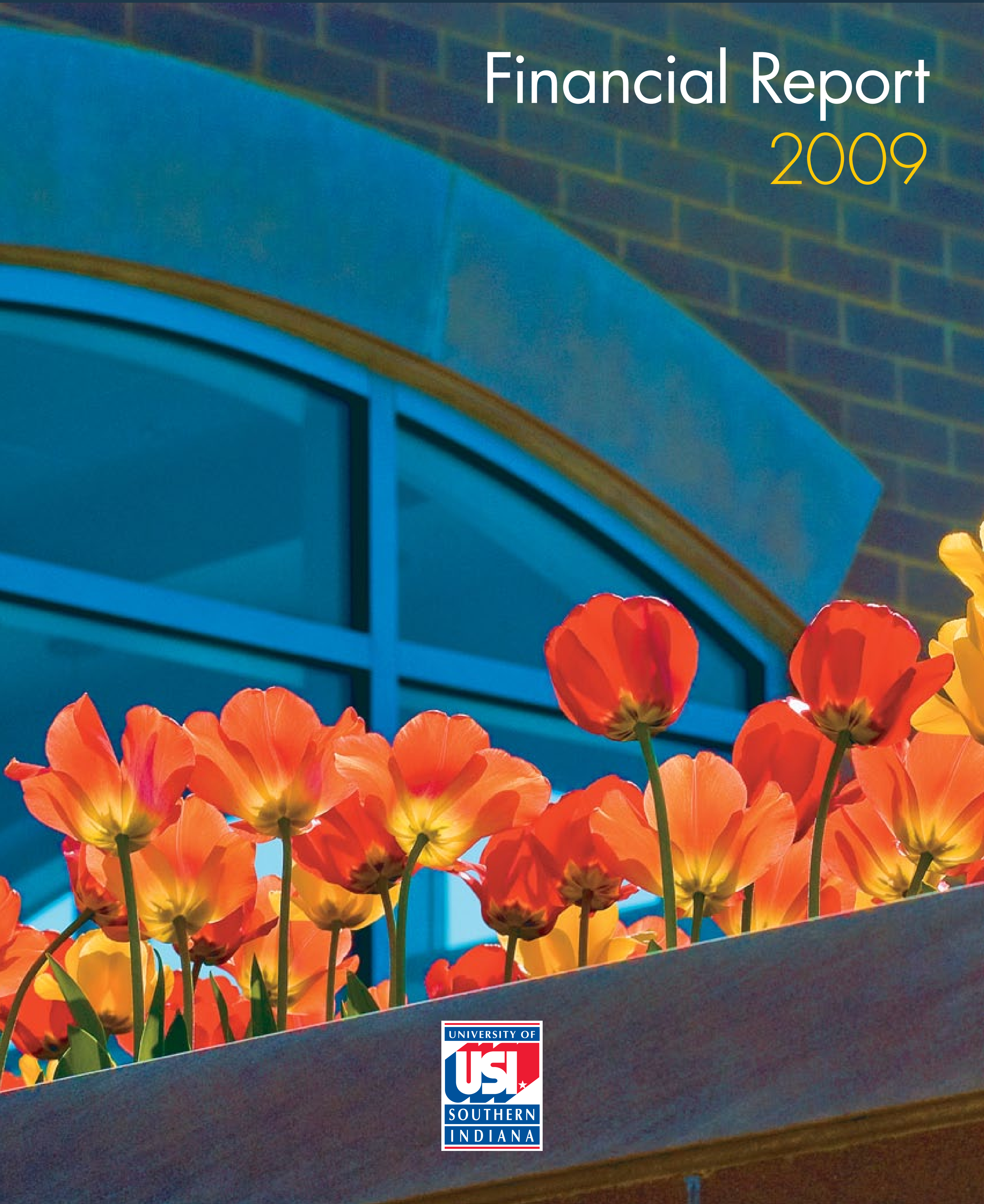
UNIVERSITY OF SOUTHERN INDIANA

Financial Report 2009



UNIVERSITY OF USI SOUTHERN INDIANA

ON THE COVER

David L. Rice Library

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Additional copies of this report may be obtained from:

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

Board of Trustees 2008–2009

Trustees of the University gather before the 2009 commencement ceremony. They are (left to right) Ira G. Boots, Steven J. Schenck, Ronald D. Romain, Amy L. MacDonell, President H. Ray Hoops, Jamie L. Johnson, John M. Dunn, Jeffrey L. Knight, and W. Harold Calloway.

John M. Dunn, 2010
Chair
Evansville, Indiana

Amy L. MacDonell, 2010
Secretary
Indianapolis, Indiana

Ronald D. Romain, 2012
Evansville, Indiana

W. Harold Calloway, 2010
Vice Chair
Evansville, Indiana

Ira G. Boots, 2012
Evansville, Indiana

Steven J. Schenck, 2012
Fishers, Indiana

Jeffrey L. Knight, 2011
Vice Chair
Evansville, Indiana

Jamie L. Johnson, 2009
Newburgh, Indiana

Ted C. Ziemer, Jr., 2011
Evansville, Indiana

University Officers 2008–2009

H. Ray Hoops
President

Linda L. M. Bennett
Provost and Vice President for Academic Affairs

Cynthia S. Brinker
Vice President for Government and University Relations

Robert W. Parrent
Vice President for Student Affairs

Mark Rozewski
Vice President for Business Affairs and Treasurer

University Update 2008–2009

Dr. H. Ray Hoops
President 1994–2009

Dr. Linda L. M. Bennett
President 2009

Fiscal year 2008–2009 was transitional for the University of Southern Indiana. USI's second president, Dr. H. Ray Hoops, retired on June 30, 2009, after 15 years of service to the University. Dr. Linda L. M. Bennett was named USI's third president effective July 1, 2009.

The fall 2009 enrollment of 10,516 students was record-setting. In addition to the enrollment increase, the quality of incoming students and student diversity grew. Overall, a traditional-aged freshman's grade point average now exceeds 3.0 on a 4.0 scale. Departmental scholarships increased from 1,018 to 1,068, and first-year students who automatically qualified for the USI Honors Program increased by four percent. Minority and international students represent over eight percent of the student population. African American students, the largest minority population at USI, represent over five percent of the total number of students.

Construction milestones were acknowledged in April with the topping off ceremony for the $31 million Business and Engineering Center, scheduled to open in 2010, and groundbreaking for the $18.4 University Center expansion to be completed fall 2010. In May the $9 million addition to the Recreation, Fitness, and Wellness Center opened for student and employee use. The facility has more lounge space for students, new cardio and weight-lifting equipment, and a climbing center featuring a rock-climbing wall and a bouldering wall.

USI gained national recognition this year as one of 119 public and private colleges and universities with the distinction of being named an engaged university by the Carnegie Foundation for the Advancement of Teaching. The outstanding work of USI faculty, staff, and students in connecting the learning environment on campus with southwestern Indiana affirmed that USI takes seriously its mission to support education, social and economic growth, and civic and cultural awareness in the region.

The 2009 Indiana General Assembly approved $15 million in bonding authority for a teaching theatre to be located on campus. The teaching theatre will replace the off-campus facility and supporting buildings which are in the path of the future widening of Highway 62/Lloyd Expressway.

In a year that found Indiana in an economic downturn with lower projected state tax revenues, the operating budget of $39,044,222 is a decrease of approximately 3.3 percent from the previous year. The University will receive approximately $4 million to be used for one-time expenditures through the American Recovery and Reinvestment Act of 2009, but USI is mindful the stimulus money is one-time funding that will not carry to the next biennium.

Fiscal year 2009–2010 has the promise of new facilities with the opening of the Business and Engineering Center and continued construction on the addition to the University Center. The entrance roundabout, which opened fall 2009, will be completed to include a University of Southern Indiana sign, fountain, and landscaping.

Under the leadership of President Bennett, USI is prepared to serve as the leader in public higher education for the state and residents of southern Indiana. Dr. Bennett recalled in her inaugural address that service to a greater good was a primary reason USI was created. She added, "But 44 years after our founding and a mere 24 years after our emergence as a separate public university, there is little doubt that USI is delivering on the promise of its founding."

Message From The Vice President and Treasurer

Mark Rozewski
Vice President for
Business Affairs
and Treasurer

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

I am pleased to present the University of Southern Indiana's audited financial report for the fiscal year ended June 30, 2009. The financial report has been prepared and presented in accordance with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB) for public colleges and universities. The University is regarded as a special-purpose government entity engaged only in business-type activities. As such, the financial report consists of the following basic statements: Management's Discussion and Analysis (MD&A); the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; the Statement of Cash Flows; and the Notes to the Financial Statements. The report also contains the Statement of Financial Position and the Statement of Activities of the USI Foundation, a component unit of the University of Southern Indiana.

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

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

Mark Rozewski
Vice President for Business Affairs
and Treasurer

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of University of Southern Indiana, a component unit of the State of Indiana, as of and for the years ended June 30, 2009 and 2008. 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 audits. We did not audit the financial statements of the component unit of the University as discussed in Note 17, 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 audits 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 audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the financial position of University of Southern Indiana, as of June 30, 2009 and 2008, 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 October 29, 2009, on our consideration of University of Southern Indiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit. This report will be issued in the University's Single Audit report prepared in accordance with OMB Circular A-133.

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

STATE BOARD OF ACCOUNTS
State Board of Accounts

October 29, 2009

Management's Discussion and Analysis

Management's discussion and analysis reviews the financial performance of the University during the fiscal year ended June 30, 2009, and compares that performance with data from prior fiscal periods. It is designed to focus on current activities, resulting changes, and currently known facts. It is intended to answer questions that may result from the review of the information presented in the financial statements and to better explain the financial position of the University. The information presented in the financial statements, the notes to the financial statements, and the discussion and analysis are the responsibility of management.

Using the Annual Report

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

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

Statement of Net Assets

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

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

Assets

Current assets at June 30, 2009, consist predominantly of cash and cash equivalents, short-term investments, receivables net of allowances for bad debt, and deposit with bond trustee. Also included are prepaid expenses and accrued interest. Non-current assets include capital assets net of depreciation and long-term investments. Both current and non-current assets include notes receivables and lesser-valued resources that are grouped together and listed under the term "Other."

STATEMENT OF NET ASSETS June 30 (in thousands)	2009	2008	2007
Current assets	$ 102,541	$ 69,350	$ 67,249
Non-current assets:			
Capital assets, net of depreciation	153,764	133,349	131,645
Other non-current	29,599	36,338	25,135
Total Assets	**$285,904**	**$239,037**	**$224,029**
Current liabilities	$21,262	$ 17,602	$ 17,722
Non-current liabilities	153,864	119,821	117,297
Total Liabilities	**$175,126**	**$137,423**	**$135,019**
Net assets:			
Invested in capital assets, net of debt	$ 33,492	$ 15,791	$ 11,407
Restricted–expendable	28	850	1,768
Unrestricted	77,258	84,973	75,835
Total Net Assets	**$110,778**	**$101,614**	**$ 89,010**

Total assets increased $46.9 million (19.6 percent) in 2009 compared to a $15.0 million (6.7 percent) increase in 2008 and a $4.8 million (2.2 percent) increase in 2007. The current year increase is explained by the following fiscal year events:

- Cash and investments decreased $16.4 million in 2009 compared to a $17.1 million increase in 2008, and a $10.1 million increase in 2007 reflecting the University's commitment to improve campus facilities using institutional resources.
- Student receivables comprise 62.9 percent of the total accounts receivable amount and increased $145,480 in 2009 compared to a $2.4 million decrease in 2008 and a $3.1 million increase in 2007.
  - — Fiscal year 2007 marked the implementation of a change in summer billing. In contrast to previous years, when each summer session was billed separately over three months, all 2007 summer sessions were billed before the fiscal year end. This caused the large increase in that fiscal year.
  - — In fiscal year 2008, the third summer billings were identified and removed from receivables and income, bringing the total student receivables more in line and more comparable to previous years.
  - — Fiscal year 2009 student receivables are 4.0 percent higher than those of fiscal year 2008, reflecting a combination of enrollment increases and student fee increases.
- Deposits with Bond Trustee increased by $43.8 million in 2009. The increase primarily resulted from the issuance of $51.2 million in Series J bonds issued in February 2009. Note 6 of the Notes to Financial Statements contains more information regarding this debt issue.
- Gross capital assets increased by $29.5 million in fiscal year 2009. Completion of the McDonald West Recreation Building, the Support Services Building, the McCutchan Art Gallery, and purchases of rental property and capital equipment and library materials accounted for $10.7 million of the increase; work in progress on projects described in Note 14 of the Notes to Financial Statements created the remaining increase of $18.8 million. These increases were offset by an increase in accumulated depreciation of $9.1 million for a net capital asset increase of $2.0 million in fiscal year 2009.

Liabilities

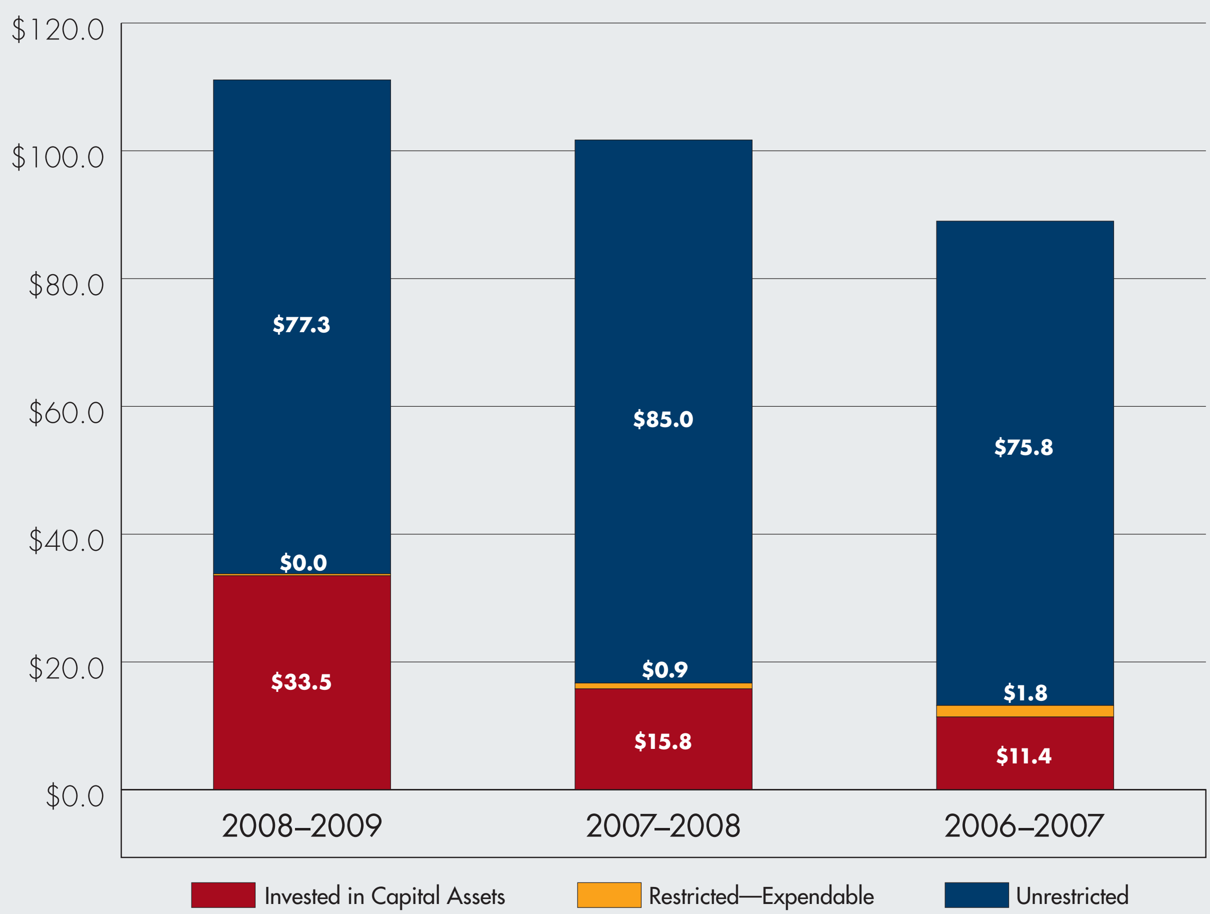
Current liabilities at June 30, 2009, are primarily composed of accrued payroll and related benefits and deductions and the current portion of bonds payable. Also included are accounts payable, debt interest payable, and other miscellaneous liabilities. Non-current liabilities are predominately bonds payable. Also included are compensated absences, termination and postemployment benefits, an unamortized bond premium, and miscellaneous other long-term liabilities. Total liabilities increased $37.7 million (27.4 percent) in 2008 compared to an increase of $2.4 million (1.8 percent) in 2008 and a decrease of $1.3 million (.9 percent) in 2007. Activities that influenced this change include the following:

- Accrued payroll, related benefits and deductions increased $524,024 in 2009 compared to a $281,000 decrease in 2008 and a $402,000 decrease in 2007.
  - — Recognition of voluntary termination benefits decreased $56,628 for 2009.
  - — Benefit withholdings increased $290,344 for the 2009 fiscal year.
  - — Fiscal year-end withholding liabilities increased $64,320 and wages payable increased $336,924.
  - — In 2008, excess collections, which had accumulated over a three-year period, were removed from the benefits liability account to establish a holding fund of $1.0 million to cover claims exceeding medical premiums collected during the year. This one-time change created a $115,501 change for that fiscal period.
  - — Minor changes in compensated absences and in miscellaneous deductions explain the remaining 2009 changes.
- The 2009 net change to notes and bonds payable equals a $36.2 million increase.
  - — Notes payable decreased $6.5 million as interim financing for multiple projects—architectural and engineering fees for a future Business and Engineering Center; completion of the lower level of the Education Center; and expansion of the physical plant facility—were paid with funds from the February 2009 Series J bond issue of $50.2 million.
  - — Bonds payable increased $42.7 million with the addition of the Series J issue. See Note 5 in Notes to Financial Statements for more information on notes and bonds payable.
  - — Paying down the existing debt decreased bonds payable by $7.5 million.

Net Assets
Net assets at June 30, 2009, are $9.2 million greater than on June 30, 2008. Capital assets, net of related debt, increased $17.7 million; restricted expendable assets decreased $821,610; and unrestricted assets decreased $7.7 million. Unrestricted assets equal $77.3 million and comprise 70.0 percent of total net assets. Of the total unrestricted amount, $72.4 million have been internally designated as follows:

- $25.8 million reserve for equipment and facilities maintenance and replacement
- $14.4 million reserve for University benefits
- $14.6 million reserve for auxiliary systems
- $4.7 million reserve for working capital and outstanding encumbrances
- $6.8 million reserve for academic operations and initiatives
- $2.8 million reserve for insurance and equipment
- $3.3 million reserve for medical premiums

ANALYSIS OF NET ASSETS (in millions)



Statement of Revenues, Expenses, and Changes in Net Assets

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

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

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

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS Year Ended June 30 (in thousands)	2009	2008	2007
Total operating revenues	$ 64,811	$ 58,498	$ 57,140
Total operating expenses	(120,779)	(109,392)	(106,858)
Operating losses	(55,968)	(50,894)	(49,719)
Net non-operating revenues/(expenses)	65,102	62,697	55,021
Income before other revenues, expenses, gains, or losses	9,134	11,803	5,302
Capital gifts, grants, and appropriations	30	801	805
Increase / (decrease) in net assets	**$ 9,164**	**$ 12,604**	**$ 6,107**

Revenues

Operating revenues increased $6.3 million (10.8 percent) in 2009 compared to 2.4 percent increases over the last two fiscal years–$1.4 million in 2008 and $1.3 million in 2007. The increases are explained by the following significant fiscal year activities:

- Net student fee revenue increased from $35.3 million in 2008 to $39.3 million in 2009. This change is due primarily to a fee increase of 6.0 percent in 2009 and an enrollment increase of 1.9 percent.
- Auxiliary income increased from $20.8 million in 2008 to $23.2 million in 2009. The bookstore experienced a $1.5 million operating increase; housing rental realized a $397,000 increase; and other auxiliary operations increased $503,000.

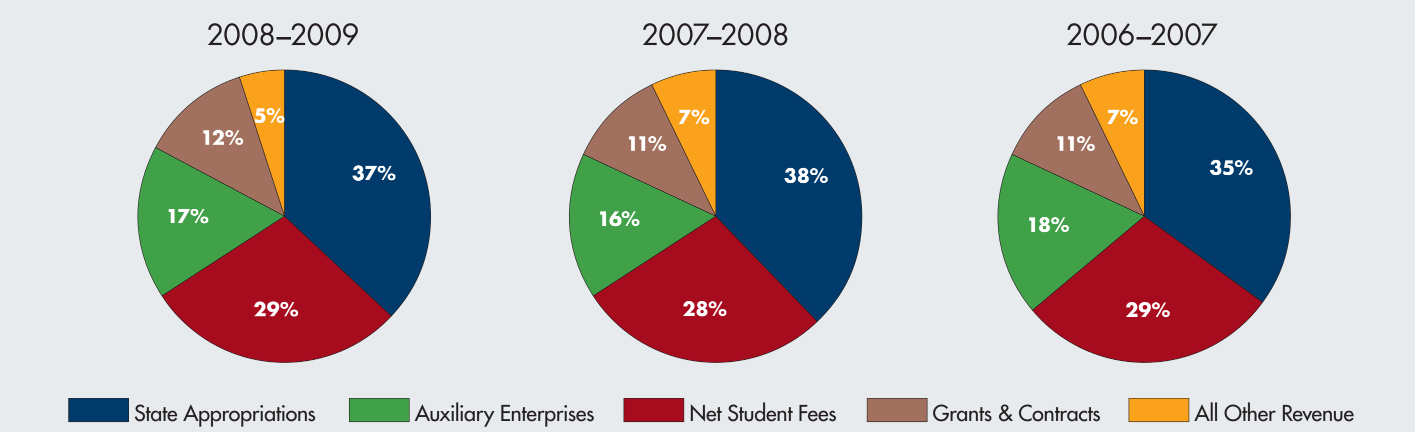
Non-operating revenues experienced a net increase of 3.4 percent for the fiscal year ended June 30, 2009, compared to a 12.9 percent increase in 2008.

- State appropriations increased 3.3 percent, from $48.3 million in 2008 to $49.9 million in 2009. General operating support from the State of Indiana generated this change as it was increased $1.6 million.
- Gift revenues increased 9.6 percent and 19.2 percent for 2009 and 2008 respectively. Of the $2.7 million gifts received in 2009, 96.0 percent came from the USI Foundation for scholarships, educational grants, academic enhancements, athletics, and other University support.
- Federal grants and contracts increased more than $1.2 million (16.1 percent) compared to an increase of $786,000 (11.7 percent) in 2008. Federal student financial assistance accounted for over $915,000 of the current year increase.

Other revenues include capital gifts from the USI Foundation. Capital gifts of more than $800,000 in 2008 and $30,000 in 2009 were received for purchase of classroom equipment, major renovation, and new construction projects. More than $24,000 of the $30,000 in 2009 gifts is restricted to the renovation and landscaping of the Schnee-Ribeyre-Elliott house in New Harmony, Indiana.

Total revenues (operating, non-operating, and other) increased $7.9 million in fiscal year 2009 compared to a $9.2 million increase in 2008. The graph below shows the composition of the University's revenue for fiscal years 2007–2009.

REVENUE CHARTS



Expenses

Operating expenses increased $11.4 million (10.4 percent) this fiscal year compared to a $2.5 million (2.4 percent) increase in 2008. Except as noted otherwise, the increase in operating expenses is generally a result of rising costs and an increase in campus plant facilities. Changes in expense categories were as follows:

- Compensation (salaries, wages, and benefits) comprises 56.7 percent of total operating expenses and increased 10.3 percent over 2008. Salaries and wages increased $3.9 million and benefit expense increase $2.4 million. Instructional salary expenses increased by more than $1.3 million and administrative salaries increased by $1.2 million. Medical insurance costs accounted for $1.2 million of the benefit increase, retirement plan costs increased by $400,000 and other post retirement benefit costs increased by more than $400,000.
- Student financial aid increased by $1.1 million for a 17.5 percent increase. Federal Pell grants were responsible for $918,000 of the increase.
- Utilities increased $780,000 (17.6 percent) compared to the prior year's increase of $500,000 (14.0 percent). Electricity costs rose by $447,000 and gas costs increased by $326,000.
- Supplies and other services expense increased in 2009 by $2.6 million, or 9.4 percent. Bookstore purchases accounted for nearly $1.3 million of the increase and capital outlay accounted for approximately $900,000 of the increase.
- Depreciation increased $527,000, or 5.9 percent, in fiscal year 2009 compared to a decrease of $400,000, or 4.5 percent, in fiscal year 2008.

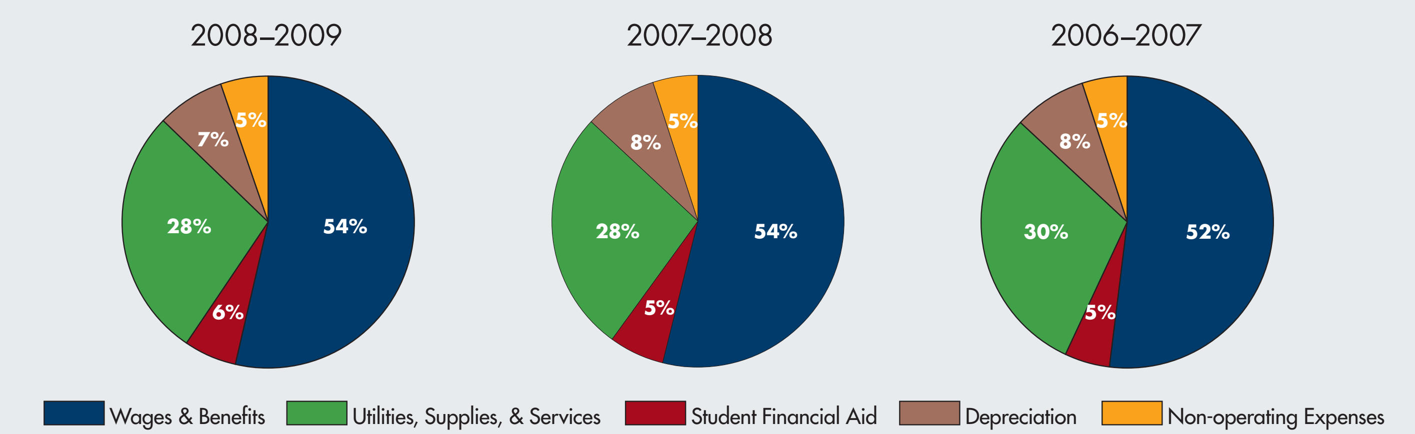
Non-operating expenses consist of interest on capital asset-related debt and other costs associated with issuing bonds and refinancing debt. These expenditures decreased $48,000 this year compared to a $206,000 decrease in 2008. The change in fiscal year 2009 results from less interest on capital debt expense having been incurred and yields a total decrease when netted against bond issuance costs related to the issuance of Series J bonds. See Note 6 of the Notes to Financial Statements for more information.

Total expenses (operating and non-operating) increased $11.3 million in fiscal year 2009 compared to a $2.7 million increase in 2008 and a $2.8 million increase in 2007. The composition of total expenses for all three years is depicted by major categories in the charts below.

Change in Net Assets

The difference between annual revenues and expenses causes an increase or decrease to net assets. For fiscal year ending June 30, 2009, net assets increased $9.2 million compared to a $12.6 million increase for fiscal year ending June 30, 2008. Total revenues increased at a greater rate than total expenses during fiscal year 2009.

EXPENSE CHARTS



Statement of Cash Flows

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

This statement identifies the sources and uses of cash and equivalents throughout the fiscal year and informs the user how much cash was used by or provided by the following activities: operating, noncapital financing, capital financing, and investing. The chart below shows the University's sources, uses, and changes in cash and cash equivalents for fiscal years 2007-2009.

STATEMENT OF CASH FLOWS Year ended June 30 (in thousands)	2009	2008	2007
Net cash (used) / provided by			
Operating activities	($45,646)	($39,759)	($43,775)
Noncapital financing activities	69,172	65,466	58,126
Capital financing activities	890	(13,130)	(8,671)
Investing activities	(26,634)	(6,061)	(7,624)
Net increase / (decrease) in cash	**($ 2,218)**	**$ 6,516**	**($ 1,943)**

Operating activities

- Cash used by operating activities increased $5.9 million over the prior fiscal year compared to a $4.0 million decrease from 2007 to 2008.
- Student fees and auxiliary enterprises provided the largest inflow in cash for all fiscal years.
- Payments to employees (wages and benefits) and suppliers caused the largest outflow of cash for all fiscal years.

Noncapital financing activities

- Cash provided by noncapital financing activities increased $3.7 million over the prior fiscal year compared to a $7.3 million increase from 2007 to 2008.
- State appropriations provided the largest cash inflow in all fiscal years.

Capital financing activities

- Cash provided by capital financing activities increased $14.0 million in 2009 compared to a $4.5 million decrease in 2008. The 2009 increase stemmed largely from the issuance of Series J bonds for the Business and Engineering Center.
- Proceeds from capital debt generated the largest cash inflow in all fiscal years.
- Purchases of capital assets generated the largest cash outflow in 2009 while principal and interest paid on capital debt generated the largest cash outflow in 2008 and in 2007.

Investing activities

- Cash used by investing activities increased $20.6 million during 2009 compared to a $1.6 million decrease in 2008. The 2009 increase stemmed largely from the transfer of cash to the bond trustee for the Series J bonds.
- Proceeds from sales and maturities of investments increased $11.8 million in 2009 compared to a $16.8 million increase in 2008.
- Cash used for purchases of investments decreased $12.7 million compared to a $15.2 million increase in 2008.

Summary of Statement of Cash Flows

For the year ended June 30, 2009, more cash was used for operating activities, more cash was provided by noncapital financing activities, more cash was provided by capital financing activities, and more cash was used by investing activities than in the previous fiscal year. As a result of these activities, the University decreased its cash position by $2.2 million, ending the fiscal year with a cash balance of $19.7 million.

Factors Impacting Future Periods

The 2009 Indiana General Assembly approved $15.0 million in bonding authority for the construction of a 350-seat Teaching Theatre on the USI campus to replace the current theatre, costume shop, and scene shop located four miles from campus. The University expects to issue bonds on the project within the next 18 months but some planning and design work is already underway. The project must be reviewed by the Commission for Higher Education and the State Budget Agency before funds are released for construction.

Current year revenue projections for the State of Indiana are not trending in a positive direction. Although there are no budget cost reduction measures that have been enacted for the following fiscal year, concerns do exist for that potential. During the 2008-2009 fiscal year budget reductions of 1.0% or $403,875 of the operating budget were implemented by the State of Indiana and no repair and rehabilitation dollars were released.

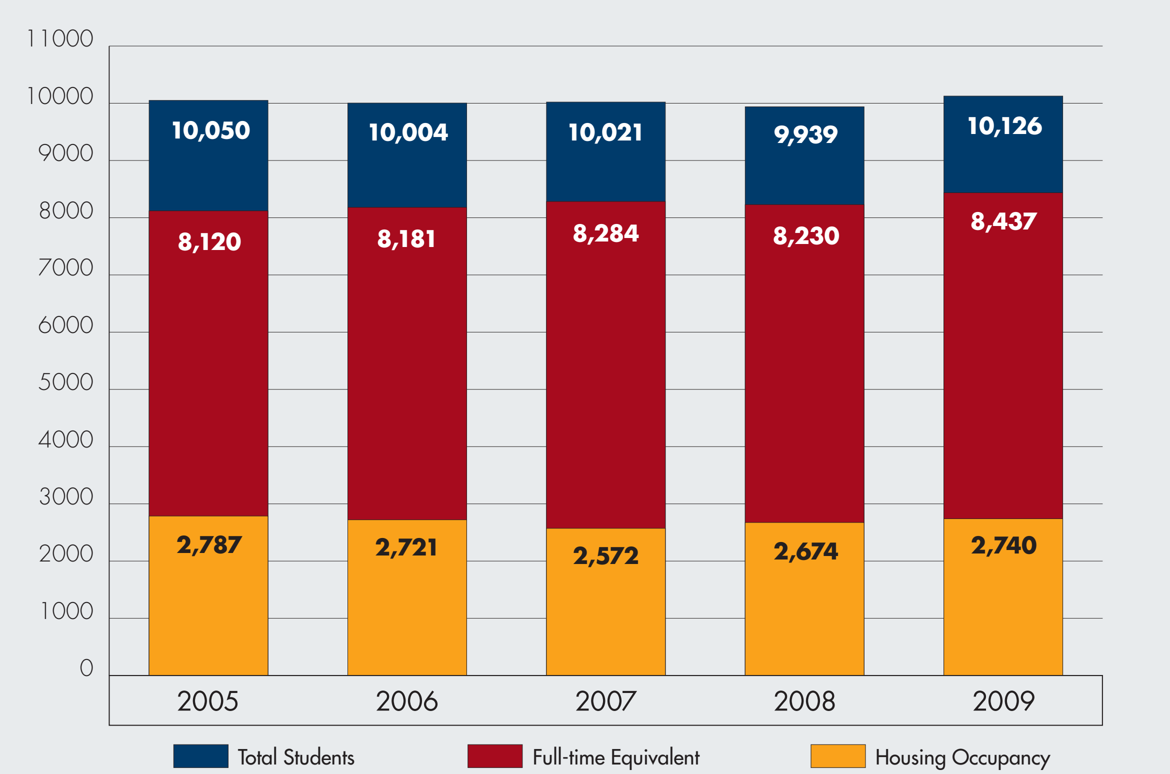
The University may receive $4.4 million in the 2009-2010 fiscal year through the State Fiscal Stabilization Act as a result of the American Recovery and Reinvestment Act (ARRA) of 2009. Of the $4.4 million, $1.4 million is to be used solely for repair and rehabilitation projects. The remaining $3.0 million is to be used at the discretion of the University but currently is planned to be used predominantly for one-time capital improvement or quality of life type projects on campus. The University also may receive ARRA funding for the Federal College Work Study program of approximately $48,000.

As a result of recent economic conditions, the corpus of the USI Foundation has declined significantly. The University has chosen to use various fund balances and reserves to replace drawing down scholarships and faculty development support from the USI Foundation for approximately two years. The decision will allow the USI Foundation principal to recover more quickly and is believed to be in the best interest of the University for the long term. The amount could be approximately $1.0 million annually.

The University will embark on the first formal strategic planning process during the next fiscal year under the leadership of the newly appointed and third president of the University, Dr. Linda L. M. Bennett.

The University of Southern Indiana is maturing: its rate of growth has stabilized and it is continuing to develop into a residential campus. Total enrollment for academic years ending 2005 through 2009 reflects a modest increase of 0.8 percent; full-time equivalents for the same period increased 1.4 percent. Full-time students represent 83.3 percent of the total student population. Housing occupancy has stabilized with an occupancy rate averaging in excess of 90 percent over the past five-year period. The following graph illustrates enrollment and housing occupancy for the five-year period, 2005 to 2009.

ENROLLMENT FOR YEAR ENDING JUNE 30



Statement of Net Assets

As of June 30	2009	2008
ASSETS		
Current Assets		
Cash and cash equivalents (Note 2)	$ 19,721,120	$ 21,938,868
Short-term investments (Note 2)	29,269,725	36,785,069
Accounts receivable (Note 3)	5,978,412	6,758,191
Due from the State of Indiana		806,015
Inventories	2,143,690	1,574,263
Deposit with bond trustee	43,810,686	50,233
Other current assets	1,617,859	1,437,832
Total current assets	$102,541,492	$ 69,350,471
Non-current Assets		
Long-term investments (Note 2)	$ 28,988,552	$ 35,634,699
Capital assets, net (Notes 14 & 15)	153,764,210	133,349,021
Other noncurrent assets	610,103	703,247
Total noncurrent assets	$183,362,865	$169,686,967
Total Assets	**$285,904,357**	**$239,037,438**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 1,612,000	$ 1,722,736
Accrued payroll, benefits, and deductions	5,518,223	4,994,199
Notes and bonds payable (Notes 4 & 6)	9,476,710	7,453,201
Debt interest payable	2,344,439	1,745,725
Other current liabilities	2,311,030	1,685,750
Total current liabilities	$ 21,262,402	$ 17,601,611
Non-current Liabilities		
Notes and bonds payable (Notes 4 & 6)	$149,425,826	$115,192,536
Unamortized bond premium	1,378,194	1,476,636
Compensated absences and termination benefits (Notes 7 & 8)	2,634,881	2,507,060
Other noncurrent liabilities	424,943	645,539
Total noncurrent liabilities	$153,863,844	$119,821,771
Total Liabilities	**$175,126,246**	**$137,423,382**
NET ASSETS		
Invested in capital assets, net of related debt	$ 33,491,993	$ 15,791,451
Restricted		
Expendable		
Scholarship, research, and other	28,548	44,143
Repairs and rehabilitation		806,015
Unrestricted	77,257,570	84,972,447
Total Net Assets	**$110,778,111**	**$101,614,056**

Component Unit — University of Southern Indiana Foundation

Statement of Financial Position
Year Ended June 30, 2009

ASSETS	
Cash	$ 147,274
Accounts and interest receivable	74,988
Contributions receivable, net	1,107,590
Prepaid expenses	4,480
Investments	48,297,778
Cash value of life insurance	165,245
Beneficial interest in charitable remainder trusts	565,447
Beneficial interest in perpetual trusts	2,594,334
Beneficial interest in Community Foundation	51,918
Real estate held for investment	2,443,060
Land	398,523
Buildings, net of accumulated depreciation; 2009 – $159,833, 2008 – $100,801	1,079,235
Land and buildings held for sale, net of accumulated depreciation; 2009 – $0, 2008 – $59,350	153,000
Property management deposits	7,025
Total assets	$57,089,897
Liabilities and Net Assets	
Liabilities	
Accounts payable	$ 54,392
Deposits	5,025
Deferred income	7,435
Payable to related parties	711,127
Annuities payable	1,147,945
Total liabilities	1,925,924
Net Assets	
Unrestricted	8,378,719
Temporarily restricted	16,315,314
Permanently restricted	30,469,940
Total net assets	55,163,973
Total liabilities and net assets	$57,089,897

Statement of Revenues, Expenses, and Changes in Net Assets

Fiscal Year Ended June 30	2009	2008
REVENUES		
Operating Revenues		
Student fees	$ 51,105,130	$ 45,955,969
Scholarship discounts & allowances	(11,784,023)	(10,660,471)
Grants and contracts	771,145	460,780
Auxiliary enterprises	23,778,135	21,404,732
Room & board discounts & allowances	(611,519)	(582,834)
Other operating revenues	1,552,428	1,920,022
Total operating revenues	$ 64,811,296	$ 58,498,198
EXPENSES		
Operating Expenses		
Compensation:		
Salaries & Wages	$ 50,664,908	$ 46,721,890
Benefits (Notes 9, 10, & 11)	15,710,876	13,271,690
Other postemployment benefits (Note 12)	2,145,542	2,146,904
Student financial aid	7,584,910	6,456,944
Utilities	5,237,354	4,453,618
Supplies and other services	30,028,292	27,460,313
Depreciation	9,408,046	8,880,681
Total operating expenses	$120,779,928	$ 109,392,040
Operating loss	$(55,968,632)	$ (50,893,842)
NON-OPERATING REVENUES (EXPENSES)		
State appropriations	$ 49,855,918	$ 48,286,186
Gifts	2,702,529	2,466,707
Federal grants and contracts	8,745,313	7,532,168
State and local grants and contracts	6,832,764	6,241,454
Nongovernmental grants and contracts	162,742	158,343
Investment income (net of investment expense of $51,399 and $26,031 for 2009 and 2008)	2,880,893	4,137,647
Interest on capital asset-related debt	(5,277,305)	(5,979,143)
Bond issuance costs	(755,264)	(59,513)
Other non-operating expenses	(45,278)	(86,882)
Net non-operating revenues	$ 65,102,312	$ 62,696,967
Income before other revenues, expenses, gains, or losses	$ 9,133,680	$ 11,803,125
Capital grants and gifts	30,375	801,054
Total other revenues	30,375	801,054
Increases in net assets	$ 9,164,055	$ 12,604,179
NET ASSETS		
Net assets – beginning of year	$101,614,056	$ 89,009,877
Net assets – end of year	**$110,778,111**	**$101,614,056**

Component Unit

University of Southern Indiana Foundation

Statement of Activities
Year Ended June 30, 2009

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Contributions	$ 121,827	$ 1,874,332	$ 826,773	$ 2,822,932
Change in value of split-interest agreements	—	(164,208)	(85,507)	(249,715)
Rental income	(21,569)	—	—	(21,569)
Miscellaneous income	86,017	118,085	—	204,102
Reclassification of donor intent	(639)	(5,787)	6,426	—
Net assets released from restrictions	2,599,427	(2,599,427)	—	—
Total revenues and other support	2,785,063	(777,005)	747,692	2,755,750
Expenses				
Programs – University of Southern Indiana				
Scholarships and awards	1,502,871	—	—	1,502,871
Educational grants and academic enhancements	758,897	—	—	758,897
Athletic support	70,981	—	—	70,891
Other University support	467,117	—	—	467,117
Capital projects	6,147	—	—	6,147
Community outreach	108,421	—	—	108,421
Total program services	2,914,434	—	—	2,914,434
Management and general	388,694	—	—	388,694
Fundraising	208,814	—	—	208,814
Uncollectible pledge loss	—	38,690	17,721	56,411
Total expenses	3,511,942	38,690	17,721	3,568,353
Other Changes				
Investment income (loss), net	(2,872,405)	(5,494,588)	(202,882)	(8,569,875)
Change in value of beneficial interest in trusts	—	(16,558)	(651,449)	(668,007)
Loss on sale of property	94,350	—	—	94,350
Gain on cash value of life insurance	613	9,544	—	10,157
Total other changes	(2,777,442)	(5,501,602)	(854,331)	(9,133,375)
Change in Net Assets	(3,504,321)	(6,317,297)	(124,360)	(9,945,978)
Net Assets – Beginning of Year	11,883,040	22,632,611	30,594,300	65,109,951
Net Assets – End of Year	**$ 8,378,719**	**$ 16,315,314**	**$30,469,940**	**$55,163,973**

STATEMENT OF CASH FLOWS

Fiscal Year Ended June 30	2009	2008
Cash Flows from Operating Activities		
Tuition and fees	$ 39,495,406	$ 35,088,535
Grants and contracts	987,242	710,800
Payments to suppliers	(30,239,797)	(26,885,477)
Payments for utilities	(5,237,354)	(4,453,618)
Payments to employees	(50,327,985)	(46,536,324)
Payments for benefits	(17,797,813)	(15,660,306)
Payments for scholarships	(7,584,910)	(6,456,944)
Loans issued to students	(344,530)	(227,678)
Collection of loans to students	370,506	254,343
Auxiliary enterprises receipts	23,554,445	20,332,377
Sales and services of educational depts.	142,141	134,460
Other receipts (payments)	1,337,071	3,940,457
Net cash used by operating activities	**$ (45,645,578)**	**$ (39,759,375)**
Cash Flows from Noncapital Financing Activities		
State appropriations	$ 50,661,933	$ 49,092,201
Gifts and grants for other than capital purposes	18,443,348	16,398,672
Other non-operating receipts (payments)	66,739	(24,529)
Net cash provided by noncapital financing activities	**$ 69,172,020**	**$ 65,466,344**
Cash Flows from Capital Financing Activities		
Proceeds from capital debt	$ 50,185,000	$ 9,975,000
Capital grants and gifts	34,026	854,138
Bond financing costs	(800,542)	(146,396)
Purchase of capital assets	(29,823,235)	(10,584,901)
Principal paid on capital debt	(13,928,201)	(7,198,751)
Interest paid on capital debt and leases	(4,777,032)	(6,036,376)
Proceeds from deposit with trustee		7,447
Net cash provided by capital financing activities	**$ 890,016**	**$ (13,129,839)**
Cash Flows from Investing Activities		
Proceeds from sales and maturities of investments	$ 62,461,233	$ 50,636,593
Interest on investments	2,740,086	3,829,641
Purchase of investments	(48,075,072)	(60,745,426)
Change in deposit with trustee	(43,760,453)	218,249
Net cash used by investing activities	**$ (26,634,206)**	**$ (6,060,943)**
Net increase (decrease) in cash	$ (2,217,748)	$ 6,516,187
Cash – beginning of year	21,938,868	15,422,681
Cash – end of year	**$ 19,721,120**	**$ 21,938,868**

Statement of Cash Flows—continued

Fiscal Year Ended June 30	2009	2008
Reconciliation of net operating revenues (expenses) to net cash provided (used) by operating activities:		
Operating loss	$(55,968,632)	$ (50,893,842)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Depreciation expense	9,408,046	8,880,681
Provision for uncollectible accounts	66,382	306,194
Changes in assets and liabilities:		
Receivables	713,397	1,545,463
Inventories	(569,427)	444,500
Other assets	(200,376)	221,124
Accounts payable	881,946	(150,549)
Deferred revenue	89,883	(309,718)
Deposits held for others	35,720	(54,631)
Employee and retiree benefits	(128,494)	224,738
Loans to students	25,977	26,665
Net cash used by operating activities:	**$(45,645,578)**	**$(39,759,375)**

Noncash Transactions		
Unrealized gain/(loss) on short-term investments	$ (1,188)	$ (62,619)
Unrealized gain/(loss) on long-term investments	225,859	(416,809)
Bonds payable – LT and ST Series 2001B		9,800,000
Bonds payable – LT and ST Series 2008A		(9,800,000)
Net noncash transactions	**$ 224,671**	**$ (479,428)**

Notes to Financial Statements

NOTE 1 – Summary of Significant Accounting Policies

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

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

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

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

Accounting Methods and Policies

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

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

Capital Assets Accounting Policies

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

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

Plant assets are removed from the records at the time of disposal. See Note 15 in the Notes to Financial Statements for current-year activity and accumulated depreciation on the various classes of assets.

The University owns a collection of museum exhibit items located in Historic New Harmony. The collection consists of 2,800 objects that are primarily 19th century decorative arts, furniture, prints, medical equipment, and textiles. The collection consists of both donated and purchased items. Per the code of ethics for museums, Historic New Harmony does not place a monetary value on the collection. Museums are organized as public trusts that act as stewards for the public in collecting, protecting, preserving, and interpreting objects. A well-documented inventory is maintained, but the value is unknown and therefore not included in the capitalized asset value at June 30, 2009.

The University owns a permanent art collection whose primary function and aim is education in accordance with one element of the University's mission: to support the cultural awareness of its students, faculty, staff, and the citizens of southwestern Indiana. The collection consists of both donated and purchased items. Many of the donated pieces were received without appraised values. Collection pieces which have been appraised or purchased are valued at $1,385,121. Appraised values for the remaining collection will be obtained over future periods. The currently-known value is not included in the capitalized asset value at June 30, 2009.

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

Non-operating Revenues and Expenses
Non-operating revenues of the University consist of state appropriations, gifts, non-exchange grants, and investment income. Non-operating expenses include interest on capital asset related debt, bond issuance costs, and annual bond management fees.

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

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

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

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

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

NOTE 2 – Deposit and Investment Risk Disclosures

It is the policy of the University of Southern Indiana to manage the investment portfolio of the University in a manner described in Section 30-4-3-3 of the Indiana Code. Authorized investments include obligations of the U.S. Treasury and U.S. government agencies, certificates of deposit, repurchase agreements, money market mutual funds, savings, and negotiable order-of-withdrawal accounts. Investments with Indiana institutions are limited to those banks, savings banks, and savings and loan institutions that provide deposit insurance for university funds under Indiana statutes by the Public Deposit Insurance Fund, in addition to the amounts insured by agencies of the United States government—Federal Deposit Insurance Corporation/Savings Association Insurance Fund (FDIC/SAIF). Investments with non-Indiana institutions must be insured by agencies of the U.S. government to the maximum statutory amount of $250,000.

Deposits – At June 30, 2009, the bank balances of the University's operating demand deposit accounts were $8,069,251, of which $491,920 was covered by federal depository insurance. The remaining balance was insured by the Public Deposit Insurance Fund, which covers all public funds held in approved Indiana depositories. None of these funds were exposed to custodial credit risk, which is the risk that, in the event of the failure of a depository financial institution, the University will not be able to recover deposits or collateral securities that are in the possession of an outside party.

Investments – The University's investments at June 30, 2009, are identified in the table below.

INVESTMENTS

Investment Type	Market Value	Type %	Investment Maturities (in Years) Less than 1 year	1–5 years	6–10 years	More than 10 years
Money market accounts	$10,947,960	14%	$10,947,960			
Repurchase agreements	7,016,975	9%	7,016,975			
Certificates of deposit	33,729,601	43%	27,828,860	5,900,741		
U.S. Treasury & agency securities *	26,284,861	34%	3,197,050	14,290,869	8,054,996	741,946
Totals	**$77,979,397**	100%	**$48,990,845**	**$20,191,610**	**$8,054,996**	**$741,946**
Maturity %	100%		63%	26%	10%	1%

*U.S. Treasury and agency securities carry an AAA rating from both Moody's and Standard and Poor's.

Investment custodial credit risk – This is the risk that, in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the $78 million invested, $26.3 million in U.S. government securities are held in the name of the nominee bank and insured by policies of the financial institution or guarantees of the U.S. government. There are $7 million in repurchase agreements registered in the University's name and backed by the implicit guarantee of the U.S. government. All cash in the money market accounts and the certificates of deposit are insured by FDIC/SAIF, the Public Deposit Insurance Fund, or collateral as required by federal regulations.

Interest rate risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The University's investment policy does not address exposure to fair value losses arising from changes in interest rates, but the investment objective is to obtain the highest revenue while maintaining safety and insuring adequate liquidity for institutional needs. To that end, management maintained a larger percentage (63 percent) of investments in cash equivalents and short-term investments to be in a position to take advantage of the best rates in a timely fashion as well as sustaining adequate cash flow for operating needs.

Credit risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Of the total U.S. government securities listed in the table above, $25.3 million are invested in government-sponsored enterprises that are neither guaranteed or insured by the full faith and credit of the U.S. Treasury, and, therefore have more credit risk than any direct obligation of the U.S. Treasury.

Concentration of credit risk – This is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University's policy limits the investments in any one Indiana institution to 25 percent of the total portfolio of cash, certificate of deposits, and repurchase agreements as valued at the end of the preceding month. Operating funds which are invested in overnight repurchase agreements as part of the cash management program are excluded from the 25 percent limit. At June 30, 2009, the University was in compliance with that policy. The University has more than 5 percent of investments with one institution but mitigates this risk with FDIC and Indiana Public Depository insurance protection.

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

NOTE 3 – Accounts Receivable

Accounts receivable are recorded net of allowance for uncollectible student fees of $516,265 and auxiliary services fees of $262,037. Prior-year allowances were $462,460 for student fee receivables and $249,461 for auxiliary services receivables. The accounts receivable balance for the 2008-09 fiscal year includes $3,759,767 in net student receivables and $2,218,646 in external receivables.

NOTE 4 – Debt Related to Capital Assets

Bonds Payable – Outstanding bonds payable at June 30, 2009, total $158,902,536 and are identified in the following schedules and in Note 6.

The University of Southern Indiana Student Fee Bonds Series D of 1993, Series F of 1998, Series G of 1999, Series H of 2001, Series I of 2004, and Series J of 2009 are secured by a pledge of and first lien on student fees. Student Fee Bonds Series 2006 are secured by a pledge of and junior lien on student fees.

The University of Southern Indiana Auxiliary System Revenue Bonds, Series 2001A; Auxiliary System Revenue Bonds, Series 2003; and Auxiliary System Revenue Bonds, Series 2008A, are secured by a pledge of and parity first lien on the net income from the Auxiliary System (student housing, parking facilities, and dining services), any insurance proceeds, amounts held in the debt service funds or project funds, and investment income thereon.

Student fee bond Series G is a variable rate bond currently bearing interest at weekly rates ranging between zero and 10 percent. The rate in effect at June 30, and the rate used to calculate the future debt service requirements, was .85 percent. All the other bonds are term or serial with fixed annual rates as identified in the preceding table. Annual debt service requirements through maturity for bonds and notes payable are presented in the chart below.

SCHEDULE OF BONDS AND NOTES PAYABLE

	Issue Date	Interest Rate	Current Year Rate	Maturity Date	Original Issue Amount	June 30, 2008 Principal Outstanding	Interest Outstanding	Total Outstanding
Student Fee Bonds								
Series D, Health Professions Center	1993	2.25% to 5.8%	5.60%	2015	$ 24,678,101	$ 1,998,664	$3,846,336	**$ 5,845,000**
Series F, Liberal Arts Center	1998	3.55% to 4.7%	4.70%	2013	15,280,000	5,000,000	613,802	**5,613,802**
Series G, Recreation & Fitness Center	1999	0% to 10%*	1.99%	2019	4,700,000	3,500,000	186,150	**3,686,150**
Series H, Science & Education Center	2001	3.5% to 5.0%	4.25%	2021	25,260,000	19,600,000	7,192,289	**26,792,289**
Series I, Library Construction	2004	2.0% to 5.375%	3.75%	2023	49,590,000	39,770,000	15,260,663	**55,030,663**
Series 2006, Recreation & Fitness Center	2006	4.67%	4.67%	2028	7,250,000	6,963,872	3,519,308	**10,483,180**
Series J, Business and Engineering Center	2009	2.5.to 5.0%	2.50%	2028	50,185,000	50,185,000	29,968,143	**80,153,143**
Auxiliary System Bonds								
Series 2001A, Student Housing Facilities	2001	4.0% to 5.0%	5.00%	2018	23,775,000	15,410,000	4,161,500	**19,571,500**
Series 2003, Student Housing Facilities	2003	3.0% to 4.5%	3.00%	2024	8,005,000	6,825,000	2,550,540	**9,375,540**
Series 2008A, Student Housing Facilities	2008	3.97%	3.97%	2021	9,800,000	9,650,000	3,925,338	**13,575,338**
Total					**$218,523,101**	**$158,902,536**	**$71,224,069**	**$230,126,605**

*This bond is a variable interest bond with weekly rates. The rate listed above is the average rate paid during the fiscal year.

ANNUAL DEBT SERVICE REQUIREMENTS

Fiscal Year	Bonds	Notes	Total Principal	Total Interest	Total Debt Service
2009–10	9,476,710		9,476,710	7,824,593	17,301,304
2010–11	9,021,775		9,021,775	7,459,906	16,481,681
2011–12	9,393,392		9,393,392	7,073,283	16,466,674
2012–13	9,819,160		9,819,160	6,638,464	16,457,624
2013–14	9,273,825		9,273,825	6,197,949	15,471,774
2014–19	47,119,900		47,119,900	22,679,214	69,799,114
2019–24	44,898,341		44,898,341	10,536,123	55,434,464
2024–29	19,899,433		19,899,433	2,814,537	22,713,968
Total	**$158,902,536**	**$0**	**$158,902,536**	**$71,224,069**	**$230,126,605**

NOTE 5 – Operating Leases

For the fiscal year ended June 30, 2009, the University spent $364,916 on operating leases which are included in supplies and other services in the Statement of Revenue, Expenses, and Changes in Net Assets of which $81,449 was spent on leasing off campus classroom and office space, $274,912 was spent on equipment and $8,555 was spent on vehicle leases.

NOTE 6 – Series J Bond Issue

On February 11, 2009, the University of Southern Indiana issued $50,185,000 in student fee revenue Series J bonds with an all inclusive cost interest rate of 5.13 percent. Net proceeds from the bond issues, after payment of issuance cost and utilization of the reoffering premium, are to be used to fund the construction of the Business and Engineering Center ($29.9 million), to repay interim financing previously incurred for the Business and Engineering Center ($6.4 million), and to fund the costs associated with the conversion of the original library to additional University Center space ($13.8 million). Level debt service payments of $4 million are scheduled through October 2028.

NOTE 7 – Compensated Absence Liability

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

The total cumulative compensated absence liability reflected in the Statement of Net Assets is $2,312,609 and $2,110,756 for June 30, 2009 and 2008 respectively. The current year change represents $184,176 increase in accrued vacation; $496 increase in sick leave liability; $14,127 increase in Social Security and Medicare taxes; and $3,054 increase in Public Employees' Retirement Fund (PERF) contributions. During the fiscal year, $101,823 was paid out to terminating employees. Payout for terminating employees in fiscal year 2009–10 is expected to increase approximately 40 percent because of the number who will have reached the requisite retirement age and years of service. For that reason, $142,715 of the total compensated absence liability is classified as a current liability and the remaining $2,169,894 is classified as a non-current liability.

NOTE 8 – Termination Benefits Liability

The Governmental Accounting Standards Board (GASB) Statement No. 47, *Accounting for Termination Benefits*, requires the University to recognize a liability and an expense for voluntary termination benefits, such as early-retirement incentives, when the offer is accepted and the amount can be estimated. Members of USI's regular full-time faculty and administrative staff who have been employed in an eligible position prior to January 1, 1999, who have 15 or more consecutive years of service, and who are age 60 or older may receive early-retirement benefits upon request. These benefits include a lump-sum severance pay calculated as a percent of final-year salary based on length of service, not to exceed 25 percent, and continued contribution to retirement annuity contracts through the end of the fiscal year in which the retiree reaches age 66. Salaries are assumed to increase at a rate of 3.3 percent annually for purposes of calculating this liability.

USI has 21 retirees currently receiving early-retirement benefits, six of whose benefits stop after this fiscal year, and seven more who have arranged to begin receiving benefits within the next three years. The liability for these benefits total $689,234 at June 30, 2009. Of that amount, $224,247 is expected to be paid out during the following fiscal year, and the remaining $464,988 has been classified as non-current. This liability will change annually as more employees elect this benefit and as benefits for current retirees end.

NOTE 9 – Retirement Plans

Substantially all regular employees of the University are covered by either the Teachers Insurance and Annuity Association-College Retirement Equities Fund Retirement Plan (TIAA-CREF) or the State of Indiana Public Employees' Retirement Fund (PERF). The TIAA-CREF plan is an IRC 403(b) defined contribution plan; PERF is a defined benefit plan under IRC 401(a) and a state plan described in IC 5-10.2 and 5-10.3. The University contributed $5,306,240 to these programs in fiscal year 2008-09, which represents approximately 10 percent of the total University payroll and 12 percent of the benefit-eligible employees' payroll for the same period.

Faculty and Administrative Staff Eligible employees may participate in the TIAA-CREF Retirement Plan upon the completion of one year of employment. Participation may begin sooner if the employee was a participant in TIAA-CREF, or another university-sponsored retirement plan, for at least one year prior to eligible employment at USI. The University contributes 11 percent of each participating employee's base appointment salary up to $10,800 and 15 percent of the base appointment salary above $10,800. The University contributed $4,476,885 to this plan for 557 participating employees for fiscal year ending June 30, 2009, and $4,135,622 for 531 participating employees for fiscal year ending June 30, 2008. The annual payroll for this group totaled $33,693,343 and $31,257,284 for fiscal years ending June 30, 2009 and 2008 respectively.

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

Support Staff Employees in eligible positions and who work at least half-time participate in PERF, a retirement program administered by an agency of the State of Indiana. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. Benefit provisions are established and/or amended by the State of Indiana. There are two parts to this plan: an annuity savings plan to which the University contributes 3 percent of the employee's salary, and a defined benefit agent multi-employer plan to which the University contributed 6.3 percent of the employee's salary this fiscal year. Employees are eligible to participate in this plan immediately upon employment and are fully vested in the defined benefit part of the plan after 10 years of employment.

The University contributed $818,387 for 397 employees participating in PERF during the 2008-09 fiscal year and $771,669 for 401 employees participating during 2007-08.

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

The required contribution was determined as part of the actuarial valuation as of July 1, 2008, using the Entry Age Normal Cost Method. The actuarial assumptions included: (a) 7.25 percent investment rate of return (net of administrative services), (b) projected salary increases of 4 percent per year, and (c) 1.5 percent per year cost-of-living adjustments. Current-year information concerning funding and obligation was not available at the time of this report.

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

PERF–SCHEDULE OF FUNDING PROGRESS

(dollars in thousands)

Fiscal Year Ending June 30	Actuarial Value of Plan Assets (A)	Actuarial Accrued Liability (B)	Unfunded (Overfunded) Accrued Liability (C)	Funded Ratio (A/B)	Actual Covered Payroll (D)	Unfunded Liability as % of Payroll (C/D)
2006	6,669	6,794	125	98.2%	7,843	1.6%
2007	7,306	7,185	(121)	101.7%	7,919	0.0%
2008	7,678	7,816	138	98.2%	8,298	1.8%

PERF–DEVELOPMENT OF NET PENSION OBLIGATION

	2006	2007	2008
Annual Required contribution (ARC) *	$346,217	$434,300	$435,911
Interest on Net Pension Obligation @ 7.25%	(36,418)	(36,140)	(34,401)
Adjustments to ARC **	(41,501)	(41,184)	(39,203)
Annual Pension Cost (APC)	268,298	356,976	362,307
Contributions made by USI ***	347,463	415,360	496,772
Decrease in Net Pension Obligation	(79,165)	(58,384)	(134,465)
Net Pension Obligation, Beginning of Year	(584,233)	(663,398)	(721,782)
Net Pension Obligation, End of Year	($663,398)	($721,782)	($856,247)

* Determined to be equal to the same percent of salary as the entire State of Indiana
** Net Pension Obligation at beginning of year divided by amortization factor of 12.1037
*** Percentage of APC contributed: 2006 at 129.50%; 2007 at 116.4%; and 2008 at 137.1%

NOTE 10 – Risk Management

The University has three healthcare plans for full-time benefit-eligible employees and three plans for retirees. One plan for employees and retirees is fully insured. Two plans for employees and two for retirees are funded under a cost-plus arrangement whereby the University is billed for actual claims paid by the insurer on behalf of the covered participants plus an administrative fee. The majority of employees and retirees, 85 percent and 90 percent respectively, participate in the fully-funded cost-plus plan. For fiscal year ended on June 30, 2009, the University's contribution to these healthcare plans totaled $5,882,858 for 874 employees and $809,654 for 140 retirees. For the same period, employees and retirees made contributions totaling $1,787,264 and $250,860 respectively.

The University assumes the risk for medical claims exceeding the maximum expected cost but has mitigated the additional risk by purchasing specific and aggregate stop loss coverage at 125 percent of the expected claims liability. The University also has established a reserve to cover any unpaid liability beyond 125 percent. The liability for medical claims incurred but not reported at June 30, 2009, is based on an average monthly claim multiplied by the plan provider's average turnaround time from when claims are incurred to when claims are submitted to USI for payment. Changes in the balance of claims liabilities during the 2009 fiscal year are as follows:

Beginning liability, June 30, 2008	$1,500,153
Claims incurred	5,589,112
Claims paid	(5,653,754)
Ending liability, June 30, 2009	$1,435,511

NOTE 11 – VEBA Trust

The University established a Voluntary Employees' Benefit Association (VEBA) trust for the purpose of providing medical, dental, and life insurance benefits to employees who retire after attaining age 60 with at least ten years of service and to those retiring under the Rule of 85. The trust is funded from three sources: University contributions and reserves designated by the Board of Trustees for this purpose, employee payroll deductions for post-retirement benefits, and retiree contributions for medical insurance premiums. Funds will accumulate in the trust for several years before any disbursements are made. The University does not anticipate that the trust will pay for all post-retirement benefits, but rather be used to reduce the increasing burden of such expenses on the current operating funds. Funds that are placed into the trust cannot revert to the University under any circumstances; therefore, the financial statements of the University do not include the value of these assets. A summary of the activity in the trust for the year ending June 30, 2009, is as follows:

VEBA TRUST	MARKET
Fund balance at July 1, 2008	$8,103,990
Transfer from University reserves	937,500
Employee/employer contributions	158,722
Retiree/employer contributions	23,104
Reinvested net earnings	233,174
Net gain/(loss) on sales of trust investments	(714,708)
Less: Management fees and taxes	(25,938)
Net change in market value	(693,647)
Fund balance at June 30, 2009	**$8,022,197**

NOTE 12 – Other Postemployment Benefits (OPEB)

Plan Description. The USI Voluntary Employees' Benefit Association (VEBA) Trust is a single-employer defined benefit healthcare plan administered by the Old National Trust Company. The VEBA Trust was established for the purpose of providing medical and dental benefits to eligible retirees and their spouses. The USI Board of Trustees has the authority to establish or amend the benefit provisions of the plan. Old National Trust Co. does not provide a stand-alone financial report of the USI VEBA Trust, but the plan assets and financial activity are included as part of its publicly-available audited financial report. That report may be obtained by writing to Old National Bancorp, One Main Street, PO Box 718, Evansville, IN 47705, or by calling (800) 731-2265.

Funding Policy. The contribution requirements are established and may be amended by the USI Board of Trustees. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the governing board. For the fiscal year ended June 30, 2009, USI contributed $1,943,575 to the plan, including $1,043,575 for current premiums (approximately 80 percent of total premiums), and $900,000 to prefund benefits. Plan members receiving benefits contributed $261,576, or approximately 20 percent of the total premiums, through their required contributions for medical insurance coverage.

Annual OPEB Cost and Net OPEB Obligation. The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the USI VEBA Trust's annual OPEB cost for the 2008 and

2009 fiscal years, the amount actually contributed to the plan, and changes in the net OPEB obligation to the plan:

	2008	2009
Annual required contribution	$2,146,904	$2,146,904
Interest on net OPEB obligation	0	17,942
Adjustment to annual required contribution	0	(19,304)
Annual OPEB cost	2,146,904	2,145,542
Contributions made	(1,890,588)	(1,943,575)
Increase (decrease) in net OPEB obligation	256,316	201,967
Net OPEB obligation, beginning of year	0	256,316
Net OPEB obligation, end of year	$ 256,316	$ 458,283

Because the requirements of GASB 45 were implemented in the 2008 fiscal year, the beginning of year net OPEB obligation for that fiscal year was set to zero, and the measurements and recognition requirements are being applied prospectively.

The USI VEBA's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for the 2008 and 2009 fiscal years are as follows:

Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6-30-2008	$ 2,146,904	88.3%	$ 256,316
6-30-2009	$2,145,542	90.6%	$458,283

Funded Status and Funding Progress. As of June 30, 2009, the plan was 36.7 percent funded. The actuarial accrued liability (AAL) for benefits was $21,861,558, and the actuarial value of assets was $8,022,197, resulting in an unfunded actuarial accrued liability (UAAL) of $13,839,361. The covered payroll (annual payroll of active employees covered by the plan) was $44,510,381, and the ratio of the UAAL to covered payroll was 31.1 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumption. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the most recent actuarial study evaluation, which was June 30, 2007, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the asset classes held in the VEBA Trust, and an annual healthcare cost trend rate for each medical plan. In general, the trend rates start at 8 percent initially, reducing 50 basis points each year until reaching an ultimate rate of 5 percent in 2013. The actuarial value of assets for the purposes of determining the annual recommended contribution is the market value of the assets. The UAAL is being amortized as a level dollar amount on an open basis over a 30-year period.

SCHEDULE OF FUNDING PROGRESS FOR THE USI VEBA TRUST RETIREE HEALTHCARE BENEFIT PLAN

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) – Projected Unit Credit Method (B)	Unfunded AAL (UAAL) (B – A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
6/30/2007	$7,257,792	$21,861,558	$14,603,766	33.20%	$38,500,309	37.93%
6/30/2008	$8,103,990	$21,861,558	$13,757,568	37.07%	$41,286,734	33.32%
6/30/2009	$8,022,197	$21,861,558	$13,839,361	36.70%	$44,510,381	31.09%

NOTE 13 – Functional Expenditures

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

FUNCTIONAL EXPENDITURES

FUNCTION	SALARIES and WAGES	BENEFITS	SCHOLAR-SHIPS	UTILITIES	SUPPLIES and OTHER SVCS	DEPRECIATION	2008 TOTAL	2007 TOTAL
Instruction	$25,793,706	$ 8,721,442			$ 1,987,477		$ 36,502,625	$ 32,140,598
Academic Support	5,362,331	1,857,665			4,455,972		11,675,968	10,948,287
Student Services	4,057,080	1,642,746			1,611,942		7,311,768	7,151,659
Institutional Support	7,151,280	1,935,892			2,628,030		11,715,202	13,570,065
Operation and Maintenance of Plant	3,076,685	1,480,414		4,264,520	3,660,272	7,044,037	19,525,928	17,043,966
Student Aid	146,730	543,961	7,210,718		13,213		7,914,622	6,719,787
Public Service	1,020,557	320,511			745,595		2,086,663	1,969,984
Research	37,031	9,867			116,039		162,937	246,001
Auxiliary Enterprises	4,019,508	1,343,920	374,192	972,834	14,809,752	2,364,009	23,884,215	19,601,693
TOTAL	**$50,664,908**	**$17,856,418**	**$7,584,910**	**$5,237,354**	**$30,028,292**	**$9,408,046**	**$120,779,928**	**$109,392,040**

NOTE 14 – Construction in Progress

Construction in progress at year-end totals $26.6 million (see capital assets table below). Projects soon to be completed include the Recreation and Fitness Center expansion, campus loop road phase 1b, the Valley Parking Lot expansion, and the expansion of parking lots E and M. Also under construction are a Children's Center storage building and a plant equipment storage building. The total expended to date for these projects is $10.0 million, and the estimated additional cost to complete is $4.1 million.

Work has begun on the Business and Engineering Center with $12,443,469 expended by fiscal year end. The project, scheduled for completion in the summer of 2010, will cost $31.9 million. Work also has begun on the University Center expansion and $2,381,653 was expended by fiscal year end. Construction will continue for another year with the completed project expected to cost an additional $16.0 million. Also under construction is an addition for the Physical Plant. The total expended to date for this project is $1,439,190 with an estimated cost to complete of $3.4 million. A project to improve baseball and soccer fields is currently in progress with $83,333 expended as of June 30 with a cost to complete of approximately $1.1 million.

Another project which completes the balance of construction in progress involves architectural planning for a professional theatre on campus. To date, $200,000 has been spent for project planning. The design phase will begin in fall 2009 with an estimated cost of completion expected to be $17.0 million.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NOTE 15 – Capital Assets, Net of Accumulated Depreciation

The table below displays the increase in total capital assets from $232.5 million at July 1, 2008, to $262 million on June 30, 2009. Gross capital assets, less accumulated depreciation of $108.3 million, equal net capital assets of $153.8 million at June 30, 2009.

NOTE 16 – Interrelated Organization

The University of Southern Indiana/New Harmony Foundation, Inc. was formed in 1986 to assist in supporting and developing Historic New Harmony, an auxiliary enterprise of USI which operates in New Harmony, an historic town in southwestern Indiana thirty miles from campus. During fiscal year 2008-09, this foundation contributed $127,144 to Historic New Harmony operations and capital projects. At June 30, 2009, the stated value of the USI/NH Foundation's net assets was $448,980. These assets are not included in the financial statements of the University.

NOTE 17 – Component Units

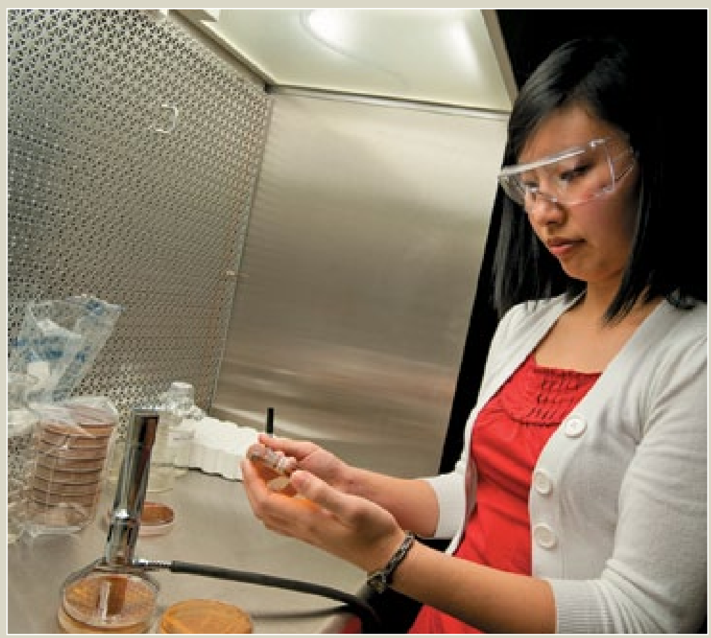
The University of Southern Indiana Foundation is a legally separate, tax-exempt entity formed in 1969 to provide support for the University of Southern Indiana, its faculty and students, and to promote educational, scientific, charitable, and related activities and programs exclusively for the benefit of the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. During the year ended June 30, 2009, the USI Foundation distributed $2,754,877 in direct and indirect support to the University for both restricted and unrestricted purposes.

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

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

NOTE 18 – Subsequent Events

The University received bonding authority from the Indiana General Assembly in 2009 for $15 million for the addition of a theater on campus as part of the expanded University Center. In preparation for this project, the University has expended $200,000 for preliminary project planning and will fully enter the design phase in the fall of 2009. Bonds will be issued in February 2010 at the earliest but if not that timeframe it is anticipated that bonds will be issued in the next 18 months.



CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

CAPITAL ASSETS	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2008	Accumulated Depreciation	Net Capital Assets
Land	$ 4,047,934	275,434		$ 4,323,368		$ 4,323,368
Land Improvements	7,726,665			7,726,665	4,118,750	3,607,915
Infrastructure	3,648,793			3,648,793	1,318,087	2,330,706
Educational Buildings	126,923,809	6,442,496	104,546	133,261,759	54,107,628	79,154,131
Auxiliary Buildings	59,339,347	8,608,849	6,597,521	61,350,675	30,660,721	30,689,954
Equipment	12,542,403	1,991,269	630,826	13,902,846	10,046,757	3,856,089
Library Materials	10,453,667	721,039	2,320	11,172,386	7,999,125	3,173,261
Construction in Progress	7,810,351	28,925,911	10,107,476	26,628,786		26,628,786
Totals	**$232,492,969**	**$46,964,998**	**$17,442,689**	**$262,015,278**	**$108,251,068**	**$153,764,210**

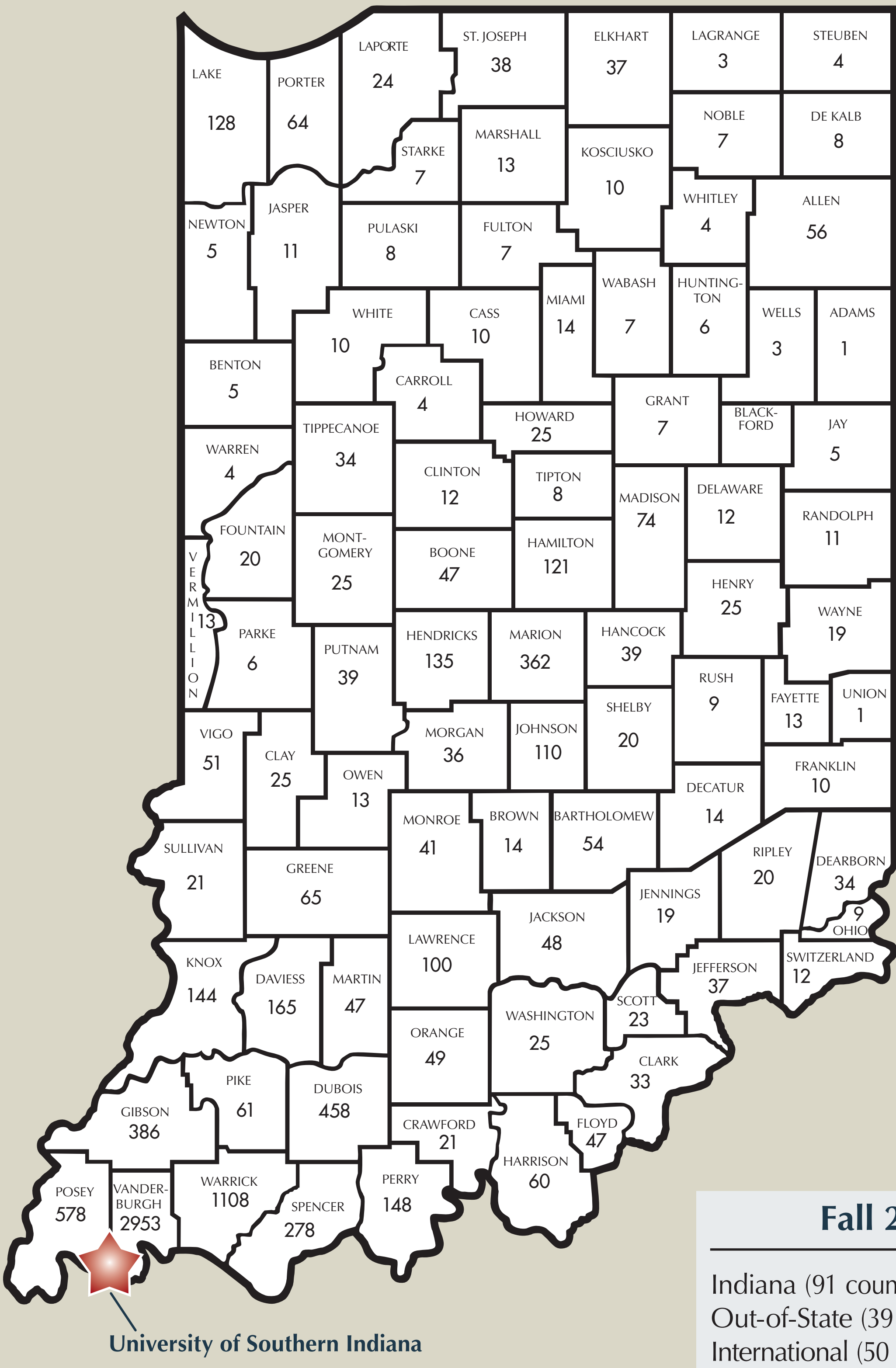
Supplementary Information

FIVE-YEAR COMPARATIVE DATA

	2008–09	2007–08	2006–07	2005–06	2004–05
Enrollment (Fall Semester)					
Total students	10,126	9,939	10,021	10,004	10,050
Undergraduates	9,320	9,225	9,298	9,252	9,217
Women	6,112	5,971	6,110	6,106	6,120
African American	515	486	473	418	424
Other minority	355	266	237	171	151
International	154	115	81	74	83
Age 25 plus	2,346	2,243	2,198	2,262	2,358
Indiana residents	8,897	8,798	8,894	8,921	8,946
Full-time equivalent	8,437	8,230	8,284	8,181	8,120
Degrees Granted (Academic Year)					
Master	226	257	190	227	229
Baccalaureate	1,288	1,241	1,154	1,114	1,151
Associate	113	123	172	163	159
Faculty (Fall Semester)					
Full-time	323	304	293	296	284
Percentage tenured	36	35	36	39	41
Part-time (FTE)	143	149	152	145	150
FTE students/FTE faculty	18.1	18.2	18.6	18.6	18.7

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

Home Counties of USI Students (Fall 2008)



Fall 2008

Indiana (91 counties)	8,897
Out-of-State (39 states)	1,075
International (50 countries)	154
Total Enrollment	**10,126**

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

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

University of Southern Indiana
8600 University Boulevard
Evansville, Indiana 47712

V09-9057