



Crowe Chizek and Company LLC
Member Horwath International

STATE OF ILLINOIS

**SOUTHERN ILLINOIS UNIVERSITY
FOUNDATION (AT CARBONDALE)**

COMPLIANCE EXAMINATION

For the two years ended June 30, 2007

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

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)

COMPLIANCE EXAMINATION
For the two years ended June 30, 2007

CONTENTS

AGENCY OFFICIALS.....	1
MANAGEMENT ASSERTION LETTER.....	2
COMPLIANCE REPORT	
Summary	3
Auditor's Reports	
Independent Accountants' Report on State Compliance, on Internal Control Over Compliance, and on Supplementary Information for State Compliance Purposes.....	4
FINDINGS AND RECOMMENDATIONS	
Current Findings	None
Prior Findings Not Repeated	None

FINANCIAL STATEMENT REPORT

The Agency's financial statement report for the year ended June 30, 2007, which includes the report of independent auditors, management discussion and analysis, basic financial statements, and the independent auditor's report on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards* has been issued separately.

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
COMPLIANCE EXAMINATION
For the two years ended June 30, 2007

CONTENTS

SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

SUMMARY	7
---------------	---

FISCAL SCHEDULES AND ANALYSIS

Comparative Schedule of Cash and Cash Equivalents.....	8
Comparative Schedule of Cash Receipts.....	9
Comparative Schedule of Investments.....	10
Schedule of Changes in Property and Equipment.....	11
Analysis of Significant Variations in Revenues and Expenses	12
Analysis of Significant Statement of Net Assets Accounts.....	13
Analysis of Accounts Receivable	14

ANALYSIS OF OPERATIONS

Agency Functions and Planning Program.....	15
Additional Required Information (Unaudited)	16
Summary of Foundation Payments to the University	17



SOUTHERN ILLINOIS UNIVERSITY FOUNDATION

Colyer Hall - Mail Code 6805
1235 Douglas Drive
Carbondale, Illinois 62901
Telephone: 618 | 453.4900 Facsimile: 618 | 453.2262

November 16, 2007


Crowe Chizek and Company LLC
70 W. Madison St. Suite 700
Chicago, IL 60602

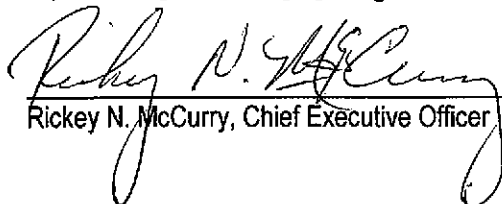
Ladies and Gentlemen:

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 Southern Illinois University Foundation (at Carbondale). 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 Foundation's compliance with the following assertions during the two-year period ended June 30, 2007. Based on this evaluation, we assert that during the years ended June 30, 2007 and June 30, 2006, the Foundation has materially complied with the assertions below.

- A. The Foundation has obligated, expended, received and used Foundation funds in accordance with the purpose for which such funds have been authorized by law.
- B. The Foundation has obligated, expended, received and used Foundation funds in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such expenditure, receipt, or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations in its financial and fiscal operations.
- D. The revenues and receipts collected by the Foundation are in accordance with applicable laws and regulations and the accounting and record keeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. The money or negotiable securities or similar assets handled by the Foundation have been properly and legally administered, and the accounting and record keeping relating thereto is proper, accurate and in accordance with law.


Bryan C. Wagner, Managing Director


Elizabeth A. Barycky, Treasurer


Rickey N. McCurry, Chief Executive Officer

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
AGENCY OFFICIALS

Mr. Rickey McCurry	Chief Executive Officer
Mr. Jeff Lorber	Director of Development
Mr. Bryan Vagner	Managing Director
Ms. Elizabeth Banycky	Treasurer

AGENCY OFFICE LOCATIONS

Southern Illinois University Foundation
1235 Douglas Drive
Mailcode 6805
Carbondale, Illinois 62901

Southern Illinois University Foundation
School of Medicine
Springfield, Illinois 62702

COMPLIANCE REPORT

Compliance Testing

A compliance examination test, on a sample basis, whether an agency is conforming to laws, rules, regulations, grant agreements, and other standards governing its conduct. A compliance report covers the agency's operations for the previous one or two fiscal years, depending upon how often the examination is performed.

The compliance report is comprised of the following:

A Summary section providing a brief overview of the compliance examination.

Auditors' Reports

- An Auditors' Reports section containing statements by the auditors on the scope and results of their testing, as required by applicable professional standards. Depending upon the nature of the agency's operations, several reports may be issued.

Findings and Recommendations

- A Findings & Recommendations section containing sequentially numbered findings in which the auditors note any instances of non-conformity by the agency with applicable laws, rules, regulations, grant agreements, and other standards governing its conduct that were found by the auditors in the course of their review. All findings are discussed with the agency officials during the post audit process.

Each finding generally contains: a description of the condition found; a recommendation by the auditors for corrective action; a response by the agency either accepting or rejecting the auditors' finding; and a description of the agency's plan for addressing the problem.

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
COMPLIANCE REPORT SUMMARY
For the two years ended June 30, 2007

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

AUDITOR'S REPORTS

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

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Compliance Report</u>	<u>Financial Report</u>	<u>Prior Compliance Report</u>
Findings	0	0	0
Repeat findings	0	0	0
Prior recommendations implemented or not repeated	0	0	0

EXIT CONFERENCE

The Foundation waived an exit conference.



Crowe Chizek and Company LLC
Member Horwath International

INDEPENDENT ACCOUNTANTS' REPORT ON STATE COMPLIANCE,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES

Honorable William G. Holland
Auditor General
State of Illinois

Compliance

As Special Assistant Auditors for the Auditor General, we have examined the Southern Illinois University Foundation (at Carbondale)'s (Foundation) 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 years ended June 30, 2007 and 2006. The management of the Foundation is responsible for compliance with these requirements. Our responsibility is to express an opinion on the Foundation's compliance based on our examination.

- A. The Foundation has obligated, expended, received, and used Foundation funds in accordance with the purpose for which such funds have been appropriated or otherwise authorized by law.
- B. The Foundation has obligated, expended, received, and used Foundation funds in accordance with any limitations, restrictions, conditions or mandatory directions imposed by law upon such obligation, expenditure, receipt or use.
- C. The Foundation has complied, in all material respects, with applicable laws and regulations in its financial and fiscal operations.
- D. The revenues and receipts collected by the Foundation 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 Foundation or held in trust by the Foundation 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 Foundation'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 Foundation's compliance with specified requirements.

In our opinion, the Foundation complied, in all material respects, with the requirements listed in the first paragraph of this report during the years ended June 30, 2007 and 2006. There were no immaterial findings relating to instances of noncompliance that have been excluded from this report.

Internal Control

The management of the Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations listed in the first paragraph of this report. In planning and performing our examination, we considered the Foundation'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 Foundation's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with 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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a 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.

Our consideration of internal control over compliance with the requirements listed in the first paragraph of this report was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the Foundation as of and for the year ended June 30, 2007, and have issued our report thereon dated November 16, 2007. 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 Foundation. The 2007 Supplementary Information for State Compliance Purposes, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2007, taken as a whole. We have also previously audited, in accordance with auditing standards generally accepted in the United States, the Foundation's basic financial statements for the year ended June 30, 2006. In our report dated September 6, 2006, we expressed an unqualified opinion on the basic financial statements. In our opinion, the 2006 Supplementary Information for State Compliance Purposes, except for the portion marked "unaudited" is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2006, taken as a whole. The financial statements of the Foundation as of June 30, 2005 were audited by other auditors whose report dated September 2, 2005 expressed an unqualified opinion on those statements.

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


Crowe Chizek and Company LLC

Chicago, Illinois
November 16, 2007

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
SUMMARY

For the year ended June 30, 2007

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

- Fiscal Schedules and Analysis

- Comparative Schedule of Cash and Cash Equivalents
- Comparative Schedule of Cash Receipts
- Comparative Schedule of Investments
- Schedule of Changes in Property and Equipment
- Analysis of Significant Variations in Revenues and Expenses
- Analysis of Significant Variations in Statement of Net Assets Accounts
- Analysis of Accounts Receivable

- Analysis of Operations

- Agency Functions and Planning Program
- Local Funds
- Average Number of Employees (Unaudited)
- Service Efforts and Accomplishments
- Summary of Foundation Payments to the University

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

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
COMPARATIVE SCHEDULE OF CASH AND CASH EQUIVALENTS
June 30, 2007, 2006, and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Cash and cash equivalents			
by net assets class (carrying value)			
Unrestricted	\$ 76,939	\$ 20,824	\$ 223,212
Restricted	309,577	129,721	8,505
Endowment funds	-	6	-
Agency funds	17,056	15,317	13,710
Plant Funds:			
Renewal and replacement	-	8,957	-
	<u>\$ 403,572</u>	<u>\$ 174,825</u>	<u>\$ 245,427</u>
Cash and cash equivalents			
by depository (bank value)			
Bank of Carbondale	\$ 392,324	\$ 239,531	\$ 205,953
HUD	27,602	27,026	30,307
Illinois National Bank	71,839	82,589	8,936
Old National Bank of Carbondale	20,672	(10,298)	231
	<u>\$ 512,437</u>	<u>\$ 338,848</u>	<u>\$ 245,427</u>

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
COMPARATIVE SCHEDULE OF CASH RECEIPTS
For the years ended June 30, 2007, 2006, and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Contributions and grants			
Non-capital	\$ 6,547,417	\$ 6,877,611	\$ 7,044,844
Endowment	3,608,632	3,174,044	3,945,260
Capital Assets	925,488	461,371	922,259
Payments from SIU	59,699	23,696	70,506
Royalties	10,488	8,317	9,949
Special event fees	371,657	265,040	243,166
Event memorabilia	33,452	28,865	22,789
Sales	104,927	77,506	85,178
Capital financing leases	252,195	229,149	234,131
Sales and maturities of investments	3,492,662	4,803,900	4,422,788
Interest and dividends	3,396,627	3,003,728	2,038,476
Other	<u>42,157</u>	<u>54,591</u>	<u>82,668</u>
	<u>\$ 18,845,401</u>	<u>\$ 19,007,818</u>	<u>\$ 19,122,014</u>

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
COMPARATIVE SCHEDULE OF INVESTMENTS
June 30, 2007 and 2006

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Money markets	\$ 1,108,445	\$1,108,445	\$ 1,102,225	\$ 1,102,225
U.S. Agency bonds	32,000	29,975	32,000	29,461
Commercial paper	10,867,394	12,198,057	245,003	282,500
U.S. Equity commingled	-	-	9,831,994	11,690,816
Exchange-Traded funds	3,431,103	3,372,839	-	-
Mutual funds	<u>98,417,501</u>	<u>108,279,886</u>	<u>82,326,910</u>	<u>91,859,630</u>
Total investments	<u>\$113,856,443</u>	<u>\$124,989,202</u>	<u>\$93,538,132</u>	<u>\$104,964,632</u>

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
SCHEDULE OF CHANGES IN PROPERTY AND EQUIPMENT
For the years ended June 30, 2007 and 2006

<u>2007</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirement</u>	<u>Ending Balance</u>
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 3,128,386	\$ -	\$ (3,128,386)	\$ -
<i>Capital assets being depreciated:</i>				
Furniture, fixtures, and equipment	345,925	19,795	(20,336)	345,384
Less accumulated depreciation for Furniture, fixtures and equipment	<u>(319,048)</u>	<u>(11,773)</u>	<u>19,875</u>	<u>(310,946)</u>
Capital assets being depreciated, net	<u>26,877</u>	<u>8,022</u>	<u>(461)</u>	<u>34,438</u>
Capital assets, net	<u>\$ 3,155,263</u>	<u>\$ 8,022</u>	<u>\$ (3,128,847)</u>	<u>\$ 34,438</u>
 <u>2006</u>			<u>Ending Retirement</u>	<u>Balance</u>
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ 2,135,389	\$ 992,997	\$ -	\$ 3,128,386
<i>Capital assets being depreciated:</i>				
Furniture, fixtures, and equipment	422,221	2,141	(78,437)	345,925
Less accumulated depreciation for Furniture, fixtures and equipment	<u>(385,829)</u>	<u>(11,656)</u>	<u>78,437</u>	<u>(319,048)</u>
Capital assets being depreciated, net	<u>36,392</u>	<u>(9,515)</u>	<u>-</u>	<u>26,877</u>
Capital assets, net	<u>\$ 2,171,781</u>	<u>\$ 983,482</u>	<u>\$ -</u>	<u>\$ 3,155,263</u>

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUES AND EXPENSES
For the years ended June 30, 2007, 2006 and 2005

	<u>2007</u>	<u>Increase (Decrease)</u>	<u>2006</u>	<u>Increase (Decrease)</u>	<u>2005</u>
Operating revenues					
Payments from SIU	\$ 56,423	\$ 26,294	\$ 30,129	\$ 30,129	\$ -
Budget allocation from SIU	3,628,816	185,891	3,442,925	248,025	3,194,900
Other operating revenues	583,081	144,614	438,467	(25,279)	463,746
Operating expenses					
General and operating expenses	1,322,562	(349,492)	1,672,054	353,671	1,318,383
Budget expended at SIU	3,628,816	185,891	3,442,925	248,025	3,194,900
Scholarships and cash grants to SIU	5,192,921	425,395	4,767,526	175,529	4,591,997
Expenditures for the benefit of SIU	14,255,446	11,088,598 a	3,166,848	(528,328) g	3,695,176
Grants to other non-profits	-	-	-	(2,539,080) h	2,539,080
Noncash grants to SIU	3,457,046	3,120,051 b	336,995	(523,667) i	860,662
Amortization and depreciation expense	368,899	117	368,782	(12,938)	381,720
Other expenses	461	461	-	(10,082)	10,082
Nonoperating revenues (expenses)					
Contributions	19,083,794	6,499,753 c	12,584,041	4,676,430 j	7,907,611
Grants from University and Related Organization	12,076	(1,033,491) d	1,045,567	749,874 k	295,693
Grants from other government agencies	9,726	(7,120)	16,846	(41,115)	57,961
Investment income	16,737,490	10,032,556 e	6,704,934	(609,560) l	7,314,494
Payments received on capital financing leases	252,195	23,046	229,149	(4,982)	234,131
Reduction in capital financing leases	(161,558)	(4,769)	(156,789)	(4,628)	(152,161)
Interest on capital indebtedness	(10,410)	4,633	(15,043)	4,629	(19,672)
Adjustment of actuarial liability	683,514	398,988	284,526	(39,444)	323,970
Bad debt expense	423,551	888,921 f	(465,370)	(381,706)	(83,664)
Contributions for capital assets	925,488	464,117	461,371	(460,889)	922,260
Additions to permanent endowments	3,608,632	434,588	3,174,044	(771,216) m	3,945,260

Explanation for variances greater than \$500,000:

- a This increase is mainly due to the recording of the use of the gift of software in the amount of \$11,018,700.
- b On July 1, 2006, the Foundation transferred the cost of building the Trout Wittman Center, \$3,127,907.
- c The Foundation received several major gifts during fiscal year 2007. One of them was the use of software in the amount of approximately \$11 million.
- d During fiscal year 2006, the Foundation received an additional \$992,000 for the Paul Simon Public Policy Endowment.
- e The Foundation implemented a new investment strategy during fiscal year 2007 which helped generate 18.1% and 13.6% annual returns.
- f Bad debt expense decreased due to the \$10 million pledge aging another year and a change in policy which assumes most of the pledges over \$100,000 will be paid.
- g In fiscal year 2005, the Foundation had an increase in expenditures due to the construction cost of the Trout Wittman Center.
- h The increase of \$2,539,080 was due to a transfer of artwork to a local Foundation to benefit a school district.
- i In fiscal year 2005, the Foundation transferred two large pieces of equipment valued at \$370,000 and \$198,000 which the Foundation received as a contribution.
- j The Foundation received a pledge for \$10.2 million for the benefit of the Cancer Research.
- k During fiscal year 2006, the Foundation received an additional \$992 thousand for the Paul Simon Public Policy Endowment.
- l The endowment investments (Pool 1) had an annual return of 9.4% for both fiscal year 2005 and 2006. The unrestricted/restricted investments (Pool 2) had an annual return of 8.8% for fiscal year 2005 but only had a 2.8% annual return for fiscal year 2006.
- m The Foundation received the remainder of a large estate gift in fiscal year 2005 in the amount of \$720,649.

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
ANALYSIS OF SIGNIFICANT STATEMENT OF NET ASSETS ACCOUNTS
For the years ended June 30, 2007, 2006, and 2005

	<u>2007</u>	Increase (Decrease)	<u>2006</u>	Increase (Decrease)	<u>2005</u>
Assets					
Cash and cash equivalents	\$ 395,067	\$ 228,747	\$ 166,320	\$ (70,602)	\$ 236,922
Short-term investments	28,152,199	5,145,412 a	23,006,787	(690,972) f	23,697,759
Accounts receivable	13,775	(10,381)	24,156	13,513	10,643
Pledge receivables, net	869,131	596,985 b	272,146	(254,004)	526,150
Accrued investment income	153,539	51,982	101,557	21,871	79,686
Net Investment in financing leases	166,472	4,914	161,558	4,769	156,789
Other assets	77,357	21,430	55,927	31,389	24,538
Restricted cash and cash equivalents	8,505	-	8,505	-	8,505
Endowment Investments	85,456,512	13,642,405 c	71,814,107	7,785,491 g	64,028,616
Other long-term investments	11,380,491	1,236,753 d	10,143,738	734,967 h	9,408,771
Pledge receivable, net	7,335,078	487,977	6,847,101	5,714,155 i	1,132,946
Irrevocable trust held by other	99,928	-	99,928	-	99,928
Cash value of life insurance	293,489	41,843	251,646	20,140	231,506
Investment in real estate	158,000	-	158,000	-	158,000
Net Investment in financing leases	88,094	(166,472)	254,566	(161,559)	416,125
Capital assets, net of accumulated depreciation	34,438	(3,120,825) e	3,155,263	983,482 j	2,171,781
Other assets	3,939,210	(362,943)	4,302,153	(374,504)	4,676,657
Liabilities					
Accounts payable and accrued liabilities	278,098	(155,226)	433,324	(174,936)	608,260
Annuities payable-current portion	502,814	11,555	491,259	38,364	452,895
Agency funds payable-current portion	-	-	-	(13,710)	13,710
Long-term liabilities-current portion	166,472	4,914	161,558	4,769	156,789
Annuities payable	3,252,709	38,091	3,214,618	(54,942)	3,269,560
Agency funds payable	2,243,736	415,124	1,828,612	85,757	1,742,855
Deposits held for others	402,514	43,174	359,340	14,726	344,614
Other accrued liabilities	8,498	-	8,498	-	8,498
Long-term liabilities	88,094	(166,472)	254,566	(161,559)	416,125

All increases/decreases greater than \$500,000 were determined to be significant:

- a The short-term investments increase is due to a 13.6% annual return on these investments and a reduction in cash expenditures over the prior year.
- b The \$596,985 increase in net pledge receivables is due to the increase in pledges generated by the Opportunity for Excellence Campaign.
- c Endowment investments increase was mainly generated by contributions of \$3,608,632 and investment revenue of \$11,304,827.
- d The increase of \$1,236,753 in other long-term investments is due to the investment revenue activity of the trusts and annuities and a \$415,124 increase in agency funds.
- e On July 1, 2006, the Foundation transferred the cost of building the Troutt Wittman Center, \$3,127,907.
- f A portion of the accumulated earnings was spent by the Budget Officers during fiscal year 2006.
- g Endowment investments increase was mainly generated by contributions of \$3,184,166 and investment revenue of \$4,257,517.
- h The increase is due to the Foundation receiving \$595,000 in new trusts/annuity assets and the positive investment performance.
- i Increase is due to \$10.2 million pledge which benefits cancer research and was discounted to present value.
- j This increase was due to the additional construction cost of the Troutt Wittman Center.

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
ANALYSIS OF ACCOUNTS RECEIVABLE
June 30, 2007, 2006, and 2005

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Accounts receivable net			
Pledges	\$ 8,204,209	\$ 7,119,247	\$ 1,659,096
Related organizations	3,422	15,694	10,643
Other	<u>10,353</u>	<u>8,462</u>	<u>-</u>
	<u>\$ 8,217,984</u>	<u>\$ 7,143,403</u>	<u>\$ 1,669,739</u>

All receivables reported above are deemed collectible.

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
AGENCY FUNCTIONS AND PLANNING PROGRAM
For the two years ended June 30, 2007

The Southern Illinois University Foundation (at Carbondale), located in Carbondale, Illinois, was incorporated in 1942 under the laws of the State of Illinois as a not-for-profit organization. Its primary purpose is to receive private gifts for the benefit of Southern Illinois University Carbondale (SIUC). The primary function of the Foundation is to assist in developing and increasing the facilities of SIUC for broader educational opportunities for its students, alumni, and citizens of the State of Illinois by encouraging gifts of money, property, works of art, and other materials having educational, artistic, or historical value. These gifts are to be administered with the primary objective of serving purposes other than those for which the State of Illinois ordinarily makes sufficient appropriations.

The Foundation has entered into a master contract with the Board of Trustees of SIUC, which specifies the relationship between the two organizations in accordance with the Legislative Audit Commission's University Guidelines, 1982, as amended in 1997. The Foundation is to assist SIUC in achieving its education, research, and service goals by developing and administering gifts made to SIUC for scholarships, grants, and other supporting programs. Among the provisions of the master contract is a requirement that the Foundation and SIUC provide services to each other to be reimbursed in actual dollars or its equivalent in services or resources.

It is the intention of the management and the Board of Directors of the Foundation that its continuing long-term goals are those described in its by-laws.

The address of the Foundation is:

Southern Illinois University Foundation
1235 Douglas Drive
Mail Code 6805
Carbondale, Illinois 62901-6805

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
ADDITIONAL REQUIRED INFORMATION
For the years ended June 30, 2007 and 2006

Local Funds: All funds of the Foundation are locally held funds and are not appropriated.

Average Number of Employees: (unaudited) During each of the years ended June 30, 2007 and 2006, an average of 59 and 64 full-time employees worked for the Foundation. These employees are officially employed by the University and were assigned to the Foundation. The following is a breakdown of these employees by location and function:

	<u>2007</u>	<u>2006</u>
Carbondale:		
Financial Services	13	13
Data Entry	8	8
Development	18	20
Research	4	4
Advancement Services	8	8
Administrative	<u>3</u>	<u>3</u>
	<u>54</u>	<u>56</u>
Springfield:		
Accounting	2	2
Development	<u>2</u>	<u>6</u>
	<u>4</u>	<u>8</u>
Chicago:		
Development	<u>1</u>	<u>0</u>
	<u>59</u>	<u>64</u>

Service Efforts and Accomplishments: Funds provided to the University for each of the years ended June 30, 2007 and 2006 are presented on page 17 of this report.

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY FOUNDATION (AT CARBONDALE)
SUMMARY OF FOUNDATION PAYMENTS TO THE UNIVERSITY
For the years ended June 30, 2007, and 2006

During the years ended June 30, 2007 and 2006, Southern Illinois University (at Carbondale) (the "University") contracted with the Foundation to provide fund raising and other services. In accordance with the contract agreement, the University provided \$3,688,115 and \$3,460,807 respectively, in funds and in-kind services and rent to the Foundation. Although not required under the contract, the Foundation provided the University certain funds considered unrestricted for purposes of the University Guidelines' computations. Presented below is a summary of all funds that the Foundation provided to the University during the years ended June 30:

	<u>2007</u>	<u>2006</u>
Funds considered restricted for purposes of the Guidelines' computations:		
Unrestricted	\$ 63,142	\$ 20,892
Restricted only as to campus, college or department and generally available for ongoing University operations:		
Provided to particular campus	213,186	230,876
Provided to particular college	11,676,754	624,869
Provided to particular department	3,494,517	3,370,920
Provided to athletic association	<u>1,458,791</u>	<u>1,430,450</u>
Total funds considered unrestricted	<u>16,906,390</u>	<u>5,678,007</u>
Funds considered restricted for purposes of the Guidelines' computations including gifts-in-kind:		
Provided for student support	1,453,697	1,235,202
Provided for certain instructional research or public service programs	625,962	441,737
Provided for physical facilities	3,197,406	336,750
Provided for statues, artwork, & monuments	544	5,144
Provided for other restricted purposes	<u>212,615</u>	<u>109,350</u>
Total funds considered restricted	<u>5,490,224</u>	<u>2,128,153</u>
Total funds provided by the Foundation to the University	<u>\$ 22,396,614</u>	<u>\$ 7,806,160</u>