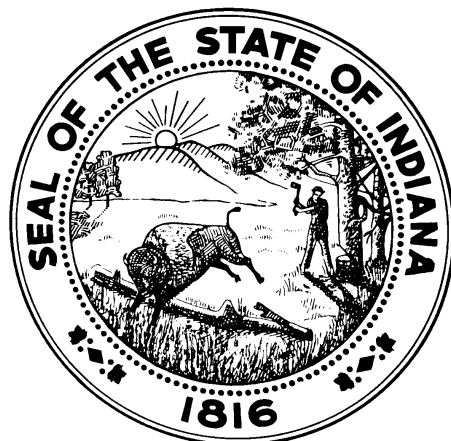


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

INDIANA UNIVERSITY
BLOOMINGTON, INDIANA
FEDERAL AWARDS AUDIT

July 1, 2006 to June 30, 2007



FILED
03/28/2008

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SCHEDULE OF UNIVERSITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
University President	Dr. Michael A. McRobbie Dr. Adam Herbert	07-01-07 to 06-30-08 08-01-03 to 06-30-07
Interim Vice President Research Administration	Ora Hirsch Pescovitz, M.D.	07-24-07 to 06-30-08
Associate Vice President Research Administration	Steven A. Martin	07-01-07 to 06-30-08
University Vice-President and Chief Financial Officer	Neil Theobald Judith Palmer	08-01-07 to 06-30-08 08-01-94 to 07-31-07
University Treasurer	MaryFrances McCourt	10-01-05 to 06-30-08
President of the Board of Trustees	Stephen L. Ferguson	08-19-05 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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**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**

TO: THE OFFICIALS OF INDIANA UNIVERSITY, BLOOMINGTON, INDIANA

We have audited the financial statements of Indiana University, as of and for the years ended June 30, 2007 and 2006, and have issued our report thereon dated November, 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 Indiana University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but 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 internal control over financial reporting that might be significant deficiencies or material weaknesses.

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.

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

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
(Continued)

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 of 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.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

State Board of Accounts

November 9, 2007



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF INDIANA UNIVERSITY, BLOOMINGTON, INDIANA

Compliance

We have audited the compliance of Indiana University with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. Indiana 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 Indiana University's management. Our responsibility is to express an opinion on Indiana University's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 Indiana 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 on Indiana University's compliance with those requirements.

In our opinion Indiana University complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of Indiana University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Indiana 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)**

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

We have audited the financial statements of Indiana University as of and for the year ended June 30, 2007, and have issued our report thereon dated November 9, 2007. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the University's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

March 26, 2008

STATE BOARD OF ACCOUNTS

State Board of Accounts

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. DEPARTMENT OF AGRICULTURE						
U.S. DEPARTMENT OF AGRICULTURE	Direct		10.206	Grants for Agricultural Research_Compertitive Research Grants	\$ 25,873	\$ -
			10.219	Biotechnology Risk Assessment Research	\$ 12,790	\$ 10,371
	Direct Total				\$ 38,663	\$ 10,371
	Pass Through	PURDUE UNIVERSITY	10.303	Integreated Programs	\$ 20,728	\$ -
	Pass Through Total				\$ 20,728	\$ -
U.S. DEPARTMENT OF AGRICULTURE Total					\$ 59,391	\$ 10,371
U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE						
	Direct		10.652	Forestry Research	\$ 5,441	\$ -
	Direct Total				\$ 5,441	\$ -
U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE Total					\$ 5,441	\$ -
U.S. DEPARTMENT OF AGRICULTURE Total					\$ 64,832	\$ 10,371
U.S. DEPARTMENT OF COMMERCE						
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY	Direct		11.609	Measurement and Engineering Research and Standards	\$ 684,122	\$ -
	Direct Total				\$ 684,122	\$ -
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY Total					\$ 684,122	\$ -
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION						
	Direct		11.420	Coastal Zone Management Estuarine Research Reserves	\$ 17,446	\$ -
	Direct Total				\$ 17,446	\$ -
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION Total					\$ 17,446	\$ -
U.S. DEPARTMENT OF COMMERCE	Pass Through	INDIANA DEPARTMENT OF NATURAL RESOURCES	11.432	Office of Oceanic and Atmospheric Research (OAR) Joint and Cooperative Institutes	\$ 4,179	\$ -
		INDIANAPOLIS PRIVATE INDUSTRY COUNCIL	11.312	Research and Evaluation Program	\$ 29,230	\$ -
		PURDUE UNIVERSITY	11.312	Research and Evaluation Program	\$ 73,395	\$ -
	Pass Through Total				\$ 106,804	\$ -
U.S. DEPARTMENT OF COMMERCE Total					\$ 106,804	\$ -
U.S. DEPARTMENT OF COMMERCE Total					\$ 808,372	\$ -
U.S. DEPARTMENT OF DEFENSE						
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH	Direct		12.800	Air Force Defense Research Sciences Program	\$ 226,120	\$ -
		Direct Total			\$ 226,120	\$ -
	Pass Through	PHYSICAL SCIENCES INC	12.800	Air Force Defense Research Sciences Program	\$ 61,087	\$ -
	Pass Through Total				\$ 61,087	\$ -
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH Total					\$ 287,207	\$ -
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY						
	Pass Through	AUSTRIAN ACADEMY OF SCIENCES	12.431	Basic Scientific Research	\$ (381)	\$ -
	Pass Through Total				\$ (381)	\$ -
DEFENSE ADVANCED RESEARCH PROJECTS AGENCY Total					\$ (381)	\$ -
NATIONAL SECURITY AGENCY						
	Direct		12.901	Mathematical Sciences Grants Program	\$ 54,607	\$ -
	Direct Total				\$ 54,607	\$ -
NATIONAL SECURITY AGENCY Total					\$ 54,607	\$ -

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
NAVAL SURFACE WARFARE CENTER CRANE DIVISION	Direct		12. N00164-05-C-6521		\$ 988,283	\$ -
	Direct Total				\$ 988,283	\$ -
	Pass Through	SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	12. 4400122403		\$ 47,360	\$ -
	Pass Through Total				\$ 47,360	\$ -
NAVAL SURFACE WARFARE CENTER CRANE DIVISION Total					\$ 1,035,643	\$ -
OFFICE OF NAVAL RESEARCH	Direct		12.300	Basic and Applied Scientific Research	\$ 353,935	\$ 37,640
	Direct Total				\$ 353,935	\$ 37,640
	Pass Through	SCIENCE APPLICATIONS INTERNATIONAL CORPORATION	12. 4400138385		\$ 2,959	\$ -
	Pass Through Total				\$ 2,959	\$ -
OFFICE OF NAVAL RESEARCH Total					\$ 356,894	\$ 37,640
U.S. AIR FORCE	Pass Through	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	12.800	Air Force Defense Research Sciences Program	\$ 32,753	\$ -
		OAK RIDGE ASSOCIATED UNIVERSITIES	12. 1264-1264-04		\$ 30,886	\$ -
	Pass Through Total				\$ 63,639	\$ -
U.S. AIR FORCE Total					\$ 63,639	\$ -
U.S. ARMY	Direct		12.420	Military Medical Research and Development	\$ 2,789,362	\$ 1,316,136
			12.431	Basic Scientific Research	\$ 190,393	\$ -
			12. DAMD 17-03-1-0216		\$ 515,742	\$ 351,189
			12. W81XWH-0410168		\$ 166,756	\$ -
	Direct Total				\$ 3,662,253	\$ 1,667,325
	Pass Through	T.R.U.E. RESEARCH FOUNDATION	12.420	Military Medical Research and Development	\$ 77,855	\$ 1,878
		UNIVERSITY OF MINNESOTA	12.420	Military Medical Research and Development	\$ (12,170)	\$ -
		UNIVERSITY OF NOTRE DAME	12.431	Basic Scientific Research	\$ 44,967	\$ -
Pass Through Total				\$ 110,652	\$ 1,878	
U.S. ARMY Total					\$ 3,772,905	\$ 1,669,203
U.S. DEPARTMENT OF DEFENSE	Direct		12.420	Military Medical Research and Development	\$ 1,031,415	\$ 78,239
			12. DAMD17-03-1-0077		\$ (4,023)	\$ -
			12. MDA904-03-C-1853^MP0001^02		\$ 1,712	\$ -
			12. W81XWH-07-1-0410		\$ 48,737	\$ -
	Direct Total				\$ 1,077,841	\$ 78,239
	Pass Through	ADVANCED CONCEPTS TECHNOLOGIES INTL LLC	12. W56H2V-05-R-0753		\$ 31,874	\$ -
		ANABAS, INC.	12. S2AF-GOG-02		\$ 19,435	\$ -
		INFORMATION IN PLACE INC	12. Appelman		\$ 2,555	\$ -
PARTTEC,LTD.		12. W911NF-04-C-0100		\$ 80,341	\$ -	
TECHSOURCE, INC.		12. MDA05YR06-01-1		\$ 18,463	\$ -	
VERSAR, INC	12. 5421		\$ 5,615	\$ -		
Pass Through Total				\$ 158,283	\$ -	
U.S. DEPARTMENT OF DEFENSE Total					\$ 1,236,124	\$ 78,239
U.S. NAVY	Pass Through	INNOVATIVE TECHNICAL SOLUTIONS, INC.	12. 0512301-8001		\$ 33,374	\$ -
	Pass Through Total				\$ 33,374	\$ -
U.S. NAVY Total					\$ 33,374	\$ -
U.S. DEPARTMENT OF DEFENSE Total					\$ 6,840,012	\$ 1,785,082
U.S. DEPARTMENT OF THE INTERIOR						
NATIONAL PARK SERVICE	Direct		15.916	Outdoor Recreation_Acquisition, Development and Planning	\$ 1,527	\$ -

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
			15. J6068060042		\$ 11,853	\$ -
	Direct Total				\$ 13,380	\$ -
	Pass Through	FLORIDA INTERNATIONAL UNIVERSITY	15.614	Coastal Wetlands Planning, Protection and Restoration Act	\$ 1,104	\$ -
		INDIANA DEPARTMENT OF NATURAL RESOURCES	15.904	Historic Preservation Fund Grants-In-Aid	\$ 11,600	\$ -
		PURDUE UNIVERSITY	15.923	National Center for Preservation Technology and Training	\$ 1,636	\$ -
	Pass Through Total				\$ 14,340	\$ -
NATIONAL PARK SERVICE Total					\$ 27,720	\$ -
U.S. FISH AND WILDLIFE SERVICE	Direct		15. 30181-3J170^M2		\$ 640	\$ -
	Direct Total				\$ 640	\$ -
U.S. FISH AND WILDLIFE SERVICE Total					\$ 640	\$ -
U.S. GEOLOGICAL SURVEY	Direct		15.807	Earthquake Hazards Reduction Program	\$ 64,154	\$ -
			15.808	U.S. Geological Survey_ Research and Data Collection	\$ 54,331	\$ -
	Direct Total				\$ 118,485	\$ -
	Pass Through	PURDUE UNIVERSITY	15.805	Assistance to State Water Resources Research Institutes	\$ 28,829	\$ -
	Pass Through Total				\$ 28,829	\$ -
U.S. GEOLOGICAL SURVEY Total					\$ 147,314	\$ -
U.S. DEPARTMENT OF THE INTERIOR Total					\$ 175,674	\$ -
U.S. DEPARTMENT OF JUSTICE						
NATIONAL INSTITUTE OF JUSTICE	Direct		16.303	Law Enforcement Assistance_FBI Fingerprint Identification	\$ 98,645	\$ -
			16.560	National Institute of Justice Research, Evaluation, and Development Project Grants	\$ 100,479	\$ -
	Direct Total				\$ 199,124	\$ -
NATIONAL INSTITUTE OF JUSTICE Total					\$ 199,124	\$ -
U.S. DEPARTMENT OF JUSTICE	Direct		16.540	Juvenile Justice and Delinquency Prevention_Allocation to States	\$ 60,494	\$ -
	Direct Total				\$ 60,494	\$ -
	Pass Through	BOYS AND GIRLS CLUBS OF AMERICA	16.540	Juvenile Justice and Delinquency Prevention_Allocation to States	\$ 116,532	\$ 42,676
		INDIANA CRIMINAL JUSTICE INSTITUTE	16.540	Juvenile Justice and Delinquency Prevention_Allocation to States	\$ 115,232	\$ -
			16.579	Edward Byrne Memorial Formula Grant Program	\$ 5,000	\$ -
	Pass Through Total				\$ 236,764	\$ 42,676
U.S. DEPARTMENT OF JUSTICE Total					\$ 297,258	\$ 42,676
U.S. DEPARTMENT OF JUSTICE Total					\$ 496,382	\$ 42,676
U.S. DEPARTMENT OF STATE	Direct		19.401	Educational Exchange_University Lecturers (Professors) and Research Scholars	\$ 11,400	\$ -
	Direct Total				\$ 11,400	\$ -
U.S. DEPARTMENT OF STATE Total					\$ 11,400	\$ -
U.S. DEPARTMENT OF TRANSPORTATION						

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	Direct		20. DTNH22-02-C-07090^M0008		\$ 215,960	\$ -
			20. DTNH22-02-C-07090^M0009		\$ 26,228	\$ -
	Direct Total				\$ 242,188	\$ -
	Pass Through	INDIANA CRIMINAL JUSTICE INSTITUTE	20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	\$ 239,590	\$ -
	Pass Through Total				\$ 239,590	\$ -
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION Total					\$ 481,778	\$ -
U.S. DEPARTMENT OF TRANSPORTATION	Pass Through	CALIFORNIA DEPARTMENT OF TRANSPORTATION	20. 65A0180		\$ 129,467	\$ -
		CUMMINS INC.	20. 706001-090		\$ 29,497	\$ -
		INDIANA DEPARTMENT OF TRANSPORTATION	20.205	Highway Planning and Construction	\$ 22,206	\$ -
	Pass Through Total				\$ 181,170	\$ -
U.S. DEPARTMENT OF TRANSPORTATION Total					\$ 181,170	\$ -
U.S. DEPARTMENT OF TRANSPORTATION Total					\$ 662,948	\$ -
THE LIBRARY OF CONGRESS	Direct		42. COC Phase II		\$ 127,331	\$ -
	Direct Total				\$ 127,331	\$ -
THE LIBRARY OF CONGRESS Total					\$ 127,331	\$ -
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	Direct		43.001	Aerospace Education Services Program	\$ 989,464	\$ 3,350
			43.002	Technology Transfer	\$ 1,033,928	\$ 623,376
			43. NAG2-1606		\$ 40,715	\$ -
			43. NNA04CC03A^S7		\$ 106,245	\$ -
			43. NNG04GC49G^S3		\$ 69,986	\$ -
			43. NNG056P10H^S000002		\$ 25,514	\$ -
			43. NNG06GC95G		\$ 5,965	\$ -
			43. NNG06GD23G		\$ 16,418	\$ -
			43. NNG06GD86A^S2		\$ 122,427	\$ 20,007
			43. NNG06GH40G		\$ 6,461	\$ -
			43. NNJ06HE95A		\$ 416,202	\$ 160,890
			43. NNX07A066G^S000001		\$ 23,835	\$ -
		Direct Total				\$ 2,857,160
	Pass Through	ALLISON ADVANCED DEVELOPMENT COMPANY	43. NAS3-01143		\$ 13,281	\$ -
		CALIFORNIA INSTITUTE OF TECHNOLOGY	43.001	Aerospace Education Services Program	\$ 11,530	\$ -
		CALIFORNIA INSTITUTE TECHNOLOGY JET PROPULSION LAB	43.001	Aerospace Education Services Program	\$ 17,641	\$ -
			43. 1272004		\$ 1,491	\$ -
			43. 1294763		\$ 64,664	\$ -
		CENTENARY COLLEGE	43. 3D-NJ		\$ 230,938	\$ 195,000
		MIAMI UNIVERSITY OF OHIO	43.002	Technology Transfer	\$ 54,185	\$ -
		PURDUE UNIVERSITY	43.002	Technology Transfer	\$ 59,446	\$ -
43. 523-2051-01				\$ 4,715	\$ -	
SMITHSONIAN ASTROPHYSICAL OBSERVATORY		43.001	Aerospace Education Services Program	\$ 1,099	\$ -	
	43. G05-6045X^A1		\$ 1,439	\$ -		
SPACE TELESCOPE SCIENCE INSTITUTE	43. HST-GO-10257.04-A^2		\$ 855	\$ -		
	43. HST-GO-10350-01-A^A2		\$ 15,216	\$ -		
STAR ENTERPRISES INC	43. ALBERTS		\$ 2,469	\$ -		
	43. CENTRIFUGE		\$ 32,638	\$ -		

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
		TEXAS TECH UNIVERSITY	43.001	Aerospace Education Services Program	\$ 6,810	\$ -	
		UNIVERSITY OF CALIFORNIA, SAN DIEGO	43.001	Aerospace Education Services Program	\$ 91,589	\$ -	
		UNIVERSITY OF VIRGINIA	43.001	Aerospace Education Services Program	\$ 70,148	\$ -	
		Pass Through Total			\$ 680,154	\$ 195,000	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Total					\$ 3,537,314	\$ 1,002,623	
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES							
INSTITUTE OF MUSEUM AND LIBRARY SERVICES	Direct		45.313	Laura Bush 21st Century Librarian Program	\$ 388,150	\$ -	
	Direct Total				\$ 388,150	\$ -	
	Pass Through	INDIANA STATE LIBRARY	45.310	Grants to States	\$ 147,329	\$ -	
	Pass Through Total				\$ 147,329	\$ -	
INSTITUTE OF MUSEUM AND LIBRARY SERVICES Total					\$ 535,479	\$ -	
NATIONAL ENDOWMENT FOR THE HUMANITIES	Direct		45.149	Promotion of the Humanities_Division of Preservation and Access	\$ 140,956	\$ 57,926	
			45.161	Promotion of the Humanities_Research	\$ 158,811	\$ -	
	Direct Total				\$ 299,767	\$ 57,926	
	Pass Through	INDIANA HUMANITIES COUNCIL	45.129	Promotion of the Humanities_Federal/State Partnership	\$ 1,000	\$ -	
	Pass Through Total				\$ 1,000	\$ -	
NATIONAL ENDOWMENT FOR THE HUMANITIES Total					\$ 300,767	\$ 57,926	
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES Total					\$ 836,246	\$ 57,926	
NATIONAL SCIENCE FOUNDATION	Direct		47.041	Engineering Grants	\$ 280,146	\$ 12,518	
			47.049	Mathematical and Physical Sciences	\$ 7,769,321	\$ 69	
			47.050	Geosciences	\$ 2,243,628	\$ 77,382	
			47.070	Computer and Information Science and Engineering	\$ 4,333,813	\$ 224,136	
			47.074	Biological Sciences	\$ 7,423,748	\$ 2,101,198	
			47.075	Social, Behavioral, and Economic Sciences	\$ 1,130,906	\$ 13,794	
			47.076	Education and Human Resources	\$ 1,040,184	\$ 195,550	
			47.078	Polar Programs	\$ 158,238	\$ -	
		Direct Total				\$ 24,379,984	\$ 2,624,647
	Pass Through	AMERICAN SOCIOLOGICAL ASSOCIATION	47. Kennedy			\$ 40,882	\$ -
		ARIZONA STATE UNIVERSITY	47.074		Biological Sciences	\$ 2,955	\$ -
			47.075		Social, Behavioral, and Economic Sciences	\$ 36,052	\$ -
			47.075		Social, Behavioral, and Economic Sciences	\$ 135	\$ -
		BAYLOR UNIVERSITY	47.074		Biological Sciences	\$ 8,507	\$ -
		COLUMBIA UNIVERSITY	47.049		Mathematical and Physical Sciences	\$ 65,831	\$ -
47.075			Social, Behavioral, and Economic Sciences	\$ 57,975	\$ -		
DARTMOUTH COLLEGE	47.074		Biological Sciences	\$ 104,633	\$ -		
INCORPORATED RESEARCH INSTITUTE FOR SEISMOLOGY	47.050		Geosciences	\$ 31,160	\$ -		

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		INSTITUTE FOR HIGHER EDUCATION POLICY	47.070	Computer and Information Science and Engineering	\$ 28,005	\$ -
		ION OPTICS INC	47.041	Engineering Grants	\$ 2,864	\$ -
		NATIONAL COUNCIL OF TEACHERS OF MATHEMATICS	47.076	Education and Human Resources	\$ 213,023	\$ -
		NORTHWESTERN UNIVERSITY	47.075	Social, Behavioral, and Economic Sciences	\$ 6,000	\$ -
		PURDUE UNIVERSITY	47.070	Computer and Information Science and Engineering	\$ 28,419	\$ -
			47.074	Biological Sciences	\$ 79,776	\$ -
		SOUTHERN ILLINOIS UNIVERSITY AT CARBONDALE	47.078	Polar Programs	\$ 2,386	\$ -
		TEXAS A&M UNIVERSITY	47.193 F001497		\$ (1,132)	\$ -
		THE COLLEGE BOARD	47.076	Education and Human Resources	\$ (290)	\$ -
		TULANE UNIVERSITY HEALTH SCIENCES CENTER	47.049	Mathematical and Physical Sciences	\$ 13,190	\$ -
		UNIVERSIDAD DEL VALLE DE GUATEMALA	47.050	Geosciences	\$ 35,219	\$ -
		UNIVERSITY OF CALIFORNIA, SANTA CRUZ	47.049	Mathematical and Physical Sciences	\$ 82,029	\$ -
		UNIVERSITY OF CHICAGO	47.049	Mathematical and Physical Sciences	\$ 478,254	\$ -
			47.070	Computer and Information Science and Engineering	\$ 359,814	\$ -
		UNIVERSITY OF CINCINNATI	47.050	Geosciences	\$ 843	\$ -
		UNIVERSITY OF FLORIDA	47.049	Mathematical and Physical Sciences	\$ 261,976	\$ -
		UNIVERSITY OF GEORGIA	47.050	Geosciences	\$ 882	\$ -
		UNIVERSITY OF MARYLAND	47.074	Biological Sciences	\$ 52,269	\$ -
		UNIVERSITY OF MICHIGAN	47.076	Education and Human Resources	\$ 3,944	\$ -
		UNIVERSITY OF MINNESOTA	47.074	Biological Sciences	\$ 5,482	\$ -
		UNIVERSITY OF NEBRASKA	47.070	Computer and Information Science and Engineering	\$ 18,942	\$ -
		UNIVERSITY OF NOTRE DAME	47.074	Biological Sciences	\$ 50,953	\$ -
		UNIVERSITY OF OREGON	47.076	Education and Human Resources	\$ 314,635	\$ -
		UNIVERSITY OF WISCONSIN	47.074	Biological Sciences	\$ 158,657	\$ -
		VIRGINIA COMMONWEALTH UNIVERSITY	47.041	Engineering Grants	\$ 9,186	\$ -
		Pass Through Total			\$ 2,553,456	\$ -
		NATIONAL SCIENCE FOUNDATION Total			\$ 26,933,440	\$ 2,624,647
U.S. ENVIRONMENTAL PROTECTION AGENCY	Direct		66.469	Great Lakes Program	\$ 669,514	\$ 7,689
			66.509	Science To Achieve Results (STAR) Research Program	\$ 235,054	\$ 151,744
		Direct Total			\$ 904,568	\$ 159,433
	Pass Through	INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT	66.439	Targeted Watersheds Grants	\$ 60,818	\$ 12,500
			66.454	Water Quality Management Planning	\$ 17,016	\$ -
		Pass Through Total			\$ 77,834	\$ 12,500
		U.S. ENVIRONMENTAL PROTECTION AGENCY Total			\$ 982,402	\$ 171,933
U.S. DEPARTMENT OF ENERGY	Direct		81.049	Office of Science Financial Assistance Program	\$ 4,824,007	\$ 352,592
			81. DE FG02-88ER40404^028		\$ 128,843	\$ -
		Direct Total			\$ 4,952,850	\$ 352,592
	Pass Through	ARGONNE NATIONAL LABORATORY	81. 4F-00801 M004		\$ 104,300	\$ -
		BATTELLE PACIFIC NORTHWEST LABORATORIES	81. 37834		\$ 93,521	\$ -
			81. 401597-A3E, P#608^M20		\$ 77,698	\$ -
		BROOKHAVEN NATIONAL LABORATORY	81. 114365		\$ 23,673	\$ -
			81. 12531^A14		\$ 6,251	\$ -
			81. 77263^A4		\$ 81,956	\$ -

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Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
			81. 95113^A7		\$ 123,929	\$ -
		DEEP WEB TECHNOLOGIES	81. Agreement NO.002		\$ 39,825	\$ -
		FERMI NATIONAL ACCELERATOR LABORATORY	81. 538615^R5		\$ (815)	\$ -
			81. 564432^R8		\$ 120,347	\$ -
			81. P.O. #575938		\$ 81,584	\$ -
		ION OPTICS INC	81. SCHAICH		\$ (14)	\$ -
		IOWA STATE UNIVERSITY	81.039	National Energy Information Center	\$ 50,451	\$ -
		LAWRENCE BERKELEY NATIONAL LABORATORY	81. 6706131^M9		\$ 24,673	\$ -
		LOS ALAMOS NATIONAL LABORATORY	81.022	Used Energy-Related Laboratory Equipment Grants	\$ 6,930	\$ -
			81. 15043-001-05		\$ (2,341)	\$ -
			81. 23246-001-05^M04		\$ 46,254	\$ -
			81. 49423-001-07		\$ 10,456	\$ -
		MICHIGAN TECHNOLOGICAL UNIVERSITY	81.049	Office of Science Financial Assistance Program	\$ 162,810	\$ -
		OAK RIDGE NATIONAL LABORATORY	81. 4000043926		\$ 3,032	\$ -
			81. 4000047630		\$ 74,367	\$ -
		OHIO STATE UNIVERSITY RESEARCH FOUNDATION	81.049	Office of Science Financial Assistance Program	\$ 50,991	\$ -
			81.104	Office of Environmental Cleanup and Acceleration	\$ 10,046	\$ -
		PARTTEC,LTD.	81. DE-FG02-04ER84038		\$ 61,388	\$ -
		PENNSYLVANIA STATE UNIVERSITY	81.049	Office of Science Financial Assistance Program	\$ 133,343	\$ -
		REGENTS OF THE UNIVERSITY OF CALIFORNIA	81.049	Office of Science Financial Assistance Program	\$ 732,306	\$ 586,603
		THOMAS JEFFERSON NATIONAL ACCELERATOR FACILITY	81. JSA-04-C904^M010		\$ 71,870	\$ -
		UNIVERSITY OF MASSACHUSETTS	81.049	Office of Science Financial Assistance Program	\$ 131,095	\$ -
		UNIVERSITY OF OREGON	81.049	Office of Science Financial Assistance Program	\$ 14,000	\$ -
		UT-BATTELLE LLC	81. 4000020421		\$ 21,767	\$ -
			81. 4000052291		\$ 41,709	\$ -
		Pass Through Total			\$ 2,397,402	\$ 586,603
		U.S. DEPARTMENT OF ENERGY Total			\$ 7,350,252	\$ 939,195
U.S. DEPARTMENT OF EDUCATION	Direct		84.019	Overseas_Faculty Research Abroad	\$ 123,512	\$ -
			84.022	Overseas_Doctoral Dissertation	\$ 67,199	\$ -
			84.116	Fund for the Improvement of Postsecondary Education	\$ 13,217	\$ -
			84.133	National Institute on Disability and Rehabilitation Research	\$ 94,744	\$ 23,056
			84.200	Graduate Assistance in Areas of National Need	\$ 224,502	\$ -
			84.305	Education Research, Development and Dissemination	\$ 251,979	\$ -
			84.337	International Education_Technological Innovation and Cooperation for Foreign Information Access	\$ 167,581	\$ -
		Direct Total			\$ 942,734	\$ 23,056

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Research and Development Cluster								
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures		
	Pass Through	ARIZONA STATE UNIVERSITY	84.215	Fund for the Improvement of Education	\$ 5,072	\$ -		
		HEZEL ASSOCIATES	84.286	Ready to Teach	\$ 88,826	\$ -		
		INDIANA COMMISSION FOR HIGHER EDUCATION	84.048	Vocational Education_Basic Grants to States	\$ 50,868	\$ -		
			84.367	Improving Teacher Quality State Grants	\$ (2,550)	\$ -		
		INDIANA DEPARTMENT OF EDUCATION	84.027	Special Education_Grants to States	\$ 205,287	\$ -		
		MICHIGAN STATE UNIVERSITY	84.337	International Education_Technological Innovation and Cooperation for Foreign Information Access	\$ 12,670	\$ -		
		PUBLIC BROADCASTING SERVICE	84.286	Ready to Teach	\$ 41,916	\$ -		
		SYNERGY ENTERPRISES, INC.	84. ED05CO0076/0005		\$ 74,017	\$ -		
		UNIVERSITY OF ILLINOIS, CHICAGO	84.133	National Institute on Disability and Rehabilitation Research	\$ 13,222	\$ -		
		VIRGINIA COMMONWEALTH UNIVERSITY	84.133	National Institute on Disability and Rehabilitation Research	\$ 33,932	\$ -		
		Pass Through Total					\$ 523,260	\$ -
U.S. DEPARTMENT OF EDUCATION Total					\$ 1,465,994	\$ 23,056		
NATIONAL HISTORIC PUBLICATIONS AND RECORDS COMMISSION	Direct		89.003	National Historical Publications and Records Grants	\$ 23,766	\$ -		
	Direct Total					\$ 23,766	\$ -	
NATIONAL HISTORIC PUBLICATIONS AND RECORDS COMMISSION Total					\$ 23,766	\$ -		
U.S. INSTITUTE OF PEACE	Direct	(blank)	91.002	Solicited Grant Program	\$ 3,378	\$ -		
	Direct Total					\$ 3,378	\$ -	
U.S. INSTITUTE OF PEACE Total					\$ 3,378	\$ -		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES								
AGENCY FOR HEALTHCARE RESEARCH AND QUALITY	Direct		93.226	Research on Healthcare Costs, Quality and Outcomes	\$ 760,708	\$ 340,983		
			93. 290-02-0008		\$ 555,050	\$ 327,894		
			93. 290-02-0008 ^M 20		\$ 147,194	\$ 75,987		
			93. 290-02-0008 ^M22		\$ 204,251	\$ 80,681		
			93. 290-02-0008, MOD 25		\$ 81,635	\$ 10,085		
			93. 290-02-0008^Mod 29		\$ 60,721	\$ 3,026		
			93. 290-04-0015		\$ 612,387	\$ 245,825		
			93. HHS290200600013I		\$ 104,488	\$ -		
		Direct Total					\$ 2,526,434	\$ 1,084,481
		Pass Through	NATIONAL OPINION RESEARCH CENTER	93.226	Research on Healthcare Costs, Quality and Outcomes	\$ 341,469	\$ 118,153	
WAYNE STATE UNIVERSITY	93.226		Research on Healthcare Costs, Quality and Outcomes	\$ 2,528	\$ -			
Pass Through Total					\$ 343,997	\$ 118,153		
AGENCY FOR HEALTHCARE RESEARCH AND QUALITY Total					\$ 2,870,431	\$ 1,202,634		
CENTERS FOR DISEASE CONTROL AND PREVENTION	Direct		93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	\$ 506,092	\$ 61,507		
	Direct Total					\$ 506,092	\$ 61,507	
	Pass Through	ASSOCIATION OF AMERICAN MEDICAL COLLEGES	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	\$ (1,541)	\$ -		

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Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		ASSOCIATION OF UNIVERSITY CENTERS ON DISABILITIES	93. AUCD RTOI 2003-02-01		\$ 166,835	\$ 98,239
		CLARIAN HEALTH PARTNERS, INC.	93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	\$ 14,416	\$ -
		REGENSTRIEF INSTITUTE, INC.	93.283	Centers for Disease Control and Prevention_ Investigations and Technical Assistance	\$ 5,391	\$ -
		WAYNE STATE UNIVERSITY	93.136	Injury Prevention and Control Research and State and Community Based Programs	\$ 12	\$ -
		Pass Through Total			\$ 185,113	\$ 98,239
CENTERS FOR DISEASE CONTROL AND PREVENTION Total					\$ 691,205	\$ 159,746
CENTERS FOR MEDICARE AND MEDICAID SERVICES	Pass Through	GEORGIA DEPARTMENT COMMUNITY HEALTH	93.941	HIV Demonstration, Research, Public and Professional Education Projects	\$ 116	\$ -
		Pass Through Total			\$ 116	\$ -
CENTERS FOR MEDICARE AND MEDICAID SERVICES Total					\$ 116	\$ -
FOGARTY INTERNATIONAL CENTER	Direct		93.989	International Research and Research Training	\$ (60,578)	\$ 39,729
		Direct Total			\$ (60,578)	\$ 39,729
FOGARTY INTERNATIONAL CENTER Total					\$ (60,578)	\$ 39,729
HEALTH RESOURCES AND SERVICES ADMINISTRATION	Direct		93.110	Maternal and Child Health Federal Consolidated Programs	\$ 93,508	\$ 10,000
			93.887	Health Care and Other Facilities	\$ 178,778	\$ -
		Direct Total			\$ 272,286	\$ 10,000
	Pass Through	FAMILY HEALTH SERVICES	93.912	Rural Health Care Services Outreach and Rural Health Network Development Program	\$ 2,500	\$ -
		INDIANA STATE DEPARTMENT OF HEALTH	93.110	Maternal and Child Health Federal Consolidated Programs	\$ 7,232	\$ -
			93.913	Grants to States for Operation of Offices of Rural Health	\$ 3,828	\$ -
		Pass Through Total			\$ 13,560	\$ -
HEALTH RESOURCES AND SERVICES ADMINISTRATION Total					\$ 285,846	\$ 10,000
NATIONAL CANCER INSTITUTE	Direct		93.393	Cancer Cause and Prevention Research	\$ 2,131,937	\$ 271,755
			93.394	Cancer Detection and Diagnosis Research	\$ 1,096,875	\$ 629,429
			93.395	Cancer Treatment Research	\$ 3,096,922	\$ 440,655
			93.396	Cancer Biology Research	\$ 1,502,546	\$ 33,978
			93.397	Cancer Centers Support Grants	\$ 1,759,066	\$ 60,163
			93.398	Cancer Research Manpower	\$ 837,174	\$ 57,930
			93.399	Cancer Control	\$ 4,540	\$ -
		Direct Total			\$ 10,429,060	\$ 1,493,910
	Pass Through	ACADEMY FOR EDUCATIONAL DEVELOPMENT	93. 3257		\$ 79,802	\$ -
		ADVANCED PROCESS COMBINATORICS	93.394	Cancer Detection and Diagnosis Research	\$ 60,974	\$ -
		FRED HUTCHINSON CANCER RESEARCH CENTER	93.395	Cancer Treatment Research	\$ 3,135	\$ -
		FRONTIER SCIENCE AND TECHNOLOGY RESEARCH FDN., INC	93.399	Cancer Control	\$ 563	\$ -
		GABRIEL GROUP	93. 1 R43 CA112875-01		\$ 20,036	\$ -
		GOG CORPORATION	93.395	Cancer Treatment Research	\$ 131,679	\$ -
		MAYO CLINIC, ROCHESTER	93. N01 CN35000		\$ 55,290	\$ 9,578

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Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		MICHIGAN STATE UNIVERSITY	93.395	Cancer Treatment Research	\$ 7,095	\$ -
		NATIONAL CHILDHOOD CANCER FOUNDATION	93.395	Cancer Treatment Research	\$ 102,390	\$ 4,707
		OHIO STATE UNIVERSITY RESEARCH FOUNDATION	93.397	Cancer Centers Support Grants	\$ 588,720	\$ 752
		OPTOSONICS	93.395	Cancer Treatment Research	\$ 150,222	\$ -
		PURDUE UNIVERSITY	93.394	Cancer Detection and Diagnosis Research	\$ 3,881	\$ -
			93.399	Cancer Control	\$ 154,157	\$ -
			93. 4102-16929		\$ 4,923	\$ -
		ST. JUDE CHILDREN'S RESEARCH HOSPITAL	93.395	Cancer Treatment Research	\$ 30,300	\$ -
		THE UNIVERSITY OF TOLEDO	93.399	Cancer Control	\$ 72,793	\$ -
		UNIVERSITY OF ARKANSAS MEDICAL CENTER	93.395	Cancer Treatment Research	\$ 21,264	\$ -
		UNIVERSITY OF ROCHESTER	93.393	Cancer Cause and Prevention Research	\$ 83,123	\$ 5,974
		VANDERBILT UNIVERSITY	93.393	Cancer Cause and Prevention Research	\$ 11,238	\$ -
		Pass Through Total			\$ 1,581,585	\$ 21,011
NATIONAL CANCER INSTITUTE Total					\$ 12,010,645	\$ 1,514,921
NATIONAL CENTER COMPLEMENTARY AND ALTERNATIVE MEDICINE	Direct		93.213	Research and Training in Complementary and Alternative Medicine	\$ 257,898	\$ -
	Direct Total				\$ 257,898	\$ -
	Pass Through	PURDUE UNIVERSITY	93.213	Research and Training in Complementary and Alternative Medicine	\$ 25,367	\$ -
	Pass Through Total				\$ 25,367	\$ -
NATIONAL CENTER COMPLEMENTARY AND ALTERNATIVE MEDICINE Total					\$ 283,265	\$ -
NATIONAL CENTER FOR RESEARCH RESOURCES	Direct		93.389	National Center for Research Resources	\$ 8,823,673	\$ 854,008
	Direct Total				\$ 8,823,673	\$ 854,008
	Pass Through	CHILDREN'S HOSPITAL OF PITTSBURGH	93.389	National Center for Research Resources	\$ 486	\$ -
		UNIVERSITY OF TENNESSEE	93.389	National Center for Research Resources	\$ 78,853	\$ -
	Pass Through Total				\$ 79,339	\$ -
NATIONAL CENTER FOR RESEARCH RESOURCES Total					\$ 8,903,012	\$ 854,008
NATIONAL EYE INSTITUTE	Direct		93.867	Vision Research	\$ 2,803,141	\$ 224,780
	Direct Total				\$ 2,803,141	\$ 224,780
	Pass Through	JAEB CENTER FOR HEALTH RESEARCH INC	93.867	Vision Research	\$ 7,203	\$ -
		JOHNS HOPKINS UNIVERSITY	93.867	Vision Research	\$ 125,231	\$ 1,684
		MICHIGAN STATE UNIVERSITY	93.867	Vision Research	\$ 9,776	\$ -
		UNIVERSITY OF CALIFORNIA, DAVIS	93.867	Vision Research	\$ 201,984	\$ -
		UNIVERSITY OF ROCHESTER	93.867	Vision Research	\$ 243,587	\$ -
		UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER HOUSTON	93.867	Vision Research	\$ 13,100	\$ -
		WAVEFRONT SCIENCES INC	93.867	Vision Research	\$ 58,165	\$ -
Pass Through Total				\$ 659,046	\$ 1,684	
NATIONAL EYE INSTITUTE Total					\$ 3,462,187	\$ 226,464
NATIONAL HEART, LUNG AND BLOOD INSTITUTE	Direct		93.837	Heart and Vascular Diseases Research	\$ 7,669,713	\$ 350,591
			93.838	Lung Diseases Research	\$ 4,666,573	\$ 331,516
			93.839	Blood Diseases and Resources Research	\$ 7,318,207	\$ 738,282

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Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
	Direct Total				\$ 19,654,493	\$ 1,420,389
	Pass Through	CHILDREN'S HOSPITAL OF OAKLAND, CA	93.839	Blood Diseases and Resources Research	\$ 2,000	\$ -
		ENDGENITOR TECHNOLOGIES, LLC	93.839	Blood Diseases and Resources Research	\$ 32,876	\$ 5,103
		GENERAL BIOTECHNOLOGY, INC	93.839	Blood Diseases and Resources Research	\$ 2,939	\$ -
		JOHNS HOPKINS UNIVERSITY	93. CF Twin/Sib Study		\$ 1,844	\$ -
		MEDICAL UNIVERSITY OF SOUTH CAROLINA	93.837	Heart and Vascular Diseases Research	\$ 20,664	\$ 7,391
		MOUNT SINAI SCHOOL OF MEDICINE	93. R01 HL 071988-01A1		\$ 19,063	\$ -
		PURDUE UNIVERSITY	93.837	Heart and Vascular Diseases Research	\$ 12,528	\$ -
		UNIVERSITY OF CALIFORNIA, DAVIS	93.839	Blood Diseases and Resources Research	\$ 141,747	\$ 17,887
		UNIVERSITY OF NORTH CAROLINA	93.837	Heart and Vascular Diseases Research	\$ 64,731	\$ -
			93.839	Blood Diseases and Resources Research	\$ 26,481	\$ -
		UNIVERSITY OF NOTRE DAME	93.839	Blood Diseases and Resources Research	\$ 457,030	\$ -
		VANDERBILT UNIVERSITY	93.838	Lung Diseases Research	\$ 114,768	\$ -
	Pass Through Total				\$ 896,671	\$ 30,381
NATIONAL HEART, LUNG AND BLOOD INSTITUTE Total					\$ 20,551,164	\$ 1,450,770
NATIONAL HUMAN GENOME RESEARCH INSTITUTE	Direct		93.172	Human Genome Research	\$ 569,293	\$ 13,835
	Direct Total				\$ 569,293	\$ 13,835
	Pass Through	HARVARD UNIVERSITY	93.172	Human Genome Research	\$ 676,746	\$ -
		LAWRENCE BERKELEY NATIONAL LABORATORY	93. 6823225		\$ 64,876	\$ -
		UNIVERSITY OF CHICAGO	93.172	Human Genome Research	\$ 25,410	\$ -
		UNIVERSITY OF IOWA	93.172	Human Genome Research	\$ 1,706	\$ -
		UNIVERSITY OF ROCHESTER	93.172	Human Genome Research	\$ 23,115	\$ -
		YALE UNIVERSITY	93.172	Human Genome Research	\$ 14,676	\$ -
	Pass Through Total				\$ 806,529	\$ -
NATIONAL HUMAN GENOME RESEARCH INSTITUTE Total					\$ 1,375,822	\$ 13,835
NATIONAL INSTITUTE ALLERGY AND INFECTIOUS DISEASES	Direct		93.855	Allergy, Immunology and Transplantation Research	\$ 9,401,198	\$ 768,965
			93.856	Microbiology and Infectious Diseases Research	\$ 1,788,814	\$ 820,547
	Direct Total				\$ 11,190,012	\$ 1,589,512
	Pass Through	SAINT LOUIS UNIVERSITY	93.855	Allergy, Immunology and Transplantation Research	\$ 47,750	\$ -
		SOCIAL & SCIENTIFIC SYSTEMS, INC.	93.855	Allergy, Immunology and Transplantation Research	\$ 12,525	\$ -
		UNIVERSITY OF MARYLAND	93. HHSN266200500043C		\$ 688,746	\$ -
		UNIVERSITY OF MINNESOTA	93.856	Microbiology and Infectious Diseases Research	\$ 4,253	\$ -
		UNIVERSITY OF PENNSYLVANIA	93.856	Microbiology and Infectious Diseases Research	\$ 11,871	\$ 2,452
		UNIVERSITY OF WASHINGTON	93.856	Microbiology and Infectious Diseases Research	\$ 103,255	\$ -
	Pass Through Total				\$ 868,400	\$ 2,452
NATIONAL INSTITUTE ALLERGY AND INFECTIOUS DISEASES Total					\$ 12,058,412	\$ 1,591,964

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Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
NATIONAL INSTITUTE ARTHRITIS MUSCULOSKELETAL SKIN	Direct		93.846	Arthritis, Musculoskeletal and Skin Diseases Research	\$ 3,191,480	\$ 508,335	
	Direct Total					\$ 3,191,480	\$ 508,335
	Pass Through	CHILDREN'S HOSPITAL MEDICAL CENTER OF CINCINNATI	93.846		Arthritis, Musculoskeletal and Skin Diseases Research	\$ 7,595	\$ -
		DUKE UNIVERSITY	93.5 R01 AR051307-04			\$ 10,890	\$ -
		OREGON HEALTH & SCIENCE UNIVERSITY	93.846		Arthritis, Musculoskeletal and Skin Diseases Research	\$ 96,295	\$ -
		PURDUE UNIVERSITY	93.846		Arthritis, Musculoskeletal and Skin Diseases Research	\$ 71,026	\$ 1,128
		UNIVERSITY OF DELAWARE	93.846		Arthritis, Musculoskeletal and Skin Diseases Research	\$ 156,543	\$ -
		UNIVERSITY OF MICHIGAN	93.846		Arthritis, Musculoskeletal and Skin Diseases Research	\$ 356	\$ -
	Pass Through Total					\$ 342,705	\$ 1,128
NATIONAL INSTITUTE ARTHRITIS MUSCULOSKELETAL SKIN Total					\$ 3,534,185	\$ 509,463	
NATIONAL INSTITUTE BIOMEDICAL IMAGING BIOENGINEERING	Direct		93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	\$ 1,121,236	\$ -	
	Direct Total					\$ 1,121,236	\$ -
	Pass Through	PURDUE UNIVERSITY	93.286	Discovery and Applied Research for Technological Innovations to Improve Human Health	\$ 10,034	\$ -	
	Pass Through Total					\$ 10,034	\$ -
NATIONAL INSTITUTE BIOMEDICAL IMAGING BIOENGINEERING Total					\$ 1,131,270	\$ -	
NATIONAL INSTITUTE NEUROLOGICAL DISORDERS AND STROKE	Direct		93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 7,270,679	\$ 980,295	
			93. NO1 NS 3 2357		\$ 236,462	\$ -	
	Direct Total					\$ 7,507,141	\$ 980,295
	Pass Through	MASSACHUSETTS GENERAL HOSPITAL	93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 1,331	\$ -
		TUFTS UNIVERSITY	93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 93,712	\$ -
		UNIVERSITY OF ARIZONA	93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 42,387	\$ -
		UNIVERSITY OF CINCINNATI	93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 231,721	\$ -
		UNIVERSITY OF IOWA	93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 552,974	\$ -
		UNIVERSITY OF TEXAS SOUTHWESTERN	93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 671,650	\$ 30,715
		UNIVERSITY OF UTAH	93.853		Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 260	\$ -

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Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
		WASHINGTON UNIVERSITY	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 5,293	\$ -	
	Pass Through Total				\$ 1,599,328	\$ 30,715	
NATIONAL INSTITUTE NEUROLOGICAL DISORDERS AND STROKE Total					\$ 9,106,469	\$ 1,011,010	
NATIONAL INSTITUTE OF CHILD HEALTH, HUMAN DEVELOPMENT	Direct		93.865	Child Health and Human Development Extramural Research	\$ 4,094,031	\$ 916,085	
	Direct Total				\$ 4,094,031	\$ 916,085	
	Pass Through	UNIVERSITY OF ALABAMA BIRMINGHAM	93.865	Child Health and Human Development Extramural Research	\$ 49,647	\$ 14,157	
		UNIVERSITY OF UTAH	93.865	Child Health and Human Development Extramural Research	\$ 8,166	\$ 2,304	
	Pass Through Total				\$ 57,813	\$ 16,461	
NATIONAL INSTITUTE OF CHILD HEALTH, HUMAN DEVELOPMENT Total					\$ 4,151,844	\$ 932,546	
NATIONAL INSTITUTE OF DENTAL CRANIOFACIAL RESEARCH	Direct		93.121	Oral Diseases and Disorders Research	\$ 1,457,648	\$ -	
	Direct Total				\$ 1,457,648	\$ -	
	Pass Through	OSCAR, INC.	93.121	Oral Diseases and Disorders Research	\$ 30,110	\$ -	
		THERAMETRIC TECHNOLOGIES, INC.	93.121	Oral Diseases and Disorders Research	\$ 17,668	\$ -	
		UNIVERSITY OF IOWA	93.121	Oral Diseases and Disorders Research	\$ 56,757	\$ -	
		UNIVERSITY OF NORTH CAROLINA	93.121	Oral Diseases and Disorders Research	\$ 29,621	\$ -	
Pass Through Total				\$ 134,156	\$ -		
NATIONAL INSTITUTE OF DENTAL CRANIOFACIAL RESEARCH Total					\$ 1,591,804	\$ -	
NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES	Direct		93.847	Diabetes, Endocrinology and Metabolism Research	\$ 4,189,643	\$ 313,608	
			93.848	Digestive Diseases and Nutrition Research	\$ 2,638,425	\$ 241,216	
			93.849	Kidney Diseases, Urology and Hematology Research	\$ 7,018,493	\$ 750,000	
	Direct Total				\$ 13,846,561	\$ 1,304,824	
	Pass Through	CHILDREN'S HOSPITAL OF PITTSBURGH	93. U01 DK072146			\$ 7,274	\$ -
		INPHOTON, LLC	93.847		Diabetes, Endocrinology and Metabolism Research	\$ 20,297	\$ -
		JOHNS HOPKINS UNIVERSITY	93. U01 DK0661704-03			\$ 20,120	\$ -
		LYNNTECH, INC	93.849		Kidney Diseases, Urology and Hematology Research	\$ 1,711	\$ -
		OHIO STATE UNIVERSITY RESEARCH FOUNDATION	93.849		Kidney Diseases, Urology and Hematology Research	\$ 19,000	\$ -
		PURDUE UNIVERSITY	93.848		Digestive Diseases and Nutrition Research	\$ (1,457)	\$ -
		THE EMMES CORPORATION	93.847		Diabetes, Endocrinology and Metabolism Research	\$ 3,810	\$ -
		THE GEORGE WASHINGTON UNIVERSITY	93.847		Diabetes, Endocrinology and Metabolism Research	\$ 748,974	\$ -
		THE UNIVERSITY OF TOLEDO	93.847		Diabetes, Endocrinology and Metabolism Research	\$ 158,706	\$ -
UNIVERSITY OF CHICAGO		93.849		Kidney Diseases, Urology and Hematology Research	\$ 200,968	\$ -	

Indiana University
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For the Year Ended June 30, 2007

Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		UNIVERSITY OF NEW MEXICO	93.849	Kidney Diseases, Urology and Hematology Research	\$ 95,315	\$ -
		UNIVERSITY OF TORONTO	93.849	Kidney Diseases, Urology and Hematology Research	\$ 60,008	\$ -
	Pass Through Total				\$ 1,334,726	\$ -
NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES Total					\$ 15,181,287	\$ 1,304,824
NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES	Direct		93.113	Environmental Health	\$ 133,446	\$ -
			93.114	Applied Toxicological Research and Testing	\$ (1,646)	\$ -
	Direct Total				\$ 131,800	\$ -
	Pass Through	PURDUE UNIVERSITY	93.894	Resource and Manpower Development in the Environmental Health Sciences	\$ 15,841	\$ -
		UNIVERSITY OF SOUTH ALABAMA	93.113	Environmental Health	\$ 7,329	\$ 436
	Pass Through Total				\$ 23,170	\$ 436
NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES Total					\$ 154,970	\$ 436
NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES	Direct		93.859	Biomedical Research and Research Training	\$ 11,597,121	\$ 1,191,605
		Direct Total				\$ 11,597,121
	Pass Through	HAUPTMAN-WOODWARD MEDICAL RESEARCH INSTITUTE	93.859	Biomedical Research and Research Training	\$ 24,792	\$ -
			93. 2 RO1 GM051670-11A1		\$ 54,240	\$ -
		PRINCETON UNIVERSITY	93.859	Biomedical Research and Research Training	\$ 922	\$ -
		RICE UNIVERSITY	93.859	Biomedical Research and Research Training	\$ 72,733	\$ -
		SCRIPPS RESEARCH INSTITUTE	93.859	Biomedical Research and Research Training	\$ 63,989	\$ -
		UNIVERSITY OF CALIFORNIA, DAVIS	93.859	Biomedical Research and Research Training	\$ 79,716	\$ -
		WAYNE STATE UNIVERSITY	93.859	Biomedical Research and Research Training	\$ 52,996	\$ -
	Pass Through Total				\$ 349,388	\$ -
NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES Total					\$ 11,946,509	\$ 1,191,605
NATIONAL INSTITUTE OF MENTAL HEALTH	Direct		93.242	Mental Health Research Grants	\$ 6,220,018	\$ 828,313
			93.281	Mental Health Research Career/Scientist Development Awards	\$ 425,773	\$ 24,672
			93.282	Mental Health National Research Service Awards for Research Training	\$ 15,818	\$ -
	Direct Total				\$ 6,661,609	\$ 852,985
	Pass Through	NEUROSCRIPT SOFTWARE	93. R43MH073192-01		\$ 34,718	\$ -
		UNIVERSITY OF CALIFORNIA, SAN DIEGO	93. R01 MH71912-02		\$ 158,535	\$ -
		UNIVERSITY OF CALIFORNIA, SANTA BARBARA	93.242	Mental Health Research Grants	\$ 77,833	\$ -
Pass Through Total				\$ 271,086	\$ -	
NATIONAL INSTITUTE OF MENTAL HEALTH Total					\$ 6,932,695	\$ 852,985
NATIONAL INSTITUTE OF NURSING RESEARCH	Direct		93.361	Nursing Research	\$ 1,811,414	\$ 419,915
	Direct Total				\$ 1,811,414	\$ 419,915

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
	Pass Through	UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	93.361	Nursing Research	\$ 67,634	\$ -
	Pass Through Total				\$ 67,634	\$ -
NATIONAL INSTITUTE OF NURSING RESEARCH Total					\$ 1,879,048	\$ 419,915
NATIONAL INSTITUTE ON AGING	Direct		93.866	Aging Research	\$ 8,785,365	\$ 824,909
	Direct Total				\$ 8,785,365	\$ 824,909
	Pass Through	COLUMBIA UNIVERSITY	93.866	Aging Research	\$ 225,528	\$ -
		EMORY UNIVERSITY	93.866	Aging Research	\$ 72,246	\$ -
		NATIONAL OPINION RESEARCH CENTER	93.866	Aging Research	\$ 4,467	\$ -
		STANFORD UNIVERSITY	93.866	Aging Research	\$ 75,178	\$ -
		UNIVERSITY OF SOUTHERN CALIFORNIA	93.866	Aging Research	\$ 12,619	\$ -
		UNIVERSITY OF WASHINGTON	93.866	Aging Research	\$ 19,563	\$ -
Pass Through Total				\$ 409,601	\$ -	
NATIONAL INSTITUTE ON AGING Total					\$ 9,194,966	\$ 824,909
NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM	Direct		93.272	Alcohol National Research Service Awards for Research Training	\$ 88,722	\$ -
			93.273	Alcohol Research Programs	\$ 9,701,793	\$ 550,475
	Direct Total				\$ 9,790,515	\$ 550,475
	Pass Through	MAYO CLINIC COLLEGE OF MEDICINE	93.273	Alcohol Research Programs	\$ 3,983	\$ -
		RESEARCH FOUNDATION STATE UNIVERSITY NEW YORK	93.273	Alcohol Research Programs	\$ 1,421,487	\$ -
		SRI INTERNATIONAL	93.273	Alcohol Research Programs	\$ 50,041	\$ -
		UNIVERSITY OF ILLINOIS	93.273	Alcohol Research Programs	\$ 62,645	\$ -
		UNIVERSITY OF TEXAS	93.273	Alcohol Research Programs	\$ 22,733	\$ -
		UNIVERSITY OF WASHINGTON	93.273	Alcohol Research Programs	\$ 5,978	\$ -
	Pass Through Total				\$ 1,566,867	\$ -
NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM Total					\$ 11,357,382	\$ 550,475
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS	Direct		93.173	Research Related to Deafness and Communication Disorders	\$ 3,587,737	\$ 342,235
	Direct Total				\$ 3,587,737	\$ 342,235
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS Total					\$ 3,587,737	\$ 342,235
NATIONAL INSTITUTE ON DRUG ABUSE	Direct		93.279	Drug Abuse and Addiction Research Programs	\$ 2,406,223	\$ 92,832
	Direct Total				\$ 2,406,223	\$ 92,832
	Pass Through	DUKE UNIVERSITY	93.279	Drug Abuse and Addiction Research Programs	\$ 66,502	\$ -
		INFLEXION, INC	93. SOAPP		\$ 5,447	\$ -
		MICHIGAN STATE UNIVERSITY	93.279	Drug Abuse and Addiction Research Programs	\$ 59,414	\$ -
		UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION	93.279	Drug Abuse and Addiction Research Programs	\$ 36,574	\$ -
		UNIVERSITY OF UTAH	93.279	Drug Abuse and Addiction Research Programs	\$ 85,211	\$ -
Pass Through Total				\$ 253,148	\$ -	
NATIONAL INSTITUTE ON DRUG ABUSE Total					\$ 2,659,371	\$ 92,832
NATIONAL INSTITUTES OF HEALTH	Pass Through	AMERICAN LUNG ASSOCIATION	93. SARA		\$ 28,677	\$ -
			93. TAPE		\$ 2,937	\$ -
		OCUMETRICS INC	93. SRINIVAS		\$ 7,032	\$ -
		PURDUE UNIVERSITY	93. 511-2022-01		\$ 16,100	\$ -

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Research and Development Cluster							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
		SMITHSONIAN INSTITUTION	93. 02-59-MP-00022		\$ 1,213	\$ -	
		UNIVERSITY OF MICHIGAN	93. chf	(blank)	\$ 3,784	\$ -	
		UNIVERSITY OF NORTH CAROLINA	93. UNC 5-35001		\$ (51,477)	\$ -	
		Pass Through Total			\$ 8,266	\$ -	
NATIONAL INSTITUTES OF HEALTH Total					\$ 8,266	\$ -	
NATIONAL LIBRARY OF MEDICINE	Direct		93.879	Medical Library Assistance	\$ 1,130,504	\$ 470,040	
			93. N01-LM-6-3546		\$ (9,385)	\$ -	
			93. N01-LM-9-3542		\$ (7,453)	\$ -	
	Direct Total					\$ 1,113,666	\$ 470,040
	Pass Through	COLUMBIA UNIVERSITY	93.879	Medical Library Assistance	\$ 48,573	\$ 19,517	
		REGENSTRIEF FOUNDATION, INC.	93. NO1LM93517		\$ (5,231)	\$ -	
		REGENSTRIEF INSTITUTE, INC.	93.879	Medical Library Assistance	\$ 142,581	\$ -	
Pass Through Total					\$ 185,923	\$ 19,517	
NATIONAL LIBRARY OF MEDICINE Total					\$ 1,299,589	\$ 489,557	
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION	Pass Through	ORC MACRO	93. 35126-5S726		\$ (2,245)	\$ -	
		POSITIVE IMPACT INC	93.243	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	\$ 20,082	\$ -	
	Pass Through Total					\$ 17,837	\$ -
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION Total					\$ 17,837	\$ -	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Direct		93.013	Ambassadors for Change Program	\$ 22,429	\$ -	
	Direct Total					\$ 22,429	\$ -
	Pass Through	AMERICAN INSTITUTES FOR RESEARCH	93. 00001-1784.009	(blank)		\$ 9,116	\$ -
		ENERGY COORDINATING AGENCY	93. COOL HOMES PROGRAM			\$ 2,058	\$ -
		INDIANA STATE DEPARTMENT OF HEALTH	93.994		Maternal and Child Health Services Block Grant to the States	\$ 17,209	\$ -
		NORTHWEST PORTLAND AREA INDIAN HEALTH BOARD	93.933		Demonstration Projects for Indian Health	\$ (176)	\$ -
Pass Through Total					\$ 28,207	\$ -	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total					\$ 50,636	\$ -	
U.S. FOOD AND DRUG ADMINISTRATION	Direct		93.948	Pilot Clinical Pharmacology Training	\$ (747)	\$ -	
	Direct Total					\$ (747)	\$ -
U.S. FOOD AND DRUG ADMINISTRATION Total					\$ (747)	\$ -	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total					\$ 146,216,645	\$ 15,586,863	
SOCIAL SECURITY ADMINISTRATION	Pass Through	DARTMOUTH COLLEGE	96. 5-37206.5710^1		\$ 15,658	\$ -	
	Pass Through Total					\$ 15,658	\$ -
SOCIAL SECURITY ADMINISTRATION Total					\$ 15,658	\$ -	
U.S. DEPARTMENT OF HOMELAND SECURITY							
FEDERAL EMERGENCY MANAGEMENT AGENCY	Direct		97.028	Emergency Management Institute (EMI)_Resident Educational Program	\$ 18,129	\$ -	
			97. ArcGIS for HAZUS-MH Users		\$ 5,450	\$ -	
			97. HSFEEM-06-MP-6350244		\$ 2,417	\$ -	
	Direct Total					\$ 25,996	\$ -
	Pass Through	NATIONAL INSTITUTE OF BUILDING SCIENCES	97. Project No. 821		\$ 7,192	\$ -	
		97. Project No.821, Contract 3		\$ 3,932	\$ -		

Indiana University
Schedule of Expenditures of Federal Awards
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Research and Development Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		Pass Through Total			\$ 11,124	\$ -
FEDERAL EMERGENCY MANAGEMENT AGENCY Total					\$ 37,120	\$ -
U.S. DEPARTMENT OF HOMELAND SECURITY	Pass Through	DARTMOUTH COLLEGE	97.001	Pilot Demonstration or Earmarked Projects	\$ 48,960	\$ -
		UNIVERSITY OF MICHIGAN	97.3000812187	(blank)	\$ 5,797	\$ -
	Pass Through Total				\$ 54,757	\$ -
U.S. DEPARTMENT OF HOMELAND SECURITY Total					\$ 54,757	\$ -
U.S. DEPARTMENT OF HOMELAND SECURITY Total					\$ 91,877	\$ -
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT	Pass Through	CENTRO INTERNACIONAL DE AGRICULTURA TROPICAL	98.012	USAID Development Partnerships for University Cooperation and Development	\$ 8,148	\$ -
		UNIVERSITY OF CALIFORNIA, DAVIS	98.001	USAID Foreign Assistance for Programs Overseas	\$ 200,632	\$ 77,876
		VIRGINIA POLYTECHNIC INSTITUTE & STATE UNIVERSITY	98.001	USAID Foreign Assistance for Programs Overseas	\$ 291,966	\$ 164,395
	Pass Through Total				\$ 500,746	\$ 242,271
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT Total					\$ 500,746	\$ 242,271
Grand Total Research and Development Cluster					\$ 197,144,669	\$ 22,486,643

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For the Year Ended June 30, 2007

Student Financial Aid Cluster						
Federal Grantor		PASS THROUGH ENTITY	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. Department of Education	Direct		84.063	Federal Pell Grant Program	\$ 43,416,040	\$ -
			84.007	Federal Supplemental Educational Opportunity Grants	\$ 2,657,907	\$ -
			84.033	Federal Work-Study Program	\$ 4,853,472	\$ -
			84.038	Federal Perkins Loan Program_Federal Capital Contributions	\$ 12,862,051	\$ -
			84.375	Academic Competitive Grants	\$ 1,568,045	\$ -
			84.376	National Science and Mathematics Access to Retain Talent (SMART) Grants	\$ 800,612	\$ -
Direct Total					\$ 66,158,127	\$ -
U.S. Department of Education Total					\$ 66,158,127	\$ -
U.S. Department of Health and Human Services						
Health Resources and Services Administration	Direct		93.342	Health Professions Student Loans	\$ 2,578,791	\$ -
			93.364	Nursing Student Loans	\$ 494,958	\$ -
			93.925	Scholarships for Health Professions Students from Disadvantaged Backgrounds	\$ 367,427	\$ -
		Direct Total				
Health Resources and Services Administration Total					\$ 3,441,176	\$ -
U.S. Department of Health and Human Services Total					\$ 3,441,176	\$ -
Grand Total Student Financial Aid Cluster					\$ 69,599,303	\$ -

Highway Safety Cluster							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	Direct		20.613	Child Safety and Child Booster Seats Incentive Grants	\$ 32,260	\$ -	
	Direct Total					\$ 32,260	\$ -
	Pass Through	INDIANA CRIMINAL JUSTICE INSTITUTE	20.600	State and Community Highway Safety	\$ 265,646	\$ 531	
			20.601	Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	\$ 503,682	\$ -	
	Pass Through Total					\$ 769,328	\$ 531
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION Total					\$ 801,588	\$ 531	
U.S. DEPARTMENT OF TRANSPORTATION	Pass Through	INDIANA CRIMINAL JUSTICE INSTITUTE	20.600	State and Community Highway Safety	\$ 53,141	\$ -	
	Pass Through Total					\$ 53,141	\$ -
U.S. DEPARTMENT OF TRANSPORTATION Total					\$ 53,141	\$ -	
Grand Total Highway Safety Cluster					\$ 854,729	\$ 531	

Special Education Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. DEPARTMENT OF EDUCATION	Pass Through	INDIANA DEPARTMENT OF EDUCATION	84.027	Special Education_Grants to States	\$ 1,137,154	\$ 19,995
	Pass Through Total					\$ 1,137,154
U.S. DEPARTMENT OF EDUCATION Total					\$ 1,137,154	\$ 19,995
Grand Total Special Education Cluster					\$ 1,137,154	\$ 19,995

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

TRIO Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. DEPARTMENT OF EDUCATION	Direct		84.042	TRIO_Student Support Services	\$ 1,208,787	\$ -
			84.047	TRIO_Upward Bound	\$ 954,103	\$ -
			84.217	TRIO_McNair Post-Baccalaureate Achievement	\$ 525,614	\$ -
	Direct Total				\$ 2,688,504	\$ -
U.S. DEPARTMENT OF EDUCATION Total					\$ 2,688,504	\$ -
Grand Total TRIO Cluster					\$ 2,688,504	\$ -

Aging Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Pass Through	INDIANA DIVISION DISABILITY, AGING AND REHABILITATIVE SERVICES	93.044	Special Programs for the Aging_Title III, Part B_Grants for Supportive Services and Senior Centers	\$ 294,621	\$ -
			93.045	Special Programs for the Aging_Title III, Part C_Nutrition Services	\$ 324,255	\$ -
	Pass Through Total				\$ 618,876	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total					\$ 618,876	\$ -
Grand Total Aging Cluster					\$ 618,876	\$ -

CCDF Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Pass Through	PURDUE UNIVERSITY	93.575	Child Care and Development Block Grant	\$ 20,163	\$ -
	Pass Through Total				\$ 20,163	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total					\$ 20,163	\$ -
Grand Total CCDF Cluster					\$ 20,163	\$ -

Medicaid Cluster						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Pass Through	INDIANA DIVISION DISABILITY, AGING AND REHABILITATIVE SERVICES	93.778	Medical Assistance Program	\$ 14	\$ -
	Pass Through Total				\$ 14	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total					\$ 14	\$ -
Grand Total Medicaid Cluster					\$ 14	\$ -

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Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
PEACE CORPS	Direct		08. PC-06-8-107		\$ 11,807	\$ -
			08. PC-5-8-056		\$ 480	\$ -
	Direct Total				\$ 12,287	\$ -
PEACE CORPS Total					\$ 12,287	\$ -
U.S. DEPARTMENT OF AGRICULTURE						
U.S. DEPARTMENT OF AGRICULTURE	Direct		10.206	Grants for Agricultural Research_Compertitive Research Grants	\$ 54,863	\$ -
	Direct Total				\$ 54,863	\$ -
	Pass Through	INDIANA DEPARTMENT OF EDUCATION	10.558	Child and Adult Care Food Program	\$ 72,628	\$ -
		PURDUE UNIVERSITY	10.303	Integrated Programs	\$ 4,546	\$ -
	Pass Through Total				\$ 77,174	\$ -
U.S. DEPARTMENT OF AGRICULTURE Total					\$ 132,037	\$ -
U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE	Direct		10.962	Cochran Fellowship Program-International Training-Foreign Participant	\$ 12,704	\$ -
			10. PNW 06-JV-11261976-301		\$ 32,924	\$ -
			10. PNW 06-JV-11261976-307		\$ 12,381	\$ -
	Direct Total				\$ 58,009	\$ -
U.S. DEPARTMENT OF AGRICULTURE FOREST SERVICE Total					\$ 58,009	\$ -
U.S. DEPARTMENT OF AGRICULTURE Total					\$ 190,046	\$ -
U.S. DEPARTMENT OF COMMERCE	Direct		11.550	Public Telecommunications Facilities Planning and Construction	\$ 7,370	\$ -
	Direct Total				\$ 7,370	\$ -
U.S. DEPARTMENT OF COMMERCE Total					\$ 7,370	\$ -
U.S. DEPARTMENT OF DEFENSE						
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH	Direct		12.800	Air Force Defense Research Sciences Program	\$ 155,125	\$ -
	Direct Total				\$ 155,125	\$ -
AIR FORCE OFFICE OF SCIENTIFIC RESEARCH Total					\$ 155,125	\$ -
DEFENSE LANGUAGE INSTITUTE	Direct		12.900	Language Grant Program	\$ 6,418	\$ -
	Direct Total				\$ 6,418	\$ -
DEFENSE LANGUAGE INSTITUTE Total					\$ 6,418	\$ -
DEFENSE MAPPING AGENCY	Pass Through	VETERAN COMMUNICATIONS INC.	12. PR61945		\$ 6,600	\$ -
	Pass Through Total				\$ 6,600	\$ -
DEFENSE MAPPING AGENCY Total					\$ 6,600	\$ -
NAVAL SURFACE WARFARE CENTER	Direct		12. N00164-07-P-0260		\$ 6,600	\$ -
	Direct Total				\$ 6,600	\$ -
NAVAL SURFACE WARFARE CENTER CRANE DIVISION Total					\$ 6,600	\$ -
U.S. ARMY CORPS OF ENGINEERS	Direct		12. W912P6-07-M-003		\$ 9,694	\$ -
	Direct Total				\$ 9,694	\$ -
U.S. ARMY CORPS OF ENGINEERS Total					\$ 9,694	\$ -
U.S. ARMY WAR COLLEGE	Direct		12. W91QF0-06-P-0100		\$ 13,723	\$ -
	Direct Total				\$ 13,723	\$ -
U.S. ARMY WAR COLLEGE Total					\$ 13,723	\$ -
U.S. DEPARTMENT OF DEFENSE	Pass Through	INSTITUTE OF INTERNATIONAL EDUCATION	12. U634000-W9137B-06-P-0145-1		\$ 196,631	\$ -
		ROGER WILLIAMS HOSPITAL	12.420	Military Medical Research and Development	\$ 29,913	\$ -
	Pass Through Total				\$ 226,544	\$ -
U.S. DEPARTMENT OF DEFENSE Total					\$ 226,544	\$ -

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Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
U.S. DEPARTMENT OF DEFENSE Total					\$ 424,704	\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	Direct		14.511	Community Outreach Partnership Center Program	\$ 21,394	\$ -
			14.512	Community Development Work-Study Program	\$ 53,428	\$ -
	Direct Total				\$ 74,822	\$ -
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Total					\$ 74,822	\$ -
U.S. DEPARTMENT OF THE INTERIOR						
NATIONAL PARK SERVICE	Direct		15.916	Outdoor Recreation_Acquisition, Development and Planning	\$ 2,008,735	\$ -
			15. C2608060066		\$ 105,805	\$ -
			15. H0001010001^M9		\$ (8,283)	\$ -
	Direct Total				\$ 2,106,257	\$ -
	Pass Through	INDIANA DEPARTMENT OF NATURAL RESOURCES	15.904	Historic Preservation Fund Grants-In-Aid	\$ 44,575	\$ -
Pass Through Total				\$ 44,575	\$ -	
NATIONAL PARK SERVICE Total					\$ 2,150,832	\$ -
U.S. DEPARTMENT OF THE INTERIOR	Direct		15.250	Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	\$ 20,777	\$ -
			15.808	U.S. Geological Survey_ Research and Data Collection	\$ 15,704	\$ -
	Direct Total				\$ 36,481	\$ -
U.S. DEPARTMENT OF THE INTERIOR Total					\$ 36,481	\$ -
U.S. FISH AND WILDLIFE SERVICE	Direct		15. RW070450		\$ 2,618	\$ -
Direct Total					\$ 2,618	\$ -
U.S. FISH AND WILDLIFE SERVICE Total					\$ 2,618	\$ -
U.S. GEOLOGICAL SURVEY	Direct		15.808	U.S. Geological Survey_ Research and Data Collection	\$ 155,059	\$ -
			15.809	National Spatial Data Infrastructure Cooperative Agreements Program	\$ 16,296	\$ -
			15.810	National Cooperative Geologic Mapping Program	\$ 154,140	\$ -
	Direct Total				\$ 325,495	\$ -
	Pass Through	PURDUE UNIVERSITY	15. 561-0536-01		\$ 4,875	\$ -
Pass Through Total				\$ 4,875	\$ -	
U.S. GEOLOGICAL SURVEY Total					\$ 330,370	\$ -
YOSEMITE NATIONAL PARK	Direct		15. P8824032031^A0006		\$ 15,953	\$ -
Direct Total					\$ 15,953	\$ -
YOSEMITE NATIONAL PARK Total					\$ 15,953	\$ -
U.S. DEPARTMENT OF THE INTERIOR Total					\$ 2,536,254	\$ -
U.S. DEPARTMENT OF JUSTICE						
BUREAU OF PRISONS	Direct		16. DJBTHAFF540001^M1		\$ 2,499	\$ -
			16. DJSTHAGF540001		\$ 5,666	\$ -
	Direct Total				\$ 8,165	\$ -
BUREAU OF PRISONS Total					\$ 8,165	\$ -
U.S. DEPARTMENT OF JUSTICE	Pass Through	INDIANA CRIMINAL JUSTICE INSTITUTE	16.575	Crime Victim Assistance	\$ 222,529	\$ 212,609
			16.588	Violence Against Women Formula Grants	\$ 29,680	\$ -
	Pass Through Total				\$ 252,209	\$ 212,609

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
U.S. DEPARTMENT OF JUSTICE Total					\$ 252,209	\$ 212,609	
U.S. DEPARTMENT OF JUSTICE Total					\$ 260,374	\$ 212,609	
U.S. DEPARTMENT OF LABOR	Pass Through	INDIANA DIVISION DISABILITY, AGING AND REHABILITATIVE SERVICES	17.235	Senior Community Service Employment Program	\$ 50,936	\$ -	
		INDIANA STATE AFL-CIO LABOR INSTITUTE FOR TRAINING	17.261	WIA Pilots, Demonstrations, and Research Projects	\$ 25,000	\$ -	
		INDIANAPOLIS PRIVATE INDUSTRY COUNCIL	17.261	WIA Pilots, Demonstrations, and Research Projects	\$ 30,029	\$ -	
		PURDUE UNIVERSITY	17.261	WIA Pilots, Demonstrations, and Research Projects	\$ 25,688	\$ -	
	Pass Through Total				\$ 131,653	\$ -	
U.S. DEPARTMENT OF LABOR Total					\$ 131,653	\$ -	
U.S. DEPARTMENT OF STATE	Direct		19.401	Educational Exchange_University Lecturers (Professors) and Research Scholars	\$ (161)	\$ -	
			19.415	Professional Exchanges_Annual Open Grant	\$ 2,414	\$ -	
			19.430	International Education Training and Research	\$ 53,502	\$ -	
			19.510	U.S. Refugee Admissions Program	\$ 30,453	\$ -	
			19. S-ECAAE-04-GR-195(MA)		\$ 91,523	\$ -	
			19. S-ECAAE-05-CA-205(MA)		\$ 127,403	\$ -	
			19. S-ECAAE-06-GR-119 (LM)		\$ 16,116	\$ -	
			19. S-ECAAS-03-GR-165 (JJ)		\$ 45,505	\$ -	
			19. S-ECAPE-06-GR-186(JY)		\$ 24,445	\$ -	
			19. S-LMAQM-04-GR-010^3		\$ 57,979	\$ -	
			19. S-LMAQM-06-GR-016		\$ 150,114	\$ -	
		Direct Total			\$ 599,293	\$ -	
		Pass Through	NAFSA - ASSOCIATION OF INTERNATIONAL EDUCATORS	19.420	Cooperative Grants	\$ 309	\$ -
				19.430	International Education Training and Research	\$ 7,391	\$ -
	PURDUE UNIVERSITY		19. 643-1883-01		\$ 756	\$ -	
SOCIAL SCIENCE RESEARCH COUNCIL	19.300		Program for Study of Eastern Europe and the Independent States of the Former Soviet Union	\$ 113,968	\$ -		
Pass Through Total			\$ 122,424	\$ -			
U.S. DEPARTMENT OF STATE Total					\$ 721,717	\$ -	
U.S. DEPARTMENT OF TRANSPORTATION							
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	Direct		20. DTNH22-01-C-07 002^M0024		\$ 264,242	\$ -	
			20. DTNH22-07-C-00044^M0001		\$ 128,684	\$ -	
	Direct Total			\$ 392,926	\$ -		
	Pass Through	MANAGEMENT ASSISTANCE CORPORATION	20. DTNH22-04-D-07127		\$ 156,396	\$ -	
Pass Through Total			\$ 156,396	\$ -			
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION Total					\$ 549,322	\$ -	
U.S. DEPARTMENT OF TRANSPORTATION Total							
U.S. POSTAL SERVICE					\$ 8,937	\$ -	
Direct Total			22. 102592-02-Z-1306^M003		\$ 8,937	\$ -	
U.S. POSTAL SERVICE Total					\$ 8,937	\$ -	
THE LIBRARY OF CONGRESS	Pass Through	EDUCATION AND RESEARCH CONSORTIUM	42. 00G-LIB-ND001		\$ 5,373	\$ -	
	Pass Through Total				\$ 5,373	\$ -	

Indiana University
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For the Year Ended June 30, 2007

Other Programs							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
THE LIBRARY OF CONGRESS Total					\$ 5,373	\$ -	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION	Direct		43.001	Aerospace Education Services Program	\$ 25,875	\$ -	
			43. NNG05CT14P^A001		\$ 30,000	\$ -	
			43. NNG05CT14P^A003		\$ 7,200	\$ -	
			43. NNG05CT14P^A004		\$ 9,625	\$ -	
			43. NNG05CT14P^A005		\$ 14,301	\$ -	
			43. NNG06LH37P^A002		\$ 4,400	\$ -	
			43. NNG06LH37P^A1		\$ 68,202	\$ -	
			43. NNJ06HB93B^DO24		\$ 94,955	\$ -	
			43. P.O. NNG05CT14P		\$ 11,500	\$ -	
	Direct Total					\$ 266,058	\$ -
	Pass Through	ATK	43. PO HU07-31031		\$ 6,600	\$ -	
		BEI PRECISION SYSTEMS AND SPACE DIVISION	43. N53877		\$ 6,600	\$ -	
		CALIFORNIA INSTITUTE TECHNOLOGY JET PROPULSION LAB	43. 1281070		\$ 13,200	\$ -	
			43. 1288666		\$ 6,600	\$ -	
		HONEYWELL, INCORPORATED	43. P.O.4200521684		\$ 26,400	\$ -	
		JOHNS HOPKINS UNIVERSITY	43. 915862		\$ 7,150	\$ -	
		PURDUE UNIVERSITY	43.001	Aerospace Education Services Program	\$ 27,808	\$ -	
			43. 523-2051^A5		\$ 25,750	\$ -	
			43. 523-2051-01^A7		\$ 3,099	\$ -	
	STINGER GHAFARIAN TECHNOLOGIES	43. 39293		\$ 3,988	\$ -		
Pass Through Total					\$ 127,195	\$ -	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION Total					\$ 393,253	\$ -	
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES							
INSTITUTE OF MUSEUM AND LIBRARY SERVICES	Direct		45.301	Museums for America	\$ (155)	\$ -	
			45.312	National Leadership Grants	\$ 354,219	\$ 11,661	
			45.313	Laura Bush 21st Century Librarian Program	\$ 282,290	\$ 83,423	
	Direct Total					\$ 636,354	\$ 95,084
	Pass Through	INDIANA STATE LIBRARY	45.310	Grants to States	\$ 50,796	\$ 10,651	
		JOHNS HOPKINS UNIVERSITY	45.312	National Leadership Grants	\$ 61,780	\$ -	
		UNIVERSITY OF NOTRE DAME	45.313	Laura Bush 21st Century Librarian Program	\$ 10,086	\$ -	
	Pass Through Total					\$ 122,662	\$ 10,651
INSTITUTE OF MUSEUM AND LIBRARY SERVICES Total					\$ 759,016	\$ 105,735	
NATIONAL ENDOWMENT FOR THE ARTS	Direct		45.024	Promotion of the Arts_Grants to Organizations and Individuals	\$ 66,462	\$ -	
		Direct Total					\$ 66,462
	Pass Through	NORTHERN INDIANA ARTS ASSOCIATION	45.024	Promotion of the Arts_Grants to Organizations and Individuals	\$ 3,577	\$ -	
	Pass Through Total					\$ 3,577	\$ -
NATIONAL ENDOWMENT FOR THE ARTS Total					\$ 70,039	\$ -	
NATIONAL ENDOWMENT FOR THE HUMANITIES	Direct		45.149	Promotion of the Humanities_Division of Preservation and Access	\$ 13,149	\$ -	
		Direct Total					\$ 13,149
	Pass Through	INDIANA HUMANITIES COUNCIL	45. 06-1010		\$ 989	\$ -	
	Pass Through Total					\$ 989	\$ -
NATIONAL ENDOWMENT FOR THE HUMANITIES Total					\$ 14,138	\$ -	

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES	Pass Through	INDIANA STATE LIBRARY	45.310	Grants to States	\$ 34,246	\$ -
	Pass Through Total				\$ 34,246	\$ -
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES Total					\$ 34,246	\$ -
NATIONAL FOUNDATION ON THE ARTS AND HUMANITIES Total					\$ 877,439	\$ 105,735
NATIONAL SCIENCE FOUNDATION	Direct		47.049	Mathematical and Physical Sciences	\$ 113,276	\$ -
			47.050	Geosciences	\$ 18,231	\$ -
			47.070	Computer and Information Science and Engineering	\$ 74,119	\$ -
			47.074	Biological Sciences	\$ 211,964	\$ -
			47.075	Social, Behavioral, and Economic Sciences	\$ 126,422	\$ -
			47.076	Education and Human Resources	\$ 1,381,691	\$ 18,216
			47.079	International Science and Engineering (OISE)	\$ 23,254	\$ -
		Direct Total				\$ 1,948,957
	Pass Through	ADVANCED SCIENCE AND TECHNOLOGY CORPORATION	47.041	Engineering Grants	\$ 80,959	\$ -
		ILLINOIS STATE UNIVERSITY	47.076	Education and Human Resources	\$ 1,900	\$ -
		JOINT OCEANOGRAPHIC INSTITUTIONS, INC.	47.050	Geosciences	\$ 20,754	\$ -
		NORTHWESTERN UNIVERSITY	47.075	Social, Behavioral, and Economic Sciences	\$ 9,663	\$ -
		PURDUE UNIVERSITY	47.076	Education and Human Resources	\$ 375,041	\$ -
		TECHNICAL EDUCATION RESEARCH CENTERS, INC.	47.076	Education and Human Resources	\$ 91,162	\$ -
UNIVERSITY OF WISCONSIN		47.049	Mathematical and Physical Sciences	\$ 116,970	\$ -	
Pass Through Total				\$ 696,449	\$ -	
NATIONAL SCIENCE FOUNDATION Total					\$ 2,645,406	\$ 18,216
SMALL BUSINESS ADMINISTRATION	Direct		59.007	7(j) Technical Assistance	\$ 1,766,672	\$ -
	Direct Total				\$ 1,766,672	\$ -
SMALL BUSINESS ADMINISTRATION Total					\$ 1,766,672	\$ -
U.S. ENVIRONMENTAL PROTECTION AGENCY	Direct		66.514	Science To Achieve Results (STAR) Fellowship Program	\$ 7,325	\$ -
	Direct Total				\$ 7,325	\$ -
	Pass Through	INDIANA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT	66.460	Nonpoint Source Implementation Grants	\$ 108,728	\$ -
	Pass Through Total				\$ 108,728	\$ -
U.S. ENVIRONMENTAL PROTECTION AGENCY Total					\$ 116,053	\$ -
U.S. DEPARTMENT OF ENERGY	Direct		81.049	Office of Science Financial Assistance Program	\$ 20,450	\$ -
	Direct Total				\$ 20,450	\$ -
	Pass Through	BATTELLE MEMORIAL INSTITUTE	81.104	Office of Environmental Cleanup and Acceleration	\$ 65,538	\$ -
		FERMI NATIONAL ACCELERATOR LABORATORY	81. 531650^R23		\$ 18,613	\$ -
		LAWRENCE BERKELEY NATIONAL LABORATORY	81. 6706131^M9		\$ 985	\$ -
		SANDIA NATIONAL LABORATORY	81. 542624 Revision 2		\$ 7,150	\$ -
			81. PO460675^R1		\$ 31	\$ -
		THOMAS JEFFERSON NATIONAL ACCELERATOR FACILITY	81. 05-P0931		\$ 2	\$ -
			81. 05-PO133		\$ 4,706	\$ -
			81. 06-P0635		\$ 55,056	\$ -
	81. 06-PO800^M1		\$ 3,492	\$ -		

Indiana University
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Other Programs								
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures		
			81. SURA-05-P0931^M02		\$ 17,526	\$ -		
		UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN	81.089	Fossil Energy Research and Development	\$ 123,154	\$ -		
		Pass Through Total			\$ 296,253	\$ -		
U.S. DEPARTMENT OF ENERGY Total					\$ 316,703	\$ -		
U.S. DEPARTMENT OF EDUCATION	Direct		84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	\$ 3,144,607	\$ -		
			84.016	Undergraduate International Studies and Foreign Language Programs	\$ 10,068	\$ -		
			84.017	International Research and Studies	\$ 90,371	\$ -		
			84.022	Overseas_Doctoral Dissertation	\$ 78,566	\$ -		
			84.116	Fund for the Improvement of Postsecondary Education	\$ 202,134	\$ 56,063		
			84.170	Javits Fellowships	\$ 280,193	\$ -		
			84.195	Bilingual Education_Professional Development	\$ 116,493	\$ -		
			84.200	Graduate Assistance in Areas of National Need	\$ 107,363	\$ -		
			84.220	Centers for International Business Education	\$ 252,153	\$ -		
			84.229	Language Resource Centers	\$ 281,155	\$ -		
			84.305	Education Research, Development and Dissemination	\$ 250,593	\$ 56,775		
			84.325	Special Education - Personnel Development to Improve Services and Results for Children with Disabilities	\$ 274,299	\$ -		
			84.339	Learning Anytime Anywhere Partnerships	\$ 3,099	\$ -		
			84. T195B010057-05		\$ 45,234	\$ -		
			Direct Total				\$ 5,136,328	\$ 112,838
			Pass Through	AMERICAN EDUCATIONAL RESEARCH ASSOCIATION	84.305	Education Research, Development and Dissemination	\$ 82,675	\$ -
				ASSOCIATION FOR INSTITUTIONAL RESEARCH	84. 1-52U-8856		\$ 37,619	\$ -
	BROWN COUNTY SCHOOL CORPORATION	84.215		Fund for the Improvement of Education	\$ 164,126	\$ -		
	CENTER FOR CIVIC EDUCATION	84.304		Civic Education - Cooperative Education Exchange Program	\$ 461,609	\$ -		
		84. CC-05-06			\$ 49,628	\$ -		
		84. Q304B05 0001			\$ 150,051	\$ -		
		84. Q929A030001			\$ 78,960	\$ -		
		84. Q929A040001 CP05-06			\$ 216,512	\$ -		
	CRAWFORDSVILLE COMMUNITY SCHOOL CORPORATTION	84. R303A000004			\$ 2,521	\$ -		
	GARY COMMUNITY SCHOOL CORPORATION	84.002		Adult Education_State Grant Program	\$ 9,663	\$ -		
	INDIANA COMMISSION FOR HIGHER EDUCATION	84.048		Vocational Education_Basic Grants to States	\$ 443,415	\$ -		
		84.367		Improving Teacher Quality State Grants	\$ 177,253	\$ -		
	INDIANA DEPARTMENT OF EDUCATION	84.186		Safe and Drug-Free Schools and Communities_State Grants	\$ 56,238	\$ -		

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
			84.282	Charter Schools	\$ 991	\$ -
			84.323	Special Education - State Personnel Development	\$ 1,270,678	\$ 109,934
			84.357	Reading First State Grants	\$ 1,428,684	\$ -
			84.367	Improving Teacher Quality State Grants	\$ 17,019	\$ -
		INDIANA DEPARTMENT OF WORKFORCE DEVELOPMENT	84.048	Vocational Education_Basic Grants to States	\$ 41,010	\$ -
			84.243	Tech-Prep Education	\$ 13,507	\$ -
		INDIANA DIVISION DISABILITY, AGING & REHAB SERV	84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States	\$ 207,270	\$ -
		INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION	84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States	\$ 71,315	\$ -
			84.181	Special Education_Grants for Infants and Families with Disabilities	\$ 333,365	\$ 131,513
		INDIANA VOCATIONAL REHABILITATION SERVICES	84.126	Rehabilitation Services_Vocational Rehabilitation Grants to States	\$ 200,820	\$ -
		IVY TECH STATE COLLEGE REGION 13	84.037	Perkins Loan Cancellations	\$ 1,920	\$ -
			84.048	Vocational Education_Basic Grants to States	\$ (215)	\$ -
		KENTUCKY DEPARTMENT OF EDUCATION	84. M-05226793		\$ 94	\$ -
			84. M-06195493		\$ 34,844	\$ -
		NATIONAL WRITING PROJECT CORPORATION	84.928	National Writing Project	\$ 102,603	\$ -
		OFFICE OF TWENTY-FIRST CENTURY SCHOLARS	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	\$ 670,125	\$ -
		SOUTHWEST EDUCATIONAL DEVELOPMENT LABORATORY	84. PO #53572		\$ 251,821	\$ -
		STATE OF OHIO	84. CSP907106		\$ 91,009	\$ -
		STATE STUDENT ASSISTANCE COMMISSION	84.334	Gaining Early Awareness and Readiness for Undergraduate Programs	\$ 19,202	\$ -
		SYNERGY ENTERPRISES, INC.	84. ED04C00156		\$ 131,778	\$ -
		UNIVERSITY OF CALIFORNIA, LOS ANGELES	84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	\$ 21,900	\$ -
		UNIVERSITY OF ILLINOIS	84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies	\$ 106,448	\$ -
		UNIVERSITY OF ILLINOIS, CHICAGO	84.133	National Institute on Disability and Rehabilitation Research	\$ 40,449	\$ -
		UNIVERSITY OF TEXAS	84.116	Fund for the Improvement of Postsecondary Education	\$ 12,310	\$ -
		Pass Through Total			\$ 6,999,217	\$ 241,447
U.S. DEPARTMENT OF EDUCATION	Total				\$ 12,135,545	\$ 354,285
U.S. ELECTION ASSISTANCE COMMISSION	Direct		90.400	Help America Vote College Pollworker Program	\$ 13,888	\$ -
	Direct Total				\$ 13,888	\$ -
U.S. ELECTION ASSISTANCE COMMISSION	Total				\$ 13,888	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						

Indiana University
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Other Programs							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
ADMINISTRATION FOR CHILDREN AND FAMILIES	Pass Through	GEMINUS CORPORATION	93.600	Head Start	\$ 19,796	\$ -	
		INDIANA DEPARTMENT OF CHILD SERVICES	93.658	Foster Care_Title IV-E	\$ 1,159,245	\$ 326,898	
		INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION	93.564	Child Support Enforcement Research	\$ 34,285	\$ -	
		INDIANA PROTECTION AND ADVOCACY SERVICES	93.630	Developmental Disabilities Basic Support and Advocacy Grants	\$ 27,138	\$ -	
	Pass Through Total				\$ 1,240,464	\$ 326,898	
ADMINISTRATION FOR CHILDREN AND FAMILIES Total					\$ 1,240,464	\$ 326,898	
CENTERS FOR DISEASE CONTROL AND PREVENTION	Direct		93.939	HIV Prevention Activities_Non-Governmental Organization Based	\$ 246,540	\$ 95,798	
	Direct Total				\$ 246,540	\$ 95,798	
	Pass Through	BALL STATE UNIVERSITY	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	\$ 715	\$ -	
			93. Smoke-Free		\$ 44,038	\$ -	
		COLUMBIA UNIVERSITY	93.941	HIV Demonstration, Research, Public and Professional Education Projects	\$ 1,384,453	\$ 904,408	
			93. 200-2005-F-13779/IND^A1		\$ 62,960	\$ -	
		INDIANA STATE DEPARTMENT OF HEALTH	93.283	Centers for Disease Control and Prevention_Investigations and Technical Assistance	\$ 24,594	\$ -	
			93.991	Preventive Health and Health Services Block Grant	\$ 83,866	\$ -	
		PURDUE UNIVERSITY	93.136	Injury Prevention and Control Research and State and Community Based Programs	\$ 955	\$ -	
		UNIVERSITY OF ILLINOIS, CHICAGO	93.184	Disabilities Prevention	\$ 72,000	\$ -	
	Pass Through Total				\$ 1,673,581	\$ 904,408	
	CENTERS FOR DISEASE CONTROL AND PREVENTION Total					\$ 1,920,121	\$ 1,000,206
	HEALTH RESOURCES AND SERVICES ADMINISTRATION	Direct		93.107	Model State-Supported Area Health Education Centers	\$ 1,380,765	\$ 1,063,579
			93.110	Maternal and Child Health Federal Consolidated Programs	\$ 877,907	\$ 12,749	
			93.127	Emergency Medical Services for Children	\$ 1,413	\$ -	
			93.247	Advanced Education Nursing Grant Program	\$ 174,661	\$ -	
			93.358	Advanced Education Nursing Traineeships	\$ 93,567	\$ -	
Direct Total					\$ 2,528,313	\$ 1,076,328	
Pass Through		CENTER FOR MENTAL HEALTH	93. CMH			\$ 4,410	\$ -
		HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY	93.918		Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	\$ 43,807	\$ -
		INDIANA STATE DEPARTMENT OF HEALTH	93.003		Public Health and Social Services Emergency Fund	\$ 36,154	\$ -
			93.110		Maternal and Child Health Federal Consolidated Programs	\$ 94,614	\$ -
			93.917		HIV Care Formula Grants	\$ 34,562	\$ -
			93.994		Maternal and Child Health Services Block Grant to the States	\$ 13,153	\$ -

Indiana University
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Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		UNIVERSITY OF ILLINOIS, CHICAGO	93.249	Public Health Training Centers Grant Program	\$ 62,570	\$ -
		UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER SAN ANTONIO	93.110	Maternal and Child Health Federal Consolidated Programs	\$ 7,433	\$ -
		Pass Through Total			\$ 296,703	\$ -
HEALTH RESOURCES AND SERVICES ADMINISTRATION Total					\$ 2,825,016	\$ 1,076,328
MATERNAL AND CHILD HEALTH BUREAU	Direct		93.110	Maternal and Child Health Federal Consolidated Programs	\$ 158,269	\$ -
	Direct Total				\$ 158,269	\$ -
	Pass Through	INDIANA DIVISION OF FAMILY AND CHILDREN	93.994	Maternal and Child Health Services Block Grant to the States	\$ 1,688,801	\$ -
		INDIANA STATE DEPARTMENT OF HEALTH	93.994	Maternal and Child Health Services Block Grant to the States	\$ 606,613	\$ 129,052
	Pass Through Total				\$ 2,295,414	\$ 129,052
MATERNAL AND CHILD HEALTH BUREAU Total					\$ 2,453,683	\$ 129,052
NATIONAL CANCER INSTITUTE	Direct		93. N02-RC-67702		\$ 394,202	\$ -
	Direct Total				\$ 394,202	\$ -
	Pass Through	AMERICAN COLLEGE OF RADIOLOGY	93.395	Cancer Treatment Research	\$ 50,813	\$ -
			93. CA80098		\$ 1,885	\$ -
		BOOZ ALLEN HAMILTON	93. 1435-04-04-CT73980		\$ (27,658)	\$ -
			93. 82573CBS10		\$ 96,680	\$ -
			93. B27755000220310000012		\$ (60,222)	\$ -
		CHILDREN'S HOSPITAL OF LOS ANGELES	93.395	Cancer Treatment Research	\$ 2,880	\$ -
		CTRC RESEARCH FOUNDATION	93.399	Cancer Control	\$ 4,220	\$ -
		DUKE UNIVERSITY	93.395	Cancer Treatment Research	\$ 79	\$ -
		FRONTIER SCIENCE AND TECHNOLOGY RESEARCH FDN., INC	93.395	Cancer Treatment Research	\$ 17,405	\$ -
		G. D. SEARLE & COMPANY	93.393	Cancer Cause and Prevention Research	\$ (3,640)	\$ -
		GOG CORPORATION	93.395	Cancer Treatment Research	\$ 24,594	\$ -
		TRACERA, INC.	93. N43-CM-52212		\$ 117,509	\$ -
		VANDERBILT UNIVERSITY	93.393	Cancer Cause and Prevention Research	\$ 6,943	\$ (51)
		WAYNE STATE UNIVERSITY	93. N02-CO-51103		\$ 47,092	\$ -
			93. WSU05013-A2		\$ 56,641	\$ -
	Pass Through Total				\$ 335,221	\$ (51)
NATIONAL CANCER INSTITUTE Total					\$ 729,423	\$ (51)
NATIONAL CENTER FOR RESEARCH RESOURCES	Direct		93.389	National Center for Research Resources	\$ 253,819	\$ 107,521
	Direct Total				\$ 253,819	\$ 107,521
	Pass Through	AMERICAN PHYSIOLOGICAL SOCIETY	93.389	National Center for Research Resources	\$ 2,863	\$ -
	Pass Through Total				\$ 2,863	\$ -
NATIONAL CENTER FOR RESEARCH RESOURCES Total					\$ 256,682	\$ 107,521
NATIONAL EYE INSTITUTE	Direct		93.867	Vision Research	\$ 192,109	\$ -
	Direct Total				\$ 192,109	\$ -
	Pass Through	EMORY UNIVERSITY	93.867	Vision Research	\$ 550	\$ -
			93. 1 U10 EY013272-03		\$ 9,893	\$ -
	Pass Through Total				\$ 10,443	\$ -
NATIONAL EYE INSTITUTE Total					\$ 202,552	\$ -
NATIONAL HEART, LUNG AND BLOOD INSTITUTE	Direct		93.837	Heart and Vascular Diseases Research	\$ 180,354	\$ -

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
			93.838	Lung Diseases Research	\$ 41,576	\$ -
			93.839	Blood Diseases and Resources Research	\$ 289,710	\$ -
			93. HHSN268200748204C		\$ 21,303	\$ -
		Direct Total			\$ 532,943	\$ -
	Pass Through	NATIONAL MARROW DONOR PROGRAM	93.839	Blood Diseases and Resources Research	\$ 7,920	\$ -
		THE UNIVERSITY OF TOLEDO	93. NS 2006-016		\$ 2,651	\$ -
	Pass Through Total			\$ 10,571	\$ -	
NATIONAL HEART, LUNG AND BLOOD INSTITUTE Total					\$ 543,514	\$ -
NATIONAL HUMAN GENOME RESEARCH INSTITUTE	Pass Through	MASSACHUSETTS INSTITUTE OF TECHNOLOGY	93.172	Human Genome Research	\$ 17,649	\$ -
	Pass Through Total				\$ 17,649	\$ -
NATIONAL HUMAN GENOME RESEARCH INSTITUTE Total					\$ 17,649	\$ -
NATIONAL INSTITUTE ALLERGY AND INFECTIOUS DISEASES	Direct		93.855	Allergy, Immunology and Transplantation Research	\$ 162,619	\$ -
			93.856	Microbiology and Infectious Diseases Research	\$ 195,056	\$ -
		Direct Total			\$ 357,675	\$ -
	Pass Through	SOCIAL & SCIENTIFIC SYSTEMS, INC.	93.856	Microbiology and Infectious Diseases Research	\$ 44,360	\$ 4,523
		UNIVERSITY OF ALABAMA	93.855	Allergy, Immunology and Transplantation Research	\$ 3,776	\$ -
		Pass Through Total			\$ 48,136	\$ 4,523
NATIONAL INSTITUTE ALLERGY AND INFECTIOUS DISEASES Total					\$ 405,811	\$ 4,523
NATIONAL INSTITUTE ARTHRITIS MUSCULOSKELETAL SKIN	Direct		93.846	Arthritis, Musculoskeletal and Skin Diseases Research	\$ 120,351	\$ -
			93.865	Child Health and Human Development Extramural Research	\$ 14,740	\$ -
		Direct Total			\$ 135,091	\$ -
	Pass Through	MAYO CLINIC COLLEGE OF MEDICINE	93.846	Arthritis, Musculoskeletal and Skin Diseases Research	\$ 8,670	\$ -
		UNIVERSITY OF UTAH	93. 9809032GA		\$ 14,430	\$ -
		Pass Through Total			\$ 23,100	\$ -
NATIONAL INSTITUTE ARTHRITIS MUSCULOSKELETAL SKIN Total					\$ 158,191	\$ -
NATIONAL INSTITUTE NEUROLOGICAL DISORDERS AND STROKE	Direct		93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 45,641	\$ -
			Direct Total			\$ 45,641
	Pass Through	COLUMBIA UNIVERSITY	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 37,498	\$ -
		MAYO CLINIC, ROCHESTER	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 13,863	\$ -
		MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 307	\$ -
		UNIVERSITY OF ALABAMA BIRMINGHAM	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 1,430	\$ -

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		UNIVERSITY OF IOWA	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 27,831	\$ -
		WASHINGTON UNIVERSITY	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 52,741	\$ -
		YALE SCHOOL OF MEDICINE	93.853	Extramural Research Programs in the Neurosciences and Neurological Disorders	\$ 22,296	\$ -
		Pass Through Total			\$ 155,966	\$ -
NATIONAL INSTITUTE NEUROLOGICAL DISORDERS AND STROKE Total					\$ 201,607	\$ -
NATIONAL INSTITUTE OF CHILD HEALTH, HUMAN DEVELOPMENT	Direct		93.865	Child Health and Human Development Extramural Research	\$ 891,064	\$ -
	Direct Total			\$ 891,064	\$ -	
NATIONAL INSTITUTE OF CHILD HEALTH, HUMAN DEVELOPMENT Total					\$ 891,064	\$ -
NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES	Direct		93.847	Diabetes, Endocrinology and Metabolism Research	\$ 100,761	\$ -
			93.849	Kidney Diseases, Urology and Hematology Research	\$ (4,176)	\$ -
	Direct Total			\$ 96,585	\$ -	
	Pass Through	BENAROYA RESEARCH INSTITUTE AT VIRGINIA MASON	93.847	Diabetes, Endocrinology and Metabolism Research	\$ 11,083	\$ -
		BL HEALTHCARE, INC.	93.847	Diabetes, Endocrinology and Metabolism Research	\$ 10,995	\$ -
		DUKE UNIVERSITY	93. U01 DK065176		\$ 37	\$ -
		JOHNS HOPKINS UNIVERSITY	93.848	Digestive Diseases and Nutrition Research	\$ 29,139	\$ 2,007
		RHODE ISLAND HOSPITAL	93.849	Kidney Diseases, Urology and Hematology Research	\$ 1,210	\$ -
		UNIVERSITY OF PITTSBURGH	93.848	Digestive Diseases and Nutrition Research	\$ (68)	\$ -
	Pass Through Total			\$ 52,396	\$ 2,007	
NATIONAL INSTITUTE OF DIABETES AND DIGESTIVE AND KIDNEY DISEASES Total					\$ 148,981	\$ 2,007
NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES	Direct		93.894	Resource and Manpower Development in the Environmental Health Sciences	\$ 30,065	\$ -
	Direct Total			\$ 30,065	\$ -	
NATIONAL INSTITUTE OF ENVIRONMENTAL HEALTH SCIENCES Total					\$ 30,065	\$ -
NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES	Direct		93.859	Biomedical Research and Research Training	\$ 742,299	\$ -
	Direct Total			\$ 742,299	\$ -	
NATIONAL INSTITUTE OF GENERAL MEDICAL SCIENCES Total					\$ 742,299	\$ -
NATIONAL INSTITUTE OF MENTAL HEALTH	Direct		93.282	Mental Health National Research Service Awards for Research Training	\$ 436,156	\$ -
	Direct Total			\$ 436,156	\$ -	
NATIONAL INSTITUTE OF MENTAL HEALTH Total					\$ 436,156	\$ -
NATIONAL INSTITUTE OF NURSING RESEARCH	Direct		93.361	Nursing Research	\$ 253,932	\$ -
	Direct Total			\$ 253,932	\$ -	

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
NATIONAL INSTITUTE OF NURSING RESEARCH Total					\$ 253,932	\$ -
NATIONAL INSTITUTE ON AGING	Direct		93.866	Aging Research	\$ 27,091	\$ -
	Direct Total				\$ 27,091	\$ -
	Pass Through	INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION	93.048	Special Programs for the Aging_Title IV_and Title II_Discretionary Projects	\$ 38,079	\$ -
		UNIVERSITY OF CALIFORNIA, SAN DIEGO	93.866	Aging Research	\$ 2,360	\$ -
			93. ADNI-024			\$ 126,923
	UNIVERSITY OF UTAH	93.866	Aging Research	\$ 18,967	\$ -	
Pass Through Total				\$ 186,329	\$ -	
NATIONAL INSTITUTE ON AGING Total					\$ 213,420	\$ -
NATIONAL INSTITUTE ON ALCOHOL	Direct		93.272	Alcohol National Research Service Awards for Research Training	\$ 195,117	\$ -
	Direct Total				\$ 195,117	\$ -
NATIONAL INSTITUTE ON ALCOHOL ABUSE AND ALCOHOLISM Total					\$ 195,117	\$ -
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS	Direct		93.173	Research Related to Deafness and Communication Disorders	\$ 662,601	\$ -
	Direct Total				\$ 662,601	\$ -
NATIONAL INSTITUTE ON DEAFNESS AND OTHER COMMUNICATION DISORDERS Total					\$ 662,601	\$ -
NATIONAL INSTITUTES OF HEALTH	Pass Through	BALL STATE UNIVERSITY	93. wolf		\$ 28,988	\$ -
		RESEARCH FOUNDATION FOR MENTAL HYGIENE	93. NIH Philip Morris		\$ 16,291	\$ -
	Pass Through Total				\$ 45,279	\$ -
NATIONAL INSTITUTES OF HEALTH Total					\$ 45,279	\$ -
NATIONAL LIBRARY OF MEDICINE	Direct		93.879	Medical Library Assistance	\$ 559,486	\$ 9,771
			93. 467-MZ-500891		\$ 1,635	\$ -
			93. 467-MZ-600820		\$ 83,152	\$ -
			93. 467-MZ-601745		\$ 27,515	\$ -
			93. 467-MZ-700695		\$ 22,035	\$ -
	Direct Total				\$ 693,823	\$ 9,771
	Pass Through	OAK RIDGE ASSOCIATED UNIVERSITIES	93.879	Medical Library Assistance	\$ 6,002	\$ -
		UNIVERSITY OF ILLINOIS, CHICAGO	93.879	Medical Library Assistance	\$ 944	\$ -
		UNIVERSITY OF WASHINGTON	93. 467084		\$ 1,698	\$ -
	Pass Through Total				\$ 2,304	\$ -
NATIONAL LIBRARY OF MEDICINE Total					\$ 704,771	\$ 9,771
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION	Pass Through	INDIANA BEHAVIORAL HEALTH CHOICES	93.104	Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	\$ 12,249	\$ -
		INDIANA DIVISION OF MENTAL HEALTH AND ADDICTION	93.243	Substance Abuse and Mental Health Services_Projects of Regional and National Significance	\$ 353,078	\$ -
			93.959	Block Grants for Prevention and Treatment of Substance Abuse	\$ 1,109,835	\$ -
	Pass Through Total				\$ 1,475,162	\$ -
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION Total					\$ 1,475,162	\$ -
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	Direct		93.015	HIV Prevention Programs for Women	\$ 1,754	\$ -

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
			93.632	University Centers for Excellence in Developmental Disabilities Education, Research, and Service	\$ 503,559	\$ -	
			93. 282-97-0075		\$ 8,791	\$ -	
			93. HHSP233200400934P		\$ 18,885	\$ -	
			93. HHSP233200500286A		\$ 1,749	\$ -	
			Direct Total		\$ 534,738	\$ -	
		Pass Through	INDIANA DIVISION DISABILITY, AGING AND REHABILITATIVE SERVICES	93.042	Special Programs for the Aging_ Title VII, Chapter 2_Long Term Care Ombudsman Services for Older Individuals	\$ 9,059	\$ -
				93.043	Special Programs for the Aging_ Title III, Part D_Disease Prevention and Health Promotion Services	\$ 14,235	\$ -
				93.048	Special Programs for the Aging_ Title IV_ and Title II_Discretionary Projects	\$ 532,918	\$ -
				93.051	Alzheimer's Disease Demonstration Grants to States	\$ 142,410	\$ -
				93.052	National Family Caregiver Support	\$ 86,818	\$ -
				93.558	Temporary Assistance for Needy Families	\$ 1,047	\$ -
				93.667	Social Services Block Grant	\$ 490,199	\$ -
			INDIANA STATE DEPARTMENT OF HEALTH	93.006	State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program	\$ 51,940	\$ 34,043
				93.944	Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	\$ 316,971	\$ -
				93.994	Maternal and Child Health Services Block Grant to the States	\$ 123,142	\$ -
		Pass Through Total		\$ 1,768,739	\$ 34,043		
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total					\$ 2,303,477	\$ 34,043	
U.S. FOOD AND DRUG ADMINISTRATION	Pass Through	MASSACHUSETTS GENERAL HOSPITAL	93.103	Food and Drug Administration_Research	\$ 3,669	\$ -	
		ROGER WILLIAMS HOSPITAL	93.103	Food and Drug Administration_Research	\$ 26,428	\$ -	
	Pass Through Total				\$ 30,097	\$ -	
U.S. FOOD AND DRUG ADMINISTRATION Total					\$ 30,097	\$ -	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Total					\$ 19,087,134	\$ 2,690,298	
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE	Direct		94.007	Planning and Program Development Grants	\$ 153,809	\$ 36,422	
			94.013	Volunteers in Service to America	\$ 43,053	\$ -	
	Direct Total				\$ 196,862	\$ 36,422	
	Pass Through	INDIANA COMMISSION COMMUNITY SERVICE VOLUNTEERISM	94.006	AmeriCorps	\$ 257,966	\$ 161,669	
		OFFICE OF FAITH BASED AND COMMUNITY INITIATIVES	94.006	AmeriCorps	\$ 161,411	\$ -	
			94. A720-6-0004		\$ 35,772	\$ -	
Pass Through Total				\$ 455,149	\$ 161,669		
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE Total					\$ 652,011	\$ 198,091	

Indiana University
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007

Other Programs							
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures	
SOCIAL SECURITY ADMINISTRATION	Direct		96.008	Social Security - Work Incentives Planning and Assistance Program	\$ 77,344	\$ -	
	Direct Total				\$ 77,344	\$ -	
SOCIAL SECURITY ADMINISTRATION Total					\$ 77,344	\$ -	
U.S. DEPARTMENT OF HOMELAND SECURITY							
FEDERAL EMERGENCY MANAGEMENT AGENCY	Direct		97. HSFEEM-06-MP-6350238		\$ 2,500	\$ -	
			97. HSFEEM-06-MP-63850201		\$ 211	\$ -	
	Direct Total				\$ 2,711	\$ -	
	Pass Through	BUILDING ENGINEERING SCIENCES AND TECH TEAM	97. HSFEHQ-04-J-0018		\$ 9,005	\$ -	
		STATE EMERGENCY MANAGEMENT AGENCY	97.017	Pre-Disaster Mitigation (PDM) Competitive Grants	\$ 743,947	\$ -	
Pass Through Total				\$ 752,952	\$ -		
FEDERAL EMERGENCY MANAGEMENT AGENCY Total					\$ 755,663	\$ -	
U.S. COAST GUARD	Pass Through	INFORMATION IN PLACE INC	97. APPLEMAN		\$ 1,269	\$ -	
	Pass Through Total				\$ 1,269	\$ -	
U.S. COAST GUARD Total					\$ 1,269	\$ -	
U.S. DEPARTMENT OF HOMELAND SECURITY	Direct		97.044	Assistance to Firefighters Grant	\$ 319,412	\$ -	
	Direct Total				\$ 319,412	\$ -	
	Pass Through	HEALTH AND HOSPITAL CORPORATION OF MARION COUNTY	97.071		Metropolitan Medical Response System	\$ 50,454	\$ -
		INDIANA DEPARTMENT OF HOMELAND SECURITY	97.005		State and Local Homeland Security Training Program	\$ 2,141	\$ -
		STATE EMERGENCY MANAGEMENT AGENCY	97.017		Pre-Disaster Mitigation (PDM) Competitive Grants	\$ (232,076)	\$ -
		VERA INSTITUTE OF JUSTICE	97. ILOP			\$ 4,108	\$ -
Pass Through Total				\$ (175,373)	\$ -		
U.S. DEPARTMENT OF HOMELAND SECURITY Total					\$ 144,039	\$ -	
U.S. DEPARTMENT OF HOMELAND SECURITY Total					\$ 900,971	\$ -	
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT	Direct		98.001	USAID Foreign Assistance for Programs Overseas	\$ 83,018	\$ -	
			98.006	Foreign Assistance to American Schools and Hospitals Abroad (ASHA)	\$ 505,632	\$ -	
			98.011	Global Development Alliance	\$ 1,331,566	\$ 22,530	
			98. 165-A-00-04-00104-00^M03		\$ 714,828	\$ -	
	Direct Total				\$ 2,635,044	\$ 22,530	
	Pass Through	ACADEMY FOR EDUCATIONAL DEVELOPMENT	98.001		USAID Foreign Assistance for Programs Overseas	\$ 814,182	\$ -
		AMERICAN COUNCIL ON EDUCATION	98.001		USAID Foreign Assistance for Programs Overseas	\$ 51,384	\$ 4,312
		ASSOCIATION LIAISON OFFICE FOR UNIV COOP IN DEV	98.002		Cooperative Development Program (CDP)	\$ 34,071	\$ -
		COLUMBIA UNIVERSITY	98.001		USAID Foreign Assistance for Programs Overseas	\$ 283,690	\$ 367,551
			98.002		Cooperative Development Program (CDP)	\$ 9,618,335	\$ 8,968,724
OHIO STATE UNIVERSITY RESEARCH FOUNDATION	98.012		USAID Development Partnerships for University Cooperation and Development	\$ 7,907	\$ -		

Indiana University
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2007

Other Programs						
Federal Grantor		Pass Through Entity	CFDA / Grant #	CFDA Program Title	Federal Expenditures	Subcontract Expenditures
		WORLD LEARNING	98.012	USAID Development Partnerships for University Cooperation and Development	\$ 78,285	\$ -
		Pass Through Total			\$ 10,887,854	\$ 9,340,587
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT Total					\$ 13,522,898	\$ 9,363,117
Grand Total Other Programs					\$ 57,428,176	\$ 12,942,351
GRAND TOTAL ALL PROGRAMS					\$ 329,491,588	\$ 35,449,520

INDIANA UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Scope of Review

All federal awards expended by the University have been included in the Schedule of Expenditures of Federal Awards.

Note 2. Basis of Presentation

Circular A-133 requires an annual audit of any entity expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of universities shall be conducted annually.

The accompanying Schedule of Federal Awards (the Schedule) has been prepared in a format that presents summary financial information of the federal funds awarded to Indiana University directly from federal agencies as well as amounts received as subgrantee of other organizations. For purposes of the Schedule, federal assistance includes all federal assistance and procurement relationships entered into directly between Indiana University and the federal government and subawards from nonfederal organizations made under federally sponsored agreements. Because the Schedule presents only a selected portion of the activities of Indiana University, it is not intended to and does not present either the financial position, change in net assets, or change in cash flows of Indiana University.

The accounting principles followed by Indiana University and used in preparing the accompanying schedule are as follows:

Awards Other Than Student Financial Assistance

Deductions (expenditures) for direct costs are recognized as incurred using the accrual method of accounting and the cost accounting principles contained in the U.S. Office of Management and Budget (OMB) Circular A-21, Cost Principles for Educational Institutions. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general university activities (indirect costs) which are allocated to federal awards under negotiated formulas commonly referred to as indirect cost rates.

Student Financial Assistance

Expenditures for non-loan awards made to students are recognized and reported in the Schedule of Expenditures of Federal Awards.

Student loan programs are funded by the federal government under various programs; e.g., Perkins Student Loan, Health Professions Student Loan and Nursing Student Loan Programs. Activity related to these loan programs includes federal capital contributions, loan repayments, interest earned on loans, cancellation of loans, and administrative and collection costs. The Schedule of Expenditures of Federal Awards reflects only current year loans to students.

INDIANA UNIVERSITY
NOTES TO SCHEDULE OF FEDERAL AWARDS
(Continued)

Note 3. Federal Family Education Loans

The number of guaranteed student loans and total amount for each program were as follows for Indiana University students for the year ended June 30, 2007:

	<u>Number of Students</u>	<u>Amount</u>
Federal Stafford and Graduate PLUS Loans to Students	77,962	\$ 357,422,805
Federal PLUS Loans to Parents of Undergraduate Students	<u>4,096</u>	<u>39,595,522</u>
All FFEL Loans	<u>82,058</u>	<u>\$ 397,018,327</u>

INDIANA UNIVERSITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	no

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? no

Identification of Major Programs:

CFDA Number	Name of Federal Program
R&D Cluster	Research and Development Cluster
SFA Cluster	Student Financial Aid Cluster
84.015	National Resource Centers and Fellowships Program for Language and Area or Language and International Studies
98.002	USAID Cooperative Development Program

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Awards Findings and Questioned Costs

No matters are reportable.

INDIANA UNIVERSITY
EXIT CONFERENCE

The contents of this report were discussed on March 26, 2008. Those attending were:

University Representatives:

Attending from Fesler Hall – IUPUI Campus:

Dr. Ora H. Pescovitz M.D., Interim Vice President Research Administration
Dorothy Frapwell, Esq., Vice President and General Counsel
John W. Talbott, Interim Assistant Vice President Research Administration

Attending from Poplars Hall – Bloomington Campus by teleconference:

Neil D. Theobald, Vice President and Chief Financial Auditor
Kathleen T. McNeely, Associate Vice President and Executive Director,
Financial Management Services
Steven A. Martin, Associate Vice President for Research Administration
Terry J. Radke, Director of Internal Audit
Stephen A. Morris, Director of Compliance – Student Enrollment Services
James C. Kennedy, Associate Vice President for Student Enrollment Services
Jan L. Young, Manager, Office of Grants Administration

State Board of Accounts Representatives:

Attending from Fesler Hall – IUPUI Campus:

Jeff Arthur, College and University Audit Supervisor

Attending from Poplars Hall – Bloomington Campus by teleconference:

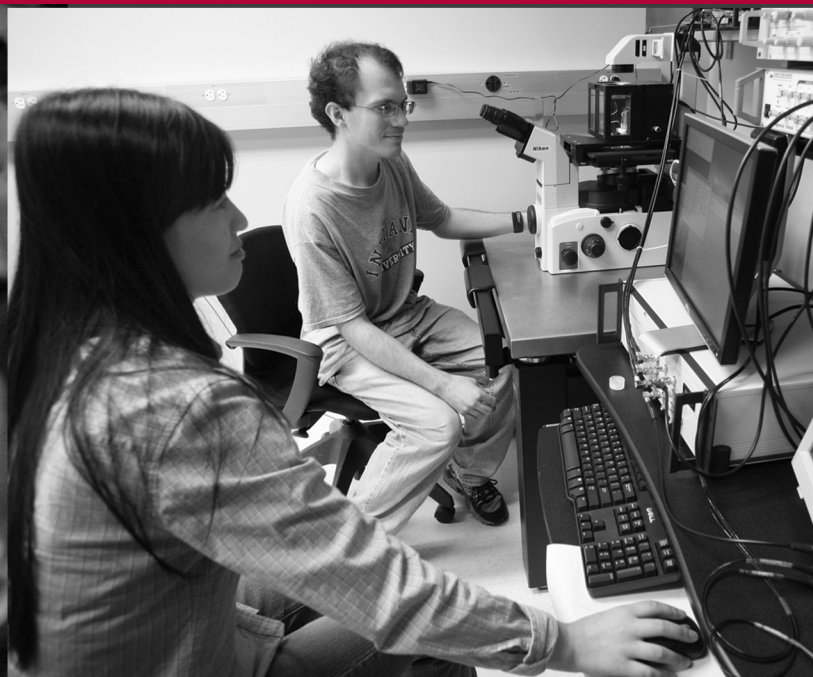
Mary M. Holmes, AIC
Brandon K. Knight, Field Examiner



INDIANA UNIVERSITY



FINANCIAL REPORT 2006-07





INDIANA UNIVERSITY

Financial Report 2006-07



Financial Report 2006–07

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Message from the President



Michael A. McRobbie
President, Indiana University

The Honorable Mitchell Daniels, Jr.
Governor, State of Indiana
State House
Indianapolis, IN 46204

Dear Governor Daniels:

On behalf of the Trustees of Indiana University, I am pleased to present to you IU's 2006-07 Financial Report.

Indiana University represents the genius of great universities— institutions that have lasted longer than just about any in human history. That genius is their ability to adapt while preserving their fundamental missions of education and research.

Widespread changes, involving many people, units, and schools are occurring on all of IU's campuses and medical centers. They will have lasting effects on the future of the university and the state of Indiana. In many areas they represent deeper changes that are affecting all of higher education. My responsibility as IU's 18th president will be to

accelerate and manage the changes impacting our institution.

Additionally, the university, as a whole, has a deep-seated responsibility to the citizens of Indiana. IU now boasts more than a half million graduates. Currently, 250,000 of our alumni live and work in Indiana. They expect us to provide a great education to their children and to fully engage in the life of our state.

During the 2006-07 academic year, IU demonstrated its commitment to its fundamental missions and continued to seek new avenues for engagement with the state through economic development and community service.

The year was also characterized by a number of significant achievements made toward ensuring an IU education is not only excellent, but also accessible and affordable to all of the state's citizens. We are determined to see that Indiana's top students—regardless of their family circumstances—will always have the option of attending IU and taking advantage of all that one of the world's leading research universities can provide.



PURSuing ACADEMIC EXCELLENCE

For nearly two centuries, IU has provided high quality, accessible education to the state's citizens. More recently, the university

has been strongly committed to creating an educated workforce that supports the state's transition away from its reliance on heavy manufacturing and agriculture to a 21st century, knowledge-based economy.

Over the last 10 years, IU has conferred:

- 67 percent of the state's degrees in human services and public administration;
- 47 percent of the state's bachelor's, master's, and doctorates in education;
- 41 percent of the state's degrees in communication and information technologies; and
- 43 percent of the state's degrees in health and life sciences.



In fact, IU is the leading producer of graduates in all but one of the top ten "Hot Jobs" in Indiana.

Additionally, IU trained more than 50 percent of Indiana's physicians, 64 percent of optometrists, 40 percent of nurses, 75 percent of lawyers, and 90 percent of dentists.

We provide the educational foundation for many of this state's professional leaders.

SUPPORT FOR THE FUTURE

Our excellence in teaching and research is reflected in the resounding support we traditionally receive from the private sector.

In fiscal year 2007, IU received \$278.5 million from grant makers and a record number of donors. This sum of gifts from donors and non-governmental research grants—or Total Voluntary Support—reached the third-highest level in IU history. The total included \$171.5 million in gifts through the IU Foundation and Riley Children's Foundation and \$107 million in grants.

Among the extraordinary gifts received in the last fiscal year was a contribution of \$50 million from Melvin and Bren Simon of Indianapolis for the IU Cancer Center. The gift is being used to create a \$25 million research fund, called the Joshua Max Simon Research Endowment, that will recruit and retain internationally accomplished researchers to the School of Medicine and support laboratory research programs at the cancer center. The other half of the gift will fund the



expansion of the cancer center's patient-care facility, a collaboration between the Indiana University School of Medicine and Clarian Health.

Another major gift came from the Lilly Endowment, which contributed \$40 million to the IU Center on Philanthropy, located on the IUPUI campus, to permanently endow a portion of its operating costs. The center's mission is to increase understanding of giving and volunteering, improve professional practice, and enhance participation in philanthropy.

Through the immense generosity of a record number of donors, we are able to readily adapt to widespread changes in higher education, to build upon our world-class education and research environment, and to expand our relationships with institutions around the globe. Their support will allow us to achieve our grandest aspirations and create an even more successful future for IU.

ACCESSIBILITY AND AFFORDABILITY

IU is strengthening its environment of excellence through its support of underrepresented students and investments in increasing diversity and equity.

Our campuses in Indianapolis and Gary are working to improve graduation rates among African American men, and IU Kokomo is encouraging students who are a few credits short of a degree to return and complete their education. Additionally, IU Bloomington has created a series of university-funded financial aid incentives designed to give the state's best and brightest high school students more reason to stay in Indiana. They are also designed to eliminate potential barriers to qualified students from low- and moderate-income families.

One of those initiatives is the 21st Century Covenant Scholarship. This scholarship supplements the state of Indiana's 21st Century Scholarship awards—which are designated toward tuition and fees—with enough funding to cover the full cost of attendance, including books, room, and board. This new "Covenant" is offering hope to disadvantaged young people, shifting their focus from financial concerns to academic achievement.

RESEARCH AND ENGAGEMENT

During fiscal year 2007, Indiana University faculty were awarded more than \$433 million in sponsored funding in support of their research and service activities. This figure is the second highest fiscal year total in the university's history, and it marks an increase of 2.9 percent over the sponsored research totals for FY 2006. IU attracted more sponsored research in this past fiscal year than all of Indiana's other 2-year and 4-year public institutions combined.

This impressive achievement by IU's faculty comes at a time when success rates for proposals to the National Institutes of Health (NIH) and the National Science Foundation (NSF) have been steadily declining. From 2000 to 2006, success rates have dropped from one in three to one in five.

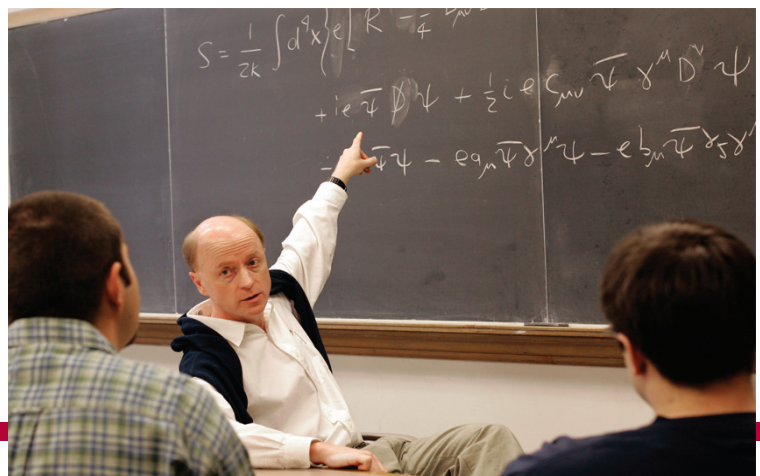
Our "Big Red" supercomputer, which we acquired last year, is supporting the work of our researchers in fields of study ranging from astronomy and physics to ethnomusicology and medical sciences.

It is providing powerful and sophisticated high-performance computing

facilities for IU's life scientists, while at the same time providing excellent support for computing that involves massive amounts of scientific data. Furthermore, it is enabling promising new business innovations and collaborations within Indiana.

The IU Research and Technology Corporation (IURTC) continues to stimulate growth in Indiana's technology sectors by helping companies access commercially viable technology developed by IU faculty with the ultimate goal of creating jobs and growing the state's economy. IURTC received 216 invention disclosures, issued 70 licenses, and helped form five new businesses through the Emerging Technology Center in fiscal year 2007. The faculty and staff filed a record 116 patent applications. The record number of patents is, in large part, a result of IU's increasing efforts to encourage IU faculty to develop their research work with an eye for the market.

The IURTC, as well as our new medical education centers in South Bend and Fort Wayne and





We unveiled the strategic plan for IU's life sciences future in February 2006, but the Life Sciences Initiative actually started several years before with the establishment of the Indiana Genomics project,

An even stronger life sciences economy is vital to the state's prosperity in a 21st century, global economy. It also means more and better jobs, and better public health in a state that lags in most measures of wellness.

CONCLUSION

As the following financial report illustrates, Indiana University continues to regard the funding it receives as a public trust. We are deeply grateful for the support we receive from state appropriations, donor contributions, grants or contracts, and student fees, and are committed to achieving the best return on all of those investments. We also remain dedicated to fulfilling all of IU's core missions of education and research and to our engagement in the successful future of the state.

Yours sincerely,

Michael A. McRobbie
President

business incubators and tech parks in Kokomo, Richmond, and New Albany, demonstrate the impressive depth and breadth of IU's statewide impact.

IMPROVING HOOSIER HEALTH

By strengthening its research programs in the life sciences, IU has increased its impact on communities across the state, not only in terms of economic development but also in concrete improvements in Hoosier health.

We are grateful to the state of Indiana for giving its support to the Indiana Life Sciences Initiative, which builds upon Indiana's national leadership in the life and health sciences. Indiana has the second-highest concentration of biopharmaceutical jobs in the nation, and more than 578,000 Indiana jobs are directly or indirectly tied to the health industry. These jobs account for more than \$21 billion in wages and \$8 billion in federal and state taxes paid—or more than 20 percent of Indiana's tax base.

funded generously by the Lilly Endowment in 2000. It was dramatically expanded at IU Bloomington in 2004 with the establishment of the Indiana Metabolomics and Cytomics Project (METACyt). METACyt, which was also funded by the Lilly Endowment with a generous \$53 million grant, is a major multidisciplinary project that currently supports collaborative research principally from the departments of biology, chemistry, and psychological and brain sciences.

We plan to widen our life sciences initiative to more fully involve health sciences, a natural extension that includes research into preventable diseases that impact many Hoosiers. We will also give special attention to health disparities among low income and minority populations.



Message from the Vice President and Chief Financial Officer



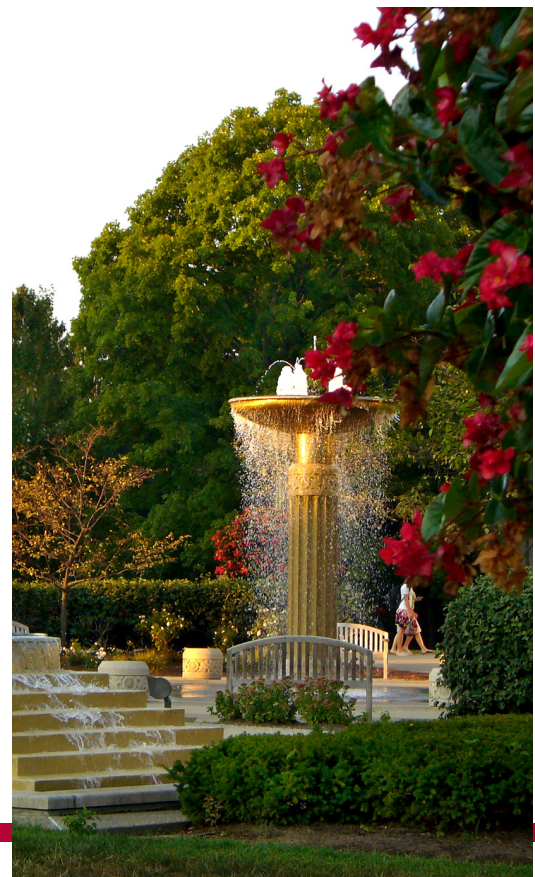
Neil Theobald
Vice President and
Chief Financial Officer,
Indiana University

Greetings to President Michael McRobbie and Trustees of Indiana University:

I am pleased to present the consolidated financial report for Indiana University for the fiscal year ended June 30, 2007. The financial statements highlight the strong fiscal health of the university and the overall growth in net assets. Increased revenues, including tuition and grants and contracts, have more than offset the rising operating expenses of the university.

The past year has been an exciting one for the university and that excitement is reflected in some of the major achievements in the finance area. In June 2007, Indiana University received its highest long-term bond rating

from Moody's Investors Service, moving from an Aa2 to an Aa1. This firmly establishes the university in an elite category as one of only eight public colleges and universities in the country to achieve a rating higher than Aa2. The university has strengthened its capital finance framework through the development of new policies and guidelines, including a Capital Finance Policy with accompanying comprehensive Internal Credit Guidelines, an Internal Loan Policy, and a Derivative/Swap Policy. Finally, with the approved 2007-2009 biennial budget, Indiana University is exiting a multi-year period of stagnant levels of State Appropriations.



Under the leadership of President Michael A. McRobbie, the priorities of the Vice President and Chief Financial Officer for the upcoming fiscal year are:

- Focus on affordability of an Indiana University education with an emphasis in development of new financial aid opportunities,
- Develop a strategic facility funding plan that supports the institutions' life sciences strategic mission, while maintaining excellence in teaching facilities,
- Maintain accountability for the use of resources for administrative functions incorporated with planning for greater effectiveness and efficiency,
- Review internal businesses to validate ties to the academic mission and priorities,
- Support the creation of a detailed housing plan for the institution's core Bloomington Campus,

- Strengthen Internal Audit follow-up to incorporate expert financial consulting at the school and department level,
- Develop investment initiatives that capitalize on affiliated organization partnerships and maximize the institution's return on investments.

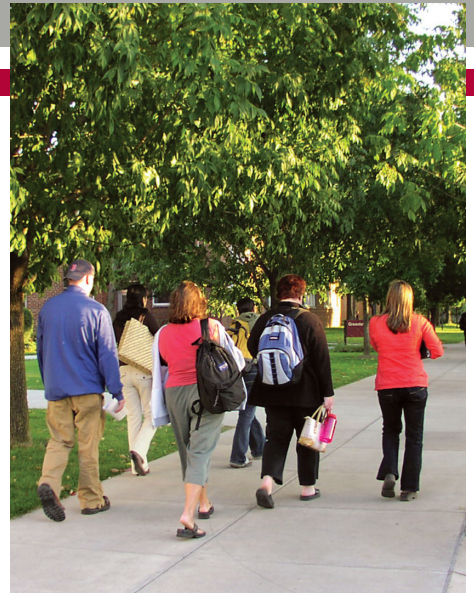
These initiatives will assist the university in strengthening its world class reputation, building on its already rising academic rankings.

I encourage you to read the financial report and I appreciate the interest you have taken in Indiana University.

Sincerely,



Neil Theobald
Vice President and Chief
Financial Officer



Management's Discussion and Analysis

Indiana University (university) presents its audited financial statements for the fiscal year ended June 30, 2007 along with comparative data for the fiscal years ended June 30, 2006 and 2005. Three statements are described in the following discussion and analysis: The Statement of Net Assets, which presents the assets, liabilities, and net assets of the university at the end of the fiscal year; the Statement of Revenues, Expenses, and Changes in Net Assets, which reflects revenues and expenses for the fiscal year; and the Statement of Cash Flows, which provides information on cash inflows and outflows for the university by major category during the fiscal year. The university has provided analysis for major variances which occurred between fiscal years 2006 and 2007 as well as information regarding capital asset and debt administration, and an economic outlook.

STATEMENT OF NET ASSETS

Total assets at June 30, 2007 were \$3.47 billion, an increase of \$212.8 million over the prior fiscal year. Net capital assets comprised \$1.93 billion of the \$3.47 billion in assets.

Total liabilities were \$1.27 billion at June 30, 2007, which was a \$37.7 million increase since June 30, 2006. Noncurrent liabilities comprised 61.9%, or \$788.9 million, of total liabilities at June 30, 2007.

Total net assets at June 30, 2007 were \$2.19 billion, a \$175.1 million increase over the prior year, or an 8.7% increase in net assets. The breakout of net assets is shown below for the last three years:

Comparative Statement of Net Assets

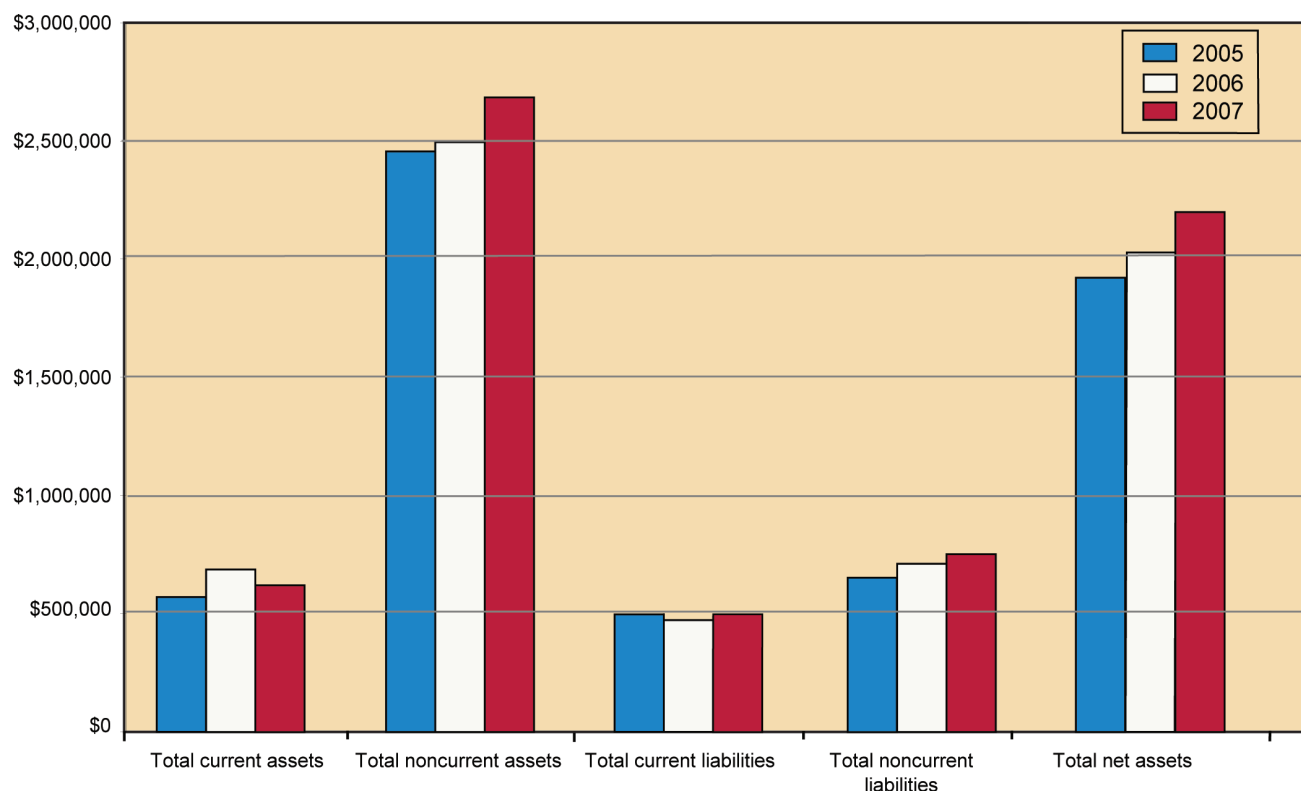
(in thousands of dollars)

	June 30, 2007	June 30, 2006	June 30, 2005
Invested in capital, net of related debt	\$1,304,656	\$1,259,567	\$1,205,240
Restricted net assets	223,977	191,247	169,131
Unrestricted net assets	663,995	566,671	520,294
Total net assets	\$2,192,628	\$2,017,485	\$1,894,665

The following chart displays the composition of assets and liabilities, both current and noncurrent, and net assets at June 30, 2005, 2006, and 2007:

Comparison of Statement of Net Assets 2005, 2006, and 2007

(in thousands of dollars)



STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Comparative Revenues, Expenses, and Changes in Net Assets

(in thousands of dollars)

	Fiscal Year Ended:		
	June 30, 2007	June 30, 2006	June 30, 2005
Operating revenues	\$1,753,670	\$1,624,947	\$1,546,123
Operating expenses	(2,239,107)	(2,128,006)	(2,048,464)
Total operating loss	(485,437)	(503,059)	(502,341)
Nonoperating revenues	680,607	637,338	634,367
Nonoperating expenses	(35,952)	(32,593)	(29,658)
Total other revenues	15,925	21,134	16,774
Increase in net assets	\$ 175,143	\$ 122,820	\$ 119,142

Revenues

- University operating revenues for fiscal year ended June 30, 2007 increased by 7.9% over the previous fiscal year. The changes in revenues are as follows:
- Student fee revenues, net of scholarship allowances, were \$692.3 million in 2007 compared to \$644.5 million in 2006, an overall increase of 7.4%. This increase was due to a combination of increased student fee rates and enrollment growth. Student fees were \$600.3 million in 2005.
- Federal grants and contracts were \$375.8 million in 2007, an increase of 22.7% over the previous fiscal year. This category of revenue includes funds received from the government for financial aid as well as sponsored research, training, and other sponsored activities revenue.
- \$10.6 million in state and local grants and contracts were received for the fiscal year, compared to \$18.9 million in 2006.
- Nongovernmental grants and contracts were \$93.6 million, a decrease of \$19.7 million over the previous fiscal year.

- Sales and services of educational units increased from \$48.2 million to \$49.1 million. This was a 1.8% increase from 2006. In 2005 sales and services were \$46.9 million.
- Other operating revenue of \$185.9 million was an increase of 7.4% over the previous fiscal year of \$173.1 million. This includes revenue to the School of Medicine from private practice plans and hospital agreements. Between 2006 and 2005 other operating revenue experienced an increase of less than 1%.
- Auxiliary enterprises experienced a second consecutive year of growth, with revenue up 8.1% or \$25.9 million. Revenue in this category in 2006 and 2005 was \$320.5 million and \$312.1 million, respectively.

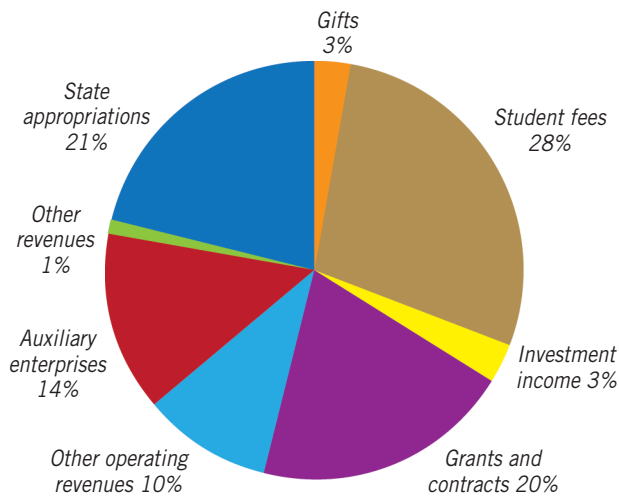
Total nonoperating revenues increased 6.8% from \$637.3 million for fiscal year ended June 30, 2006 to \$680.6 million for fiscal year ended June 30, 2007 and includes the following:

- State appropriations, the largest single source of nonoperating revenue for the university, decreased for the second year in a row from \$528.6 million in 2006 to \$527.7 million in 2007. In 2005 state appropriations were \$530.6 million.
- Investment income increased 80.1%, from \$47.5 million for fiscal year ended June 30, 2006 to \$85.5 million for fiscal year ended June 30, 2007. Between fiscal years 2005 and 2006, this category experienced an increase of 1.5%.
- Gifts increased 10% to \$67.4 million, or \$6.1 million over the previous fiscal year. Gifts totaled \$61.3 million in 2006 and \$57.1 million in 2005.

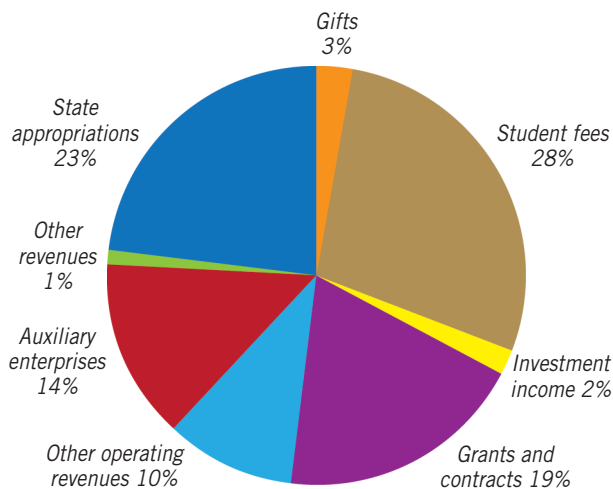
Other revenues included capital appropriations of \$10.5 million, an increase of \$8 million over the previous fiscal year; capital gifts and grants of \$3.3 million; and additions to permanent endowments of \$2.1 million.

In summary, total revenues of the university increased \$166.8 million to \$2.45 billion, an overall increase of 7.3%. Comparably, 2006 total revenues increased 3.9% and the 2005 increase was 4.1%. The composition of the 2007 and 2006 revenues is displayed in the following graphs:

Total Revenues 2007



Total Revenues 2006



Expenses

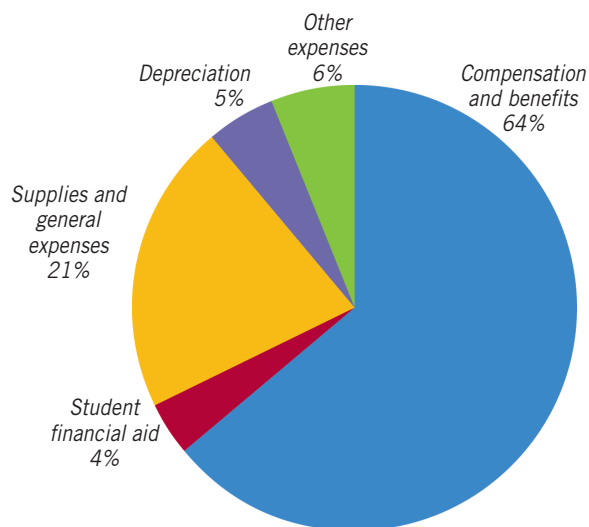
Operating expenses were \$2.24 billion for fiscal year ended June 30, 2007. This was an increase over the previous fiscal year of \$111.1 million, or 5.2%. Changes in the major categories of expenses are as follows:

- Total compensation is comprised of academic and staff salaries, hourly compensation, and benefits. This category increased by 5.5% for the fiscal year, from \$1.38 billion to \$1.46 billion. Staff salaries influenced the increase in this category with a 7.9% increase over the prior year, closely followed by a benefit expense increase of 6.6%. Fiscal year ended June 30, 2005 had \$1.33 billion in total compensation and benefits.
- Student financial aid increased from \$93.4 million to \$98.1 million. This was a 5% increase over the previous fiscal year. 2006 experienced an 8.4% increase over 2005.
- Energy and utilities increased 4.1%, from \$50.3 million in 2006 to \$52.4 million in 2007. This increase was the lowest in energy and utilities experienced in the last three fiscal years. The 2006 and 2005 increases were 13.5% and 7.8%, respectively.
- Travel expenses increased 8.6% in 2007, from \$33.4 million to \$36.2 million. Between 2005 and 2006 the university experienced an 8.1% increase in travel expenses.
- Supplies and general expense increased by 5.1% in 2007, from \$461.3 million to \$484.7 million. The 2005 expense for this category was \$449.4 million.
- Depreciation expense of \$111.9 million in 2007 is \$2.6 million more than in 2006.

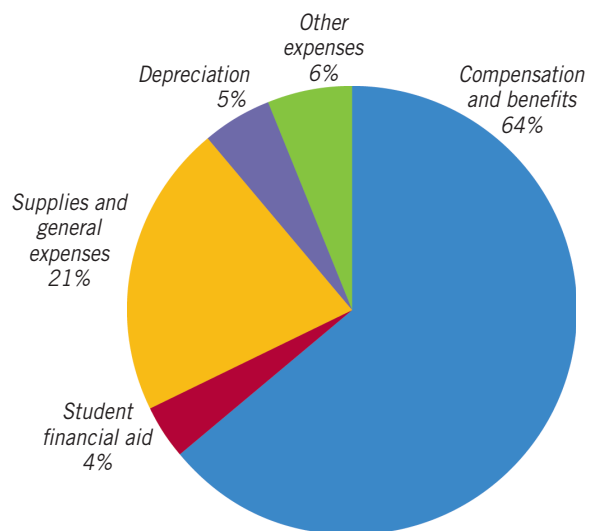
Nonoperating expense, interest expense, increased 10.3% between 2006 and 2007, from \$32.6 million to \$36 million.

The following graphs display the composition of total expenses, including operating and nonoperating by major categories:

Total Expenses 2007



Total Expenses 2006



Gifts

Major gifts are received during the year through the Indiana University Foundation (IU Foundation), a separate not-for-profit organization whose primary mission is to raise funds for the university. No significant capital contributions were brought into the university for the 2007 fiscal year.

Net Assets

Income before other revenues, expenses, gains, or losses was \$159.2 million and \$101.7 million for fiscal years ended 2007 and 2006, respectively. This represents an increase of 56.6%. Between 2005 and 2006 this amount decreased by 0.7%.

Net assets increased by \$175.1 million over the previous fiscal year. Total net assets were \$2.19 billion for fiscal year 2007, compared to net assets at June 30, 2006 of \$2.02 billion. This was an 8.7% increase in net assets. Comparatively, net assets increased 6.9% between 2005 and 2006.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows provides a means to assess the financial health of an institution by providing relevant information about the cash receipts and cash payments of an entity during a certain period. It assists the user in determining whether an entity has the ability to generate future net cash flows to meet its obligations as they become due, and to determine the need for external financing.

Cash Flows for the Period

(in thousands of dollars)

	Fiscal Year Ended:		
	June 30, 2007	June 30, 2006	June 30, 2005
Net cash provided (used) by:			
Operating activities	(\$385,619)	(\$409,784)	(\$329,305)
Noncapital financing activities	615,061	588,661	588,561
Capital and related financing activities	(194,322)	(101,763)	(145,675)
Investing activities	(128,010)	75,513	(10,761)
Net increase (decrease) in cash	(92,890)	152,627	102,820
Beginning cash and cash equivalents	476,676	324,049	221,229
Ending cash and cash equivalents	\$383,786	\$476,676	\$324,049

Cash used by operating activities decreased by \$24.2 million. The use of cash was impacted by a \$60.5 million increase from the previous year in payments to employees and a \$29.4 million increase in payments to suppliers. These increases in cash outlays were offset by increases of \$53.3 million from student fees, \$29.5 million in contract and grant receipts, \$18.3 million in sales and services of educational activities, and \$23.8 million in auxiliary enterprise receipts.

Noncapital financing activities increased \$26.4 million. State appropriations comprised the largest portion of the increase with a \$14.8 million increase over the previous fiscal year. This increase occurred after level cash flows from state appropriations in 2005 and 2006. Gifts and grants received for other than capital purposes increased from \$60.4 million in 2006 to \$71.4 million in 2007.

Cash flows from capital and related financing activities decreased by \$92.6 million. Several drivers of this decrease included a decrease in the proceeds from issuance of capital debt from \$141 million in 2006 to \$85 million in 2007. Cash outlays affecting this category included an increase in the purchase of capital assets between 2006 and 2007 of \$48.1 million and a decrease in principal paid on capital leases of \$25.8 million.

Investing activities cash flows decreased \$203.5 million, reflecting a movement from cash and cash equivalents to noncurrent investments.

Several items will impact cash flows in fiscal year 2008. Tuition increases averaged close to 7.2% for all seven campuses. The university plans to issue approximately \$250 million of bonds during fiscal year 2008, of which \$140 million will be used to refund tax exempt commercial paper that is outstanding as of June 30, 2007.



Campus Center construction, IUPUI

CAPITAL ASSET AND DEBT ADMINISTRATION

The university made significant investments in capital during fiscal year 2007 (see Note 7). New facilities were funded by bond and commercial paper issues, renewal and replacement reserves, and gifts. The more significant facilities that came on-line this year are as follows:

- The Health Information and Translational Science Buildings on the IUPUI campus opened in December 2006. The facility covers 168,402 gross square feet at a total cost of \$37.4 million. Housed in the facility will be the Regenstrief Institute for Health Care Research, IU Center for Bioethics, Bowen Research Center, IUSM Department of Public Health, Bioinformatics and Biostatistics. Additional features include a computing intensive environment for academic research and data analysis, teleconferencing facilities, an auditorium for 200 people, seminar rooms, and other assembly areas to conduct meetings and workshops for researchers from across the country and around the world.
- The Service Building for the Bloomington Physical Plant opened in February 2007. This facility houses the University Architect's Office, Bloomington Physical



Health Information and Translational Science buildings, IUPUI



Above: Pedestrian bridge which will connect student housing to IUSB campus.

Left: Proposed student housing, IU South Bend

Plant, Bureau of Facilities Programming, Department of Facilities, and some offices of the Vice President for Administration. The building cost \$8.6 million dollars and occupies 78,252 gross square feet.

Several facilities are being planned and designed that will further enhance the mission of the university.

- Construction has begun on a new Campus Center on the IUPUI campus. The estimated project cost is \$50 million. Major tenants of the facility include the Food Court, Bookstore, a 1000-person Multi-purpose Room, a Theater, Student Life and Diversity Programs, Enrollment Center, retail functions, and an array of student lounges and meeting spaces. The project encompasses 250,000 gross square feet and the estimated completion of the project is October 2007.
- During the 2006-07 fiscal year, a new student housing complex for the South Bend campus was approved. The facility will provide approximately 400 beds in different apartment configurations. The current project is estimated to cost \$17.9 million, and will be financed primarily with revenue bonds. The project is estimated to be completed during the 2008-09 school year.
- The Southeast campus also received approval to construct a student housing facility. Seven lodge-style buildings will accommodate approximately 400 beds in two-bedroom and four-bedroom units organized around a large common space. The project is estimated to cost \$20.1 million and will be financed with revenue bonds. The expected completion date is August 2008.
- A new Fort Wayne Center for Medical Education located on the Indiana University-Purdue University Fort Wayne campus was approved. The facility will include

approximately 24,700 assignable square feet and will be a part of the statewide program to upgrade the Centers for Medical Education and locate them in modern facilities. The center will contain state of the art classrooms, student computer facilities, teaching laboratories, a gross anatomy lab, and four patient exam rooms. Space will be provided for shared research equipment such as instrumentation labs, tissue culture facilities, cold rooms and



Proposed student housing, IU Southeast

an incubator room for microbiology research. The facility is expected to cost \$14 million and will be funded by the State of Indiana through the issuance of bonds.

- The Research III building will be located on the IUPUI campus. The building will contain approximately 254,000 gross square feet. The primary purpose of this facility is to house scientific discovery that can lead to innovative and life-saving therapies, especially in cancer treatment. The building is designed to promote collaboration among principal investigators and faculty researchers in multiple disciplines and to increase appli-

cation of basic research in patient care, now called translational research. Programs located in this facility will include cancer, neuroscience, and immunobiology. The building will incorporate research laboratories and laboratory support areas including instrumentation rooms, tissue culture rooms, and specialized testing rooms. The building will include a BSL3 Research Lab Suite, Vector Production Suite and a Cell Repository/DNA Serum Bank. The building will also support administrative space with an auditorium and shared conferencing facilities. The facility is estimated to cost \$83.3 million with an estimated occupancy date of January 2009.

- A \$55 million athletic facilities project was approved in September 2006. The facilities will be financed through a combination of revenue bonds and fundraising. The plan includes four facilities:
 - The Memorial Stadium North End Zone project has a targeted completion date of December 2008. The facility will house a state-of-the-art development area used for more than 600 Indiana student athletes. In addition, coaches' offices and meeting space for the football program, a Hall of Champions spotlighting successful IU student athletes and teams, and administrative offices will be a part of the plan.
 - The Indiana Basketball Development Center will serve as the daily headquarters for the men's and women's basketball programs, featuring practice courts, locker rooms, coaches' offices and meeting rooms for each team, as well as a training room and strength development area. The targeted completion date is February 2009.
 - The Student Development and Compliance unit at Indiana University will relocate as a part of the facilities plan, moving from a modest 2,500 square foot space in Assembly Hall to a spacious and renovated 18,000 square foot area located on the east side of Memorial Stadium. The targeted completion date is in the spring of 2009. Classrooms, private tutoring space, study areas, computer labs and staff offices will all be housed in the Academic Center for Excellence.
 - A Baseball and Softball Complex that is slated for



Research III construction, IUPUI

completion in March of 2009. Both stadiums will feature a state-of-the-art playing surface, press box, indoor batting cages, and bullpens. Likewise, the baseball and softball projects will include new locker rooms and offices adjacent to the stadiums.

In June 2007, the university issued University Tax-Exempt Commercial Paper Notes in the amount of \$85 million. Commercial paper notes are issued by the university from time to time to provide for the temporary financing or refinancing of costs related to certain facilities on all of the Indiana University campuses, including costs of issuance of the notes.

The university's credit rating on bond debt obligations was last reviewed and updated in 2007. Moody's Investors Service upgraded the general credit rating of the university from Aa2 with a favorable outlook to Aa1 on June 19, 2007. Moody's indicated that the upgrade was "based on continued strengthening of the university's financial position with consistently favorable operating performance and cash flows, continued growth in financial resources, as well as the financial strengthening of the State of Indiana." Standard & Poor's Credit Market Services reaffirmed a rating of 'AA' on June 20, 2007. The university's tax-exempt commercial paper notes carry ratings of P-1 from Moody's dated June 19, 2007 and A-1+ from Standard & Poor's dated June 20, 2007, and F1+ from Fitch Ratings dated December 8, 2005.

ECONOMIC OUTLOOK

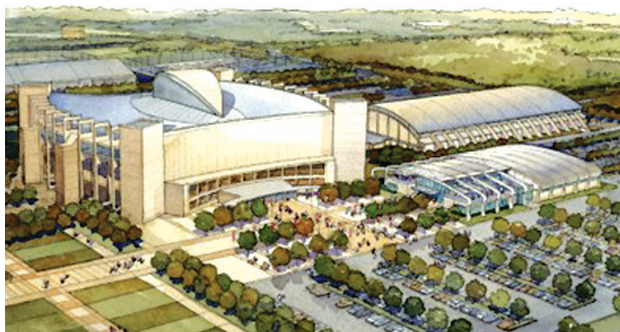
The State of Indiana provides approximately 25% of Indiana University's total financial resources during a fiscal year. The state continued its fiscal recovery during FY 2007. Actual revenue collections exceeded forecast by nearly \$300 million, or 2.4%. Due to spending constraints during the recently completed fiscal year and higher revenues than projected, revenues exceeded ongoing spending by nearly \$500 million.

The State of Indiana's 2001-03 Appropriation Act, HEA 1001, enacted by the 2001 Indiana (regular session) General Assembly and signed into law by the governor, gave authority to the State Budget Agency to distribute eleven-twelfths of the budgeted amount for the 2002 fiscal year state appropriation for all higher education institutions in the State of Indiana. Additional language to this act allowed this deferral to be carried forward to fiscal years 2003 and 2004. The State Budget Agency exercised the postponement of a payment in fiscal years 2003 and 2004. Biennial budgets enacted in 2003 and 2005 and approved by the governor also included language permitting the deferral of state appropriations to be carried forward through FY 2007. For Indiana University, this amount was \$38.4 million in cash that was not received for the twelfth payment. Further action was taken by the general assembly in an amendment to HEA1134 in 2006 to reduce the

accrued payment delay balance for state educational institutions and to appropriate this same amount for each school for use for general repair and rehabilitation. Under the act, the amount appropriated shall be treated as reducing any claim that the total system of the state educational institution has to one-twelfth (1/12) of the amount previously budgeted for the state educational institutions. The amount of the appropriation for Indiana University was \$15.7 million and was used for repair and rehabilitation. The fiscal year biennial budget bill enacted during the 2007 legislative session, HEA 1001, will provide for distribution of the remaining state funds deferred in fiscal year 2002.

Overall, the financial position of the university continues to be strong. Student enrollment for the university is projected to remain strong during the 2006-07 academic year.

The university is not aware of any additional facts, decisions, or conditions that are expected to have significant effect on the financial position or results of operations during the next fiscal year beyond those unknown variations having a global effect on virtually all types of business operations.



Athletic facilities projects, IU Bloomington. Above left, Assembly Hall; above right, Memorial Stadium

Indiana University Statement of Net Assets

(in thousands of dollars)

	June 30, 2007	June 30, 2006
ASSETS		
Current assets		
Cash and cash equivalents	\$ 383,786	\$ 476,676
Accounts receivable, net	130,870	125,351
Current portion of notes and pledges receivable	10,881	9,734
Inventories	15,659	17,069
Short-term investments	20,506	16,126
Securities lending assets	97,985	93,549
Other assets	20,935	13,893
Total current assets	<u>680,622</u>	<u>752,398</u>
Noncurrent assets		
Accounts receivable	2,426	24,147
Notes and pledges receivable	71,515	69,655
Investments	778,704	568,052
Capital assets, net	1,933,451	1,839,660
Total noncurrent assets	<u>2,786,096</u>	<u>2,501,514</u>
Total assets	<u>3,466,718</u>	<u>3,253,912</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	197,143	169,536
Deferred revenue	147,391	167,887
Current portion of capital lease obligations	1,570	1,526
Current portion of long-term debt	41,067	37,224
Securities lending liabilities	97,985	93,549
Total current liabilities	<u>485,156</u>	<u>469,722</u>
Noncurrent liabilities		
Capital lease obligations	9,942	10,781
Notes payable	141,290	56,449
Assets held in custody for others	65,923	65,889
Deferred revenue	24,778	44,071
Bonds payable	534,898	578,391
Other long-term liabilities	12,103	11,124
Total noncurrent liabilities	<u>788,934</u>	<u>766,705</u>
Total liabilities	<u>1,274,090</u>	<u>1,236,427</u>
NET ASSETS		
Invested in capital assets, net of related debt	1,304,656	1,259,567
Restricted for:		
Nonexpendable - endowments	73,025	64,991
Expendable		
Scholarships, research, instruction and other	91,866	67,490
Loans	22,357	20,221
Capital projects	13,247	15,175
Debt service	23,482	23,370
Unrestricted	663,995	566,671
Total net assets	<u>2,192,628</u>	<u>2,017,485</u>
Total liabilities and net assets	<u>\$3,466,718</u>	<u>\$3,253,912</u>

See accompanying notes to the financial statements.

**Indiana University Foundation
Statement of Financial Position
As of June 30, 2007**

Assets:	Unrestricted		Temporarily Restricted		Permanently Restricted		Total
	Foundation	Agency	Foundation	University	Foundation	University	
Cash and cash equivalents	\$ -	\$ 8,348,134	\$ -	\$ 94,025,523	\$ -	\$ -	\$ 102,373,657
Collateral under securities lending agreement	8,626,040	26,335,148	451,341	89,422,213	2,535,223	68,831,162	196,201,127
Receivables and other assets	6,355,769	286,021	11,609	2,518,565	39,402	6,994,422	16,205,788
Net investment in direct financing leases	9,281,389	-	-	-	-	-	9,281,389
Promises to give, net	1,478,462	-	2,176,963	53,780,905	1,068,245	74,429,524	132,934,099
Investments	71,167,477	217,273,064	5,175,043	745,610,995	20,916,371	565,791,332	1,625,934,282
Property, plant and equipment, net	45,389,887	-	-	-	-	-	45,389,887
Total assets	\$ 142,299,024	\$ 252,242,367	\$ 7,814,956	\$ 985,358,201	\$ 24,559,241	\$ 716,046,440	\$ 2,128,320,229
Liabilities and net assets:							
Liabilities:							
Accounts payable and other	\$ 3,911,147	\$ 2,504,155	\$ 29,774	\$ 5,602,171	\$ 325,451	\$ 10,704,072	\$ 23,076,770
Payable under securities lending agreement	8,626,040	26,335,148	451,341	89,422,213	2,535,223	68,831,162	196,201,127
Debt	21,804,686	-	-	-	-	58,083	21,862,769
Accrued trust obligation to life beneficiaries	3,621	-	3,246,639	6,746,010	455,948	20,768,584	31,220,802
Due to (from)	54,582,771	-	68,221	(55,048,541)	3,698	393,851	-
Interfund financing	(8,381,531)	-	-	8,381,531	-	-	-
Assets held for the University	-	206,239,716	-	-	-	-	206,239,716
Assets held for University affiliates	-	17,163,348	-	-	-	-	17,163,348
Total liabilities	80,546,734	252,242,367	3,795,975	55,103,384	3,320,320	100,755,752	495,764,532
Net assets	61,752,290	-	4,018,981	930,254,817	21,238,921	615,290,688	1,632,555,697
Total liabilities and net assets	\$ 142,299,024	\$ 252,242,367	\$ 7,814,956	\$ 985,358,201	\$ 24,559,241	\$ 716,046,440	\$ 2,128,320,229

The accompanying notes are an integral part of these financial statements.

Indiana University Statement of Revenues, Expenses, and Changes in Net Assets

(in thousands of dollars)

	<i>Fiscal Year Ended</i>	
	<i>June 30, 2007</i>	<i>June 30, 2006</i>
OPERATING REVENUES		
Student fees	\$ 790,284	\$ 730,113
Less scholarship allowance	(98,006)	(85,566)
Federal grants and contracts	375,774	306,219
State and local grants and contracts	10,569	18,945
Nongovernmental grants and contracts	93,636	113,378
Sales and services of educational units	49,108	48,226
Other revenue	185,890	173,112
Auxiliary enterprises (net of scholarship allowance of \$12,245 in 2007 and \$11,237 in 2006)	<u>346,415</u>	<u>320,520</u>
Total operating revenues	<u>1,753,670</u>	<u>1,624,947</u>
OPERATING EXPENSES		
Compensation and benefits	1,455,869	1,380,420
Student financial aid	98,061	93,401
Energy and utilities	52,409	50,334
Travel	36,231	33,373
Supplies and general expense	484,677	461,254
Depreciation and amortization expense	<u>111,860</u>	<u>109,224</u>
Total operating expenses	<u>2,239,107</u>	<u>2,128,006</u>
Total operating loss	<u>(485,437)</u>	<u>(503,059)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	527,747	528,615
Investment income	85,462	47,452
Gifts	67,398	61,271
Interest expense	<u>(35,952)</u>	<u>(32,593)</u>
Net nonoperating revenues	<u>644,655</u>	<u>604,745</u>
Income before other revenues, expenses, gains, or losses	159,218	101,686
Capital appropriations	10,467	2,471
Capital gifts and grants	3,311	17,008
Additions to permanent endowments	<u>2,147</u>	<u>1,655</u>
Total other revenues	<u>15,925</u>	<u>21,134</u>
Increase in net assets	175,143	122,820
Net assets, beginning of year	<u>2,017,485</u>	<u>1,894,665</u>
Net assets, end of year	<u>\$2,192,628</u>	<u>\$2,017,485</u>

See accompanying notes to the financial statements.

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

	Unrestricted	Temporarily Restricted		Permanently Restricted		Total
		Foundation	University	Foundation	University	
Revenue and support:						
Contributions, net	\$ 2,533,029	\$ 300,603	\$ 80,074,882	\$ 410,215	\$ 104,500,862	\$ 187,819,591
Investment income including net gains (losses), net of outside investment management fees	20,492,528	-	220,655,555	49,515	(51,228)	241,146,370
Management/administrative fees	16,575,058	-	(12,081,067)	-	(2,086,963)	2,407,028
Grants	-	-	4,020,832	-	-	4,020,832
Other income	11,014,750	-	3,787,657	12	2,174,386	16,976,805
Development service fees from the University	4,640,607	-	-	-	-	4,640,607
Net assets released from restriction	87,064,102	-	(87,305,000)	-	240,898	-
Total revenue and support	142,320,074	300,603	209,152,859	459,742	104,777,955	457,011,233
Expenditures:						
Program expenditures	95,105,730	-	-	-	25,576	95,131,306
Management and general	11,799,476	10,248	1,859,496	20	(133,615)	13,535,625
Fund raising	15,919,874	-	-	-	-	15,919,874
Change in value of split interest agreement obligation to life beneficiaries	(34,500)	(546,400)	(1,130,279)	(40,674)	(4,085,581)	(5,837,434)
Total expenditures	122,790,580	(536,152)	729,217	(40,654)	(4,193,620)	118,749,371
Change in net assets:						
Unrestricted	19,529,494	-	-	-	-	19,529,494
Temporarily restricted	-	836,755	208,423,642	-	-	209,260,397
Permanently restricted	-	-	-	500,396	108,971,575	109,471,971
Total change in net assets	19,529,494	836,755	208,423,642	500,396	108,971,575	338,261,862
Beginning net assets	42,222,796	3,182,226	721,831,175	20,738,525	506,319,113	1,294,293,835
Ending net assets	\$ 61,752,290	\$ 4,018,981	\$ 930,254,817	\$ 21,238,921	\$ 615,290,688	\$ 1,632,555,697

Indiana University Statement of Cash Flows

(in thousands of dollars)

Fiscal Year Ended
June 30, 2007 June 30, 2006

CASH FLOWS FROM OPERATING ACTIVITIES

Student fees	\$ 699,134	\$ 645,823
Grants and contracts	435,828	406,362
Sales and services of educational activities	63,634	45,295
Auxiliary enterprise charges	346,335	322,550
Other operating receipts	166,716	170,669
Payments to employees	(1,442,928)	(1,382,434)
Payments to suppliers	(552,234)	(522,835)
Student financial aid	(98,850)	(94,313)
Student loans collected	12,376	16,367
Student loans issued	(15,630)	(17,268)
Net cash used in operating activities	<u>(385,619)</u>	<u>(409,784)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State appropriations	543,414	528,615
Gifts and grants received for other than capital purposes	71,362	60,444
Direct lending receipts	413,093	391,208
Direct lending payments	(412,808)	(391,606)
Net cash provided by noncapital financing activities	<u>615,061</u>	<u>588,661</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital appropriations	10,467	10,467
Capital grants and gifts received	2,208	12,446
Purchase of capital assets	(216,797)	(168,651)
Proceeds from issuance of capital debt, including refunding activity	85,000	141,044
Principal payments on capital debt, including refunding activity	(39,219)	(35,081)
Principal paid on capital leases	(2,158)	(27,914)
Interest paid on capital debt and leases	(33,823)	(34,074)
Net cash used in capital and related financing activities	<u>(194,322)</u>	<u>(101,763)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	44,766	49,761
Investment income	44,025	29,630
Purchase of investments	(216,801)	(3,878)
Net cash provided (used) by investing activities	<u>(128,010)</u>	<u>75,513</u>

Net increase (decrease) in cash and cash equivalents

(92,890) 152,627

Cash and cash equivalents, beginning of year

476,676 324,049

Cash and cash equivalents, end of year

\$ 383,786 \$ 476,676

See accompanying notes to the financial statements.

Indiana University Statement of Cash Flows

(Continued from previous page)

RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:

(in thousands of dollars)

	<i>Fiscal Year Ended</i>	
	<i>June 30, 2007</i>	<i>June 30, 2006</i>
Operating loss	\$ (485,437)	\$ (503,059)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	111,860	109,224
Loss on disposal of capital assets	15,053	6,138
Changes in assets and liabilities:		
Accounts receivable	(4,583)	(8,102)
Inventories	1,410	255
Other assets	(7,042)	(1,666)
Notes receivable	(2,706)	(1,747)
Accounts payable and accrued liabilities	24,912	14,202
Deferred revenue	(39,789)	(27,487)
Assets held in custody for others	(276)	490
Other noncurrent liabilities	979	1,968
Net cash used in operating activities	<u>\$ (385,619)</u>	<u>\$ (409,784)</u>

See accompanying notes to the financial statements.

Note 1—Summary of Significant Accounting Policies

ORGANIZATION: Indiana University (university) is a state-supported institution that is fiscally responsible for operations and has students enrolled on seven campuses. Campuses are located in Bloomington, Indianapolis (IUPUI), Richmond (East), Kokomo, Gary (Northwest), South Bend, and New Albany (Southeast). The financial statements include the individual schools, colleges, and departments as part of the comprehensive reporting entity. The university was established by state legislative act, under Indiana Code Section IC 20-12-23, in 1838, changing the name of its predecessor, Indiana College, to Indiana University. The university's governing body, the Trustees of Indiana University, is comprised of nine members charged by the Indiana General Assembly with policy and decision-making authority to carry out the programs and missions of the university. Six of the members are appointed by the Governor of Indiana, and three are elected by university alumni. The university is classified as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. Certain revenues of the university may be subject to federal income tax as unrelated business income, as defined in section 513 of the Internal Revenue Code. Note 15 describes an organization related to the university, the nature of the relationship, and pertinent financial information of the organization.

FINANCIAL STATEMENT PRESENTATION: As a component unit of the state, the university presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis— for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements— and Management's Discussion and Analysis— for Public Colleges and Universities*. GASB No. 35 allows public colleges and universities to report as a business-type activity under GASB No. 34 which requires a comprehensive, entity-wide presentation of the university's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows.

BASIS OF ACCOUNTING: The accompanying financial statements have been prepared by the university operating as a special-purpose government entity engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged

to external parties for goods or services. Accordingly, these financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Eliminations have been made to minimize the "double-counting" of internal activities.

The university has the option to apply Financial Accounting Standards Board (FASB) Statements and Interpretations issued after November 30, 1989, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure except for those that conflict with or contradict GASB pronouncements. The university has elected not to apply FASB pronouncements issued after the applicable date.

REPORTING ENTITY: The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, as required by GASB Statement No. 14, *The Financial Reporting Entity*. As additionally required by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, organizations that raise and hold economic resources for the direct benefit of the university are included in the reporting entity. The university evaluates potential component units for inclusion in the reporting entity based on these criteria.

The Indiana University Foundation, Inc. (IU Foundation) is organized as a not-for-profit corporation under the laws of the State of Indiana for the exclusive purpose of supporting the university by receiving, holding, investing, and administering property and making expenditures to or for the benefit of the university. The IU Foundation is considered a component unit of the university according to the criteria in GASB No. 39 and the university's financial statements include discrete presentation of the IU Foundation by displaying the IU Foundation's audited financial statements in their original formats on separate pages.

The IU Foundation is a not-for-profit organization that reports under FASB standards, including FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*.

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 IU Foundation's financial information in the university's financial reporting to adjust for these differences. The IU Foundation distributed \$87,133,383 and \$79,220,046 to the university during fiscal years 2007 and 2006, respectively. Complete financial statements for the IU Foundation can be obtained from: Indiana University Foundation, Attn: Controller, PO Box 500, Bloomington, IN 47402.

CASH EQUIVALENTS: The university considers all highly liquid investments with maturities of three months or less to be cash equivalents. The university invests operating cash in investments with varying maturities. Investment maturities are evaluated as of the financial statement date for purposes of liquidity classification.

INVESTMENTS: Investments are carried at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Unrealized gains and losses are reported as investment income in the Statement of Revenues, Expenses, and Changes in Net Assets.

NOTES AND PLEDGES RECEIVABLE: Notes receivable consist primarily of student loans. A pledge receivable is recorded at the time the pledge is measurable, probable of collection, and all applicable eligibility requirements have been met.

CAPITAL ASSETS: Capital assets are recorded at cost or, for contributed assets, at fair value at the date of acquisition. The university capitalizes equipment with a cost of \$5,000 or more and a useful life in excess of one year. Capital assets also include land improvements and infrastructure costing in excess of \$75,000. Buildings and building renovations that increase the useful life of the building and with cost of the lesser of \$75,000 or twenty percent of the acquisition cost of the existing building are capitalized. Art and museum objects purchased by or donated to the university are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets, generally five to twenty years for equipment, ten years for library books, ten to forty years for infrastructure and land improvements, and fifteen to forty years for buildings and building components. Useful

lives for capital assets are established using a combination of the American Hospital Association guidelines, Internal Revenue Service guidelines, and documented university experience. Land and capitalized art and museum collections are not depreciated.

DEFERRED REVENUE: Deferred revenue is recorded for amounts received for student tuition and fees and for certain auxiliary goods and services prior to fiscal year end, but which relate to the subsequent fiscal year. Amounts received from contract and grant sponsors that have not yet been earned are also recorded as deferred revenue.

COMPENSATED ABSENCES: Liabilities for compensated absences are recorded for vacation leave based on actual earned amounts for eligible employees who qualify for termination payments. Liabilities for sick leave are recorded for employees who are eligible for and have earned termination payments for accumulated sick days upon termination or retirement. Beginning in fiscal year 2007, the calculation of the salary related payments subject to this accrual include the employer's share of Social Security and Medicare taxes and the employer's contributions to pension plans.

NET ASSETS: The university's net assets are classified for financial reporting in the following net asset categories:

- *Invested in capital assets, net of related debt:* This component of net assets includes capital assets, net of accumulated depreciation and outstanding principal debt balances related to the acquisition, construction, or improvement of those assets.
- *Restricted net assets—nonexpendable:* Nonexpendable restricted net assets are subject to externally imposed stipulations that the principal is to be maintained in perpetuity and invested for the purpose of producing present and future income, which may be either expended or added to principal. Such assets include permanent endowment funds.
- *Restricted net assets—expendable:* Restricted expendable net assets are resources the university is legally obligated to spend in accordance with externally imposed restrictions.
- *Unrestricted net assets:* Unrestricted net assets are not subject to externally imposed restrictions and are used for meeting expenses for academic and general operations of the university.

When an expense is incurred for which both restricted and unrestricted resources are available, the decision whether to apply restricted or unrestricted resources is a management matter, and the decision is made based on the relevant facts and circumstances.

REVENUES: University revenues are classified as either operating or nonoperating as follows:

- *Operating revenues:* Operating revenues result from exchange transactions, such as student tuition and fees (net of scholarship discounts and allowances), government and other grants and contracts, and sales and services of auxiliary enterprises (net of scholarship discounts and allowances).
- *Nonoperating revenues:* Nonoperating revenues include those derived from nonexchange transactions such as gifts. Other nonoperating revenues include significant revenue sources that are relied upon for operations, such as state appropriations and investment income.

SCHOLARSHIP DISCOUNTS AND ALLOWANCES: Student tuition and fees and other student revenues are reported gross with the related scholarship discounts and allowances directly below in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charges for goods and services provided by the university and the amounts paid by students and/or third parties making payments on behalf of students.

RECLASSIFICATIONS: Certain reclassifications have been made to the prior year statements for comparative purposes and do not constitute a restatement of prior periods.

Note 2—Deposits and Investments

DEPOSITS

The combined bank balances of the university's demand deposits were \$7,043,600 and \$9,900,349 at June 30, 2007 and 2006, respectively. The university had balances in excess of Federal Deposit Insurance Corporation limits in the amount of \$6,409,374 and \$9,618,095 at June 30, 2007 and 2006, respectively. These balances, deposited in

approved financial institutions and in excess of the limits of coverage by federal deposit insurance were covered by the Public Deposit Insurance Fund, created to protect the public funds of the State of Indiana and its political subdivisions. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The university does not have a formal deposit policy for custodial credit risk.

INVESTMENTS

The Trustees of Indiana University (trustees) have acknowledged responsibility as a fiduciary body for the invested assets of the university. Indiana Code 30-4-3-3 *Indiana Prudent Investor Act* requires the trustees to act "as a prudent investor would, by considering the purposes, terms, distribution requirements, and other circumstances of the trust." The code also requires that management decisions be made "in the context of the trust portfolio as a whole and as a part of the overall investment strategy having risk and return objectives reasonably suited to the trust." The trustees have the responsibility to assure the assets are prudently invested in a manner consistent with the university's investment policy. The trustees have delegated the day-to-day responsibilities for overseeing the investment program to the Office of the Treasurer.

ENDOWMENTS

Endowment funds typically have a very long investment horizon, and as appropriate, may be invested in asset classes with longer term risk/return characteristics, including, but not limited to stocks, bonds, real estate, private placements and alternative investments. The Indiana University Endowments (endowments) are managed pursuant to an Investment Agency Agreement between the trustees and the IU Foundation dated November 14, 2005, which delegated investment management responsibilities to the IU Foundation, subject to the university's investment policy. The trustees may, at their discretion, direct all or a portion of the endowment funds to other investments, exclusive of the IU Foundation's investment funds. Endowment assets may be invested in pooled funds or in direct investments, or a combination of the two. Assets will typically be diversified among high quality stocks and bonds. Additional asset classes may be included when

it is reasonable to expect the additional asset class will either increase return or reduce risk, or both. Participation in the pooled investments is achieved by owning units of the Pooled Long-Term Fund and is considered an external investment pool to the university. At June 30, 2007, all endowments held with the IU Foundation were invested in pooled funds.

At June 30, 2007 and 2006, the university had investments and deposits, including endowment funds, as shown below:

(in thousands of dollars)

Investment Type	Fair Value	
	June 30, 2007	June 30, 2006
Money market funds	\$ 441,772	\$ 483,147
External investment pools	210,819	170,818
Government mortgage-backed securities	180,669	83,130
Corporate bonds	116,564	124,040
Nongovernment backed C.M.O.s	76,354	14,379
Asset backed securities	72,612	71,895
Government bonds	57,437	66,675
Commercial mortgage-backed	42,198	25,333
Government agencies	29,612	16,470
Unit Trust Bonds	7,067	-
Municipal/provincial bonds	6,566	2,993
Index linked government bonds	5,847	3,779
Government issued commercial mortgage-backed	3,007	4,370
Real estate	2,295	2,295
Venture capital	2,174	1,191
Mutual funds	1,591	1,733
All other	(73,588)	(11,394)
Total	\$1,182,996	\$1,060,854

INVESTMENT CUSTODIAL RISK

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The university manages custodial credit risk through the types of investments that are allowed by investment policy. The university's investments are not exposed to custodial credit risk and reflect either investment securities registered in the name of the university, investment securities loaned for collateral received, or other types of investments not exposed to custodial credit risk.

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The university's policy for controlling its exposure to fair value losses arising from increasing interest rates is to constrain average portfolio duration within ranges of a target portfolio duration set for each portfolio of operating fund investments. The portfolios may seek to enhance returns by attempting to time movements of interest rates within the allowable ranges. The IU Foundation's investment policy stipulates that the Pooled Short-Term Fund is invested in securities that typically mature within one year and the fixed income allocation includes securities with a duration benchmark index of +/- 1.5 years.

The university had investments with the following maturities at June 30, 2007:

(in thousands of dollars)

<i>Investment Type</i>	<i>Fair Value</i> June 30, 2007	<i>Investment Maturities (in years)</i>			
		<i>Less than 1</i>	<i>1-5</i>	<i>6-10</i>	<i>More than 10</i>
<i>Investments with a maturity date</i>					
Government mortgage-backed securities	\$ 180,669	\$ 213	\$ 3,305	\$ 6,491	\$ 170,660
Corporate bonds	116,564	12,041	51,667	26,634	26,222
Nongovernment backed C.M.O.s	76,354	541	1,248	1,007	73,558
Asset backed securities	72,612	2,502	31,695	6,618	31,797
Government bonds	57,437	2,266	30,244	12,262	12,665
Commercial mortgage-backed	42,198	-	746	1,266	40,186
Government agencies	29,612	6,797	18,251	4,445	119
Unit trust bonds	7,067	-	-	-	7,067
Municipal/provincial bonds	6,566	-	976	988	4,602
Index linked government bonds	5,847	-	217	2,284	3,346
Government issued commercial mortgage-backed	3,007	-	3,007	-	-
	597,933	24,360	141,356	61,995	370,222
<i>Investments with an undetermined maturity date</i>					
Money market funds	441,772	441,772	-	-	-
External investment pools	210,819	210,819	-	-	-
Real estate	2,295	2,295	-	-	-
Venture capital	2,174	2,174	-	-	-
Mutual funds	1,591	1,591	-	-	-
All other	(73,588)	(73,588)	-	-	-
	585,063	585,063	-	-	-
Total	\$1,182,996	\$609,423	\$141,356	\$61,995	\$370,222

The university had investments with the following maturities at June 30, 2006:

(in thousands of dollars)

Investment Type	Fair Value June 30, 2006	Investment Maturities (in years)			
		Less than 1	1-5	6-10	More than 10
<i>Investments with a maturity date</i>					
Corporate bonds	\$ 124,040	\$ 12,177	\$ 82,395	\$ 23,177	\$ 6,291
Government mortgage-backed securities	83,130	425	4,449	37,195	41,061
Asset backed securities	71,894	1,538	47,115	13,346	9,895
Government bonds	66,675	562	37,075	26,607	2,431
Commercial mortgage-backed	25,333	-	1,068	-	24,265
Government agencies	16,470	1,495	9,406	3,440	2,129
Nongovernment backed C.M.O.s	14,379	-	758	287	13,334
Government issued commercial mortgage-backed	4,370	-	2,486	1,884	-
Index linked government bonds	3,779	-	-	2,052	1,727
Municipal/provincial bonds	2,993	1,993	1,000	-	-
	413,063	18,190	185,752	107,988	101,133
<i>Investments with an undetermined maturity date</i>					
Money market funds	483,147	483,147	-	-	-
External investment pools	170,818	170,818	-	-	-
Real estate	2,295	2,295	-	-	-
Mutual funds	1,734	1,734	-	-	-
Venture capital	1,191	1,191	-	-	-
All other	(11,394)	(11,394)	-	-	-
	647,791	647,791	-	-	-
Total	\$1,060,854	\$665,981	\$185,752	\$107,988	\$101,133

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The weighted average credit quality of each portfolio of university operating funds investments must be at least "AA-/Aa3" for Defensive Managers; "A/A2" for Core Plus Managers, or as specified in each manager's guidelines.

ENDOWMENTS

The IU Foundation's investment policy stipulates that the Pooled Short-Term Fund commercial paper must be

rated A1/P1 and that the average quality of the Pooled Fixed Income Fund will be maintained at "A" or better, except for high-yield. The minimum quality at the time of purchase will be Baa/BBB or equivalent by at least one of the major rating services. For high-yield securities, the weighted average credit quality of the portfolio should be BBB- or better at all times. All securities in the Pooled Fixed Income Fund must be rated at the time of purchase at least B- by Standard & Poor's or B3 by Moody's Investors Service.

At June 30, 2007 and 2006, university investments had debt securities with associated credit ratings as shown below:

(in thousands of dollars)

Credit Quality Rating	Fair Value June 30, 2007	Percentage of Total Pool	Fair Value June 30, 2006	Percentage of Total Pool
AAA	\$ 462,627	39.10%	\$ 285,498	26.91%
AA	26,624	2.25%	22,782	2.15%
A	25,687	2.17%	55,746	5.26%
BBB	41,832	3.54%	40,563	3.82%
BB	13,683	1.16%	3,149	0.30%
B	8,946	0.76%	3,316	0.31%
CCC	1,276	0.11%	301	0.03%
Not Rated	602,321	50.91%	649,499	61.22%
Total	\$1,182,996	100.00%	\$1,060,854	100.00%

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

The university's investment policy requires that investments are to be diversified to the extent that the securities of any single issuer shall be limited to 5% of the market value in a particular manager's portfolio. U.S. Government and U.S. governmental agency securities are exempt from this policy requirement.

ENDOWMENTS

The IU Foundation's investment policy stipulates that the Pooled Short-Term Fund limit commercial paper, Certificates of Deposit, Bankers' Acceptances, and Repurchase Agreements to \$10 million per issuer and money market funds to \$20 million per fund. The Pooled Equity Fund/Equity Trust Investment Pool portfolio cost is limited to no more than 10% investment in the equity securities of any one issuer and no purchase shall cause ownership of 5% or more of any one issue. No more than 25% of the Pooled Equity Fund/Equity Trust Investment Pool portfolio market value may be invested in any one industry. For the Pooled Fixed Income Fund/Bond Trust Investment Pool, exclud-

ing U.S. Treasuries and Agencies, no more than 5% of the portfolio market value may be invested in any one issue or issuer. No more than 25% of this portfolio market value may be invested in any one industry.

FOREIGN CURRENCY RISK

The university's investments are not exposed to foreign currency risk.

Note 3—Securities Lending

State statutes and policy of the Trustees of Indiana University permit the university to lend securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The university's custodial bank manages the securities lending program and receives cash, U.S. government securities, or irrevocable letters of credit as collateral. Noncash collateral cannot be pledged or sold unless the borrower defaults. Cash collateral is invested in a short-term investment pool. Cash collateral may also be invested separately in "term loans," in which case the investment term matches the loan term. These loans can be terminated on demand by either lender or borrower. U.S. securities are lent versus collateral valued at 102% of the fair value of the securities

plus any accrued interest. Marking to market is performed every business day and the borrower is required to deliver additional collateral when necessary so that the total collateral held by the university will equal at least the fair value plus accrued interest of the borrowed securities. All security loans can be terminated on demand by either the university or the borrowers. The short-term noncash collateral investment pool had a fair value of \$6,908,171 and \$2,193,455 at June 30, 2007 and 2006, respectively. Cash received as securities lending collateral was \$97,984,937 and \$93,548,981 at June 30, 2007 and 2006, respectively, and is recorded as an asset and corresponding liability on the university's Statement of Net Assets. At June 30, 2007 and 2006, the university had no aggregate credit risk exposure in this program.

Note 4—Accounts Receivable

Accounts receivable consisted of the following at June 30, 2007 and 2006:

(in thousands of dollars)

	June 30, 2007	June 30, 2006
Student accounts	\$ 36,623	\$ 37,873
Auxiliary enterprises and other operating activities	48,352	53,729
State appropriations	24,096	15,667
Federal, state and other grants and contracts	25,121	17,021
Capital appropriations and gifts	374	5,550
Other	5,256	5,389
Current accounts receivable, gross	139,822	135,229
Less allowance for uncollectible accounts	(8,952)	(9,878)
Current accounts receivable, net	130,870	125,351
State appropriations	-	24,147
Auxiliary enterprises and other operating activities	2,426	-
Noncurrent accounts receivable	\$ 2,426	\$ 24,147

Note 5—Notes and Pledges Receivable

Notes and pledges receivable consisted of the following at June 30, 2007 and 2006:

(in thousands of dollars)

	June 30, 2007	June 30, 2006
Operating receivable	\$ -	\$ 47
Student loans receivable	73,776	71,023
Pledges receivable, net	8,618	8,319
Total notes and pledges receivable	\$82,394	\$79,389

During fiscal year 2003, the university entered into a lease purchase agreement with the IU Foundation to finance a portion of the cost of construction and equipping of the Biotechnology Research and Training Center maintained and operated by the university on the IUPUI campus (also see Note 11). Private funds held by the IU Foundation, solely for the use of the university, were used for related construction costs of \$15,176,741. The IU Foundation transferred rights to the facility to the university through an unconditional promise to give the university use of the facility over a 20 year period. The university currently occupies and maintains the facility. This promise to give is reflected at net present value of \$8,618,316, as a pledge receivable of the university.

Note 6—Endowment Funds

Endowment funds are managed pursuant to an Investment Agency Agreement between the Trustees of Indiana University (trustees) and the IU Foundation which delegates investment management responsibilities to the IU Foundation, subject to the university's investment policy. The trustees may, at their discretion, direct all or a portion of the university's endowment funds to other investments, exclusive of the IU Foundation's investment funds. The spending policy is to distribute 5% of the 12 quarter rolling average of pooled fund values. Indiana Code 30-2-12-8, *Uniform Management of Institutional Funds*, sets forth the provisions governing the expenditure of endowment fund appreciation, under which the trustees may authorize expenditure, consistent with donor intent, of net appreciation in the fair value of the endowment fund assets over historic dollar value.

Funds held by endowments, managed by the IU Foundation, are used to acquire pooled shares. The value of the pooled shares is determined each quarter on the basis of the total market value of pooled investments and the number of pooled shares outstanding. Income from pooled funds is distributed pro rata to each participating fund according to the number of pooled shares it holds. At June 30, 2007, all endowments held with the IU Foundation were invested in pooled funds. Fair value of the Indiana University Consolidated Fund totaled \$159,707,961 and \$134,104,348 at June 30, 2007 and 2006, respectively. Additional pooled funds totaled \$44,451,426 and \$29,942,171 at fair value at June 30, 2007 and 2006, respectively. The university holds investments in the Indiana Future Fund I, LLC, a coalition of institutional investors investing in regional and national venture capital funds to encourage direct investment in Indiana life sciences initiatives, which is administered by Credit Suisse Securities (USA), LLC. The investment in the Indiana Future Fund I, LLC totaled \$2,173,772 and \$1,190,670 at fair value at June 30, 2007 and 2006, respectively.

Additional endowment funds include the endowment fund for Riley Hospital for Children which is managed as an

investment pool by the Riley Children's Foundation. The funds are invested in accordance with the Riley Children's Foundation investment policy. These funds are used to acquire pooled shares. The value of the pooled shares is determined each quarter on the basis of the total market value of the pooled investments and the number of pooled shares outstanding. Income is distributed pro rata to each participating fund according to the number of shares it holds. The funds totaled \$6,659,158 and \$5,580,871 at fair value at June 30, 2007 and 2006, respectively. The State of Indiana holds an endowment fund valued at \$785,242 on behalf of the university. Income from this endowment is received and distributed on a yearly basis. Real estate held as endowments for investment purposes at June 30, 2007 and 2006, totaled \$2,295,000 and \$2,295,000, respectively, at fair value.

In addition, the university shares the income from a trust held by a major bank with Purdue University and the Indianapolis Center for Advanced Research. The fair value of the principal of this trust was \$35,280,348 and \$34,487,026 at June 30, 2007 and 2006, respectively. The trust principal is not included on the university's financial statements.

Note 7—Capital Assets

Fiscal year ended June 30, 2007

(in thousands of dollars)

	<i>Balance</i> <i>June 30, 2006</i>	<i>Additions</i>	<i>Transfers</i>	<i>Retirements</i>	<i>Balance</i> <i>June 30, 2007</i>
Assets not being depreciated:					
Land	\$ 47,453	\$ 1,792	\$ (82)	\$ –	\$ 49,163
Art & museum objects	65,599	269	–	–	65,868
Construction in progress	133,691	121,039	(37,914)	68	216,748
Total capital assets not being depreciated	<u>246,743</u>	<u>123,100</u>	<u>(37,996)</u>	<u>68</u>	<u>331,779</u>
Other capital assets:					
Infrastructure	134,810	5,699	546	–	141,055
Land improvements	18,203	2,373	282	–	20,858
Equipment	376,152	39,638	2,371	43,545	374,616
Library books	182,004	22,431	–	15,599	188,836
Buildings	2,253,649	27,381	34,797	7,179	2,308,648
Total other capital assets	<u>2,964,818</u>	<u>97,522</u>	<u>37,996</u>	<u>66,323</u>	<u>3,034,013</u>
Less accumulated depreciation:					
Infrastructure	107,078	3,571	–	–	110,649
Land improvements	4,558	995	–	–	5,553
Equipment	227,186	33,815	–	30,710	230,291
Library books	85,485	18,398	–	15,599	88,284
Buildings	947,594	55,081	–	5,111	997,564
Total accumulated depreciation, other capital assets	<u>1,371,901</u>	<u>111,860</u>	<u>–</u>	<u>51,420</u>	<u>1,432,341</u>
Capital assets, net	<u>\$1,839,660</u>	<u>\$108,762</u>	<u>\$ –</u>	<u>\$14,971</u>	<u>\$1,933,451</u>

(Continued from previous page)

Fiscal year ended June 30, 2006

(in thousands of dollars)

	<i>Balance</i> June 30, 2005	<i>Additions</i>	<i>Transfers</i>	<i>Retirements</i>	<i>Balance</i> June 30, 2006
Assets not being depreciated:					
Land	\$ 46,913	\$ 540	\$ -	\$ -	\$ 47,453
Art & museum objects	58,913	6,686	-	-	65,599
Construction in progress	108,442	81,905	(56,653)	3	133,691
Total capital assets not being depreciated	<u>214,268</u>	<u>89,131</u>	<u>(56,653)</u>	<u>3</u>	<u>246,743</u>
Other capital assets:					
Infrastructure	132,844	1,532	434	-	134,810
Land improvements	17,301	574	328	-	18,203
Equipment	328,795	43,161	15,440	11,244	376,152
Library books	172,925	22,087	-	13,008	182,004
Buildings	2,196,004	29,038	40,451	11,844	2,253,649
Total other capital assets	<u>2,847,869</u>	<u>96,392</u>	<u>56,653</u>	<u>36,096</u>	<u>2,964,818</u>
Less accumulated depreciation:					
Infrastructure	103,636	3,442	-	-	107,078
Land improvements	3,632	926	-	-	4,558
Equipment	204,360	33,130	-	10,304	227,186
Library books	80,810	17,683	-	13,008	85,485
Buildings	900,138	54,043	-	6,587	947,594
Total accumulated depreciation, other capital assets	<u>1,292,576</u>	<u>109,224</u>	<u>-</u>	<u>29,899</u>	<u>1,371,901</u>
Capital assets, net	<u>\$1,769,561</u>	<u>\$ 76,299</u>	<u>\$ -</u>	<u>\$ 6,200</u>	<u>\$1,839,660</u>

Note 8—Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following at June 30, 2007 and 2006:

(in thousands of dollars)

	<i>June 30, 2007</i>	<i>June 30, 2006</i>
Accrued payroll	\$ 17,310	\$ 15,561
Accrual for compensated absences	37,317	30,537
Interest payable	18,648	15,929
Vendor and other payables	<u>123,867</u>	<u>107,509</u>
Total accounts payable and accrued liabilities	<u>\$197,142</u>	<u>\$169,536</u>

Certain reclassifications have been made to the prior year for comparative purposes and do not constitute a restatement of prior periods.

Note 9—Noncurrent Liabilities

Noncurrent liability activity for the fiscal years ended June 30, 2007 and 2006 is summarized as follows:

Fiscal year ended June 30, 2007

(in thousands of dollars)

	<i>Balance</i> <i>June 30, 2006</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance</i> <i>June 30, 2007</i>	<i>Current</i>
Bonds payable	\$ 615,462	\$ –	\$ 39,656	\$ 575,806	\$ 40,908
Notes payable	56,602	85,000	153	141,449	159
Capital lease obligations	12,307	1,376	2,171	11,512	1,570
Total bonds, notes, and capital leases payable	<u>684,371</u>	<u>86,376</u>	<u>41,980</u>	<u>728,767</u>	<u>42,637</u>
Other liabilities					
Deferred revenue	211,958	–	39,789	172,169	147,391
Assets held in custody for others	65,889	516	–	66,405	482
Compensated absences	40,616	27,711	19,648	48,679	37,316
Other	1,045	–	305	740	–
Total other liabilities	<u>319,508</u>	<u>28,227</u>	<u>59,742</u>	<u>287,993</u>	<u>185,189</u>
Total noncurrent liabilities	<u>\$1,003,879</u>	<u>\$114,603</u>	<u>\$101,722</u>	<u>\$1,016,760</u>	<u>\$227,826</u>

Fiscal year ended June 30, 2006

(in thousands of dollars)

	<i>Balance</i> <i>June 30, 2005</i>	<i>Additions</i>	<i>Reductions</i>	<i>Balance</i> <i>June 30, 2006</i>	<i>Current</i>
Bonds payable	\$ 564,409	\$ 86,044	\$ 34,991	\$ 615,462	\$ 37,071
Notes payable	1,750	55,000	148	56,602	153
Capital lease obligations	32,819	7,395	27,907	12,307	1,526
Total bonds, notes, and capital leases payable	<u>598,978</u>	<u>148,439</u>	<u>63,046</u>	<u>684,371</u>	<u>38,750</u>
Other liabilities					
Deferred revenue	239,444	–	27,486	211,958	167,887
Assets held in custody for others	65,399	490	–	65,889	–
Compensated absences	38,838	20,437	18,659	40,616	30,537
Other	1,246	–	201	1,045	–
Total other liabilities	<u>344,927</u>	<u>20,927</u>	<u>46,346</u>	<u>319,508</u>	<u>198,424</u>
Total noncurrent liabilities	<u>\$ 943,905</u>	<u>\$169,366</u>	<u>\$109,392</u>	<u>\$1,003,879</u>	<u>\$237,174</u>

Certain reclassifications have been made to the prior year for comparative purposes and do not constitute a restatement of prior periods.

Note 10—Bonds and Notes Payable

The university is authorized by acts of the Indiana General Assembly to issue bonds and notes for the purposes of financing construction of facilities that include academic and administrative facilities, athletic facilities, halls of music, health service facilities, research on the Bloomington and Indianapolis campuses, parking facilities, student housing, student union buildings, and energy savings projects. The outstanding bond and note indebtedness at June 30, 2007 and 2006 are \$717,254,858 and \$672,063,935, respectively. This includes principal outstanding at June 30, 2007 and 2006 for bonds issued under Indiana Code 20-12-6 of \$468,433,682 and \$500,979,485, respectively, which have an additional \$62,789,875 and \$68,079,189, respectively, in accreted value of outstanding capital appreciation bonds associated with them. The outstanding bond issues include both serial and term bonds with maturities extending to August 1, 2031.

A specific appropriation is received from the State of Indiana for the purpose of reimbursing the university for a portion of the debt service payments that are incurred on bonds issued under Indiana Code 20-12-6 for certain academic and student facilities. These funds, referred to as “fee replacement” appropriations, are received from the State of Indiana on a semi-annual basis.

Indiana Code 20-12-9.5 permits the use of debt in the form of temporary borrowing in anticipation of future long-term borrowing for capital projects, when such long-term borrowing is authorized under other sections of the Indiana Code. On June 26, 2007, the university issued Tax-Exempt Commercial Paper Notes (TECP), Series 2007A, as interim financing for certain approved facilities on various campuses. As of June 30, 2007, such funds have been used to partially finance the new athletics facilities on the Bloomington campus; the Multi-Disciplinary Science Building, Phase II on the Bloomington campus; the Research Institute III on the IUPUI campus; and student housing on the South Bend and Southeast campuses. TECP are notes payable that will be refinanced with some form of permanent financing at a future date. The interest rate and term of the notes are subject to market conditions on the maturity date of the notes. The number of days to maturity may not exceed 270 days, with the final maturity of the notes being June 1, 2017. A Standby Liquidity Support Agreement with JPMorgan Chase Bank, National Association, is in place for TECP Series 2007A. The liquidity support agreement is for a term of 364 days and has a stated expiration date of June 19, 2008. The liquidity support agreement is renewable and is based on an available commitment amount from the bank in excess of the maximum amount of principal and interest that may be outstanding.

As of June 30, 2007 and 2006, outstanding indebtedness from bonds and notes are shown in the following table:

(in thousands of dollars)

Bonding Authority	Interest Rates	Final Maturity- Years Ended June 30	Principal Outstanding At June 30, 2007	Principal Outstanding At June 30, 2006
Indiana Code 20-12-6 (21-34-6 *)	3.00 to 7.25%	2032	\$468,434	\$500,980
Indiana Code 20-12-7 (21-35-2 *)	6.25 to 6.60%	2009	815	1,190
Indiana Code 20-12-8 (21-35-3 *)	3.70 to 5.80%	2030	97,179	103,324
Indiana Code 20-12-9.5 (21-32-2 *)	3.74 to 3.75%	2017	140,000	55,000
Indiana Code 20-12-6-17 (21-34-10-7 *)	3.64%	2015	1,449	1,602
Subtotal bonds and notes payable			707,877	662,096
Add unamortized bond premium			15,181	16,245
Less deferred charges			(5,803)	(6,277)
Total bonds and notes payable			\$717,255	\$672,064

* Recodified Indiana Code number, effective July 1, 2007

As of June 30, 2007, the university has three series of variable or floating rate bonds outstanding. The Student Residence System Bonds, Series 1998, were issued in June of 1998 to finance the renovation of the Willkie Quadrangle on the Bloomington campus. The Facility Revenue Bonds, Series 2000, were issued in December of 2000 to finance the construction of parking facilities on various campuses. The Student Residence System Bonds, Series 2004A, were issued as floating rate bonds in conjunction with the Series 2004B fixed rate bonds, both of which were issued in June of 2004 to finance the Campus Apartments on the Riverwalk on the IUPUI campus. They are included in the previous table in the category titled Indiana Code 20-12-8. The variable interest rates are determined by the remark-

eting agents, based on prevailing market conditions. The variable interest is calculated on the basis of a 365 or 366-day year, for the actual number of days elapsed.

Fiscal years ended June 30, 2013–2017 reflect that TECP, Series 2005 and TECP, Series 2007A were issued with 10-year final maturities of December 1, 2015 and June 1, 2017, respectively. The university expects to provide long-term financing for these capital projects and repay the commercial paper through the issuance of bonds that will be payable from student fees, facility revenues or other sources of available funds. The permanent financing is anticipated to be for a term of 20 years or longer.

Principal and interest requirements to maturity for bonds and notes are as follows:

(in thousands of dollars)

<i>Fiscal Year Ended June 30</i>	<i>Bond Principal</i>	<i>Note Principal</i>	<i>Total Principal</i>	<i>Bond Interest</i>	<i>Note Interest</i>	<i>Total Interest</i>	<i>Total Payment</i>
2008	\$ 39,763	\$ 159	\$ 39,922	\$ 37,945	\$ 5,296	\$ 43,241	\$ 83,163
2009	42,044	165	42,209	36,327	5,290	41,617	83,826
2010	40,715	171	40,886	36,813	5,284	42,097	82,983
2011	40,871	177	41,048	35,680	5,277	40,957	82,005
2012	28,009	184	28,193	27,458	5,271	32,729	60,922
2013-2017	151,017	140,593	291,610	90,402	22,456	112,858	404,468
2018-2022	142,044	-	142,044	36,326	-	36,326	178,370
2023-2027	52,735	-	52,735	11,476	-	11,476	64,211
2028-2032	29,230	-	29,230	2,661	-	2,661	31,891
Total	\$566,428	\$141,449	\$707,877	\$315,088	\$48,874	\$363,962	\$1,071,839

Effective June 18, 2004, the university purchased an interest rate cap for the Indiana University Floating Rate Student Residence System Bonds, Series 2004A to limit the university's interest rate exposure to a maximum of 5.00% through the cap termination date of July 1, 2007. The university paid the counterparty a fixed payment of \$57,000 in exchange for the right to receive monthly payments in the event that the Bond Market Association Municipal Swap Index (BMA) exceeds 5.00% for a defined period of time. The fair value of this cap was \$0 and \$51 at June 30, 2007 and 2006, respectively. The cap had notional amounts of \$20,175,000 and \$20,500,000 at June 30, 2007 and 2006,

respectively, which declined based on the projected principal outstanding. The cap agreement includes standard termination events, such as failure to pay and bankruptcy. It also incorporates a provision whereby the counterparty must have a rating of 'A' or better from Moody's Investors Service and Standard & Poor's Credit Market Services. The agreement provides the counterparty with the right to assign the cap to another party; obtain a guaranty from another institution with the same or greater rating; or post collateral equal to the market value of the transaction, after obtaining the prior written consent of the university.

In prior years, the university has defeased the following bond issues either with cash or by issuing new debt. United States Treasury obligations or federal agency securities have been purchased in amounts sufficient to pay principal and interest payments when due, through maturity, and have been deposited in irrevocable trusts with trustees. Neither the defeased bonds nor the related trusts are reflected on the university's books. At June 30, 2007, Building Facilities Fee Bonds, Series M, defeased by the university on October 1, 1985, have principal outstanding of \$6,720,000, with a final maturity of July 1, 2010. As of June 30, 2007, Student Fee Bonds, Series M, which were partially defeased on December 14, 2004, have principal outstanding of \$10,420,000, with a final maturity of August 1, 2009. On June 20, 2006, the university partially defeased Student Fee Bonds, Series L, Series M, and Series N, which as of June 30, 2007, have principal outstanding of \$50,360,000, with a final maturity of August 1, 2011.

Note 11—Lease Obligations

The university leases certain facilities. Most of the facility leases include renewal options and some provide for escalation of rent based on changes in operating costs. Some leases are in substance lease-purchases and as such are recorded as capital lease obligations. Indiana Code 20-12-5.5 permits the use of debt in the form of long-term capital lease-purchase agreements. The schedule below includes a lease-purchase agreement between the IU Foundation and the university which was securitized and sold as Certificates of Participation, Series 2003A, in April of 2003 in the amount of \$10,830,000. The true interest cost for the entire certificate issue was 4.50%. The proceeds of the Series 2003A certificates were used to finance a portion of the cost of construction and equipping of the Biotechnology Research and Training Center (BRTC) on the IUPUI campus, and capitalized interest thereon.

Scheduled lease payments for the years ending June 30 are as follows:

(in thousands of dollars)

	Capital	Operating
2008	\$2,096	\$11,076
2009	1,675	6,375
2010	1,169	5,581
2011	975	5,326
2012	858	3,528
2013-2017	4,241	9,823
2018-2022	4,223	8,416
2023-2027	421	3,726
2028-2032	-	52
Total future minimum payments	15,658	<u>\$53,903</u>
Less: interest	<u>(4,146)</u>	
Present value of future principal outstanding	<u>\$11,512</u>	

Note 12—Federal Obligations Under Student Loan Programs

Student loans are funded by new allocations received from the federal government as well as principal and interest collected from previous student loan recipients. The federal government advanced \$536,569 and \$3,308,640 for health professions and nursing loan programs for fiscal years ended June 30, 2007 and 2006, respectively.

Liabilities at June 30, 2007 and 2006 for loan programs were as follows:

(in thousands of dollars)

	June 30, 2007	June 30, 2006
Federal share of interest	\$30,395	\$29,258
Perkins loans	20,939	21,370
Health professions loans	13,855	14,345
Nursing loans	<u>734</u>	<u>916</u>
Assets held in custody for others	<u>\$65,923</u>	<u>\$65,889</u>

Certain reclassifications have been made to the prior year for comparative purposes and do not constitute a restatement of prior periods.

Note 13—Risk Management

The university is exposed to various risks of loss: torts, theft, damage or destruction of assets, errors or omissions, job-related illnesses or injuries to employees, and health care claims on behalf of employees and their dependents. The university manages these risks through a combination of risk retention and commercial insurance, including coverage from internally maintained funds as well as from a wholly-owned captive insurance company, Old Crescent Insurance Company (OCIC). The university is self-insured for buildings and building contents for the first \$100,000 with an additional \$900,000 covered by OCIC per occurrence. The university is self-insured for comprehensive general liability and automobile liability for the first \$100,000 with an additional \$900,000 covered by OCIC and has supplementary commercial liability umbrella policies. The university has a malpractice and professional liability policy in the amount of \$250,000 for each claim and \$750,000 annually in aggregate provided by OCIC. The university is self-insured for the first \$750,000 of any worker's compensation claim. Excess commercial coverage for up to \$1 million is in place for employer liability claims. Workers' compensation claims above \$750,000 are subject to statutory limits.

The university has four health care plans for full-time appointed employees, two of which are also available to retirees not eligible for Medicare. Three of the employee plans are self-funded. The university records a liability for incurred but unpaid claims for university-sponsored, self-funded health care plans. This liability is estimated to be no more than 25% of the paid self-funded claims during the fiscal years ending June 30, 2007 and 2006, and totals \$24,691,208 and \$21,656,576 at June 30, 2007 and 2006, respectively. In addition, a potential claims fluctuation liability at June 30, 2007 and 2006 of \$9,876,483 and \$8,622,630, respectively, has also been recorded.

Separate funds have been established to account for the liability of incurred but unpaid health care claims, as well as any unusual catastrophic claims fluctuation experience. All organizational units of the university are charged fees based on estimates of the amounts necessary to pay health care coverage costs, including premiums and claims.

Note 14—Retirement Plans

The university provided retirement plan coverage to 17,799 and 17,530 active employees, as of June 30, 2007 and 2006, respectively, in addition to contributing to the Federal Insurance Contributions Act (FICA) as required by law.

INDIANA PUBLIC EMPLOYEES' RETIREMENT FUND

The university contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan with an annuity savings account provision. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All support, technical and service employees with at least a 50% full-time equivalent (FTE) appointment participate in the PERF plan. There were 6,916 and 6,913 active university employees covered by this retirement plan as of June 30, 2007 and 2006, respectively. State statutes (IC 5-10.2 and 5-10.3) authorize the university to contribute to the plan and govern most requirements of the system. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of a member's contributions, set by state statute at three percent of compensation, plus the interest credited to the member's account. The university has elected to make the contributions on behalf of the member. 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 700, 143 West Market Street, Indianapolis, IN 46204 or by calling (317) 233-4162.

Contributions made by the university totaled \$17,623,256 and \$15,626,947, for fiscal years ended June 30, 2007 and 2006, respectively. This represented a 5.5% and 4.5% university pension benefit contribution for fiscal years ended June 30, 2007 and 2006, respectively, and a 3% university contribution for the annuity savings account provisions each year.

PERF FUNDING POLICY AND ANNUAL PENSION COST

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The university's annual pension cost and related information, as provided by the actuary, is presented below.

The actuarial information represents the periods ended June 30, 2006 and 2005. The employer contributions required by the funding policy at actuarial determined rates are sufficient to fund the pension portion of the retirement benefit (normal cost) and the amortization of unfunded liabilities. The amortization period is level dollar closed over 30 years. The actuarial funding method is entry age normal cost. The employer required contribution is determined using an asset smoothing method.

Actuarial assumptions include: 1) an investment rate of return of 7.25%, and 2) a 1% cost of living increase granted in each future year, applying to current and future retirees.

The following schedules show the funding progress, net pension obligation, and trend information for PERF:

	<i>Fiscal Year¹</i> <i>Ended</i> <i>June 30, 2006</i>	<i>Fiscal Year</i> <i>Ended</i> <i>June 30, 2005</i>
Annual required contribution	\$ 10,292,548	\$ 8,199,297
Interest on net pension obligation	(411,395)	(459,148)
Adjustment to annual required contribution	<u>468,817</u>	<u>523,235</u>
Annual pension cost	10,349,970	8,263,384
Contributions made	<u>(9,398,859)</u>	<u>(7,604,720)</u>
Increase in net pension obligation	951,111	658,664
Net pension obligation, beginning of year	<u>(5,674,416)</u>	<u>(6,333,080)</u>
Net pension obligation, end of year	<u>\$ (4,723,305)</u>	<u>\$ (5,674,416)</u>

¹Actuarial data for 2007 not available at the time of this report.

<i>Fiscal Year Ended</i>	<i>Annual Pension Cost (APC)²</i>	<i>Percentage of APC Contributed</i>	<i>Net Pension Obligation</i>
June 30, 2004	\$ 7,028,546	160%	\$(6,333,080)
June 30, 2005	8,263,384	92%	(5,674,416)
June 30, 2006	10,349,970	91%	(4,723,305)

²Does not reflect costs attributable to the university's 3% defined contribution benefit. See Indiana Public Employees' Retirement Fund above.

ACADEMIC AND PROFESSIONAL STAFF EMPLOYEES

Appointed academic and professional staff employees, with at least 50% FTE are covered by the IU Retirement Plan. This is a defined contribution plan under IRC 403(b) with four contribution levels. The university contributed \$67,175,099 during fiscal year ended June 30, 2007 and \$65,722,920 during fiscal year ended June 30, 2006 to TIAA-CREF for the IU Retirement Plan. The university contributed \$15,301,540 during fiscal year ended June 30, 2007 and \$13,824,681 during fiscal year ended June 30, 2006 to Fidelity Investments for the IU Retirement Plan. Under this plan, 8,484 and 8,348 employees were directing university contributions to TIAA-CREF as of June 30, 2007 and 2006, respectively. In addition, 2,785 and 2,569 employees were directing university contributions to Fidelity Investments as of June 30, 2007 and 2006, respectively.

In addition to the above, the university provides early retirement benefits to appointed academic and professional staff employees Grade 16 and above. There were 1,367 and 1,427 active employees on June 30, 2007 and 2006, respectively, covered by the IU Supplemental Early Retirement Plan (IUSERP); a defined contribution plan in compliance with IRC 401(a), with participant accounts at TIAA-CREF and Fidelity Investments. The university contributed \$2,993,961 and \$2,795,273 to IUSERP during fiscal years ended June 30, 2007 and 2006, respectively. The same class of employees hired prior to January 1, 1989, are covered by the 18/20 Retirement Plan, a combination of IRC 457(f) and 403(b) provisions. The 18/20 Retirement Plan allows this group of employees to retire as early as age 64, assuming at least 18 years of participation in the IU Retirement Plan and

at least 20 years of continuous university service. During the fiscal year ended June 30, 2007, the university made total payments of \$31,683,164 to 409 individuals receiving 18/20 Retirement Plan payments. During the fiscal year ended June 30, 2006, the university made total payments of \$29,585,217 to 383 individuals receiving 18/20 Retirement Plan payments.

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 the Teachers Insurance and Annuity Association/College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017-3206.

Fidelity Investments 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 Fidelity Investments, 82 Devonshire Street, Boston, MA 02109.

IU REPLACEMENT RETIREMENT PLAN FUNDING POLICY AND ANNUAL PENSION COST

The university has established an early retirement plan for

eligible employees to accommodate IRS requirements, and as authorized by the Trustees of Indiana University. This plan is called the IU Replacement Retirement Plan. It is a single-employer plan and is qualified under IRC Section 401(a), with normal benefits payable for the participant's lifetime. Trust and recordkeeping activities are outsourced to the TIAA-CREF Trust Company. As of June 30, 2007 and 2006, 99 and 102 employees, respectively, were eligible to participate. University contributions related to this plan totaled \$1,831,680 and \$1,768,622 for fiscal years ended June 30, 2007 and 2006, respectively, with no employee contributions. These amounts represent 100% of the funding policy contribution.

Liabilities are based on the projected accrued benefit actuarial cost method with a normal cost determined for participants who have not yet attained the assumed full retirement age. The actuarial value of assets is equal to the fair value on the valuation date adjusted for employer contributions receivable.

Actuarial assumptions include a 7% asset rate of return and future salary increases of 4% compounded annually.

The following schedule shows the funding policy contributions for the fiscal years indicated for the IU Replacement Retirement Plan as provided by the actuarial valuation dated March 9, 2006.

	<i>Fiscal Year Ended June 30, 2007</i>	<i>Fiscal Year Ended June 30, 2006</i>	<i>Fiscal Year Ended June 30, 2005</i>
Cost of benefits earned during the year	\$ 984,562	\$ 926,091	\$ 896,866
Amortization of unfunded actuarial accrued liabilities	727,288	726,827	958,092
Interest	119,830	115,704	129,847
Funding policy contribution	<u>\$1,831,680</u>	<u>\$1,768,622</u>	<u>\$1,984,805</u>

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 the Teachers Insurance and Annuity Association/College Retirement Equities Fund, 730 Third Avenue, New York, NY 10017-3206.

The university provides term life insurance benefits to former employees with retiree status. Retiree status is based on age and service at termination date. This benefit is underwritten through an insurance company. During fiscal years ended June 30, 2007 and 2006, the university contributed \$645,864 and \$533,146, respectively, to this coverage.

Note 15—Related Organizations

The university is a beneficiary of the Riley Children's Foundation. In 1922 this foundation presented the James Whitcomb Riley Hospital for Children to Indiana University. On May 2, 1996, the James Whitcomb Riley Hospital for Children separated from Indiana University and is now part of Clarian Health Partners, Inc. The university has been a major beneficiary of this foundation. Riley Children's Foundation net assets were \$288,376,150 and \$176,715,895 at June 30, 2007 and 2006, respectively. Riley Children's Foundation net assets are not included in the financial statements of the university.

Note 16—Functional Expenses

The university's operating expenses by functional classification are as follows:

Fiscal year ended June 30, 2007

(in thousands of dollars)

Functional Classification	Natural Classification						Total
	Compensation & Benefits	Utilities	Supplies & Expenses	Scholarships & Fellowships	Depreciation	Travel	
Instruction	\$ 668,215	\$ 94	\$ 84,411	\$ 9,584	\$ —	\$12,906	\$ 775,210
Research	130,941	35	63,357	3,112	—	5,267	202,712
Public service	80,129	340	59,982	5,345	—	4,337	150,133
Academic support	142,688	31	43,117	1,241	—	4,298	191,375
Student services	52,091	5	13,426	541	—	1,206	67,269
Institutional support	159,357	161	50,604	559	—	2,926	213,607
Physical plant	47,487	49,047	33,812	—	—	134	130,480
Scholarships & fellowships	8,617	—	438	73,098	—	96	82,249
Auxiliary enterprises	166,344	2,696	135,530	4,581	—	5,061	314,212
Depreciation	—	—	—	—	111,860	—	111,860
Total operating expenses	\$1,455,869	\$52,409	\$484,677	\$98,061	\$111,860	\$36,231	\$2,239,107

Fiscal year ended June 30, 2006

(in thousands of dollars)

Functional Classification	Natural Classification						Total
	Compensation & Benefits	Utilities	Supplies & Expenses	Scholarships & Fellowships	Depreciation	Travel	
Instruction	\$ 607,267	\$ 77	\$ 66,504	\$ 8,634	\$ —	\$ 7,808	\$ 690,290
Research	149,874	19	77,845	4,132	—	8,536	240,406
Public service	83,294	332	53,529	3,737	—	4,158	145,050
Academic support	133,837	102	53,723	592	—	3,615	191,869
Student services	49,037	4	15,839	402	—	1,264	66,546
Institutional support	143,612	154	19,259	439	—	2,625	166,089
Physical plant	45,779	46,449	42,250	—	—	100	134,578
Scholarships & fellowships	8,735	—	433	71,109	—	81	80,358
Auxiliary enterprises	158,985	3,197	131,872	4,356	—	5,186	303,596
Depreciation	—	—	—	—	109,224	—	109,224
Total operating expenses	\$1,380,420	\$50,334	\$461,254	\$93,401	\$109,224	\$33,373	\$2,128,006

Note 17—Segment Information

The university issues revenue bonds to finance certain auxiliary enterprise activities. The primary source of repayment of these bonds is net income of certain parking and housing operations.

Revenue bonds have been issued to finance certain auxiliary parking enterprise activities on the Bloomington, IUPUI, Kokomo, and South Bend campuses. These auxiliary

entities provide parking services to students, staff, faculty, and the general public.

Revenue bonds have been issued to finance certain auxiliary housing activities on the Bloomington and IUPUI campuses. These auxiliary entities provide housing primarily to students. Condensed financial statements for Parking and Housing Operations are as follows:

(in thousands of dollars)

CONDENSED STATEMENT OF NET ASSETS	<i>Parking Operations</i>		<i>Housing Operations</i>	
	<i>June 30, 2007</i>	<i>June 30, 2006</i>	<i>June 30, 2007</i>	<i>June 30, 2006</i>
Assets				
Current assets	\$20,241	\$19,084	\$40,427	\$28,577
Capital assets, net	61,803	63,367	120,171	119,531
Total Assets	82,044	82,451	160,598	148,108
Liabilities				
Current liabilities	4,576	4,722	4,891	2,374
Long-term liabilities	40,078	43,528	55,300	58,710
Total liabilities	44,654	48,250	60,191	61,084
Net Assets				
Invested in capital assets, net of related debt	18,520	16,344	64,777	61,642
Unrestricted	18,870	17,857	35,630	25,382
Total net assets	\$37,390	\$34,201	\$100,407	\$87,024
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS	<i>Fiscal Year Ended June 30, 2007</i>	<i>Fiscal Year Ended June 30, 2006</i>	<i>Fiscal Year Ended June 30, 2007</i>	<i>Fiscal Year Ended June 30, 2006</i>
Operating revenues	\$ 17,473	\$16,633	\$51,409	\$49,632
Depreciation expense	(2,725)	(2,684)	(4,893)	(5,277)
Other operating expenses	(8,035)	(7,646)	(32,701)	(32,107)
Net operating income	6,713	6,303	13,815	12,248
Nonoperating revenues (expenses)				
Investment income	4	3	-	-
Interest expense	(2,274)	(2,047)	(2,398)	(2,213)
Increase in net assets	4,443	4,259	11,417	10,035
Net Assets				
Net assets, beginning of year	34,201	30,904	87,024	77,794
Net transfers	(1,254)	(962)	1,966	(805)
Net assets, end of year	\$37,390	\$34,201	\$100,407	\$87,024

(Continued from previous page)

CONDENSED STATEMENT OF CASH FLOWS

	<i>Parking Operations</i>		<i>Housing Operations</i>	
	<i>Fiscal Year Ended June 30, 2007</i>	<i>Fiscal Year Ended June 30, 2006</i>	<i>Fiscal Year Ended June 30, 2007</i>	<i>Fiscal Year Ended June 30, 2006</i>
Net cash provided (used) by:				
Operating activities	\$ 9,714	\$ 9,023	\$20,818	\$16,973
Capital and related financing activities	(7,389)	(7,029)	6,792	4,105
Investing activities	(1,120)	(496)	(15,263)	(9,038)
Net increase in cash	1,205	1,498	12,347	12,040
Beginning cash and cash equivalent balances	17,720	16,222	26,416	14,376
Ending cash and cash equivalent balances	\$18,925	\$17,720	\$38,763	\$26,416

Certain reclassifications have been made to the prior year for comparative purposes and do not constitute a restatement of prior periods.

Note 18—Commitments and Loss Contingencies

The university is party to an agreement in which it agreed to transfer ownership of certain equipment constructed by the university to Midwest Proton Radiotherapy Institute, LLC (MPRI). Capitalized costs of construction of the equipment and related factors will exceed the purchase terms of the agreement by an amount projected to be approximately \$26.6 million. The transfer of the equipment will facilitate activities that will further the university's research and teaching mission. In addition, the university expects to realize operating revenue through agreements with the purchasing party and has plans to apply this revenue to the construction costs incurred. This transaction will be

reflected in the university's financial statements when all terms of the agreement have been satisfied and are completed. In addition, Indiana University Research and Technology Corporation, a component unit of the university, is party to an agreement granting MPRI the use of the technology underlying certain other assets constructed by the university.

CONSTRUCTION PROJECTS

As of June 30, 2007, contractual obligations for capital construction projects were \$130,150,626.

**Indiana University Foundation
Notes to the Financial Statements
June 30, 2007 and 2006**

Note 1 - Organization and Operations

The Indiana University Foundation, Inc. (the "Foundation") is a not-for-profit corporation organized under the laws of the State of Indiana. The corporate purposes of the Foundation are to raise, receive, hold, invest and administer property and to make expenditures to or for the benefit of Indiana University, including its regional campuses and associated entities (such as the Purdue University schools housed at the Indiana University-Purdue University Indianapolis campus, Riley Children's Foundation, the Indiana University Research & Technology Corporation, the Clarian Health Partners, Inc., the Indiana University Alumni Association, and certain medical practice plans), herein referred to as the "University."

The Foundation was originally incorporated in 1936 and is empowered to perform a wide range of services and conduct a variety of activities that support the University as it carries out its missions of teaching, research, and public service. The Foundation conducts general and special purpose fund raising programs, receives and acknowledges gifts for the benefit of the University, administers those gifts to ensure that they are used as specified by the donor, invests those gifts intended for endowment purposes, serves as trustee for certain types of planned gift arrangements, and provides other services for the benefit of the University as requested from time to time.

Note 4 - Investments

Fair market value for a publicly traded security is based on the closing price for equity securities and the closing bid price for debt securities. Fair market value for non-publicly traded securities is computed based on the price earnings ratio, dividend discount model, or price to book analysis appropriately discounted due to illiquidity. Investments in alternative investments are carried at estimated fair value provided by the management of the respective alternative investment. A summary of investments as of June 30, 2007 and 2006 follows:

	Unrestricted		Temporarily Restricted		Permanently Restricted	
	Foundation	Agency	Foundation	University	Foundation	University
Institutional co-mingled funds	\$ 25,275,015	\$ 77,769,081	\$ 669,711	\$ 293,865,790	\$ 6,471,816	\$ 161,118,256
Common, preferred and international stocks	20,609,357	62,943,006	2,168,747	251,978,872	5,601,027	140,587,482
Alternative investments	14,165,291	50,623,694	435,949	94,091,438	6,519,802	200,360,261
Real estate	143,997	335,928	1,015,393	3,033,474	43,264	4,957,551
Mortgage securities	-0-	-0-	-0-	-0-	-0-	762,685
US Government and agency debt instruments	3,832,313	11,739,795	237,655	46,348,503	1,007,769	25,013,980
Corporate, municipal, and international bonds	3,750,377	11,354,298	585,255	46,527,919	1,054,851	27,525,294
Cash equivalents	3,391,127	2,507,262	62,333	9,764,999	217,842	5,465,823
Total investments	\$ 71,167,477	\$ 217,273,064	\$ 5,175,043	\$ 745,610,995	\$ 20,916,371	\$ 565,791,332

**Indiana University Foundation
Notes to the Financial Statements
June 30, 2007 and 2006**

	2006					
	Unrestricted		Temporarily Restricted		Permanently Restricted	
	Foundation	Agency	Foundation	University	Foundation	University
Institutional co-mingled funds	\$ 19,799,636	\$ 62,377,022	\$ 407,875	\$ 207,493,483	\$ 6,787,760	\$ 153,783,481
Common, preferred and international stocks	18,582,040	58,562,377	1,849,348	206,739,531	6,773,678	154,568,048
Alternative investments	7,209,910	24,095,033	157,554	46,818,340	3,265,749	92,530,618
Real estate	150,649	336,360	1,014,699	3,115,047	45,589	2,568,764
Mortgage securities	-0-	-0-	-0-	-0-	-0-	787,100
US Government and agency debt instruments	3,791,684	11,944,415	141,764	43,608,220	1,317,336	29,843,650
Corporate, municipal, and international bonds	5,068,741	15,913,378	570,123	57,718,045	1,865,913	42,675,197
Cash equivalents	1,742,241	3,263,220	154,640	25,340,750	393,851	8,932,340
Commercial paper	195,080	614,931	4,018	2,081,370	66,866	1,505,084
Total investments	\$ 56,539,981	\$ 177,106,736	\$ 4,300,021	\$ 592,914,786	\$ 20,516,742	\$ 487,194,282

Included in the underlying US Government and agency debt instruments are futures, forwards, and option contracts that are considered derivative financial instruments. The carrying values of these derivative financial instruments are adjusted to net fair market value as determined by the Foundation's investment manager. Significant open positions as of June 30, 2007 and 2006 are summarized as follows:

	2007		2006	
	Notional Par	Net Fair Market Asset (Liability) Value	Notional Par	Net Fair Market Asset (Liability) Value
Futures:				
US Treasury Notes and Bonds	\$ (40,500,000)	\$ 105,571	\$ (4,500,000)	\$ (58,523)
Eurodollars	1,204,000,000	(808,050)	509,000,000	(1,222,600)
90 Day Libor	18,500,000	(21,735)		
Forwards:				
US Government Agencies	\$ 10,502,289	\$ 86,246	\$ 22,500,000	\$ 16,172

The gross and net credit risk associated with the related counterparties on these open futures and forwards positions is insignificant. The market risk for these futures and forwards is directly linked with exchange rates or market interest rates as the underlying securities bear a fixed rate of interest. The futures instruments required \$1,276,447 and \$506,950 in cash, and \$1,610,468 and \$621,115 of US Treasury Bills as collateral in a margin maintenance account as of June 30, 2007 and 2006, respectively. The related net gains generated were \$797,280 and \$656,055 for the years ended June 30, 2007 and 2006, respectively.

**Indiana University Foundation
Notes to the Financial Statements
June 30, 2007 and 2006**

Note 9 - Contingencies and Commitments

As described in Note 2 - Summary of Significant Accounting Policies, the Foundation assumes all risk associated with certain permanent endowment assets and the market and interest rate changes related to the Foundation's investment of these monies. For specific endowments where the market value has declined below the original gift corpus, the Foundation reports a decrease in its unrestricted net assets through a reduction in its investment in securities. This amount totals \$67,665 and \$1,353,459 as of June 30, 2007 and 2006, respectively. Subsequent recovery of investment market value has reduced previously accrued deficits with unrestricted amounts reinstated of \$1,285,794 and \$2,848,084, respectively for the years ended June 30, 2007 and 2006.

The Foundation has borrowed \$55,048,541 and \$60,166,428 of temporarily restricted University cash and cash equivalents as of June 30, 2007 and 2006, respectively, and has reported this interfund borrowing as "due to (from)" on the Statement of Financial Position. The Foundation assumes all risk associated with the composition of assets related to the Foundation's reinvestment of the temporarily restricted University monies. These borrowings were used to (1) acquire property, plant and equipment for the benefit of the University, (2) purchase investment securities, and (3) support on-going Foundation operations. Repayment of the borrowings is primarily dependent on the Foundation's ability to (1) generate future appreciation and income from investment securities, (2) receive future revenue from existing property leases arrangements with the University and (3) receive future unrestricted gifts. Management has currently developed initiatives to reduce such borrowings in the future and maintain an appropriate composition of assets to comply with all donor restrictions. However, further investment market value declines and reduced unrestricted giving could require additional borrowings to sustain the Foundation operations in the near term.

Interfund financing of \$8,381,531 and \$9,396,121 as of June 30, 2007 and 2006, respectively, represents amounts financed by the Foundation unrestricted net assets to the agency and temporarily restricted University net assets. The carrying value of interfund financing approximates fair market value, as the borrowing rates currently available to the Foundation are similar to the terms on remaining maturities. Interest rates are variable ranging from 6.00% to 6.26% and 5.59% to 8.00% as of June 30, 2007 and 2006, respectively.

The Foundation's alternative investments include investments in: (1) private equity such as venture capital and leveraged buyout funds; and (2) absolute return and inflation hedge strategies, including opportunistic real estate and natural resources. The Foundation's asset allocation policy allocates up to 39% in these types of investments. As of June 30, 2007 and 2006, the Foundation has entered into agreements with unfunded commitments of \$217.9 million and \$195.8 million, respectively. These commitments are expected to be fulfilled over the next three to five years.

**Indiana University Foundation
Notes to the Financial Statements
June 30, 2007 and 2006**

Note 10 - Program Expenditures

Program expenditures include support for Foundation and University programs. Foundation programs include: real estate, air transportation services, Student Foundation, cultural center, women's programs and other miscellaneous programs. These University related program expenditures primarily support "Grants and aid to the University" and "Endowment and capital additions." For the years ended June 30, 2007 and 2006, a summary of these expenditures follows:

	2007		
	Foundation	Unrestricted University*	Total
Program expenditures:			
Foundation programs:			
Real estate	\$ 2,465,974	\$ -0-	\$ 2,465,974
Air transportation services	1,401,629	-0-	1,401,629
Student Foundation	528,279	-0-	528,279
Cultural center	202,480	-0-	202,480
Women's programs	70,070	-0-	70,070
Miscellaneous	62,164	-0-	62,164
	4,730,596	-0-	4,730,596
Grants and aid to the University:			
Operating support:			
University support	2,983,384	32,656,325	35,639,709
Student scholarship and financial aid	144,650	22,727,353	22,872,003
Faculty support	7,960	11,386,243	11,394,203
Faculty research	-0-	10,182,458	10,182,458
	3,135,994	76,952,379	80,088,373
Endowment and capital additions:			
Land, building and equipment purchases	105,757	9,280,582	9,386,339
Library and art acquisitions	-0-	900,422	900,422
	105,757	10,181,004	10,286,761
Total program expenditures	\$ 7,972,374	\$ 87,133,383	\$ 95,105,730

**Indiana University Foundation
Notes to the Financial Statements
June 30, 2007 and 2006**

	2006		
	Foundation	Unrestricted University*	Total
Program expenditures:			
Foundation programs:			
Real estate	\$ 1,680,008	\$ -0-	\$ 1,680,008
Air transportation services	1,549,520	-0-	1,549,520
Student Foundation	478,427	-0-	478,427
Cultural center	144,911	-0-	144,911
Women's programs	30,415	-0-	30,415
Miscellaneous	59,548	-0-	59,548
	<u>3,942,829</u>	<u>-0-</u>	<u>3,942,829</u>
Grants and aid to the University:			
Operating support:			
University support	7,600,897	24,268,960	31,869,857
Student scholarship and financial aid	74,575	22,585,328	22,659,903
Faculty support	13,465	7,512,653	7,526,118
Faculty research	-0-	7,718,557	7,718,557
	<u>7,688,937</u>	<u>62,085,498</u>	<u>69,774,435</u>
Endowment and capital additions:			
Land, building and equipment purchases	107,070	16,045,652	16,152,722
Library and art acquisitions	312	1,088,896	1,089,208
	<u>107,382</u>	<u>17,134,548</u>	<u>17,241,930</u>
Total program expenditures	<u>\$ 11,739,148</u>	<u>\$ 79,220,046</u>	<u>\$ 90,959,194</u>

*These expenditures relate to temporarily restricted University net assets reclassified to unrestricted as the time or purpose restrictions are met. These amounts are included in the Statement of Activities as net assets released from restriction.

Note 11 - Related Party Transactions

In addition to amounts and transactions disclosed in the preceding notes and financial statements, the following is a summary of related party transactions. These transactions have been summarized below by financial statement classification as reported in the Statement of Activities. Related parties include affiliates, board of directors, management, and members of their immediate families.

**Indiana University Foundation
Notes to the Financial Statements
June 30, 2007 and 2006**

**Revenue and Support
Other Income**

Included in unrestricted other income is direct support from the University for certain fundraising efforts as well as income from its program operations. For the years ended June 30, 2007 and 2006 the University reimbursed the Foundation for its direct support of the Matching the Promise Campaign general fund raising efforts in the amount of \$505,297 each year. As a part of the Foundation program operations, the Foundation received support from the University for the years ended June 30, 2007 and 2006, respectively, as follows: \$5,264,951 and \$2,147,728 of rental income for the lease of certain real estate; \$1,245,009 and \$1,063,364 for Telefund service fees related to its telephone fund raising operations; \$1,070,036 and \$1,143,248 for air transportation services; and \$2,407,028 and \$2,071,511 for management/administrative fees.

Contributions and Promises to Give

The Foundation includes related party contributions in the Statement of Activities and outstanding irrevocable promises to give in the Statement of Financial Position.

A summary of Contributions and Promises to Give as of and for the years ended June 30, 2007 and 2006 follows:

	<u>2007</u>	<u>2006</u>
Contributions	\$ 17,181,152	\$ 50,538,801
Promises to Give	\$ 50,454,088	\$ 39,749,426

Expenditures

Investment Management Fee and Investments

As of June 30, 2007 and 2006, respectively, the Foundation owns limited partnership interests of \$13,261,352 and \$5,880,254 where a related party is either a general or limited partner. Management fees are outlined in individual limited partnership agreements and range from 1% to 2.5% of the annual capital commitments.

Management and General Expenses

Included in management and general expenses are fees paid to related parties for legal, insurance and financial services. For the years ended June 30, 2007 and 2006, these services total \$562,045 and \$717,674, respectively.

Program Expenditures

The Foundation operates a program to acquire on behalf of, lease to, and/or grant real estate to the University. Included in university support are the net book values of properties granted to the University totaling \$925,327 and \$250,047 for the years ended June 30, 2007 and 2006, respectively. In addition, program costs include maintenance and repair, utilities, insurance and taxes. Income received by the Foundation related to these operations is recorded in other income.



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITORS' REPORT

TO: THE OFFICIALS OF INDIANA UNIVERSITY, BLOOMINGTON, INDIANA

We have audited the accompanying basic financial statements of Indiana University, 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 1, 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 Indiana University, 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 9, 2007, on our consideration of Indiana University'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.

November 9, 2007

STATE BOARD OF ACCOUNTS
State Board of Accounts

Trustees and Administrative Officers of Indiana University

THE TRUSTEES OF INDIANA UNIVERSITY

for fiscal year ended June 30, 2007

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Patrick A. Shoulders, Vanderburgh County,
Vice President

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Robin Roy Gress, Secretary

Dorothy J. Frapwell, Assistant Secretary

MaryFrances McCourt, Treasurer

Stewart T. Cobine, Assistant Treasurer

ADMINISTRATIVE OFFICERS

for fiscal year ended June 30, 2007

Adam W. Herbert, President of the University

Myles Brand, President Emeritus of the University

Thomas Ehrlich, President Emeritus of the University

John W. Ryan, President Emeritus of the University

Kenneth R. R. Gros Louis, University Chancellor

Michael A. McRobbie, Interim Provost and Vice
President, Academic Affairs, Bloomington

Charles R. Bantz, Executive Vice President and
Chancellor, Indiana University-Purdue University
Indianapolis

D. Craig Brater, Vice President and Dean, Indiana
University School of Medicine

J. Terry Clapacs, Vice President and Chief
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Dorothy J. Frapwell, Vice President and General
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Development and Student Affairs

Judith G. Palmer, Vice President and Chief Financial
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Michael M. Sample, Vice President for University
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MaryFrances McCourt, Treasurer of the University

Bruce W. Bergland, Chancellor, Indiana University
Northwest (Gary)

David J. Fulton, Chancellor, Indiana University East
(Richmond)

Sandra R. Patterson-Randles, Chancellor, Indiana
University Southeast (New Albany)

Ruth J. Person, Chancellor, Indiana University
Kokomo

Una Mae Reck, Chancellor, Indiana University South
Bend

Michael A. Wartell, Chancellor, Indiana University-
Purdue University Fort Wayne

Additional copies of this report may be obtained from:

Office of the Vice President and Chief Financial Officer
Bryan Hall 204
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Bloomington, IN 47405-7000
<http://www.indiana.edu/~vpcfo/>
PDF file of this report: <http://www.indiana.edu/~vpcfo/fy2007.pdf>

For additional information:

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FINANCIAL REPORT

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ADMISSIONS

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GIFTS

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GRANTS

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ATHLETICS

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ALUMNI

Alumni Association
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<http://alumni.indiana.edu>

Acknowledgements:

The following members of Financial Management Services prepared the *2006-07 Financial Report* and the included financial statements.

Kathleen T. McNeely, Associate Vice President and Executive Director, Financial Management Services

Joan Hagen, Chief Accountant and Managing Director, Financial Management Services

William Overman, Manager of External Financial Reporting

Rhonda Inman, External Reporting and Compliance

Aaron Pritchett, External Reporting and Compliance

Andrea Roberts, External Reporting and Compliance

The following members of Financial Management Services assisted in the preparation of the *2006-07 Financial Report* and the included financial statements.

Sterling George, Director of Operations, Systems Administration, and Records Management

Christina Nikirk, Plant Fund Accountant

Jennifer George, Manager, Auxiliary Accounting

Hal Jankowski, Auxiliary Accountant

Phyllis Taylor, Senior Communications Specialist

The following entities provided data essential in the preparation of the financial statements.

Construction Management

Indiana University Foundation

Office of the Treasurer

Real Estate

Risk Management

Student Information and Fiscal Services

University Architect's Office

University Human Resource Services

Photography: Chris Meyer, University Marketing; Cathy Cochard, Phyllis Taylor, and Jan Young, FMS
Architectural sketches: University Architect's Office