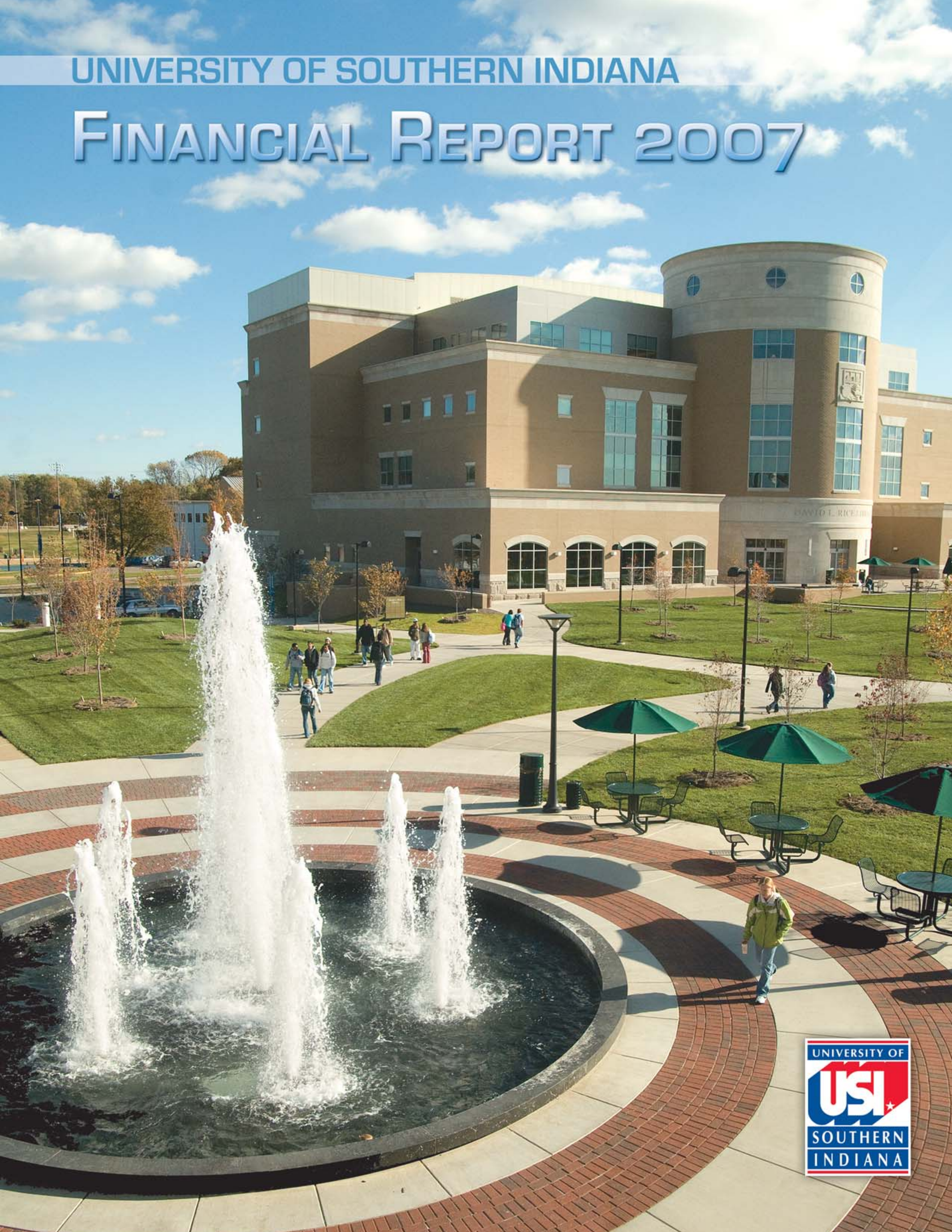
UNIVERSITY OF SOUTHERN INDIANA

FINANCIAL REPORT 2007



UNIVERSITY OF USI SOUTHERN INDIANA

ON THE COVER

A view of the new Quad fountain and Rice Library

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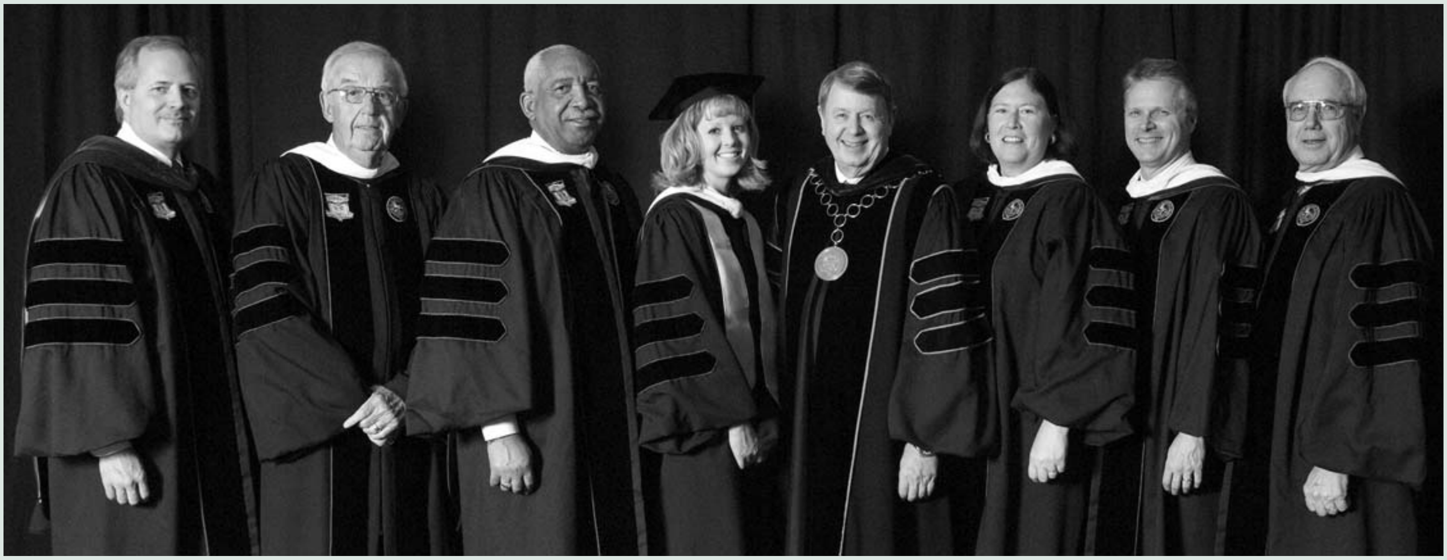
Supplementary Information

Additional copies of this report may be obtained from:

Office of the Vice President for Business Affairs and Treasurer
Byron C. Wright Administration Building
University of Southern Indiana
8600 University Boulevard
Evansville, Indiana 47712-3596
Telephone: 812/464-8600
or from the Web site at www.usi.edu/busoff/annualreport.asp

Board of Trustees 2006-2007



Trustees of the University gather before the 2006 Commencement ceremony. They are (from left) Mark Day, James Will, Sr., W. Harold Calloway, Lauren C. Fultz, President H. Ray Hoops, Amy W. MacDonnell, Jeffery Knight, and Bruce H. Baker.

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Indianapolis, Indiana

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Message From The President

Dr. H. Ray Hoops
President

Dear Friends,

Thanks to a strong partnership of state officials, business and community leaders, donors, and educators, the University of Southern Indiana continues to serve regional and state needs. In August, the 2007 President's Task Force on Workforce and Economic Development completed its study of economic and workforce trends and an assessment of institutional programs to serve the regional economy. The findings of the study reinforced the University's strong emphasis on quality instruction, measured the progress in implementing recommendations from a similar study in 2000, and included evidence that USI's economic impact continues to be significant. Recommendations of the Task Force include development of specialties within the engineering program, leadership in STEM– (science, technology, engineering, and mathematics) related education, and other programming enhancements that will serve employers in the region. The complete report of the Task Force can be found at www.usi.edu/president/2007taskforce/.

We appreciate the support of the Indiana General Assembly, which has allowed planning to move forward for the Business and Engineering Center. This building will enhance the University's ability to provide instruction, service, and research activities that will elevate the educational experience of our students. Many USI friends and alumni have come forward to support the programmatic needs of this state-of-the-art facility, and we are grateful for their support. A significant reminder of what we can offer our students and our community as a result of private gifts is the Kenneth P. McCutchan Art Center/Palmina F. and Stephen S. Pace Galleries, a project currently under construction. The Art Center will showcase the work of student, faculty, and other artists, and become a destination for all who love and value the arts.

Students and alumni of the University of Southern Indiana continue to excel in the classroom and in the community. This fall's entering class came to USI well prepared and with high expectations. The class includes 58 Indiana valedictorians and its members come from 91 Indiana counties, 35 states, and 44 nations. The Class of 2007 increased the number of USI alumni to more than 25,000. Over 75 percent of our alumni reside in southwestern Indiana, providing leadership in the sciences, teaching our children, managing our businesses, serving our hospitals, and enhancing the arts. USI alumni are engaged in the community and help make it a dynamic place to live and work.

We strike an extraordinary balance at the University of Southern Indiana by providing an affordable education without compromising quality or excellence. That balance is made possible because of generous gifts from alumni and friends and a strong working relationship with the Indiana General Assembly. Such support allows us to live our mission every day, with an unfailing commitment to the highest quality academics and engagement with our region and the State of Indiana. We thank our elected officials and our friends in the private sector for helping us achieve our goals.

Sincerely yours,

H. Ray Hoops

H. Ray Hoops
President

Message From The Vice President and Treasurer

Mark Rozewski
Vice President for
Business Affairs
and Treasurer

To the President and the Board of Trustees
of the University of Southern Indiana:

I am pleased to present the University of Southern Indiana's audited financial report for the fiscal year ended June 30, 2007. The financial report has been prepared and presented in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB) for public colleges and universities. The University is regarded as a special-purpose government entity engaged only in business-type activities. As such, the financial report consists of the following basic statements: Management's Discussion and Analysis (MD&A); the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; the Statement of Cash Flows; and the Notes to the Financial Statements. The report also contains the Statement of Financial Position and the Statement of Activities of the USI Foundation, a component unit of the University of Southern Indiana.

The financial statements provide a summary of the flow of economic resources during the fiscal year, the University's financial position at fiscal year end, comparative data from the previous fiscal year, and the net assets available for future use. The statements and the accompanying notes have been audited by the Indiana State Board of Accounts. Their opinion appears on the following page.

This report is a complete and permanent record of the financial status of the University of Southern Indiana for the period stated therein.

Mark Rozewski
Vice President for Business Affairs
and Treasurer

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INDEPENDENT AUDITORS' REPORT

TO: THE OFFICIALS OF UNIVERSITY OF SOUTHERN INDIANA, EVANSVILLE, INDIANA

We have audited the accompanying basic financial statements of University of Southern Indiana, a component unit of the State of Indiana, as of and for the years ended June 30, 2007 and 2006. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the component unit of the University as discussed in Note 18, which represents 100% of the assets and revenues of the discretely presented component unit. The financial statements of this component unit were audited by another auditor whose report thereon has been furnished to us and our opinion, insofar as it relates to this unit, is based upon the report of the other auditor.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of University of Southern Indiana, as of June 30, 2007 and 2006, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 19, 2007, on our consideration of University of Southern Indiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit. This report will be issued in the University's Single Audit report prepared in accordance with OMB Circular A-133.

The Management's Discussion and Analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

STATE BOARD OF ACCOUNTS
State Board of Accounts

November 19, 2007

Management's Discussion and Analysis

Management's discussion and analysis reviews the financial performance of the University during the fiscal year ended June 30, 2007, and compares that performance with data from prior fiscal periods. It is designed to focus on current activities, resulting changes, and currently known facts. It is intended to answer questions that may result from the review of the information presented in the financial statements and to better explain the financial position of the University. The information presented in the financial statements, the notes to the financial statements, and the discussion and analysis are the responsibility of management.

Using the Annual Report

This annual report consists of a series of financial statements prepared from an entity-wide focus in accordance with the Governmental Accounting Standards Board Statement No. 35, *Basic Financial Statements — and Management's Discussion and Analysis — for Public Colleges and Universities*. These statements focus on the financial condition, the results of operations, and the cash flows of the University as a whole.

A key question to ask about the University's finances is whether the institution as a whole improved or declined as a result of the financial activities from the fiscal year. The answer is found in the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. Discussion and analysis of each of these statements are presented in the following pages.

Statement of Net Assets

The Statement of Net Assets presents the value of the assets, liabilities, and net assets at the end of the fiscal year. It is prepared under the accrual basis of accounting: revenues and expenses, and their impact on assets and liabilities, are recognized when service is provided or received by the University, regardless of when cash is exchanged. Assets and liabilities are classified as current (accessible or payable in one year or less) or non-current (accessible or payable beyond one year); net assets are invested in capital assets, restricted for specific purposes, or unrestricted.

Net assets are one indicator of current financial health. The increases or decreases in net assets that occur over time indicate improvements or deterioration of the University's financial condition.

Assets

Current assets at June 30, 2007, consist predominantly of cash and cash equivalents, short-term investments, and receivables. Also included are prepaid expenses, deposits with trustees, and inventories. Non-current assets include capital assets net of depreciation and long-term investments. Both current and non-current assets include receivables from the state and lesser-valued resources that are grouped together and listed under the term *Other*.

STATEMENT OF NET ASSETS June 30 (in thousands)	2007	2006	2005
Current Assets	$ 67,249	$ 55,907	$ 45,939
Noncurrent Assets:			
Capital assets, net of depreciation	131,645	137,447	131,078
Other noncurrent	25,135	25,852	42,667
Total Assets	**$224,029**	**$ 219,206**	**$219,684**
Current Liabilities	$ 17,722	$15,849	$ 15,246
Noncurrent Liabilities	117,297	120,453	125,688
Total Liabilities	**$135,019**	**$136,302**	**$140,934**
Net Assets:			
Invested in capital assets, net of debt	$ 11,407	$ 24,386	$ 25,008
Restricted–expendable	1,768	1,486	214
Unrestricted	75,835	57,031	53,528
Total Net Assets	**$ 89,010**	**$ 82,903**	**$ 78,750**

Total assets increased $4.8 million (2.2 percent) in 2007 compared to a $0.4 million (0.2 percent) decrease in 2006 and a $2.6 million (1.2 percent) increase in 2005. The current year increase is explained by the following fiscal year events:

- Cash and investments have maintained a consistent increase over the past three years — $10.1 million in 2007, $10.3 million in 2006, and $10.5 million in 2005 — reflecting the increase of operating cash that is available for investment. For 2007, part of the increased funds available included draws on construction financing debt which were invested short-term at June 30. Most of the current year increase is in short-term certificates of deposit and repurchase agreements. These investment vehicles help the University obtain higher revenues while maintaining safety and insuring adequate liquidity for institutional needs.
- Student receivables comprise 70 percent of the total accounts receivable amount and increased $3.1 million in 2007 compared to a $653,000 increase in 2006. This represents a 102.8 percent increase which can be attributed to the following:
  - — A change in policy whereby the University no longer cancels a student for nonpayment, retaining the receivable balance until it is written off under the aged-receivables policy;
  - — A change in summer billing procedure wherein all summer sessions are billed before the fiscal year end in contrast to previous years when each summer session was billed separately over three months; and
  - — Increases in both summer enrollment and student fee rates.
- The receivable from the State of Indiana for the 2005 twelfth-month appropriation decreased $1.2 million,leaving $1.6 million to be collected over the next two fiscal years.
- Deposits with bond trustees decreased $1.9 million in 2007 as the remaining funds were expended on construction of the David L. Rice Library project. In 2005, $21.5 million remained on deposit with trustees from the proceeds of the 2004 bond issue for this project. At 2006 fiscal year end, $2.1 million remained for finishing the project and the debt service. The balance currently remaining on deposit with bond trustees represents dollars earmarked for debt service of all outstanding bonds payable.
- Net capital assets decreased $5.8 million in 2007. Two primary reasons for this include an increase in accumulated depreciation of $8.9 million, and the removal of the University's fine art collection and the New Harmony museum exhibit collection, together valued at $1.6 million, from the capital asset classifi-cation due to challenges required to maintain accurate values. *See note 16 for more information*. These decreases were offset by the addition of $3.2 million in new construction-in-progress and $1.4 million in equipment and library materials.

Liabilities

Current liabilities at June 30, 2007, are primarily composed of accrued payroll and related benefits and deductions and the current portion of bonds payable. Also included are accounts payable, debt interest payable, and other miscellaneous liabilities. Non-current liabilities are predominately bonds payable. Also included are compensated absences and termination benefits, an unamortized bond premium, and miscellaneous other long-term liabilities. Total liabilities decreased $1.3 million (0.9 percent) in 2007 compared to a decrease of $4.6 million (3.3 percent) in 2006 and a decrease of $3.7 million (2.5 percent) in 2005. Activities during the year that influenced this change include the following:

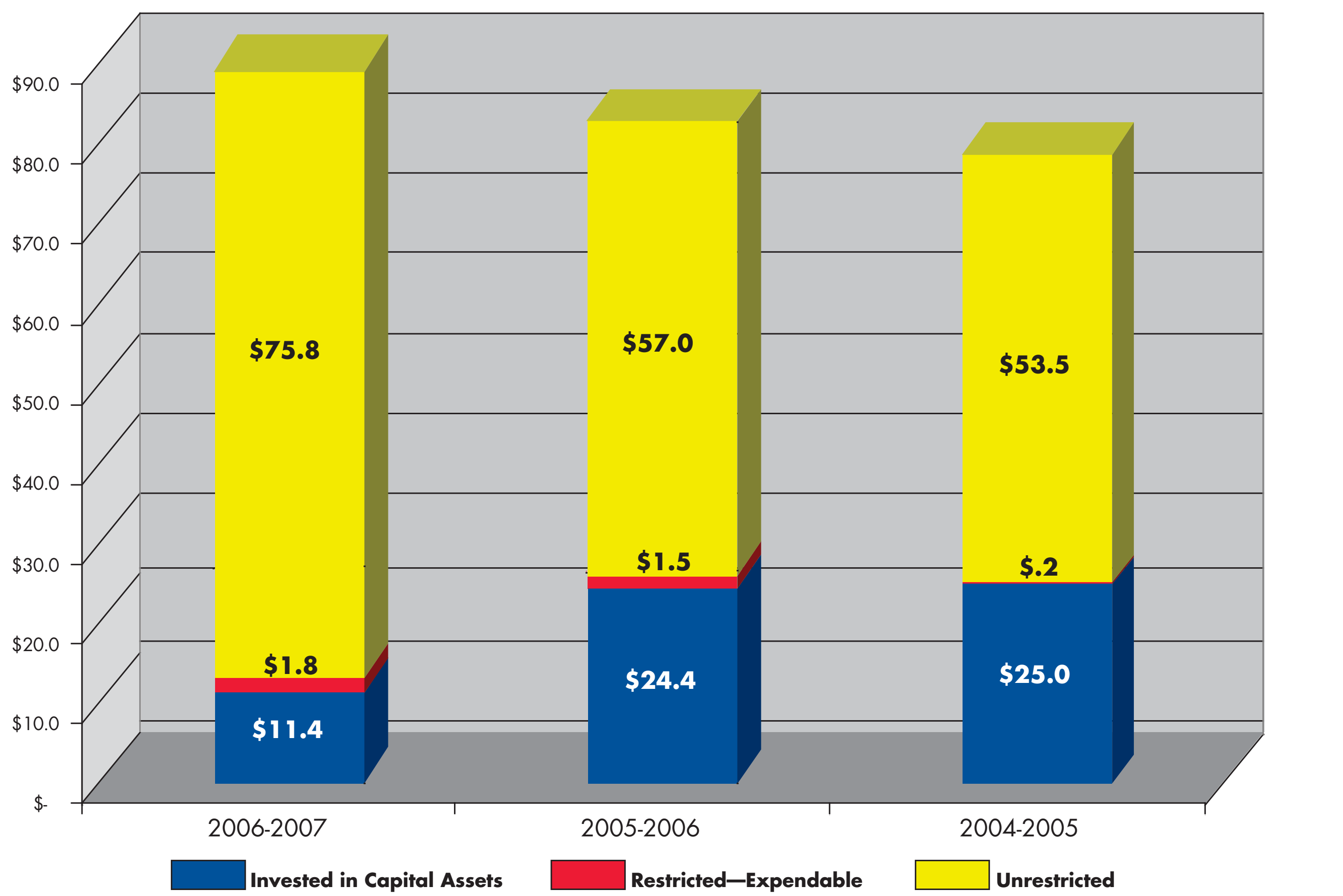
- Accrued payroll, related benefits, and deductions decreased $402,000 in 2007 compared to increases of $925,000 in 2006 and $797,000 in 2005. A new governmental accounting standard that required recognition of voluntary termination benefits accounted for nearly $900,000 of the 2006 increase. The decrease this fiscal year can be attributed to $431,000 in excess collections for self-insured health-care coverage moved from the liability account into the reserve fund for medical premiums.
- Paying down the existing debt created a decrease of nearly $2.0 million in notes and bonds payable, debt interest payable, and unamortized bond premium for 2007 compared to $5.6 million and $4.6 million decreases in 2006 and 2005 respectively.
  - — A bond issued in 2006 acts as a line of credit until December 31, 2007, by allowing draws against the approved amount of $7.25 million. At June 30, $2.3 million had been drawn against the bond.
  - — In 2007, an interim financing note was issued that acts as a line of credit by allowing draws against the approved amount of $6.6 million. At June 30, $1.6 million had been drawn against the note.

These amounts are included in the current bonds and notes payable balance. *See Notes 6 and 7 for more information on the bond issue and the interim financing note*.

Net Assets
Net assets at June 30, 2007, are $6.1 million greater than on June 30, 2006. Capital assets, net of related debt, decreased $13.0 million; restricted expendable assets increased $282,000; and unrestricted assets increased $18.8 million. Unrestricted assets equal $75.8 million and comprise 85 percent of total net assets. Of the total unrestricted amount, $61.4 million have been internally designated as follows:

- $19.8 million reserve for equipment and facilities maintenance and replacement
- $13.8 million reserve for University benefits
- $13.6 million reserve for auxiliary systems
- $5.3 million reserve for working capital and outstanding encumbrances
- $4.6 million reserve for academic operations and initiatives
- $2.6 million reserve for insurance and equipment
- $1.7 million reserve for medical premiums

ANALYSIS OF NET ASSETS (in millions)



Statement of Revenues, Expenses, and Changes in Net Assets

The Statement of Revenues, Expenses, and Changes in Net Assets presents the revenues earned and the expenses incurred during the fiscal year. This statement tells the reader to what extent the results of operations, non-operating revenues, and capital funding have had on the net assets of the University.

Activities are reported as either operating or non-operating. Student fees, financial aid revenue from grants and scholarships, and revenues from auxiliary enterprises are the major sources of operating income. Operating income is reduced by discounts and allowances for scholarships, room, and board. Discounts and allowances are institutional resources provided to students as financial aid up to and equal the amounts owed by the students to the institution.

An important point to recognize on this financial statement is that state appropriations are required to be classified as non-operating revenues. This creates large operating deficits for public universities which rely heavily on state funding to meet their missions and goals. A truer measure of fiscal year net income is the amount shown on the statement as "Income/(expenses) before other revenues, expenses, gains, or losses."

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Year Ended June 30 (in thousands)	2007	2006	2005
Total operating revenues	$70,388	$67,951	$64,276
Total operating expenses	(107,062)	(103,454)	(96,112)
Operating losses	(36,674)	(35,503)	(31,836)
Net nonoperating revenues/(expenses)	41,976	39,589	37,838
Income/(expenses) before other revenues, expenses, gains, or losses	5,302	4,086	6,002
Capital gifts, grants, and appropriations	805	67	203
Increase / (decrease) in net assets	**$ 6,107**	**$ 4,153**	**$ 6,205**

Revenues

Operating revenues increased $2.4 million (3.6 percent) in 2007 compared to a $3.7 million (5.7 percent) increase in 2006 and a $4.4 million (7.3 percent) increase in 2005. The current year increase is explained by the following significant fiscal year activities:

- Net student fee revenue increased from $32.4 million in 2006 to $34.4 million in 2007. This change is due in part to an increase in FTE enrollment of 1.3 percent and a fee rate increase of 5.0 percent in 2007.
- Grants and contracts from all sources totaled $13.7 million, which is a 7.9 percent increase over total grants and contracts received in 2006. The University received 49 percent from federal agencies, 45 percent from state and local agencies, and 6 percent from nongovernmental entities. Of the total grant revenue, 85.3 percent provided financial aid to the University's students.
- Auxiliary enterprise revenue, after room and board allowances, increased $127,000, or 0.6 percent, in 2007. The prior fiscal year increased $1.2 million, or 5.8 percent. The primary sources of auxiliary revenue are student housing rentals ($8.0 million), the bookstore operation ($6.1 million), and student meal plans ($3.5 million).

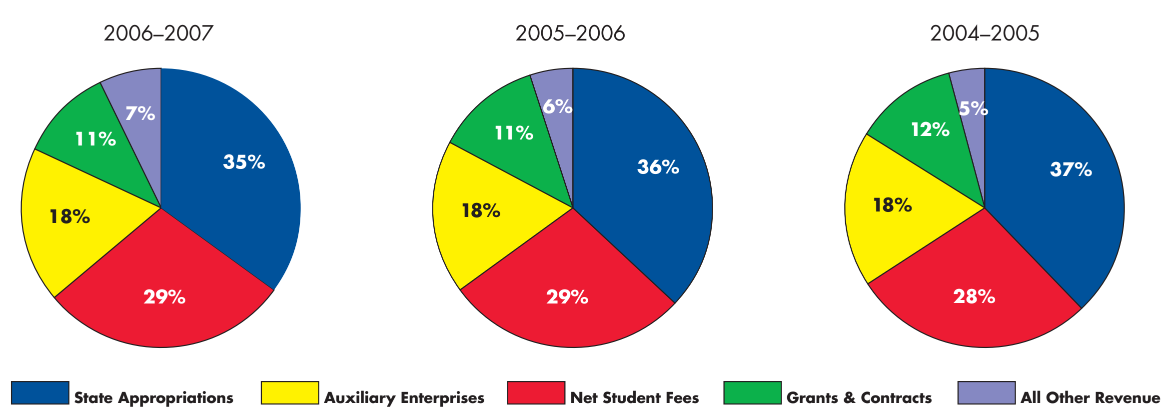
Non-operating revenues experienced a net increase of 5.7 percent for the fiscal year ended June 30, 2007, compared to a 3.9 percent increase in 2006 and a 6.3 percent increase in 2005.

- State appropriations for general operating support increased 2.8 percent, from $41.0 million in 2006 to nearly $41.9 million in 2007.
- Gift revenues increased 6.2 percent and 18.6 percent for 2007 and 2006 respectively. Of the $2.1 million gifts received in 2007, more than 96.1 percent came from the USI Foundation for scholarships, educational grants, academic enhancements, athletics, and other University support.
- Investment income, net of investment expense, increased nearly $4.0 million, or 63.0 percent, this fiscal year. The University had $10.1 million more dollars invested during the current fiscal year than the previous year, which accounts for the increase in this income.

Other revenues include capital gifts from the USI Foundation. Capital gifts of $804,631 in 2007 and $67,167 in 2006 were received for purchase of classroom equipment, major renovation, and new construction projects. More than $738,000 of the 2007 gifts is restricted to major improvements to the Physical Activities Center.

Total revenues (operating, non-operating, and other) increased $5.7 million in fiscal year 2007 compared to $5.2 million increase in 2006 and $6.2 million increase in 2005. The graph below shows the composition of the University's revenue for fiscal years 2005–2007:

REVENUE CHARTS



Expenses

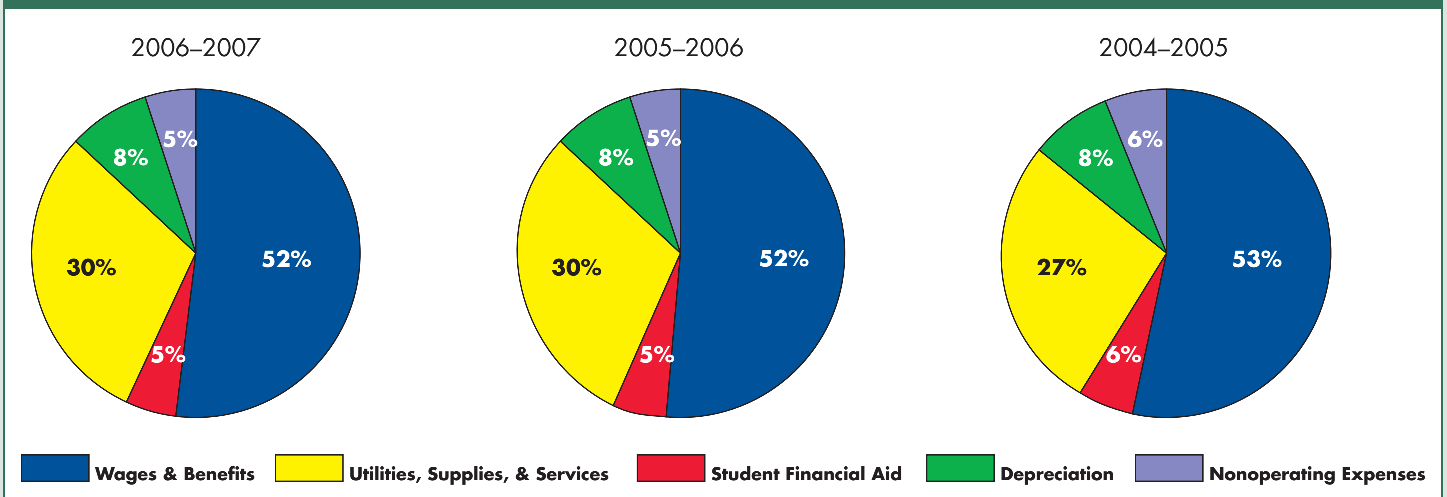
Operating expenses increased $3.6 million (3.5 percent) this fiscal year compared to a $7.3 million (7.6 percent) increase in 2006 and a $5.2 million (5.7 percent) increase in 2005. Except as noted otherwise, the increase in operating expenses is generally a result of rising costs and an increase in campus plant facilities. Changes in expense categories were as follows:

- Compensation (salaries, wages, and benefits) comprises 54.8 percent of total operating expenses and increased 3.6 percent. This is down slightly from the 3.8 percent increase in the prior fiscal year. The number of faculty increased 0.1 percent and the number of benefit-eligible staff increased less than 2.0 percent in fiscal year 2007.
- Student financial aid remained constant at nearly $5.7 million, which reflects a stabilizing trend in the student enrollment numbers.
- Utilities decreased $0.1 million (3.0 percent) compared to the prior year's increase of $0.8 million or 26.7 percent. The University was able to negotiate lower rates for bulk purchases of natural gas for this fiscal year.
- Depreciation increased $1.0 million, or 11.7 percent, in fiscal year 2007 compared to $0.1 million, or 1.5 percent, in fiscal year 2006. The David L. Rice Library was completed and placed into service, which attributed to the increase in depreciation expense this year.

Non-operating expenses consist of interest on capital asset-related debt and other costs associated with issuing bonds and refinancing debt. These expenditures increased $172,000 this year compared to $66,000 decrease in 2006. The overall increase is reflected in more interest on capital debt expense having been incurred in fiscal year 2007.

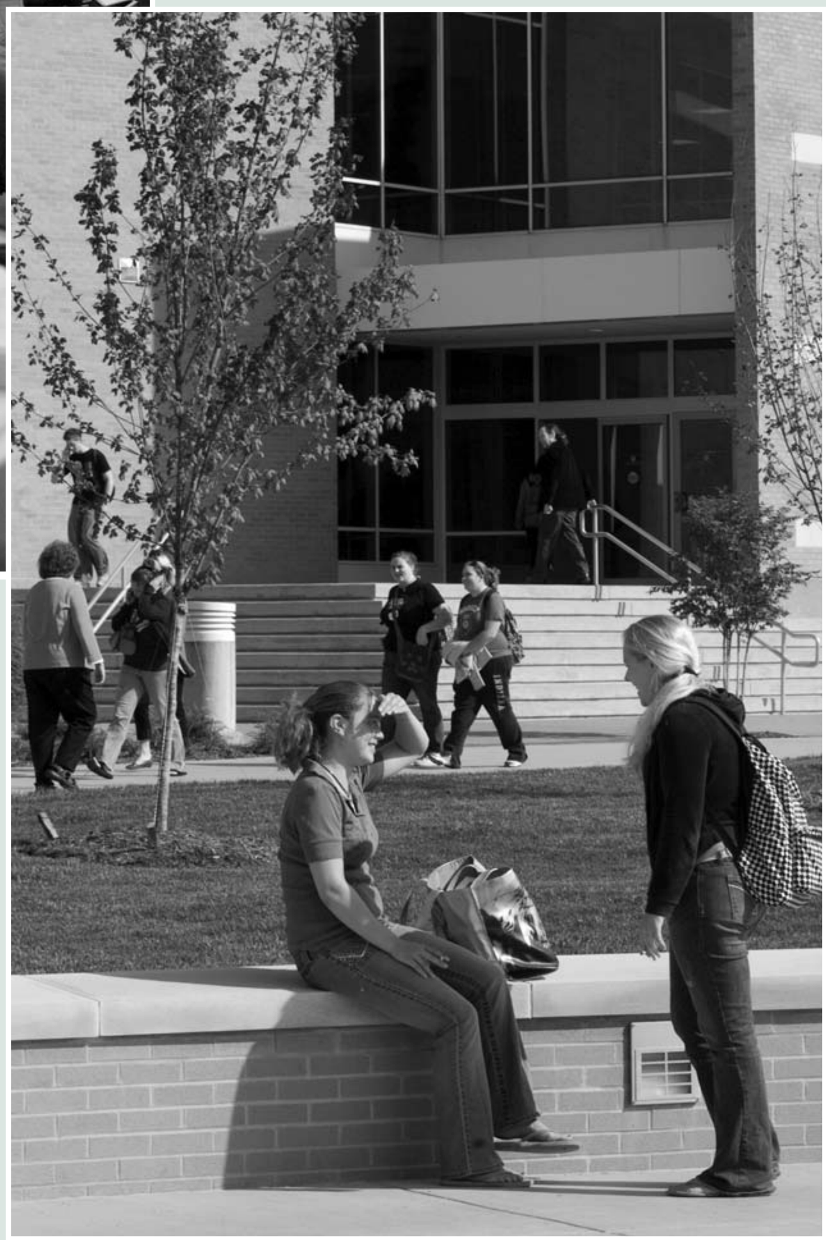
Total expenses (operating and non-operating) increased $3.8 million in fiscal year 2007 compared to a $7.3 million increase in 2006 and a $5.8 million increase in 2005. The composition of total expenses for all three years is depicted by major category in the graph below:

EXPENSE CHARTS



Change in Net Assets

The difference between annual revenues and expenses causes an increase or decrease to net assets. For fiscal year ending June 30, 2007, net assets increased $6.1 million compared to a $4.2 million increase for fiscal year ending June 30, 2006. Total revenues increased at a greater rate than total expenses during fiscal year 2007.



Statement of Cash Flows

The Statement of Cash Flows provides additional information about the financial health of the University by helping the user assess the ability to generate future cash flows, the ability to meet obligations as they come due, and the need for external financing.

This statement identifies the sources and uses of cash and equivalents throughout the fiscal year and informs the user how much cash was used by or provided by the following activities: operating, noncapital financing, capital financing, and investing. The chart below shows the University's sources, uses, and changes in cash and cash equivalents for fiscal years 2005–2007:

STATEMENT OF CASH FLOWS Year ended June 30 (in thousands)	2007	2006	2005
Net cash (used) / provided by			
Operating activities	$(30,730)	$ (27,461)	$(22,713)
Noncapital financing activities	45,082	43,036	41,548
Capital financing activities	(8,671)	(6,914)	(11,290)
Investing activities	(7,624)	(13,193)	(6,867)
Net increase / (decrease) in cash	**$ (1,943)**	**$ (4,532)**	**$ 678**

Operating activities

- Cash used by operating activities increased $3.3 million over the prior fiscal year compared to a $4.8 million increase from 2005 to 2006.
- Student fees and auxiliary enterprises provided the largest inflow in cash for all fiscal years.
- Payments to employees (wages and benefits) and suppliers caused the largest outflow of cash for all fiscal years.

Noncapital financing activities

- Cash provided by noncapital financing activities increased $2.0 million over the prior fiscal year compared to a $1.5 million increase from 2005 to 2006.
- State appropriations provided the largest cash inflow in all fiscal years.

Capital financing activities

- Cash used for capital financing activities increased $1.8 million in 2007 compared to a $4.4 million decrease in 2006.
- Proceeds from capital debt generated the largest cash inflow in 2007. Deposits with bond trustees generated the largest cash inflow for fiscal year 2006 from bond proceeds held for the David L. Rice Library construction project.
- Principal and interest paid on capital debt generated the largest cash outflow in 2007. Purchase of capital assets generated the largest cash outflow in 2006 as funds were expended on the David L. Rice Library project.

Investing activities

- Cash used by investing activities decreased $5.6 million during 2007 compared to a $6.3 million increase in 2006.
- Proceeds from sales and maturities of investments increased $10.0 million in 2007 compared to a $10.3 increase in 2006.
- Cash used for purchases of investments increased $6.2 million in 2007 compared to a $15.9 million increase in 2006.

Summary of Statement of Cash Flows

For the year ended June 30, 2007, more cash was used for operating activities, more cash was provided by noncapital financing activities, more cash was used by capital financing activities, and less cash was used by investing activities than in the previous fiscal year. As a result of these activities, the University decreased its cash position by $1.9 million, ending the fiscal year with a cash balance of $15.4 million.

Factors Impacting Future Periods

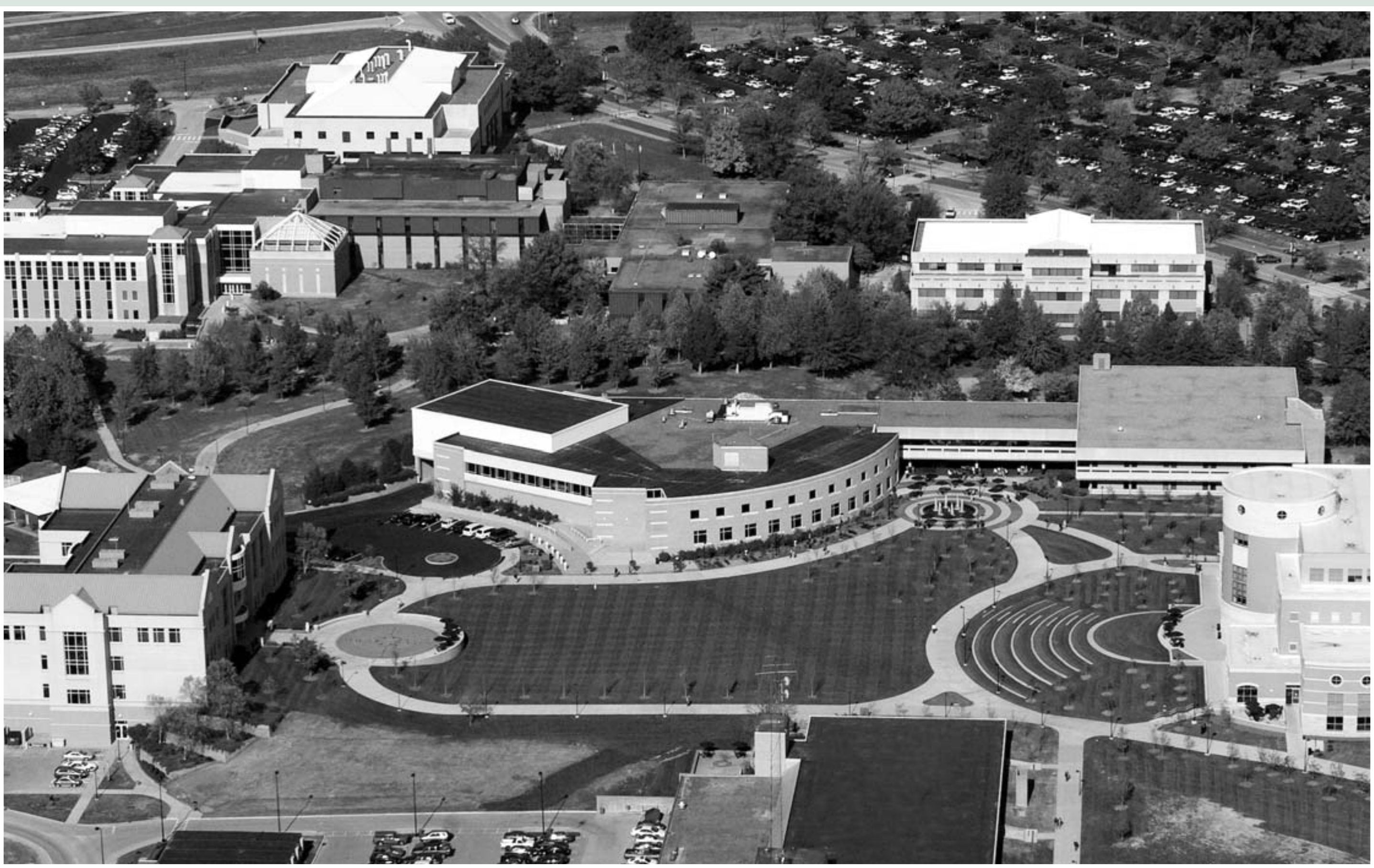
The Indiana General Assembly granted USI $13.75 million in bonding authority only (no student fee replacement) for renovation and expansion of the University Center (UC), which will provide additional and/or renovated space for the bookstore, food service, student activities, and student organizations. The UC will expand into the former library building, providing additional conference and meeting spaces and a range of student amenities. The project is in design and construction should begin in the fall of 2008. It is anticipated that bonds will be issued during the second quarter fiscal year 2009.

The 2007 Indiana General Assembly granted USI $29.9 million in bonding authority for the construction of a classroom building which will house the Business and Engineering Center. This debt issue will qualify for student fee replacement funding. It is anticipated the debt will be issued in conjunction with the UC renovation debt.

In June 2007, the University issued $6.6 million interim financing debt for architectural planning and design of the Business and Engineering Center mentioned above, completion of the lower level of the Education Center, and expansion of the physical plant facility. This debt was issued as bank-qualified with a plan to refund it when the debt is issued for the Business and Engineering Center.

The Indiana General Assembly has approved the Business and Engineering Center and the University Center projects. The State Budget Committee and the Indiana Commission for Higher Education also must approve the aforementioned projects and the financing plans for each before USI can proceed.

The State of Indiana released $1.2 million of the deferred 2005 twelfth-monthly appropriation payment in fiscal year 2007. The remaining balance of $1.6 million will be released in equal amounts during the next two fiscal years. In response to the State's directive, the funds were reclassified from general operating support and will be used for general repair and rehabilitation.



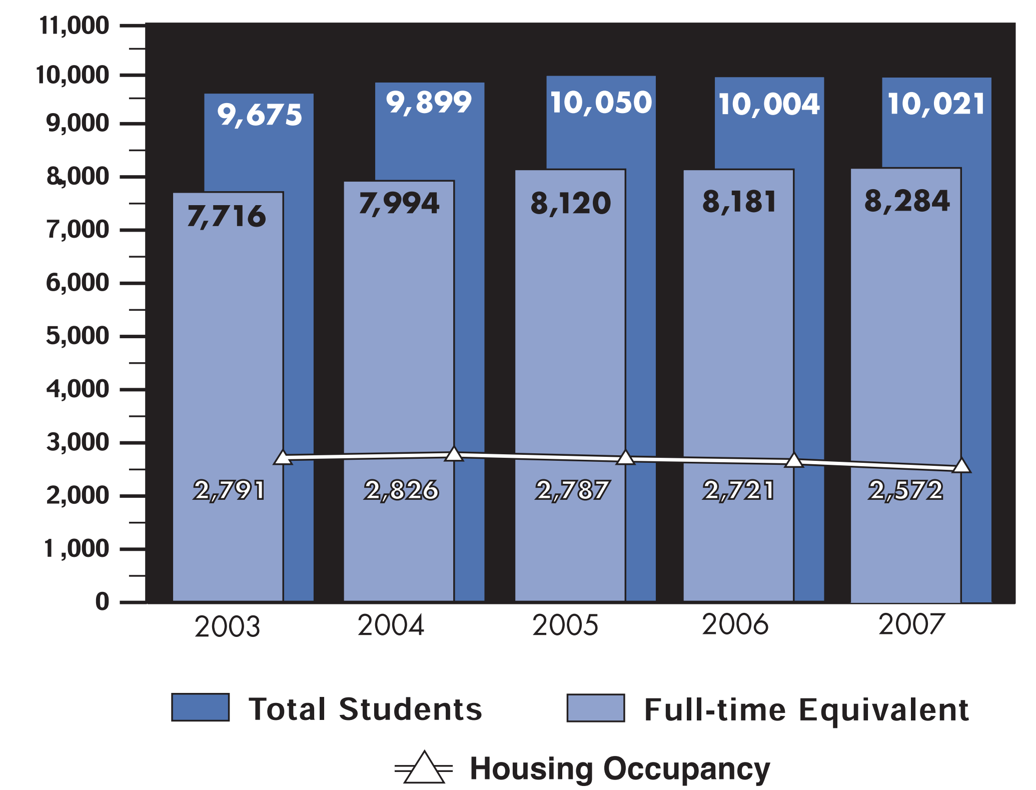
Effective for fiscal year ending June 30, 2008, Governmental Accounting Standards Board Statement 45 will require financial statement recognition and note disclosure on the costs and financial obligations that USI incurs to provide postemployment benefits, other than pensions, as part of the compensation for services rendered by our employees. Specifically, we will recognize an expense equal to the annual required contribution, as determined by an actuarial valuation, to fully fund our Voluntary Employees' Benefit Association (VEBA) trust and a liability for the annual unfunded benefit obligation. The note disclosure will provide information about the funded status of the plan and the amount of the unfunded actuarial accrued liability. See Note 13 of the *Notes to the Financial Statements* for the currently required disclosure on the VEBA trust.

Moody's Investors Service reconfirmed an A2 rating of the University's general student debt obligations and an A3 rating for the auxiliary system bonds in June 2007.

The University has negotiated a contract with Nextel Spectrum Acquisition Corp. to lease excess broadband channels to Sprint/Nextel. The lease, approved by the Federal Communications Commission, will provide an immediate payment of $750,000 and monthly payments of $18,000 for the term of the lease. The initial term is 15 years with a possibility of three five-year renewals. The monthly payment will increase by three percent each year of the lease.

The University of Southern Indiana is maturing: its rate of growth has stabilized and it is evolving into a residential campus. Total enrollment for academic years ending 2003 through 2007 reflects a modest increase of 3.6 percent; full-time equivalents for the same period increased 7.4 percent. Full-time students represent 77 percent of the total student population. Housing occupancy has stabilized with an occupancy rate averaging 91 percent over the past five-year period. The following graph illustrates the enrollment growth and housing occupancy for the five-year period, 2003 to 2007.

ENROLLMENT FOR YEAR ENDING JUNE 30



Statement of Net Assets

As of June 30	2007	2006
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	$ 15,422,681	$ 17,365,826
Short-term investments (Note 2)	38,387,293	27,577,553*
Accounts Receivable (Note 3)	8,609,849	5,623,008
Due from the State of Indiana (Note 4)	806,015	1,225,670
Inventories	2,018,763	1,828,716
Deposit with bond trustee	268,482	396,499
Other current assets	1,736,416	1,890,111
Total current assets	$ 67,249,499	$ 55,907,383
Noncurrent Assets		
Long-term investments (Note 2)	$ 23,444,214	$ 22,242,477
Deposit with bond trustee	7,447	1,751,332
Capital assets, net (Note 15 and 16)	131,644,801	137,446,496
Due from the State of Indiana (Note 4)	806,015	1,612,030
Other noncurrent assets	876,957	245,794
Total noncurrent assets	$ 156,779,434	$163,298,129
Total Assets	**$224,028,933**	**$219,205,512**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,728,003	$ 1,106,591
Accrued payroll, benefits, and deductions	5,275,084	5,906,618
Notes and bonds payable (Notes 5, 6, and 7)	7,130,446	5,656,434
Debt interest payable	1,704,516	1,731,688
Other current liabilities	1,884,395	1,447,968
Total current liabilities	$ 17,722,444	$ 15,849,299
Noncurrent Liabilities		
Notes and bonds payable (Notes 5 and 6)	$ 112,739,041	$ 116,044,487
Unamortized bond premium	1,575,079	1,673,521
Compensated absences and termination benefits (Notes 8 and 9)	2,538,638	2,308,976
Other noncurrent liabilities	443,854	426,033
Total noncurrent liabilities	$ 117,296,612	$120,453,017
Total Liabilities	**$ 135,019,056**	**$136,302,316**
NET ASSETS		
Invested in capital assets, net of related debt	$ 11,406,840	$ 24,386,113
Restricted		
Expendable		
Scholarship, research, and other	99,120	40,191
Capital projects	57,237	220,577
Repairs and rehabilitation	1,612,030	1,225,670
Unrestricted	75,834,650	57,030,645
Total Net Assets	**$ 89,009,877**	**$ 82,903,196**

*Short-term investments were incorrectly displayed as $22,577,553 in the published 2006 financial report.

Component Unit

University of Southern Indiana Foundation
Statement of Financial Position
Year Ended June 30, 2007

ASSETS	
Cash	$ 42,010
Accounts and interest receivable	119,314
Contributions receivable, net	1,470,562
Investments	61,496,537
Beneficial interest in charitable remainder trusts	878,334
Beneficial interest in perpetual trusts	3,638,113
Beneficial interest in Community Foundation	73,014
Real estate held for investment	359,147
Land	107,653
Buildings and leasehold improvements, net of accumulated depreciation; 2007 – $111,356, 2006 – $103,976	586,082
Land and buildings held for sale, net of accumulated depreciation; 2007 – $18,684	116,315
Property management deposits	3,000
Cash value of life insurance	145,558
Prepaid expenses	4,820
Total assets	$ 69,040,459
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 17,240
Notes payable	155,927
Annuities payable	1,255,274
Deposits	4,000
Deferred income	400
Payable to related parties	947,003
Total liabilities	2,379,844
Net Assets	
Unrestricted	9,566,208
Temporarily restricted	26,694,459
Permanently restricted	30,399,948
Total net assets	66,660,615
Total liabilities and net assets	$ 69,040,459

Statement of Revenues, Expenses, and Changes in Net Assets

Fiscal Year Ended June 30	2007	2006
REVENUES		
Operating Revenues		
Student fees	$ 44,495,090	$ 41,605,858
Scholarship discounts and allowances	(10,128,591)	(9,196,258)
Federal grants and contracts	6,744,794	6,306,558
State and local grants and contracts	6,126,237	5,731,816
Non-governmental grants and contracts	808,539	639,909
Auxiliary enterprises	21,658,523	21,489,359
Room and board discounts and allowances	(597,826)	(555,423)
Other operating revenues	1,281,409	1,929,296
Total operating revenues	$ 70,388,175	$ 67,951,115
EXPENSES		
Operating Expenses		
Compensation:		
Salaries and Wages	$ 43,904,323	$ 42,597,372
Benefits (Notes 10, 11, and 12)	14,722,063	13,976,659
Student financial aid	5,595,685	5,653,167
Utilities	3,905,803	4,027,017
Supplies and other services	29,631,652	28,871,502
Depreciation	9,302,831	8,328,213
Total operating expenses	$107,062,357	$103,453,930
Operating income / (loss)	$(36,674,182)	$(35,502,815)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	$ 41,854,128	$ 40,951,727
Gifts	2,069,262	1,948,189
Investment income (net of investment expense of $24,755 and $54,498 for 2007 and 2006)	3,972,838	2,436,686
Interest on capital asset-related debt	(5,813,367)	(5,547,903)
Bond issuance costs	(13,126)	(68,988)
Other non-operating revenues / (expenses)	(93,503)	(130,862)
Net non-operating revenues	$ 41,976,232	$ 39,588,849
Income / (Expense) before other revenues, expenses, gains, or losses	$ 5,302,050	$ 4,086,037
Capital grants and gifts	804,631	67,167
Total other revenues	804,631	67,167
Increases / (Decreases) in net assets	$ 6,106,681	$ 4,153,201
NET ASSETS		
Net assets – beginning of year	$ 82,903,196	$ 78,749,992
Net assets – end of year	**$ 89,009,877**	**$ 82,903,196**

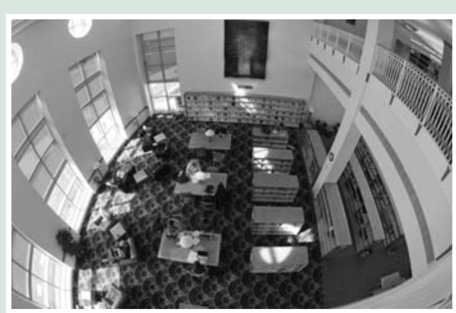
Component Unit

University of Southern Indiana Foundation
Statement of Activities
Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	$ 681,512	$ 3,128,755	$ 1,713,686	$ 5,523,953
Change in value of split-interest agreements	—	5,379	(22,937)	(17,558)
Rental income	40,000	400	—	40,400
Miscellaneous income	83,503	87,672	—	171,175
Reclassification of donor intent	(5,190,480)	679,445	4,511,035	0
Net assets released from restrictions	4,364,522	(4,364,522)	—	0
Total revenues and other support	(20,943)	(462,871)	6,201,784	5,717,970
EXPENSES				
Programs – University of Southern Indiana				
Scholarships and awards	1,169,572	—	—	1,169,572
Educational grants and academic enhancements	580,831	—	—	580,831
Athletic support	126,539	—	—	126,539
Other University support	346,955	—	—	346,955
Capital projects	779,474	—	—	779,474
Community outreach	66,588	—	—	66,588
Total program services	3,069,959	0	0	3,069,959
Management and general	294,768	—	—	294,768
Fundraising	161,400	—	—	161,400
Uncollectible pledge loss	—	11,930	1,379	13,309
Total expenses	3,526,127	11,930	1,379	3,539,436
OTHER CHANGES				
Investment income, net	1,651,409	6,273,357	102,086	8,026,852
Change in value of beneficial interest in trusts	—	4,830	312,995	317,825
Gain / (Loss) on sale of property	—	—	(36,472)	(36,472)
Gain on cash value of life insurance	—	25,736	—	25,736
Total other changes	1,651,409	6,303,923	378,609	8,333,941
Change in Net Assets	(1,895,661)	5,829,122	6,579,014	10,512,475
Net Assets, Beginning of Year	11,461,869	20,865,337	23,820,934	56,148,140
Net Assets, End of Year	$9,566,208	$26,694,459	$30,399,948	$66,660,615

Statement of Cash Flows

Fiscal Year Ended June 30	2007	2006
Cash Flows from Operating Activities		
Tuition and fees	$ 33,656,827	$ 32,316,761
Grants and contracts	13,015,166	12,721,677
Payments to suppliers	(29,173,098)	(29,245,293)
Payments for utilities	(3,905,803)	(4,027,017)
Payments to employees	(43,850,353)	(41,944,671)
Payments for benefits	(15,177,906)	(13,704,577)
Payments for scholarships	(5,595,685)	(5,653,167)
Loans issued to students	(315,935)	(417,184)
Collection of loans to students	357,166	435,127
Auxiliary enterprises receipts	21,791,256	20,299,961
Sales and services of educational depts.	133,130	128,702
Other receipts / (payments)	(1,664,904)	1,629,109
Net cash used by operating activities	**$(30,730,139)**	**$(27,460,572)**
Cash Flows from Noncapital Financing Activities		
State appropriations	$ 43,079,798	$ 40,971,607
Gifts and grants for other than capital purposes	2,069,262	1,948,189
Other non-operating receipts / (payments)	(66,991)	115,941
Net cash provided by noncapital financing activities	**$ 45,082,069**	**$ 43,035,737**
Cash Flows from Capital Financing Activities		
Proceeds from capital debt	$ 3,825,000	$ 50,000
Capital grants and gifts	963,392	177,673
Bond financing costs	(106,630)	(199,850)
Purchase of capital assets	(3,501,136)	(14,696,527)
Principal paid on capital debt	(5,656,434)	(5,727,110)
Interest paid on capital debt and leases	(5,938,982)	(5,656,842)
Proceeds from deposit with trustee	1,743,885	19,138,484
Net cash used by capital financing activities	**$ (8,670,905)**	**$ (6,914,172)**


Statement of Cash Flows–continued

Fiscal Year Ended June 30	2007	2006
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	$ 33,830,503	$ 23,849,862
Interest on investments	3,967,159	2,023,577
Purchase of investments	(45,549,848)	(39,329,268)
Change in deposit with trustee	128,017	263,242
Net cash used by investing activities	**$ (7,624,169)**	**$(13,192,587)**
Net increase in cash	(1,943,145)	(4,531,594)
Cash – beginning of year	17,365,826	21,897,420
Cash – end of year	**$ 15,422,681**	**$ 17,365,826**

	2007	2006
Reconciliation of net operating revenues / (expenses) to net cash provided / (used) by operating activities:		
Operating income / (loss)	$ (36,674,182)	$(35,502,812)
Adjustments to reconcile net income / (loss) to net cash provided / (used) by operating activities:		
Depreciation expense	9,302,831	8,328,213
Provision for uncollectible accounts	15,415	11,896
Changes in assets and liabilities:		
Receivables	(3,002,255)	(1,427,880)
Inventories	(190,048)	(33,918)
Other assets	(963,910)	107,622
Accounts payable	24,994	28,452
Deferred revenue	476,228	443,981
Deposits held for others	17,821	9,474
Compensated absences	221,736	556,457
Loans to students	41,231	17,943
Net cash used by operating activities:	**$ (30,730,139)**	**$(27,460,572)**

	2007	2006
Noncash Transactions		
Unrealized gain / (loss) on short-term investments	$ (5,692)	$ 56,359
Unrealized gain / (loss) on long-term investments	(286,440)	(690,759)
Net Noncash transactions	**$ (292,132)**	**$ (634,400)**

NOTES TO FINANCIAL STATEMENTS

NOTE 1 — Summary of Significant Accounting Policies

The University of Southern Indiana was established in 1985 as described in the Indiana Code (IC 21-24-1 through IC 21-24-4-1). The University is managed by a nine-member board of trustees whose members are appointed by the governor. The board must include at least one alumnus, one resident of Vanderburgh County, and one full-time student in good standing. Each member must be a citizen of the United States and a resident of Indiana. Trustees serve staggered four-year terms with the exception of the student trustee, who serves a term of two years.

The University is a special-purpose governmental entity which has elected to report as a business-type activity using proprietary fund accounting, following standards set forth by the Governmental Accounting Standards Board (GASB). The financial reporting emphasizes the entity as a whole rather than the individual fund groups—unrestricted, designated, auxiliary, restricted, loans, agency, and plant funds—that comprise the whole.

The University also is considered a component unit of the State of Indiana. As such, the University is financially integrated with the State and depends on annual appropriations from the State to maintain quality service to students and to deliver quality programs to the tri-state area. The University also must receive authorization from the State before undertaking major capital projects. As a component unit, public higher education institutions, as a group, will be discretely presented on the Comprehensive Annual Financial Report issued annually by the State of Indiana.

The University includes the University of Southern Indiana Foundation, Inc. as a component unit as defined by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The Foundation is a private nonprofit organization that reports under the standards of the Financial Accounting Standards Board (FASB). As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial report for these differences.

Accounting Methods and Policies – The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting.

- Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.
- Restricted revenues and receivables resulting from non-exchange transactions are recognized when all applicable eligibility requirements are met. Resources received before eligibility requirements are met are recorded as deferred revenues.
- Revenue from major sources is susceptible to accrual if the amount is measurable.
- Internal service activity, referred to as chargeback income/expense, has been eliminated from the statement of activities to prevent the double-counting of expenses and the recognition of self-generated revenue.

Capital Assets Accounting Policies – The University established a capitalization threshold of $5,000 and a useful life greater than two years. The University records depreciation for all capital assets with the exception of land and historical sites. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset. The estimated useful life of each capital asset group is as follows:

Building components (shell, roof, utilities, and internal) — 8-50 years
Equipment — 5-15 years
Land improvements — 15 years
Infrastructure — 25 years
Library materials — 10 years

Plant assets are removed from the records at the time of disposal. See Note 16 in the *Notes to Financial Statements* for current-year activity and accumulated depreciation on the various classes of assets.

The University owns a collection of museum exhibit items located in Historic New Harmony. The collection consists of 2,800 objects that are primarily 19th century decorative arts, furniture, prints, medical equipment, and textiles. The collection consists of both donated and purchased items. Per the code of ethics for museums, Historic New Harmony does not place a monetary value on the collection. Museums are organized as public trusts that act as stewards for the public in collecting, protecting, preserving, and interpreting objects. A well-documented inventory is maintained, but the value is unknown and therefore not included in the capitalized asset value at June 30, 2007.

The University owns a permanent art collection whose primary function and aim is education in accordance with one element of the University's mission: to support the cultural awareness of its students, faculty, staff, and the citizens of southwestern Indiana. The collection consists of both donated and purchased items. Many of the donated pieces were received without appraised values. Collection pieces which have been appraised or purchased are valued at $710,496. Appraised values for the remaining collection will be obtained over future periods. The currently-known value is not included in the capitalized asset value at June 30, 2007.

Operating Revenues and Expenses – Operating revenues of the University consist of student fee income, operating grants and contracts, collections of loans to students, sales and services of educational activities, and auxiliary enterprise revenues. Operating expenses include payments to suppliers for goods and services, employee wages and benefits, and payments for scholarships.

Other Disclosures – The Statement of Cash Flows is presented using the direct method, and it identifies the sources and uses of both cash and cash equivalents during the fiscal year. Cash equivalents are investment instruments, typically certificates of deposits and repurchase agreements, which have an original maturity date of 90 days or less.

Investments are recognized in the accounting records at cost on the date of purchase. For financial statement presentation, they are reported at the market value in effect on June 30 of the current fiscal year. Unrealized gain or loss is included with interest income on the Statement of Revenues, Expenses, and Changes in Net Assets.

Prepaid expenses and inventories of materials and supplies are considered expenditures when used. The inventory on hand at the end of the fiscal year is valued using a perpetual system, and cost is determined using the first-in, first-out method of inventory accounting.

Inventories of retail merchandise are considered expenditures when purchased. The value of the inventory on hand at the end of the fiscal year is based on a physical count. Cost is determined using the retail or weighted average method of accounting.

The University prepares its financial statements according to the standards set by the Governmental Accounting Standards Board (GASB). To the best of the University's knowledge, it has not adopted any Financial Accounting Standard Board (FASB) statements issued after November 30, 1989.

NOTE 2 – Deposit and Investment Risk Disclosures

It is the policy of the University of Southern Indiana to manage the investment portfolio of the University in a manner described in Section 30-4-3-3 of the Indiana Code. Authorized investments include obligations of the U.S. Treasury and U.S. government agencies, certificates of deposit, repurchase agreements, money market mutual funds, savings, and negotiable order-of-withdrawal accounts. Investments with Indiana institutions are limited to those banks, savings banks, and savings and loan institutions that provide deposit insurance for university funds under Indiana statutes by the Public Deposit Insurance Fund, in addition to the amounts insured by agencies of the United States government (FDIC/SAIF). Investments with non-Indiana institutions must be insured by agencies of the U.S. government to the maximum statutory amount of $100,000.

Deposits – At June 30, 2007, the bank balances of the University's operating demand deposit accounts were $15,059,317, of which $429,047 was covered by federal depository insurance. The remaining balance was insured by the Public Deposit Insurance Fund, which covers all public funds held in approved Indiana depositories. None of these funds was exposed to custodial credit risk, which is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover deposits or collateral securities that are in the possession of an outside party.

Investments – The University's investments at June 30, 2007, are identified in the table below:

INVESTMENTS

			Investment Maturities (in Years)			
Investment Type	Market Value	Type %	Less than 1 year	1–5 years	6–10 years	More than 10 years
Money market accounts	$ 759,417	1%	$ 759,417			
Repurchase agreements	14,149,993	18%	14,149,993			
Certificates of deposit	39,410,291	51%	37,886,776	1,523,515		
U.S. Treasury and agency securities	22,934,487	30%	769,959	18,653,238	1,786,755	1,724,535
Totals	**$77,254,188**	100%	**$53,566,145**	**$20,176,754**	**$1,786,755**	**$1,724,535**
Maturity %	100%		70%	26%	2%	2%

Investment custodial credit risk – This is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the $77.3 million invested, $21.1 million in U.S. government securities are held in the name of the nominee bank and insured by policies of the financial institution or guarantees of the U.S. government. The remaining $1.8 million in U.S. government securities and $14.1 million in repurchase agreements are registered in the University's name and backed by the implicit guarantee of the U.S. government. All cash in the money market accounts and the certificates of deposit are insured by FDIC/SAID, the Public Deposit Insurance Fund, or collateral as required by federal regulations.

Interest rate risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy does not address exposure to fair value losses arising from changes in interest rates, but the investment objective is to obtain the highest revenue while maintaining safety and insuring adequate liquidity for institutional needs. To that end, management maintained a larger percentage (70 percent) of investments in cash equivalents and short-term investments to be in a position to take advantage of the best rates in a timely fashion as well as sustaining adequate cash flow for operating needs.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Of the total U.S. government securities listed in the table above, $21.2 million are invested in government-sponsored enterprises that are neither guaranteed or insured by the full faith and credit of the U.S. Treasury, and therefore have more credit risk than any direct obligation of the U.S. Treasury.

Concentration of credit risk – This is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University's policy limits the investments in any one Indiana institution to 25 percent of the total portfolio of cash, certificate of deposits, and repurchase agreements as valued at the end of the preceding month. Operating funds which are invested in overnight repurchase agreements as part of the cash management program are excluded from the 25 percent limit. At June 30, 2007, the University was in compliance with that policy.

Foreign currency risk – This is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The University does not have any global investments and, therefore, is not exposed to foreign currency risk.

NOTE 3 – Accounts Receivable

Accounts receivable are recorded net of allowance for uncollectible student fees of $266,808 and auxiliary services fees of $137,864. Prior-year allowances were $251,055 for student fee receivables and $139,256 for auxiliary services receivables. The accounts receivable balance for the 2006-07 fiscal year includes $6,050,309 in net student receivables and $2,559,540 in external receivables.

NOTE 4 – Due from State of Indiana

The twelfth payment of the 2005 fiscal year general operating appropriations ($2,834,700) was set aside until such time if and when the state assigned sufficient funds to pay some or all of the payment due. Senate Bill 345, enacted during the 2006 legislative session, appropriated funds from Indiana's general fund to the budget agency to pay a portion ($1,225,670) of the payment due during the 2006-07 fiscal year. Of the remaining unpaid balance of $1,612,030, half will be paid during the 2007-08 fiscal year and half will be paid in 2008-09. The funds are to be used for general repair and rehabilitation rather than general operating. When received, USI will treat the payment as reducing its claim to the amount budgeted for general operating appropriations for fiscal year ending 2005. For financial statement presentation, $806,015 has been reclassified from noncurrent to a current receivable and included as a restricted net asset. The final portion of $806,015 remains a noncurrent receivable.

NOTE 5 – Debt Related to Capital Assets

Notes Payable – In January 1997, the University issued two promissory notes totaling $2,127,318 to provide financing for an energy management performance contract. The remaining balance of $137,374 on the promissory notes was paid in full during the 2006-07 fiscal year. A new promissory note was issued in 2007 for interim financing on multiple projects. See Note 7 for more details.

Bonds Payable – Outstanding bonds payable at June 30, 2007, total $118,269,488 and are identified in the following schedule and in Note 6.

SCHEDULE OF BONDS AND NOTES PAYABLE

	Issue Date	Interest Rate	Current Year Rate	Maturity Date	Original Issue Amount	June 30, 2007 Principal Outstanding	Interest Outstanding	Total Outstanding
Student Fee Bonds								
Series D, Health Professions Center	1993	2.25% to 5.8%	5.45%	2015	$ 24,678,101	$ 2,749,488	$ 4,765,512	**$ 7,515,000**
Series F, Liberal Arts Center	1998	3.55% to 4.7%	4.50%	2013	15,280,000	6,990,000	1,258,265	**8,248,265**
Series G, Recreation & Fitness Center	1999	0% to 10%*	3.70%	2019	4,700,000	3,900,000	1,129,850	**5,029,850**
Series H, Science & Education Center	2001	3.5% to 5.0%	4.00%	2021	25,260,000	21,645,000	9,270,358	**30,915,358**
Series I, Library Construction	2004	2.0% to 5.375%	3.00%	2023	49,590,000	45,590,000	19,578,900	**65,168,900**
Auxiliary System Bonds								
Series 2001A, Student Housing Facilities	2001	4.0% to 5.0%	5.00%	2018	23,775,000	17,685,000	5,817,625	**23,502,625**
Series 2001B, Student Housing Facilities	2001	0% to 10%*	3.63%	2021	10,800,000	10,000,000	4,505,840	**14,505,840**
Series 2003, Student Housing Facilities	2003	2.5% to 4.5%	3.00%	2024	8,005,000	7,435,000	3,116,140	**10,551,140**
Total					$162,088,101	$115,994,488	$49,442,490	**$165,436,978**

* These are variable interest bonds with daily, weekly, or term rates. The rates listed above are the average rates paid during the fiscal year. Not included in the table above is $2,275,000 drawn on a bond issued in June 2006 or $1,600,000 drawn on the interim financing note issued in June 2007. See Notes 6 and 7 for a full description of this debt.

The University of Southern Indiana Student Fee Bonds Series D of 1993, Series F of 1998, Series G of 1999, Series H of 2001, and Series I of 2004 are secured by a pledge of and first lien on student fees.

The University of Southern Indiana Auxiliary System Revenue Bonds, Series 2001A; the Auxiliary System Variable Rate Demand Revenue Bonds, Series 2001B; and Auxiliary System Revenue Bonds, Series 2003, are secured by a pledge of and parity first lien on the net income from the Auxiliary System (student housing, parking facilities, and dining services), any insurance proceeds, amounts held in the debt service funds or project funds, and investment income thereon.

Student fee bond Series G and Auxiliary System Revenue Bond Series 2001B are variable rate bonds currently bearing interest at daily, weekly, and term rates ranging between zero and 10 percent. The rates in effect at June 30, and the rates used to calculate the future debt service requirements, were 3.83 percent for Series G and 3.73 percent for Series 2001B. All the other bonds are term or serial with fixed annual rates as identified in the preceding table. Annual debt service requirements through maturity for bonds and notes payable are presented in the following chart:

ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year	Bonds	Notes	Total Principal	Total Interest	Total Debt Service
2007–08	$ 7,017,056	See Note 7	$ 7,017,056	$ 5,737,783	$ 12,754,839
2008–09	7,273,768		7,273,768	5,473,508	12,747,276
2009–10	7,636,540		7,636,540	5,179,665	12,816,205
2010–11	7,130,364		7,130,364	4,858,429	11,988,793
2011–12	7,430,216		7,430,216	4,538,290	11,968,506
2012–17	35,776,544		35,776,544	16,970,091	52,746,635
2017–22	36,255,000		36,255,000	6,276,225	42,531,225
2022–27	7,475,000		7,475,000	408,500	7,883,500
Total	**$ 115,994,488**	**$ 0**	**$ 115,994,488**	**$ 49,442,491**	**$ 165,436,979**

Not included in the table above are the principal and interest on a bond issued in June 2006 and the note issued in June 2007. See Notes 6 and 7 for a full description of this debt.

NOTE 6 – 2006 Bond Issue

In June 2006, the University issued a Junior Lien Student Fee Bond, Series 2006, in the amount of $7,250,000 to construct and equip an addition to the University's Recreation and Fitness Center. This issue carries a formula-driven variable interest rate based upon LIBOR that changes quarterly through December 31, 2007. During the variable rate period, the University is able to execute draws on the approved amount and incur interest expense only on the monies acquired. As of June 30, 2007, the University had drawn down $2,275,000 of the approved bond amount. Effective January 1, 2008, the interest rate will be fixed at 4.67 percent with a 20-year amortization based upon a swap agreement entered into with Old National Bank of Evansville.

NOTE 7 – Interim Financing

In June 2007, the University entered into a $6.6 million promissory note for the interim financing of multiple projects: architectural and engineering fees for a future Business and Engineering Center; completion of the lower level of the Education Center; and expansion of the physical plant facility. This debt was issued as bank-qualified with a plan to refund it when the debt for the Business and Engineering Center is issued. The note bears interest at a variable rate per annum. The initial rate is 4.03 percent through September 30, 2007; thereafter, the rate will be a formula-driven variable based on LIBOR and adjusted every six months. As of June 30, 2007, the University had drawn down $1,600,000 of the maximum principal amount.

NOTE 8 – Compensated Absence Liability

Vacation leave and similar compensated absences (such as sick leave) based on past service are accrued as a liability as earned. The liability is measured at the salary rate in effect at the balance sheet date, and additional amounts are accrued for all required salary-related payments due a terminating or retiring employee. The salary-related payments subject to this accrual include the University's share of Social Security and Medicare taxes, as well as the University's contributions to a defined benefit pension plan.

The total cumulative compensated absence liability reflected in the Statement of Net Assets is $2,013,013 and $1,847,109 for June 30, 2007 and 2006 respectively. The current year change represents $140,250 increase in accrued vacation; $8,063 increase in sick leave liability; $11,346 increase in Social Security and Medicare taxes; and $6,246 increase in Public Employees' Retirement Fund (PERF) contributions. During the fiscal year, $102,665 was paid out to terminating employees. Payout for terminating employees in fiscal year 2007-08 is expected to increase approximately 40 percent because of the number who will have reached the requisite retirement age and years of service. For that reason, $147,633 of the total compensated absence liability is classified as a current liability and the remaining $1,865,380 is classified as a non-current liability.

NOTE 9 – Termination Benefits Liability

The Governmental Accounting Standards Board (GASB) Statement No. 47, *Accounting for Termination Benefits,* requires the University to recognize a liability and an expense for voluntary termination benefits, such as early-retirement incentives, when the offer is accepted and the amount can be estimated. Members of USI's regular full-time faculty and administrative staff who have been employed in an eligible position prior to January 1, 1999, who have 15 or more consecutive years of service, and who are age 60 or older may receive early-retirement benefits upon request. These benefits include a lump-sum severance pay calculated as a percent of final-year salary based on length of service, not to exceed 25 percent, and continued contribution to retirement annuity contracts through the end of the fiscal year in which the retiree reaches age 66. Salaries are assumed to increase at a rate of 3.5 percent annually for purposes of calculating this liability.

USI has 17 retirees currently receiving early-retirement benefits, five of whose benefits stop after this fiscal year, and 12 more who have arranged to begin receiving benefits within the next three years. The liability for these benefits totals $975,671 at June 30, 2007. Of that amount, $302,413 is expected to be paid out during the following fiscal year, and the remaining $673,258 has been classified as noncurrent. This liability will change annually as more employees elect this benefit and as benefits for current retirees end.

NOTE 10 – Retirement Plans

Substantially all regular employees of the University are covered by either the *Teachers Insurance and Annuity Association-College Retirement Equities Fund Retirement Plan* (TIAA-CREF) or the *State of Indiana Public Employees' Retirement Fund* (PERF). A small number of employees are covered under the *Indiana State Teachers' Retirement Fund* (STRF). The TIAA-CREF plan is an IRC 403(b) defined contribution plan; PERF and STRF are defined benefit plans under IRC 401(a) and are state plans described in IC 5-10.2-2 and 5-10.3. The University contributed $4,452,782 to these programs in fiscal year 2006-07, which represents approximately 10 percent of the total University payroll and 12 percent of the benefit-eligible employees' payroll for the same period.

<u>Faculty and Administrative Staff</u> Eligible employees may participate in the TIAA-CREF Retirement Plan upon the completion of one year of employment. Participation may begin sooner if the employee was a participant in TIAA-CREF, or another university-sponsored retirement plan, for at least one year prior to eligible employment at USI. The University contributes 11 percent of each participating

employee's base appointment salary up to $10,800 and 15 percent of the base appointment salary above $10,800. The University contributed $3,758,992 to this plan for 512 participating employees for fiscal year ending June 30, 2007, and $3,619,103 for 477 participating employees for fiscal year ending June 30, 2006. The annual payroll for this group totaled $28,814,614 and $27,481,962 for fiscal years ending June 30, 2007 and 2006 respectively.

TIAA-CREF issues an annual financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing Teachers Insurance and Annuity Association-College Retirement Equities Fund, 730 3rd Avenue, New York, NY 10017-3206, or via its Web site at www.tiaa-cref.org.

The University also contributes to STRF for three faculty and administrative employees who were grandfathered into the plan. STRF is a cost-sharing, multiple-employer public retirement program that provides retirement benefits to plan members and beneficiaries. The STRF retirement benefit consists of the pension provided by employer contributions, plus an annuity provided by the members' contributions, and the interest credited to the member's account. The University has elected to contribute the employer and employee share of required contributions, currently seven percent and three percent of employees' wages for employer and employee respectively. This has totaled $20,704 and $24,568 for fiscal years ending June 30, 2007 and 2006 respectively.

STRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the State Teachers' Retirement Fund, 150 West Market Street, Suite 300, Indianapolis, IN 46204, or by calling 317/232-3860.

Support Staff Employees in eligible positions and who work at least half-time participate in PERF, a retirement program administered by an agency of the State of Indiana. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. Benefit provisions are established and/or amended by the State of Indiana. There are two parts to this plan: an annuity savings plan to which the University contributes 3 percent of the employee's salary, and a defined benefit agent multi-employer plan to which the University contributed 5.5 percent of the employee's salary this fiscal year. Employees are eligible to participate in this plan immediately upon employment and are fully vested in the defined benefit part of the plan after ten years of employment. The University contributed $673,087 for 393 employees participating in PERF during the 2006-07 fiscal year and $588,240 for 337 employees participating during 2005-06.

The contribution requirements for plan members of PERF are set by the PERF Board of Trustees. Actuarial information related to the University's participation in the plan is disclosed in the tables below for three past fiscal years.

PERF–SCHEDULE OF FUNDING PROGRESS

(dollars in thousands)

Fiscal Year Ending June 30	Actuarial Value of Plan Assets (A)	Actuarial Accrued Liability (B)	Unfunded (Overfunded) Accrued Liability (C)	Funded Ratio (A/B)	Actual Covered Payroll (D)	Unfunded (Overfunded) Liability as % of Payroll (C/D)
2004	4,571	4,300	(271)	106.3%	7,606	(3.6%)
2005	5,046	5,148	102	98.0%	7,843	1.3%
2006	6,669	6,794	125	98.2%	7,919	1.6%

PERF–DEVELOPMENT OF NET PENSION OBLIGATION

	2004	2005	2006
Annual Required Contribution (ARC) *	$ 251,893	$ 273,415	$ 346,217
Interest on Net Pension Obligation @ 7.25%	(25,016)	(35,940)	(36,418)
Adjustments to ARC **	28,507	(40,956)	(41,501)
Annual Pension Cost (APC)	255,384	196,519	268,298
Contributions made by USI ***	406,062	285,029	347,463
Decrease in Net Pension Obligation	(150,678)	(88,510)	(79,165)
Net Pension Obligation, Beginning of Year	(345,045)	(495,723)	(584,233)
Net Pension Obligation, End of Year	$(495,723)	$(584,233)	$(663,398)

* Determined to be equal to the same percent of salary as the entire state of Indiana
** Net Pension Obligation at beginning of year divided by amortization factor of 12.1037
*** Percentage of APC contributed: 2004 at 159.0%; 2005 at 145.0%; and 2006 at 129.5%

The required contribution was determined as part of the actuarial valuation as of July 1, 2006, using the Entry Age Normal Cost Method. The actuarial assumptions included: (a) 7.25 percent investment rate of return (net of administrative services), (b) projected salary increases of 4 percent per year, and (c) 1.5 percent per year cost-of-living adjustments. Current-year information concerning funding and obligation was not available at the time of this report.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Public Employees' Retirement Fund, Harrison Building, Suite 800, 143 West Market Street, Indianapolis, IN 46204, or by calling 317/232-4162.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by writing the Public Employees' Retirement Fund, Harrison Building, Suite 800, 143 West Market Street, Indianapolis, Indiana 46204, or by calling 317/232-4162.

NOTE 11 – Risk Management

The University is exposed to various risks of loss: torts; errors or omissions; theft, damage, or destruction of assets; job-related illness or injuries to employees; and natural disasters. The University manages these risks of loss through combinations of risk retention and commercial insurance. Property insurance for buildings and contents and other special form coverage is subject to a self-insured retention of $25,000 per occurrence. Earthquake and flood have a minimum deductible of $100,000 each loss. Educators' legal liability has a $50,000 deductible for each wrongful acts claim. General liability, commercial crime, workers' compensation, commercial auto, and medical malpractice, as well as life and disability insurance, are insured by commercial insurance subject to various deductibles. No liability exists at the balance sheet date for unpaid claims.

The University has three health care plans for full-time benefit-eligible employees and three plans for retirees. Two of the plans for employees and two for retirees are funded under a cost-plus arrangement whereby the University is billed for actual claims paid by the insurer on behalf of the covered participants plus an administrative fee. The majority of employees and retirees, 84 percent and 89 percent respectively, participate in the fully-funded cost-plus plan. For fiscal year ended on June 30, 2007, the University's contribution to these health care plans totaled $5,855,255 for 851 employees and 114 retirees. For the same period, employees and retirees made contributions totaling $1,499,708.

The University assumes the risk for medical claims exceeding the maximum expected cost but has mitigated the additional risk by purchasing specific and aggregate stop loss coverage at 125 percent of the expected claims liability. The University also has established a reserve to cover any unpaid liability beyond 125 percent. The liability for medical claims incurred but not reported at June 30, 2007, is based on an average monthly claim multiplied by the plan provider's average turnaround time from when claims are incurred to when claims are submitted to USI for payment. Changes in the balance of claims liabilities during the 2007 fiscal year are as follows:

Beginning liability, June 30, 2006	$ 657,078
Claims incurred	5,832,206
Claims paid	(4,949,709)
Ending liability, June 20, 2007	$1,539,756

NOTE 12 – Post-retirement Health Care Benefits

The University provides post-retirement medical, dental, and life insurance benefits, as authorized by the Board of Trustees, to all employees who retire from the University after attaining age 60 with at least 10 years of service and to those retiring under the Rule of 85.

The University contributes 75 percent of the group plan premium for medical/dental coverage for the retirees (and dependents) who were active employees as of June 30, 1993. For retirees who were hired on or after July 1, 1993, the University will contribute to the group-plan premium on the following schedule:

Years of Service	University	Employee
10–14	25%	75%
15–19	50%	50%
20+	75%	25%

The University offers two group term life insurance plans: original and revised. Whichever plan the retiree participated in during active employment is the plan that continues during the period of retirement. Under the original plan, the coverage is reduced to 50 percent of the highest volume attained during employment, with a maximum of $20,000. Under the revised plan, the coverage is reduced to $5,000. The University pays the entire premium for both plans. Accidental Death and Dismemberment coverage terminates on the retirement date under both plans.

In the future, a VEBA Trust (see Note 13) will help defray the costs of providing post-retirement benefits. In fiscal year 2006–07, the University paid $391,231 to provide these benefits to 114 retirees and 69 spouses and dependents.

This expense for fiscal year 2005–06 was $473,442 for 118 retirees and 59 spouses and dependents.

NOTE 13 – VEBA Trust

The University established a Voluntary Employees' Benefit Association (VEBA) trust for the purpose of providing retiree medical benefits for retired employees (excluding key employees as defined by Section 416 of the Internal Revenue Code) of USI and their dependents. The trust is funded from three sources: University contributions and reserves designated by the Board of Trustees for this purpose, employee payroll deductions for post-retirement benefits, and retiree contributions for medical insurance premiums. Funds will accumulate in the trust for several years before any disbursements are made. The University does not anticipate that the trust will pay for all post-retirement benefits, but rather be used to reduce the increasing burden of such expenses on the current operating funds. A summary of the activity in the trust for the year ending June 30, 2007, is as follows:

VEBA TRUST

	MARKET
Fund balance at July 1, 2006	$5,746,766
Transfer from University reserves	500,000
Transfer of employee/employer contributions	150,051
Transfer of retiree/employer contributions	18,923
Reinvested net earnings	287,630
Net gain/(loss) on sales of trust investments	145,300
Less: Management fees and taxes	(22,475)
Net change in market value	431,497
Fund balance at June 30, 2007	**$7,257,792**

An actuarial valuation completed in 2007 projected the total present value of future benefits at $31.2 million. This amount, less the $7.3 million assets currently in the trust, leaves the present value for future post-retirement health care costs for current retirees and active employees at approximately $24 million as of July 1, 2007.

Funds that are placed into the trust cannot revert to the University under any circumstances; therefore, the financial statements of the University do not include the value of these assets.

NOTE 14 – Functional Expenditures

Operating expenses are reported by natural classification on the face of the Statement of Revenue, Expenses, and Changes in Net Assets. Some users of the financial statements have a need to know expenses by functional classification, either for trend analysis or for comparison to other higher education institutions. This information is presented in the table below.

FUNCTIONAL EXPENDITURES

FUNCTION	SALARIES and WAGES	BENEFITS	SCHOLAR-SHIPS	UTILITIES	SUPPLIES and OTHER SVCS	DEPRECIATION	2007 TOTAL	2006 TOTAL
Instruction	$22,347,703	$ 6,569,058			$ 1,645,453		$ 30,562,214	$30,074,885
Academic Support	4,746,315	1,471,559			4,092,007		10,309,881	9,260,751
Student Services	3,433,019	1,250,201			2,530,954		7,214,174	5,789,145
Institutional Support	6,277,029	2,613,038			2,288,732		11,178,799	12,341,675
Operation and Maintenance of Plant	2,595,156	1,181,759		3,194,406	4,494,136	6,691,525	18,156,982	17,793,400
Student Aid	182,827	354,355	5,283,815		7,248		5,828,245	5,845,648
Public Service	862,207	225,357			658,841		1,746,405	1,460,202
Research	56,714	11,982			152,082		220,778	317,740
Auxiliary Enterprises	3,403,353	1,044,754	311,870	711,397	13,762,199	2,611,306	21,844,879	20,570,485
TOTAL	**$43,904,323**	**$14,722,063**	**$5,595,685**	**$3,905,803**	**$29,631,652**	**$9,302,831**	**$107,062,357**	**$103,453,930**

NOTE 15 – Construction in Progress

Construction in progress at year-end totals $3.3 million (see capital assets table below). Projects soon to be completed include the addition of an emergency generator for the physical plant and emergency power upgrade for the University Center. Also near completion are the landscaping and hardscape installation of the central campus quadrangle, and the interior/exterior completion and furnishing of the lower level of the Education Center. The total expended to date for these projects is $2.5 million, and the estimated additional cost to complete is $1.5 million.

The University is well into the planning and design work on several projects that make up the remaining $800,000 of construction in progress. These projects include expansion of the campus Recreation and Fitness Center, expansion and renovation of the McDonald West student housing recreation building, construction of a new maintenance shop/storeroom/-distribution services center, the Business and Engineering Center, the McCutchan Art Center, and a loop road. These projects will continue for at least three years and are estimated to cost approximately $45 million to complete.

NOTE 16 – Capital Assets, Net of Accumulated Depreciation

The table below displays the increase in total capital assets from $220.4 million at July 1, 2006, to $223.5 million on June 30, 2007. Gross capital assets, less accumulated depreciation of $91.8 million, equal net capital assets of $131.6 million at June 30, 2007.

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

CAPITAL ASSETS	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007	Accumulated Depreciation	Net Capital Assets
Land	$ 4,018,934	$ 55,000	$ 26,000	$ 4,047,934		$ 4,047,934
Land Improvements	5,714,935			5,714,935	3,344,450	2,370,485
Infrastructure	3,648,793			3,648,793	1,169,349	2,479,444
Educational Buildings	101,065,353	23,303,441		124,368,794	45,208,289	79,160,505
Auxiliary Buildings	59,303,511	149,836	114,000	59,339,347	25,999,500	33,339,847
Equipment	12,303,095	1,820,771	794,343	13,329,523	9,182,999	4,146,524
Library Materials	9,100,961	640,306	2,766	9,738,591	6,925,003	2,813,588
Museum Exhibits	1,046,035		1,046,035	0*		0
Art Collection	582,620		582,620	0*		0
Construction in Progress	23,607,802	3,211,545	23,532,874	3,286,473		3,286,473
Totals	**$220,392,039**	**$29,180,990**	**$26,098,638**	**$223,474,390**	**$91,829,590**	**$131,644,800**

* The University's fine art collection and the museum exhibits collection were removed from capitalized assets this fiscal year. Current accounting standards do not require that art collections or museum exhibit items be included as capital assets. The challenges surrounding the valuation process and ongoing efforts required to maintain accurate values exceed the benefits of including valuation data and warranted the removal of these items from capital assets. The University continues to catalog all art and museum pieces, and maintains an inventory of items for tracking purposes, but will no longer account for them as capital assets on the financial statements. Descriptive information about the collections is included in Note 1 – Summary of Significant Accounting Policies.

NOTE 17 – Interrelated Organization

The University of Southern Indiana/New Harmony Foundation, Inc. was formed in 1986 to assist in supporting and developing Historic New Harmony, an auxiliary enterprise of USI which operates in New Harmony, an historic town in southwestern Indiana thirty miles from campus. During fiscal year 2006-07, this foundation contributed $108,092 to Historic New Harmony operations and capital projects. At June 30, 2007, the stated value of the USI/NH Foundation's net assets was $612,170. These assets are not included in the financial statements of the University.

NOTE 18 – Component Units

The University of Southern Indiana Foundation is a legally separate, tax-exempt entity formed in 1969 to provide support for the University of Southern Indiana, its faculty and students, and to promote educational, scientific, charitable, and related activities and programs exclusively for the benefit of the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. During the year ended June 30, 2007, the USI Foundation distributed $2,943,009 in direct and indirect support to the University for both restricted and unrestricted purposes.

The majority of the resources that the Foundation holds and invests, and the income generated by those resources, are restricted to the activities of the University by the donors. Because these resources can only be used by or for the benefit of the University, the USI Foundation is considered a component unit of the University, and its audited financial statements are discretely presented in the University's financial statements.

The USI Foundation maintains its accounts in accordance with the principles and practices of fund accounting. Resources are classified in accordance with activities or objectives specified by donors. The Statement of Activities displays revenues, expenses, and changes in net assets as permanently restricted, temporarily restricted, and unrestricted. Complete financial statements, including explanatory notes, for the USI Foundation can be obtained from the Office of the Vice President for Business Affairs at 8600 University Boulevard, Evansville, IN 47712.

NOTE 19 – Subsequent Events

The University has negotiated a contract with Nextel Spectrum Acquisition Corp. to lease excess broadband channels to Sprint/Nextel. The lease, approved by the Federal Communications Commission, will provide an immediate payment of $750,000 and monthly payments of $18,000 for the term of the lease. The initial term is 15 years with a possibility of three five-year renewals. The monthly payment will increase by three percent each year of the lease.

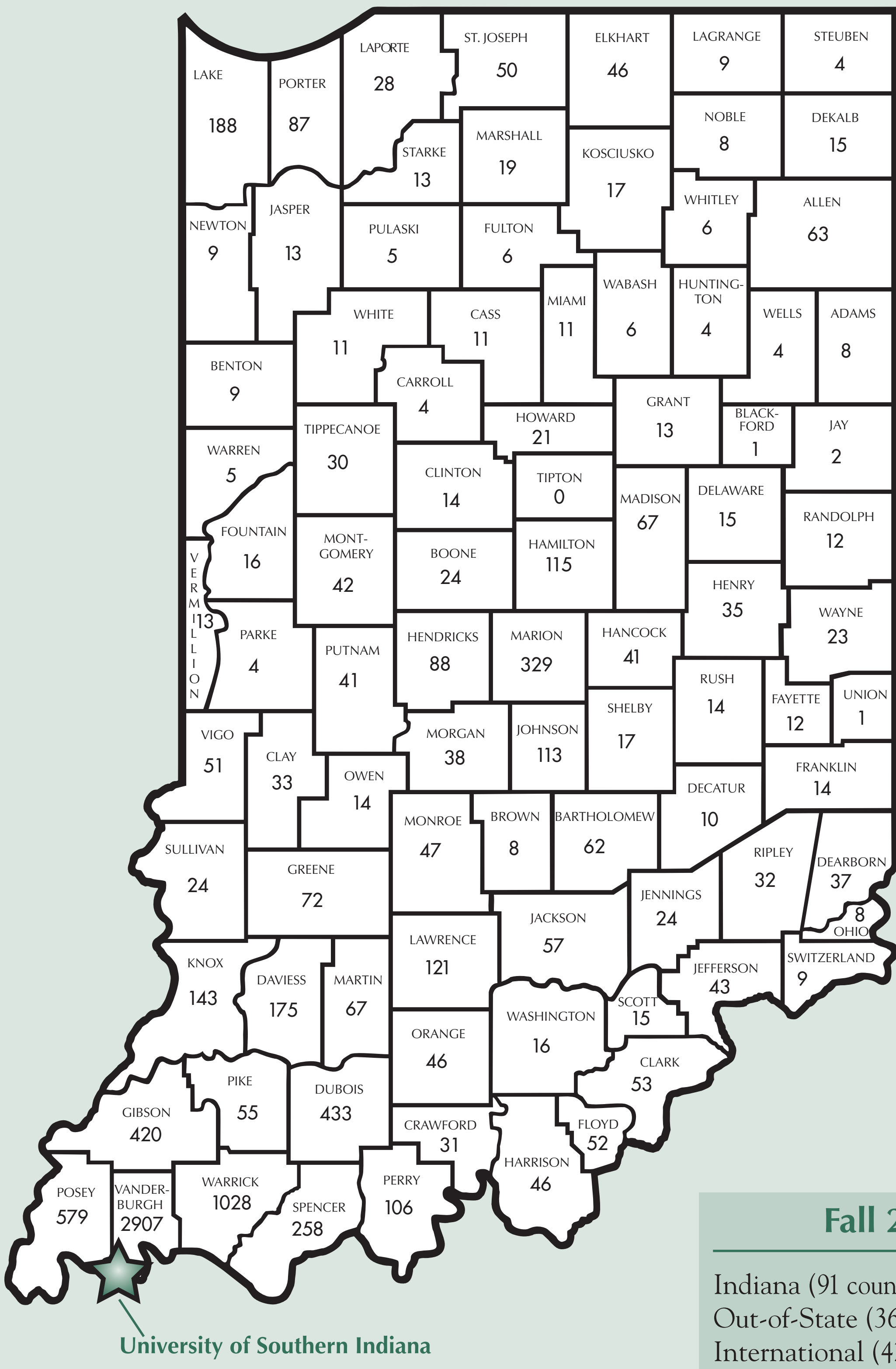
This information is presented as additional data and is not subject to the audit opinion expressed by the Indiana State Board of Accounts.

Supplementary Information

FIVE-YEAR COMPARATIVE DATA

	2006-07	2005-06	2004-05	2003-04	2002-03
Enrollment (Fall Semester)					
Total Students	10,021	10,004	10,050	9,899	9,675
Undergraduates	9,298	9,252	9,217	9,154	8,988
Women	6,110	6,106	6,120	6,028	5,898
African American	473	418	424	400	371
Other Minority	237	171	151	151	135
International	81	74	83	73	67
Age 25 plus	2,198	2,262	2,358	2,300	2,243
Indiana Residents	8,894	8,921	8,946	8,778	8,536
Full-time Equivalent	8,284	8,181	8,120	7,994	7,716
Degrees Granted (Academic Year)					
Master	190	227	229	164	154
Baccalaureate	1,154	1,114	1,151	1,096	1,010
Associate	172	163	159	150	165
Faculty (Fall Semester)					
Full-time	293	296	284	278	276
Percentage Tenured	36	39	41	41	44
Part-time (FTE)	152	145	150	150	142
FTE Students/FTE Faculty	18.6	18.6	18.7	18.7	18.5

Home Counties of USI Students (Fall 2006)



Fall 2006

Indiana (91 counties)	8,894
Out-of-State (36 states)	1,046
International (42 countries)	81
Total Enrollment	**10,021**

It is the policy of the University of Southern Indiana to be in full compliance with all federal and state non-discrimination and Equal Opportunity laws, orders, and regulations relating to race, sex, religion, disability, age, national origin, sexual orientation, or status as a disabled veteran or veteran of the Vietnam era. Questions or concerns should be directed to the Affirmative Action Officer, USI Human Resources Department, University of Southern Indiana, 8600 University Boulevard, Evansville, Indiana 47712.

The Disabled Student Services program is provided to help students overcome or compensate for obstacles related to a physical, emotional, or learning disability. Resources include a reader/taping service, test accomodations service, tutors, sign language interpreter service, notetaker supplies, literature, and personal assistance. Program staff work with all offices to insure that reasonable and approriate accommodations are provided to students with disabilities. A detailed brochure is available from the Counseling Center. Students requesting services must register with the Disabled Student Services program in the Counseling Center at least 60 days prior to date needed.

C07-1054

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