

**STATE OF ILLINOIS
NORTHERN 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**



**Clifton
Gunderson LLP**
Certified Public Accountants & Consultants

**STATE OF ILLINOIS
 NORTHERN 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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FINANCIAL STATEMENT REPORT

The University's financial statement report for the year ended June 30, 2008, which includes the report of independent auditors, management discussion and analysis, and basic financial statements has been separately issued. In addition, 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
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COMPLIANCE EXAMINATION
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OTHER REPORTS ISSUED UNDER SEPARATE COVER

- Northern Illinois University Financial Statements - June 30, 2008
- Northern Illinois University - Report Required Under *Government Auditing Standards* for the Year Ended June 30, 2008
- Northern Illinois University Foundation - Financial Audit for the Year Ended June 30, 2008
- Northern Illinois University Foundation - Report Required Under *Government Auditing Standards* for the Year Ended June 30, 2008
- Northern Illinois University Foundation - Compliance Examination for the Two Years Ended June 30, 2008
- Northern Illinois University Alumni Association - Financial Audit for the Year Ended June 30, 2008
- Northern Illinois University Alumni Association - Report Required Under *Government Auditing Standards* for the Year Ended June 30, 2008
- Northern Illinois University Alumni Association - Compliance Examination for the Two Years Ended June 30, 2008
- Northern Illinois Research Foundation and Related Subsidiary - Financial Audit for the Year Ended June 30, 2008
- Northern Illinois Research Foundation and Related Subsidiary - Compliance Examination for the Year Ended June 30, 2008

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY**

AGENCY OFFICIALS

John G. Peters	President
Raymond W. Alden III	Executive Vice President and Provost
Eddie R. Williams	Executive Vice President, Business and Finance and Chief of Operations
Anne C. Kaplan	Vice President, Administration
Mike Malone	Vice President, Development and University Relations
Kathryn Buettner	Vice President, External Affairs
Kenneth Davidson	Vice President and General Counsel
Sharon Downen	Director of Internal Audit

Financial Staff

Robert Albanese	Associate Vice President, Finance and Facilities
Keith Jackson	Controller
Julie Weber	Director of Grants, Fiscal Administration
Tamara Farley	Director of Treasury Operations
Kinga Mauger	Bursar

Agency offices are located at:

300 Altgeld Hall
DeKalb, Illinois 60115



NORTHERN ILLINOIS
U N I V E R S I T Y

May 4, 2009

Clifton Gunderson LLP
301 SW Adams, Suite 900
P.O. Box 1835
Peoria, IL 61656-1835

DIVISION OF FINANCE AND FACILITIES
DEKALB, ILLINOIS 60115-2828
(815) 753-1508

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 Northern 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 one-year period 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. The State revenues and receipts collected by the University are in accordance with applicable laws and regulations and the accounting and recordkeeping of such revenues and receipts is fair, accurate and in accordance with law.
- E. Money or negotiable securities or similar assets handled by the University on behalf of the State or held in trust by the University have been properly and legally administered, and the accounting and recordkeeping relating thereto is proper, accurate and in accordance with law.

Yours very truly,

Northern Illinois University


John G. Peters
President


Eddie R. Williams
Executive Vice President, Business and Finance, Chief of Operations, and Treasurer, Board of Trustees


Kenneth L. Davidson
Vice President and General Counsel

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPLIANCE REPORT SUMMARY
For the Year Ended June 30, 2008**

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

ACCOUNTANT'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 nonstandard language.

SUMMARY OF FINDINGS

<u>Number of</u>	<u>Current Report</u>	<u>Prior Reports</u>
Findings	4	6
Repeated findings	3	2
Prior recommendations implemented or not repeated	3	2

Details of findings are presented in a 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>
Findings (Government Auditing Standards)			
08-1	20	Financial Statement Preparation	Material Weakness
Findings and Questioned Costs (Federal Compliance)			
08-2	22	Untimely Communication of Student Status Changes and Return of Student Financial Aid Refunds	Significant Deficiency and Noncompliance
Findings (State Compliance)			
08-3	24	Locally Held Funds Reporting	Significant Deficiency and Noncompliance
08-4	25	Time Reporting	Significant Deficiency and Noncompliance

In addition, the following finding which is reported as a current finding relating to *Government Auditing Standards* also meets the reporting requirements for State Compliance.

08-1	20	Financial Statement Preparation	Material Weakness and Material Noncompliance
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**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPLIANCE REPORT SUMMARY
For the Year Ended June 30, 2008**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

<u>Item No.</u>	<u>Page</u>	<u>Description</u>	<u>Finding Type</u>
Prior Findings Not Repeated			
A	26	Fraud Prevention and Detection Program	
B	26	Effort Certifications for Federally Funded Personnel Costs	
C	26	Compliance with the University Faculty Research and Consulting Act	

EXIT CONFERENCE

The University waived a formal exit conference to discuss the findings and recommendations in correspondence dated February 2, 2009. The University responses to the recommendations were provided by Keith R. Jackson in correspondence dated February 4, 2009.

**Independent Accountant's 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
Marc J. Strauss, Honorable Chair of the
Legislative, Audit, and External Affairs
Committee of the Board of Trustees

Compliance

As Special Assistant Auditors for the Auditor General, we have examined Northern 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.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States; the Illinois State Auditing Act (Act); and the Audit Guide as adopted by the Auditor General pursuant to the Act; and, accordingly, included examining, on a test basis, evidence about the University's compliance with those requirements 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.

As described in finding 08-1 in the accompanying schedule of findings and questioned costs, Northern Illinois University did not comply with requirements regarding compliance with the State's Fiscal Control and Internal Auditing Act, including the State uniform accounting system, in its financial and fiscal operations. Compliance with such requirements is necessary, in our opinion, for Northern Illinois University to comply with the requirements listed in the first paragraph of this report.

In our opinion, except for the noncompliance described in the preceding paragraph, Northern Illinois 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 other instances of noncompliance, 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 08-3 and 08-4.

Internal Control

The management of Northern Illinois 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 and other deficiencies that we consider to be material weaknesses.

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, 08-3, 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 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. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider finding 08-1 to be a material weakness.

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

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

Supplementary Information for State Compliance Purposes

As Special Assistant Auditors for the Auditor General, we have audited the financial statements of Northern Illinois University and its aggregate discretely presented component units 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 March 30, 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 Northern Illinois 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 of America, Northern Illinois University's basic financial statements for the years ended June 30, 2007 and June 30, 2006. In our reports dated March 7, 2008 and November 1, 2006, we expressed unqualified opinions on the respective financial statements of Northern Illinois University and its aggregate discretely presented component units. In our opinion, the 2007 and 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 years ended June 30, 2007 and June 30, 2006 taken as a whole.

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

Clifton Gundersen LLP

Peoria, Illinois
May 4, 2009

**Independent Auditor's 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

Marc J. Strauss, Honorable Chair of the
Legislative, Audit and External Affairs Committee
of the Board of Trustees

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of Northern Illinois University (University), as of and for the year ended June 30, 2008, and have issued our report thereon dated March 30, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not 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 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 deficiency described as finding 08-1 in the accompanying schedule of findings to be a significant deficiency 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 the 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 consider the significant deficiency described above, finding 08-1, to be 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*.

We noted a certain matter which we have reported to management of the University in a separate letter dated March 30, 2009.

The University's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the University's response and, accordingly, we express no opinion on it.

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

Clifton Henderson LLP

Peoria, Illinois
March 30, 2009

**Independent Auditor's Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance and on the Schedule of Expenditures of Federal Awards
in Accordance With OMB Circular A-133**

Honorable William G. Holland
Auditor General
State of Illinois

and

Marc J. Strauss, Honorable Chair of the
Legislative, Audit, and External Affairs
Committee of the Board of Trustees

Compliance

We have audited the compliance of Northern 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 an instance of noncompliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 08-2.

Internal Control Over Compliance

The management of Northern Illinois 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 08-2 to be a significant deficiency.

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 the deficiency described above to be a material weakness.

The University's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the University's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of Northern Illinois University and its aggregate discretely presented component units as of and for the year ended June 30, 2008, and have issued our report thereon dated March 30, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Northern Illinois University's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Clifton Gundersen LLP

Peoria, Illinois
May 4, 2009, except for the Schedule of
Expenditures of Federal Awards, as to
which the date is March 30, 2009

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
SUMMARY OF AUDITOR'S RESULTS
For the Year Ended June 30, 2008**

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? x Yes No
- Significant deficiencies identified that are not considered to be material weakness(es)? Yes x None reported
- Noncompliance material to financial statements noted? Yes x No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes x No
- Significant deficiencies identified that are not considered to be material weakness(es)? x Yes None reported

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

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

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Student Financial Assistance Cluster:	
Federal Supplemental Educational Opportunity Grants	84.007
Federal Work-Study Program	84.033
Federal Perkins Loan Program - Federal Capital Contributions	84.038
Federal Pell Grant Program	84.063
Federal Family Education Loans	84.032
Academic Competitiveness Grants	84.375
National Science and Mathematics Access to Retain Talent (SMART) Grants	84.376
Research and Development Cluster	(See Schedule of Expenditures of Federal Awards for detail list of all CFDA numbers included in this cluster.)
Family Health, Wellness, and Literacy Center	93.887

Dollar threshold used to distinguish between Type A and Type B programs: \$ 1,123,940

Auditee qualified as low-risk auditee? Yes x No

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT FINDINGS - GOVERNMENT AUDITING STANDARDS
For the Year Ended June 30, 2008**

08-1. Finding: Financial Statement Preparation

The University did not provide the auditors with complete and accurate financial statements presented in accordance with generally accepted accounting principles.

Adjustments were made to the statement of cash flows. These adjustments resulted changes in the net cash used in operating activities and the net cash used in capital and related financing activities. Details of the adjustments follow:

- An increase in the amount reported as payment to suppliers of \$715,000 and a corresponding decrease in principal payments on capital debt, and
- A \$715,000 decrease in the amount reported as changes in accounts payable and accrued liabilities on the reconciliation section of the statement.

The University also had to make modifications to the Notes to the Basic Financial statements to include information required under Governmental Accounting Standards Board (GASB) Statement No. 48 related to future revenues pledged to debt service as noted by the Illinois Office of the Comptroller.

The Fiscal Control and Internal Auditing Act (30 ILCS 10/3001) requires the University to establish and maintain an effective system of internal control. The Board of Trustees and management share the ultimate responsibility for the University's internal control system and the accuracy and completeness of the University's financial statements to ensure that those financial statements are presented in accordance with generally accepted accounting principles.

University management stated the GASB No. 48 presentation format was received by NIU from the State on October 31. The date was subsequent to submission deadlines, and revisions to existing footnotes to agree to the State presentation format were beyond the University's control. The Cash flow error was a presentation error that did not affect cash. Current portions of debt are reclassified as accounts payable in the balance sheet presentation. When calculating the change in debt for cash flow presentation, the change in debt calculation did not take into account the reclassified amount and it was included in payables instead of debt.

Lack of a strong internal process for preparation of financial statements and lack of a thorough review procedure could result in misstatements or omissions in the financial statements. (Finding Code Nos. 08-1, 07-1, 06-1)

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT FINDINGS - *GOVERNMENT AUDITING STANDARDS*
For the Year Ended June 30, 2008**

08-1. Finding: Financial Statement Preparation - continued

Recommendation:

We recommend the University review its current process for preparation and review of the annual financial statements and allocate the resources necessary to ensure a thorough review of the financial statements by personnel possessing the appropriate skills and knowledge.

University Response:

The University agrees with the recommendation.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT FINDINGS - FEDERAL AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

08-2. Finding: Untimely Communication of Student Status Changes and Return of Student Financial Aid Refunds

Federal Agency: United States Department of Education

Program Name: Federal Family Education Loans (FFEL)
Federal Pell Grant Program

CFDA#: 84.032, 84.063

Questioned Costs: None

The University did not communicate student status changes to the National Student Clearinghouse within 60 days of the effective date, and refunds were not returned to the required programs within 45 days of student withdrawals.

During our testing of 25 students who withdrew during the fall 2007 and spring 2008, we noted four students (16%) whose status change was not communicated to the National Student Clearinghouse within 60 days of the effective date of the withdrawal and one withdrawal that had not been communicated as of December 1, 2008. The late notifications ranged from 2 to 30 days late. While testing the same 25 students we also noted refunds totaling \$3,380 for two (8%) of the students were not returned to the appropriate federal source within 45 days. The refunds ranged from 25 to 57 days late.

Federal regulations (34 CFR 682.610) require that unless the University expects to submit its next student status confirmation report within 60 days, the University must notify the guaranty agency or lender within 30 days of changes in the students' status (i.e. withdrawal, failure to enroll, change from full-time to half-time, etc.).

Federal regulations (34 CFR 668.173(b)) require institutions to calculate refunds when a student withdraws to determine the amount, if any, of student financial aid funds that must be returned to the federal program. Any refund due is to be made within 45 days after the date the institution determines that the student withdrew.

University officials stated that they believe they did communicate student status changes timely and made refunds timely. The Records and Registration Office dates the form when it's received, which is the date of acceptance. The reason the forms appear to be late is because the colleges backdate the forms to accommodate the student. Backdating the withdrawal forms means that the colleges are documenting a date on the forms prior to the student withdrawal date as defined by the Federal Student Aid Handbook. After the colleges approve the withdrawal form they submit it to the Records and Registration Office.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT FINDINGS - FEDERAL AND QUESTIONED COSTS
For the Year Ended June 30, 2008**

08-2. Finding: Untimely Communication of Student Status Changes and Return of Student Financial Aid Refunds - continued

Failure to notify the National Student Clearinghouse of changes in students' status within the required timeframes could impact the lenders' ability to collect or properly disburse Federal Family Education Loans. Furthermore, failure to refund amounts due to the appropriate federal source within the required timeframe deprives the program of valuable resources. (Finding Code No. 08-2)

Recommendation:

We recommend the University discontinue the practice of backdating student withdrawal forms and date the forms in accordance with the federal rules. Further, the University should identify and communicate changes in students' status and return refunds to the appropriate federal programs within the required federal timeframes. In addition, the University should consider modifying the withdrawal request form to indicate both the effective withdrawal date and the date the student notified the University of his or her withdrawal.

University Response:

The University agrees with the recommendation and has created a working group to review the entire process.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT FINDINGS - STATE COMPLIANCE
For the Year Ended June 30, 2008**

08-3. Finding: Locally Held Funds Reporting

The cash and investment balances reported to the Illinois Office of the Comptroller (Comptroller) on its locally held funds report did not agree to the cash and investment balances reported on its financial statements.

During our examination a question was raised by the Comptroller's Office regarding the difference of \$328,646 between the cash and investment amounts reported on the June 30, 2008 "Report of Receipts and Disbursements of Locally Held Funds" (Form C17) and the amount of cash and investments reported in the University's financial statements.

According to SAMS Procedure 33.13.20 universities are required to report quarterly receipts, disbursements and ending cash and investment balances to the Comptroller.

According to University management this is a timing issue that will never be resolved. The Form C17 report is due according to SAMS Procedure by July 31. In order to comply with the date requirement, the University uses the trial balance as of June 30. All accruals and adjustments that are made post June 30th are included in the financial statements. The difference between the two reports is that activity. The University does not believe it is required to continuously restate a filed Form C17 report to make it agree with its financial statements.

Failure to prepare an accurate report of locally held funds receipts and disbursements inhibits the Comptroller from performing its responsibilities of monitoring and reporting fiscal information on a statewide basis. (Finding Code Nos. 08-3, 07-5)

Recommendation:

We recommend the University prepare the locally held funds report so that year-end cash and investment balances agree to those reported in its financial statements. The University should file a revised report if it subsequently determines the cash and investment balances as originally filed are significantly different from those reported in the financial statements.

University Response:

SAMS Procedure 33.13.20 requires the University to file its Report on Locally Held Funds for the quarter ended June 30 by July 31. The University is in compliance with Procedure 33.13.20. Adjustments to cash and investments occur after the July 31 deadline and these adjustments are included in the financial statements submitted to the Comptroller's Office. The University will comply with the recommendation but notes that it still will not be in compliance as the original Form C17 will still be required to be revised after the initial filing. Changing the SAMS Procedure 33.13.20 reporting deadline for the quarter ended June 30 to match the GAAP package deadline would eliminate the need for multiple filings by all State agencies.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT FINDINGS - STATE COMPLIANCE
For the Year Ended June 30, 2008**

08-4. Finding: Time Reporting

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

The State Officials and Employees Ethics Act (Act) (5 ILCS 430) requires the University to adopt personnel policies consistent with the Act. The Act (5 ILCS 430/5-5(c)) further 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."

We noted certain categories of the University's employees did not submit time sheets in compliance with the Act. We tested a sample of 25 University employees for compliance with the State Officials and Employee Ethics Act. Our sample included 12 hourly employees and 13 salaried employees which included faculty and administrative staff. Except for hourly employees who do use timecards, employees' time is tracked using Northern Illinois University's payroll system, which is a "negative" timekeeping system whereby the employee is assumed to be working unless noted otherwise. No time sheets documenting the time spent each day on official State business to the nearest quarter hour are maintained for the University salaried employees.

In an effort to work towards compliance, the University initiated a pilot program in January 2008. Full implementation of the program had not occurred by the time we concluded our field work.

University management stated that the University planned on implementing new procedures during the fiscal year, and did in fact implement these new procedures, to bring reporting into compliance for select areas of the University. The University expects to be in compliance by fiscal year 2009.

By not requiring appropriate time sheets from all of its employees, the University has no documentation of the time spent by faculty and staff on official state business as contemplated by the Act. (Finding Code Nos. 08-4, 07-7, 06-4, 05-6)

Recommendation:

We recommend that the University continue its efforts to develop and implement a program to require all employees to submit time sheets in compliance with the Act.

University Response:

The University agrees with the recommendation.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
PRIOR FINDINGS NOT REPEATED
For the Year Ended June 30, 2008**

A. Finding: Fraud Prevention and Detection Program

During the prior examination, we noted that the University did not have a formal fraud risk assessment program in place. (Finding Code No. 07-2)

Disposition:

In the current year, a variety of discussions were held at the Board level related to this topic, and a Fraud Prevention and Detection Program and Review Committee has been formed and a Policy for Fraud Detection and Prevention has been drafted.

B. Finding: Effort Certifications for Federally Funded Personnel Costs

During the prior examination, we noted that the University did not have a system in place to document the distribution of payroll costs to grant programs, as required by OMB Circular A-21, for the research and development program. (Finding Code No. 07-4)

Disposition:

The University has implemented new procedures to require effort certifications. Our sample testing of the research and development program in the current year did not include any exceptions related to effort certifications.

C. Finding: Compliance with the University Faculty Research and Consulting Act

During the prior examination, we noted that University faculty did not obtain timely approval for outside research or consulting activities. (Finding Code No. 07-6)

Disposition:

In the current year, we did not note any exceptions during our sample testing of this area.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
For the Year Ended June 30, 2008**

**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 the Schedule of Expenditures of Federal Awards
- Cross-Reference Table of Reporting Requirements
- Schedule of Appropriations, Expenditures, Lapsed Balances,
and Balances Reappropriated
- Comparative Schedule of Net Appropriations, Expenditures,
Lapsed Balances, and Balances Reappropriated
- Comparative Schedule of Income Fund Revenues and Expenses
- Schedule of Changes in Capital Assets
- Comparative Schedule of Cash and Temporary Cash Equivalents,
at Cost
- Comparative Schedule of Investments, at Cost
- Analysis of Receivables and Inventories
- Analysis of Significant Variations in Expenses
- Analysis of Significant Variations in Revenues
- Analysis of Significant Variations in Account Balances
- Analysis of Significant Lapse Period Spending

- Analysis of Operations:

- University Functions and Planning Program
- Comparative Employment Statistics (Unaudited)
- Emergency Purchases
- Illinois First Projects (Unaudited)
- Comparative Schedule of Unrestricted Current Fund General
Expenditures Per Full-Time Equivalent Student as Reported
to the Board of Higher Education (Unaudited)
- Schedule of Federal Expenditures, Nonfederal Expenses,
and New Loans
- Comparative Enrollment Statistics (Unaudited)
- Schedule of Tuition and Fee Waivers (Unaudited)
- Debt Financed by University-Related Organization
- Acquisition of Real Estate Costing in Excess of \$250,000 and
Not Funded by a Separate Appropriation
- Bookstore Operations (Unaudited)

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
For the Year Ended June 30, 2008**

**SUPPLEMENTARY INFORMATION FOR STATE COMPLIANCE PURPOSES
SUMMARY**

- University Guidelines 1982 as Amended 1997 and Other University Matters:

Entity Financial Statements:

Other Entities:

Condensed Financial Information:

Balance Sheet

Statement of Revenues, Expenditures, and Changes in Fund Balances

Auxiliary Business Operations, Service Departments, and Indirect Cost Support:

Condensed Financial Information:

Balance Sheet

Statement of Revenues, Expenditures, and Changes in Fund Balances

Auxiliary Enterprises - Revenue Bond Funds:

Condensed Financial Information:

Balance Sheet

Statement of Revenues, Expenditures, and Changes in Fund Balances

Schedule of Indentured Capital Reserves

Indirect Cost Support - Sources and Application of Indirect Cost Recoveries

Calculation Sheet for Indirect Cost Support Carryforward

Calculation Sheet for Current Excess Funds:

Other Entities

Auxiliary Business Operations

Service Departments

Auxiliary Enterprises - Revenue Bond Funds

Description of Accounting Entities

Comments on Certain Matters Regarding Auxiliary Enterprises, Activities,
and Accounting Entities, and Tuition, Charges, and Fees

Comments on Certain Matters Regarding University-Related Organizations
and Other Matters

Summary of Foundation Payments to/from the University

Summary of Alumni Association Payments to/from the University

Auxiliary Enterprises - Revenue Bond Funds - Statement of Revenues,
Expenses, and Changes in Net Assets

Auxiliary Enterprises - Revenue Bond Funds - Occupancy Report of
Residence Halls

Auxiliary Enterprises - Revenue Bond Funds - Insured Value Summary

The accountant's 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 accountant's opinion, except for that portion marked "unaudited," on which they express no opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2008 Expenditures	To Subrecipients
MAJOR PROGRAM - STUDENT FINANCIAL ASSISTANCE CLUSTER				
<u>DEPARTMENT OF EDUCATION</u>				
Federal Supplemental Educational Opportunity Grants G7B69970	84.007	P007A071243	\$ 836,864	\$ -
Federal Work-Study Program G7B69979	84.033	P033A071243	818,330	-
Federal Pell Grant Program G7B69965/G7B69974	84.063	P063P071370	14,497,857	-
Academic Competitiveness Grant G7B69967	84.375	P375A061370	667,630	-
National Science and Mathematics Access to Retain Talent (SMART) G7B69968	84.376	P376S061370	<u>277,687</u>	-
Total Student Financial Assistance Cluster			<u>17,098,368</u>	-
MAJOR PROGRAM - RESEARCH AND DEVELOPMENT CLUSTER				
<u>NATIONAL SCIENCE FOUNDATION</u>				
Engineering Grants:				
SGER: Exploring New Hybrid Polymer-Nanofluids with Enhanced Flow and Heat Transfer Characteristics G1A62290	47.041	CBET-0741078	<u>11,678</u>	-
Mathematical and Physical Sciences:				
Combinatorics and Analysis of Special Functions G1A62142	47.049	DMS-0300126	2,551	-
Bayesian Analysis of Competing Risks G1A62144	47.049	DMS-0306416	271	-
NSF-Europe: Correlated Phenomena G1A62150	47.049	DMR-0302617	8,576	-
Search for Second Generation Leptoquarks Using Advanced Data Analysis G1A62151	47.049	PHY-0301383	1,765	-
Research in High Energy Physics: Supersymmetry G1A62207	47.049	PHY-0456635	28,720	-
Model-Based Classification of Longitudinal and Functional Data G1A62215	47.049	DMS-0505696	892	-
Collaborative Proposal: Quadratic Inverse Eigenvalue Problems for Model Updating in Science and Engineering: Theory and Computation G1A62217	47.049	DMS-0505784	32,324	-
Metallacarboranes: Syntheses, Structures & Reactivities G1A62232	47.049	CHE-0601023	115,267	-
Searches for New Phenomena with High Energy Particle Colliders G1A62234	47.049	PHY-0555286	299,812	-
Magnetic Vortices in Shaped Superconducting Mesocrystals G1A62244	47.049	DMR-0605748	95,644	-
Structure & Dynamics of Fluid Interface Studies by X-Ray and Neutron Scattering G1A62277	47.049	706369	30,569	-
New Pathways to Strongly Correlated and Multi-Functional Transition Metal Perovskites: Phase Stability and Properties by Design G1A62304	47.049	DMR-0706610	39,841	-
Superflectrochic Considerations in Heterocyclic Chemistry G1A62310	47.049	CHE-0749907	1,262	-
Passed-Through University of Illinois at Chicago:				
X-Ray Scattering Studies of Interfaces Between Two Immiscible Electrolyte Solutions G6A63866	47.049	CHE-0615929	16,022	-
Passed-Through University of Oregon:				
Univ Based Detector Research and Development for the International Linear Collider G6A63887	47.049	43422-7332	<u>23,824</u>	-
			<u>697,340</u>	-
Geosciences:				
Collaborative Research: The Development and Implementation of a Field Based, Inquiry Focused Geoscience Course for Pre-service Teachers G1A62222	47.050	GEO-0507341	6,075	-
Experimental Study of HC1 in Magmatic-Hydrothermal Systems G1A62239	47.050	EAR-0609880	81,705	-
MARGINS: Collaborative Research: Origins of Local Variations in Subduction-Related Fluids G1A62301	47.050	742458.000	14,312	-
Benthic Foraminifer as Tracers of Marine Biogeochemical Cycles and Circulation G1A62302	47.050	OCE 0752107	<u>28,531</u>	-
			<u>130,623</u>	-

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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>FY 2008 Expenditures</u>	<u>To Subrecipients</u>
MAJOR PROGRAM - RESEARCH AND DEVELOPMENT CLUSTER				
(CONTINUED)				
<u>NATIONAL SCIENCE FOUNDATION (CONTINUED)</u>				
Computer and Information Science and Engineering:				
MPICH-G2 G1A62108	47.070	ANI-0330664	\$ (14,900)	\$ (14,900)
CI-TEAM Implementation Project: Training Simulation Scientists in Advanced Cyberinfrastructure Tools and Concepts G1A62247	47.070	OCI-0636412	67,523	-
			<u>52,623</u>	<u>(14,900)</u>
Biological Sciences:				
Abiotic Factors G1A62137	47.074	DEB-0319966	52,427	-
RNA Recombination at the Subgenomic Promoter G1A62143	47.074	MCB-0317039	3,881	-
Collaborative Research: Assembling the Tree of Life--An Integrative Approach to Investigating Cnidarian Phylogeny G1A62223	47.074	EF-0531654	10,275	-
Passed-Through The Institute for Genomic Research:				
Microbial Genome Sequencing of Bacillus Megaterium QM B1551 G6A63844	47.074	TIGR-05-012	1,019	-
Passed-Through University of Maryland at Baltimore:				
Microbial Genome Sequencing of Bacillus Megaterium G6A63899	47.074	QMB1551	5,645	-
			<u>73,247</u>	<u>-</u>
Social, Behavioral, and Economic Sciences:				
A Cultural Model in Tongan Socio-Political and Linguistic Representations G1A62168				
	47.075	BCS 0349011	(165)	-
Social Complexity Late Archaic Fortaleza Valley, Peru G1A62230	47.075	BCS-0542088	26,663	-
AOC: A regional Approach to Spatial Analysis of Tai Toponyms in Southern China and Southeast Asia Using GIS G1A62246				
	47.075	BCS-0623108	37,796	-
Collaborative Research: Climatological and Event-Based Radar Delineation of UHI Convection for multi-Scaled urban Corridors within the Southeastern US G1A62252				
	47.075	BCS-0649343	17,652	-
Radiality: A Tongan Foundational Cultural Model G1A62254	47.075	BCS-0650458	25,150	-
COLLABORATIVE RESEARCH: Latino Labor Migration and the Transformation of post-Katrina New Orleans G1A62278				
	47.075	723398	28,319	-
Impact of Simulated Climate Change on Sugar Maple at the Hardwood/Boreal Forest Ecotone G1A62281				
	47.075	724256	91,678	-
			<u>227,093</u>	<u>-</u>
Education and Human Resources:				
Teaching Dynamic Systems and Control with a Video Game to Mechanical Engineering Undergraduates G1A62250				
	47.076	633162.000	44,544	-
Dev & Field Test of Internet-based Multimedia Simulation and Remote Laboratory of Laser Cladding for In-Service Technicians G1A62255				
	47.076	None	274,034	79,547
Passed-Through American Educational Research Association: Participation in Service Activities and Its Impact on Academic, Behavioral, and Civic Outcomes of High Risk Students G6A63878				
	47.076	None	10,094	-
Passed-Through Boston College: Urban Ecology Course Materials Created with a Universal Design for Learning Framework G6A63888				
	47.076	0-930-1	46,854	-
			<u>375,526</u>	<u>79,547</u>
Polar Programs:				
Quaternary Diatom Paleoenvironmental Records from Three Lakes G1A62205				
	47.078	ANT-0440886	852	-
Passed-Through University of Nebraska at Lincoln: Collaborative Research: ANDRILL- MIS Project G6A63809/ G6A63867/G6A63868/G6A63869/G6A63864				
	47.078	25-0550-0001-005	533,346	380,155
Passed-Through Hampshire College: Holocene and Modern Climate Change in the High Arctic, Svalbard, Norway: REU G6A63908				
	47.078	SUB ARC-0649006	88	-
			<u>534,286</u>	<u>380,155</u>
Total National Science Foundation			<u>2,102,416</u>	<u>444,802</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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>FY 2008 Expenditures</u>	<u>To Subrecipients</u>
MAJOR PROGRAM - RESEARCH AND DEVELOPMENT CLUSTER (CONTINUED)				
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Injury Prevention and Control Research and State and Community Based Programs:				
The Role of Hostility-Related Schema in Physical Abuse Risk G1A62218	93.136	1 R49 CE000654-01	\$ 4,195	\$ -
Thoughtful Parenting for Mothers and Fathers: Does Gender Matter? G1A62288	93.136	1 R01 CE001185-01	209,876	-
			<u>214,071</u>	<u>-</u>
Research Related to Deafness and Communication Disorders: Passed-Through the University of Illinois:				
Risk Factors in Stuttering G3A63036	93.173	02-351	14,422	-
Mental Health Research Grants:				
Induced Plasticity and Recovery from Neglect in Rats G1A62233	93.242	R01 MH060399-06	64,456	23,128
Cancer Cause and Prevention Research:				
Late-Stage Cancer Clusters And Healthcare Access G1A62237	93.393	5 R21 CA114501	4,929	4,588
Cancer Treatment Research:				
Antizyme-Mediated Inhibition of Polyamine Transport G1A62198	93.395	1 R15 CA113744	43,872	-
Cardiovascular Diseases Research: Passed-Through the University of Illinois at Chicago:				
Preschool Based Obesity Prevention Effectiveness Trial G3A63049	93.837	2006-00417-04-00 JH	92,055	-
Extramural Research Programs in the Neurosciences and Neurological Disorders:				
Long-Term Outcomes of Childhood-Onset Epilepsy G1A62199/ G1A62228/G1A62270	93.853	5 R01 NS031146	595,258	355,634
Role of the Cholinergic System in Spatial Orientation G1A62229	93.853	1 R15 NS051218	67,931	-
			<u>663,189</u>	<u>355,634</u>
Allergy, Immunology and Transplantation Research:				
pilE mRNA Analysis in Gonococci G1A62273	93.855	1R15 AI072720-01A1	23,484	-
Microbiology and Infectious Diseases Research:				
Genetic Link Between RNAi/PTGS and Viral RNA Recombination G1A62203	93.856	1 R15 AIO64167	6,562	-
Biomedical Research and Research Training:				
Semi-Automated Method for Annotating Repeated Sequences G1A62164	93.859	1 R15 GM069408	43,955	-
Activation of Electrophilic Reagents and Intermediates G1A62186	93.859	1 R15 GM071368	(2,366)	-
Electron Transfer in Dynamic Protein Complexes G1A62191	93.859	2 R15 GM59740	14,321	-
Study of Velvet Gene, veA, in Fusarium Verticillioides G1A62202	93.859	1 R15 GM074267	36,735	-
Investigating the Structural Basis of Antibody Stereoselectivity G1A62231	93.859	1 R15GM076000	84,863	-
			<u>177,508</u>	<u>-</u>
Child Health and Human Development Extramural Research:				
Parenting & School Readiness Among Low-Income Children G1A62201	93.865	1 R03 HD048527	2,972	-
Sexual Revictimization: Affect Regulation as a Mediator G1A62235	93.865	1 R15 HD049907	61,246	-
Infants' and Mothers' responses to being Imitated G1A62236	93.865	5 R03 HD051607	37,396	-
			<u>101,614</u>	<u>-</u>
Vision Research: Passed-Through OcuMetrics, Inc.:				
Time Resolved Ocular Fluorometer G6A63842	93.867	None	19,163	-

STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor Program/Grant Title	CFDA Number	Federal Project or Pass-Through Number	FY 2008 Expenditures	To Subrecipients
MAJOR PROGRAM - RESEARCH AND DEVELOPMENT CLUSTER				
(CONTINUED)				
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>				
Grants to States for Operation of Offices of Rural Health:				
Passed-Through Illinois Department of Public Health Update to the Illinois Rural Health Plan G3A63048	93.913	72580480.000	\$ 1,144	\$ -
Total Department of Health and Human Services			<u>1,426,469</u>	<u>383,350</u>
<u>DEPARTMENT OF EDUCATION</u>				
Overseas Programs-Faculty Research Abroad:				
Municipal Financial and Socio-Economic Development in Nineteenth-Century Sao G1A62240	84.019	P019A060018	13,285	-
Fund for the Improvement of Postsecondary Education:				
Development of Acceleration and Detector Technologies G1A62214	84.116	P116Z050086	308,797	-
Interdisciplinary Nanoscience, Engineering and Technology G1A62216	84.116	P116Z050075	12,544	-
Vibration and Acoustics Center at NIU G1A62305	84.116	P116Z080102	7,200	-
			<u>328,541</u>	<u>-</u>
Fund for the Improvement of Education:				
Paleontology Research G1A62175	84.215	U215K040214	11,686	-
Education Research, Development and Dissemination:				
Assessing Reading Comprehension with Verbal Protocols G1A62185	84.305	R305G040055	447,306	138,697
Creating a Usable Environment for Teaching Argument Comprehension and Production Skills G1A62211	84.305	R305H50133	147,626	53,522
Post-Doctoral Research Fellowship G1A62276	84.305	R305B070349	299,253	139,771
			<u>894,185</u>	<u>331,990</u>
Research in Special Education:				
Passed-Through East Tennessee State University:				
Project ASSESS: Asperger's Syndrome and Special Education Services G6A63846	84.324	5-37123-1	16,246	-
Total Department of Education			<u>1,263,943</u>	<u>331,990</u>
<u>DEPARTMENT OF AGRICULTURE</u>				
Agricultural Research-Basic and Applied Research:				
Assessing the Manufacturing Potential for Ethanol Processing Residue Streams G2A62219	10.001	58-5447-5-319	15,173	-
Agricultural and Rural Economic Research:				
Passed-Through the University of California-Davis:				
Fruit and Vegetable Availability among WIC Vendors G6A63903	10.250	Sub0700229	4,497	-
Cooperative Extension Service:				
Passed-Through the Virginia Polytechnic Institute and State University:				
Family Advocacy System of Records Data Base G6A63847	10.500	CR-19355-545836	45,224	-
Passed-Through Kansas State University G6A63882				
Kansas State University/Air Force Family Advocacy Research and Training Project G6A63882	10.500	S08135	100,694	-
Development of a New Family Needs Screener For Males G6A63883	10.500	S08147	12,658	-
			<u>158,576</u>	<u>-</u>
Total Department of Agriculture			<u>178,246</u>	<u>-</u>

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MAJOR PROGRAM - RESEARCH AND DEVELOPMENT CLUSTER				
(CONTINUED)				
<u>NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION</u>				
Climate and Atmospheric Research:				
Development of an Analytical Center for Climate & Environmental Change G2A62226	11.431	NA05OAR4311117	\$ 284,813	\$ -
Special Oceanic and Atmospheric Projects:				
ACCEC G2A62197	11.460	NA04OAR4600167	41,250	-
Total National Oceanic & Atmospheric Administration			326,063	-
<u>DEPARTMENT OF DEFENSE</u>				
Basic and Applied Scientific Research:				
Mitigating the Influence of Space Charge in High-Average-Power-Free Electron Lasers: Phase I G2A62238	12.300	N00014-06-1-0587	135,781	-
Turn-Key Klystron Radio Frequency System for High-Brightness Electron Guns G2A62289	12.300	N00014-07-1-1026	128,778	-
			264,559	-
Military Medical Research and Development:				
NIU Institute for Neutron Therapy G2A62227	12.420	W81XWH-06-1-0206	415,578	133,333
Northern Illinois Proton Treatment and Research Center G2A62275	12.420	W81XWH-08-1-0205	534,599	98,000
			950,177	231,333
Basic, Applied, and Advanced Research in Science and Engineering:				
ROCK - Rapid Optimization of Commercial Knowledge for Army Vehicles G2A62196	12.630	W56HZV-04-C-0783	2,741,524	1,004,888
Total Department of Defense			3,956,260	1,236,221
<u>DEPARTMENT OF INTERIOR</u>				
Applied Science Program Cooperative Agreements Related to Coal Mining and Reclamation:				
Modeling the Hydrologic Effects of Longwall Mining on the Shallow Aquifer System using MODFLOW with Telescopic Mesh Refinement G2A62287	15.255	S07AC12493	33,852	-
Fish and Wildlife Management Assistance:				
Lake Erie Watersnake Recovery Plan Implementation: Demographic Responses to Invasive Round Gobies G2A62225	15.608	301815G123	9,905	-
Passed-Through the Ohio Department of Natural Resources:				
Lake Erie Watersnake Recovery Plan Implementation G6A63810	15.608	NGSCW-05-44	10,010	-
Continued Education and Outreach Toward the Recovery of the Lake Erie Water Snake G6A63807	15.608	NGSCW-05-40	13,850	-
			33,765	-
Cooperative Endangered Species Conservation Fund:				
Annual Census of Lake Erie Watersnakes G2A62293	15.615	301817G072	6,245	-
Passed-Through Ohio Department of Natural Resources				
Enhancing Lake Erie Watersnake Recovery Through Monitoring G6A63884	15.615	NGSCW-07-41	16,272	-
Enhancing Lake Erie Watersnake Recovery Through Public Outreach G6A63885	15.615	NGSCW-07-40	12,048	-
			34,565	-
National Cooperative Geologic Mapping Program:				
Quaternary Geologic Mapping of the Blackhawk Quadrangle, Northwestern Illinois G2A62241	15.810	06HQAG0065	7,535	-
Total Department of Interior			109,717	-

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(CONTINUED)				
<u>FEDERAL RAILROAD ADMINISTRATION</u>				
Railroad Development:				
Passed-Through University of Illinois at Chicago:				
A Study on Multiple Wheel/Rail Contacts for Railroad Applications G3A63046	20.314	DTFR53-06-G-00002	\$ 11,241	\$ -
Total Federal Railroad Administration			<u>11,241</u>	<u>-</u>
<u>DEPARTMENT OF TRANSPORTATION</u>				
Federal Transit Technical Assistance:				
Fuel Cells in Transportation G2A62194	20.512	IL-26-7006	164,043	87,751
Total Department of Transportation			<u>164,043</u>	<u>87,751</u>
<u>DEPARTMENT OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</u>				
Aerospace Education Services Program:				
Global GIS Database of Drainage on Mars G2A62307	43.001		3,513	-
Passed-Through George Mason University:				
Earth Science REASoN: Research, Education and Applications Solutions Network G6A63802	43.001	NNG04GE61A	18,759	-
			<u>22,272</u>	<u>-</u>
Technology Transfer:				
Analysis of Martian Basins G2A62183	43.002	NNG04GJ71G	2,914	-
Genesis Sample Analysis via Synchrotron X-Ray Techniques:				
Discrimination & Quantification of Implanted Solar Wind Versus Terrestrial Contamination G2A62251	43.002	NNX07AG02G	49,617	-
Genesis Sample Analysis: Advanced Synchrotron X-ray Fluorescence Detection Instrumentation G2A62279				
	43.002	NNX07AL96G	13,667	-
			<u>66,198</u>	<u>-</u>
Genesis Sample Analysis Via Synchrotron X-ray Techniques G2A62249	43.000	NNX07AC60G	15,939	-
Total Department of National Aeronautics and Space Administration			<u>104,409</u>	<u>-</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>				
P3 Award: National Student Design Competition for Sustainability:				
ECO-Friendly Golf Tees G2A62297	66.516	SU-83351601-0	9,904	-
Higher Performance Solar Crop Dryer Kit for Developing Economies G2A62298	66.516	SU-83350901-0	9,608	-
			<u>19,512</u>	<u>-</u>
Total Environmental Protection Agency			<u>19,512</u>	<u>-</u>
<u>DEPARTMENT OF ENERGY</u>				
Office of Science Financial Assistance Program:				
Polarized X-Rays as a Probe of Spin Polarization G2A62156	81.049	DE-FG02-03ER46097	30,775	-
Soil and Vegetation in Future Climate G2A62193	81.049	DE-FG02-04ER63869	41,823	-
One-Dimensional Mesostructures of NbSe2 and NbN Superconductors G2A62243				
	81.049	DE-FG02-06ER46334	78,483	-
Longitudinal Phase Space Monitors for the ILC Injectors and Bunch Compressors G2A62248				
	81.049	DE-FG02-06ER41435	50,961	-
Workshop to Form the CMSN Team G2A62265	81.049	DE-FG02-07ER46385	7,115	-
Nonlinear Dynamics & Phase Space Manipulations of High-Brightness Electron Beams G2A62296				
	81.049	DE-FG02-08ER41532	8,546	-

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MAJOR PROGRAM - RESEARCH AND DEVELOPMENT CLUSTER				
(CONTINUED)				
<u>DEPARTMENT OF ENERGY (CONTINUED)</u>				
Office of Science Financial Assistance Program (Continued):				
Passed-Through University of Oregon:				
Design & Prototyping of a Scintillator-Based Semi-Digital Hadron Calorimeter G6A63840	81.049	234151K (Project 6.1)	\$ 6,516	\$ -
Development of Particle-Flow Algorithms & Simulation Software for ILC Detector(s) G6A63841	81.049	234151K	63,285	-
Design & Prototyping of a Scintillator-based Tail-catcher/Muon Tracker G6A63849	81.049	234151K (Project 6.22)	12,934	-
Scintillator Based Muon System R&D G6A63881	81.049	234151K (Project 7.2)	12,795	-
			<u>313,233</u>	<u>-</u>
Regional Biomass Energy Programs:				
Development of Extruded Scintillator and Single-Bit Readout Tracking Colorimetry G2A62118	81.079	DE-FG02-02ER41223	2,844	-
Nuclear Energy Research, Development and Demonstration:				
Nonlinear Dynamics G2A62187	81.121	DE-FG02-04ER41323	137,453	-
12 Month Appointment G2A62269	81.000	None	165,731	-
<u>ARGONNE NATIONAL LABORATORY</u>				
Argonne Dot Grant G1A62253/G2A62260	81.000	7F-00941	158,061	-
Nanoscale Studies of Structure and Function Materials G2A62261	81.000	7F-00781	18,208	-
Joint Appointment G2A62262	81.000	None	61,275	-
Visiting Scientist Agreement G2A62263	81.000	7F-00861	83,222	-
Wafer-Wafer Bonding and the Use of Specialized Equipment G2A62264	81.000	75-01141	10,001	-
Silicon Wafer-Wafer Bonding G2A62266	81.000	4J-00121-16A	4,725	-
Novel Design and Model of an Amplifier Circuit for the Detection of X-Rays G2A62267	81.000	4J-00121-14A	17,341	-
Establishment of Software Capability to Design Integrated Circuitry G2A62268	81.000	7F-01142	6,977	-
Joint Appointment G2A62271	81.000	None	81,645	-
Joint Appointment G2A62272	81.000	W-31-109-ENG-38	64,549	-
Hydraulics and Aerodynamics Research in Transportation Applications G2A62285	81.000	7F-01561	112,789	-
Modeling & Simulation of an Emergency Evacuation Scenario for the Chicago Metropolitan Area G2A62292	81.000	8F-00101	349,215	-
Globus Support Project G2A62300	81.000	4J-00121-0017A	26,532	-
Performance Regression Test Suite Development G2A62303	81.000	8F-01161	27,910	-
Summer Appointment G2A62306	81.000	8F-01301	6,320	-
Analysis for the Cobalt Open Source Scheduler G2A62309	81.000	4J-00121-0018A&B	2,570	-
Optimization of a Laser Wakefield Accelerator to reliably Operate in the Bubble Regime G6A63890	81.000	4J-00121-0015A	47,144	-
Joint Appointment G5A63831	81.000	W-31-109-ENG-38	29,652	-
Joint Appointment G5A63832	81.000	W-31-109-ENG-38	17,043	-
In-Situ Spectroelectrochemical Study of Np Redox G5A63837	81.000	4J-00121-0009A	16,314	-
Spin Dynamics of Holes in GaAs G5A63838	81.000	4J-00121-0010A	78,492	-
Solar Thermoelectric Energy Conservation in Porous nanocomposites G5A63886	81.000	4J-00121 - 0013A	33,787	-
			<u>1,253,772</u>	<u>-</u>

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MAJOR PROGRAM - RESEARCH AND DEVELOPMENT CLUSTER				
(CONTINUED)				
<u>FERMI NATIONAL ACCELERATOR LABORATORY</u>				
Summer Salary G2A62286	81.000	PO 576191	\$ 5,777	\$ -
International Linear Collider Technical Feasibility Study: Ground Motion and Vibration Studies G2A62294	81.000	PO 577450	45	-
Joint Appointment NIU/FNAL G2A62295	81.000	PO 577888	37,241	-
MINERvA Experiment G5A63833	81.000	PO 564630	14,997	-
Fermi Lab Guest Appointment G5A63863	81.000	PO 569999	31	-
Superconducting Radio Frequency Research & Dev G5A63872	81.000	PO 571369	45,429	-
			<u>103,520</u>	<u>-</u>
Total Department of Energy			1,976,553	-
Total Research and Development Cluster			<u>11,638,872</u>	<u>2,484,114</u>
TRIO CLUSTER				
<u>DEPARTMENT OF EDUCATION</u>				
TRIO - Student Support Services G1B66644/G1B66670	84.042	P042A051074-06	346,201	-
TRIO - Upward Bound G1B66643/G1B66666/G1B66684	84.047	P047A070966	464,311	-
			<u>810,512</u>	<u>-</u>
Total Trio Cluster			<u>810,512</u>	<u>-</u>
WIA CLUSTER				
<u>DEPARTMENT OF LABOR</u>				
WIA Adult Program:				
Passed-Through the Illinois Department of Commerce and Economic Opportunity:				
WIA Performance Reporting G3B67332	17.258	NIU CO 07-226	4,399	-
WIA Youth Activities:				
Passed-Through the Illinois Department of Commerce and Economic Opportunity:				
WIA Performance Reporting G3B67332	17.259	NIU CO 07-226	5,133	-
WIA Dislocated Workers:				
Passed-Through the Illinois Department of Commerce and Economic Opportunity:				
WIA Performance Reporting G3B67332	17.260	NIU CO 07-226	6,232	-
WIA Pilots, Demonstrations, and Research Projects:				
Passed-Through the State of Colorado Department of Labor and Employment:				
Creation of an e-Learning Knowledge Center for the State of Colorado G6B69505/G6B69589	17.261	06 KAA 00012	131,524	-
Passed-Through Coffey Communications LLC:				
Federal Research and Evaluation Databases (FRED) G6B69718	17.261	DOLJ061A20365	85,361	-
			<u>216,885</u>	<u>-</u>
Total WIA Cluster			<u>232,649</u>	<u>-</u>

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HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
<u>DEPARTMENT OF TRANSPORTATION</u>				
Highway Planning and Construction:				
Passed-Through the Illinois Department of Transportation:				
Revise and Reprint IDOT District Bicycle Maps G3B67228	20.205	DOT05-DOH-07	\$ 92,044	\$ -
West Access Road G3B67292	20.205	FHWA	118,667	-
Passed-Through Chicago Metro Agency for Planning:				
Land Use Change Detection Using Classified Satellite Imagery G6B69756	20.205	08-SC-045	<u>79</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>210,790</u>	<u>-</u>
SPECIAL EDUCATION CLUSTER				
<u>DEPARTMENT OF EDUCATION</u>				
Special Education-Grants to States:				
Passed-Through Illinois State Board of Education:				
Interactive Illinois Report Card G3B67307	84.027	MY04601	262,661	-
Special Education-Preschool Grants:				
Passed-Through School Assoc. for Special Education in DuPage County:				
Project CHOICES G6B69634/G6B69694	84.173	FY-08	<u>267,366</u>	<u>-</u>
Total Special Education Cluster			<u>530,027</u>	<u>-</u>
OTHER PROGRAMS				
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Centers for Disease Control and Prevention - Investigations and Technical Assistance:				
Passed-Through the Illinois Department of Public Health:				
Behavioral Risk Factor Surveillance System Data Collection (Part A)-FY07 G3B67302	93.283	72400010	4,320	-
Behavioral Risk Factor Surveillance System Data Collection G3B67349	93.283	82400015	<u>159,933</u>	<u>-</u>
			<u>164,253</u>	<u>-</u>
Advanced Education Nursing Traineeships:				
Advanced Education Nursing Traineeships G1B66674/G1B66691	93.358	2 A10HP00175-08-00	<u>41,089</u>	<u>-</u>
Developmental Disabilities Basic Support and Advocacy Grants:				
Passed-Through the Illinois Planning Council on Developmental Disabilities:				
Hear MY VOICE: Youth Self-Advocacy G3B67341	93.630	1041	<u>75,494</u>	<u>-</u>
Major Program - Healthcare and Other Facilities:				
Family Health, Wellness and Literacy Center G1B66635/G1B66662	93.887	C76HF02718-02	<u>1,901,664</u>	<u>-</u>
Preventive Health and Health Services Block Grant:				
Passed-Through the Illinois Department of Public Health:				
Behavioral Risk Factor Surveillance System Data Collection G3B67315	93.991		<u>50,216</u>	<u>-</u>
Total Department of Health and Human Services			<u>2,232,716</u>	<u>-</u>

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OTHER PROGRAMS (CONTINUED)				
<u>DEPARTMENT OF EDUCATION</u>				
Title I Grants to Local Educational Agencies:				
Passed-Through the Illinois State Board of Education:				
Interactive Illinois Report Card G3B67307	84.010	000MY04601	\$ 220,520	\$ -
National Resource Centers and Fellowships Program for Language and Area or Language and International Studies:				
National Resource Center at Northern Illinois University G1B66650	84.015	PO15B030164	949	-
National Resource Center at Northern Illinois University G1B66672/ G1B66676/G1B66682	84.015	P015B060158	468,439	-
			<u>469,388</u>	<u>-</u>
Rehabilitation Long-Term Training:				
Preparation of Rehabilitation Teachers with a Distance Learning Component G1B66671/G1B66685	84.129	H129P030001-07	79,141	-
Rehabilitation Long-Term Rehabilitation of the Deaf G1B66673/ G1B66689	84.129	H129Q030002-07	88,485	-
Rehabilitation of Individuals who are Deaf or Hard of Hearing G1B66675/G1B66688	84.129	H129Q050005-07	84,087	-
			<u>251,713</u>	<u>-</u>
Magnet Schools Assistance:				
Passed-Through Rockford Public School District #205 Summer College Experience for High School Students G6B69590	84.165	None	4,892	-
Safe and Drug-Free Schools and Communities National Programs:				
Passed-Through the Community Schools in Aurora: Mentoring Grant Evaluation for East/West Aurora School Districts G6B69502	84.184	None	4,498	-
Bilingual Education - Professional Development:				
Project HQ G1B666656/G1B66678	84.195	T195N020139-06	129,483	31,683
Project Success G1B66690	84.195	T195N070106	112,136	-
			<u>241,619</u>	<u>31,683</u>
Twenty-First Century Community Learning Centers:				
Passed-Through Illinois State Board of Education:				
Comprehensive Statewide Evaluation of 21st Century Community Learning Centers Program G3B67333	84.287	MY06621	142,701	20,000
Passed-Through Communities in Schools of Aurora, Inc.:				
21st Century - Waldo & Simmons Middle School Partnership G5B69388	84.287	None	8,325	-
21st Century After School Grant Evaluation at Hermes, Oak Park and Beaupre Elementary Schools G6B69586	84.287	None	24,361	-
21st Century Community Learning Center Grant: Jefferson, Washington, Waldo & Simmons G6B69716	84.287	None	23,412	-
21 Century Community Learning Center Grant: Cowherd and Brady Schools G6B69500	84.287	None	19,643	-
Passed-Through Aurora School District #129:				
21st Century - Nicholson School G5B69395	84.287	None	5,847	-
Passed-Through Aurora School District #131:				
21st Century Learning Center: Gates & Rollins Schools G5B69385	84.287	None	19,910	-
			<u>244,199</u>	<u>20,000</u>
Special Education Personnel Development to Improve Services and Results for Children With Disabilities:				
Orientation & Mobility Training G1B66668	84.325	H325K052002-06	140,666	-
Passed-Through Pennsylvania College of Optometry: National Center for Leadership in Visual Impairment G6B69542/ G6B69715	84.325	H325U040001	23,090	-

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OTHER PROGRAMS (CONTINUED)				
<u>DEPARTMENT OF EDUCATION (CONTINUED)</u>				
Special Education Personnel Development to Improve Services and Results for Children With Disabilities (Continued): Passed-Through University of Illinois : Special Education-Personnel Preparation to Improve Services and Results for Children with Disabilities G3B67296	84.325	2003-03043-01	\$ 18,494 <u>182,250</u>	\$ - <u>-</u>
Comprehensive School Reform Demonstration: Passed-Through the Illinois State Board of Education: Comprehensive School Reform Evaluation G3B67311	84.332	ISBE 07-4332	<u>398,409</u>	<u>-</u>
Child Care Access Means Parents in School: NIU Campus Child Care Tuition Assistance Program G1B66681	84.335	P335A060040-01	<u>137,261</u>	<u>-</u>
Teacher Quality Enhancement Grants: Rockford Education Alliance: Project REAL G1B66657/G1B66677/ G1B66695	84.336	P336B030021-06	<u>987,025</u>	<u>466,719</u>
International Education-Technological Innovation and Cooperation for Foreign Information Access: The Southeast Asia Digital Library G1B66658	84.337	P337A050006	<u>172,856</u>	<u>57,986</u>
Preparing Tomorrow's Teachers to Use Technology: Preservice Teachers Integrating Technology, Assessment, and Action Research G1B66636	84.342	P342A030092	<u>86,228</u>	<u>-</u>
Mathematics and Science Partnerships: Passed-Through the Illinois State Board of Education: Mathematics/Science Partnership G3B67344/G3B67345/ G3B67359	84.366	None	<u>287,400</u>	<u>13,731</u>
Thurgood Marshall Legal Educational Opportunity Program: Passed-Through the Council on Legal Education Opportunity: CLEO Summer Institute G5B69692/G6B69758	84.936	None	<u>65,608</u>	<u>-</u>
Total Department of Education			<u>3,753,866</u>	<u>590,119</u>
<u>DEPARTMENT OF AGRICULTURE</u>				
Child and Adult Care Food Program: Passed-Through the Illinois State Board of Education: School Lunch Program 41-30140/41-24596	10.558	None	<u>32,826</u>	<u>-</u>
Total Department of Agriculture			<u>32,826</u>	<u>-</u>
<u>DEPARTMENT OF COMMERCE</u>				
Manufacturing Extension Partnership: Passed-Through the Illinois Manufacturing Extension Center @ Bradley University: Illinois Manufacturing Extension Center G6B69660/G6B69722	11.611	None	<u>152,182</u>	<u>-</u>
Total Department of Commerce			<u>152,182</u>	<u>-</u>

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OTHER PROGRAMS (CONTINUED)				
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Community Development Block Grants/Small Cities Program: Passed-Through the City of DeKalb: FY07 Community Development Block Grant G6B69714	14.219	None	\$ 2,000	\$ -
Total Department of Housing and Urban Development			<u>2,000</u>	<u>-</u>
<u>DEPARTMENT OF INTERIOR</u>				
U.S. Geological Survey Research and Data Collection: Passed-Through University of Illinois, Urbana/Champaign: USGS Survey G3B67346	15.808	PO0138238	9,972	-
National Spatial Data Infrastructure Cooperative Agreements Program: Passed-Through Illinois Department of Natural Resources: Proposal to Facilitate a Strategic/Business Planning Process for the State of Illinois Geospatial Activities G3B67342	15.809	G2007047	13,400	-
Total Department of Interior			<u>23,372</u>	<u>-</u>
<u>DEPARTMENT OF JUSTICE</u>				
Bulletproof Vest Partnership Program: Passed-Through Illinois State Police: Bulletproof Vest Partnership G3B67347	16.607	None	510	-
Total Department of Justice			<u>510</u>	<u>-</u>
<u>DEPARTMENT OF LABOR</u>				
Occupational Safety and Health_Susan Harwood Training Grants: Passed-Through the Illinois Manufacturing Extension Center @ Bradley University: Illinois Manufacturing Extension Center G5B69570/G6B69660/ G6B69722	17.502	None	5,084	-
Total Department of Labor			<u>5,084</u>	<u>-</u>
<u>DEPARTMENT OF STATE</u>				
Professional Exchanges - Annual Open Grant: Autonomous Region of Muslim Mindanao and Majority-Minority Relations in the Philippines G2B66659	19.415	S-ECAPE-05-GR	5,821	2,860
Autonomous Region of Muslim Mindanao and Majority-Minority Relations in the Philippines (Administration) G2B66660	19.415	S-ECAPE-05-GR	13,747	-
Cultural Citizens and North-South Dialogue G2B66693/G2B66694	19.415	S-ECAPE-07-GR	203,292	106,065
			<u>222,860</u>	<u>108,925</u>
Bridging the Gap 2007 Program G2B66679/G2B66686	19.000	ECAPY-07-GR-104	146,807	82,855
Bridging the Gap 2007 Administration G2B66680/G2B66687	19.000	ECAPY-07-GR-104	86,045	9,925
Passed-Through Council for International Exchange of Scholars: Council for International Exchange of Scholars G6B69717	19.000	None	24,616	-
			<u>257,468</u>	<u>92,780</u>
Total Department of State			<u>480,328</u>	<u>201,705</u>

STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
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>FY 2008 Expenditures</u>	<u>To Subrecipients</u>
OTHER PROGRAMS (CONTINUED)				
<u>DEPARTMENT OF NATIONAL AERONAUTICS AND SPACE</u>				
<u>ADMINISTRATION</u>				
Technology Transfer:				
MARS Valley Network Project: Martian Valley Networks Analysis-- Run-off or Sapping? G2B66654	43.002	None	\$ 12,650	\$ -
Total Department of National Aeronautics and Space Administration			12,650	-
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>				
Promotion of the Humanities - Federal/State Partnership:				
Passed-Through the Illinois Humanities Council:				
The Mine Wars of 1898-1900 Documentary G6B69540	45.129	IHC 3505	(565)	-
Promotion of the Humanities-Teaching and Learning Resources and Curriculum Development:				
The Mississippi Valley in the Nineteenth Century: A Materials Development Project G2B66683				
45.162	EE-50479-07	23,641	-	
Total National Endowment for the Humanities			23,076	-
<u>NATIONAL SCIENCE FOUNDATION</u>				
Geosciences:				
Enhancing Diversity Track 1: Intensive Field Experience for Teachers Serving Large Hispanic Populations G1B66649				
47.050	GEO-0503386	17,153	-	
Enhancing Diversity Track2 G1B66692				
47.050	703541	95,730	-	
			112,883	-
Computer and Information Science and Engineering:				
Passed-Through Rock Valley College:				
Training Aviation Technicians G6B69481				
47.070	None	(25)	-	
Passed-Through University of Chicago:				
Providing System Management and Integration for the Teragrid G6B69582				
47.070	30085-N	69,459	-	
			69,434	-
Total National Science Foundation			182,317	-
<u>SMALL BUSINESS ADMINISTRATION</u>				
Small Business Development Centers:				
Passed-Through City of Belvidere:				
New Uses Info & Entrepreneur Development Ctr Program G5B69406				
59.037	SBAHQ-03-1-0036	6,506	-	
Total Small Business Administration			6,506	-
<u>DEPARTMENT OF HOMELAND SECURITY</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters):				
Passed-Through Illinois Emergency Management Agency: IEMA Public Assistance Program 41-58048				
97.036	FEMA-1729	36,027	-	
Total Homeland Security			36,027	-
Total Other Programs			6,943,460	791,824
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 37,464,678	\$ 3,275,938

STATE OF ILLINOIS
 NORTHERN ILLINOIS UNIVERSITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 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>FY 2008 Expenditures</u>	<u>To Subrecipients</u>
<u>NONCASH FEDERAL FINANCIAL ASSISTANCE</u>				
<u>Federal Loans</u>	<u>CFDA Number</u>		<u>2008</u>	
Federal Perkins Loan Program - Federal Capital Contributions (1)	84.038		\$ 2,118,109	
Federal Family Education Loans (FFEL) (2)	84.032		\$ 89,686,373	

- (1) Amount represents loans advanced during the year ended June 30, 2008. Loans outstanding as of June 30, 2008 total \$10,395,513.
- (2) The University acts merely as an agent in administering the Family Federal Education Loan Program by determining student eligibility, conducting entrance and exit counseling procedures, processing and applying loan proceeds to a student's account, and reporting changes in the status of loan recipients. The loans are actually made through lending institutions which are responsible for the ultimate collection of the loans. This amount represents total new loans guaranteed under the program for the year ended June 30, 2008.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2008**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICY

The accompanying Schedule of Expenditures of Federal Awards (Schedule) of Northern Illinois University (University) has been prepared on the accrual basis. The Schedule is a statement of financial activities of funds related to the respective reporting period. It does not purport to present the results of operations or the net income or loss for the respective period as would a statement of income or a statement of revenues and expenses.

NOTE 2 - NATURE OF PROGRAMS

For purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into directly between the University and agencies and departments of the federal government and all sub-awards to the University by nonfederal organizations pursuant to federal grants, contracts, and similar agreements. The awards are classified into major program and other program categories in accordance with the provisions of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*.

NOTE 3 - 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 as federal and state grants and other contracts on the Statement of Revenues, Expenses, and Changes in Net Assets included in the University's financial statements:

	<u>(In Thousands)</u>
Total expenditures as shown on the Schedule of Expenditures of Federal Awards	\$ 37,465
Add the following:	
Direct state grants/contracts	<u>12,862</u>
Total federal and state grants and other contracts revenues shown on the Statement of Revenues, Expenses, and Changes in Net Assets	<u>\$ 50,327</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CROSS-REFERENCE TABLE OF REPORTING REQUIREMENTS
June 30, 2008**

Reference Number from T. Loobey's Memorandum Dated July 25, 2000, on <u>University Guidelines</u>	Report and Page Number Where Information <u>is Disclosed</u> Supplementary Information for State Compliance <u>Purposes</u>
13a. Violation of <i>University Guidelines, 1982 as Amended</i>	N/A
13b. Sources and Application of Indirect Cost Recoveries	76
13c. Calculation Sheet for Indirect Cost Support Carryforward	77
13d. Amount of Tuition Diverted to Auxiliary Enterprise Operations	84
13e. List of Accounting Entity and Description of Sources and Purpose of Revenues	82-83
13f. Financial Statements for Each Accounting Entity	72-74
13g. Calculations of Current Excess Funds for Each Accounting Entity	78-81
13h. Support to Auxiliary Enterprise from State Appropriated Funds	84
13i. Statement of Receipts and Disbursements for Bond Indentures	88
13j. Conformity of Bond Fund Accounting to Terms of Bond Issues	75, 84
13k. List of Noninstructional Facilities Reserves	84
13l. List of Organizations Recognized as University Related Organizations (UROs)	85
13m. Amounts Paid by UROs to the University for Services Provided by the University	86-87
13n. Amounts Paid by the University to UROs for Services Provided by the URO	86-87
13o. Amount of Unreimbursed Subsidies to UROs	N/A
13p. Debt Financing of UROs	69
13q. Schedule of Cash and Investments Held by the University	50-51
13r. Allocation Method on Interest from Pooled Investments	85
13s. Costs Per Full-Time Equivalent Student	65
13t. Acquisition of Real Estate by University or URO Greater Than \$250,000 and Not Specifically Funded	70
13u. Issuance of Certificates of Participation (COPs) or Participation in Lease or Purchase Arrangements Involving COPs	85

Other Financial Related Schedules for Universities

1. Schedule of Appropriations, Expenditures, and Lapsed Balances by Major Line Item	45
2. Schedule of Income Fund Revenues and Expenses	48
3. Schedule of Tuition and Fee Waivers	68

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

<u>PUBLIC ACT 95-0348</u>	Appropriations (Net After Transfers)	Expenditures Through June 30, 2008	Lapse Period Expenditures July 1 to August 31, 2008	Total Expenditures	Balances Lapsed	Balances Reappropriated July 1
GENERAL REVENUE FUND						
Personal services	\$ 90,168,600	\$ 90,168,600	\$ -	\$ 90,168,600	\$ -	\$ -
Contributions to Social Security and Medicare	883,500	883,500	-	883,500	-	-
Contractual services	6,523,000	6,523,000	-	6,523,000	-	-
Travel	159,500	159,500	-	159,500	-	-
Commodities	1,484,800	1,469,396	15,404	1,484,800	-	-
Awards and grants and matching funds	185,700	185,700	-	185,700	-	-
Equipment and library books	1,145,800	1,145,800	-	1,145,800	-	-
Telecommunication services	797,300	797,300	-	797,300	-	-
Automotive	138,500	138,500	-	138,500	-	-
Capital repairs and improvements	1,343,700	1,343,700	-	1,343,700	-	-
CMS health insurance	2,337,300	2,337,300	-	2,337,300	-	-
C.H.A.N.C.E.	<u>700,000</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>	<u>-</u>
Total General Revenue Fund	105,867,700	105,852,296	15,404	105,867,700	-	-
STATE COLLEGE AND UNIVERSITY TRUST FUND						
Scholarship Grant Awards	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
TOTAL APPROPRIATED FUNDS	<u>\$ 105,877,700</u>	<u>\$ 105,862,296</u>	<u>\$ 15,404</u>	<u>\$ 105,877,700</u>	<u>\$ -</u>	<u>\$ -</u>

* The information contained in this schedule was taken from the University records which have been reconciled to those of the State Comptroller.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,
LAPSED BALANCES, AND BALANCES REAPPROPRIATED*
For the Years Ended June 30, 2008, 2007, and 2006**

	Fiscal Years		
	<u>2008</u> <u>PA95-0348</u>	<u>2007</u> <u>PA94-0798</u>	<u>2006</u> <u>PA94-0015</u>
GENERAL REVENUE FUND - 001			
Appropriations (net after transfers)	\$ 105,867,700	\$ 103,927,100	\$ 102,974,900
Expenditures:			
Personal services	90,168,600	88,228,000	87,085,200
Contributions to Social Security and Medicare	883,500	883,500	883,500
Contractual services	6,523,000	6,523,000	6,536,800
Travel	159,500	159,500	163,500
Commodities	1,484,800	1,484,800	1,485,300
Awards and grants and matching funds	185,700	185,700	185,700
Equipment and library books	1,145,800	1,145,800	1,316,500
Telecommunications services	797,300	797,300	798,900
Automotive	138,500	138,500	138,500
Capital repairs and improvements	1,343,700	1,343,700	1,343,700
CMS health insurance	2,337,300	2,337,300	2,337,300
C.H.A.N.C.E.	700,000	700,000	700,000
	<u>105,867,700</u>	<u>103,927,100</u>	<u>102,974,900</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>PA95-0348</u>	<u>PA94-0798</u>	<u>PA94-0015</u>
STATE COLLEGE AND UNIVERSITY TRUST FUND - 417			
Appropriations (net after transfers)	\$ 10,000	\$ 10,000	\$ 10,000
Expenditures - scholarship grant awards	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>PA95-0348</u>	<u>PA94-0798</u>	<u>PA94-0015</u>
CAPITAL DEVELOPMENT FUND - 141			
Appropriations (net after transfers)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,550</u>
Expenditures:			
Technology infrastructure improvements	-	-	-
Purchase engineering building equipment	<u>-</u>	<u>-</u>	<u>41,550</u>
	<u>-</u>	<u>-</u>	<u>41,550</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>41,550</u>
Reappropriated July 1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF NET APPROPRIATIONS, EXPENDITURES,
LAPSED BALANCES, AND BALANCES REAPPROPRIATED*
For the Years Ended June 30, 2008, 2007, and 2006

	Fiscal Years		
	<u>2008</u> <u>PA95-0348</u>	<u>2007</u> <u>PA94-0798</u>	<u>2006</u> <u>PA94-0015</u>
GRAND TOTAL - ALL FUNDS			
Appropriations (net after transfers)	\$ 105,877,700	\$ 103,937,100	\$ 103,026,450
Total expenditures	105,877,700	103,937,100	103,026,450
Lapsed balances	-	-	-
Balances reappropriated July 1	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* The information contained in this schedule was taken from the University records which have been reconciled to those of the State Comptroller.

**STATE OF ILLINOIS
NORTHERN 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>
INCOME FUND REVENUES		
Tuition, net of waivers	\$ 103,634,611	\$ 97,087,230
Material fees	5,924,493	5,496,245
Extension	5,738,542	5,346,207
Interest income	1,736,295	2,298,091
Other	<u>1,058,596</u>	<u>1,028,749</u>
TOTAL INCOME FUND REVENUES	<u>\$ 118,092,537</u>	<u>\$ 111,256,522</u>
INCOME FUND EXPENSES		
Personal services	\$ 72,589,030	\$ 65,003,835
FICA/Medicare	1,926,634	1,666,255
Contractual services	27,227,566	22,622,266
Travel	1,108,386	1,102,634
Commodities	2,259,051	1,801,989
Award/grants and matching funds	2,385,254	1,463,457
Equipment and library books	849,938	126,643
Telecommunications	1,290,151	1,303,225
Automotive	217,063	177,651
Capital repairs and permanent improvements	6,156,855	4,867,241
CMS health insurance	1,204,000	1,204,000
Unemployment compensation benefits	<u>33,316</u>	<u>39,449</u>
TOTAL INCOME FUND EXPENSES	<u>\$ 117,247,244</u>	<u>\$ 101,378,645</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF CHANGES IN CAPITAL ASSETS*
For the Years Ended June 30, 2008 and 2007**

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deductions</u>	<u>Balance June 30, 2007</u>	<u>Additions</u>	<u>Transfers</u>	<u>Deductions</u>	<u>Balance June 30, 2008</u>
Land	\$ 18,927,865	\$ 352,754	\$ -	\$ -	\$ 19,280,619	\$ -	\$ -	\$ -	\$ 19,280,619
Land improvements	53,721,377	-	1,642,880	-	55,364,257	-	2,678,408	-	58,042,665
Buildings	409,366,946	-	9,436,418	-	418,803,364	-	25,891,012	260,861	444,433,515
Equipment	213,790,197	12,883,536	-	6,254,983	220,418,750	13,189,214	-	3,647,457	229,960,507
Intangible assets	3,820,547	-	-	-	3,820,547	-	-	-	3,820,547
Construction in progress	<u>10,180,129</u>	<u>31,178,203</u>	<u>(11,079,298)</u>	<u>294,465</u>	<u>29,984,569</u>	<u>17,326,927</u>	<u>(28,569,420)</u>	<u>1,419,145</u>	<u>17,322,931</u>
TOTALS	<u>\$ 709,807,061</u>	<u>\$ 44,414,493</u>	<u>\$ -</u>	<u>\$ 6,549,448</u>	<u>\$ 747,672,106</u>	<u>\$ 30,516,141</u>	<u>\$ -</u>	<u>\$ 5,327,463</u>	<u>\$ 772,860,784</u>

* Information in this schedule was taken from University records which have been reconciled to the quarterly reports of fixed assets submitted to the State Comptroller. Amounts differ from financial statements as this schedule includes noncapitalized assets which are below the threshold used for financial statement reporting.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF CASH AND TEMPORARY
CASH EQUIVALENTS, AT COST
(EXCLUDING FOUNDATION AND ALUMNI ASSOCIATION)
For the Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
CASH ON HAND	\$ 70,000	\$ 70,000
 CHECKING ACCOUNTS (1)		
Resource Bank, DeKalb, Illinois	826	982
Rock River Bank, Oregon, Illinois	1,476	4,578
National Bank and Trust Co. of Sycamore, Sycamore, Illinois	5,899,591	10,954,657
Amalgamated Bank, Chicago, Illinois	-	-
American National Bank, DeKalb, Illinois	3,016,366	3,038,130
Northern Trust Company, Chicago, Illinois	144,868	179,200
US Bank, Minneapolis, Minnesota	116	238
Castle Bank, DeKalb, Illinois	5,043,085	5,061,288
Compass Bank, Austin, Texas	1,512	255
US Bank, Springfield, Illinois	200,336	200,824
 TEMPORARY CASH INVESTMENTS (1)		
Illinois Funds - U.S. Bank	10,709,499	13,217,960
Repurchase agreements:		
Bank One, Chicago, Illinois:		
Hoffman Estates Debt Reserves Fund and Communications Ducts Reserve Fund	650,170	650,170
Bank One, Chicago, Illinois:		
Hoffman Estates Construction Fund and Communications Ducts Construction Fund	<u>33,371</u>	<u>58,884</u>
	<u>\$ 25,771,216</u>	<u>\$ 33,437,166</u>

(1) These amounts represent bank balances.

**STATE OF ILLINOIS
 NORTHERN ILLINOIS UNIVERSITY
 COMPARATIVE SCHEDULE OF INVESTMENTS, AT COST
 (EXCLUDING FOUNDATION AND ALUMNI ASSOCIATION)
 For the Years Ended June 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
U.S. Treasury obligations, U.S. agency obligations, treasury notes and strips, 3.0 to 6.0 percent	\$ 75,717,567	\$ 66,657,583
Commercial paper	<u>6,611,205</u>	<u>6,614,988</u>
	<u>\$ 82,328,772</u>	<u>\$ 73,272,571</u>

Note: Interest rates for June 30, 2008.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ANALYSIS OF RECEIVABLES AND INVENTORIES
June 30, 2008 and 2007**

Receivables

Reported receivables as of June 30, 2008 and 2007 are summarized below (\$000s):

	<u>June 30,</u>	
	<u>2008</u>	<u>2007</u>
Accounts receivable	\$ 20,777	\$ 18,485
Less allowance for doubtful accounts	<u>(5,329)</u>	<u>(3,889)</u>
Net accounts receivable	<u>\$ 15,448</u>	<u>\$ 14,596</u>
Student loans receivable	\$ 10,397	\$ 10,067
Less allowance for doubtful accounts	<u>(174)</u>	<u>(374)</u>
Net student loans receivable	<u>\$ 10,223</u>	<u>\$ 9,693</u>

Accounts receivable consists primarily of amounts due from students (\$11.8 million in 2008 and \$11.0 million in 2007) and other agencies (\$9.0 million and \$7.5 million in 2008 and 2007, respectively).

Student loans receivable consists primarily of student loans issued under the federal government's Perkins Loan Program.

The allowance for doubtful accounts results from nonpayment of student tuition and reversals of students' financial aid waivers. Occasionally, a student will complete a semester and subsequently be declared ineligible for financial aid already credited to that student's account. These students frequently will not remain enrolled due to a lack of funds and, thus, a substantial allowance for doubtful accounts is necessary.

The allowance for doubtful accounts relating to student notes is the result of the difficulty of collecting Perkins Loan receivables.

The University utilizes the State offset system as well as private collection services to supplement University collection procedures.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ANALYSIS OF RECEIVABLES AND INVENTORIES
June 30, 2008 and 2007**

Inventories

Reported inventories as of June 30, 2008 and 2007 are summarized below (\$000s):

	<u>June 30,</u>	
	<u>2008</u>	<u>2007</u>
Food	\$ 450	\$ 360
Books	1,533	1,683
Inventories for resale	926	909
Commodities and supplies	263	232
Other miscellaneous items	<u>37</u>	<u>35</u>
Total	<u>\$ 3,209</u>	<u>\$ 3,219</u>

Inventories are valued at cost (first-in and first-out method) or market, whichever is lower.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN EXPENSES
For the Years Ended June 30, 2008 and 2007 (In Thousands)**

Following are explanations for significant variances between expense accounts reported in the Statement of Revenues, Expenses, and Changes in Net Assets in the financial audit report exceeding \$1,748,000 and 10 percent:

	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Percent Change</u>	<u>Comments</u>
Public service	\$ 27,864	\$ 2,763	\$ 25,101	11.0%	An increase in costs associated with the opening of the Monsanto property, the Yordon Center, and Proton Therapy Center activity.
Academic support	31,966	3,360	28,606	11.7%	New academic positions created in general education courses, \$1.5 million in new grant expenditures (DCEO), additional scholarships, and library material purchases.
Operation and maintenance of plant	25,628	3,381	22,247	15.2%	Increase in expenses for Yordon Center and costs associated with the February 14, 2008 shooting.
Depreciation	19,208	(4,016)	23,224	(17.3)%	Decrease related to impact of capitalized library additions reaching the end of their useful life.
Institutional support	35,075	4,401	30,674	14.3%	An increase in the reserve for doubtful accounts increased bad debt expense approximately \$2 million.
Staff benefits	66,331	8,659	57,672	15.0%	The University records both a revenue and expense for on-behalf payments made by the State for NIU. This payment is for retirement benefits.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN REVENUES
For the Years Ended June 30, 2008 and 2007 (In Thousands)**

Following are explanations for significant variances between revenue accounts reported in the Statement of Revenues, Expenses, and Changes in Net Assets in the financial audit report exceeding \$1,748,000 and 10 percent:

	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Percent Change</u>	<u>Comments</u>
State appropriations - on-behalf payments	\$ 63,521	\$ 8,399	\$ 55,122	15.2%	The University records both a revenue and expense for on-behalf payments made by the State for NIU. This payment is for retirement benefits.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ANALYSIS OF SIGNIFICANT VARIATIONS IN ACCOUNT BALANCES
For the Years Ended June 30, 2008 and 2007 (In Thousands)**

Following are explanations for significant variances between account balances reported in the Statement of Net Assets in the financial audit report exceeding \$1,748,000 and 10 percent:

	<u>2008</u>	<u>Increase (Decrease)</u>	<u>2007</u>	<u>Percent Change</u>	<u>Comments</u>
Cash and cash equivalents	\$ 11,017	\$ (5,180)	\$ 16,197	(32.0)%	Decrease in cash is offset with an increase in investments.
Investments and marketable securities	93,046	6,901	86,145	8.0%	Increase in investments is offset with a decrease in cash.
Performance contracts payable	18,598	6,726	11,872	56.7%	The University entered into an additional performance contract during fiscal year 2008 for \$8.6 million. Payments against existing performance contracts lowered the change.

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

No significant lapse period spending was noted for the General Revenue Fund or the State College and University Trust Fund.

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

Description of Planning System

In the past the activities and future plans of Northern Illinois University (University or NIU) were stated in the "Performance Report" document, which was submitted annually to the Illinois Board of Higher Education (IBHE). During fiscal year 2008, the IBHE did not require submission of a full Performance Report as the strategic planning process continued. The University has engaged in the development of a strategic plan and formed a Strategic Planning Task Force.

The task force has identified key values that will provide a framework of themes for the strategic plan. The University values:

- Engaged learning that builds upon and thereby celebrates the synergy of teaching and scholarship;
- Scholarly conversations about ideas, artistic expression, and the pursuit of new knowledge;
- The active pursuit of scholarship and artistic expression that prizes both individual achievement and collective endeavor;
- A commitment to engagement and public purpose that simultaneously embraces local needs and global opportunities; and
- A diverse community of people, ideas, and scholarly and artistic specializations.

From these key values and much discussion and deliberation among faculty and administrators the task force has developed four central planning imperatives. These imperatives will serve as broad guidelines for the more detailed plans, goals and initiatives to be developed at the college, department, center and program levels. The four planning imperatives are as follows:

- Preserve, strengthen, and extend NIU's teaching and learning environment.
- Develop a strategy for investing in multi-disciplinary scholarship and artistic clusters - to complement NIU's focus on individual scholarly and artistic achievement.
- Strengthen and extend NIU's regional and global impact.
- Make NIU an institution of "First Choice" for faculty, students, and staff.

The University has developed a timeline and reporting template for the further development of the details of the strategic plan at the college, department, center and program levels. Various task forces were created to address specific aspects of the strategic planning process, and individuals were identified to champion the process. Implementation of the plan began in the fall of 2008.

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

The University recognizes that resources will be required to allow the plan to grow and flourish and has identified priority areas for increased budget allocations. The plan's development also coincides with the launch of a major capital campaign for the University. The University also recognizes the successful implementation of the plan is dependent on subsequent actions of the University's colleges, departments, centers, and programs and is working towards commitments and actions plans from these units. The University has also launched the following initiatives centrally:

- Recruitment of provostal strategic planning task forces.
- Enabling NIU's teaching and learning environment.
- Enabling investments in support of research, scholarship, and artistry.
- Strategic planning initiative grants.

The overarching goals identified by the task forces to date include the following:

- Increase student retention and academic success at NIU.
- Increase the positive culture of NIU that leads to a more welcoming, student-centered, safe and integrated environment for all students.
- Actively engage students in their own learning.
- Improve upon and maintain high quality teaching effectiveness among faculty and staff.

Under each overarching goal, each task force has identified a number of strategies and initiatives to accomplish the goal.

Location, Address, and Head of the University

John G. Peters, President
Northern Illinois University
DeKalb, Illinois 60115

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPARATIVE EMPLOYMENT STATISTICS*
Years Ended June 30, 2008 and 2007**

(Unaudited)

	<u>Instructional Activities</u>	<u>Organized Research</u>	<u>Public Service</u>	<u>Academic Support</u>	<u>Student Services</u>	<u>Institutional Support</u>	<u>Operation and Maintenance Physical Plant</u>	<u>Independent Operations</u>	<u>Total All Functions</u>
Year ended June 30, 2008:									
Appropriated funds:									
Facility/administrative	1,297.5	46.5	30.4	140.1	95.5	78.5	7.8	-	1,696.3
Civil service	304.6	2.1	28.0	153.0	53.3	178.4	219.5	-	938.9
Student employees	48.0	0.1	0.4	27.0	15.7	5.6	7.5	-	104.3
Miscellaneous contracts	13.1	-	0.2	4.0	6.0	2.6	11.9	-	37.8
	<u>1,663.2</u>	<u>48.7</u>	<u>59.0</u>	<u>324.1</u>	<u>170.5</u>	<u>265.1</u>	<u>246.7</u>	<u>-</u>	<u>2,777.3</u>
Nonappropriated funds:									
Facility/administrative	59.5	116.1	137.1	26.3	109.0	9.9	0.9	53.7	512.5
Civil service	11.6	11.5	25.2	17.9	67.6	38.0	29.0	328.5	529.3
Student employees	38.0	19.9	30.5	15.6	104.0	4.0	2.6	225.4	440.0
Miscellaneous contracts	3.9	21.4	18.5	7.4	8.6	1.5	1.0	63.0	125.3
	<u>113.0</u>	<u>168.9</u>	<u>211.3</u>	<u>67.2</u>	<u>289.2</u>	<u>53.4</u>	<u>33.5</u>	<u>670.6</u>	<u>1,607.1</u>
TOTAL ALL FUNDS	<u>1,776.2</u>	<u>217.6</u>	<u>270.3</u>	<u>391.3</u>	<u>459.7</u>	<u>318.5</u>	<u>280.2</u>	<u>670.6</u>	<u>4,384.4</u>
Year ended June 30, 2007:									
Appropriated funds:									
Facility/administrative	1,292.7	37.7	29.2	140.5	97.6	78.7	7.5	0.4	1,684.3
Civil service	305.8	3.0	22.4	149.6	54.3	172.2	217.8	-	925.1
Student employees	46.6	0.4	6.4	26.3	16.7	6.8	7.6	-	110.8
Miscellaneous contracts	13.4	0.1	0.6	2.9	5.3	3.1	9.7	-	35.1
	<u>1,658.5</u>	<u>41.2</u>	<u>58.6</u>	<u>319.3</u>	<u>173.9</u>	<u>260.8</u>	<u>242.6</u>	<u>0.4</u>	<u>2,755.3</u>
Nonappropriated funds:									
Facility/administrative	57.6	122.4	148.4	28.7	106.7	8.3	0.9	52.7	525.7
Civil service	12.2	13.7	26.3	18.6	69.9	39.8	26.8	329.9	537.2
Student employees	33.6	12.7	22.7	14.5	115.7	3.9	1.1	206.4	410.6
Miscellaneous contracts	5.1	17.2	19.6	5.1	8.3	2.4	1.6	52.4	111.7
	<u>108.5</u>	<u>166.0</u>	<u>217.0</u>	<u>66.9</u>	<u>300.6</u>	<u>54.4</u>	<u>30.4</u>	<u>641.4</u>	<u>1,585.2</u>
TOTAL ALL FUNDS	<u>1,767.0</u>	<u>207.2</u>	<u>275.6</u>	<u>386.2</u>	<u>474.5</u>	<u>315.2</u>	<u>273.0</u>	<u>641.8</u>	<u>4,340.5</u>

*Provided by the Office of Budget and Planning.

This is the employment information reported to the State of Illinois Board of Higher Education. Staff years are computed by dividing an employee's number of months of employment during the fiscal year by 12 and multiplying that number by a factor of one for full-time and multiplying by the percentage of appointment for part-time. One example of staff year computation is as follows:

1 full-time employee employed 12 months of fiscal year counts 1 staff year.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
EMERGENCY PURCHASES
June 30, 2008**

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

UC4 Software, Inc. - Actual Cost: \$41,103

The purchase from UC4 was for the license and maintenance for UC4.Executor and UC4.Processor software. UC4 was offering a nonrecurring discount in the amount of \$29,997, provided an agreement was entered into on or before July 31, 2007. An emergency procurement was necessary to take advantage of this discounted price.

Otto Baum Company, Inc. - Actual Cost: \$122,597

Significant damage to the interior decorative plaster finish on the auditorium pilasters in the newly renovated Altgeld Hall was discovered earlier this summer. An investigation indicated that the brick on the exterior of the building had deteriorated, the through-wall flashing was in need of replacement, and the conductor heads and downspouts were leaking. The University engaged the services of Otto Baum to remove and replace the brick, flashing, and collector heads and downspouts as necessary.

Hilton Chicago - Actual Cost: \$30,229

The services of the Hilton Chicago were engaged for lodging and meals for the University's football team for a game in Chicago on September 1, 2007. Due to unanticipated meal costs, the original purchase requisition amount was inadequate and there was insufficient time to bid the increased amount prior to the commencement of services.

Forces, Inc. - Actual Cost: \$33,631

A major rainstorm caused flooding of the duct bank which contained the power lines for the Neptune Residence Hall complex. A fault in the cabling resulted in an electrical short which overheated and burned out the building transformer. A generator was rented to provide power to the Neptune complex on a temporary basis. A purchase order for the estimated amount of the rental was issued for \$24,950. The repair took more time than anticipated, and the resulting cost of the generator rental increased accordingly to an amount in excess of the bidding level.

Oracle USA - Actual Cost: \$101,060

Oracle is offering a discounted price for PeopleSoft ePerformance and PeopleSoft eProfile, including maintenance and support through December 31, 2007. After that date, the discounted price and the existing contract terms will no longer be available.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
EMERGENCY PURCHASES
June 30, 2008**

Per Mar Security Services - Estimated Cost: \$94,080

As a result of the shootings on February 14, 2008, the University determined that there was a need to address the heightened fear and anxiety of students, faculty, and staff on campus. The University engaged the services of security personnel who have been stationed in classroom buildings, residence halls, and elsewhere on campus. Initially, the security personnel were on duty 24 hours per day. Coverage dropped to eight-hour days on February 28, 2008. The services are being provided at a set hourly rate.

A & R Security Services, Inc. - Actual Cost: \$48,440

As a result of the shootings on February 14, 2008, the University determined that there was a need to address the heightened fear and anxiety of students, faculty, and staff on campus. The University engaged the services of security personnel who were stationed in classroom buildings, residence halls, and elsewhere on campus. Security was provided by this firm from February 24, 2008 to February 28, 2008. The services were provided at a set hourly rate of \$28.00.

Burson Marsteller - Estimated Cost: \$50,000

Burson Marsteller was retained for crisis management consulting services by the University's insurance carrier immediately following the February 14, 2008 shootings on the University campus. Victim assistance, crisis management, emergency response, media relations, and institutional recovery warranted the hiring of an outside consultant to supplement existing University personnel and services. Fees for these services have been paid through insurance; however, the coverage ceiling has not been reached. Utilization of this vendor will provide essential continuity and familiarity with the institutional response to this unprecedented crisis situation through the end of the academic year and the fiscal year.

Readex - Actual Cost: \$71,394

The purchase of a licensed library materials serials set database consisting of the U.S. Congressional Serial Set (1817-1980) with American State Papers (1789-1838) plus the MARC (Machine Readable Catalogue) records is available at a substantially discounted price for a limited time only.

Centerpoint Properties Trust - Actual Cost: \$249,700

The University has received a Certificate of Exemption for the operation of the Northern Illinois Proton Treatment and Research Center to be located in the DuPage National Technology Park in West Chicago. The certificate mandates that the center be in operation within 24 months. To meet this deadline, it was necessary to begin predevelopment services as quickly as possible. A contract was entered into for this first phase of the development project before a sole source posting could be made.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
EMERGENCY PURCHASES
June 30, 2008**

Universal Creative Concepts - Actual Cost: \$32,594

The University determined that all attendees of the memorial service on February 24, 2008 for the victims of the February 14, 2008 shootings should receive a memorial imprinted LED key light to be used during the service in remembrance of the victims. The lights were needed in less than a week, and there was not sufficient time to bid this purchase.

Curran Contracting Company - Actual Cost: \$149,975

The road surfaces of Stadium Drive, Stadium Drive South, and Lucinda Avenue, and the surface of the Child Care Center parking lot have deteriorated considerably. The contractor's proposal is for the removal of existing material and replacement of the asphalt surface. The surfaces have to be repaired to prevent further damage to the underlying utilities in the area.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ILLINOIS FIRST PROJECTS
June 30, 2008**

(Unaudited)

Following is a list of Illinois FIRST grants received by the University outstanding as of June 30, 2008:

Grant Award No.:	01-128106
Grant Amount:	\$7,800,000
Grant Period:	January 1, 2002 through December 31, 2009
Grant Purpose:	All costs associated with the Chiller Project.
Grant Description:	Grant funds will be used for the construction of a chilled water plant including chillers, cooling towers, chilled water piping to campus buildings, pumps for water distribution, and controls necessary to run all equipment.
Amount Expended:	\$2,220,267 (as of June 30, 2008)
Grant Award No.:	02-120242
Grant Amount:	\$4,800,000
Grant Period:	November 1, 2001 through October 31, 2008
Grant Purpose:	Costs associated with the renovation, rehabilitation, and reconstruction of Altgeld Hall.
Grant Description:	Grant funds will be used for the renovation of Altgeld Hall which is the original campus building and serves as the major campus landmark. Renovations will include replacement of all mechanical systems, structural reinforcement and replacement, and life safety code compliance.
Amount Expended:	\$4,461,602 (as of June 30, 2008)
Grant Award No.:	03-121453
Grant Amount:	\$1,000,000
Grant Period:	January 1, 2003 through June 30, 2009, check from IDCEO received October 7, 2005
Grant Purpose:	Illinois Research Park Authority
Grant Description:	This funding, in partnership with Fermi National Accelerator Laboratory, will allow for the establishment of an Applied Radio Frequency Engineering Graduate Program that will provide a source of radio frequency engineers to national laboratories and industry in Northern Illinois.
Amount Expended:	\$832,926 (as of June 30, 2008)

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPARATIVE SCHEDULE OF UNRESTRICTED CURRENT FUND
GENERAL EXPENDITURES PER FULL-TIME EQUIVALENT STUDENT
AS REPORTED TO THE BOARD OF HIGHER EDUCATION*
(Key Service Efforts and Accomplishments)**

(Unaudited)

	For the Year Ended June 30,			
	2007		2006	
	<u>Total</u>	<u>Costs Per</u>	<u>Total</u>	<u>Costs Per</u>
	<u>Costs</u>	<u>Full-Time</u>	<u>Costs</u>	<u>Full-time</u>
		<u>Equivalent</u>		<u>Equivalent</u>
Direct salary	\$ 45,085,135	\$ 1,000	\$ 43,964,880	\$ 973
Indirect instruction	4,437,942	98	4,328,820	96
Departmental research	8,693,979	193	8,458,265	187
Departmental overheads	29,168,730	647	25,503,769	565
College or school overheads	<u>15,135,220</u>	<u>336</u>	<u>14,434,611</u>	<u>320</u>
Subtotal of department and college costs	102,521,006	2,274	96,690,345	2,141
Overhead support unique to a function	15,357,720	340	8,539,914	189
All other academic support	15,680,126	348	15,140,387	335
Student services	7,619,264	169	7,558,478	167
Institutional support	<u>32,294,302</u>	<u>716</u>	<u>36,326,274</u>	<u>804</u>
Subtotal of department and college costs with University overheads	173,472,418	3,847	164,255,398	3,636
Operation and maintenance of physical plant	<u>24,713,510</u>	<u>548</u>	<u>22,269,589</u>	<u>493</u>
TOTAL OF ALL COSTS	<u>\$198,185,928</u>	<u>\$ 4,395</u>	<u>\$186,524,987</u>	<u>\$ 4,129</u>

* Cost information for the year ended June 30, 2008 not yet available.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF FEDERAL EXPENDITURES,
NONFEDERAL EXPENSES, AND NEW LOANS
For the Year Ended June 30, 2008
(Accrual Basis)
(Expressed in Thousands)**

Schedule A - Federal Financial Component

Total federal expenditures reported on SEFA schedule	\$ 37,465
Total new loans made not included on SEFA schedule	91,804
Amount of federal loan balances at beginning of the year (not included on the SEFA schedule and continued compliance required)	10,066
Other noncash federal award expenditures (not included on SEFA schedule)	<u>-</u>
Total Schedule A	<u>\$ 139,335</u>

Schedule B - Total Financial Component

Total operating expenses (from financial statements)	\$ 454,389
Total nonoperating expenses (from financial statements)	8,756
Total new loans made	91,804
Amount of federal loan balances at beginning of year	10,066
Other noncash federal award expenditures	<u>-</u>
Total Schedule B	<u>\$ 565,015</u>

Schedule C

		<u>Percent</u>
Total Schedule A	\$ 139,335	24.6%
Total nonfederal expenses	<u>425,680</u>	<u>75.4</u>
Total Schedule B	<u>\$ 565,015</u>	<u>100.0%</u>

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

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMPARATIVE ENROLLMENT STATISTICS*
June 30, 2008**

(Unaudited)

	Semesters					
	Summer 2007	Fall 2007	Spring 2008	Summer 2006	Fall 2006	Spring 2007
On-Campus:						
Undergraduate	2,619	16,818	15,300	2,586	16,933	15,657
Graduate	1,823	2,292	2,265	1,932	2,350	2,267
Professional	<u>37</u>	<u>399</u>	<u>386</u>	<u>47</u>	<u>385</u>	<u>378</u>
Subtotal	<u>4,479</u>	<u>19,509</u>	<u>17,951</u>	<u>4,565</u>	<u>19,668</u>	<u>18,302</u>
Off-Campus:						
Undergraduate	233	224	212	160	174	179
Graduate	<u>1,252</u>	<u>647</u>	<u>597</u>	<u>1,334</u>	<u>693</u>	<u>662</u>
Subtotal	<u>1,485</u>	<u>871</u>	<u>809</u>	<u>1,494</u>	<u>867</u>	<u>841</u>
TOTAL	<u>5,964</u>	<u>20,380</u>	<u>18,760</u>	<u>6,059</u>	<u>20,535</u>	<u>19,143</u>

Note: All full-time equivalents are computed as follows:

Fall and Spring semesters:

$$\text{Undergraduate full-time equivalent} = \frac{\text{Credit hours}}{15.00}$$

$$\text{Graduate full-time equivalent} = \frac{\text{Credit hours}}{12.00}$$

$$\text{Professional full-time equivalent} = \frac{\text{Credit hours}}{12.00}$$

Summer sessions:

$$\text{Undergraduate full-time equivalent} = \frac{\text{Credit hours}}{7.50}$$

$$\text{Graduate full-time equivalent} = \frac{\text{Credit hours}}{6.00}$$

* Provided by Office of Budget and Planning based on beginning of semester count for Fall and Spring semesters and end of the semester count for Summer.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SCHEDULE OF TUITION AND FEE WAIVERS
For the Year Ended June 30, 2008
(In Thousands)**

(Unaudited)

	<u>Tuition Waivers</u>			<u>Fee Waivers</u>		
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Total</u>
Mandatory waivers:						
Teacher/special education	\$ 348.4	\$ 70.4	\$ 418.8	\$ 115.8	\$ 40.3	\$ 156.1
General Assembly	598.0	33.3	631.3	8.8	0.8	9.6
ROTC	242.9	-	242.9	3.9	-	3.9
DCFS	68.6	-	68.6	22.5	-	22.5
Children of employees	433.9	-	433.9	-	-	-
Senior citizens	-	-	-	-	-	-
Veterans grants and scholarships	946.9	210.9	1,157.8	348.6	82.0	430.6
Discretionary waivers:						
Faculty/administrative	12.5	286.6	299.1	6.1	84.0	90.1
Civil service	96.5	130.7	227.2	36.7	42.2	78.9
Children of employees	-	-	-	-	-	-
Academic/other talent	1,638.5	2,696.9	4,335.4	-	0.2	0.2
Athletic	685.9	-	685.9	-	-	-
Gender equity in intercollegiate athletics	915.4	-	915.4	-	-	-
Foreign students	-	28.5	28.5	-	-	-
Cooperating professionals	11.3	1,121.5	1,132.8	-	-	-
Graduate assistants	32.2	9,565.6	9,597.8	-	-	-
Interinstitutional/related agencies	6.7	14.2	20.9	-	-	-
Retired University employees	-	11.2	11.2	-	4.6	4.6
Children of deceased employees	10.7	-	10.7	3.6	-	3.6
Student need - financial aid	282.2	-	282.2	-	-	-
Student need - special programs	-	78.5	78.5	-	-	-
Fellowships	-	257.1	257.1	-	-	-
Contract/training grants	-	196.8	196.8	-	-	-
TOTAL	<u>\$ 6,330.6</u>	<u>\$ 14,702.2</u>	<u>\$ 21,032.8</u>	<u>\$ 546.0</u>	<u>\$ 254.1</u>	<u>\$ 800.1</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
DEBT FINANCED BY UNIVERSITY-RELATED ORGANIZATION
Year Ended June 30, 2008**

The Northern Illinois University Foundation has obtained a loan in connection with the construction of the Barsema Alumni & Visitors Center. At June 30, 2008, the outstanding balance on the loan was \$625,852. The note calls for interest at prime less .75 percent and is due in January 2012. Assignment of existing and future donor pledges secure this note.

The Northern Illinois University Foundation has also issued bonds in connection with the construction of the Jeffrey and Kimberly Yordon Center. At June 30, 2008, the amount of outstanding bonds was \$6,610,189. The bonds were issued at an effective interest rate of 4.66 percent and are due in August 2016. A ten-year operating lease with the University secures these bonds.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
ACQUISITION OF REAL ESTATE COSTING IN EXCESS OF
\$250,000 AND NOT FUNDED BY A SEPARATE APPROPRIATION
Year Ended June 30, 2008**

The University did not purchase any real estate costing in excess of \$250,000.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
BOOKSTORE OPERATIONS
Year Ended June 30, 2008**

(Unaudited)

Contracted/rents to students/University operated	University operated
Contractor	N/A
Contract term	N/A
Amount of gross sales for Bookstore in FY 08	\$6,501,000
Amount (if any) to be paid to Bookstore for FY 08 by University	N/A
Commissions	N/A
Commission terms	N/A
Given exclusive rights	No
Competition/"other" nearby/on-campus bookstores	Yes

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
OTHER ENTITIES
CONDENSED FINANCIAL INFORMATION
June 30, 2008**

	Continuing Education Contract Courses	Continuing Education and Public Service	Sales and Services of Educational Activities	Student Programs and Services	Field Trips and Foreign Study Activities
BALANCE SHEET					
ASSETS					
Cash and cash equivalents	\$ 2,930,064	\$ 456,563	\$ 4,758,055	\$ 7,973,935	\$ 10,834
Other assets	<u>171,123</u>	<u>525,679</u>	<u>1,143,658</u>	<u>682,268</u>	<u>11,639</u>
TOTAL ASSETS	<u>\$ 3,101,187</u>	<u>\$ 982,242</u>	<u>\$ 5,901,713</u>	<u>\$ 8,656,203</u>	<u>\$ 22,473</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 63,402	\$ 376,704	\$ 1,052,944	\$ 231,138	\$ -
Deferred income	<u>53,550</u>	<u>310,732</u>	<u>412,225</u>	<u>1,174,373</u>	<u>-</u>
Total liabilities	116,952	687,436	1,465,169	1,405,511	-
FUND BALANCES	<u>2,984,235</u>	<u>294,806</u>	<u>4,436,544</u>	<u>7,250,692</u>	<u>22,473</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,101,187</u>	<u>\$ 982,242</u>	<u>\$ 5,901,713</u>	<u>\$ 8,656,203</u>	<u>\$ 22,473</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

BEGINNING FUND BALANCES, as previously reported	\$ 2,866,891	\$ 1,432,011	\$ 3,982,241	\$ 5,684,221	\$ 37,379
Cost centers omitted in prior year	<u>-</u>	<u>1,182</u>	<u>-</u>	<u>-</u>	<u>-</u>
BEGINNING FUND BALANCES, as restated	2,866,891	1,433,193	3,982,241	5,684,221	37,379
Revenues	3,077,470	10,583,577	8,402,453	24,979,606	1,800
Expenditures	(2,669,476)	(11,763,533)	(7,980,284)	(23,604,138)	-
Transfers	<u>(290,650)</u>	<u>41,569</u>	<u>32,134</u>	<u>191,003</u>	<u>(16,706)</u>
ENDING FUND BALANCES	<u>\$ 2,984,235</u>	<u>\$ 294,806</u>	<u>\$ 4,436,544</u>	<u>\$ 7,250,692</u>	<u>\$ 22,473</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
AUXILIARY BUSINESS OPERATIONS, SERVICE DEPARTMENTS,
AND INDIRECT COST SUPPORT
CONDENSED FINANCIAL INFORMATION
June 30, 2008**

	<u>Auxiliary Business Operations</u>	<u>Service Departments</u>	<u>Indirect Cost Support</u>
BALANCE SHEET			
ASSETS			
Cash and cash equivalents	\$ 2,911,302	\$ 6,693,587	\$ 2,221,408
Accounts receivable	349,109	300,081	6,507
Inventories	7,022	753,944	-
Other assets	<u>-</u>	<u>(1,063)</u>	<u>7,080</u>
TOTAL ASSETS	<u>\$ 3,267,433</u>	<u>\$ 7,746,549</u>	<u>\$ 2,234,995</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 236,241	\$ 2,718,792	\$ 1,161,712
Deferred income	<u>223,170</u>	<u>-</u>	<u>-</u>
Total liabilities	459,411	2,718,792	1,161,712
FUND BALANCES	<u>2,808,022</u>	<u>5,027,757</u>	<u>1,073,283</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,267,433</u>	<u>\$ 7,746,549</u>	<u>\$ 2,234,995</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

BEGINNING FUND BALANCES, as previously reported	\$ 2,929,171	\$ 4,984,108	\$ 1,410,207
Cost centers omitted in prior year	<u>560,884</u>	<u>-</u>	<u>153,971</u>
BEGINNING FUND BALANCES, as restated	3,490,055	4,984,108	1,564,178
Revenues	8,649,230	32,552,552	4,172,242
Expenditures	<u>(9,331,263)</u>	<u>(32,508,903)</u>	<u>(4,663,137)</u>
ENDING FUND BALANCES	<u>\$ 2,808,022</u>	<u>\$ 5,027,757</u>	<u>\$ 1,073,283</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISES - REVENUE BOND FUNDS
CONDENSED FINANCIAL INFORMATION
June 30, 2008**

	<u>Residence Halls</u>	<u>Student Services</u>	<u>Recreation Facilities</u>	<u>Parking</u>
BALANCE SHEET				
ASSETS				
Cash and cash equivalents	\$ (29,361,235)	\$ (792,032)	\$ 469,655	\$ 12,096
Accounts receivable	3,500,238	423,002	932	-
Inventories	767,938	1,525,454	-	-
Other assets	<u>236,745,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 211,651,958</u>	<u>\$ 1,156,424</u>	<u>\$ 470,587</u>	<u>\$ 12,096</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 5,014,713	\$ 390,525	\$ 5,254	\$ 1,121
Deferred income	<u>495,701</u>	<u>210,284</u>	<u>217,582</u>	<u>-</u>
Total liabilities	5,510,414	600,809	222,836	1,121
FUND BALANCES	<u>206,141,544</u>	<u>555,615</u>	<u>247,751</u>	<u>10,975</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 211,651,958</u>	<u>\$ 1,156,424</u>	<u>\$ 470,587</u>	<u>\$ 12,096</u>

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES**

BEGINNING FUND BALANCES, as previously reported	\$ 204,074,520	\$ 555,615	\$ 247,751	\$ 10,975
Cost centers omitted in prior year	<u>2,335,102</u>	<u>-</u>	<u>-</u>	<u>-</u>
BEGINNING FUND BALANCES, as restated	206,409,622	555,615	247,751	10,975
Revenues	54,472,393	16,412,124	6,246,491	2,292,587
Expenditures	<u>(54,740,471)</u>	<u>(16,412,124)</u>	<u>(6,246,491)</u>	<u>(2,292,587)</u>
ENDING FUND BALANCES	<u>\$ 206,141,544</u>	<u>\$ 555,615</u>	<u>\$ 247,751</u>	<u>\$ 10,975</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISES - REVENUE BOND FUNDS
SCHEDULE OF INDENTURED CAPITAL RESERVES
For the Year Ended June 30, 2008**

Replacement cost of buildings	\$ 518,081,958
Replacement cost of equipment	<u>45,606,307</u>
TOTAL REPLACEMENT COST OF BUILDINGS AND EQUIPMENT	<u>\$ 563,688,265</u>
Allowable indentured capital reserves - 5 percent of total replacement cost of buildings and equipment	\$ 28,184,413
Less actual indentured capital reserve at June 30	<u>6,689,887</u>
MARGIN OF COMPLIANCE	<u>\$ 21,494,526</u>

Note: Replacement costs shown above were calculated based on provisions of the University Guidelines 1982, as amended in 1997, and the bond indenture, using the original cost of the facilities adjusted for the change in the building cost index as reported in the "Engineering News Record."

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
INDIRECT COST SUPPORT
SOURCES AND APPLICATION OF INDIRECT COST RECOVERIES
For the Year Ended June 30, 2008**

BALANCE AT BEGINNING OF YEAR , as previously reported	\$ 1,410,207
Cost centers omitted in prior year	<u>153,971</u>
BALANCE AT BEGINNING OF YEAR , as restated	<u>1,564,178</u>
 SOURCES	
Federal and state grants and contracts	<u>4,172,242</u>
 APPLICATIONS	
Research	2,464,356
Instruction	62,249
Public service	1,033,304
Academic support	500,636
Student services	15,485
Operation and maintenance of plant	438,733
Institutional support	<u>133,854</u>
Total applications	<u>4,648,617</u>
 TRANSFERS	 <u>(14,520)</u>
Net decrease	<u>(490,895)</u>
 BALANCE AT END OF YEAR	 <u><u>\$ 1,073,283</u></u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CALCULATION SHEET FOR INDIRECT COST
SUPPORT CARRYFORWARD
June 30, 2008**

1. Cash and cash equivalents balance:

Enter the June 30 indirect cost entity balance for
cash and cash equivalents:

Add:

Cash and cash equivalents	<u>\$ 2,221,408</u>
---------------------------	---------------------

2. Allocated reimbursements:

Enter the total indirect cost reimbursements allocated
for expenditure for the fiscal year completed:
\$6,153,644. Enter 30 percent of this amount.

1,846,093

3. Unallocated reimbursements:

Enter the lesser of the actual unallocated indirect cost
reimbursements for the year completed OR 10
percent of total indirect cost allocations for the
year completed.

417,224

4. Encumbrances and current liabilities paid in the lapse period:

Enter the amount of:

Current liabilities	1,161,712
---------------------	-----------

Encumbrances	<u>-</u>
--------------	----------

Total	<u>1,161,712</u>
-------	------------------

Indirect cost carryforward:

Enter the total of Items 2, 3, and 4	<u>3,425,029</u>
--------------------------------------	------------------

Subtract from Item 1	<u>(1,203,621)</u>
----------------------	--------------------

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

\$ -

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
OTHER ENTITIES
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
June 30, 2008**

	<u>Continuing Education Contract Courses</u>	<u>Continuing Education and Public Service</u>	<u>Sales and Services of Educational Activities</u>	<u>Student Programs and Services</u>	<u>Field Trips and Foreign Study Activities</u>
1. Current available funds:					
Add:					
Cash	\$ 2,930,064	\$ 456,563	\$ 4,758,055	\$ 7,973,935	\$ 10,834
Total current available funds	A. <u>2,930,064</u>	<u>456,563</u>	<u>4,758,055</u>	<u>7,973,935</u>	<u>10,834</u>
2. Working capital allowance:					
Add:					
Highest month's expenditures	1,980,733	4,106,284	3,324,862	6,643,073	11,565
Encumbrances and current liabilities paid in lapse period	63,402	376,704	1,052,944	231,138	-
Deferred income	<u>53,550</u>	<u>310,732</u>	<u>412,225</u>	<u>1,174,373</u>	<u>-</u>
Working capital allowance	B. <u>2,097,685</u>	<u>4,793,720</u>	<u>4,790,031</u>	<u>8,048,584</u>	<u>11,565</u>
3. Current excess funds:					
Deduct B from A and enter here.	C. 832,379	(4,337,157)	(31,976)	(74,649)	(731)
4. Calculation of income fund remittance:					
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.	D. <u>(915,756)</u>	<u>-</u>	<u>(1,810,061)</u>	<u>-</u>	<u>-</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<u>\$ (83,377)</u>	<u>\$ (4,337,157)</u>	<u>\$ (1,842,037)</u>	<u>\$ (74,649)</u>	<u>\$ (731)</u>

Excess Funds Offset

Buildings	<u>\$ -</u>	<u>\$ -</u>
Equipment	<u>\$ 4,578,781</u>	<u>\$ 9,050,304</u>
Maximum - 5 percent for buildings	\$ -	\$ -
Maximum - 20 percent for equipment	<u>915,756</u>	<u>1,810,061</u>
Total excess funds offset	<u>\$ 915,756</u>	<u>\$ 1,810,061</u>

Note: Assets subject to the excess fund calculation are recorded in the University Plant Fund. Separate ledgers are maintained detailing the composition and source of these assets for the excess fund calculation.

**STATE OF ILLINOIS
 NORTHERN ILLINOIS UNIVERSITY
 AUXILIARY BUSINESS OPERATIONS
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS
 June 30, 2008**

1. Current available funds:

Add:		
	Cash and cash equivalents	<u>\$ 2,911,302</u>
	Total current available funds	A. <u>2,911,302</u>

2. Working capital allowance:

Add:		
	Highest month's expenditures	4,098,863
	Encumbrances and current liabilities paid in lapse period	236,241
	Deferred income	<u>223,170</u>
	Working capital allowance	B. <u>4,558,274</u>

3. Current excess funds:

Deduct B from A and enter here	C. (1,646,972)
--------------------------------	----------------

4. Calculation of income fund remittance:

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.	D. _____ -
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<u>\$ (1,646,972)</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SERVICE DEPARTMENTS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
June 30, 2008**

1. Current available funds:

Add:		
	Cash and cash equivalents	<u>\$ 6,693,587</u>
	Total current available funds	A. <u>6,693,587</u>

2. Working capital allowance:

Add:		
	Highest month's expenditures	7,283,073
	Encumbrances and current liabilities paid in lapse period	2,718,792
	Deferred income	<u>-</u>
	Working capital allowance	B. <u>10,001,865</u>

3. Current excess funds:

Deduct B from A and enter here	C. (3,308,278)
--------------------------------	----------------

4. Calculation of income fund remittance:

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here.	D. <u>(4,616,220)</u>
----------------------------------------------------------------------------------------------------------------------	-----------------------

Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund.	<u>\$ (7,924,498)</u>
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**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISES - REVENUE BOND FUNDS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
June 30, 2008**

	<u>Residence Halls</u>	<u>Student Services</u>	<u>Recreation Facilities</u>	<u>Parking</u>
1. Current available funds:				
Add:				
Cash	\$ (29,361,235)	\$ (792,032)	\$ 469,655	\$ 12,096
Total current available funds	A. <u>(29,361,235)</u>	<u>(792,032)</u>	<u>469,655</u>	<u>12,096</u>
2. Working capital allowance:				
Add:				
Highest month's expenditures	16,920,263	4,372,643	975,161	179,803
Encumbrances and current liabilities paid in lapse period	5,014,713	390,525	5,254	1,121
Deferred income	<u>495,701</u>	<u>210,284</u>	<u>217,582</u>	<u>-</u>
Working capital allowance	B. <u>22,430,677</u>	<u>4,973,452</u>	<u>1,197,997</u>	<u>180,924</u>
3. Current excess funds:				
Deduct B from A and enter here.	C. <u>\$ (51,791,912)</u>	<u>\$ (5,765,484)</u>	<u>\$ (728,342)</u>	<u>\$ (168,828)</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
DESCRIPTION OF ACCOUNTING ENTITIES
June 30, 2008**

A listing of the University's auxiliary enterprise accounting entities, their purpose, and their sources of revenue as of June 30, 2008 is provided below:

AUXILIARY ENTERPRISES

Revenue Bond Funds

This entity represents all of the activity of the Auxiliary Enterprises Revenue Bond Funds. This includes the student residence halls, student center, recreational facilities, and campus parking. Construction of each of these facilities was either fully or partially funded through the issuance of revenue bonds. The primary sources of revenue include room and board income, student fees, bookstore sales, food service operations, parking fee and fines, and investment income.

Auxiliary Business Operations

This entity consists of auxiliary services primarily supported by student fees. The sub-entities are:

Lorado Taft - The purpose of this account is to support the operations of the Lorado Taft dormitory and food service. Income is from food sales, dorm rentals, conference fees, and facility use fees.

Student Contract Busing - This is the student campus bus operation. Income is from student fees.

University Health Service - The Health Service provides clinic-type services to University students. It is supported from student fees.

SERVICE DEPARTMENTS

This group of accounts provides service to various University departments on a charge-back basis. Rates are established and reviewed periodically to operate each service department on a break-even basis.

INDIRECT COST SUPPORT

These accounts are supported by indirect cost reimbursements or accounts that receive funding as a by-product of federal grants. The funds pay for administrative costs, physical plant costs, including utilities, and grant proposals.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
DESCRIPTION OF ACCOUNTING ENTITIES
June 30, 2008**

OTHER ENTITIES

Continuing Education Contract Courses

These activities are established to provide credit courses to individuals and groups external to the institution. Revenues are mainly from tuition for the courses.

Continuing Education and Public Service

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

Sales and Services of Educational Activities

Sales and services of educational activities support instruction and help demonstrate classroom or related educational techniques to students. Revenues are from services or materials furnished which are incidental to the department. Receipts are from testing, cartographic services, book sales, sales of instructional materials, and public opinion services.

Student Programs and Services

These programs are supported by student activity fees, gate receipts from athletic events, and income from concerts and performances sponsored by the Student Association.

In addition to the intercollegiate athletics program, the funds sponsor a variety of student functions, including speakers, acquisition of art objects, artist series, legal assistance, orientation, and grant-in-aid.

Field Trips and Foreign Study Activities

These activities are the supporting program costs for primarily credit courses at an off-campus site or at a foreign educational institution. The supporting costs include housing, transportation, printing, advertising, admissions, and other related program costs.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMMENTS ON CERTAIN MATTERS REGARDING AUXILIARY
ENTERPRISES, ACTIVITIES, AND ACCOUNTING ENTITIES,
AND TUITION, CHARGES, AND FEES
June 30, 2008**

AUXILIARY ENTERPRISES, ACTIVITIES, AND ACCOUNTING ENTITIES

1. All employer contributions, except for certain restricted federal funds, to the University retirement system are made from the General Revenue Fund appropriation to the State Universities Retirement System for this purpose. Accordingly, the portion of the retirement contribution attributable to employees in auxiliary enterprise operations is paid from appropriated funds and amounted to approximately \$2,426,000 and \$1,311,696 for the years ended June 30, 2008 and June 30, 2007, respectively.
2. The University's governing board has established no noninstructional facilities (development) reserves.

TUITION, CHARGES, AND FEES

Northern Illinois University does not have statutory authority to divert and is not diverting tuition to auxiliary enterprise operations.

BOND INDENTURE FUNDING REQUIREMENTS

	Required as of June 30, 2008		Amount of Cash, Investments, and Accrued Interest at June 30, 2008
	<u>Minimum</u>	<u>Maximum</u>	
Repair and replacement reserve	<u>\$ 1,015,703</u>	<u>\$ 28,184,413</u>	<u>\$ 6,689,887</u>

BOND COVENANTS

There were no violations of revenue bond covenants noted during the audit of Northern Illinois University for the year ended June 30, 2008.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
COMMENTS ON CERTAIN MATTERS REGARDING
UNIVERSITY-RELATED ORGANIZATIONS
AND OTHER MATTERS
June 30, 2008**

1. Northern Illinois University Foundation, Northern Illinois University Alumni Association, and Northern Illinois Research Foundation are recognized by Northern Illinois University as related organizations.
2. There are no organizations considered by the University to be independent organizations as defined in Section VII of University Guidelines 1982, as amended in 1997.

Comment on Other Topics

1. Income from investments of pooled funds is allocated and credited monthly to the original sources of the funds based on their respective cash balances.
2. In August 1993, the University issued \$8,485,000 of Certificates of Participation to refinance an educational center occupied by Northern Illinois University in Hoffman Estates, Illinois, payable through installments commencing in 1994, for a period of twenty-three years. Balance at June 30, 2008 was \$4,920,000.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SUMMARY OF FOUNDATION PAYMENTS
TO/FROM THE UNIVERSITY
For the Year Ended June 30, 2008**

During fiscal year 2008, the University engaged the Foundation, under contract, to provide fundraising services. As provided in the contract agreement, the University paid \$538,690 for fundraising services. Additionally, the University provided services to the Foundation valued at \$1,390,314. As required by the contract, the Foundation fully repaid the University for the services provided, using funds considered unrestricted for purpose of the University Guidelines computations.

Presented below is a summary of all funds that the Foundation gave to the University in 2008:

Funds considered unrestricted for purposes of the Guidelines computations:	
Totally unrestricted - administrative services	\$ 1,390,314
Restricted only as to campus, college, or department and generally available for ongoing University operations:	
Support for University programs and departments	2,712,296
Administrative and office expense	1,579,360
Provided for library books, equipment, and property and improvements	<u>4,865,115</u>
Total funds considered unrestricted	<u>10,547,085</u>
Funds considered restricted for purposes of the Guidelines computations:	
Provided for scholarships and awards	1,021,380
Provided for library books, equipment, and property and improvements	322,584
Other restricted funds provided to the University:	
Restricted Fund	2,037,477
Endowment Fund	<u>271,685</u>
Total funds considered restricted	<u>3,653,126</u>
Total funds provided to the University by the Foundation	<u>\$ 14,200,211</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
SUMMARY OF ALUMNI ASSOCIATION PAYMENTS
TO/FROM THE UNIVERSITY
For the Year Ended June 30, 2008**

In accordance with a memorandum of understanding between the University and the Alumni Association with regard to funding staffing costs in the alumni relations area, the Alumni Association contributed \$48,662 during 2008. There were no amounts paid by the University to the Alumni Association.

Presented below is a summary of all funds that the Association gave to the University during 2008:

Funds considered unrestricted for purposes of the Guidelines computations:	
Restricted only as to campus, college, or department and generally available for ongoing University operations:	
Support of University programs and departments	<u>\$ 358,525</u>
Total funds considered unrestricted	<u>358,525</u>
Funds considered restricted for purposes of the Guidelines computations:	
Endowment Fund	<u>43,000</u>
Total funds considered restricted	<u>43,000</u>
Total funds provided to the University by the Association	<u>\$ 401,525</u>

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
AUXILIARY ENTERPRISES - REVENUE BOND FUNDS -
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
For the Year Ended June 30, 2008**

REVENUES

Food and other merchandise sales	\$ 26,181,469
Room and other rentals	33,201,028
Parking revenue	2,365,807
Student fees	14,498,369
Interest in investments	2,111,672
Other revenues	<u>1,428,580</u>
Total revenues	<u>79,786,925</u>

EXPENSES

Cost of food and other merchandise sales	12,695,066
Personal services	20,716,660
Student services	3,785,202
Counseling room and board	1,383,905
Employee meals furnished	200,520
Insurance	265,605
Laundry	106,048
General and administrative	10,615,104
Repairs and other services	10,444,697
Telephone service - student rooms	826,602
Utilities	6,226,822
Depreciation	<u>5,364,318</u>
Total expenses	<u>72,630,549</u>

INCREASE IN NET ASSETS

\$ 7,156,376

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT UNRESTRICTED FUNDS - AUXILIARY ENTERPRISES -
REVENUE BOND FUNDS - OCCUPANCY REPORT
OF RESIDENCE HALLS
For the Fiscal Year 2008**

(Unaudited)

	<u>Design Capacity</u>	<u>Fall Semester Occupancy</u>	<u>Spring Semester Occupancy</u>	<u>Average Occupancy</u>	<u>Room and Board Rate</u>
Neptune Complex	1,117	960	883	922	\$ 7,454
Lincoln Hall	966	882	829	856	\$ 7,368
Douglas Hall	1,000	887	833	860	\$ 7,368
Grant Towers	1,789	1,555	1,439	1,497	\$ 7,440
Stevenson Towers	<u>1,280</u>	<u>1,173</u>	<u>1,062</u>	<u>1,118</u>	\$ 8,200
TOTAL RESIDENCE HALLS	<u>6,152</u>	<u>5,457</u>	<u>5,046</u>	<u>5,253</u>	

Based on 9 month occupancy.

**STATE OF ILLINOIS
NORTHERN ILLINOIS UNIVERSITY
CURRENT UNRESTRICTED FUNDS - AUXILIARY ENTERPRISES -
REVENUE BOND FUNDS - INSURED VALUE SUMMARY
For the Year Ended June 30, 2008**

(Unaudited)

	<u>Insured Value</u>		
	<u>Building</u>	<u>Contents</u>	<u>Business Interruption</u>
Barsema Alumni & Visitors Center	\$ 7,218,000	\$ 420,000	\$ -
Black Studies	591,000	-	-
Campus Life Building	8,293,000	1,400,000	-
Central Stores	-	1,818,000	-
Child Care Center	2,799,000	226,000	-
Convocation Center	32,948,000	5,544,000	-
Douglas Hall	31,529,000	1,741,000	-
Evans Field House	11,162,000	998,000	-
Gilbert Hall	11,525,000	-	-
Grant Complex	81,940,000	2,350,000	-
Holmes Student Center	52,642,000	4,864,000	-
Huskie Stadium:			
Stadium	26,439,000	1,148,000	-
Field Turf	952,000	-	-
Latino Center	759,000	189,000	-
Lincoln Hall	31,529,000	1,741,000	-
Lincoln Highway Conference Center	1,347,000	-	-
Lincoln Highway Multi-purpose Property	1,841,000	-	-
Neptune Complex	29,353,000	2,156,000	-
Parking Services:			
Office	160,000	185,000	-
Parking Structure	9,751,000	-	-
Stevenson Complex	81,940,000	7,429,000	-
Student Recreation Center	12,896,000	791,000	-
University Apartments	4,628,000	113,000	-
University Resources for Women	366,000	-	-
West Heating Plant and Cooling Towers	5,445,000	45,000	-
Business Interruption	-	-	<u>24,967,000</u>
TOTAL	<u>\$ 448,053,000</u>	<u>\$ 33,158,000</u>	<u>\$ 24,967,000</u>

The University obtains its property insurance, including boiler and machinery coverage, through the Midwestern Higher Education Compact's Master Property Program. The University purchases limits of \$1 billion in layers: the first layer provides \$100 million in individual limits and the next two layers provide a total of \$900 million on a shared, but per occurrence, basis. The Holmes Student Center has coverage for silverware and silverplate, and State and University self-insurance programs and commercial insurance are in force to provide liability coverage for University operations, including Revenue Bond.