

**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, 2008

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, 2008**

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EASTERN ILLINOIS UNIVERSITY  
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(In Accordance with the Single Audit Act and OMB Circular A-133)  
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**STATE OF ILLINOIS  
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COMPLIANCE EXAMINATION  
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**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
UNIVERSITY OFFICIALS  
June 30, 2008**

President	Dr. William L. Perry
Provost and Vice President for Academic Affairs	Dr. Blair M. Lord
Interim Vice President for Business Affairs (1/1/09 to present)	Mr. Paul McCann, CPA
Vice President for Business Affairs (7/1/07 to 12/31/08)	Mr. Jeffrey L. Cooley, CPA
Vice President for Student Affairs	Dr. Daniel P. Nadler
Vice President for External Relations	Dr. Jill F. Nilsen
Interim Director of Business Services and Treasurer (1/1/09 to present)	Ms. Linda Holloway
Director of Business Services and Treasurer (7/1/07 to 12/31/08)	Mr. Paul A. McCann, CPA
Director of Accounting & Finance and Assistant Director of Business Services (12/1/08 to present)	Vacant
Director of Accounting & Finance and Assistant Director of Business Services (7/1/07 to 11/30/08)	Mr. Larry G. Cannon
General Counsel	Mr. Robert L. Miller
Director of Internal Auditing (7/22/08 to present)	Ms. Sharon McRaven, CPA, CIA
Acting Director of Internal Auditing (4/1/07 to 7/21/08)	Ms. Rebecca L. Litton

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

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## MANAGEMENT ASSERTION LETTER

April 20, 2009

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

Ladies and Gentlemen:

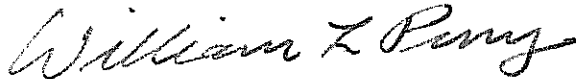
We are responsible for the identification of, and compliance with, all aspects of laws, regulations, contracts, or grant agreements that could have a material effect on the operations of the State of Illinois – Eastern Illinois University (University). We are responsible for and we have established and 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, 2008. Based on this evaluation, we assert that during the year ended June 30, 2008, 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,

**Board of Trustees of Eastern Illinois University**



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William Perry  
President



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Paul McCann  
Interim Vice President for Business Affairs



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Robert Miller  
General Counsel *also provided Oct. 08*

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
COMPLIANCE REPORT SUMMARY  
June 30, 2008**

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>Current Report</u>	<u>Prior Report</u>
Findings	8	11
Repeated findings	7	3
Prior recommendations implemented or not repeated	4	2

Details of findings are presented in the separately tabbed report section of this report

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
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FINDINGS (*GOVERNMENT AUDITING STANDARDS*)

08-1	21	Inadequate control over bank reconciliations	Significant deficiency
08-2	23	Draft financial statements not completed timely	Significant deficiency



**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
COMPLIANCE REPORT SUMMARY  
June 30, 2008**

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
FINDINGS AND QUESTIONED COSTS (FEDERAL COMPLIANCE)			
08-3	25	Inadequate control over reporting and reconciliation of financial aid information	Noncompliance and significant deficiency
08-4	27	Noncompliance with Federal Perkins Loan Program requirement	Noncompliance and significant deficiency
FINDINGS (STATE COMPLIANCE)			
08-5	29	Timesheets not required	Noncompliance and significant deficiency
08-6	32	Personnel evaluations not performed	Noncompliance and significant deficiency
08-7	34	Deficiencies in Internal Auditing Department	Noncompliance and significant deficiency
08-8	35	Inadequate disaster contingency planning	Noncompliance and significant deficiency

In addition, the following findings which are reported as current findings relating to *Government Auditing Standards* also meet the reporting requirement for State Compliance.

08-1	21	Inadequate control over bank reconciliations	Noncompliance and significant deficiency
08-2	23	Draft financial statements not completed timely	Noncompliance and significant deficiency

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
COMPLIANCE REPORT SUMMARY  
June 30, 2008**

**PRIOR FINDINGS NOT REPEATED**

A	38	Inadequate controls over Union Bookstore inventory transactions
B	38	Inadequate control over receipts and refunds
C	38	Non-business related travel expenses reimbursed
D	39	Inadequate procedures for responding to security breaches

EXIT CONFERENCE

The findings and recommendations appearing in this report were discussed with University personnel at an exit conference on February 2, 2009. Attending were:

Eastern Illinois University

Paul McCann, Interim Vice President for Business Affairs  
Linda Holloway, Interim Director of Business Services and Treasurer  
Monty Bennett, Director of Procurement, Disbursement and Contract Services  
Mihir Chatterji, Assistant Vice President for Information Technology Systems  
Sharon McRaven, Director of Internal Auditing  
Rebecca Litton, Internal Auditor III  
Michael Hutchinson, Interim Assistant Comptroller  
Tami Babbs, Interim Assistant Comptroller

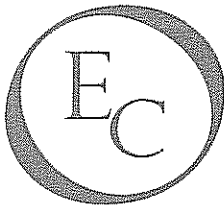
Auditor General

Jon Fox, Audit Manager

E. C. Ortiz & Co. LLP

Edilberto Ortiz, Partner  
Marites Sy, Partner  
Shirley Trinidad, Manager

The responses to the recommendations were provided by Paul McCann in a letter dated March 1, 2009.



**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, 2008. 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, 2008. 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 08-1, 08-2, 08-5, 08-6, 08-7 and 08-8.

#### 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 08-1, 08-2, 08-5, 08-6, 08-7 and 08-8 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 excluded from this report have been reported in a separate letter to your office.

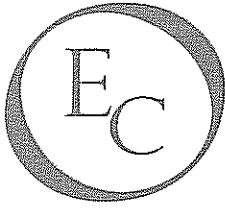
The University's responses to the findings identified in our examination are described in the accompanying Schedule of Findings and Questioned Costs. We did not examine the University's responses and, accordingly, we express no opinion on them.

#### 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, 2008, which collectively comprise the University's basic financial statements, and have issued our report thereon dated April 20, 2009. 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 2008 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, 2008 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, 2007. In our report dated March 28, 2008, we expressed an unqualified opinion on the financial statements of the business-type activities. In our opinion, the 2007 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, 2007, 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. Ortiz & Co., LLP*  
April 20, 2009



E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable William G. Holland  
Auditor General  
State of Illinois

and

The Board of Trustees  
Eastern Illinois University

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of Eastern Illinois University (University), and its discretely presented component units, collectively a component unit of the State of Illinois as of and for the year ended June 30, 2008, and have issued our report thereon dated April 20, 2009. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of the aggregate discretely presented component units as described in our report to the University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those other auditors.

Internal Control Over Financial Reporting

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

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying Schedule of Findings as 08-1 and 08-2 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting 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 and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described is a material weakness.

#### Compliance and Other Matters

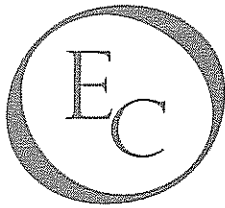
As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

The University's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. 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*  
April 20, 2009



E.C. ORTIZ & CO., LLP  
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2008. 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, 2008. 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 08-3 and 08-4.

#### 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 08-3 and 08-4 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 basic financial statements of the University and its discretely presented component units, collectively a component unit of the State of Illinois as of and for the year ended June 30, 2008, and have issued our report thereon dated April 20, 2009. 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. Ditzel & Co., LLP*  
April 20, 2009

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended June 30, 2008**

**SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

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

**Federal Awards**

Internal control over major programs:

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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
84.038, 84.033, 84.063, 84.007, 84.375, 84.376	Student Financial Aid Cluster
93.596, 93.575	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: \$437,710

Auditee qualified as low-risk auditee?  Yes  No

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

**CURRENT FINDINGS – GOVERNMENT AUDITING STANDARDS**

**08-1. Finding – (Inadequate control over bank reconciliations)**

Eastern Illinois University (University) did not have adequate controls over bank reconciliations.

Each month, the University is reconciling six separate bank accounts: the General Fund, the Foundation account, the Payroll disbursements account, the Athletics account, the Student Refund Account, and the Money Market Account, therefore a total of 72 reconciliations are to be performed each year. During our review of the monthly bank reconciliations, we noted the following:

- Seven of 12 (58%) General Fund bank reconciliations were prepared 16 to 112 days after the month end. Three of the 7 (43%) referenced bank reconciliations were reviewed and approved 66 to 86 days after they were prepared.
- Nine of 12 (75%) Payroll Bank account reconciliations were prepared 41 to 210 days after the month end. Two of 9 (22%) referenced Payroll Bank account reconciliations were reviewed 10 and 46 days after they were prepared.
- Five of 12 (42%) Money Market Account reconciliations were prepared 44 to 67 days after the month end.
- Long outstanding checks from the General Fund and Payroll disbursement accounts were not promptly investigated and disposed. As of the June 30, 2008, there were 77 and 75 outstanding checks totaling \$11,169 and \$6,665 from the General Fund and Payroll disbursement accounts, respectively that were issued more than 6 months prior to the date of the bank statement.

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

According to University personnel, the bank reconciliation was late due to staffing issues. The goal of the University is to investigate and clear outstanding checks beyond 6 months. They are in the process of clearing long outstanding checks.

Failure to perform and review monthly bank reconciliations in a timely manner may result in inaccurate financial statement information. Improprieties involving cash accounts could also go unnoticed until the reconciliation is completed. (Finding Code No. 08-1, 07-01, 06-1, 05-1)

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**CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS* (Continued)**

**Recommendation**

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

**University Response**

Bank reconciliations are an important part of the University's system of internal controls. Staffing issues have been corrected and all reconciliations were current at June 30, 2008. We will continue to work on addressing reconciling items in a timely manner.

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**CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS* (Continued)**

**08-2. Finding (Draft financial statements not completed timely)**

Eastern Illinois University (University) did not provide the auditors with complete and accurate financial statements on a timely basis.

During the audit entrance conference on May 12, 2008 a deadline for submission of the University's draft financial statements for timely completion of the financial audit was determined and agreed to by the auditors and University management. The deadline for delivery of the complete draft financial statements to the auditors for fiscal year 2008 was October 27, 2008. Although an initial draft was provided to the auditors on October 27, 2008, the draft was incomplete and had not been fully reviewed by all parties involved with the preparation and approval of the financial statements. Changes and adjustments to the initial draft were occurring as late as February 11, 2009, 107 days after the agreed upon deadline, when the following late adjustments were being made to the University financial statements and note disclosures:

- a reclassification adjustment was made to the gain or loss on the disposal of capital assets and the related cash flows totaling \$275,687, and
- the final Eastern Illinois University Foundation financial statements were not completed for inclusion in the University financial statements.

The Fiscal Control and Internal Auditing Act, 30 ILCS 10/3001 requires all State agencies to establish and maintain a system, or systems, of internal fiscal and administrative controls, which shall provide assurance that revenues, expenditures, and transfers of assets, resources, or funds applicable to operations are properly recorded and accounted for to permit the preparation of accounts and reliable financial and statistical reports and to maintain accountability over the State's resources. In addition, a good system of internal control ensures that financial statements are prepared timely to benefit users of those financial statements.

According to University management, the reclassification was due to a request from the Illinois Office of the Comptroller to move certain transactions between revenue lines on the Statement of Revenues, Expenses and Changes in Net Assets. The Foundation financial statements were late due to a delay in obtaining an appraisal of farmland as of June 30, 2006 used in the implementation of GASB Statement No. 52.

Submitting incomplete and unadjusted draft financial statements delays completion of the audit process and the timely release of the University's financial report to users. (Finding Code No. 08-2)



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**CURRENT FINDINGS – *GOVERNMENT AUDITING STANDARDS* (Continued)**

**Recommendation**

We recommend the University take a comprehensive look at the entire financial reporting process and make changes needed to timely prepare financial reports for auditors and other users.

**University Response**

The University concurs with the auditor's statement that the timely preparation and release of financial statements is important.

The University prepared a draft of its financial statements and submitted it on a timely basis to the auditors. The University is also required to submit, on forms provided, its financial statements to the Illinois Comptroller's Office. When submitted, both sets of financial statements were in agreement. However, the Comptroller's Office asked the University to make adjustments to reclassify certain transactions related to the gain or loss on the disposal of capital assets to be consistent with the way they wanted to present these transactions within the State's financial statements. We agreed to make the changes requested by the Comptroller's Office even though we considered the change to be immaterial to the University's financial statements.

The delay in the completion of the Foundation's financial statements was caused when the auditors' changed their minds and requested additional information to support the implementation of GASB 52. We had previously asked the auditors and provided to them, information that they initially believed was satisfactory for issuing their opinion.

When working with professionals and the complex requirements of accounting literature, we will have differences of opinion that may require changes to the financial statements. We find it unreasonable to say that we will never make an adjustment to our financial statements because a deadline has passed. We strive to be accurate and timely in our preparation of the financial statements but we cannot control all issues that may arise.

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**CURRENT FINDINGS – FEDERAL COMPLIANCE**

08-3. **Finding** (Inadequate control over reporting and reconciliation of financial aid information)

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

Eastern Illinois University (University) did not ensure timely and accurate reporting of information as required in the administration of 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:

- 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). Effective fiscal year 2008, the task of reporting student status changes to NSLDS was transferred from the Financial Aid office to the Registration Office. During our review, the University records of withdrawal dates of 14 of 40 (35%) students tested did not agree with the withdrawal dates per NSLDS records. In addition, 24 of 40 (60%) 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 loan records of the Department of Education is made by a responsible employee for all months as required by Federal regulations. No loan reconciliation was performed for the months of July 2007 through March 2008. Also, cash drawdown reconciliations for the months of February and March 2008 were not prepared.

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

The Direct Loan School Guide, Chapter 6, page 6-68, 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.

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**CURRENT FINDINGS – FEDERAL COMPLIANCE (Continued)**

According to University personnel, because the Registration Office is new with the reporting requirement, there was an error in the parameters that was set up in the Banner System to extract student information to be reported to NSLDS. The erroneous set up caused the system to pick up the end of the semester as the withdrawal date and in some instances not picking up any withdrawal date at all for some students. The University is in the process of updating the withdrawal dates. Monthly direct loan reconciliations were not performed because of miscommunication and misunderstanding of the requirement of the Direct Loan School Guide.

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. 08-3, 07-2, 06-2)

**Recommendation**

We recommend the University establish procedures to ensure that reports are accurately filed as required by the Federal Financial Aid Program. We also recommend management revisit the requirement of the Federal program on monthly direct loan reconciliation to ensure that the employee responsible for reconciliation is clear with the requirement to perform the reconciliation on a monthly basis.

**University Response**

We concur with the auditor's recommendation. We will work to establish adequate reporting and reconciliation controls.

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**CURRENT FINDINGS – FEDERAL COMPLIANCE (continued)**

08-4. **Finding** (Noncompliance with Federal Perkins Loan Program Requirement)

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

Eastern Illinois University (University) did not maintain documentation to prove that students with Perkins loans were contacted during the grace period.

The Code of Federal Regulations requires that institutions contact student borrowers with Perkins Loans during the grace period. In the previous year, University management responded that the University will maintain documentation to support specific contacts made with borrowers during the grace period. We reviewed 25 students' files with Perkins loans under grace period and noted that there was no documentation on file to prove that students were contacted during the grace period. As such, we still cannot determine whether the University is in compliance with the requirement of the Code of Federal Regulations.

The Code of Federal Regulations [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.

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**CURRENT FINDINGS – FEDERAL COMPLIANCE (Continued)**

According to University personnel, they are exploring the possibility that contacts with student borrowers can be documented within the system (Campus Loan Management System).

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. 08-4, 07-3)

**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 the borrowers within the grace period. However, we are working to develop a system that will document the specific contacts made with borrowers during the grace period.

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**CURRENT FINDINGS – STATE COMPLIANCE**

08-5. **Finding** (Timesheets not required)

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

We noted that the University’s salaried employees did not maintain timesheets in compliance with the Act. Employees’ time is tracked using time rosters, which are filled out online by each employee or each department’s representative. 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.

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.

For the fiscal year ended June 30, 2008, the allocated expenses to the UROs are as follows:

	<u>Foundation</u>	<u>Alumni Association</u>
Salaries	\$ 207,700	\$ 24,767
Rent, utilities and maintenance	2,070	756
	<u>\$ 209,770</u>	<u>\$ 25,523</u>

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

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

(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.

According to the 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. 08-5, 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.”

Hourly employees have always reported time worked on a quarter-hourly basis, however, salaried employees have not. We are working on developing a system that will permit salaried employees to report their time on a quarter-hourly basis but still allow them to be paid their contracted salary.

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CURRENT FINDINGS – STATE COMPLIANCE (Continued)

**Auditor's Comment**

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 Ethics Act defines "State employee" to be "any employee of a State agency." 5 ILCS 430/1-5.

As noted in the finding, the State Officials and Employees Ethics Act requires "State employees to periodically submit time sheets documenting the time spent each day on official State business to the nearest quarter hour. . ." 5 ILCS 430/5-5 (c). The negative timekeeping system used for some categories of University employees requires those employees to report only time away from State business, not the time spent each day on State business as is required by the Act. Further, 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 some categories of 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. Despite the fact that the Act's timekeeping requirements went into effect March 1, 2004, the University still is not obtaining timesheets from all of its employees and, consequently, this finding is being repeated for the fourth consecutive audit.



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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

08-6. **Finding** (Personnel evaluations not performed)

Eastern Illinois University (University) did not complete performance evaluations for some of its employees.

During our testing, we noted the following:

- University employees are grouped into 3 categories: a) Administrative and Professional; b) Faculty; and c) Civil Service. We selected 40 employees from 3 different categories for testing and noted that 7 (18%) employees did not have current performance evaluations. The latest performance evaluations for 2 employees were completed in 2000, 3 were completed in 2005, and 2 were completed in 2006. All the 7 referenced employees were civil service employees.
- The University Process Guide (Guide) for Civil Service employees requires that the University conduct performance evaluations on its Civil Service employees on a periodic basis. The Guide does not define what time period would meet the criteria of “periodic”. Therefore there is no benchmark that can be used as a basis to implement the performance evaluation requirement.

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, we do not believe the exceptions noted above comply with the University Process Guide.

According to University personnel, the requirement on performance evaluations for civil service employees was changed from annual to periodic and therefore there is no specific time requirement for performance evaluations to be completed. In addition, Supervisors were informed of their responsibility to complete performance evaluations of the employees under them but some supervisors still do not prepare the performance evaluations as required.

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. No timeframe set in the policy for completion of performance evaluations may result in

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

employees not receiving performance evaluations at all. (Finding Code No. 08-6, 07-5)

**Recommendation**

We recommend University management revisit the performance evaluation requirements for Civil Service employees and define what time period would constitute a “periodic” performance evaluation under the University Process Guide. Further we recommend that the University conduct performance evaluations of its Civil Service employees on a timelier basis.

**University Response**

The University agrees with the importance of personnel evaluations and will work to improve their timeliness.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

08-7. **Finding** (Deficiencies in Internal Auditing Department)

Eastern Illinois University (University) did not ensure that its internal auditing program complies with the Fiscal Control and Internal Auditing Act (Act).

During our review of the Internal Auditing Department (Department), we noted the following:

- No post implementation review was conducted of the University's new information system, the Banner System (System) implemented during the last two fiscal years. Four of the 5 modules were implemented in fiscal year 2007 while the last module was implemented in fiscal year 2008. There was no internal audit review of the design and operation of controls for any of the modules implemented.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/2003) (Act) requires that the internal auditing program include reviews of the design of major new electronic data processing systems and major modifications of those systems to ensure the systems provide for adequate audit trails and accountability. Good business practices dictate that a post implementation review of major systems implemented be performed to ensure that system controls were operating as designed.

According to University personnel, a post review of the new Banner system will be conducted in fiscal year 2009.

Failure to review the design of the new systems before and after implementation may result in a system with inadequate audit trails and accountability. (Finding Code No. 08-7, 07-9)

**Recommendation**

We recommend the Internal Auditing Department perform a post-review of the information system modules implemented to timely detect whether system controls are operating effectively as designed.

**University Response**

The University will conduct a post-implementation review of the new Banner system.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

08-8. **Finding** (Inadequate disaster contingency planning)

The University had not ensured that 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. The University's Contingency Plan, last updated in October 2005, did not address the Enterprise Resource Planning (Banner ERP) System implemented in July 2006 with approximate cost as of June 30, 2008 of \$4 million. 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 financially sensitive information used for carrying out the University's mission.

However, the University failed to assure an adequately developed and tested disaster contingency plan existed for recovering all its critical systems. The University's Contingency Plan is basically a plan to generate a plan. Our review of the Contingency Plan found the following:

- The Contingency Plan had not been updated to include the Banner System.
- The University's Contingency Plan focused 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 did not 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.

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 should ensure adequate procedures are in place, should include a listing of critical applications and recovery priorities and timeframes, and should 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.

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**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 should 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 should 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 Contingency Plan. The Contingency Plan was not updated to include the Banner System due to other priorities that took precedence in relation to various activities relating to the implementation of the Banner System.

Failure to have a comprehensive Contingency Plan as basis for testing 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. 08-8, 07-10).

**Recommendation**

We recommend that the University update its Contingency Plan. Specifically, the Plan should:

- Be updated to address 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.

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**CURRENT FINDINGS – STATE COMPLIANCE (Continued)**

Finally, annual testing is recommended for ensuring the University's Contingency 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 required timeframes. Testing results should be documented and the plans updated if necessary. The testing should also include functional users who would validate the data recovered, operate the recovered critical application systems, and verify the accuracy of processed data.

**University Response**

The University accepts the auditor's recommendation.

As the University has moved away from the mainframe environment, the issues associated with the disaster contingency planning have changed. We have tested our recovery procedures and are confident that we can meet the University's recovery needs. However, we have not documented this process adequately. We will continue to test our recovery procedures and update our Contingency Plan accordingly.

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**PRIOR FINDINGS NOT REPEATED**

A. **Finding** (Inadequate controls over Union bookstore inventory transactions)

During the prior year engagement, the University did not have adequate controls over donations and price reductions of Union Bookstore inventories. (Finding Code No. 07-6)

Status: Implemented

During the current year sample testing we noted that the University now maintains a listing of donations and price reductions of the Bookstore inventories.

B. **Finding** (Inadequate control over receipts and refunds)

During the prior year engagement, the University did not have adequate control over receipts and refunds. Receipts and refunds were not deposited timely and supporting documentation for some receipts could not be found. For some receipts, the actual date of receipt was not documented and one department did not maintain a log of its receipts. (Finding Code No. 07-7)

Status: Implemented

Based on the results of our current year sample testing, the University made improvements on depositing receipts timely. However, some exceptions were noted that were not considered significant and were reported to the University in the letter of immaterial findings. (Finding Code No. 07-7)

C. **Finding** (Non-business related travel expenses reimbursed)

During the prior year engagement, the University did not ensure timely collections were made from employees for travel expenses paid by the University in advance. In addition, the University did not ensure that only business related travel expenses were reimbursed to employees. (Finding Code No. 07-8)

Status: Implemented

During the current year engagement, our sample testing did not disclose exceptions relating to non-business related travel expenses and travel advances not collected timely.

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D. **Finding** (Inadequate procedures for responding to security breaches)

During the prior year engagement, the University did not have adequate procedures for prompt follow-up and notification of security breaches. The University developed draft procedures for investigating security incidents, however they were never finalized. (Finding Code No. 07-11)

Status: Implemented

Based on the results of our current year testing, the University finalized its procedures for investigating security breaches. However, we noted other items that need improvement but that were not considered significant and were reported to the University in the letter of immaterial findings.



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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 by Entity
      - Statement of Changes in Plant Fund Balances 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

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- Analysis of Operations
  - University Functions and Planning Program
  - Average Number of Employees (unaudited)
  - Service Efforts and Accomplishments (unaudited)
  - Schedule of Federal Expenditures, Nonfederal Expenses and New Loans
  - 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 accountants' 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, 2008

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY08 Expenditures</u>
<b>MAJOR PROGRAM - STUDENT FINANCIAL AID CLUSTER</b>			
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Federal Perkins Loan Program-Federal Capital Contributions</i>	84.038		\$ 43,130
<i>Federal Work-Study Program</i>			
FY08	84.033A	P033A071143	456,694
<i>Federal Pell Grant Program</i>			
FY08	84.063P	P063P070106	7,531,166
FY07	84.063P	P063P060106	60,064
			<u>7,591,230</u>
<i>Federal Supplemental Educational Opportunity Grants</i>			
FY08	84.007A	P007A071143	388,532
FY07	84.007A	P007A061143	5,432
			<u>393,964</u>
<i>Academic Competitiveness Grants</i>			
	84.375A	P375A070106	<u>258,399</u>
<i>National Science and Mathematics Access to Retain Talent (SMART) Grants</i>			
	84.376S	P376S060106	<u>65,850</u>
<b>Total Student Financial Aid Cluster</b>			<u>8,809,267</u>
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>			
<b><u>ENVIRONMENTAL PROTECTION AGENCY</u></b>			
<i>National Student Design Competition for Sustainability</i>			
Increase Water Drinking Supply Through Improved Cistern Design	66.516	SU-83249701-0	<u>4,808</u>
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<u>4,808</u>
<b><u>NATIONAL SCIENCE FOUNDATION</u></b>			
<i>Biological Sciences:</i>			
LTREB: Controls and Consequences of Exotic Plant Invasions in Abandoned Agricultural Land	47.074	DEB-0424605	38,803
Passed-Through Miami University			
Novel Roles of Urea in Amphibian Hibernation	47.074	NSF-Costanzo 4/07 GO	2,314
			<u>41,117</u>
<i>Geosciences:</i>			
Collaborative Research: Enhancement of Wind Erosion by Fire-Induced Water Repellency	47.050	EAR-0746231	1,481
Collaborative Research: The Effect of Atmospheric Humidity on the Susceptibility of Dry Soils to Wind Erosion	47.050	EAR-0408869	1,862
			<u>3,343</u>
<i>Computer and Information Science and Engineering</i>			
Collaborative Research: ITWF: Building Communities: Recruit	47.070	CNS-0420321	<u>758</u>
<i>Mathematical and Physical Sciences:</i>			
Ergodic Ramsey Theory: A Dynamical Approach to Static Theorems	47.049	DMS-0735307	18,220
MRI/RUI: Acquisition of 400 MHz NMR Spectrometer for Solutions and Solids	47.049	CHE-0321321	3,412
			<u>21,632</u>
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<u>66,850</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, 2008

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY08 Expenditures</u>
<b>RESEARCH AND DEVELOPMENT CLUSTER (CONTINUED)</b>			
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<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	1,188
Behavioral Mechanisms Underlying Individual and Population Patterns in Japanese Beetle	10.206	2005-35302-16364	66,288
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>67,476</b>
<b><u>U.S. DEPARTMENT OF THE INTERIOR</u></b>			
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	55
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	15,693
Ecology and Genetics of Red Squirrels in Illinois	15.634	T-21-P-1	38,568
Effects of Habitat Fragmentation on Sensitive Aquatic Species	15.634	T-50-D-1	10,347
			<b>64,608</b>
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	73,007
<b>TOTAL U.S. DEPARTMENT OF INTERIOR</b>			<b>137,670</b>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Research Related to Deafness and Communication Disorders</i>			
Effects of apoE on Olfactory Neuron Plasticity in Mice	93.173	2R15DC03889-02A1	55,903
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	9,395
<i>Research Related to Deafness and Communication Disorders</i>			
Subtypes and Associated Risk Factors in Stuttering	93.173	03-144	34,975
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>100,273</b>
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>			
Passed-Through the Washington Savannah River Company			
<i>Deer Data Evaluation</i>		AC585730	19,296
<b>Total Research and Development Cluster</b>			<b>396,373</b>
<b>MAJOR PROGRAM - CHILD CARE AND DEVELOPMENT FUND (CCDF) CLUSTER</b>			
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
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	449,279
<i>Child Care Development Block Grant</i>	93.575	10C6002526	634,763
<b>Total CCDF Cluster</b>			<b>1,084,042</b>

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, 2008

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY08 Expenditures</u>
<b>MAJOR PROGRAM - AGING CLUSTER</b>			
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
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 FY08	93.045		453,445
Peace Meal Senior Nutrition Program FY07	93.045		<u>174,350</u>
			<u>627,795</u>
<i>Nutrition Services Incentive Program:</i>			
Peace Meal Senior Nutrition Program FY08	93.053		119,359
Peace Meal Senior Nutrition Program FY07	93.053		<u>57,445</u>
			<u>176,804</u>
<b>Total Aging Cluster</b>			<u>804,599</u>
<b>MAJOR PROGRAM - HIGHWAY SAFETY CLUSTER</b>			
<b><u>U. S. DEPARTMENT OF TRANSPORTATION</u></b>			
Passed-Through the Illinois Department of Transportation:			
<i>State and Community Highway Safety:</i>			
Local Law Enforcement Liaison Program	20.600	CP6-1010-055	739,400
Law Enforcement Liaison Grant	20.600	OP7-1010-048	<u>234,995</u>
			<u>974,395</u>
<i>Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants</i>			
Policies and Programs	20.601	ALZ-1010-077	<u>8,396</u>
<b>Total Highway Safety Cluster</b>			<u>982,791</u>
<b>OTHER PROGRAMS</b>			
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Higher Education Institutional Aid</i>			
Student Success Center	84.031A	P031A040247	<u>320,651</u>
<b>Major Program - Trio Student Support Services</b>	84.042A	PO42A011052	<u>217,647</u>
Passed-Through the Illinois State Board of Education:			
<i>Improving Teacher Quality State Grants:</i>			
Teacher Graduates Assessment	84.367	2008-4935-02-64-108-6790-51	30,000
Leadership for the Improvement of Teaching Performance	84.367	06NCLB18	26,903
Leadership for the Improvement of Teaching Performance	84.367	07NCLB02	152,745
Project TEAMS	84.367	06NCLB17	<u>44,564</u>
			<u>254,212</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, 2008

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY08 Expenditures</u>
<b>OTHER PROGRAMS (CONTINUED)</b>			
<i>Mathematics and Science Partnerships:</i>			
Project STAR	84.366	2007-4936-01-64-108-6790-51	73,124
Project STAR	84.366	2008-4936-01-64-108-6790-51	71,633
			<u>144,757</u>
Passed-Through the Corporation for Public Broadcasting			
<i>Ready-to-Learn Television</i>			
Ready-to-Learn in Literacy - WEIU	84.295	10707	15,000
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	1,988
Passed-Through the University of California			
<i>National Writing Project</i>			
Eastern Illinois Writing Project	84.928	08-IL05	934
			<u>955,189</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed-Through the Illinois Department of Human Services			
<b>Major Program- Temporary Assistance for Needy Families</b>			
	93.558	10C6002526	675,105
<i>Social Services Block Grant</i>			
	93.667	10C6002526	5,756
<i>Block Grants for Preventions and Treatment of Substance Abuse:</i>			
Illinois Higher Education Prevention	93.959	10C6002526	61,215
Illinois Higher Education Prevention	93.959	10C6002526	263,406
			<u>324,621</u>
Passed through the Sarah Bush Lincoln Health Center			
<i>Research on Healthcare Cost, Quality and Outcomes</i>			
	93.226	AHRQ	12,054
			<u>12,054</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
			<u>1,017,536</u>
<b>U. S. DEPARTMENT OF JUSTICE</b>			
Passed-Through the Illinois Department of Human Services			
<i>Enforcing Underage Drinking Laws Program</i>			
Illinois Higher Education Prevention	16.727	10C5002526	132,000
			<u>132,000</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			
			<u>132,000</u>
<b>NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES</b>			
Passed-Through the Illinois Humanities Council			
<i>Promotion of the Humanities Federal/State Partnership</i>			
<i>Rural Midwestern Corridors: Aesthetics and the</i>			
<i>Landscape of Mobility</i>			
	45.129	3638	3,734
Passed-Through the Secretary of State			
<i>Grants to States</i>			
Art and Architecture in Illinois Libraries	45.310	LSTA 06-5069	292
			<u>292</u>
<b>TOTAL NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES</b>			
			<u>4,026</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, 2008

<u>Federal Grantor/Pass Through Grantor/Program/Grant Title</u>	<u>CFDA Number</u>	<u>Federal Project or Pass-Through Number</u>	<u>FY08 Expenditures</u>
<b>OTHER PROGRAMS (CONTINUED)</b>			
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>			
<i>Promotion of the Humanities Professional Development</i>			
Chaucer's Canterbury Tales	45.163	FV-50138-07	54,450
TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES			54,450
<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	15,773
Business and Technology Institution	17.258	05-674077	43,000
			58,773
<i>WIA Youth Activities:</i>			
Business and Technology Institution	17.259	07-865004	15,773
Business and Technology Institution	17.259	05-674077	48,000
			63,773
<i>WIA Dislocated Workers:</i>			
Business and Technology Institution	17.260	07-865004	15,773
Business and Technology Institution	17.260	05-674077	59,000
			74,773
TOTAL DEPARTMENT OF LABOR, EMPLOYMENT AND TRAINING ADMINISTRATION			197,319
<u>LIBRARY OF CONGRESS</u>			
<i>EIU Teaching with Primary Sources</i>	None	GA070019	152,745
<b>Total Other Programs</b>			2,513,265
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 14,590,337</b>

*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, 2008. 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:

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 2008, 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, 2008.

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, 2008, the University's students or their parents were eligible to receive the following loans:

Stafford Loans - Subsidized	\$ 20,528,684
Stafford Loans - Unsubsidized	13,604,814
Parents Loans for Undergraduate Students (PLUS)	<u>6,821,881</u>
Total	<u>\$ 40,955,379</u>

**4. STUDENT LOAN PROGRAMS ADMINISTERED BY THE UNIVERSITY**

The University administered the following federal loan program during the year ended June 30, 2008:

**Perkins Loan Program CFDA #84.038**

Outstanding balance, July 1, 2007	<u>\$ 6,539,991</u>
Additions:	
Interest income	115,554
Other income	18,893
Teacher cancellation repayments	<u>98,863</u>
Total	<u>233,310</u>
Deductions:	
Loans canceled or written-off	111,245
Collection agency fees – net	<u>(35)</u>
Total	<u>111,210</u>
Outstanding balance, June 30, 2008	<u>\$ 6,662,091</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, 2008:

Student Financial Aid Cluster	\$ 8,809,267
Child Care and Development Fund Cluster	1,084,042
Aging Cluster	804,599
Highway Safety Cluster	982,791
Trio Student Support Services	217,647
Temporary Assistance for Needy Families	675,105
Total major program expenditures	<u>12,573,451</u>
Non-major program expenditures	<u>2,016,886</u>
Total federal expenditures	<u>\$ 14,590,337</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 Mandatory and Matching Funds of the Child Care and Development Fund - \$400,495 (Federal CFDA #93.596), Child Care Development Block Grant - \$170,113 (Federal CFDA #93.575), Temporary Assistance For Needy Families - \$675,105 (Federal CFDA #93.558) and Social Services Block Grant - \$5,756 (Federal CFDA #93.667). These noncash transactions have not been recorded on the University's financial statements.

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

**7. SUBRECIPIENTS**

The University provided a federal sub-award to Kent State in the amount of \$26,892. This was for CFDA 45.163 and was originally funded from the National Endowment for the Humanities. The sub-award is for the period December 1, 2007 - September 30, 2008, and as of June 30, 2008, none had been spent of the sub-award.

**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	\$14,590,337
Add: direct state grants/contracts	1,057,317
Subtract: noncash expenditures included in the Schedule of Expenditures of Federal Awards not included in the financial statements	<u>(1,251,469)</u>
Total federal and state grants and contracts revenues shown on the Statement of Revenues, Expenses and Changes in Net Assets	<u>\$14,396,185</u>

STATE OF ILLINOIS  
 EASTERN ILLINOIS UNIVERSITY  
 SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES, LAPSED, AND REAPPROPRIATED BALANCES  
 APPROPRIATIONS FOR FISCAL YEAR 2008  
 Fourteen Months Ended August 31, 2008

	Balances Reappropriated July 1, 2007	Appropriations (Net after Transfers)	Expenditures Through June 30, 2008	Lapse Period Expenditures 7/1 - 8/31/08	Total Expenditures	Balances Reappropriated July 1, 2008
<u>Public Act 95-0348</u>						
GENERAL REVENUE FUND - 001						
Personal services	\$ -	\$ 47,089,200	\$ 47,089,200	\$ -	\$ 47,089,200	\$ -
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	<u>-</u>	<u>49,189,200</u>	<u>49,189,200</u>	<u>-</u>	<u>49,189,200</u>	<u>\$ -</u>
CAPITAL DEVELOPMENT FUND - 141						
Fine Arts renovation	4,976,375	-	2,295,798	327,626	2,623,424	2,352,951
Booth Library renovation	<u>31,911</u>	<u>-</u>	<u>31,911</u>	<u>-</u>	<u>31,911</u>	<u>-</u>
Total Capital Development Fund - 141	<u>5,008,286</u>	<u>-</u>	<u>2,327,709</u>	<u>327,626</u>	<u>2,655,335</u>	<u>2,352,951</u>
STATE COLLEGE & UNIVERSITY TRUST FUND - 417						
Scholarship Grant Awards	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
Totals - All appropriated funds	<u>\$ 5,008,286</u>	<u>\$ 49,191,200</u>	<u>\$ 51,518,909</u>	<u>\$ 327,626</u>	<u>\$ 51,846,535</u>	<u>\$ 2,352,951</u>

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	
	2008 PA 95-0348	2007 PA 94-798
<b>GENERAL REVENUE FUND - 001</b>		
Appropriations (net of transfers)	\$ 49,189,200	\$ 48,282,800
General Revenue Fund expenditures		
Personal services	47,089,200	46,182,450
Contractual services	1,000,000	1,000,000
Commodities	300,000	300,000
Equipment	500,000	500,000
Telecommunication services	300,000	300,000
	<u>49,189,200</u>	<u>48,282,450</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 350</u>
<b>CAPITAL DEVELOPMENT FUND - 141</b>		
Appropriations (net of transfers)	\$ 5,008,286	\$ 5,408,792
Capital Development Fund expenditures		
Fine Arts renovation	2,623,424	322,343
Digitalized infrastructure	-	-
Booth Library renovation	31,911	78,163
	<u>2,655,335</u>	<u>400,506</u>
Balances reappropriated	<u>\$ 2,352,951</u>	<u>\$ 5,008,286</u>
<b>STATE COLLEGE &amp; UNIVERSITY TRUST - 417</b>		
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)	\$ 54,199,486	\$ 53,693,592
Expenditures	51,846,535	48,684,956
Lapsed balances	<u>\$ -</u>	<u>\$ 350</u>
Balances reappropriated	<u>\$ 2,352,951</u>	<u>\$ 5,008,286</u>

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
COMPARATIVE SCHEDULE OF INCOME FUND REVENUES AND EXPENSES  
For the Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>INCOME FUND</b>		
Revenues		
Tuition	\$ 57,740,158	\$ 53,706,845
Services fees	329,135	350,530
Fines and penalties	72,929	75,327
Interest income	469,155	664,792
Other	172,853	56,382
	<u>58,784,230</u>	<u>54,853,876</u>
Expenses		
Personal services	29,366,702	26,351,783
FICA - Medicare	1,340,632	1,218,730
Group insurance	1,275,660	1,275,660
Compensated absences	957,484	(400,505)
Contractual services	8,268,279	8,289,626
Travel	1,085,752	1,025,583
Commodities	1,809,471	1,583,279
Awards, grants, and matching funds	1,249,455	1,110,178
Permanent improvements	782,874	806,796
Equipment and library books	2,042,873	1,940,367
Telecommunications	340,848	289,818
Operation of automotive equipment	175,732	169,765
Student awards/tuition waived	7,330,200	6,509,166
	<u>56,025,962</u>	<u>50,170,246</u>
Excess of revenues over expenses	<u>\$ 2,758,268</u>	<u>\$ 4,683,630</u>

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF CHANGES IN CAPITAL ASSETS  
For the Year Ended June 30, 2008**

	(In Thousands)				6/30/2008
	6/30/2007	Additions	Deletions	Transfers	
Capital assets not being depreciated					
Land and land improvements	\$ 2,369	\$ -	\$ -	\$ -	\$ 2,369
Capitalized collections	199	-	-	-	199
Construction in progress	49,977	17,744	108	(3,826)	63,787
<b>Total capital assets not being depreciated</b>	<b>52,545</b>	<b>17,744</b>	<b>108</b>	<b>(3,826)</b>	<b>66,355</b>
Capital assets being depreciated					
Site improvements	15,982	-	-	927	16,909
Building and building improvements	216,214	270	-	2,899	219,383
Equipment	56,570	5,400	1,915	-	60,055
Capital leases - equipment	114	-	-	-	114
<b>Total capital assets being depreciated</b>	<b>288,880</b>	<b>5,670</b>	<b>1,915</b>	<b>3,826</b>	<b>296,461</b>
Less accumulated depreciation for:					
Site improvements	8,581	806	-	-	9,387
Buildings and building improvements	91,816	5,678	-	-	97,494
Equipment	45,722	5,503	1,877	-	49,348
Capital leases - equipment	13	21	-	-	34
<b>Total accumulated depreciation</b>	<b>146,132</b>	<b>12,008</b>	<b>1,877</b>	<b>-</b>	<b>156,263</b>
<b>Total capital assets, being depreciated, net</b>	<b>142,748</b>	<b>(6,338)</b>	<b>38</b>	<b>3,826</b>	<b>140,198</b>
<b>Capital assets, net</b>	<b>\$ 195,293</b>	<b>\$ 11,406</b>	<b>\$ 146</b>	<b>\$ -</b>	<b>\$ 206,553</b>

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, 2008

	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
<b>ASSETS</b>										
<b>CURRENT FUNDS</b>										
Cash and temporary investments	\$ 2,697,022	\$ (18,501)	\$ 3,854,663	\$ (5,285)	\$ 48,540	\$ (224,147)	\$ 338,565	\$ 193,813	\$ (86,821)	\$ 6,797,849
Investments	196,606	-	340,214	1,304	5,936	-	31,866	14,090	-	590,016
Accrued interest receivable	1,875	-	10,886	12	57	-	304	134	-	13,268
Accounts receivable (net of allowance)	1,902,386	40,084	2,687	82,782	40,483	237,664	83,691	-	302,520	2,692,297
Inventories	28,291	-	567,732	1,063	-	-	-	-	-	597,086
Prepaid expense and other assets	19,657	1,281	97,984	-	-	95,795	-	-	-	214,717
Total current funds	4,845,837	22,864	4,874,166	79,876	95,016	109,312	454,426	208,037	215,699	10,905,233
<b>PLANT FUNDS</b>										
Temporary cash investments	3,138,436	-	534,187	68,408	26,647	-	1,470	-	12,754	3,781,902
Investments	322,819	-	47,092	3,966	1,926	-	4	-	1,317	377,124
Accrued interest receivable	3,078	-	449	38	18	-	-	-	13	3,596
Accounts receivable	320,906	-	-	-	-	-	-	-	-	320,906
Bond discount	156,483	-	-	-	-	-	-	-	-	156,483
Buildings and improvements	8,484,695	-	373,852	100,668	-	-	-	42,344	-	9,001,559
Equipment	9,196,689	37,056	3,005,224	29,166	58,116	-	8,000	20,686	8,323	12,363,260
Construction in progress	7,297,389	-	5,850	-	-	-	-	-	-	7,303,239
Accumulated depreciation	(7,893,153)	(35,724)	(2,697,450)	(31,775)	(32,349)	-	(8,000)	(29,092)	(4,851)	(10,732,394)
Other assets	102,786	-	-	-	-	-	-	-	-	102,786
Total plant funds	21,130,128	1,332	1,269,204	170,471	54,358	-	1,474	33,938	17,556	22,678,461
Total assets	\$ 25,975,965	\$ 24,196	\$ 6,143,370	\$ 250,347	\$ 149,374	\$ 109,312	\$ 455,900	\$ 241,975	\$ 233,255	\$ 33,583,694
<b>LIABILITIES AND FUND BALANCES</b>										
<b>CURRENT FUNDS</b>										
Accounts payable and accrued expenses	\$ 619,106	\$ 40	\$ 1,663,960	\$ 1,914	\$ 10,053	\$ -	\$ 7,125	\$ 11,195	\$ 5,127	\$ 2,318,520
Accrued payroll	75,839	-	350,155	7,274	575	-	18,339	12,222	5,303	469,707
Accrued compensated absences	-	-	206,227	-	-	-	-	-	-	206,227
Deferred income	253,897	280	454	50	7,499	109,312	173,289	-	103,190	647,971
Total liabilities - current funds	948,842	320	2,220,796	9,238	18,127	109,312	198,753	23,417	113,620	3,642,425
<b>Fund balances</b>										
Current unrestricted	3,896,995	22,544	2,653,370	70,638	76,889	-	255,673	184,620	102,079	7,262,808
Total current funds	4,845,837	22,864	4,874,166	79,876	95,016	109,312	454,426	208,037	215,699	10,905,233
<b>PLANT FUNDS</b>										
Accounts payable	1,021,093	-	250,000	-	-	-	-	-	-	1,271,093
Notes Leases payable	9,272	-	-	-	-	-	-	-	-	9,272
Certificates of participation payable	13,409,400	-	-	-	-	-	-	-	-	13,409,400
Bond premium	38,393	-	-	-	-	-	-	-	-	38,393
Bond issuance costs	102,787	-	-	-	-	-	-	-	-	102,787
Total liabilities - plant funds	14,580,945	-	250,000	-	-	-	-	-	-	14,830,945
<b>Fund balances</b>										
Non-indentured reserve	1,234,030	-	331,728	72,412	28,591	-	1,474	-	14,084	1,682,319
Net investment in plant	4,105,942	1,332	687,476	98,059	25,767	-	-	33,938	3,472	4,955,986
Construction reserve	1,209,211	-	-	-	-	-	-	-	-	1,209,211
Total fund balances	6,549,183	1,332	1,019,204	170,471	54,358	-	1,474	33,938	17,556	7,847,516
Total plant funds	21,130,128	1,332	1,269,204	170,471	54,358	-	1,474	33,938	17,556	22,678,461
Total liabilities and fund balances	\$ 25,975,965	\$ 24,196	\$ 6,143,370	\$ 250,347	\$ 149,374	\$ 109,312	\$ 455,900	\$ 241,975	\$ 233,255	\$ 33,583,694



STATE OF ILLINOIS  
 EASTERN ILLINOIS UNIVERSITY  
 DESIGNATED FUNDS - AUXILIARY ACTIVITIES  
 CURRENT FUNDS STATEMENT OF CHANGES IN FUND BALANCES BY ENTITY  
 For the Year Ended June 30, 2008

	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
<b>REVENUES</b>										
Tuition and fees	\$ 14,933,597	\$ 287,490	\$ -	\$ 146,195	\$ -	\$ -	\$ (874)	\$ -	\$ 1,060,700	\$ 16,427,108
Federal grants and contracts	-	-	-	-	-	-	-	141,956	-	141,956
State grants and contracts	-	-	-	-	-	-	-	304,905	-	304,905
Private gifts, grants, and contracts	275,447	-	-	72,344	250	-	3,500	13,098	-	364,639
Investment income	148,572	1,285	-	5,210	12,016	796	6,971	16,657	2,458	193,965
Educational activities	2,154,391	998	-	334,086	604,637	-	1,314,696	-	-	4,408,808
Other additions	1,293,227	2,631	-	70,381	3,503	671,381	31,207	680	-	2,073,010
Total revenues and other additions	18,805,234	292,404	-	628,216	620,406	672,177	1,355,500	477,296	1,063,158	23,914,391
<b>EXPENDITURES</b>										
Educational and general										
Instruction	-	260,705	-	173,410	21,917	672,174	20,303	-	1,115,584	2,264,093
Research	-	-	-	-	-	-	-	-	-	-
Public service	-	-	-	100,279	444,115	-	1,234,994	-	-	1,779,388
Academic support	-	16,573	-	277,757	-	-	8,535	132,001	-	434,866
Student services	13,834,679	-	-	52,752	2,831	-	-	133,292	-	14,023,554
Institutional support	-	-	(218,228)	24,217	-	-	-	226,991	-	32,980
Operation and maintenance of plant	-	-	-	-	74,680	-	-	57,719	-	132,399
Scholarships and fellowships	19,243	-	-	-	-	-	-	-	-	19,243
Total educational and general expenditures	13,853,922	277,278	(218,228)	628,415	543,543	672,174	1,263,832	550,003	1,115,584	18,686,523
<b>TRANSFERS AND OTHER ADDITIONS (DEDUCTIONS)</b>										
Mandatory transfers										
Principal	(573,847)	-	-	-	-	-	-	-	-	(573,847)
Interest	(530,331)	-	-	-	-	-	-	-	-	(530,331)
Student aid matching grants	245,639	-	-	-	-	-	-	-	-	245,639
Total mandatory transfers	(858,539)	-	-	-	-	-	-	-	-	(858,539)
Non-mandatory transfers										
Renewal and replacement	(2,423,145)	-	(67,135)	(30,000)	(8,000)	-	(1,429)	-	-	(2,529,709)
Construction	-	-	-	-	-	-	-	-	-	-
Excess local funds	-	-	-	-	-	-	-	-	-	-
Transfers, other	-	-	-	(1,856)	-	-	-	-	-	(1,856)
Total non-mandatory transfers	(2,423,145)	-	(67,135)	(31,856)	(8,000)	-	(1,429)	-	-	(2,531,565)
NET INCREASE (DECREASE) FOR THE YEAR	1,669,628	15,126	151,093	(32,055)	68,863	3	90,239	(72,707)	(52,426)	1,837,764
FUND BALANCES (DEFICIT) AT JULY 1, 2007	2,227,367	7,418	2,502,277	102,693	8,026	(3)	165,434	257,327	154,505	5,425,044
FUND BALANCES AT JUNE 30, 2008	\$ 3,896,995	\$ 22,544	\$ 2,653,370	\$ 70,638	\$ 76,889	\$ -	\$ 255,673	\$ 184,620	\$ 102,079	\$ 7,262,808

STATE OF ILLINOIS  
 EASTERN ILLINOIS UNIVERSITY  
 DESIGNATED FUNDS - AUXILIARY ACTIVITIES  
 STATEMENT OF CHANGES IN PLANT FUND BALANCES BY ENTITY  
 For the Year Ended June 30, 2008

	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
<b>NON-INDENTURED RESERVES</b>										
Fund balances at July 1, 2007	\$ 941,407	\$ -	\$ 543,827	\$ 44,225	\$ 24,883	\$ -	\$ 46	\$ -	\$ 14,585	\$ 1,568,973
Reserve additions										
Changes in fair value of investments	-	-	-	-	-	-	-	-	-	-
Reserve transfer	-	-	-	-	-	-	-	-	-	-
Current funds	2,423,146	-	67,135	30,000	8,000	-	1,428	-	-	2,529,709
Total Additions	2,423,146	-	67,135	30,000	8,000	-	1,428	-	-	2,529,709
Reserve deductions										
Non-capitalized equipment purchases	206,971	-	170,086	1,805	4,288	-	-	-	498	383,648
Transfer to Plant Fund	1,923,145	-	109,047	-	-	-	-	-	-	2,032,192
Changes in fair value of investments	407	-	101	8	4	-	-	-	3	523
Total Deductions	2,130,523	-	279,234	1,813	4,292	-	-	-	501	2,416,363
Fund balances at June 30, 2008	\$ 1,234,030	\$ -	\$ 331,728	\$ 72,412	\$ 28,591	\$ -	\$ 1,474	\$ -	\$ 14,084	\$ 1,682,319
<b>NET INVESTMENT IN PLANT</b>										
Fund balances (deficit) at July 1, 2007, as previously reported	\$ (2,620,637)	\$ 4,519	\$ 316,272	\$ 37,159	\$ 29,026	\$ -	\$ -	\$ 37,282	\$ 4,661	\$ (2,191,718)
Restatement of fund balances	(1,015,317)	-	87,601	-	-	-	-	-	-	(927,716)
Fund balances (deficit) at July 1, 2007, as restated	(3,635,954)	4,519	403,873	37,159	29,026	-	-	37,282	4,661	(3,119,434)
Plant additions										
Current funds	996,635	-	273,885	65,238	-	-	-	-	-	1,335,758
Non-indentured reserves	1,923,145	-	109,047	-	-	-	-	-	-	2,032,192
Construction reserve	7,131,255	-	-	-	-	-	-	-	-	7,131,255
Other current funds	28,944	-	-	-	-	-	-	-	-	28,944
Other non-indentures reserves	27,536	-	-	-	-	-	-	-	-	27,536
Omitted equipment	40,531	-	-	-	-	-	-	-	-	40,531
Amortization of bond premium	17,305	-	-	-	-	-	-	-	-	17,305
Total additions	10,165,351	-	382,932	65,238	-	-	-	-	-	10,613,521
Plant deductions										
Depreciation	2,655,591	3,187	104,189	3,392	3,259	-	-	3,344	1,189	2,774,151
Disposed property	(251,617)	-	(4,860)	946	-	-	-	-	-	(255,531)
Bond premium/discount	19,481	-	-	-	-	-	-	-	-	19,481
Total deductions	2,423,455	3,187	99,329	4,338	3,259	-	-	3,344	1,189	2,538,101
Fund balances at June 30, 2008	\$ 4,105,942	\$ 1,332	\$ 687,476	\$ 98,059	\$ 25,767	\$ -	\$ -	\$ 33,938	\$ 3,472	\$ 4,955,986

STATE OF ILLINOIS  
 EASTERN ILLINOIS UNIVERSITY  
 DESIGNATED FUNDS - AUXILIARY ACTIVITIES  
 STATEMENT OF CHANGES IN PLANT FUND BALANCES BY ENTITY  
 For the Year Ended June 30, 2008

	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
<b>BOND ISSUANCE COSTS</b>										
Fund balance at July 1, 2007	\$ 120,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,178
<b>Additions</b>										
Investment income	-	-	-	-	-	-	-	-	-	-
Change in fair value of investment	-	-	-	-	-	-	-	-	-	-
Total additions	-	-	-	-	-	-	-	-	-	-
<b>Deductions</b>										
Amortization of closing costs	17,391	-	-	-	-	-	-	-	-	17,391
Interest expense	-	-	-	-	-	-	-	-	-	-
Transfer to construction funds	-	-	-	-	-	-	-	-	-	-
Total deductions	17,391	-	-	-	-	-	-	-	-	17,391
Fund balance at June 30, 2008	\$ 102,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,787
<b>CONSTRUCTION RESERVE</b>										
Fund balance at July 1, 2007	\$ 8,176,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,176,156
<b>Additions</b>										
Gifts	-	-	-	-	-	-	-	-	-	-
Investment income	164,076	-	-	-	-	-	-	-	-	164,076
Change in fair value of investments	234	-	-	-	-	-	-	-	-	234
Current funds	-	-	-	-	-	-	-	-	-	-
Total additions	164,310	-	-	-	-	-	-	-	-	164,310
<b>Deductions</b>										
Transfer to net investment in plant fund	7,131,255	-	-	-	-	-	-	-	-	7,131,255
Non-capitalized construction expenses	-	-	-	-	-	-	-	-	-	-
Change in fair value of investment	-	-	-	-	-	-	-	-	-	-
Total deductions	7,131,255	-	-	-	-	-	-	-	-	7,131,255
Fund balance at June 30, 2008	\$ 1,209,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,209,211

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

**June 30, 2008**

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,171,804	\$ 568,147	\$ 2,739,951
Investments	201,838	29,366	231,204
Accounts receivable	4,895,805	379,642	5,275,447
Accrued interest receivable	1,924	280	2,204
Inventories	162,332	952,480	1,114,812
Prepaid expenses	48,068	10,679	58,747
	<u>\$ 7,481,771</u>	<u>\$ 1,940,594</u>	<u>\$ 9,422,365</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable	\$ 1,344,200	\$ 551,700	\$ 1,895,900
Accrued payroll	501,268	96,006	597,274
Refundable deposits	227,260	-	227,260
Accrued compensated absences	1,123,016	189,305	1,312,321
Deferred income, room and board	59,361	-	59,361
Deferred income, other	33,043	91,768	124,811
	<u>3,288,148</u>	<u>928,779</u>	<u>4,216,927</u>
Total liabilities			
Fund balances	<u>4,193,623</u>	<u>1,011,815</u>	<u>5,205,438</u>
Total liabilities and fund balances	<u>\$ 7,481,771</u>	<u>\$ 1,940,594</u>	<u>\$ 9,422,365</u>

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, 2008

	Student Living	Student Facilities	Total
<b>Revenues</b>			
Room and board	\$ 30,067,606	\$ -	\$ 30,067,606
Duplicating	2,424	302,762	305,186
Bowling and recreation	-	83,526	83,526
Merchandise sales	92,255	2,065,267	2,157,522
Other	233,533	137,610	371,143
Student fees	709,307	2,822,431	3,531,738
Investment income	190,648	67,750	258,398
Operating fee	-	2,083,592	2,083,592
Desk sales revenue	1,246,361	75,846	1,322,207
Games revenue	3,450	-	3,450
Subsidy reduction fee	16,690	66,974	83,664
Canned drink sales	-	43,342	43,342
Vending	178,527	2,960	181,487
Service and rental fees	235,783	96,911	332,694
<b>Total revenues</b>	<b>32,976,584</b>	<b>7,848,971</b>	<b>40,825,555</b>
<b>Expenditures</b>			
Merchandise	5,624	1,634,252	1,639,876
Food	4,079,988	58,157	4,138,145
Salaries			
Faculty	1,441,644	141,742	1,583,386
Civil service	8,623,221	1,984,764	10,607,985
Student	1,820,682	211,719	2,032,401
Resident assistants	907,040	-	907,040
Compensated absences	71,925	15,162	87,087
Commodities			
Office and administrative supplies	94,060	90,966	185,026
Household - cleaning supplies	417,478	80	417,558
Other commodities	794,799	98,405	893,204
Operation of automotive equipment	14,784	11,597	26,381
Travel	36,244	1,132	37,376
Contractual services			
Repairs	684,708	194,453	879,161
Rentals	291,371	3,653	295,024
Services	197,849	199,478	397,327
Insurance	188,327	54,548	242,875
Operating taxes and fees	190,082	107,150	297,232
Utilities	1,944,519	534,957	2,479,476
Office and administrative	38,318	5,776	44,094
Other contractual services	1,505,920	364,329	1,870,249
Equipment	255,136	76,960	332,096
Telecommunications charges	534,597	14,097	548,694
Waivers & scholarships	8,551	8,608	17,159
Building improvement	91,279	52,630	143,909
<b>Total expenditures</b>	<b>24,238,146</b>	<b>5,864,615</b>	<b>30,102,761</b>
<b>Excess of revenues over expenditures</b>	<b>\$ 8,738,438</b>	<b>\$ 1,984,356</b>	<b>\$ 10,722,794</b>

**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, 2008**

	<u>Student Living</u>	<u>Student Facilities</u>	<u>Total</u>
Fund balances at July 1, 2007	\$ 2,557,665	\$ 1,199,603	\$ 3,757,268
Revenues and other additions			
Operating revenues	<u>32,976,584</u>	<u>7,848,971</u>	<u>40,825,555</u>
Expenditures and other deductions			
Operating expenditures	23,819,806	5,719,864	29,539,670
Change in compensated absences	71,925	15,162	87,087
Equipment	255,136	76,960	332,096
Building improvements	<u>91,279</u>	<u>52,629</u>	<u>143,908</u>
Total expenditures and other deductions	<u>24,238,146</u>	<u>5,864,615</u>	<u>30,102,761</u>
Transfers among funds			
Deductions			
Mandatory transfers			
Debt retirement	2,993,176	1,786,448	4,779,624
Non-mandatory transfers			
Repair and replacement reserve	1,109,304	290,696	1,400,000
Project Director reserve	<u>3,000,000</u>	<u>95,000</u>	<u>3,095,000</u>
Total transfers	<u>7,102,480</u>	<u>2,172,144</u>	<u>9,274,624</u>
Net increase (decrease) for the year	<u>1,635,958</u>	<u>(187,788)</u>	<u>1,448,170</u>
Fund balances at June 30, 2008	<u>\$ 4,193,623</u>	<u>\$ 1,011,815</u>	<u>\$ 5,205,438</u>

**STATE OF ILLINOIS**  
**EASTERN ILLINOIS UNIVERSITY**  
**AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS**  
**PLANT FUNDS**  
**BALANCE SHEET BY ENTITY**  
**June 30, 2008**

	Student Living	Student Facilities	Total
<b>ASSETS</b>			
<b>RENEWAL AND REPLACEMENT</b>			
Cash and temporary cash investments	\$ 1,317,983	\$ 2,480,577	\$ 3,798,560
Investments	230,033	256,056	486,089
Interest receivable	2,193	2,441	4,634
Total renewal and replacement	<u>1,550,209</u>	<u>2,739,074</u>	<u>4,289,283</u>
<b>RETIREMENT OF INDEBTEDNESS</b>			
Bond and interest sinking fund			
Cash and temporary investments	12,243	19,708	31,951
Investments	2,120	1,159	3,279
Accounts receivable	615,361	370,208	985,569
Interest Receivable	20	11	31
Bond issuance costs			
Cash	-	-	-
Other assets	217,637	135,528	353,165
Total retirement of indebtedness	<u>847,381</u>	<u>526,614</u>	<u>1,373,995</u>
<b>INVESTMENT IN PLANT</b>			
Accounts receivable	307,969	80,913	388,882
Bond discount	570,322	390,416	960,738
Land	118,981	-	118,981
Building and site improvements	75,070,621	37,670,290	112,740,911
Equipment	1,214,005	1,220,942	2,434,947
Accumulated depreciation	(38,930,921)	(16,587,806)	(55,518,727)
Construction in progress	4,420,031	392,384	4,812,415
Total investment in plant	<u>42,771,008</u>	<u>23,167,139</u>	<u>65,938,147</u>
<b>DEVELOPMENT RESERVE</b>			
Cash and temporary investments	-	-	-
Investments	-	-	-
Total development reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 45,168,598</u>	<u>\$ 26,432,827</u>	<u>\$ 71,601,425</u>

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
AUXILIARY ENTERPRISE FUNDS - REVENUE BONDS  
PLANT FUNDS  
BALANCE SHEET BY ENTITY  
June 30, 2008**

	Student Living	Student Facilities	Total
<b>LIABILITIES AND FUND BALANCES</b>			
<b>RENEWAL AND REPLACEMENT</b>			
Accounts payable	\$ 393,469	\$ -	\$ 393,469
Renewal and replacement reserve	1,156,740	2,739,074	3,895,814
Total renewal and replacement	<u>1,550,209</u>	<u>2,739,074</u>	<u>4,289,283</u>
<b>RETIREMENT OF INDEBTEDNESS</b>			
Accounts payable	270,946	172,122	443,068
Bond and interest sinking fund reserve	358,798	218,964	577,762
Bond issuance costs	217,637	135,528	353,165
Total retirement of indebtedness	<u>847,381</u>	<u>526,614</u>	<u>1,373,995</u>
<b>INVESTMENT IN PLANT</b>			
Accounts payable	-	1,882	1,882
Revenue bonds outstanding	22,401,109	14,398,891	36,800,000
Notes payable	-	102,651	102,651
Lease obligations	3,846,233	1,208,089	5,054,322
Bond premium	805,342	494,505	1,299,847
Net investment in plant	<u>15,718,324</u>	<u>6,961,121</u>	<u>22,679,445</u>
Total investment in plant	<u>42,771,008</u>	<u>23,167,139</u>	<u>65,938,147</u>
<b>DEVELOPMENT RESERVE</b>			
Development reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 45,168,598</u>	<u>\$ 26,432,827</u>	<u>\$ 71,601,425</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, 2008**

	Student Living	Student Facilities	Total
<b>RENEWAL AND REPLACEMENT</b>			
Fund balances at July 1, 2007	\$ 2,543,786	\$ 2,534,598	\$ 5,078,384
Investment income	78,160	3,896	82,056
Other revenues	-	551,588	551,588
Non-mandatory transfers - current	1,109,304	290,696	1,400,000
Non-mandatory transfers - Project Directors' accounts	3,000,000	95,000	3,095,000
Repair expenditures	(5,574,510)	(736,704)	(6,311,214)
Fund balances at June 30, 2008	<u>\$ 1,156,740</u>	<u>\$ 2,739,074</u>	<u>\$ 3,895,814</u>
<b>RETIREMENT OF INDEBTEDNESS</b>			
<b>BOND AND INTEREST SINKING FUND</b>			
Fund balances at July 1, 2007	\$ 455,110	\$ 261,151	\$ 716,261
Mandatory transfer from current fund	2,993,176	1,786,448	4,779,624
Investment income	11,716	19,744	31,460
Other income	2,668	1,135	3,803
Debt retirement principal	(1,964,739)	(1,130,262)	(3,095,001)
Debt retirement interest	(1,139,133)	(719,252)	(1,858,385)
Fund balances at June 30, 2008	<u>358,798</u>	<u>218,964</u>	<u>577,762</u>
<b>BOND ISSUANCE COSTS</b>			
Fund balances at July 1, 2007	\$ 135,537	\$ 86,893	\$ 222,430
Bond proceeds	118,000	70,112	188,112
Investment income	209	62	271
Bond closing costs amortization	(36,109)	(21,539)	(57,648)
Fund balances at June 30, 2008	<u>217,637</u>	<u>135,528</u>	<u>353,165</u>
Total retirement of indebtedness - June 30, 2008	<u>\$ 576,435</u>	<u>\$ 354,492</u>	<u>\$ 930,927</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, 2008**

	Student Living	Student Facilities	Total
<b>INVESTMENT IN PLANT</b>			
Fund balances at July 1, 2007	\$ 11,925,842	\$ 6,280,634	\$ 18,206,476
Equipment purchased (net of deletions)	89,464	95,814	185,278
Buildings/sites (net of deletions)	3,701,574	493,453	4,195,027
Bond refunding	1,268,923	682,348	1,951,271
Gain (loss) on disposal	(43,286)	80,314	37,028
Depreciation	(2,256,150)	(1,193,897)	(3,450,047)
Debt retirement - principal payment	1,020,648	450,530	1,471,178
Bond discount expense	(66,516)	25,726	(40,790)
Amortization of deferred accounting loss (net)	77,825	46,199	124,024
Fund balances at June 30, 2008	<u>\$ 15,718,324</u>	<u>\$ 6,961,121</u>	<u>\$ 22,679,445</u>
<b>DEVELOPMENT RESERVE</b>			
Fund balances at July 1, 2007	\$ -	\$ -	\$ -
Investment income	-	-	-
Expenditures - permanent improvements	-	-	-
Fund balances at June 30, 2008	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
AUXILIARY ENTERPRISE FUNDS - OTHER  
BALANCE SHEET BY ENTITY  
June 30, 2008**

	Student/Staff Programs	Regional Services	Total
<b>ASSETS</b>			
<b>CURRENT FUNDS</b>			
Cash and temporary cash investments	\$ 386,480	\$ 112	\$ 386,592
Investments	38,414	11	38,425
Accounts receivable	222,376	-	222,376
Interest receivable	366	-	366
Total current funds	<u>647,636</u>	<u>123</u>	<u>647,759</u>
<b>PLANT FUNDS</b>			
Cash and temporary cash investments	640,383	-	640,383
Investments	66,126	-	66,126
Interest receivables	631	-	631
Building and site improvements	3,339,440	-	3,339,440
Land	649,409	-	649,409
Equipment	113,480	8,455	121,935
Accumulated depreciation	(2,085,263)	(8,455)	(2,093,718)
Construction in progress	159,261	-	159,261
Total plant funds	<u>2,883,467</u>	<u>-</u>	<u>2,883,467</u>
Total assets	<u>\$ 3,531,103</u>	<u>\$ 123</u>	<u>\$ 3,531,226</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>CURRENT FUNDS</b>			
Accounts payable	\$ 1,545	\$ -	\$ 1,545
Accrued payroll	13,102	-	13,102
Fund balances	632,989	123	633,112
Total current funds	<u>647,636</u>	<u>123</u>	<u>647,759</u>
<b>PLANT FUNDS</b>			
Accounts payable	8,733	-	8,733
Non-indentured reserves	698,407	-	698,407
Net investment in plant	2,176,327	-	2,176,327
Total plant funds	<u>2,883,467</u>	<u>-</u>	<u>2,883,467</u>
Total liabilities and fund balances	<u>\$ 3,531,103</u>	<u>\$ 123</u>	<u>\$ 3,531,226</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, 2008**

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
<b>REVENUES</b>			
Sales, services - enterprises	\$ 463,394	\$ 200	\$ 463,594
Fines and penalties	257,560	-	257,560
Investment income	32,087	5	32,092
Other income	50,000	-	50,000
Total revenues	<u>803,041</u>	<u>205</u>	<u>803,246</u>
<b>EXPENDITURES</b>			
Salaries	213,288	-	213,288
Other expenses	33,896	-	33,896
Contractual services	99,129	-	99,129
Commodities	32,527	82	32,609
Total expenditures	<u>378,840</u>	<u>82</u>	<u>378,922</u>
Revenues over expenditures	<u>\$ 424,201</u>	<u>\$ 123</u>	<u>\$ 424,324</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, 2008**

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
Fund balances at July 1, 2007	\$ 208,850	\$ -	\$ 208,850
Revenues and other additions			
Operating revenues	803,041	205	803,246
Change in investment market value	(62)	-	(62)
Total revenues and other additions	<u>802,979</u>	<u>205</u>	<u>803,184</u>
Expenditures and other deductions			
Operating expenditures	378,840	82	378,922
Non-mandatory transfers	-	-	-
Total expenditures and other deductions	<u>378,840</u>	<u>82</u>	<u>378,922</u>
Net increase for the year	<u>424,139</u>	<u>123</u>	<u>424,262</u>
Fund balances at June 30, 2008	<u>\$ 632,989</u>	<u>\$ 123</u>	<u>\$ 633,112</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, 2008**

	<u>Student/Staff Programs</u>	<u>Regional Services</u>	<u>Total</u>
<b>NON-INDENTURED RESERVES</b>			
Fund balances at July 1, 2007	\$ 940,000	\$ -	\$ 940,000
Plant additions			
Current funds	-	-	-
Investment income	(186)	-	(186)
Total additions	<u>(186)</u>	<u>-</u>	<u>(186)</u>
Reserve deductions			
Repairs and maintenance	221,294	-	221,294
Permanent improvements	20,113	-	20,113
Total reductions	<u>241,407</u>	<u>-</u>	<u>241,407</u>
Fund balances at June 30, 2008	<u>\$ 698,407</u>	<u>\$ -</u>	<u>\$ 698,407</u>
<b>INVESTMENT IN PLANT</b>			
Fund balances at July 1, 2007	\$ 2,340,261	\$ -	\$ 2,340,261
Plant additions			
Reserve funds	8,733	-	8,733
Transfers from other agencies	19,900	-	19,900
Total additions	<u>28,633</u>	<u>-</u>	<u>28,633</u>
Plant reduction			
Depreciation	192,567	-	192,567
Total reduction	<u>192,567</u>	<u>-</u>	<u>192,567</u>
Fund balances at June 30, 2008	<u>\$ 2,176,327</u>	<u>\$ -</u>	<u>\$ 2,176,327</u>

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
For the Years Ended June 30, 2008 and 2007**

	2008	2007	Increase (Decrease)	Percentage Change
<b>Operating Revenues:</b>				
Student tuition and fees	\$ 66,225,748	\$ 62,305,638	\$ 3,920,110	6%
Federal grants and contracts	10,354,207	9,421,164	933,043	10%
State grants and contracts	4,041,978	4,118,304	(76,326)	-2%
Local grants and contracts	446,754	176,744	270,010	153% (A)
Private grants and contracts	1,175,323	880,619	294,704	33% (B)
Sales and services of educational departments	4,417,308	4,221,724	195,584	5%
Auxiliary enterprises	39,416,747	37,943,403	1,473,344	4%
Other operating revenues	2,752,203	2,491,975	260,228	10%
<b>Operating Expenses:</b>				
Educational and general				
Instruction	80,496,843	75,436,556	5,060,287	7%
Research	1,133,892	1,111,083	22,809	2%
Public service	8,371,245	7,922,071	449,174	6%
Academic support	14,354,957	13,509,570	845,387	6%
Student services	19,132,739	18,012,013	1,120,726	6%
Institutional support	18,359,463	17,730,818	628,645	4%
Operations of maintenance of plant	13,179,805	11,458,348	1,721,457	15%
Student aid	5,886,312	6,083,286	(196,974)	-3%
Auxiliary enterprises	31,592,699	29,867,003	1,725,696	6%
Depreciation expense	12,008,453	11,774,221	234,232	2%
<b>Nonoperating Revenues (Expenses):</b>				
State appropriations	49,189,200	48,282,450	906,750	2%
Payments on behalf of the University	31,652,439	27,545,752	4,106,687	15%
Gifts	2,297,218	2,950,537	(653,319)	-22% (C)
Investment income (net)	1,799,245	2,535,992	(736,747)	-29% (D)
Net increase (decrease) in fair value of investments	(40,308)	141,586	(181,894)	-128%
Interest on capital asset-related debt	(2,595,950)	(2,845,848)	(249,898)	-9%
Nonoperating grants and contracts	2,878	(37,238)	(40,116)	-108%
Amortization of bond costs	981	(138,459)	(139,440)	-101%
Payments to the Foundation	(30,791)	(46,320)	(15,529)	-34%
Loss on disposal of capital assets	(146,145)	(100,942)	45,203	45%
Blair Hall fire insurance recoveries	-	3,382,819	(3,382,819)	-100% (E)
Other nonoperating revenues	276,357	5,194	271,163	5221% (F)
<b>Other Changes in Net Assets:</b>				
Capital appropriations	2,657,335	402,505	2,254,830	560% (G)
Capital grants and gifts	306,172	476,306	(170,134)	-36%
Transfers from Capital Development Board	2,455,532	17,688,297	(15,232,765)	-86% (H)

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUE, EXPENSES, AND  
CHANGE IN NET ASSETS  
For the Year Ended June 30, 2008**

All variances greater than \$200,000 and more than 20% from fiscal year 2007 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) Local grants and contracts - The increase was due to the increases in Decatur Local Grants for Geographical Information System and Peace Meal Local Grants.
- (B) Private grants and contracts - The increase was due to a change in the Corporation for Public Broadcasting spending during FY08 which increased by about ~\$388K.
- (C) Gifts - The decrease is due to a decrease in Athletics Department gifts from ~\$532K in FY07 down to ~\$250K in FY08. Also in FY07, there was a gift for the Business Affairs Old Main Building Renovation amounting to \$250,000.
- (D) Investment income - The decrease was due to the decrease in the total fund invested coupled with the lower rate of return in the investments.
- (E) Blair Hall fire insurance recoveries - The decrease was due to the insurance recoveries for the Blair Hall Building which was fully collected in FY07.
- (F) Other nonoperating revenues - The increase was due to the fixed assets adjustments that were classified as nonoperating revenues.
- (G) Capital appropriations - The increase was due to the increase in expenditures for furnishings of the Doudna Fine Arts Center which opened in Fall 2008.
- (H) Transfers from Capital Development Board - Most of the work for the construction of the Doudna Fine Arts Building, funded by the Capital Development Board were completed and the related costs were transferred to the University during FY07. There were minimal transfers during FY08 as the building nears its completion.



**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES  
JUNE 30, 2008 AND 2007**

	2008	2007	Increase (Decrease)	Percentage Change
<b>Assets:</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 16,186,353	\$ 17,602,144	\$ (1,415,791)	-8%
Restricted cash and cash equivalents	18,081,776	26,641,101	(8,559,325)	-32% (A)
Short-term investments	-	463,041	(463,041)	-100% (B)
Restricted short-term investments	20,963	568,760	(547,797)	-96% (B)
Accounts receivable, net of allowance	12,264,930	9,405,044	2,859,886	30% (C)
State appropriation receivable	-	115	(115)	-100%
Interest receivable	36,144	9,013	27,131	301%
Inventories	1,711,897	1,567,960	143,937	9%
Notes receivable, current portion, net	905,059	880,163	24,896	3%
Other assets	856,581	389,593	466,988	120% (D)
<b>Noncurrent assets:</b>				
Notes receivable, less current portion	5,242,836	5,107,154	135,682	3%
Endowment investments	548,808	583,363	(34,555)	-6%
Restricted investments	1,810,568	-	1,810,568	100% (E)
Other long-term investments	1,178,647	-	1,178,647	100% (E)
Other long-term assets	346,604	285,660	60,944	21%
Capital assets, net of accumulated depreciation	206,552,679	195,293,070	11,259,609	6%
<b>Liabilities:</b>				
<b>Current liabilities:</b>				
Accounts payable and accrued liabilities	13,081,432	11,828,311	1,253,121	11%
Deferred revenues	2,625,941	2,862,986	(237,045)	-8%
Long-term liabilities, current portion	7,680,611	8,246,127	(565,516)	-7%
<b>Noncurrent liabilities:</b>				
Long term liabilities, less current portion	65,586,222	71,332,092	(5,745,870)	-8%
Federal loan program contributions refundable	5,726,427	5,621,476	104,951	2%

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES  
For the Year Ended June 30, 2008**

All variances greater than \$200,000 and more than 20% from fiscal year 2007 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) Restricted cash and cash equivalents - The decrease was due to the delay in the timing of collecting students accounts receivable, payments made for the completion of the Doudna Fine Arts Building, and conversion from cash and cash equivalents to long-term investments through U.S. Government Securities.
- (B) Short-term investment and restricted short-term investment - The decrease was due to investments transferred from U.S Securities to money market accounts which were used to fund the completion of the Doudna Fine Arts Building.
- (C) Accounts receivable - Due to credit crisis, parents and students fall behind payment of student tuition and fees resulting in an increase in accounts receivable in FY08.
- (D) Other assets - The increase was due to prepayments for computer software purchased and travel related expenses of the study abroad programs for the next fiscal year.
- (E) Restricted investments and other long-term investments - The increase was due to the purchase of U.S. Government Securities during FY08 from excess cash and cash equivalents.

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
ANALYSIS OF SIGNIFICANT LAPSE PERIOD SPENDING  
For the Year Ended June 30, 2008**

There were no significant expenditures incurred during the lapse period.

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
SCHEDULE OF ACCOUNTS RECEIVABLE  
For the Year Ended June 30, 2008**

Accounts receivable are as follows at June 30:

Aging Analysis:	<u>2008</u>	<u>2007</u>
Current	\$ 3,701,095	\$ 3,212,473
1 - 180 days past due	3,061,176	1,324,633
181 days - 1 year past due	1,670,031	962,153
Over 1 year past due	4,663,068	4,210,036
	<u>13,095,370</u>	<u>9,709,295</u>
Grants receivables not aged	1,451,022	1,007,103
Scholarship receivables not aged	1,209,945	1,369,720
Total accounts receivable	15,756,337	12,086,118
Less allowance for doubtful accounts	<u>(3,491,407)</u>	<u>(2,681,074)</u>
	<u>\$ 12,264,930</u>	<u>\$ 9,405,044</u>

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>2008</u>	<u>2007</u>
<b>CASH AND CASH EQUIVALENTS</b>		
Petty Cash Funds	\$ 45,930	\$ 42,305
The Illinois Funds		
Money Market Account	-	4,259,282
Prime Fund Account	34,166,202	39,919,553
Checking accounts		
First Mid-Illinois Bank & Trust, Charleston, Illinois	52,219	19,249
US Bank Trust Account	24	-
Money market		
US Bank - Trust, Chicago, Illinois 1.82%	3,754	2,856
Total cash and cash equivalents	<u>34,268,129</u>	<u>44,243,245</u>
<b>INVESTMENTS</b>		
U.S Treasury and Agency securities, interest rate (3.62%)	2,989,215	995,350
Mutual funds	569,771	619,814
Total investments	<u>3,558,986</u>	<u>1,615,164</u>
Total cash and cash equivalents and investments	<u>\$ 37,827,115</u>	<u>\$ 45,858,409</u>

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
SUMMARY OF INDIRECT COST REIMBURSEMENT  
STATEMENT OF SOURCES AND APPLICATIONS  
For the Year Ended June 30, 2008**

	<u>2008</u>	<u>2007</u>
Sources		
Federal	\$ 141,956	\$ 192,165
State	304,905	288,813
Other	30,435	20,354
	<u>477,296</u>	<u>501,332</u>
Applications		
Academic support	132,001	133,809
Institutional support	226,991	175,419
Operations and maintenance of plant	57,719	40,206
Student services	133,292	129,630
	<u>550,003</u>	<u>479,064</u>
Sources over applications	(72,707)	22,268
Fund balance, beginning of year	<u>257,327</u>	<u>235,059</u>
Fund balance, end of year	<u><u>\$ 184,620</u></u>	<u><u>\$ 257,327</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, 2008**

1. Cash and Cash Equivalents Balance

Enter the June 30 indirect cost entity balance for cash and equivalents \$ 207,903

2. Allocated Reimbursements

Enter the total indirect cost reimbursements allocated for  
\$884,570; enter 30% of this amount 265,371

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 -

4. Encumbrances and Current Liabilities Paid in the Lapse Period

Enter the amount of

Current liabilities	23,417
Encumbrances	<u>4,096</u>
Total	<u>27,513</u>

5. Indirect Cost Carry-forward

a. Enter the total of items 2, 3 and 4 292,884

Subtract line 5a. from item 1 \$ (84,981)

If the positive number results, enter here and remit for deposit in  
the Income Fund \$ -

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM  
For the Year Ended June 30, 2008**

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 Council on University Planning and Budget (Council) is in charge of the overall review of the University planning process. The President and Vice Presidents develop plans and goals which are presented to the Council for inputs and recommendation before the plans are implemented. Because the University has a new President in FY08, the planning process for the current fiscal year has been devoted to data collection and formation of University goals.

During fiscal year 2008, various meetings were conducted with representative groups of students, faculty, staff, and administration, and they held public forums for students, faculty, and staff to get the University community's participation that will assist the President in assessing the strengths, weaknesses, opportunities, and threats related to the University's advancement. As a result of these meetings, the President established University-wide strategic objectives:

1. Upholding excellence;
2. Strengthening the EIU personal experience for all members of the EIU community;
3. Enhancing accessibility and affordability of an EIU education.
4. Supporting service to each other and to community, region, state, nation, and world.

The President also established five University-wide priorities in support of the academic and personal achievement of the students:

1. Enhancing support for excellence in faculty scholarship and teaching, in particular faculty-mentored undergraduate research, scholarship, and creative activities
2. Enhancing service and leadership opportunities for students.
3. Enhancing fine arts programming and outreach.
4. Enhancing study abroad opportunities.
5. Enhancing honors programs.



**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM  
For the Year Ended June 30, 2008**

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 2008 “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, 2008 and 2007

	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, 2008									
Appropriated funds									
Faculty/administrative	577.70	19.80	8.50	48.00	59.00	31.80	2.60	-	747.40
Civil service	127.00	0.10	2.70	64.70	48.10	91.60	103.50	-	437.70
Student employees	-	0.60	0.70	11.70	3.50	3.90	3.80	-	24.20
Total	<u>704.70</u>	<u>20.50</u>	<u>11.90</u>	<u>124.40</u>	<u>110.60</u>	<u>127.30</u>	<u>109.90</u>	<u>-</u>	<u>1,209.30</u>
Non-appropriated funds									
Faculty/administrative	13.00	5.50	21.20	2.20	46.20	3.30	33.40	38.60	163.40
Civil service	12.40	0.40	181.70	1.00	40.70	21.30	149.90	134.50	541.90
Student employees	26.40	4.50	13.00	8.90	45.50	3.70	8.00	168.10	278.10
Total	<u>51.80</u>	<u>10.40</u>	<u>215.90</u>	<u>12.10</u>	<u>132.40</u>	<u>28.30</u>	<u>191.30</u>	<u>341.20</u>	<u>983.40</u>
Total all funds	<u><u>756.50</u></u>	<u><u>30.90</u></u>	<u><u>227.80</u></u>	<u><u>136.50</u></u>	<u><u>243.00</u></u>	<u><u>155.60</u></u>	<u><u>301.20</u></u>	<u><u>341.20</u></u>	<u><u>2,192.70</u></u>
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	<u>767.50</u>	<u>23.40</u>	<u>13.10</u>	<u>133.40</u>	<u>105.00</u>	<u>111.70</u>	<u>110.80</u>	<u>-</u>	<u>1,264.90</u>
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	<u>57.40</u>	<u>11.70</u>	<u>113.80</u>	<u>9.60</u>	<u>123.70</u>	<u>28.90</u>	<u>181.00</u>	<u>338.80</u>	<u>864.90</u>
Total all funds	<u><u>824.90</u></u>	<u><u>35.10</u></u>	<u><u>126.90</u></u>	<u><u>143.00</u></u>	<u><u>228.70</u></u>	<u><u>140.60</u></u>	<u><u>291.80</u></u>	<u><u>338.80</u></u>	<u><u>2,129.80</u></u>

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, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>PERFORMANCE INDICATORS</b>		
Degrees conferred	2,998	2,904
Retention rate (fall to fall)	82.0%	79.0%
Graduation rate (6 year)	60.0%	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	2,016	2,044
Graduate students	791	883
Extension class	1,600	1,549
Total enrollment	<u>4,407</u>	<u>4,476</u>

Fall term

Undergraduate students	9,797	9,937
Graduate students	1,216	1,243
Extension class	1,166	1,169
Total enrollment	<u>12,179</u>	<u>12,349</u>
Full-time equivalent students	<u>10,772</u>	<u>11,002</u>

Spring term

Undergraduate students	8,891	8,968
Graduate students	1,194	1,213
Extension class	1,217	1,155
Total enrollment	<u>11,302</u>	<u>11,336</u>
Full-time equivalent students	<u>9,896</u>	<u>10,007</u>

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

<u>10,334</u>	<u>10,505</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>\$ 140,156,997</u>	<u>\$ 132,567,072</u>
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Cost per full-time equivalent student

<u>\$ 13,563</u>	<u>\$ 12,619</u>
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**EASTERN ILLINOIS UNIVERSITY**  
**SCHEDULES OF FEDERAL EXPENDITURES, NON-FEDERAL EXPENSES AND NEW LOANS**  
**For the Year Ended June 30, 2008**  
**(expressed in thousands)**

**Schedule A -- Federal Financial Component**

Total federal expenditures reported on SEFA schedule	\$ 14,590
Total new loans made not included on SEFA Schedule	40,955
Amount of federal loan balances at beginning of the year (not included on the SEFA schedule and continued compliance required)	6,540
Other noncash federal award expenditures (not included on SEFA schedule)	-
Total Schedule A	<u>\$ 62,085</u>

**Schedule B -- Total Financial Component**

Total operating expenses (from financial statements)	\$ 204,516
Total nonoperating expenses (from financial statements)	2,813
Total new loans made	40,955
Amount of federal loan balances at beginning of the year	6,540
Other noncash federal award expenditures	1,251
Total Schedule B	<u>\$ 256,075</u>

**Schedule C**

		<b><u>Percent</u></b>
Total Schedule A	\$ 62,085	24.2%
Total non-federal expenses	<u>193,990</u>	<u>75.8%</u>
Total Schedule B	<u>\$ 256,075</u>	<u>100.0%</u>

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

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
UNDERGRADUATE TUITION AND FEE WAIVERS (UNAUDITED)  
For the Year Ended June 30, 2008**

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers (In Thousands)	Number of Recipients	Value of Waivers (In Thousands)
<b><u>MANDATORY WAIVERS</u></b>					
Teacher Special Education	94	94	\$ 449.7	-	\$ -
General Assembly	67	67	306.5	-	-
Reserve Officer's Training Corps	53	53	248.1	-	-
Department of Children and Family Services	6	6	19.6	-	-
Children of Employees	191	191	421.1	-	-
Veterans Grants and Scholarship	282	282	495.0	181	106.8
<b>SUBTOTAL</b>	<b>693</b>	<b>693</b>	<b>1,940.0</b>	<b>181</b>	<b>106.8</b>
<b><u>DISCRETIONARY WAIVERS</u></b>					
Faculty Administrators (Non-Civil Service)	1	1	0.6	-	-
Civil Service	64	64	82.6	56	18.2
Academic/Other Talent	117	117	243.9	-	-
Athletic	148	148	608.0	-	-
Gender Equity in Intercollegiate Athletics	60	60	319.4	-	-
Foreign Exchange Students	6	6	44.9	6	5.8
Foreign Students	11	11	101.7	-	-
Student Need - Financial Aid	5	5	24.6	-	-
Interinstitutional/ Related Agencies	139	139	199.6	130	9.5
Children of Deceased Employees	3	3	6.2	3	2.2
Others:					
Charleston City Road Scholar	26	26	116.4	-	-
McNair Scholars	6	6	13.4	-	-
<b>SUBTOTAL</b>	<b>586</b>	<b>586</b>	<b>1,761.3</b>	<b>195</b>	<b>35.7</b>
<b>TOTAL</b>	<b>1,279</b>	<b>1,279</b>	<b>\$ 3,701.3</b>	<b>376</b>	<b>\$ 142.5</b>

\* Unduplicated

STATE OF ILLINOIS  
 EASTERN ILLINOIS UNIVERSITY  
 GRADUATE TUITION AND FEE WAIVERS (UNAUDITED)  
 For the Year Ended June 30, 2008

	Number of Recipients *	Tuition Waived		Fees Waived	
		Number of Recipients	Value of Waivers	Number of Recipients	Value of Waivers
			(In thousands)		(In thousands)
<b>MANDATORY WAIVERS</b>					
Teacher Special Education	23	23	\$ 84.3	-	\$ -
General Assembly	4	4	3.9	-	-
<b>SUBTOTAL</b>	<b>27</b>	<b>27</b>	<b>88.2</b>	<b>-</b>	<b>-</b>
<b>DISCRETIONARY WAIVERS</b>					
Faculty/Administrators (Non-Civil Service)	38	38	47.0	40	15.2
Civil Service	46	46	57.3	43	15.0
Foreign Students	60	60	231.5	-	-
Student Need - Financial Aid	2	2	5.9	-	-
Cooperating Professionals	556	556	425.7	382	99.1
Research Assistants	125	125	322.8	-	-
Teaching Assistants	150	150	728.1	-	-
Other Assistants	283	283	1,416.5	-	-
Interinstitutional/Related Agencies	15	15	22.2	15	4.5
Contract/Training Grants	50	50	31.0	-	-
Others:					
Charleston City Road Scholar	3	3	2.4	-	-
<b>SUBTOTAL</b>	<b>1,328</b>	<b>1,328</b>	<b>3,290.4</b>	<b>480</b>	<b>133.8</b>
<b>TOTAL</b>	<b>1,355</b>	<b>1,355</b>	<b>\$ 3,378.6</b>	<b>480</b>	<b>\$ 133.8</b>

\* Unduplicated

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
BOOKSTORE AND TEXTBOOK RENTAL INFORMATION (UNAUDITED)  
For the Year Ended June 30, 2008**

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"> <li>• The textbook rental facility takes care of procuring the textbooks that the students use in their classes.</li> <li>• 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.</li> <li>• Students pay \$8.95 per credit hour and are fined for damages if necessary.</li> <li>• The faculty must use the textbook for two years or three consecutive semesters before switching.</li> <li>• Bookstore sells supplementary textbook materials but not the actual textbooks. It also sells office supplies, computers, and other merchandise.</li> </ul>
Amount of gross textbook rental income for FY 08	\$2,913,426
Amount of gross sales for Bookstore for FY 08	\$2,092,420
Amount to be paid to the bookstore for FY 08 (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, 2008**

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, 2008, where such special data is found.

Compliance Findings

13(a) As of June 30, 2008, 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 entity are presented on pages 92 through 93.

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, 2008.

13(g) The University's calculation sheets for current excess funds are presented in this report on pages 94 through 98.



**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES  
For the Year Ended June 30, 2008**

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>2008</u>	<u>2007</u>
Group Insurance	\$ 3,970,171	\$ 7,584,102
Pension	1,464,958	2,207,552

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, 2008 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, 2008.

13(k) As of June 30, 2008, no non-instructional facilities reserves (development reserves) have been established by the University.

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 90 and 91.

The University provided cash, services and resources of \$209,770 to the Eastern Illinois University Foundation for the year ended June 30, 2008, and \$25,523 to the Eastern Illinois University Alumni Association, Inc. for the year ended June 30, 2008, 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*.

**STATE OF ILLINOIS  
EASTERN ILLINOIS UNIVERSITY  
SPECIAL DATA REQUIREMENTS FOR AUDITS OF UNIVERSITIES  
For the Year Ended June 30, 2008**

- 13(o) As of June 30, 2008, 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 \$1,437,238 as of June 30, 2008.

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 82 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 participation 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, 2008 and 2007**

During the years ended June 30, 2008 and 2007, 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 \$209,770 and \$194,245, 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>2008</u>	<u>2007</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	\$ 1,169,677	\$ 1,628,923
Office and warehouse space and utilities provided at no charge	<u>61,006</u>	<u>69,271</u>
Total funds considered unrestricted	<u>1,230,683</u>	<u>1,698,194</u>
Funds considered restricted for purposes of the Guidelines computations:		
Given for scholarships, grants and awards	<u>791,175</u>	<u>705,395</u>
Total funds considered restricted	<u>791,175</u>	<u>705,395</u>
Total funds provided to the University by the Foundation	<u><u>\$ 2,021,858</u></u>	<u><u>\$ 2,403,589</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, 2008 and 2007**

The Alumni Association provided office space to the University with an annual fair market value of \$47,444 and \$47,533 for fiscal years ended June 30, 2008 and 2007, respectively.

Additionally, during the fiscal years ended June 30, 2008 and 2007, the Alumni Association provided unrestricted grants to the University in the amounts of \$44,909 and \$44,403, 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 \$25,523 and \$29,092 for fiscal year ended June 30, 2008 and 2007, 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	Italy Study Abroad #1
Biological Science Field Trip	Italy Study Abroad #2
Paris Study Abroad 1	Bahamas
Outdoor Education	Tour of Black Universities and Colleges
Geology Field Studies Even	China Study Abroad
Europe Study Abroad	Bahamas #2
South American Field Study	Germany
South Africa Study Abroad	
Harlexton Study Abroad	
Honors Study Abroad	
Netherlands Study Abroad	

**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.

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	Auxiliary Enterprises - Revenue Bonds		Auxiliary Enterprises - Other	
	Student Living	Student Facilities	Staff / Student	Regional Services
<b>1. CURRENT AVAILABLE FUNDS</b>				
Cash	\$ 2,171,804	\$ 568,147	\$ 386,480	\$ 112
Cash equivalents	201,838	29,366	38,414	11
Total current available funds	<b>A. 2,373,642</b>	<b>597,513</b>	<b>424,894</b>	<b>123</b>
<b>2. WORKING CAPITAL ALLOWANCE</b>				
Add				
Highest month's expenditures	5,438,319	950,291	87,984	82
Encumbrances and current liabilities paid in lapse period	922,138	196,586	390,411	-
Deferred income	92,404	91,768	-	-
Refundable deposits	227,260	-	-	-
Accrued compensated absences	1,123,016	189,305	-	-
Working Capital Allowance	<b>B. 7,803,137</b>	<b>1,427,950</b>	<b>478,395</b>	<b>82</b>
<b>3. CURRENT EXCESS FUNDS</b>				
Deduct B from A	<b>C. \$ (5,429,495)</b>	<b>\$ (830,437)</b>	<b>\$ (53,501)</b>	<b>\$ 41</b>
<b>4. CALCULATION OF INCOME FUND REMITTANCE</b>				
An entity may offset excess capital on current funds within the entity. Enter the amount to be offset, if any, here	<b>D.</b>			<b>-</b>
Enter the algebraic sum of C and D and deposit into the Income Fund				<b>\$ 41</b>

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Designated Funds - Auxiliary Activities							
	Student Fee Program	Material Fees	Service Departments	Student / Staff Programs	Educational Services	Public Service	Continuing Education Contract Credit
<b>1. CURRENT AVAILABLE FUNDS</b>							
Cash	\$ 2,177,022	\$ (18,501)	\$ 4,374,664	\$ (5,285)	\$ 48,540	\$ 338,565	\$ (86,821)
Cash equivalents	196,606	-	340,214	1,304	5,936	31,866	-
Total current available funds	<b>A. 2,373,628</b>	<b>(18,501)</b>	<b>4,714,878</b>	<b>(3,981)</b>	<b>54,476</b>	<b>370,431</b>	<b>(86,821)</b>
<b>2. WORKING CAPITAL ALLOWANCE</b>							
Add							
Highest month's expenditures	2,404,028	34,400	4,551,878	120,110	125,694	312,970	227,793
Encumbrances and current liabilities paid in lapse period	374,039	40	2,014,116	9,189	10,627	25,464	10,429
Deferred income	253,897	280	454	50	7,499	173,290	103,191
Refundable deposits	-	-	-	-	-	-	-
Accrued compensated absences	-	-	206,227	-	-	-	-
Working Capital Allowance	<b>B. 3,031,964</b>	<b>34,720</b>	<b>6,772,675</b>	<b>129,349</b>	<b>143,820</b>	<b>511,724</b>	<b>341,413</b>
<b>3. CURRENT EXCESS FUNDS</b>							
Deduct B from A	<b>C. \$ (658,336)</b>	<b>\$ (53,221)</b>	<b>\$ (2,057,797)</b>	<b>\$ (133,330)</b>	<b>\$ (89,344)</b>	<b>\$ (141,293)</b>	<b>\$ (428,234)</b>
<b>4. CALCULATION OF INCOME FUND REMITTANCE</b>							
An entity may offset excess capital on current funds within the entity. Enter the amount to be offset, if any, here							
<b>D.</b>							
Enter the algebraic sum of C and D and deposit into the Income Fund							



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Designated Funds - Auxiliary Activities - Unique Charges Credit Courses						
	Canada Study Abroad	Biological Science Field Trip	Paris Study Abroad 1	Outdoor Education	Geology Field Studies Even	Europe Study Abroad
<b>1. CURRENT AVAILABLE FUNDS</b>						
Cash	\$ (11,645)	\$ (40)	\$ (27,462)	\$ (1,355)	\$ 10,158	\$ (11,893)
Cash equivalents	-	-	-	-	-	-
Total current available funds	<b>A. (11,645)</b>	<b>(40)</b>	<b>(27,462)</b>	<b>(1,355)</b>	<b>10,158</b>	<b>(11,893)</b>
<b>2. WORKING CAPITAL ALLOWANCE</b>						
Add						
Highest month's expenditures	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	-	-	-	-	-	-
Deferred income	-	-	1,714	-	23,172	-
Refundable deposits	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Working Capital Allowance	<b>B. -</b>	<b>-</b>	<b>1,714</b>	<b>-</b>	<b>23,172</b>	<b>-</b>
<b>3. CURRENT EXCESS FUNDS</b>						
Deduct B from A	<b>C. \$ (11,645)</b>	<b>\$ (40)</b>	<b>\$ (29,176)</b>	<b>\$ (1,355)</b>	<b>\$ (13,014)</b>	<b>\$ (11,893)</b>
<b>4. CALCULATION OF INCOME FUND REMITTANCE</b>						
An entity may offset excess capital on current funds within the entity. Enter the amount to be offset, if any, here						<b>D.</b>
Enter the algebraic sum of C and D and deposit into the Income Fund						

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Designated Funds - Auxiliary Activities - Unique Charges Credit Courses

	South American Field Study	South Africa Study Abroad	Harlexton Study Abroad	Honors Study Abroad	Netherland Study Abroad	Italy Study Abroad #1
1. CURRENT AVAILABLE FUNDS						
Cash	\$ (22,611)	\$ (53,173)	\$ (34,707)	\$ 11,557	\$ (12,363)	\$ (5,256)
Cash equivalents	-	-	-	-	-	-
Total current available funds	<u>A. (22,611)</u>	<u>(53,173)</u>	<u>(34,707)</u>	<u>11,557</u>	<u>(12,363)</u>	<u>(5,256)</u>
2. WORKING CAPITAL ALLOWANCE						
Add						
Highest month's expenditures	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	-	-	-	-	-	-
Deferred income	54,637	-	1,010	28,778	-	-
Refundable deposits	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Working Capital Allowance	<u>B. 54,637</u>	<u>-</u>	<u>1,010</u>	<u>28,778</u>	<u>-</u>	<u>-</u>
3. CURRENT EXCESS FUNDS						
Deduct B from A	<u>C. \$ (77,248)</u>	<u>\$ (53,173)</u>	<u>\$ (35,717)</u>	<u>\$ (17,221)</u>	<u>\$ (12,363)</u>	<u>\$ (5,256)</u>
4. CALCULATION OF INCOME FUND REMITTANCE						
An entity may offset excess capital on current funds 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						

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 June 30, 2008

Designated Funds - Auxiliary Activities - Unique Charges Credit Courses

	Italy Study Abroad #2	Bahamas	Tour of Black Universities and Colleges	China Study Abroad	Bahamas #2	Germany others	Total Unique Charges Credit Courses
<b>1. CURRENT AVAILABLE FUNDS</b>							
Cash	\$ (11,378)	\$ (7,975)	\$ (2,888)	\$ (3,384)	\$ (3,930)	\$ (35,802)	\$ (224,147)
Cash equivalents	-	-	-	-	-	-	-
Total current available funds	<u>A. (11,378)</u>	<u>(7,975)</u>	<u>(2,888)</u>	<u>(3,384)</u>	<u>(3,930)</u>	<u>(35,802)</u>	<u>\$ (224,147)</u>
<b>2. WORKING CAPITAL ALLOWANCE</b>							
Add							
Highest month's expenditures	-	-	-	-	-	-	-
Encumbrances and current liabilities paid in lapse period	-	-	-	-	-	-	-
Deferred income	-	-	-	-	-	-	109,311
Refundable deposits	-	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-	-
Working Capital Allowance	<u>B. -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,311</u>
<b>3. CURRENT EXCESS FUNDS</b>							
Deduct B from A	<u>C. \$ (11,378)</u>	<u>\$ (7,975)</u>	<u>\$ (2,888)</u>	<u>\$ (3,384)</u>	<u>\$ (3,930)</u>	<u>\$ (35,802)</u>	<u>\$ (333,458)</u>
<b>4. CALCULATION OF INCOME FUND REMITTANCE</b>							
An entity may offset excess capital on current funds within the entity. Enter the amount to be offset, if any, here							<b>D.</b>
Enter the algebraic sum of C and D and deposit into the Income Fund							

**STATE OF ILLINOIS  
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FOR THE YEAR ENDED JUNE 30, 2008**

**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>
2008	\$ 5,657,706	\$ 8,300,573	\$ 86,592	\$ 14,044,871
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

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 2008, 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.