Belgium Study Abroad	Italy Study Abroad # 2
Paris Study Abroad	Netherlands Study # 1
Canada Study Abroad	South Africa Study Abroad
Harlexton/London Study Abroad	Bahamas
Harlexton/London Study Abroad # 2	Germany Other
Europe Study Abroad	Tour of Black Universities and Colleges
Ireland Study Abroad	Geology Field Studies Even
Italy Study Abroad # 1	Field Study Earth Science Botany

Public Service Activities: Accounts for the fees charged and expenses of administering various non-credit camps and clinics held by the University and other public service activities.

Indirect Costs: Accounts for indirect cost reimbursements received for University grants and contracts.

Continuing Education Contract Credit: Accounts for the receipt of tuition and expenses of administering various credit courses requested by funding entities.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
June 30, 2006**

	Auxiliary Enterprises - Revenue Bonds		Auxiliary Enterprises - Other	
	Student Living	Student Facilities	Staff / Student	Regional Services
1. CURRENT AVAILABLE FUNDS				
Cash	\$ 3,877,737	\$ 636,555	\$ 178,638	\$ -
Cash equivalents	1,125,870	31,458	34,817	-
Total current available funds	A. 5,003,607	668,013	213,455	-
2. WORKING CAPITAL ALLOWANCE				
Add				
Highest month's expenditures	3,272,262		142,999	983
Encumbrances and current liabilities paid in lapse period	655,454	929,210	18,757	-
Deferred income	177,293	112,832	52,178	-
Refundable deposits	236,876	-	-	-
Allowance for sick leave/vacation payouts	1,085,174	180,430	-	-
Working Capital Allowance	B. 5,427,059	1,389,727	213,934	983
3. CURRENT EXCESS FUNDS				
Deduct B from A	C. (423,452)	(721,714)	(479)	(983)
4. CALCULATION OF INCOME FUND REMITTANCE				
An entity may offset excess within the entity.				
Enter the amount to be offset, if any, here				
Enter the algebraic sum of C and D and deposit into the Income Fund				

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
June 30, 2006**

	Designated Funds - Auxiliary Activities						Continuing Education Contract Credit
	Student Fee Program	Material Fees	Service Departments	Student / Staff Programs	Educational Services	Public Service	
1. CURRENT AVAILABLE FUNDS							
Cash	\$ 741,722	\$ 4,124	\$ 2,011,878	\$ 17,749	\$ 40,348	\$ 194,225	\$ 65,095
Cash equivalents	571,518	848	51,223	6,885	7,498	55,360	16,459
Total current available funds	A. 1,313,240	4,972	2,063,101	24,634	47,846	249,585	81,554
2. WORKING CAPITAL ALLOWANCE							
Add							
Highest month's expenditures	2,223,121	39,298	3,033,358	97,348	138,741	236,776	252,554
Encumbrances and current liabilities paid in lapse period	536,696	3,536	3,340,958	5,883	25,281	16,749	14,942
Deferred income	296,415	320	345	180	11,483	165,348	-
Refundable deposits	-	-	-	-	-	-	-
Allowance for sick leave/vacation payouts	-	-	164,549	-	-	-	-
Working Capital Allowance	B. 3,056,232	43,154	6,539,210	103,411	175,505	418,873	267,496
3. CURRENT EXCESS FUNDS							
Deduct B from A	C. (1,742,992)	(38,182)	(4,476,109)	(78,777)	(127,659)	(169,288)	(185,942)
4. CALCULATION OF INCOME FUND REMITTANCE							
An entity may offset excess within the entity. Enter the amount to be offset, if any, here							
Enter the algebraic sum of C and D and deposit into the Income Fund							

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
June 30, 2006**

Designated Funds - Auxiliary Activities - Unique Charges Credit Courses						
	Belgium Study Abroad	Paris Study Abroad	Canada Study Abroad	Harlexton Study Abroad	Harlexton / London #2	Europe Study Abroad
1. CURRENT AVAILABLE FUNDS						
Cash	\$ 29,894	\$ (8,599)	\$ (1,168)	\$ 2,422	\$ (10,009)	\$ 17,514
Cash equivalents	-	-	-	-	-	-
Total current available funds	29,894	(8,599)	(1,168)	2,422	(10,009)	17,514
A.						
2. WORKING CAPITAL ALLOWANCE						
Add						
Highest month's expenditures	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	-	1,945	-	793	-	35,063
Deferred income	35,332	4,952	-	1,629	2,530	-
Refundable deposits	-	-	-	-	-	-
Allowance for sick leave/vacation payouts	-	-	-	-	-	-
Working Capital Allowance	35,332	6,897	-	2,422	2,530	35,063
B.						
3. CURRENT EXCESS FUNDS						
Deduct B from A	(5,438)	(15,496)	(1,168)	-	(12,539)	(17,549)
C.						
4. CALCULATION OF INCOME FUND REMITTANCE						
An entity may offset excess within the entity. Enter the amount to be offset, if any, here						
Enter the algebraic sum of C and D and deposit into the Income Fund						

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
June 30, 2006**

Designated Funds - Auxiliary Activities - Unique Charges Credit Courses						
	Ireland Study Abroad	Italy Study Abroad #1	Italy Study Abroad #2	Netherlands Study #1	South Africa Study Abroad	
1. CURRENT AVAILABLE FUNDS						
Cash	\$ (841)	\$ (14,783)	\$ (29,488)	\$ (1,498)	\$ (13,429)	
Cash equivalents	-	-	-	-	-	
Total current available funds	A. (841)	(14,783)	(29,488)	(1,498)	(13,429)	
2. WORKING CAPITAL ALLOWANCE						
Add						
Highest month's expenditures	-	-	-	-	-	
Encumbrances and current liabilities paid in lapse period	-	700	-	-	-	
Deferred income	-	-	-	-	-	
Refundable deposits	-	-	-	-	-	
Allowance for sick leave/vacation payouts	-	-	-	-	-	
Working Capital Allowance	B. -	700	-	-	-	
3. CURRENT EXCESS FUNDS						
Deduct B from A	C. (841)	(15,483)	(29,488)	(1,498)	(13,429)	
4. CALCULATION OF INCOME FUND REMITTANCE						
An entity may offset excess within the entity. Enter the amount to be offset, if any, here						D.
Enter the algebraic sum of C and D and deposit into the Income Fund						

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
CALCULATION SHEETS FOR CURRENT EXCESS FUNDS
June 30, 2006**

Designated Funds - Auxiliary Activities - Unique Charges Credit Courses

	Bahamas	Germany Other	Tour of Black Universities and Colleges	Geology Field Studies Even	Field Study Earth Science Botany
\$ (8,715)	\$ (28,445)	\$ 1,168	\$ 23,080	\$ 7,487	-
-	-	-	-	-	-
A. (8,715)	(28,445)	1,168	23,080	7,487	-

1. CURRENT AVAILABLE FUNDS
Cash
Cash equivalents

Total current available funds

2. WORKING CAPITAL ALLOWANCE

Add

Highest month's expenditures
Encumbrances and current liabilities paid in lapse period
Deferred income
Refundable deposits
Allowance for sick leave/vacation payouts

Working Capital Allowance

3. CURRENT EXCESS FUNDS

Deduct B from A

4. CALCULATION OF INCOME FUND REMITTANCE

An entity may offset excess within the entity.
Enter the amount to be offset, if any, here

D.

Enter the algebraic sum of C and D and deposit into the
Income Fund

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
FOR THE YEAR ENDED JUNE 30, 2006**

Schedule of Accrued Liability for Employee Compensated Absences (Unaudited)

The total liability for accrued compensated absences at June 30 for the last ten years is presented below:

<u>Year Ended June 30</u>	<u>Accrued Vacation Pay</u>	<u>Accrued Sick Pay</u>	<u>Compensatory Time Off *</u>	<u>Total</u>
2006	\$ 5,040,499	\$ 9,440,922	\$ 56,551	\$ 14,537,972
2005	4,729,901	9,919,682	67,193	14,716,776
2004	4,472,856	10,544,418	61,176	15,078,450
2003	4,335,068	11,199,915	58,706	15,593,689
2002	4,238,942	11,902,280	64,325	16,205,547
2001	3,959,344	11,766,238	53,867	15,779,449
2000	3,748,089	12,136,339	55,217	15,939,645
1999	3,465,511	12,598,964	50,867	16,115,342
1998	3,256,722	12,953,725	35,726	16,246,173
1997	3,140,405	12,890,094	57,492	16,087,991

The University has not identified any sources of funds, other than appropriations, to liquidate this liability.

* In accordance with the Board of Governors Regulations (Section II, Subsection C.8.a.) for 1996 and 1997 and Eastern Illinois University's Internal Governing Policy #38 for 1998 to 2006, the University will compensate its civil service employees for overtime "at time and one-half in cash or by allowing compensatory time off, for all time in a work week in excess of the number of hours of work comprising an established full-time daily or weekly work schedule." Civil service employees may carry over the unused compensatory time off for one year. At that time, the compensatory time off must either be used or the employee is paid in cash.