

**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, 2007

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, 2007**

TABLE OF CONTENTS

	<u>Page</u>
Table of Contents	1
University Officials	4
Management Assertion Letter	5
Compliance Reports	
Summary	7
Auditor's Reports	
Independent Auditors' Report on State Compliance, on Internal Control over Compliance, and on Supplementary Information for State Compliance Purposes	10
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	14
Schedule of Findings and Questioned Costs	
Summary of Auditors' Results	17
Current Findings - Federal Compliance	18
Current Findings - State Compliance	22
Prior Findings Not Repeated – State Compliance	39
Financial Statement Report	
The University's financial statement report for the year ended June 30, 2007, which includes the report of independent auditors, management discussion and analysis, basic financial statements, supplementary information, and the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of the basic financial statements performed in accordance with <i>Government Auditing Standards</i> has been issued separately.	
Supplementary Information for State Compliance Purposes	
Summary	40
Fiscal Schedules and Analysis	
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	47
Schedule of Net Appropriations, Expenditures, Lapsed and Reappropriated Balances	51
Comparative Schedule of Net Appropriations, Expenditures, Lapsed and Reappropriated Balances	52
Comparative Schedule of Income Fund Revenues and Expenses	53
Schedule of Changes in Capital Assets	54

**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, 2007**

TABLE OF CONTENTS

	<u>Page</u>
Auxiliary Enterprises and Activities, Financial Statements by Functional Entity	
Designated Funds - Auxiliary Activities:	
Balance Sheet by Entity	55
Current Funds Statement of Changes in Fund Balances (Deficit) by Entity	56
Statement of Changes in Plant Fund Balances (Deficit) by Entity	57
Auxiliary Enterprise Funds - Revenue Bonds:	
Current Funds, Unrestricted, Balance Sheet by Entity	59
Statement of Current Funds, Unrestricted, Revenues and Expenditures by Entity	60
Statement of Current Funds, Unrestricted, Statement of Changes in Fund Balances by Entity	61
Plant Funds, Balance Sheet by Entity	62
Plant Funds, Statement of Changes in Fund Balances by Entity	64
Auxiliary Enterprise Funds - Other:	
Balance Sheet by Entity	66
Current Funds Statement of Revenues and Expenditures by Entity	67
Current Funds Statement of Changes in Fund Balances by Entity	68
Plant Funds Statement of Changes in Fund Balances by Entity	69
Analysis of Revenues, Expenses and Changes in Net Assets	70
Analysis of Significant Variations in Account Balances	72
Analysis of Significant Lapse Period Spending	74
Schedule of Accounts Receivable	75
Schedule of Cash and Cash Equivalents and Investments	76
Summary of Indirect Cost Reimbursement:	
Statement of Sources and Applications	77
Calculation Sheet for Indirect Cost Carry-Forward	78
Analysis of Operations	
University Functions and Planning Program	79
Average Number of Employees (unaudited)	80
Service Efforts and Accomplishments (unaudited)	81
Emergency Purchases	82
Schedule of Federal and Nonfederal Expenditures	82
Undergraduate Tuition and Fee Waivers (unaudited)	83
Graduate Tuition and Fee Waivers (unaudited)	84
Bookstore and Textbook Rental Information (unaudited)	85

**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, 2007**

TABLE OF CONTENTS

	<u>Page</u>
<i>University Guidelines</i> 1982, as amended 1997	
Special Data Requirements for Audits of Universities	86
Summary of Eastern Illinois University Foundation Payments to the University	89
Summary of Eastern Illinois University Alumni Association Payments to the University	90
Description of Accounting Entities, Sources of Revenue and Purpose of Each Entity	91
Calculation Sheets for Current Excess Funds	93
Schedule of Accrued Liability for Employee Compensated Absences (unaudited)	98

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
UNIVERSITY OFFICIALS
June 30, 2007**

President – (7/1/07 to present)	Dr. William L. Perry
President – (7/1/06 to 6/30/07)	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	Dr. Daniel P. Nadler
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 – (6/25/07 to present)	Mr. Robert L Miller
General Counsel – (7/1/06 to 6/25/07)	Mr. Joseph T. Barron
Acting Director of Internal Auditing – (4/1/07 to present)	Ms. Rebecca L. Litton
Director of Internal Auditing – (7/1/06 to 3/31/07)	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



MANAGEMENT ASSERTION LETTER

March 28, 2008

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

Ladies and Gentlemen:

We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois – Eastern Illinois University (University). We are responsible for and we have established and maintained an effective system of, internal controls over compliance requirements. We have performed an evaluation of the University's compliance with the following assertions during the year ended June 30, 2007. Based on this evaluation, we assert that during the year ended June 30, 2007, 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.

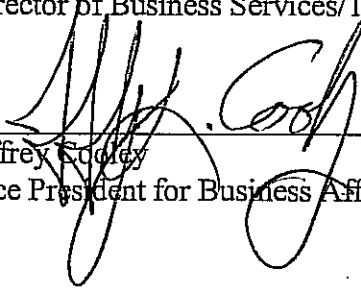
E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Eastern Illinois University



Paul Mc Cann
Director of Business Services/Treasurer



Jeffrey Stoley
Vice President for Business Affairs

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPLIANCE REPORT SUMMARY
June 30, 2007**

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Compliance Report</u>	<u>Financial Report</u>	<u>Prior Compliance Report</u>
Findings	10	1	5
Repeated findings	2	1	4
Prior recommendations implemented or not repeated	2	0	4

Details of *Federal* and *State Compliance* findings are presented in the separately tabbed report section of this report. Details of *Government Auditing Standards* findings are issues related to significant deficiencies and material weaknesses in internal control over financial reporting. The Finding related to *Government Auditing Standards* has been issued separately with the University's Financial Statement Audit.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
		FINDINGS (<i>GOVERNMENT AUDITING STANDARDS</i>)
07-01	*	Inadequate control over bank reconciliations
		FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)
07-02	18	Inadequate control over reporting and reconciliation of financial aid information
07-03	20	Noncompliance with Federal Perkins Loan Program Requirement

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPLIANCE REPORT SUMMARY
June 30, 2007**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>
FINDINGS (STATE COMPLIANCE)		
07-04	22	Timesheets not required
07-05	25	Personnel evaluations not performed
07-06	26	Inadequate controls over Union bookstore inventory transactions
07-07	28	Inadequate control over receipts and refunds
07-08	30	Non-business related travel expenses reimbursed
07-09	32	Non compliance with the requirements of the Fiscal Control and Internal Auditing Act
07-10	34	Inadequate disaster contingency planning
07-11	37	Inadequate procedures for responding to security breaches
PRIOR FINDINGS NOT REPEATED (STATE COMPLIANCE)		
07-12	39	Purchasing/disbursement system internal control deficiencies
07-13	39	Required information not included on printed materials

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on January 28, 2008. Attending were:

Eastern Illinois University

Jeffrey 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

Adam Dodge, Assistant Director for Information Security

Rebecca Litton , Acting Internal Audit Director

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPLIANCE REPORT SUMMARY
June 30, 2007**

Auditor General

Karen Appelbaum, Audit Manager

Joe Gudge, Information System Audit Manager

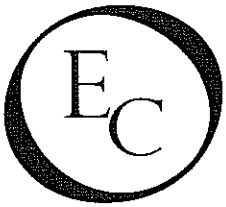
E. C. Ortiz & Co. LLP

Stella Marie Santos, Partner

Marites Sy, Partner

Responses to the recommendations were provided by Paul McCann in a letter dated February 20, 2008.

- * Finding related to *Government Auditing Standards* is included in a separately issued financial statement report.



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

Honorable William G. Holland
Auditor General
State of Illinois

and

The Board of Trustees
Eastern Illinois University

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, 2007. The management of the University is responsible for compliance with these requirements. Our responsibility is to express an opinion on the University's compliance based on our examination.

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

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

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

In our opinion, the University complied, in all material respects, with the requirements listed in the first paragraph of this report during the year ended June 30, 2007. However, the results of our procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with criteria established by the Audit Guide, issued by the Illinois Office of the Auditor General and which are described in the accompanying Schedule of Findings and Questioned Costs as findings 07-4, 07-5, 07-6, 07-7, 07-8, 07-9, 07-10, and 07-11.

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 listed in the first paragraph of this report. In planning and performing our examination, we considered the University's internal control over compliance with the requirements listed in the first paragraph of this report 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, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with the requirements listed in the first paragraph of this report on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to comply with the requirements listed in the first paragraph of this report such that there is more than a remote likelihood that noncompliance with a requirement that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as findings 07-4, 07-5, 07-6, 07-7, 07-8, 07-9, 07-10, and 07-11 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a requirement listed in the first paragraph of this report will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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.

The University's responses to the findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. We did not examine the University's responses and, accordingly, we express no opinion on them.

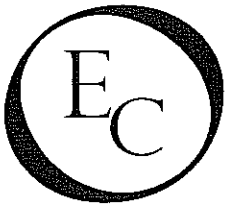
Supplementary Information for State Compliance Purposes

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, 2007, which collectively comprise the University's basic financial statements, and have issued our report thereon dated March 28, 2008. 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 2007 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, 2007 taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the University's basic financial statements for the year ended June 30, 2006. In our report dated November 10, 2006, we expressed an unqualified opinion on the financial statements of the business-type activities. In our opinion, the 2006 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2006, 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-Buttz & Co. LLP

March 28, 2008



**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

and

The Board of Trustees
Eastern Illinois University

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, 2007. 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 of 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, 2007. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with

OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as findings 07-2 and 07-3.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the University's internal control over compliance.

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as findings 07-2 and 07-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities of the University as of and for the year ended June 30, 2007, and have issued our report thereon dated March 28, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic

financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

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

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

E. C. Ortiz & Co. LLP

March 28, 2008

**STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF FINDINGS AND QUESTIONED COST
 For the Year Ended June 30, 2007**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
84.007, 84.033, 84.038, 84.063	Student Financial Aid Cluster
93.575, 93.596	Child Care and Development Fund Cluster
93.045, 93.053	Aging Cluster
20.600, 20.601	Highway Safety Cluster
84.042A	Trio - Student Support Services
93.558	Temporary Assistance For Needy Families

Dollar threshold used to distinguish between Type A and B programs: \$401,094

Auditee qualified as low-risk auditee? Yes X No

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – FEDERAL COMPLIANCE

07-2. Finding (Inadequate control over reporting and reconciliation of financial aid information)

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

Federal Agency: U.S. Department of Education
Program Name: Federal Direct Loan Program
CFDA #: 84.268
Questioned Costs: None

The University did not ensure timely and accurate reporting of information as required in the administration of the Federal Title IV programs. In addition, the University did not ensure that direct loan information is reconciled on a monthly basis. During our testing, we noted the following:

- In Fall 2006, 49 of 60 (82%) Pell disbursements to students tested were reported to Common Origination and Disbursement (COD) of the Department of Education (ED) 1 to 50 days late.
- The University reports changes in student status to the National Student Clearinghouse three times per semester. The National Student Clearinghouse in turn reports student information to the National Student Loan Data System (NSLDS). During our review, the University's records of withdrawal dates of 2 of 40 (5%) students tested did not agree with the withdrawal dates per NSLDS 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.
- Monitoring procedures were not performed to ensure that the direct loan reconciliation against the loan records of the Department of Education is made by a responsible employee for all months as required by Federal regulations. No reconciliation was performed for the months of August, September, and December 2006 and January 2007.

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

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

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – FEDERAL COMPLIANCE (Continued)

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 Direct Loan School Guide, Chapter 9, page 9-8, requires institutions to reconcile the information on the direct loan report from the Department of Education to the institution's internal records on a monthly basis.

According to University personnel, Pell disbursements were not timely reported to COD due to the delay by the Department of Education in releasing the updates to be applied to the existing software used to submit information to COD for the two new grants received in fiscal year 2007 tied to the Pell grant. Students' information was submitted to NSLDS to update the status of the students but it is unknown why NSLDS has not updated its records. The Direct loan reconciliation was not prepared for all months because it is the understanding of the University that reconciliation is required on a regular basis and not on a monthly basis.

Late reporting of Pell disbursements to COD may result in the delay of funds available to the University for drawdown. In addition, 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 provided to NSLDS is critical for effective administration of the Title IV student loan programs. Failure to perform a reconciliation of direct loan information on a monthly basis may result in unreconciled balances not timely investigated for proper disposition. (Finding Code No. 07-2, 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. We also recommend that the University establish monitoring procedures to ensure that the direct loan reconciliation is performed on a monthly basis.

University Response

We concur with the auditor's recommendation.

A delay in the issuance of regulations for two new Federal programs, SMART and ACG, caused changes necessary in our software for Fall, 2006 to be delayed. Once the software was updated, the required reporting was done. We have modified our procedures and developed additional reports to insure accurate and timely reporting and reconciling.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – FEDERAL COMPLIANCE (Continued)

07-03. Finding (Noncompliance with Federal Perkins Loan Program Requirement)

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

The University did not have documentation to prove that students with Perkins loans were contacted during the grace period.

During our review of 25 students' files with Perkins loans under grace period, we noted that no documentations were maintained on the file of these students to prove that the students were contacted during the grace period. As such, we cannot determine whether the University is in compliance with the requirement of the Code of Federal Regulations.

The Code of Federal Regulation [34 CFR 674.42(c)] requires institutions to contact the borrower during the initial and post deferment grace periods as follows:

(1)(i) For loans with a nine-month initial grace period, the institution shall contact the borrower three times within the initial grace period.

(2)(i) The institution shall contact the borrower for the first time 90 days after the commencement of any grace period. The institution shall at this time remind the borrower of his or her responsibility to comply with the terms of the loan and shall send the borrower the following information: (a) the total amount remaining outstanding on the loan account, including principal and interest accruing over the remaining life of the loan; and (b) the date and amount of the next required payment. (ii) The institution shall contact the borrower the second time 150 days after the commencement of any grace period. The institution shall at this time notify the borrower of the date and amount of the first required payment. (iii) The institution shall contact a borrower with a nine-month initial grace period a third time 240 days after the commencement of the grace period, and shall then inform the borrower of the date and amount of the first required payment.

According to University personnel, contacts are made to student borrowers but they are not aware of any specific requirement by the Federal Regulation to maintain documentation of contacts.

By not maintaining documentation of contacts with student borrowers during the grace period, there is no evidence that the University is in compliance with the Federal requirements. (Finding Code No. 07-3)

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – FEDERAL COMPLIANCE (Continued)

Recommendation

We recommend the University establish a policy to keep a record of contacts with borrowers during the grace period. Although the Code of Federal Regulation does not specify the method of documentation, it is the responsibility of the University to provide proof of compliance. This information gathered during the contacts with the Perkins borrower will also be useful if the borrower defaults and the loans are submitted for litigation.

University Response

We concur with the auditor's recommendation.

We believe that we have been in compliance with the Federal regulations for notification of borrowers within the grace period. In the future, we will maintain documentation to support the specific contacts made with the borrowers during the grace period.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE

07-04. Finding (Timesheets 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 documenting time spent each day to the nearest quarter hour in compliance with the Act. Employees’ time is tracked using time rosters, which are filled out by each employee or each department’s Account Managers. The time rosters used are effectively a “negative” timekeeping system whereby the employee is assumed to be working unless noted otherwise. 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.

Since timesheets are not maintained for all employees, there was no adequate basis for allocating expenditures between the University and the University Related Organizations (URO). The UROs are the Foundation and the Alumni Association. All URO personnel are University employees whose salaries are allocated between the University and the UROs at the end of each fiscal year. Expenses such as rent, utilities and maintenance are also allocated in addition to salaries. The allocation is based on an estimated percentage of time spent by these employees performing functions for both the University and UROs. The percentage of time is not supported by a documented basis such as timesheets to identify the time spent by employees for URO related functions. The master contracts between the University and the UROs state that the UROs shall maintain sufficient records, including cost allocation detail, time records, and records of supplies and materials consumed, to enable a post audit review of the contracts.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

For the fiscal year ended June 30, 2007, the allocated expenses to the UROs are as follows:

	<u>Foundation</u>	<u>Alumni Association</u>
Salaries	\$ 192,015	\$ 28,411
Rent, utilities and maintenance	2,230	681
	<u>\$ 194,245</u>	<u>\$ 29,092</u>

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 and resulted in inadequate documentation for allocating expenses to the UROs. (Finding Code No. 07-4, 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.

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 upon 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.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

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.”

Timesheets are also needed as a documented basis for allocating expenditures between the University and the University Related Organizations (UROs). The master contracts between the University and the UROs state that the UROs shall maintain sufficient records, including cost allocation detail, time records, and records of supplies and materials consumed, to enable a post audit review of the contracts.

The auditors continue to believe that a positive timekeeping system for State employees is required by the State Officials and Employees Ethics Act and necessary to provide a basis for allocating expenditures between the University and the UROs. If the University disagrees with the application of the Act, 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
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

07-05. Finding (Personnel evaluations not performed)

The University did not perform annual performance evaluations for some of its employees.

During our testing, we noted that 8 of 30 (27%) employees did not have performance evaluations in fiscal year 2007. The latest performance evaluations for 2 of 8 referenced employees were completed in 2000. One of the 8 employees who is under contract appointment did not have a performance evaluation since the employee joined the University in 2001. All of the 8 referenced employees were civil service employees.

Good business practices require that employees receive at least an annual evaluation of their performance to form a written record of the employee's past performance and to communicate the expectations required of the employee in the future in a timely manner. In addition, the University Process Guide requires civil service appraisals to be done on a periodic basis covering approximately 12 months. The beginning of the fiscal year is typically the beginning of the Civil Service Appraisal period for most employees. For new employees, the appraisal period may begin at the completion of probation or the date the employee is assigned.

According to University personnel, periodic performance evaluations are required for all civil service employees, however, there is no specific time requirement established for these evaluations in the University policies.

Employee performance evaluations are a systematic and uniform approach used for the development of employees and communication of performance expectations to employees. Without timely completion of an employee performance evaluation, the employee would not be provided with feedback or assessment of his or her performance. Areas for improvements and current year's performance goals and objectives may not be identified and communicated in a timely manner. (Finding Code No. 07-5)

Recommendation

We recommend that University management ensure compliance with the University Process Guide on civil service performance appraisals by conducting personnel evaluations of all civil service employees on an annual basis.

University Response

The University's internal procedures require periodic evaluations of all employees. Supervisors will be reminded of the University's procedure requiring periodic evaluations of employees.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

07-06. Finding (Inadequate controls over Union bookstore inventory transactions)

The University did not have adequate controls over donations and price reductions of Union bookstore (Bookstore) inventories.

Bookstore inventory items are regularly donated to University-sponsored campus events, partly as an advertising and marketing strategy of the Bookstore. In addition, the Bookstore offers discounted sales prices for nonmoving inventory to clear these items. The Bookstore Manager decides the discounted price structure, which is based on the nature of the merchandise. Clothing and novelty items are first reduced by 25% then it goes to 50% and further down to 75% if items remained unsold. Books are reduced by 25% and then the Bookstore would try to return the inventory or mark them down further to 50%.

During our testing, we noted the following:

- For fiscal year 2007, inventory adjustments for markups/markdowns totaling \$73,982 could not be adequately explained and a shortage totaling \$150,263 could not be accounted for because the University did not maintain adequate records of donated items and analyses of items sold at reduced prices.
- The University has no written policy relating to selling inventory at reduced prices. The price structure and timing established by the Bookstore Manager for selling inventory at reduced prices were not reviewed and approved by the appropriate department head.

Good business practice requires that internal controls be established to ensure that inventory adjustments such as donations and discount sales are properly approved, documented, monitored and accounted for. Moreover, periodic analysis of inventory adjustments would assist in measuring the financial performance of the department.

According to University personnel, the Bookstore Manager, in association with his assistant manager and the manager of the University Union, make decisions regarding Bookstore inventory. University management monitors the results of operations on an ongoing basis.

Failure to maintain adequate controls over donations and price reductions of bookstore inventories may result in misstated financial information and increases the risk that theft, unauthorized use of assets, or unauthorized inventory adjustments could occur and not be detected. (Finding Code No. 07-6)

Recommendation

We recommend the University establish a written policy relating to donations and selling bookstore inventory at reduced prices. The University should maintain adequate records of donated items and analyses of items sold at reduced prices.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

University Response

The University has implemented this recommendation.

The Union Bookstore manager and his supervisor are responsible for managing the Bookstore. As a team, they make decisions on the pricing of inventory. In addition, if donations are requested, they make a decision on what inventory, if any, should be donated. In the system that the Union Bookstore uses to track sales and inventory, adjustments to the original sales price, donated items and inventory adjustments due to physical inventory counts or defective merchandise are recorded as either “markups/markdowns” or “shortages.” The total of all of the adjustments have remained remarkably stable over the years at approximately 12% of gross sales.

A system to track donations of merchandise has been developed. In addition, the supervisor will initial the gross margin analysis that is produced by the system after all sales price adjustments are made to indicate her approval.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

07-07. Finding (Inadequate control over receipts and refunds)

The University did not have adequate control over receipts and refunds.

During our testing of receipts from 7 departments and refunds received by the University, we noted the following:

- Twelve of 30 (40%) receipts tested totaling \$528,310 were deposited 2 to 32 days late. The 12 referenced receipts were from 4 out of 7 departments tested.
- Thirteen of 30 (43%) refunds tested totaling \$7,426 were deposited 2 to 21 days late.
- Supporting documents of 2 of 30 (7%) receipts tested totaling \$33,813 could not be found.
- Actual date of receipt cannot be determined on 7 of 30 (23%) refunds tested totaling \$1,457 because no documentation was provided as to when the checks were received.
- One of 7 (14%) departments tested with total receipts of \$451,216 did not maintain a receipts log to account for its collections.

Internal Governing Policy (IGP) #102 states that all monies collected must be deposited intact no later than the next University business day whenever the total collections exceed \$50, and in no case less often than weekly. Any exceptions must be approved in advance by the University Treasurer. Good business practice requires that a log be maintained to monitor the completeness of collection on a daily basis.

According to University personnel, certain departments have been given exceptions to the timely deposit requirements due to the nature of their receipts. They stated that supporting documents that cannot be found must have been misplaced.

Failure to deposit collections in a timely manner may result in interest lost to the University that could have been earned had the collections been deposited timely. Not properly maintaining supporting documents of receipts does not provide a good audit trail. By not maintaining a receipts log, there is a risk that collections are not properly accounted. (Finding Code No. 07-7)

Recommendation

We recommend that the University emphasize to its employees the importance of a timely deposit of collections. Further, the University should ensure that the Internal Governing Policy on cash collection is followed by all departments. Any deposit timing exceptions should be formally documented and re-evaluated on a regular basis.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

University Response

The University concurs with the auditor's recommendation.

The University will inform all departments that receipts over \$50 must be transmitted to the Cashier's Office by the next business day and that exceptions must be pre-approved by the Treasurer.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

07-08. Finding (Non-business related travel expenses reimbursed)

The University did not ensure that timely collections are made from employees. In addition, the University did not ensure that only business related travel expenses are reimbursed to employees.

During the Men's Football game in Hawaii on September 27 through October 1, 2006, the University of Hawaii paid for 110 flights, 240 nights of hotel accommodation and a \$30,000 cash guarantee to the University. To make use of these benefits, coaches and other employees of the Athletics Department were allowed to bring their families but had to reimburse the University for their expenses. We reviewed the expenses incurred by the University for this trip and noted that, at the time of testing, 3 employees had not yet reimbursed the University for air fare, meals and hotel accommodation of their families totaling \$3,318. Of this amount, \$1,668 was owed by an employee who is no longer employed by the University.

We also reviewed the travel and expense report of an employee relating to this trip and noted non-business related expenses totaling \$154. The University reimbursed the employee for these non-business related expenses.

Good business practice requires that if there is a need to advance the expenses of employees, timely collections should be made. University Internal Governing Policy #111 states that only those incurred expenses relative to the transaction of official University business will be reimbursed subject to applicable statutes, regulations, and availability of funds.

According to University personnel, the above exceptions were due to oversight.

Untimely collections from employees results in amounts that may no longer be collected due to employee separation. Allowing non-business related travel expenses is noncompliance with the University's IGP. (Finding Code No. 07-8)

Recommendation

We recommend the University:

- Strengthen their collection procedure to ensure that reimbursements are collected.
- Ensure that employees settle amounts owed before leaving the University.
- Properly review the travel reimbursements to ensure that only valid business expenses are reimbursed to employees.
- Recoup amounts owed by current and former employees.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

University Response

The University concurs with the auditor's recommendation.

The University will strengthen procedures to avoid reoccurrence of the issues identified by the auditors.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

07-09. Finding (Non compliance with the requirements of the Fiscal Control and Internal Auditing Act)

The University's Internal Auditing Department did not ensure that its internal auditing program complies with the Fiscal Control and Internal Auditing Act (Act).

During our review of completed audits during the current and previous fiscal years, we noted the following:

- No audits were completed during the last two years relating to internal and administrative controls for grants received or made by the University.
- A new Enterprise Resource Planning (ERP) System was implemented during the fiscal year 2007 called the Banner System. The ERP has 5 different modules that were implemented at different times during the fiscal year, except for one last module which will be implemented in fiscal year 2008. Internal Audit was part of the Banner Steering Committee and was involved in the design of controls during the planning phase of the project. Subsequent to the implementation of the different modules, there was no review performed to ensure that controls were operating as designed.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/2003) requires that the internal auditing program includes audits of major systems of internal and administrative control conducted on a periodic basis so that all major systems are reviewed at least once every two years. The audits must include grants received or made by the agency to determine that the grants are monitored, administered, and accounted for in accordance with applicable laws and regulations. Good Internal Control requires review of the design of the controls after systems have been put into production to ensure controls are operating as designed and the systems objectives and requirements were achieved.

According to University personnel, an audit of a grant was started during the two year period ended June 30, 2007 but not completed. The Internal Audit Department was a part of the Banner Steering Committee. They were consulted numerous times by the implementation teams for each module regarding the set up and controls of Banner.

Failure to perform regular audits of major systems of internal and administrative controls may result in weaknesses in internal control not timely detected. Failure to review the system after its implementation may result in untimely corrective action for system controls not operating effectively as designed. (Finding Code No. 07-9)

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

Recommendation

We recommend the Internal Audit Department perform the audits as required by the Fiscal Control and Internal Auditing Act. In addition, we also recommend the Internal Audit Department review the different Banner system modules after its implementation to ensure controls are operating effectively as designed.

University Response

The University concurs with the auditor's recommendation.

The internal audit staff was reduced to one person when the Director of Internal Auditing resigned in March, 2007. Prior to leaving, the Department had been actively involved in the implementation of our new Enterprise Resource Planning System, Banner. Involvement with the implementation process and the reduced staff size caused the Department not to complete the grant audit as planned. The University is currently in the process of searching for a new Director of Internal Auditing. Once the new Director is hired, the University believes that the Department will once again be in compliance with the Act.

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

07-10. **Finding (Inadequate disaster contingency planning)**

The University had not ensured an adequately developed and tested disaster contingency plan existed.

The University had invested over \$11.6 million in computer hardware and had established several critical, confidential or financially sensitive systems for use in meeting its mission. However, the University failed to assure an adequately developed and tested disaster contingency plan existed for recovering its critical systems. The University's contingency plan, last updated in October 2005, did not address the Enterprise Resource Planning (Banner) System implemented in July 2006 with approximate cost as of June 30, 2007 of \$3,645,863. The Banner System is an inter-related client-server based system of systems, including the University's financial and human resources systems containing critical, confidential, and/or financially sensitive information used for carrying out the University's mission. The University's recovery plan is basically a plan to generate a plan. Our review of the recovery plan found the following:

- The recovery plan has not been updated to include the Banner System.
- The University's disaster recovery plan focuses on disaster prevention (for example, adequate backup procedures) and an on-site recovery approach to disaster recovery. As such, the plan lends itself more favorably to localized, non-major disasters. The plan doesn't address major disasters like long-term power outages, destroyed data center, or loss of key recovery personnel.
- The list of recovery priorities and timeframes for recovering critical applications has not been established.

In addition, the University's plan has never been formally tested to assure the University's critical systems could be recovered within the required timeframe.

Disaster contingency planning requires continuous, proactive efforts for assessing and reassessing the computer environment to ensure the plan is adequate, determining potential disaster scenarios in an effort to adequately address risks associated with the scenarios and ensure the recovery is adequate for mitigating those risks. An effective recovery plan would ensure adequate procedures are in place, would include a listing of critical applications and recovery priorities and timeframes, and would address minimum system configurations prior to a disaster situation. One of the purposes of disaster recovery planning is to consider these items up front in an effort to minimize the overall impact of a disaster and recovery timeframe.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

Information technology guidance (including the National Institute of Standards and Technology and Governmental Accountability Office) endorses adequate development and formal testing of disaster contingency plans. An adequately developed and tested contingency plan would assist the University in ensuring its plan, procedures and available resources (including personnel, hardware, and facilities) are adequate for recovering the University's critical systems within the required timeframes. An adequately developed and thoroughly tested contingency plan would greatly assist the University in coping with unplanned service disruptions and ensure the availability of critical information resources within acceptable recovery timeframes.

According to University personnel, the University documents incidents that occurred during the year instead of actual testing of the Disaster Recovery Plan. The Disaster Recovery Plan was not updated to include the Banner System due to other priorities that took precedence in relation to the implementation of the Banner System during the year.

Failure to have a tested comprehensive plan could result in the University not being able to process critical transactions for an extended period of time in the event of a disaster (Finding Code No. 07-10).

Recommendation

We recommend the University update its contingency plan. Specifically, the contingency plan should:

- Be updated to adequately reflect the current processing environment, including the Banner system;
- Address major disasters like indefinite power outages and destruction of the Data Center;
- Include a prioritized list of critical applications and acceptable recovery timeframes;
- Include sufficient detail, including minimum system configurations, necessary for recovering at least its critical applications.

Although unplanned recovery efforts do not demonstrate recovery capability of various disaster scenarios, we encourage the University to continue maintaining detailed documentation outlining these efforts to assist the University in assessing its recovery capability.

Finally, annual testing is recommended for ensuring the University's recovery plan remains current and is effective in meeting the University's recovery needs. As such, we recommend the University take a more proactive approach in contingency planning and perform routine recovery tests at least annually to identify any plan weaknesses and to ensure adequate resources are available for recovering at least the University's critical systems within the

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

required timeframes. Testing results should be documented and the plans updated if necessary.

University Response

The University accepts the auditor's recommendation.

For the last 2 ½ years the University has been working to implement its new Enterprise Resource Planning System, Banner. As the University moves away from the mainframe environment the issues associated with disaster contingency planning change. The University will be revising its contingency planning documentation and will incorporate as an integral part of the new plan testing of backup procedures.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

07-11. Finding (Inadequate procedures for responding to security breaches)

The University did not have adequate procedures for prompt follow-up and notification of security breaches.

The University developed draft procedures, “Procedure or Investigating Suspected/Known Security Incidents”, on July 21, 2001; however, the procedures were never finalized, approved, or implemented.

The Personal Information Protection Act (815 ILCS 530) (Act) requires prompt notification be made once a breach is discovered. If notification is required to be made to more than 1,000 persons, prompt notification to consumer reporting agencies is also required. In addition, the Act requires prompt notification to the General Assembly within 5 business days of the discovery or notification of the breach.

On January 24, 2007, the University experienced a security breach in which a computer containing confidential information relating to 1,400 students was stolen. Although the University notified affected students in a letter dated January 25, 2007, of the possible compromise, the University failed to notify the consumer reporting agencies and the General Assembly of the breach as required within the Act.

University personnel stated they were not aware of the notification requirements outlined within the Act. However, after discussing notification requirements with University personnel, we learned personnel within the University’s Business Office has been tasked with creating an annual report to the General Assembly, which is planned for distribution in January 2008.

Prompt notification of security breaches, as required by the Personnel Information Protection Act, is required for assuring all involved parties are immediately notified of a breach in an effort to minimize the potential impact including unnecessary costs related to possible fraudulent activities resulting from identity thefts. (Finding Code No. 07-11).

Recommendation

We recommend the University:

- Establish adequate procedures for the immediate assessment and notification of security breaches. The University must provide notification of a security breach within a reasonable timeframe to all parties including those potentially impacted by a breach, consumer reporting agencies if necessary, and the General Assembly as required by the Personal Information Protection Act.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CURRENT FINDINGS – STATE COMPLIANCE (Continued)

- Evaluate its computer environment and data maintained to ensure adequate security controls, including adequate physical and logical access restrictions, have been established to safeguard its computer resources.
- Encrypt personal or confidential data.

University Response

The University concurs with the auditor's recommendation.

All individuals affected by the security breach were notified timely of the incident. However, due to oversight, neither the credit reporting agencies nor the General Assembly were notified. Procedures have been changed to prohibit the retention of personal information on non-secure machines and provide for the timely notification of affected parties as required by Statute.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

PRIOR FINDINGS NOT REPEATED – STATE COMPLIANCE

07-12. Finding (Purchasing/disbursement system internal control deficiencies)

During the previous engagement, the University did not maintain adequate control over its purchasing/disbursement systems. We noted that all purchasing personnel had 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. Also, fiscal agents (now account managers) did not document the review of their accounts. (Finding Code Nos. 06-5, 05-7)

Status: Implemented

During the current engagement, with the implementation of the Banner Finance System, the University has revised its system of controls as it relates to purchasing and disbursements. All purchases that go over the budget automatically go to a NSF queue and the respective accountants look into it to determine the cause of the insufficient budget, then either approve or disapprove the purchases. Also, account managers review and document the review of their accounts.

07-13. Finding (Required information not included on printed materials)

During the previous engagement, 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 contained the language required by the Illinois Procurement Code. (Finding Code No. 06-4, 05-6)

Status: Not Repeated

Effective August 13, 2007, this requirement of the Illinois Procurement Code was amended. The amendment states that the section that required the specific language on publications does not apply to the printing by a public institution of higher education of material not paid for in any portion from funds appropriated by the General Assembly, printing that is performed by a university unit, or printing that is performed in conjunction with contracts referenced in the Illinois Procurement Code.

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

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

- **Fiscal Schedules and Analysis**
 - Schedule of Expenditures of Federal Awards
 - Notes to Schedule of Expenditures of Federal Awards
 - Schedule of Net Appropriations, Expenditures, Lapsed and Reappropriated 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 (Deficit) by Entity
 - Statement of Changes in Plant Fund Balances (Deficit) by Entity
 - Auxiliary Enterprise Funds - Revenue Bonds:
 - 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 Cash Equivalents and Investments
 - Summary of Indirect Cost Reimbursement:
 - Statement of Sources and Applications
 - Calculation Sheets for Indirect Cost Carry-Forward

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

- Analysis of Operations
 - University Functions and Planning Program
 - Average Number of Employees (unaudited)
 - Service Efforts and Accomplishments (unaudited)
 - Emergency Purchases
 - 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 auditor's opinion, except for that portion marked "unaudited", on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2007

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY07 Expenditures</u>
MAJOR PROGRAM - STUDENT FINANCIAL AID CLUSTER			
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Federal Perkins Loan Program-Federal Capital Contributions</i>	84.038		\$ 27,346
<i>Federal Work-Study Program</i>			
FY07	84.033A	P033A061143	439,119
<i>Federal Pell Grant Program</i>			
FY06	84.063P	P063P050106	85,719
FY07	84.063P	P063P060106	6,365,821
			<u>6,451,540</u>
<i>Federal Supplemental Educational Opportunity Grants</i>			
FY06	84.007A	P007A051143	16,005
FY07	84.007A	P007A061143	353,718
			<u>369,723</u>
<i>Academic Competitiveness Grants</i>			
	84.375A	P375A060106	<u>263,233</u>
<i>National Science and Mathematics Access to Retain Talent (SMART) Grants</i>			
	84.376S	P376S060106	<u>124,785</u>
Total Student Financial Aid Cluster			<u>7,675,746</u>
RESEARCH AND DEVELOPMENT CLUSTER			
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
<i>National Student Design Competition for Sustainability:</i>			
Increase Water Drinking Supply Through Improved Cistern Design	66.516	SU-83249701-0	<u>1,032</u>
TOTAL ENVIRONMENTAL PROTECTION AGENCY			<u>1,032</u>
<u>NATIONAL SCIENCE FOUNDATION</u>			
<i>Biological Sciences:</i>			
LTREB: Controls and Consequences of Exotic Plant Invasions in Abandoned Agricultural Land	47.074	DEB-0424605	<u>52,155</u>
Passed-Through Miami University:			
Novel Roles of Urea in Amphibian Hibernation	47.074	NSF-Costanzo 4/07 GO	<u>6,531</u>
Passed-Through the University of the Pacific:			
CRUI: Molecular Mechanisms for the Mechanical Diversity	47.074	UOP Index 0112165	<u>65,429</u>
			<u>124,115</u>
<i>Geosciences:</i>			
Collaborative Research: The Effect of Atmospheric Humidity on the Susceptibility of Dry Soils to Wind Erosion	47.050	EAR-0408869	<u>18,800</u>
<i>Computer and Information Science and Engineering:</i>			
Collaborative Research: ITWF: Building Communities: Recruit	47.070	CNS-0420321	<u>12,849</u>
<i>Mathematical and Physical Sciences:</i>			
Phosphine Exchange in Metal Carbonyls	47.049	CHE-0136423	2,961
MRI/RUI: Acquisition of 400 MHz NMR Spectrometer for Solutions and Solids	47.049	CHE-0321321	<u>7,526</u>
			<u>10,487</u>
<i>Social, Behavioral and Economic Sciences:</i>			
RUI: Haptic Spatial Perception in the Sighted and Blind	47.075	BCS-0317293	<u>51,557</u>
TOTAL NATIONAL SCIENCE FOUNDATION			<u>217,808</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, 2007

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY07 Expenditures</u>
RESEARCH AND DEVELOPMENT CLUSTER (CONTINUED)			
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Grants for Agricultural Research Competitive Research Grants:</i>			
Female Sperm Storage and Paternity Outcomes in Relation to Male Copulatory Courtship in the Tephritid Fly	10.206	2004-35302-14673	39,531
Behavioral Mechanisms Underlying Individual and Population Patterns in Japanese Beetle	10.206	2005-35302-16364	66,764
TOTAL U.S. DEPARTMENT OF AGRICULTURE			106,295
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Passed-Through Southern Illinois University at Carbondale:			
<i>Wildlife Restoration:</i>			
Cooperative Fur Bearing and Non-Game Mammal Investigations	15.611	W-135-R-8	4,445
Passed-Through the Illinois Department of Natural Resources:			
<i>State Wildlife Grants:</i>			
Repatriation as a Mechanism for Restoring a Pond-Breeding Amphibians	15.634	T-22-P-1	22,445
Ecology and Genetics of Red Squirrels in Illinois	15.634	T-22-P-1	80,782
			103,227
Passed-Through the University of Illinois at Urbana-Champaign, Illinois Department of Natural Resources:			
<i>State Wildlife Grants:</i>			
Developing a Multi-Metric Habitat Index for Wadeable Streams in Illinois	15.634	2006-02878-01	52,376
TOTAL U.S. DEPARTMENT OF INTERIOR			160,048
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Research Related to Deafness and Communication Disorders:</i>			
Effects of apoE on Olfactory Neuron Plasticity in Mice	93.173	2R15DC03889-02A1	58,337
<i>Microbiology and Infectious Diseases Research:</i>			
Breeding Habitat of Malaria Vectors	93.856	1R15A147796-01A1	1,253
			59,590
Passed-Through the University of Illinois:			
<i>Adolescent Family Life Research Grants:</i>			
Family and Peer Influence on Adolescent Sexual Behavior	93.111	2006-00407-01-00	15,297
<i>Research Related to Deafness and Communication Disorders:</i>			
Subtypes and Associated Risk Factors in Stuttering	93.173	03-144	29,191
			44,488
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			104,078
Total Research and Development Cluster			589,261
MAJOR PROGRAM - CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER			
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed-Through the Illinois Department of Human Services:			
<i>Child Care Mandatory and Matching Funds of the Child Care and Development Fund</i>			
	93.596	10C6002526	504,785
<i>Child Care Development Block Grant</i>	93.575	10C6002526	606,818
Total CCDF Cluster			1,111,603

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, 2007

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY07 Expenditures</u>
MAJOR PROGRAM - AGING CLUSTER			
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed-Through the East Central Illinois Area Agency on Aging:			
<i>Special Programs for the Aging, Title III, Part C, Nutrition Services:</i>			
Peace Meal Senior Nutrition Program FY06	93.045		269,178
Peace Meal Senior Nutrition Program FY07	93.045		449,307
			718,485
<i>Nutrition Services Incentive Program:</i>			
Peace Meal Senior Nutrition Program FY06	93.053		58,249
Peace Meal Senior Nutrition Program FY07	93.053		147,594
			205,843
Total Aging Cluster			924,328
MAJOR PROGRAM - HIGHWAY SAFETY CLUSTER			
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>			
Passed-Through the Illinois Department of Transportation:			
<i>State and Community Highway Safety:</i>			
Local Law Enforcement Liaison Program	20.600	CP6-1010-055	343,650
Law Enforcement Liaison Grant	20.600	OP7-1010-048	677,203
			1,020,853
<i>Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants:</i>			
Local Alcohol Program	20.601	AL6-1010-118	9,623
Policies and Programs	20.601	AL7-1010-177	21,732
			31,355
Total Highway Safety Cluster			1,052,208
OTHER PROGRAMS			
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Higher Education Institutional Aid:</i>			
Planning Grant	84.031A	P031A040247	442
Student Success Center	84.031A	P031A040247	100,468
			100,910
Major Program - TRIO Student Support Services	84.042A	PO42A011052	235,952
Passed-Through the Illinois State Board of Education:			
<i>Improving Teacher Quality State Grants:</i>			
Teacher Graduates Assessment	84.367	2007-4935-01-64-108-6790-51	24,711
Leadership for the Improvement of Teaching Performance	84.367	05F983NCLB18	31,919
Leadership for the Improvement of Teaching Performance	84.367	06NCLB18	104,717
Leadership for the Improvement of Teaching Performance	84.367	07NCLB02	4,715
Project TEAMS (Technological Enhancements and Application in Mathematics and Science)	84.367	06NCLB17	38,029
Project TEAMS (Technological Enhancements and Applications in Mathematics and Science)	84.367	05F983NCLB17	56,597
			260,688

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, 2007

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY07 Expenditures</u>
OTHER PROGRAMS (CONTINUED)			
<i>Mathematics and Science Partnerships:</i>			
Project STAR (Science/Mathematics, Technology Applications)	84.366	2007-4936-01-64-108-6790-51	104,304
Project STAR (Science/Mathematics, Technology Applications)	84.366	2006-4936-01-64-108-6790-51	74,628
			<u>178,932</u>
Passed-Through the Corporation for Public Broadcasting:			
<i>Ready-to-Learn Television:</i>			
Ready-to-Learn in Literacy - WEIU	84.295	9762	1,030
Ready-to-Learn in Literacy - WEIU	84.295	10707	10,000
			<u>11,030</u>
Passed-Through the Illinois State University/Illinois State Board of Education:			
<i>Vocational Education Basic Grants to States:</i>			
Illinois University Council for Career and Technical Education	84.048	RSP #06D275.03	1,587
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>789,099</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Passed-Through the Illinois Department of Human Services:			
Major Program - Temporary Assistance For Needy Families	93.558	10C6002526	621,457
Social Services Block Grant	93.667	10C6002526	5,945
<i>Block Grants for Preventions and Treatment of Substance Abuse:</i>			
Illinois Higher Education Prevention	93.959	10C5002526	207,821
Illinois Higher Education Prevention	93.959	10C6002526	1,733
			<u>209,554</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>836,956</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>			
Passed-Through the Illinois Department of Human Services:			
<i>Enforcing Underage Drinking Laws Program:</i>			
Illinois Higher Education Prevention	16.727	10C6002526	10,247
Illinois Higher Education Prevention	16.727	10C5002526	132,000
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>142,247</u>
<u>NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES</u>			
Passed-Through the Illinois Humanities Council:			
<i>Promotion of the Humanities Federal/State Partnership:</i>			
Art and Artifact: The Arts and Culture of the Ancient Mound Builders	45.129	3638	275
Passed-Through the Secretary of State:			
<i>Grants to States:</i>			
Art and Architecture in Illinois Libraries	45.310	LSTA 06-5069	67,568
TOTAL NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES			<u>67,843</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, 2007

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY07 Expenditures</u>
OTHER PROGRAMS (CONTINUED)			
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
Passed-Through the Mid-America Arts Alliance:			
<i>Promotion of the Humanities - Public Programs:</i>			
Farm Life: A Century of Change for Farm Families and Their Neighbors	45.164		821
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			821
<u>DEPARTMENT OF LABOR, EMPLOYMENT AND TRAINING ADMINISTRATION</u>			
Passed-Through the Illinois Department of Commerce and Economic Activity:			
<i>WIA Adult Program:</i>			
Business and Technology Institution	17.258	07-865004	14,227
<i>WIA Youth Activities:</i>			
Business and Technology Institution	17.259	07-865004	14,227
<i>WIA Dislocated Workers:</i>			
Business and Technology Institution	17.260	07-865004	14,227
TOTAL DEPARTMENT OF LABOR, EMPLOYMENT AND TRAINING ADMINISTRATION			42,681
<u>LIBRARY OF CONGRESS</u>			
<i>Adventures of the American Mind</i>	None		88,892
<i>EIU Teaching with Primary Sources</i>	None	GA070019	48,105
TOTAL LIBRARY OF CONGRESS			136,997
Total Other Programs			2,016,644
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 13,369,790

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, 2007. 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:

CRUI	Collaborative Research in Undergraduate Institutions
ITWF	Information Technology Workforce
LTREB	Long-term Research in Environmental Biology
MRI	Major Research Instrumentation
RUI	Research in Undergraduate Institutions
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 44, 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 2007, 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, 2007.

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 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.

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

During the year ended June 30, 2007, the University's students or their parents were eligible to receive the following loans:

Stafford Loans - Subsidized	\$ 18,617,699
Stafford Loans - Unsubsidized	12,663,452
Parents Loans for Undergraduate Students (PLUS)	<u>9,935,390</u>
Total	<u>\$ 41,216,541</u>

4. STUDENT LOAN PROGRAMS ADMINISTERED BY THE UNIVERSITY

The University administered the following federal loan program during the year ended June 30, 2007:

Perkins Loan Program CFDA #84.038

Outstanding balance, July 1, 2006	<u>\$ 6,431,661</u>
Additions:	
Interest income	107,470
Other income	17,302
Contributions:	
Teacher cancellation repayments	<u>115,612</u>
Total	<u>240,384</u>
Deductions:	
Loans canceled or written-off	102,951
Collection agency fees – net	203
Administrative expenditures	<u>28,900</u>
Total	<u>132,054</u>
Outstanding balance, June 30, 2007	<u>\$ 6,539,991</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, 2007:

Student Financial Aid Cluster	\$ 7,675,746
Child Care and Development Fund Cluster	1,111,603
Aging Cluster	924,328
Highway Safety Cluster	1,052,208
TRIO Student Support Services	235,952
Temporary Assistance for Needy Families	621,457
Total major program expenditures	<u>11,621,294</u>
Non-major program expenditures	<u>1,748,496</u>
Total federal expenditures	<u>\$ 13,369,790</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 total expenditures 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 - \$224,855 (Federal CFDA #93.575), Child Care Mandatory and Matching Funds of the Child Care and Development Fund - \$504,785 (Federal CFDA #93.596), Temporary Assistance For Needy Families - \$621,457 (Federal CFDA #93.558) and Social Services Block Grant - \$5,945 (Federal CFDA #93.667). These noncash transactions have not been recorded on the University's financial statements.

7. SUBRECIPIENTS

The University provided no federal awards to subrecipients for the year ended June 30, 2007.

**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	\$13,369,790
Add: direct state grants/contracts	1,526,720
Subtract: noncash expenditures included in the Schedule of Expenditures of Federal Awards not included in the financial statements	<u>(1,357,042)</u>
Total federal and state grants and contracts revenues shown on the Statement of Revenues, Expenses and Changes in Net Assets	<u>\$13,539,468</u>

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, LAPSED, AND REAPPROPRIATED BALANCES
 APPROPRIATIONS FOR FISCAL YEAR 2007
 Fourteen Months Ended August 31, 2007

	Balances Reappropriated July 1, 2006	Appropriations (Net after Transfers)	Expenditures Through June 30, 2007	Lapse Period Expenditures 7/1 - 8/31/07	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1, 2007
<u>Public Act 94-798</u>							
GENERAL REVENUE FUND - 001							
Personal services	\$ -	\$ 46,182,800	\$ 46,182,450	\$ -	\$ 46,182,450	\$ 350	\$ -
Contractual services	-	1,000,000	1,000,000	-	1,000,000	-	-
Commodities	-	300,000	300,000	-	300,000	-	-
Equipment	-	500,000	500,000	-	500,000	-	-
Telecommunication services	-	300,000	300,000	-	300,000	-	-
Total General Revenue Fund - 001	-	48,282,800	48,282,450	-	48,282,450	350	\$ -
CAPITAL DEVELOPMENT FUND - 141							
Fine Arts renovation	5,298,718	-	322,343	-	322,343	4,976,375	4,976,375
Booth Library renovation	110,074	-	78,163	-	78,163	31,911	31,911
Total Capital Development Fund - 141	5,408,792	-	400,506	-	400,506	5,008,286	5,008,286
STATE COLLEGE & UNIVERSITY TRUST FUND - 417							
Scholarship Grant Awards	-	2,000	2,000	-	2,000	-	-
Totals - All appropriated funds	\$ 5,408,792	\$ 48,284,800	\$ 48,684,956	\$ -	\$ 48,684,956	\$ 5,008,636	\$ 5,008,286

Note: The data for this report were 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	
	2007 PA 94-798	2006 PA 94-0015
GENERAL REVENUE FUND - 001		
Appropriations (net of transfers)	\$ 48,282,800	\$ 47,609,500
General Revenue Fund expenditures		
Personal services	46,182,450	45,009,499
Contractual services	1,000,000	1,400,000
Commodities	300,000	400,000
Equipment	500,000	500,000
Telecommunication services	300,000	300,000
	<u>48,282,450</u>	<u>47,609,499</u>
Lapsed balances	<u>\$ 350</u>	<u>\$ 1</u>
CAPITAL DEVELOPMENT FUND - 141		
Appropriations (net of transfers)	\$ 5,408,792	\$ 5,788,001
Capital Development Fund expenditures		
Fine Arts renovation	322,343	131,666
Digitalized infrastructure	-	-
Booth Library renovation	78,163	247,543
	<u>400,506</u>	<u>379,209</u>
Balances reappropriated	<u>\$ 5,008,286</u>	<u>\$ 5,408,792</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)	\$ 53,693,592	\$ 53,399,501
Expenditures	48,684,956	47,990,708
Lapsed balances	<u>\$ 350</u>	<u>\$ 1</u>
Balances reappropriated	<u>\$ 5,008,286</u>	<u>\$ 5,408,792</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENSES
For the Years Ended June 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
INCOME FUND		
Revenues		
Tuition	\$ 53,706,845	\$ 48,718,990
Services fees	350,530	340,711
Fines and penalties	75,327	77,008
Interest income	664,792	542,588
Other	56,382	100,661
	<u>54,853,876</u>	<u>49,779,958</u>
Expenses		
Personal services	26,351,783	23,439,352
FICA - Medicare	1,218,730	1,109,894
Group insurance	1,275,660	1,275,660
Compensated absences	(400,505)	(247,771)
Contractual services	8,289,626	6,686,879
Travel	1,025,583	937,529
Commodities	1,583,279	1,460,434
Awards, grants, and matching funds	1,110,178	848,060
Permanent improvements	806,796	1,394,108
Equipment and library books	1,940,367	2,809,793
Telecommunications	289,818	305,729
Operation of automotive equipment	169,765	173,395
Student awards/tuition waived	6,509,166	5,549,327
	<u>50,170,246</u>	<u>45,742,389</u>
Excess of revenues over expenses	<u>\$ 4,683,630</u>	<u>\$ 4,037,569</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF CHANGES IN CAPITAL ASSETS
For the Year Ended June 30, 2007**

	(In Thousands)				
	6/30/2006	Additions	Deletions	Transfers	6/30/2007
Capital assets not being depreciated					
Land and land improvements	\$ 2,259	-	-	\$ 110	\$ 2,369
Capitalized collections	199	-	-	-	199
Construction in progress	47,091	23,943	27	(21,030)	49,977
Total capital assets not being depreciated	49,549	23,943	27	(20,920)	52,545
Capital assets being depreciated					
Site improvements	14,334	-	-	1,648	15,982
Building and building improvements	196,942	-	-	19,272	216,214
Equipment	54,377	5,040	2,875	28	56,570
Capital leases - equipment	93	49	-	(28)	114
Total capital assets being depreciated	265,746	5,089	2,875	20,920	288,880
Less accumulated depreciation for:					
Site improvements	7,828	753	-	-	8,581
Buildings and building improvements	86,197	5,619	-	-	91,816
Equipment	43,074	5,389	2,752	11	45,722
Capital leases - equipment	11	13	-	(11)	13
Total accumulated depreciation	137,110	11,774	2,752	-	146,132
Total capital assets, being depreciated, net	128,636	(6,685)	123	20,920	142,748
Capital assets, net	\$ 178,185	\$ 17,258	\$ 150	\$ -	\$ 195,293

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, 2007

	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	\$ 2,012,594	\$ (7,225)	\$ 2,795,579	\$ 78,924	\$ 30,862	\$ 28,850	\$ 322,406	\$ 261,328	\$ 8,047	\$ 5,531,365		
Investments	96,949	-	76,235	1,806	739	591	8,635	5,748	-	190,950		
Accrued interest	668	-	2,683	12	5	4	59	40	2	3,473		
Accounts receivable	1,213,496	14,872	8,955	35,558	2,161	151,414	44,847	-	161,099	1,632,402		
Inventories	43,568	-	549,773	1,156	-	-	-	-	-	594,487		
Prepaid expense	14,649	-	-	-	-	-	-	-	-	14,649		
Total current funds	3,381,924	7,647	3,433,225	117,456	33,767	180,859	375,947	267,116	169,395	7,967,336		
PLANT FUNDS												
Temporary cash investments	8,958,452	-	529,880	43,091	24,373	-	45	-	14,211	9,570,052		
Investments	206,738	-	13,852	1,126	506	-	1	-	371	222,614		
Accrued interest receivable	1,424	-	95	8	4	-	-	-	3	1,534		
Accounts receivable	591,394	-	-	-	-	-	-	-	-	591,394		
Bond discount	175,964	-	-	-	-	-	-	-	-	175,964		
Buildings and improvements	7,847,653	-	373,852	35,430	-	-	-	42,344	-	8,299,279		
Equipment	10,219,467	37,056	2,717,220	35,295	58,117	-	8,000	20,686	8,323	13,104,164		
Construction in progress	332,056	-	-	-	-	-	-	-	-	332,056		
Accumulated depreciation	(7,468,465)	(32,537)	(2,774,800)	(33,566)	(29,091)	-	(8,000)	(25,748)	(3,662)	(10,375,869)		
Other assets	120,177	-	-	-	-	-	-	-	-	120,177		
Total plant funds	20,984,880	4,519	860,099	81,384	53,909	-	46	37,282	19,246	22,041,365		
Total assets	\$ 24,366,804	\$ 12,166	\$ 4,293,324	\$ 198,840	\$ 87,676	\$ 180,859	\$ 375,993	\$ 304,398	\$ 188,641	\$ 30,008,701		
LIABILITIES AND FUND BALANCES (DEFICIT)												
CURRENT FUNDS												
Accounts payable and accrued expenses	\$ 846,045	\$ 29	\$ 377,571	\$ 8,211	\$ 17,381	\$ 85,480	\$ 4,774	\$ 854	\$ 11,654	\$ 1,351,999		
Accrued payroll	53,326	-	352,683	6,552	600	-	17,586	8,935	3,236	442,918		
Accrued compensated absences	-	-	200,594	-	-	-	-	-	-	200,594		
Deferred income	255,186	200	100	-	7,760	95,382	198,153	-	-	546,781		
Total liabilities - current funds	1,154,557	229	930,948	14,763	25,741	180,862	210,513	9,789	14,890	2,542,292		
Fund balances (deficit)	2,227,367	7,418	2,502,277	103,693	8,026	(3)	165,434	257,327	154,505	5,425,044		
Current unrestricted	3,381,924	7,647	3,433,225	117,456	33,767	180,859	375,947	267,116	169,395	7,967,336		
Total current funds	49,071	-	-	-	-	-	-	-	-	49,071		
Accounts payable	18,606	-	-	-	-	-	-	-	-	18,606		
Notes/Leases payable	14,244,400	-	-	-	-	-	-	-	-	14,244,400		
Certificates of participation payable	55,699	-	-	-	-	-	-	-	-	55,699		
Bond premium	120,178	-	-	-	-	-	-	-	-	120,178		
Bond issuance costs	14,487,954	-	-	-	-	-	-	-	-	14,487,954		
Total liabilities - plant funds	941,407	-	543,827	44,225	24,883	-	46	-	14,585	1,568,973		
Fund balances (deficit)	(2,620,637)	4,519	316,272	37,159	29,026	-	-	37,282	4,661	(2,191,718)		
Non-indentured reserve	8,176,156	-	-	-	-	-	-	-	-	8,176,156		
Net investment in plant	6,496,926	4,519	860,099	81,384	53,909	-	46	37,282	19,246	7,553,411		
Construction reserve	20,984,880	4,519	860,099	81,384	53,909	-	46	37,282	19,246	22,041,365		
Total fund balances	\$ 24,366,804	\$ 12,166	\$ 4,293,324	\$ 198,840	\$ 87,676	\$ 180,859	\$ 375,993	\$ 304,398	\$ 188,641	\$ 30,008,701		
Total liabilities and fund balances												

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
DESIGNATED FUNDS - AUXILIARY ACTIVITIES
CURRENT FUNDS STATEMENT OF CHANGES IN FUND BALANCES (DEFICIT) BY ENTITY
For the Year Ended June 30, 2007**

	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	\$ 13,429,567	\$ 268,230	\$ -	\$ 166,509	\$ -	\$ -	\$ -	\$ -	\$ 1,109,307	\$ 14,973,613
Federal grants and contracts	-	-	-	-	-	-	-	192,165	-	192,165
State grants and contracts	-	-	-	-	-	-	-	288,813	-	288,813
Private gifts, grants, and contracts	537,795	-	-	37,370	-	-	443	1,846	-	577,454
Investment income	171,927	1,969	104	7,511	20,653	2,135	10,535	17,065	6,274	238,173
Educational activities	2,202,321	1,105	-	301,774	479,101	-	1,235,747	-	-	4,220,048
Other additions	1,243,837	3,743	-	57,082	9,061	586,850	22,093	2,764	(20)	1,925,410
Total revenues and other additions	17,585,447	275,047	104	570,246	508,815	588,985	1,268,818	502,653	1,115,561	22,415,676
EXPENDITURES										
Educational and general										
Instruction	-	256,123	-	132,575	6,203	591,611	2,934	-	1,181,454	2,170,900
Public service	-	-	-	90,636	482,553	-	1,203,284	-	-	1,776,473
Academic support	-	25,536	-	238,024	-	-	11,620	133,809	-	408,989
Student services	11,780,358	-	-	33,547	212	-	-	129,630	-	11,943,747
Institutional support	-	-	(221,497)	25,431	-	-	-	175,419	-	(20,647)
Operation and maintenance of plant	-	-	-	-	52,377	-	-	40,206	-	92,583
Scholarships and fellowships	1,173,368	-	-	-	-	-	-	-	-	1,173,368
Total educational and general expenditures	12,953,726	281,659	(221,497)	520,213	541,345	591,611	1,217,838	479,064	1,181,454	17,545,413
TRANSFERS AND OTHER										
ADDITIONS (DEDUCTIONS)										
Mandatory transfers										
Principal	(737,407)	-	-	-	-	-	-	-	-	(737,407)
Interest	(539,433)	-	-	-	-	-	-	-	-	(539,433)
Student aid matching grants	221,824	-	-	-	-	-	-	-	-	221,824
Total mandatory transfers	(1,055,016)	-	-	-	-	-	-	-	-	(1,055,016)
Non-mandatory transfers										
Renewal and replacement	(3,172,604)	-	(74,251)	-	(5,000)	-	-	-	-	(3,251,855)
Construction	(278,009)	-	-	-	-	-	-	-	-	(278,009)
Excess local funds	-	-	-	-	-	(1,156)	-	-	-	(1,156)
Transfers, other	400,000	-	-	(2,013)	1,321	3,779	-	(1,321)	(3,779)	397,987
Total non-mandatory transfers	(3,050,613)	-	(74,251)	(2,013)	(3,679)	2,623	-	(1,321)	(3,779)	(3,133,053)
NET INCREASE (DECREASE) FOR THE YEAR	526,092	(6,612)	147,350	48,020	(36,209)	(3)	50,980	22,268	(69,672)	682,214
FUND BALANCES AT JULY 1, 2006	1,701,275	14,030	2,354,927	54,673	44,235	-	114,454	235,059	224,177	4,742,830
FUND BALANCES (DEFICIT) AT JUNE 30, 2007	\$ 2,227,367	\$ 7,418	\$ 2,502,277	\$ 102,693	\$ 8,026	\$ (3)	\$ 165,434	\$ 257,327	\$ 154,505	\$ 5,425,044

**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, 2007**

	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										
Fund balances at July 1, 2006	\$ 23,226	\$ -	\$ 526,867	\$ 56,830	\$ 19,854	\$ -	\$ 640	\$ -	\$ 20,063	\$ 647,480
Reserve additions	-	-	754	85	29	-	1	-	30	899
Changes in fair value of investments	-	-	2,500	-	-	-	-	-	-	2,500
Reserve transfer	3,172,604	-	74,251	-	5,000	-	-	-	-	3,251,855
Current funds	3,172,604	-	77,505	85	5,029	-	1	-	30	3,255,254
Total Additions										
Reserve deductions	2,693	-	27,687	12,690	-	-	595	-	5,508	49,173
Non-capitalized equipment purchases	2,251,730	-	32,858	-	-	-	-	-	-	2,284,588
Transfer to Plant Fund	2,254,423	-	60,545	12,690	-	-	595	-	5,508	2,333,761
Total Deductions										
Fund balances at June 30, 2007	\$ 941,407	\$ -	\$ 543,827	\$ 44,225	\$ 24,883	\$ -	\$ 46	\$ -	\$ 14,585	\$ 1,568,973
NET INVESTMENT IN PLANT										
Fund balances (deficit) at July 1, 2006	\$ (4,897,899)	\$ 4,868	\$ 393,684	\$ 42,017	\$ 6,594	\$ -	\$ 571	\$ 40,626	\$ 5,850	\$ (4,403,689)
Plant additions										
Current funds	765,641	3,300	88,539	-	25,027	-	-	-	-	882,507
Non-indentured reserves	2,251,730	-	32,858	-	-	-	-	-	-	2,284,588
Construction reserve	810,509	-	-	-	-	-	-	-	-	810,509
Amortization of bond premium	21,757	-	-	-	-	-	-	-	-	21,757
Total additions	3,849,637	3,300	121,397	-	25,027	-	-	-	-	3,999,361
Plant deductions										
Depreciation	1,547,940	3,649	196,309	4,858	2,595	-	571	3,344	1,189	1,760,455
Disposed property	4,042	-	2,500	-	-	-	-	-	-	6,542
Bond premium/discout	20,393	-	-	-	-	-	-	-	-	20,393
Total deductions	1,572,375	3,649	198,809	4,858	2,595	-	571	3,344	1,189	1,787,390
Fund balances (deficit) at June 30, 2007	\$ (2,620,637)	\$ 4,519	\$ 316,272	\$ 37,159	\$ 29,026	\$ -	\$ -	\$ 37,282	\$ 4,661	\$ (2,191,718)

**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, 2007**

	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										
Fund balance at July 1, 2006	\$ 144,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,504
Additions										
Investment income	-	-	-	-	-	-	-	-	-	-
Change in fair value of investment	-	-	-	-	-	-	-	-	-	-
Total additions	-	-	-	-	-	-	-	-	-	-
Deductions										
Amortization of closing costs	19,574	-	-	-	-	-	-	-	-	19,574
Interest expense	4,752	-	-	-	-	-	-	-	-	4,752
Transfer to construction funds	-	-	-	-	-	-	-	-	-	-
Total deductions	24,326	-	-	-	-	-	-	-	-	24,326
Fund balance at June 30, 2007	\$ 120,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,178
CONSTRUCTION RESERVE										
Fund balance at July 1, 2006	\$ 8,274,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,274,256
Additions										
Gifts	94,000	-	-	-	-	-	-	-	-	94,000
Investment income	337,649	-	-	-	-	-	-	-	-	337,649
Change in fair value of investments	12,289	-	-	-	-	-	-	-	-	12,289
Current funds	278,009	-	-	-	-	-	-	-	-	278,009
Total additions	721,947	-	-	-	-	-	-	-	-	721,947
Deductions										
Transfer to net investment in plant fund	810,509	-	-	-	-	-	-	-	-	810,509
Non-capitalized construction expenses	9,538	-	-	-	-	-	-	-	-	9,538
Total deductions	820,047	-	-	-	-	-	-	-	-	820,047
Fund balance at June 30, 2007	\$ 8,176,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,176,156

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
CURRENT FUNDS, UNRESTRICTED
BALANCE SHEET BY ENTITY
June 30, 2007

	Student Living	Student Facilities	Total
ASSETS			
Cash and cash equivalents	\$ 4,435,972	\$ 840,333	\$ 5,276,305
Investments	125,319	18,886	144,205
Accounts receivable	1,480,719	609,352	2,090,071
Accrued interest receivable	863	130	993
Inventories	162,335	811,128	973,463
Prepaid expenses	28,102	2,471	30,573
Total assets	\$ 6,233,310	\$ 2,282,300	\$ 8,515,610
LIABILITIES AND FUND BALANCES			
Accounts payable	\$ 1,824,851	\$ 726,222	\$ 2,551,073
Accrued payroll	465,626	79,426	545,052
Refundable deposits	231,424	-	231,424
Accrued compensated absences	1,051,091	174,143	1,225,234
Deferred income, room and board	68,316	-	68,316
Deferred income, other	34,337	102,906	137,243
Total liabilities	3,675,645	1,082,697	4,758,342
Fund balances	2,557,665	1,199,603	3,757,268
Total liabilities and fund balances	\$ 6,233,310	\$ 2,282,300	\$ 8,515,610

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, 2007

	Student Living	Student Facilities	Total
Revenues			
Room and board	\$ 28,375,051	\$ -	\$ 28,375,051
Duplicating	2,141	338,633	340,774
Bowling and recreation	-	86,641	86,641
Merchandise sales	87,917	1,705,936	1,793,853
Other	270,504	120,993	391,497
Student fees	668,602	2,895,364	3,563,966
Investment income	407,960	126,604	534,564
Operating fee	-	2,124,945	2,124,945
Desk sales revenue	1,225,572	66,717	1,292,289
Games revenue	4,309	-	4,309
Subsidy reduction fee	17,021	68,119	85,140
Canned drink sales	-	40,826	40,826
Vending	261,408	10,014	271,422
Service and rental fees	258,181	82,012	340,193
Total revenues	31,578,666	7,666,804	39,245,470
Expenditures			
Merchandise	2,218	1,264,177	1,266,395
Food	3,828,278	50,454	3,878,732
Salaries			
Faculty	1,322,477	153,760	1,476,237
Civil service	8,231,321	1,823,033	10,054,354
Student	1,519,590	180,655	1,700,245
Resident assistants	887,577	-	887,577
Compensated absences	(34,082)	(6,287)	(40,369)
Commodities			
Office and administrative supplies	108,986	118,343	227,329
Household - cleaning supplies	390,271	523	390,794
Other commodities	931,955	166,104	1,098,059
Operation of automotive equipment	15,473	11,349	26,822
Travel	32,028	2,952	34,980
Contractual services			
Repairs	701,172	180,828	882,000
Rentals	318,602	2,813	321,415
Services	348,397	194,746	543,143
Insurance	171,423	48,294	219,717
Operating taxes and fees	193,692	97,519	291,211
Utilities	1,494,027	411,036	1,905,063
Office and administrative	25,182	11,952	37,134
Other contractual services	1,838,499	447,346	2,285,845
Equipment	269,442	86,575	356,017
Telecommunications charges	594,501	14,458	608,959
Waivers & scholarships	17,625	81,234	98,859
Total expenditures	23,208,654	5,341,864	28,550,518
Excess of revenues over expenditures	\$ 8,370,012	\$ 2,324,940	\$ 10,694,952

**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, 2007**

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Total</u>
Fund balances at July 1, 2006	\$ 3,157,431	\$ 975,893	\$ 4,133,324
Revenues and other additions			
Operating revenues	<u>31,578,666</u>	<u>7,666,804</u>	<u>39,245,470</u>
Expenditures and other deductions			
Operating expenditures	22,973,293	5,261,576	28,234,869
Change in compensated absences	(34,082)	(6,287)	(40,369)
Equipment	<u>269,443</u>	<u>86,575</u>	<u>356,018</u>
Total expenditures and other deductions	<u>23,208,654</u>	<u>5,341,864</u>	<u>28,550,518</u>
Transfers among funds			
Deductions			
Mandatory transfers			
Debt retirement	2,617,810	1,597,470	4,215,280
Non-mandatory transfers			
Repair and replacement reserve	1,731,562	453,760	2,185,322
Project Director reserve	<u>4,620,406</u>	<u>50,000</u>	<u>4,670,406</u>
Total transfers	<u>8,969,778</u>	<u>2,101,230</u>	<u>11,071,008</u>
Net increase (decrease) for the year	<u>(599,766)</u>	<u>223,710</u>	<u>(376,056)</u>
Fund balances at June 30, 2007	<u>\$ 2,557,665</u>	<u>\$ 1,199,603</u>	<u>\$ 3,757,268</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
PLANT FUNDS
BALANCE SHEET BY ENTITY
June 30, 2007

ASSETS	Student Living	Student Facilities	Total
RENEWAL AND REPLACEMENT			
Cash and temporary cash investments	\$ 2,870,648	\$ 2,563,307	\$ 5,433,955
Investments	78,207	44,052	122,259
Interest receivable	539	303	842
Total renewal and replacement	<u>2,949,394</u>	<u>2,607,662</u>	<u>5,557,056</u>
RETIREMENT OF INDEBTEDNESS			
Bond and interest sinking fund			
Cash and temporary investments	(17)	-	(17)
Investments	16	-	16
Accounts receivable	740,097	440,910	1,181,007
Bond issuance costs			
Cash	653	-	653
Other assets	134,885	86,894	221,779
Total retirement of indebtedness	<u>875,634</u>	<u>527,804</u>	<u>1,403,438</u>
INVESTMENT IN PLANT			
Accounts receivable	657,563	174,624	832,187
Bond discount	587,267	406,908	994,175
Land	118,981	-	118,981
Building and site improvements	74,217,059	36,255,813	110,472,872
Equipment	1,135,141	1,125,128	2,260,269
Accumulated depreciation	(36,677,251)	(15,393,910)	(52,071,161)
Construction in progress	1,607,185	1,233,093	2,840,278
Total investment in plant	<u>41,645,945</u>	<u>23,801,656</u>	<u>65,447,601</u>
DEVELOPMENT RESERVE			
Cash and temporary investments	-	(54)	(54)
Investments	-	54	54
Total development reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 45,470,973</u>	<u>\$ 26,937,122</u>	<u>\$ 72,408,095</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS
PLANT FUNDS
BALANCE SHEET BY ENTITY
June 30, 2007**

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Total</u>
LIABILITIES AND FUND BALANCES			
RENEWAL AND REPLACEMENT			
Accounts payable	\$ 405,608	\$ 73,064	\$ 478,672
Renewal and replacement reserve	<u>2,543,786</u>	<u>2,534,598</u>	<u>5,078,384</u>
Total renewal and replacement	<u>2,949,394</u>	<u>2,607,662</u>	<u>5,557,056</u>
RETIREMENT OF INDEBTEDNESS			
Accounts payable	284,987	179,760	464,747
Bond and interest sinking fund reserve	455,110	261,151	716,261
Bond issuance costs	<u>135,537</u>	<u>86,893</u>	<u>222,430</u>
Total retirement of indebtedness	<u>875,634</u>	<u>527,804</u>	<u>1,403,438</u>
INVESTMENT IN PLANT			
Accounts payable	-	2,292	2,292
Revenue bonds outstanding	24,959,941	15,880,059	40,840,000
Notes payable	-	125,051	125,051
Lease obligations	4,600,852	1,400,142	6,000,994
Bond premium	159,310	113,478	272,788
Net investment in plant	<u>11,925,842</u>	<u>6,280,634</u>	<u>18,206,476</u>
Total investment in plant	<u>41,645,945</u>	<u>23,801,656</u>	<u>65,447,601</u>
DEVELOPMENT RESERVE			
Development reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 45,470,973</u>	<u>\$ 26,937,122</u>	<u>\$ 72,408,095</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, 2007**

	Student Living	Student Facilities	Total
RENEWAL AND REPLACEMENT			
Fund balances at July 1, 2006	\$ 1,636,380	\$ 2,042,790	\$ 3,679,170
Investment income	108,403	9,370	117,773
Other revenues	-	422,671	422,671
Non-mandatory transfers - current	959,304	1,226,018	2,185,322
Non-mandatory transfers - Project Directors' accounts	4,620,406	50,000	4,670,406
Repair expenditures	(4,780,707)	(1,216,251)	(5,996,958)
Fund balances at June 30, 2007	<u>\$ 2,543,786</u>	<u>\$ 2,534,598</u>	<u>\$ 5,078,384</u>
RETIREMENT OF INDEBTEDNESS			
BOND AND INTEREST SINKING FUND			
Fund balances at July 1, 2006	\$ 288,157	\$ 174,343	\$ 462,500
Mandatory transfer from current fund	2,617,810	1,597,470	4,215,280
Investment income	1	-	1
Other income	7	4	11
Debt retirement principal	(1,280,977)	(773,559)	(2,054,536)
Debt retirement interest	(1,169,888)	(737,107)	(1,906,995)
Fund balances at June 30, 2007	<u>455,110</u>	<u>261,151</u>	<u>716,261</u>
BOND ISSUANCE COSTS			
Fund balances at July 1, 2006	169,565	105,747	275,312
Investment income	26	-	26
Bond closing costs amortization	(34,054)	(18,854)	(52,908)
Fund balances at June 30, 2007	<u>135,537</u>	<u>86,893</u>	<u>222,430</u>
Total retirement of indebtedness - June 30, 2007	<u>\$ 590,647</u>	<u>\$ 348,044</u>	<u>\$ 938,691</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, 2007**

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Total</u>
INVESTMENT IN PLANT			
Fund balances at July 1, 2006	\$ 10,034,996	\$ 5,872,086	\$ 15,907,082
Equipment purchased (net of deletions)	9,300	32,540	41,840
Buildings/sites (net of deletions)	2,722,152	1,069,618	3,791,770
Construction in progress	(19,301)	1,550	(17,751)
Depreciation	(2,188,235)	(1,224,407)	(3,412,642)
Debt retirement - principal payment	2,030,679	991,980	3,022,659
Bond discount expense	-	(280)	(280)
Amortization of deferred accounting loss (net)	(663,749)	(462,453)	(1,126,202)
Fund balances at June 30, 2007	<u>\$ 11,925,842</u>	<u>\$ 6,280,634</u>	<u>\$ 18,206,476</u>
DEVELOPMENT RESERVE			
Fund balances at July 1, 2006	\$ -	\$ 8,553	\$ 8,553
Investment income	-	110	110
Expenditures - permanent improvements	-	(8,663)	(8,663)
Fund balances at June 30, 2007	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - OTHER
BALANCE SHEET BY ENTITY
June 30, 2007**

	Student/Staff Programs	Regional Services	Total
ASSETS			
CURRENT FUNDS			
Cash and temporary cash investments	\$ 86,120	\$ -	\$ 86,120
Investments	15,982	-	15,982
Accounts receivable	120,399	-	120,399
Interest receivable	110	-	110
Total current funds	<u>222,611</u>	<u>-</u>	<u>222,611</u>
PLANT FUNDS			
Cash and temporary cash investments	929,942	-	929,942
Investments	9,989	-	9,989
Interest receivables	69	-	69
Building and site improvements	3,339,440	-	3,339,440
Land	649,409	-	649,409
Equipment	93,580	8,455	102,035
Accumulated depreciation	(1,892,696)	(8,455)	(1,901,151)
Construction in progress	150,528	-	150,528
Total plant funds	<u>3,280,261</u>	<u>-</u>	<u>3,280,261</u>
Total assets	<u>\$ 3,502,872</u>	<u>\$ -</u>	<u>\$ 3,502,872</u>
LIABILITIES AND FUND BALANCES			
CURRENT FUNDS			
Accounts payable	\$ 1,411	\$ -	\$ 1,411
Accrued payroll	12,350	-	12,350
Fund balances	208,850	-	208,850
Total current funds	<u>222,611</u>	<u>-</u>	<u>222,611</u>
PLANT FUNDS			
Non-indentured reserves	940,000	-	940,000
Net investment in plant	2,340,261	-	2,340,261
Total plant funds	<u>3,280,261</u>	<u>-</u>	<u>3,280,261</u>
Total liabilities and fund balances	<u>\$ 3,502,872</u>	<u>\$ -</u>	<u>\$ 3,502,872</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISE FUNDS - OTHER
CURRENT FUNDS STATEMENT OF REVENUES AND EXPENDITURES BY ENTITY
For the Year Ended June 30, 2007**

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
REVENUES			
Sales, services - enterprises	\$ 527,743	\$ -	\$ 527,743
Fines and penalties	299,930	-	299,930
Investment income	40,035	-	40,035
Other income	50,000	-	50,000
Total revenues	<u>917,708</u>	<u>-</u>	<u>917,708</u>
EXPENDITURES			
Salaries	269,125	-	269,125
Other expenses	24,529	-	24,529
Contractual services	91,364	-	91,364
Commodities	17,251	-	17,251
Total expenditures	<u>402,269</u>	<u>-</u>	<u>402,269</u>
Revenues over expenditures	<u>\$ 515,439</u>	<u>\$ -</u>	<u>\$ 515,439</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, 2007**

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
Fund balance at July 1, 2006	<u>\$ 240,989</u>	<u>\$ -</u>	<u>\$ 240,989</u>
Revenues and other additions			
Operating revenues	917,708	-	917,708
Change in investment market value	<u>238</u>	<u>-</u>	<u>238</u>
Total revenues and other additions	<u>917,946</u>	<u>-</u>	<u>917,946</u>
Expenditures and other deductions			
Operating expenditures	402,269	-	402,269
Non-mandatory transfers	<u>547,816</u>	<u>-</u>	<u>547,816</u>
Total expenditures and other deductions	<u>950,085</u>	<u>-</u>	<u>950,085</u>
Net decrease in fund balance	<u>(32,139)</u>	<u>-</u>	<u>(32,139)</u>
Fund balance at June 30, 2007	<u><u>\$ 208,850</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 208,850</u></u>

**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, 2007**

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
NON-INDENTURED RESERVES			
Fund balance at July 1, 2006	\$ 866,938	\$ -	\$ 866,938
Plant additions			
Current funds	547,816	-	547,816
Investment income	1,355	-	1,355
Total additions	<u>549,171</u>	<u>-</u>	<u>549,171</u>
Reserve deductions			
Repairs and maintenance	315,892	-	315,892
Permanent improvements	160,217	-	160,217
Total reductions	<u>476,109</u>	<u>-</u>	<u>476,109</u>
Fund balance at June 30, 2007	<u>\$ 940,000</u>	<u>\$ -</u>	<u>\$ 940,000</u>
INVESTMENT IN PLANT			
Fund balances at July 1, 2006	\$ 2,378,572	\$ 604	\$ 2,379,176
Plant additions - Reserve funds	150,528	-	150,528
Plant reductions - Depreciation	<u>188,839</u>	<u>604</u>	<u>189,443</u>
Fund balance at June 30, 2007	<u>\$ 2,340,261</u>	<u>\$ -</u>	<u>\$ 2,340,261</u>

STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2007 and 2006

	2007	2006	Increase (Decrease)	Percentage Change
Operating Revenues:				
Student tuition and fees	\$ 62,305,638	\$ 56,480,594	\$ 5,825,044	10%
Federal grants and contracts	9,421,164	8,737,303	683,861	8%
State grants and contracts	4,118,304	4,035,120	83,184	2%
Local grants and contracts	176,744	223,812	(47,068)	-21%
Private grants and contracts	880,619	1,141,573	(260,954)	-23% (A)
Sales and services of educational departments	4,221,724	3,972,693	249,031	6%
Auxiliary enterprises	37,943,403	36,096,832	1,846,571	5%
Other operating revenues	2,491,975	2,493,714	(1,739)	0%
Operating Expenses:				
Educational and general				
Instruction	75,436,556	70,108,070	5,328,486	8%
Research	1,111,083	1,171,032	(59,949)	-5%
Public service	7,922,071	7,758,929	163,142	2%
Academic support	13,509,570	12,254,338	1,255,232	10%
Student services	18,012,013	17,606,275	405,738	2%
Institutional support	17,730,818	16,319,773	1,411,045	9%
Operations of maintenance of plant	11,458,348	10,895,526	562,822	5%
Student aid	6,083,286	5,128,002	955,284	19%
Auxiliary enterprises	29,867,003	27,178,279	2,688,724	10%
Depreciation expense	11,774,221	11,663,569	110,652	1%
Nonoperating Revenues (Expenses):				
State appropriations	48,282,450	47,609,499	672,951	1%
Payments on behalf of the University	27,545,752	24,902,749	2,643,003	11%
Gifts	2,950,537	2,356,684	593,853	25% (B)
Investment income (net)	2,535,992	1,888,134	647,858	34% (C)
Net increase in fair value of investments	141,586	15,700	125,886	802%
Interest on capital asset-related debt	(2,845,848)	(2,964,097)	(118,249)	-4%
Nonoperating grants and contracts	(37,238)	(23,691)	13,547	57%
Amortization of bond costs	(138,459)	(123,029)	15,430	13%
Payments to the Foundation	(46,320)	(16,339)	29,981	183%
Loss on disposal of capital assets	(100,942)	(103,609)	(2,667)	-3%
Blair Hall fire insurance recoveries	3,382,819	3,000,000	382,819	13%
Other nonoperating revenues	5,194	11,634	(6,440)	-55%
Other Changes in Net Assets:				
Capital appropriations	402,505	381,209	21,296	6%
Capital grants and gifts	476,306	53,873	422,433	784% (D)
Assets donated by other State agencies	17,688,297	21,240,680	(3,552,383)	-17%

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2007**

All variances greater than \$150,000 and more than a 20% variance from fiscal year 2006 are discussed below. Refer to the Analysis of Revenues, Expenses and Changes in Net Assets on page 70 for the actual dollar changes.

Explanations of significant variances:

- (A) Private grants and contracts – The decrease was due to the grants that ended in prior year and no additional funding was received during the current fiscal year.
- (B) Gifts – The increase was due to an increase in EIU Foundation gifts to Athletics and increase in University restricted gifts.
- (C) Investment income – the increased interest rates resulted in an increase in investment income in fiscal year 2007.
- (D) Capital grants and gifts – Most of the change was due to the increase in capital expenditures in Klehm Hall funded by a grant.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
JUNE 30, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>Percentage Change</u>
Assets:				
Current assets:				
Cash and cash equivalents	\$ 17,602,144	\$ 11,497,859	\$ 6,104,285	53% (A)
Restricted cash and cash equivalents	26,641,101	16,193,981	10,447,120	65% (A)
Short-term investments	463,041	3,277,716	(2,814,675)	-86% (B)
Restricted short-term investments	568,760	2,514,746	(1,945,986)	-77% (B)
Accounts receivable, net of allowance	9,405,044	9,066,517	338,527	4%
State appropriation receivable	115	-	115	-
Interest receivable	9,013	66,673	(57,660)	-86%
Inventories	1,567,960	1,540,233	27,727	2%
Notes receivable, current portion, net	880,163	862,708	17,455	2%
Other assets	389,593	567,884	(178,291)	-31% (C)
Noncurrent assets:				
Notes receivable, less current portion	5,107,154	5,007,888	99,266	2%
Endowment investments	583,363	497,281	86,082	17%
Restricted investments	-	972,690	(972,690)	-100% (D)
Other long-term assets	285,660	353,150	(67,490)	-19%
Capital assets, net of accumulated depreciation	195,293,070	178,184,836	17,108,234	10%
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities	11,828,311	8,798,361	3,029,950	34% (E)
Deferred revenues	2,862,986	3,175,101	(312,115)	-10%
Long-term liabilities, current portion	8,246,127	6,874,358	1,371,769	20%
Noncurrent liabilities:				
Long term liabilities, less current portion	71,332,092	76,220,006	(4,887,914)	-6%
Federal loan program contributions refundable	5,621,476	5,528,360	93,116	2%

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Year Ended June 30, 2007**

All variances greater than \$150,000 and more than a 20% variance from fiscal year 2006 are discussed below. Refer to the Analysis of Significant Variations in Account Balances on page 72 for the actual dollar changes.

Explanations of significant variances:

- (A) Cash and cash equivalents and restricted cash and cash equivalents – The increases in these accounts were due to securities previously classified as short-term investments in fiscal year 2006 that matured in fiscal year 2007. The matured securities were invested in a Prime Fund account which is classified as cash and cash equivalents in the financial statements.
- (B) Short-term investment and restricted short-term investments – The decreases in these account balances were due to investments that matured during the year and were not reinvested. They were invested in a Prime Fund account which is classified as cash and cash equivalents.
- (C) Other assets – The decrease in this account balance was due to advance payments in fiscal year 2006 for Athletics travel completed in fiscal year 2007. In addition, software licensing costs were paid in advance during fiscal year 2006 for the Banner implementation in fiscal year 2007.
- (D) Restricted investments – No balance on this account as of June 30, 2007. Investments that will mature within the next 12 months from June 30, 2007 were reclassified as current assets. The portion of the restricted investment that has matured during the year was invested in the Prime Fund account, which is classified as cash and cash equivalent.
- (E) Accounts payable and accrued liabilities – Wages payable were up by \$0.5 million in fiscal year 2007 due to salary increases of employees. In previous years, checks for payment of payroll deduction payables were mailed out at the end of the year together with checks for employee payroll at the end of the year, therefore no payables were recorded at year end. In fiscal year 2007, these deduction payables were paid subsequent to year end through electronic fund transfer or requests for payment. A corresponding liability was therefore recorded as of June 30, 2007 totaling \$1.7 million.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING
June 30, 2007**

There were no expenditures incurred during the lapse period.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SCHEDULE OF ACCOUNTS RECEIVABLE
June 30, 2007 and 2006**

Accounts receivable are as follows at June 30:

Aging Analysis:	2007	2006
Current	\$ 3,212,473	\$ 3,050,677
1 - 180 days past due	1,324,633	1,383,526
181 days - 1 year past due	962,153	797,872
Over 1 year past due	4,210,036	3,323,798
	9,709,295	8,555,873
Grants receivables not aged	1,007,103	1,369,042
Scholarship receivables not aged	1,369,720	1,256,313
Total accounts receivable	12,086,118	11,181,228
Less allowance for doubtful accounts	(2,681,074)	(2,114,711)
	\$ 9,405,044	\$ 9,066,517

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 CASH EQUIVALENTS AND INVESTMENTS**

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

	<u>2007</u>	<u>2006</u>
CASH AND CASH EQUIVALENTS		
Petty Cash Funds	\$ 42,305	\$ 37,690
The Illinois Funds		
Money Market Account	4,259,282	8,732,568
Prime Fund Account	39,919,553	18,884,085
Checking accounts		
First Mid-Illinois Bank & Trust, Charleston, Illinois	19,249	35,881
Money market		
US Bank - Trust, Chicago, Illinois 4.80%	<u>2,856</u>	<u>1,616</u>
Total cash and cash equivalents	<u>44,243,245</u>	<u>27,691,840</u>
INVESTMENTS		
U.S Treasury and Agency securities, interest rate (3.15%)	995,350	6,746,886
Mutual funds	<u>619,814</u>	<u>515,527</u>
Total investments	<u>1,615,164</u>	<u>7,262,413</u>
Total cash and cash equivalents and investments	<u>\$ 45,858,409</u>	<u>\$ 34,954,253</u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SUMMARY OF INDIRECT COST REIMBURSEMENT
STATEMENT OF SOURCES AND APPLICATIONS
For the Year Ended June 30, 2007**

	<u>2007</u>	<u>2006</u>
Sources		
Federal	\$ 192,165	\$ 273,684
State	288,813	252,079
Other	<u>20,354</u>	<u>21,144</u>
	<u>501,332</u>	<u>546,907</u>
Applications		
Academic support	133,809	160,269
Institutional support	175,419	186,831
Operations and maintenance	40,206	57,178
Student services	<u>129,630</u>	<u>125,685</u>
	<u>479,064</u>	<u>529,963</u>
Sources over applications	22,268	16,944
Fund balance, beginning of year	<u>235,059</u>	<u>218,115</u>
Fund balance, end of year	<u><u>\$ 257,327</u></u>	<u><u>\$ 235,059</u></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, 2007**

1. Cash and Cash Equivalents Balance	
Enter the June 30 indirect cost entity balance for cash and equivalents	<u>\$ 267,076</u>
2. Allocated Reimbursements	
Enter the total indirect cost reimbursements allocated for expenditure	
\$871,770; enter 30% of this amount	<u>261,531</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	9,789
Encumbrances	<u>-</u>
Total	<u>9,789</u>
5. Indirect Cost Carry-forward	
a. Enter the total of items 2, 3 and 4	<u>271,320</u>
Subtract line 5a. from item 1	<u>\$ (4,244)</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, 2007**

Description of Planning System

EIU's mission statement states that it offers superior yet accessible undergraduate and graduate education. Students learn the methods and results of free and rigorous inquiry in the arts, humanities, sciences and professions guided by a faculty known for its excellence in teaching, research, creative activity, and service. The University community is committed to diversity and inclusion and fosters opportunities for student-faculty scholarship and applied learning experiences within a student-centered campus culture. Throughout their education, students refine their abilities to reason and to communicate clearly so as to become responsible citizens and leaders. 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 2007 "Performance Report" document submitted annually to the Illinois Board of Higher Education.

Location, Address, and Head of the Agency

Dr. William L. Perry, President
Eastern Illinois University
Charleston, Illinois 61920

STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 AVERAGE NUMBER OF EMPLOYEES (UNAUDITED)
 For the Years Ended June, 2007 and 2006

	Instructional Activities	Organized Research	Public Services	Academic Support	Student Services	Institutional Support	Operations and Maintenance Physical Plant	Independent Operations	Total All Functions
Year ended June 30, 2007									
Appropriated funds									
Faculty/administrative	617.00	23.00	8.10	49.30	54.80	26.30	3.00	-	781.50
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	767.50	23.40	13.10	133.40	105.00	111.70	110.80	-	1,264.90
Non-appropriated funds									
Faculty/administrative	11.60	7.60	24.00	2.00	41.60	2.10	32.20	35.30	156.40
Civil service	12.40	0.70	77.70	0.20	33.70	21.30	137.00	125.00	408.00
Student employees	33.40	3.40	12.10	7.40	48.40	5.50	11.80	178.50	300.50
Total	57.40	11.70	113.80	9.60	123.70	28.90	181.00	338.80	864.90
Total all funds	824.90	35.10	126.90	143.00	228.70	140.60	291.80	338.80	2,129.80
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

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, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
PERFORMANCE INDICATORS		
Degrees conferred	2,904	2,726
Retention rate (fall to fall)	79.0%	80.4%
Graduation rate (6 year)	61.0%	61.0%

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	2,044	1,880
Graduate students	883	840
Extension class	1,549	1,422
Total enrollment	<u>4,476</u>	<u>4,142</u>

Fall term

Undergraduate students	9,937	9,825
Graduate students	1,243	1,194
Extension class	1,169	1,110
Total enrollment	<u>12,349</u>	<u>12,129</u>
Full-time equivalent students	<u>11,002</u>	<u>10,753</u>

Spring term

Undergraduate students	8,968	9,097
Graduate students	1,213	1,185
Extension class	1,155	1,132
Total enrollment	<u>11,336</u>	<u>11,414</u>
Full-time equivalent students	<u>10,007</u>	<u>10,042</u>

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

<u>10,505</u>	<u>10,396</u>
---------------	---------------

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 expenditures and transfers

<u>\$ 132,567,072</u>	<u>\$ 123,930,861</u>
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Cost per full-time equivalent student

<u>\$ 12,619</u>	<u>\$ 11,919</u>
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**STATE OF ILLINOIS
 EASTERN ILLINOIS UNIVERSITY
 EMERGENCY PURCHASES and SCHEDULE OF FEDERAL AND NON FEDERAL
 EXPENDITURES
 For the Year Ended June 30, 2007**

Emergency Purchases

Following is a list of emergency purchase affidavits filed by the University with the Office of the Auditor General during the year:

- Paul's Machine and Welding – Actual Cost: \$119,200

The University's 1925 conveyor drive failed and has been temporarily patched together with friction clamps that could catastrophically fail at any time which would shut down the coal fuel supply to the steam plant boilers and force the University to burn natural gas or fuel oil. The cost differential between coal and natural gas would be in excess of \$500,000 for three months.

- Combustion Service and Equipment – Actual Cost: \$149,500

The coal stoker at the University's steam plant is broken and cannot operate without needed repairs. Estimated repair completion date is sometime in September. The cost differential between coal and natural gas will be in excess of \$250,000 if repairs are completed in September. If repairs are delayed, the cost differential will increase at a more rapid rate because of the necessary increased steam load that will be required as the University moves further along into the fall season.

Schedule of Federal and Nonfederal Expenditures

	<u>Amount</u>	<u>Percent</u>
Federal funds expended	\$ 13,369,790	6.8%
Nonfederal funds expended	<u>182,703,986</u>	<u>93.2%</u>
Total expenditures (1)	<u>\$ 196,073,776</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, 2007.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
UNDERGRADUATE TUITION AND FEE WAIVERS (UNAUDITED)
For the Year Ended June 30, 2007**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)
MANDATORY WAIVERS					
Teacher Special Education	88	88	\$ 404.7	-	\$ -
General Assembly	81	80	351.4	-	-
Reserve Officer's Training Corps	51	51	189.7	-	-
Department of Children and Family Services	4	4	9.6	-	-
Children of Employees	181	178	365.5	-	-
Veterans Grants and Scholarship	258	246	466.9	188	121.1
SUBTOTAL	663	647	1,787.8	188	121.1

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)
DISCRETIONARY WAIVERS					
Civil Service	54	54	57.0	51	13.0
Academic/Other Talent	128	123	244.3	-	-
Athletic	119	118	595.8	-	-
Gender Equity in Intercollegiate Athletics	61	54	307.1	-	-
Foreign Exchange Students	1	1	12.5	1	2.0
Foreign Students	11	11	98.6	-	-
Student Need - Financial Aid	8	7	17.7	-	-
Interinstitutional/ Related Agencies	121	121	137.4	117	7.9
Children of Deceased Employees	5	4	13.5	4	5.0
Others:					
Charleston City Road Scholar	19	18	83.7	-	-
McNair Scholars	7	6	12.7	-	-
SUBTOTAL	534	517	1,580.3	173	27.9
TOTAL	1,197	1,164	\$ 3,368.1	361	\$ 149.0

* Unduplicated

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
GRADUATE TUITION AND FEE WAIVERS (UNAUDITED)
For the Year Ended June 30, 2007**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers (In thousands)	Number of Recipients	Value of Waivers (In thousands)
MANDATORY WAIVERS					
Teacher Special Education	20	20	\$ 65.2	-	\$ -
General Assembly	2	2	7.6	-	-
SUBTOTAL	22	22	72.8	-	-
DISCRETIONARY WAIVERS					
Faculty/Administrators (Non-Civil Service)	33	31	31.6	33	11.2
Civil Service	46	43	51.4	46	16.6
Foreign Students	48	48	246.7	-	-
Student Need - Financial Aid	-	-	-	-	-
Cooperating Professionals	442	408	331.3	442	108.1
Research Assistants	151	114	528.3	-	-
Teaching Assistants	194	186	631.7	-	-
Other Assistants	261	220	1,192.6	-	-
Interinstitutional/Related Agencies	10	6	13.7	10	2.0
Contract/Training Grants	57	57	41.0	-	-
SUBTOTAL	1,242	1,113	3,068.3	531	137.9
TOTAL	1,264	1,135	\$ 3,141.1	531	\$ 137.9

* Unduplicated

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
BOOKSTORE AND TEXTBOOK RENTAL INFORMATION (UNAUDITED)
For the Year Ended June 30, 2007**

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 07	\$2,628,012
Amount of gross sales for Bookstore for FY 07	\$1,729,273
Amount to be paid to the bookstore for FY 07 (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, 2007**

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, 2007, where such special data is found.

Compliance Findings

13(a) As of June 30, 2007, no findings of noncompliance with *University Guidelines* were noted.

Indirect Cost Reimbursements

13(b) A statement of sources and applications of indirect cost reimbursements is included in this report on page 77.

13(c) The University's calculation sheet for indirect cost carry-forward is included in this report on page 78.

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 91 through 92.

13(f) Entity financial statements are presented on pages 55 through 69 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, 2007.

13(g) The University's calculation sheets for current excess funds are presented in this report on pages 93 through 97.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES
For the Year Ended June 30, 2007**

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>2007</u>	<u>2006</u>
Group Insurance	\$ 7,584,102	\$ 6,923,062
Pension	2,207,552	1,360,623

13(i) Revenue and expenditures for the various bond indenture required accounts are included on pages 60 through 61 and 64 through 65 of this report. Description of the accounts and requirements is included in Note 11 of the June 30, 2007 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, 2007.

13(k) As of June 30, 2007, 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 \$8,664 of expenditures during fiscal year 2007 which were renovations made to a ballroom located in the University Union. The account also earned interest of \$110 leaving a zero balance in the reserve as of June 30, 2007.

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

A summary of Foundation and Alumni Association payments to the University is included on pages 89 and 90.

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES
For the Year Ended June 30, 2007**

The University provided cash, services and resources of \$194,245 to the Eastern Illinois University Foundation for the year ended June 30, 2007, and \$29,092 to the Eastern Illinois University Alumni Association, Inc. for the year ended June 30, 2007, 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, 2007, 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, 2007.

Other Topics

- 13(q) Schedules of cash and cash equivalents and investments held by the University are presented in this report on page 76.
- 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 81 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 Years Ended June 30, 2007 and 2006**

During the years ended June 30, 2007 and 2006, 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 \$194,245 and \$187,829, 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>2007</u>	<u>2006</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	\$ 1,628,923	\$ 866,092
Office and warehouse space and utilities provided at no charge	<u>69,271</u>	<u>62,355</u>
Total funds considered unrestricted	<u>1,698,194</u>	<u>928,447</u>
Funds considered restricted for purposes of the Guidelines computations:		
Given for scholarships, grants and awards	<u>705,395</u>	<u>614,524</u>
Total funds considered restricted	<u>705,395</u>	<u>614,524</u>
Total funds provided to the University by the Foundation	<u><u>\$ 2,403,589</u></u>	<u><u>\$ 1,542,971</u></u>

**STATE OF ILLINOIS
EASTERN ILLINOIS UNIVERSITY
SUMMARY OF EASTERN ILLINOIS UNIVERSITY ALUMNI ASSOCIATION, INC.
PAYMENTS TO THE UNIVERSITY
For the Years Ended June 30, 2007 and 2006**

The Alumni Association provided office space to the University with an annual fair market value of \$47,533 and 47,536 for fiscal years ended June 30, 2007 and 2006, respectively.

Additionally, during the fiscal years ended June 30, 2007 and 2006, the Alumni Association provided unrestricted grants to the University in the amounts of \$44,403 and \$56,941, 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 \$29,092 and \$27,225 for fiscal year ended June 30, 2007 and 2006, 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 and 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 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:

Canada Study Abroad	Netherlands Study # 1
Harlexton/London Study Abroad	South Africa Study Abroad
Harlexton/London Study Abroad # 2	Bahamas
Europe Study Abroad	Bahamas #2
Honors Study Abroad	South American Field Study
Italy Study Abroad # 1	Tour of Black Universities and Colleges
Italy Study Abroad # 2	Geology Field Studies Odd

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, 2007**

	Auxiliary Enterprises - Revenue Bonds		Auxiliary Enterprises - Other	
	Student Living	Student Facilities	Staff / Student	Regional Services
1. CURRENT AVAILABLE FUNDS				
Cash	\$ 4,435,972	\$ 840,333	\$ 86,120	\$ -
Cash equivalents	125,319	18,886	15,982	-
Total current available funds	A. 4,561,291	859,219	102,102	-
2. WORKING CAPITAL ALLOWANCE				
Add				
Highest month's expenditures	4,877,497	819,056	318,251	-
Encumbrances and current liabilities paid in lapse period	892,824	190,118	13,761	-
Deferred income	102,653	102,906	-	-
Refundable deposits	231,424	-	-	-
Accrued compensated absences	1,051,091	174,143	-	-
Working Capital Allowance	B. 7,155,489	1,286,223	332,012	-
3. CURRENT EXCESS FUNDS				
Deduct B from A	C. \$ (2,594,198)	\$ (427,004)	\$ (229,910)	\$ -
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, 2007**

	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	\$ 1,632,595	\$ (7,225)	\$ 3,175,579	\$ 78,924	\$ 30,862	\$ 322,406	\$ 8,047
Cash equivalents	96,949	-	76,235	1,806	739	8,635	247
Total current available funds	A. 1,729,544	(7,225)	3,251,814	80,730	31,601	331,041	8,294
2. WORKING CAPITAL ALLOWANCE							
Add							
Highest month's expenditures	2,537,438	39,822	2,462,101	83,681	150,727	317,878	264,369
Encumbrances and current liabilities paid in lapse period	307,978	29	730,254	14,764	17,981	22,360	14,890
Deferred income	255,186	200	100	-	7,760	188,153	-
Refundable deposits	-	-	-	-	-	-	-
Accrued compensated absences	-	-	200,594	-	-	-	-
Working Capital Allowance	B. 3,100,602	40,051	3,393,049	98,445	176,468	528,391	279,259
3. CURRENT EXCESS FUNDS							
Deduct B from A	C. \$(1,371,058)	\$(47,276)	\$(141,235)	\$(17,715)	\$(144,867)	\$(197,350)	\$(270,965)
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, 2007**

Designated Funds - Auxiliary Activities - Unique Charges Credit Courses					
	Canada Study Abroad	Harlexton Study Abroad	Harlexton / London Study Abroad #2	Europe Study Abroad	
1. CURRENT AVAILABLE FUNDS					
Cash	\$ 5,331	\$ 54,045	\$ 17,088	\$ 22,551	
Cash equivalents	-	-	-	-	
Total current available funds	5,331	54,045	17,088	22,551	A.
2. WORKING CAPITAL ALLOWANCE					
Add					
Highest month's expenditures	-	-	-	-	
Encumbrances and current liabilities paid in lapse period	9,311	4,282	514	29,487	
Deferred income	-	52,993	27,758	-	
Refundable deposits	-	-	-	-	
Accrued compensated absences	-	-	-	-	
Working Capital Allowance	9,311	57,275	28,272	29,487	B.
3. CURRENT EXCESS FUNDS					
Deduct B from A	\$ (3,980)	\$ (3,230)	\$ (11,184)	\$ (6,936)	C.
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, 2007**

Designated Funds - Auxiliary Activities - Unique Charges Credit Courses

	Honors Study Abroad	Italy Study Abroad #1	Italy Study Abroad #2	Netherlands Study #1	South Africa Study Abroad
\$	(4,911)	(8,736)	(4,858)	14,533	(19,815)
A.	(4,911)	(8,736)	(4,858)	14,533	(19,815)

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
Accrued compensated absences

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

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, 2007

Designated Funds - Auxiliary Activities - Unique Charges Credit Courses						Total Unique
	Bahamas	Bahamas #2	South American Field Study	Tour of Black Universities and Colleges	Geology Field Studies Odd	Charges Credit Courses
	\$ (13,973)	\$ (2,425)	\$ (37,581)	\$ (1,675)	\$ 12,628	\$ 32,202
A.	<u>(13,973)</u>	<u>(2,425)</u>	<u>(37,581)</u>	<u>(1,675)</u>	<u>12,628</u>	<u>\$ 32,202</u>
2. WORKING CAPITAL ALLOWANCE						
Add						
Highest month's expenditures	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	-	85	-	2,494	-	84,356
Deferred income	-	-	2,003	-	12,628	95,382
Refundable deposits	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Working Capital Allowance	-	85	2,003	2,494	12,628	179,738
B.	<u>-</u>	<u>85</u>	<u>2,003</u>	<u>2,494</u>	<u>12,628</u>	<u>179,738</u>
3. CURRENT EXCESS FUNDS						
Deduct B from A	\$ (13,973)	\$ (2,510)	\$ (39,584)	\$ (4,169)	\$ -	\$ (147,536)
C.	<u>(13,973)</u>	<u>(2,510)</u>	<u>(39,584)</u>	<u>(4,169)</u>	<u>\$ -</u>	<u>\$ (147,536)</u>
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, 2007**

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>
2007	\$ 5,788,173	\$ 9,081,768	\$ 73,429	\$ 14,943,370
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

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 2007, the University will compensate 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.