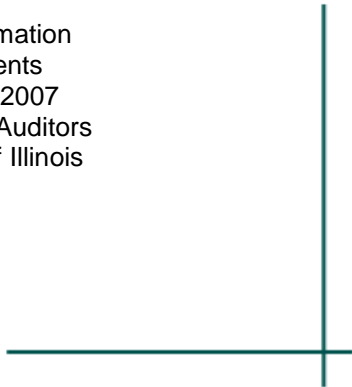




UNIVERSITY OF ILLINOIS

Supplementary Financial Information
and Special Data Requirements
For the Year Ended June 30, 2007
Performed as Special Assistant Auditors
for the Auditor General, State of Illinois



UNIVERSITY OF ILLINOIS
SUPPLEMENTARY FINANCIAL INFORMATION AND SPECIAL DATA REQUIREMENTS
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UNIVERSITY OF ILLINOIS
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RELATED REPORTS PUBLISHED UNDER SEPARATE COVERS

University of Illinois Reports

- The University of Illinois Annual Financial Report for the year ended June 30, 2007.
- The Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2007.
- The Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2007.
- The Annual Financial Report of the Willard Airport Facility for the year ended June 30, 2007.
- Compliance Examination Report (In accordance with the Single Audit Act and OMB Circular A-133) for the year ended June 30, 2007, including findings, recommendations, and University responses.
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

University of Illinois Foundation Report

- The Annual Financial Statements of the University of Illinois Foundation for the year ended June 30, 2007.

University of Illinois Alumni Association Report

- The Annual Financial Statements of the University of Illinois Alumni Association for the year ended June 30, 2007.

Wolcott, Wood and Taylor, Inc. Report

- The Annual Financial Statements of Wolcott, Wood and Taylor, Inc. for the year ended June 30, 2007.

PrairieLand Energy, Inc. Reports

- The Annual Financial Statements of PrairieLand Energy, Inc. for the year ended June 30, 2007.
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

Illinois Ventures, LLC. and its Subsidiary Reports

- The Annual Financial Statements of Illinois Ventures, LLC and its subsidiary for the year ended June 30, 2007.
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

UNIVERSITY OF ILLINOIS
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RELATED REPORTS PUBLISHED UNDER SEPARATE COVERS (con't)

University of Illinois Research Park, LLC Reports

- The Annual Financial Statements of University of Illinois Research Park, LLC for the year ended June 30, 2007.
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.



**Independent Auditor's Report on Supplementary
Information for State Compliance Purposes**

The Honorable William G. Holland
Auditor General
State of Illinois
and
The Board of Trustees
University of Illinois

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the University of Illinois (University) as of and for the year ended June 30, 2007, and have issued our report thereon dated February 8, 2008. These financial statements and the supplementary information referred to below are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the University taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements of the University of Illinois. Such information for the year ended June 30, 2007, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2007 taken as a whole.

The supplementary information for the years ended June 30, 2006, 2005, 2004 and 2003 has been derived from financial statements audited previously and, in our reports dated October 4, 2006, September 28, 2005, October 15, 2004, and September 16, 2003 respectively, we expressed unqualified opinions on such information in relation to the University's basic financial statements taken as a whole. The supplementary information for the years ended June 30, 1998 through 2002 has been derived from financial statements audited by other auditors, whose reports thereon expressed unqualified opinions on such information in relation to the University's basic financial statements for those years ended taken as a whole.

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

Clifton Gunderson LLP

Peoria, Illinois
February 18, 2008

UNIVERSITY OF ILLINOIS
 SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
 FOURTEEN MONTHS ENDED AUGUST 31, 2007

	Appropriations (net after transfers)	Vouchered expenditures for the year ended June 30, 2007	Vouchered expenditures for the two months ended August 31, 2007	Total expenditures for the fourteen months ended August 31, 2007	Balances lapsed August 31, 2007	Balances reappropriated August 31, 2007
General Revenue Fund :						
Appropriation						
Expenditures						
Washington Center Initiative	\$ 75,000	\$ 75,000	-	\$ 75,000	\$ -	\$ -
Library Digitalization	500,000	464,285	35,715	500,000	-	-
Chicago Transit Study	30,000	26,994	3,006	30,000	-	-
Hispanic Center Excellence	800,000	400,000	-	400,000	-	400,000
Pathways Health Prof	350,000	121,287	228,713	350,000	-	-
Dixon Springs	350,000	332,026	17,974	350,000	-	-
Community Outreach	300,000	291,153	8,847	300,000	-	-
Permanent improvements	750,000	750,000	-	750,000	-	-
Personal services	608,160,000	607,957,358	202,642	608,160,000	-	-
Awards and grants	6,057,500	6,057,500	-	6,057,500	-	-
Travel	249,700	249,700	-	249,700	-	-
Commodities	2,518,600	2,518,600	-	2,518,600	-	-
Contractual services	39,794,600	39,794,600	-	39,794,600	-	-
Equipment	511,000	511,000	-	511,000	-	-
Telecommunications	5,016,800	5,016,800	-	5,016,800	-	-
Operation of automotive equipment	967,000	935,161	31,839	967,000	-	-
Worker's compensation	3,270,000	3,137,426	132,574	3,270,000	-	-
Hospital and Medical Services and Appliances	5,300,000	4,571,198	728,802	5,300,000	-	-
Health Insurance	24,893,200	24,893,200	-	24,893,200	-	-
Medicare	9,737,100	9,737,100	-	9,737,100	-	-
CHANCE Program	1,000,000	946,617	53,383	1,000,000	-	-
Total General Revenue Fund	\$ 710,630,500	\$ 708,787,005	\$ 1,443,495	\$ 710,230,500	\$ -	\$ 400,000
Fire Prevention Fund	\$ 2,076,600	\$ 2,022,453	\$ 54,147	\$ 2,076,600	\$ -	\$ -
State College and University Trust Fund	\$ 250,000	\$ 170,400	\$ -	\$ 170,400	\$ 79,600	\$ -

UNIVERSITY OF ILLINOIS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOURTEEN MONTHS ENDED AUGUST 31, 2007

	Appropriations (net after transfers)	Vouchered expenditures for the year ended June 30, 2007	Vouchered expenditures for the two months ended August 31, 2007	Total expenditures for the fourteen months ended August 31, 2007	Balances lapsed August 31, 2007	Balances reappropriated August 31, 2007
Capital Development Bond Fund:						
WILL-TV Digitalization Infrastructure	\$ 423,865	\$ 143,664	\$ -	\$ 143,664	\$ -	\$ 280,201
Classroom and Office Construction at UIS	176,623	143,196	-	143,196	-	33,427
Space Needs for DNR	4,918,777	372,216	-	372,216	-	4,546,561
Total Capital Development Bond Fund	\$ 5,519,265	\$ 659,076	\$ -	\$ 659,076	\$ -	\$ 4,860,189
Grand Totals, All Funds	\$ 718,476,365	\$ 711,638,934	\$ 1,497,642	\$ 713,136,576	\$ 79,600	\$ 5,260,189

Note: The data contained in the schedule was taken from the University's records which have been reconciled to the records of the State Comptroller. All appropriations were authorized by Public Act 094-0798.

UNIVERSITY OF ILLINOIS
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
BUDGET YEARS OF FISCAL 2007 AND 2006

	<u>PA 94-0798</u>	<u>PA 94-0015</u>
	<u>2007</u>	<u>2006</u>
General Revenue Fund:		
Appropriations	\$ 710,630,500	\$ 697,901,100
Expenditures		
Washington Center Initiative	\$ 75,000	\$ -
Library Digitalization	500,000	-
Chicago Transit Study	30,000	-
Hispanic Center Excellence	400,000	-
Pathw ays Health Prof	350,000	-
Dixon Springs	350,000	-
Community Outreach	300,000	-
Permanent improvements	750,000	750,000
Personal services	608,160,000	598,363,000
Aw ards and grants	6,057,500	5,957,500
Travel	249,700	249,700
Commodities	2,518,600	2,518,600
Contractual services	39,794,600	39,649,600
Equipment	511,000	511,000
Telecommunications	5,016,800	5,016,800
Operation of automotive equipment	967,000	967,000
Worker's compensation	3,270,000	3,270,000
Hospital and Medical Services and Appliances	5,300,000	5,817,598
Health Insurance	24,893,200	24,893,200
Medicare	9,737,100	8,937,100
CHANCE Program	1,000,000	1,000,000
Total expenditures	<u>\$ 710,230,500</u>	<u>\$ 697,901,098</u>
Lapsed Balance	<u>\$ -</u>	<u>\$ 2</u>
Reappropriated Balances	<u>\$ 400,000</u>	<u>\$ -</u>
Fire Prevention Fund:		
Appropriations	\$ 2,076,600	\$ 1,998,500
Expenditures	\$ 2,076,600	\$ 1,998,500
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>
State College and University Trust Fund		
Appropriations	\$ 250,000	\$ 250,000
Expenditures	\$ 170,400	\$ 212,277
Lapsed Balance	<u>\$ 79,600</u>	<u>\$ 37,723</u>

UNIVERSITY OF ILLINOIS
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
BUDGET YEARS OF FISCAL 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Capital Development Bond Fund:		
Appropriations	\$ 5,519,265	\$ 15,061,004
Expenditures		
WILL-TV digitalization infrastructure	\$ 143,664	\$ 332,176
College of Medicine Education and Research Facility	-	3,770,084
Classroom and Office Construction at UIS	143,196	947,804
Space needs for DNR	372,216	4,491,675
Total Expenditures	\$ 659,076	\$ 9,541,739
Reappropriated Balances	\$ 4,860,189	\$ 5,519,265
Lapsed Balances	\$ -	\$ -
 Grand Totals, All Funds:		
Appropriations	\$ 718,476,365	\$ 715,210,604
Expenditures	\$ 713,136,576	\$ 709,653,614
Reappropriated Balances	\$ 5,260,189	\$ 5,519,265
Lapsed Balances	\$ 79,600	\$ 37,725

UNIVERSITY OF ILLINOIS
ANALYSIS OF STATE APPROPRIATIONS
SIGNIFICANT LAPSE PERIOD EXPENDITURES
TWO MONTHS ENDED AUGUST 31, 2007

Total expenditures for the fourteen months ended August 31, 2007	Vouchered expenditures for the two months ended August 31, 2007	%
---	--	---

-- None --

The above represents all appropriations with lapse period expenditures: (1) greater than \$250,000 and (2) greater than 20% of total expenditures for the fourteen months ended August 31, 2007.

UNIVERSITY OF ILLINOIS
ANALYSIS OF UNIVERSITY INCOME FUND
COMPARATIVE SCHEDULE OF UNIVERSITY INCOME FUND REVENUES AND EXPENDITURES
BUDGET YEARS OF FISCAL 2007 AND 2006

<u>University Income Fund</u>	<u>2007</u>	<u>2006</u>
Revenues		
Net student tuition and fees	\$ 521,816,985	\$ 469,403,005
Other sources	13,262,783	9,495,502
	<u>535,079,768</u>	<u>478,898,507</u>
Provision for bad debts	(1,820,953)	(1,576,369)
Net revenues	<u>\$ 533,258,815</u>	<u>\$ 477,322,138</u>
Add (deduct) net change in:		
Cash	\$ (127,818)	\$ 107,749
Accounts receivable	(424,038)	2,970,195
Deferred charges	255,942	(883,706)
Accrued investment income	(2,472,131)	1,038,567
Deferred income	(284,549)	1,796,404
Accounts payable	5,145	(2,549)
	<u>(3,047,449)</u>	<u>5,026,660</u>
Fiscal year deposits	<u>\$ 530,211,366</u>	<u>\$ 482,348,798</u>
Expenditures		
Audit expense	\$ 258,057	\$ 243,399
Unemployment compensation	239,358	389,878
Permanent improvements	6,777,749	1,697,336
Personal services	329,740,307	295,154,256
Awards and grants	35,394,262	30,619,530
Travel	4,566,816	3,354,669
Commodities	33,549,298	15,608,465
Contractual services	91,030,271	106,947,063
Equipment	19,864,459	17,791,298
Telecommunications	2,698,396	2,614,843
Operation of automotive equipment	107,068	204,870
Worker's compensation	1,935,475	1,332,174
Medicare	3,016,630	2,596,680
Total expenditures	<u>\$ 529,178,146</u>	<u>\$ 478,554,461</u>
Increase in fund balance	<u>\$ 1,033,220</u>	<u>\$ 3,794,337</u>
Fund balance at beginning of budget fiscal year	\$ 6,131,490	\$ 2,394,164
FY06 Adjustments Made After FY06 Report Was Completed	\$ -	\$ (57,011) [1]
Beginning balance as adjusted	<u>\$ 6,131,490</u>	<u>\$ 2,337,153</u>
Fund balance at end of budget fiscal year	<u>\$ 7,164,710</u>	<u>\$ 6,131,490</u>
Budget	<u>\$ 539,794,200</u>	<u>\$ 486,348,200</u>
Fund balance as percentage of budget	<u>1.33%</u>	<u>1.26%</u>

[1] This adjustment relates to changes in the respective appropriation year income fund. These corrections were made after the report was prepared in the prior year. The revenues and expenses of the University's income fund are tracked by appropriation year rather than fiscal year. Because of this, it is possible to have adjustments entered in one fiscal year which affect the prior year's state appropriation year. So, this adjustment figure comes from adjustments that took place on the PY state fund after 8/31 - i.e., after the lapse period had closed and after the final reports had been issued.

UNIVERSITY OF ILLINOIS
ANALYSIS OF UNIVERSITY INCOME FUND
COMPARATIVE SCHEDULE OF UNIVERSITY INCOME FUND REVENUES AND EXPENDITURES
BUDGET YEARS OF FISCAL 2007 AND 2006

Net student tuition and fees increased by approximately \$52.4 million from fiscal year 2006 to fiscal year 2007. General tuition programs for continuing undergraduates increased approximately 9.5% at all three campuses plus continuation of the implementation of a phased in programmatic differential at UIS for fiscal year 2007. Graduate and professional tuition increased approximately 9% at all three campuses. Fiscal year 2005 was the beginning of the University of Illinois Guaranteed Tuition plan, which sets an entering undergraduate student's tuition for four years (undergraduate rates would remain unchanged for four years). The four-year rate set for fiscal year 2007 for first-time enrollments increased approximately 9% at UIC and UIUC and 8% at UIS. In addition, undergraduate tuition differentials were increased for several programs with a multi-year phase in. During fiscal year 2007, new differentials were implemented and there were increases to existing differentials in several graduate and professional programs at UIC and UIUC. The campuses also experienced stronger than expected enrollments, carryover and technical adjustments in fiscal year 2007.

The Income Fund cash balance earns investment income as a participant in the University's consolidated group of investments. These earnings are allocated and distributed to the participating funds at the end of each quarter based on the fund's average cash balance. The University expended \$5.5 million and \$3.1 million in fiscal years 2007 and 2006 respectively for institutional system development and institutional utility costs. A substantial portion of the investment funds are committed for recurring obligations.

UNIVERSITY OF ILLINOIS
ANALYSIS OF
REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2007 AND 2006

(in thousands)

	<u>2007</u>	<u>2006</u>	<u>Increase (decrease)</u>
OPERATING REVENUES:			
Student tuition and fees, net	\$ 608,780	\$ 554,856	\$ 53,924
Fee for services - state appropriation	46,207	44,626	1,581
Federal appropriations	18,183	15,805	2,378
Federal grants and contracts	585,981	593,144 ^(a)	(7,163)
State of Illinois grants and contracts	82,382	68,646 ^(a)	13,736
Private gifts, grants, and contracts	115,210	108,159	7,051
Educational activities	215,348	197,089	18,259
Auxiliary enterprises, net	304,094	282,321	21,773
Hospital and other medical activities, net	424,211	408,406	15,805
Medical service plan	144,303	141,336	2,967
Independent operations	10,620	11,786	(1,166)
Interest and service charges on student loans	1,100	2,913	(1,813)
On behalf - hospital and other medical activities	71,610	61,221	10,389
Total operating revenues	<u>2,628,029</u>	<u>2,490,308</u>	<u>137,721</u>
OPERATING EXPENSES:			
Instruction	703,540	666,200	37,340
Research	561,876	556,874	5,002
Public service	326,348	300,990	25,358
Academic support	236,561	218,043	18,518
Student services	88,374	82,656	5,718
Institutional support	167,172	150,572	16,600
Operation and maintenance of plant	218,028	229,038	(11,010)
Scholarships and fellow ships	198,016	185,155	12,861
Auxiliary enterprises	234,751	229,935	4,816
Hospital and medical activities	431,762	406,466	25,296
Independent operations	10,023	9,639	384
Depreciation	191,679	185,105	6,574
On behalf payments for fringe benefits	376,657	327,927	48,730
Total operating expenses	<u>3,744,787</u>	<u>3,548,600</u>	<u>196,187</u>
Operating (Loss)	<u>(1,116,758)</u>	<u>(1,058,292)</u>	<u>(58,466)</u>
NONOPERATING REVENUES (EXPENSES):			
State appropriations	665,752	655,521	10,231
Private gifts	127,907	116,111	11,796
On behalf payments for fringe benefits	305,047	266,706	38,341
Net investment income	63,733	38,992	24,741
Net increase in the fair value of investments	36,429	3,200	33,229
Interest on capital asset related debt	(71,768)	(61,657)	(10,111)
Loss on disposals of capital assets	(1,834)	(1,063)	(771)
Other nonoperating revenues	15,590	35,575	(19,985)
Net nonoperating revenues (expenses)	<u>1,140,856</u>	<u>1,053,385</u>	<u>87,471</u>
Income (loss) before other revenues, expenses, gains, and losses	<u>24,098</u>	<u>(4,907)</u>	<u>29,005</u>
Capital state appropriations	12,287	53,961	(41,674)
Capital gifts and grants	8,541	11,639	(3,098)
Private gifts for endowment purposes	945	208	737
INCREASE IN NET ASSETS	<u>45,871</u>	<u>60,901</u>	<u>(15,030)</u>
NET ASSETS, BEGINNING OF YEAR	<u>2,369,985</u>	<u>2,309,084</u>	<u>60,901</u>
NET ASSETS, END OF YEAR	<u>\$ 2,415,856</u>	<u>\$ 2,369,985</u>	<u>\$ 45,871</u>

(a) Items have been reclassified to correspond with the 2007 presentation.

UNIVERSITY OF ILLINOIS
ANALYSIS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS
SIGNIFICANT REVENUE, EXPENSE, AND OTHER CHANGES IN NET ASSETS VARIANCES
YEARS ENDED JUNE 30, 2007 AND 2006

Consistent with prior years, all variances greater than \$30 million, and more than a 10 percent variance from fiscal year 2007 are discussed below. Refer to the Analysis of Revenues, Expenses and Other Changes in Net Assets on page 9 for the actual dollar changes.

Explanations of significant variances:

- On behalf payments for fringe benefits (Operating Expenses) – An increase in on behalf payments was primarily due to an increase in contributions from the State of Illinois to the State Universities Retirement System. There was a dramatic decrease in contributions in fiscal year 2006, while fiscal year 2007 saw an increase in contributions back to a level consistent with fiscal year 2005.
- On behalf payments for fringe benefits (Nonoperating Revenues) – See explanation above.
- Net increase in the fair value of investments – This increase was due to an increase in market value for investments held for endowment purposes caused by variable market conditions.
- Capital state appropriations – There was a decrease because there was no new State appropriated capital programs funded in fiscal year 2007. Existing state appropriated capital projects approved in prior years had reduced spending due to completion or near completion.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CASH AND CASH EQUIVALENTS,
INVESTMENTS, AND ACCRUED INVESTMENT INCOME
JUNE 30, 2007 AND 2006

Various University funds have cash and certain investments which are pooled for the purpose of securing a greater return on investment and providing an equitable distribution of investment return. Pooled investments, which consist principally of U.S. Government and government agency securities, time deposits, corporate commercial paper and short-to-intermediate term mutual fund investments, are carried at their fair value as determined by quoted market price. Income is distributed to individual University funds quarterly based upon average monthly balances invested in the pool.

Non-pooled investments are carried at their fair value, as determined by quoted market price, except for Agency Fund investments which are carried at cost. Investment income, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund which owns the investments, except for income derived from investments of the Endowment and Similar Funds which is recognized in the funds to which such income is restricted.

At June 30, 2007, the University did not have deposits that exceeded the federally insured amount and the value of the underlying collateral at Busey Bank.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CASH AND CASH EQUIVALENTS,
INVESTMENTS, AND ACCRUED INVESTMENT INCOME
JUNE 30, 2007 AND 2006

The University's investment balances, including pooled investments, but excluding real estate and farm properties, at June 30, 2007 and 2006 were held as follows:

	<u>2007</u> Carrying Amount	<u>2006</u> Carrying Amount
Certificates of Deposits	\$ 400,000	\$ 846,299
U.S. Treasury Put	4,345,000	4,345,000
U.S. Government Securities	166,494,585	307,354,891
Repurchase Agreements	291,942,523	37,600,000
Commercial Paper	36,910,067	71,490,450
Corporate Bonds	192,282,689	205,508,371
Corporate Stock	73,215,638	59,416,054
Mutual Funds - Bonds	67,036,281	62,195,903
Mutual Funds - Stocks	135,510,485	115,458,834
Mutual Funds - Money Market	320,588,944	246,752,648
Mutual Funds - Real Estate	600	137,584
Illinois Fund	3,947,100	1,198,414
	<u>\$ 1,292,673,912</u>	<u>\$ 1,112,304,448</u>
Total Investments	<u>\$ 1,292,673,912</u>	<u>\$ 1,112,304,448</u>

Refer to Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2007, for categorization of investments according to interest rate risk and credit risk assumed by the University at June 30, 2007.

Investments of the endowment and similar funds also include real estate and farm properties which are carried at cost or, if donated, at the appraised value as of the date received. Investments in real estate and farm properties amounted to \$14,509,680 and \$13,467,620 at June 30, 2007 and 2006, respectively.

The University accounts for investment income on the accrual basis. Investment income for non-pooled investments, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund which owns the investments, except for income derived from investments of the Endowment and Similar Funds, which is recognized in the funds to which such income is restricted. Income from pooled investments is distributed to individual University funds quarterly based upon average monthly balances invested in the pool. Accrued investment income, by fund, at June 30, 2007 and 2006 was as follows:

	<u>2007</u>	<u>2006</u>
Current Funds		
Unrestricted	\$ 2,783,107	\$ 3,015,351
Restricted	166,205	94,074
Loan Funds	56,823	79,936
Plant Funds	<u>2,084,391</u>	<u>2,038,134</u>
Total	<u>\$ 5,090,526</u>	<u>\$ 5,227,495</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Accounts receivable		
Current Unrestricted Funds:		
Student tuition	\$ 25,360,238	\$ 23,838,631
Other unrestricted	11,010,359	11,725,922
Entity activities:		
Auxiliary enterprises	13,530,158	11,303,608
Hospital and clinics	292,361,541	308,218,068
Other departmental activities	18,706,353	14,573,627
Total accounts receivable	<u>360,968,649</u>	<u>369,659,856</u>
Allow ance for doubtful accounts:		
Hospital and clinics	(208,099,749)	(227,375,861)
Other departmental activities	(4,593,722)	(2,326,855)
Student tuition	(7,356,145)	(6,258,576)
Other unrestricted funds	(6,349,914)	(6,807,983)
Auxiliary enterprises	(2,796,136)	(2,052,603)
Total allow ance for doubtful accounts	<u>(229,195,666)</u>	<u>(244,821,878)</u>
Current Unrestricted Funds accounts receivable, net	<u>131,772,983</u>	<u>124,837,978</u>
Current Restricted Funds:		
Medical Service Plan	63,667,992	64,541,262
Grants, contracts and gifts	168,177,738	163,184,983
Federal appropriations	2,059,873	469,964
Endow ment farms	35,928	35,928
Total accounts receivable	<u>233,941,531</u>	<u>228,232,137</u>
Allow ance for doubtful accounts:		
Medical Service Plan	(30,711,399)	(26,968,929)
Current Restricted Funds accounts receivable, net	<u>203,230,132</u>	<u>201,263,208</u>
Plant Funds	<u>258,655</u>	<u>146,908</u>
Total accounts receivable, net	<u>335,261,770</u>	<u>326,248,094</u>
Notes receivable		
Loan Funds:		
Urbana campus	28,127,126	25,933,752
Chicago campus	35,960,680	32,257,072
Springfield campus	263,638	225,103
Total notes receivable	<u>64,351,444</u>	<u>58,415,927</u>
Allow ance for doubtful notes:		
Urbana campus	(1,748,277)	(1,155,102)
Chicago campus	(1,246,935)	(1,103,438)
Springfield campus	(9,653)	(8,867)
Total allow ance for doubtful accounts	<u>(3,004,865)</u>	<u>(2,267,407)</u>
Total notes receivable, net	<u>61,346,579</u>	<u>56,148,520</u>
Total accounts and notes receivable, net	<u>\$ 396,608,349</u>	<u>\$ 382,396,614</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
STUDENT TUITION RECEIVABLE
JUNE 30, 2007 AND 2006

	June 30, 2007			
	Total	Urbana Campus	Chicago Campus	Springfield Campus
Student tuition receivable				
Current - 30 days	\$ 8,755,301	\$ 4,015,984	\$ 3,931,692	\$ 807,625
31 - 90 days	664,978	446,227	179,429	39,322
Over 90 days	15,939,959	6,414,578	7,961,641	1,563,740
Total student tuition receivable	25,360,238	10,876,789	12,072,762	2,410,687
Allow ance for doubtful accounts	(7,356,145)	(2,010,875)	(4,742,893)	(602,377)
Student tuition receivable, net	\$ 18,004,093	\$ 8,865,914	\$ 7,329,869	\$ 1,808,310

	June 30, 2006			
	Total	Urbana Campus	Chicago Campus	Springfield Campus
Student tuition receivable				
Current - 30 days	\$ 9,088,041	\$ 4,014,438	\$ 4,363,815	\$ 709,788
31 - 90 days	628,962	277,830	302,009	49,123
Over 90 days	14,121,628	6,237,912	6,780,798	1,102,918
Total student tuition receivable	23,838,631	10,530,180	11,446,622	1,861,829
Allow ance for doubtful accounts	(6,258,576)	(1,479,379)	(4,280,291)	(498,906)
Student tuition receivable, net	\$ 17,580,055	\$ 9,050,801	\$ 7,166,331	\$ 1,362,923

These receivables relate to unpaid student tuition.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
HEALTH SERVICES FACILITIES SYSTEM - PATIENT RECEIVABLES
JUNE 30, 2007 AND 2006
(in thousands)

The University of Illinois Health Services Facilities System is comprised of the University of Illinois Hospital and associated clinical facilities providing patient care at, but not limited to, the University of Illinois at Chicago Medical Center.

	<u>2007</u>	<u>2006</u>
<u>Active Accounts</u>		
Patient receivables	\$ 103,400	\$ 105,952
Less bad debt allowance	(30,362)	(36,488)
Net patient receivables	<u>\$ 73,038</u>	<u>\$ 69,464</u>
Bad debt allowance -		
As a percent of patient receivables	<u>29.36%</u>	<u>34.44%</u>
Days revenue in net patient receivables	<u>66</u>	<u>64</u>
Write-offs of uncollectible accounts, net of recoveries	\$ 30,618	\$ 4,132
As a percent of gross revenue	<u>2.52%</u>	<u>0.37%</u>
Provision for bad debts	\$ 20,393	\$ 26,694
As a percent of gross revenue	<u>1.68%</u>	<u>2.41%</u>
Aging:		
0-30 days (including in-house)	65.71%	62.34%
31-90 days	15.23%	11.42%
91-180 days	7.65%	8.66%
Over 180 days	11.41%	17.58%
	<u>100.00%</u>	<u>100.00%</u>
<u>Inactive Accounts</u>		
Patient receivables	\$ 177,738	\$ 183,723
Less bad debt allowance	(177,738)	(183,723)
Net patient receivables	<u>\$ -</u>	<u>\$ -</u>
<u>Health Services Facilities System Receivables</u>		
	<u>2007</u>	<u>2006</u>
Active patient receivables	\$ 103,400	\$ 105,952
Inactive patient receivables	177,738	183,723
Other receivables	11,223	18,543
Due from related organizations		
Total Health Services Facilities System receivables	<u>\$ 292,361</u>	<u>\$ 308,218</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
GRANTS, CONTRACTS AND GIFTS
JUNE 30, 2007 AND 2006

	June 30, 2007				
	Total	University Administration	Urbana Campus	Chicago Campus	Springfield Campus
Grants, contracts and gifts					
United States government grants and contracts	\$ 109,854,681	\$ 354,364	\$ 61,261,935	\$ 48,179,445	\$ 58,937
Private gifts, grants and contracts	27,177,555		12,455,161	14,572,521	149,873
State of Illinois grants and contracts	31,145,502	345,387	15,926,826	13,648,176	1,225,113
Total grants, contracts and gifts	\$ 168,177,738	\$ 699,751	\$ 89,643,922	\$ 76,400,142	\$ 1,433,923

These accounts primarily consist of receivables for work performed under grant and contract activity.

	June 30, 2006				
	Total	University Administration	Urbana Campus	Chicago Campus	Springfield Campus
Grants, contracts and gifts					
United States government grants and contracts	\$ 108,984,737	\$ 459,517	\$ 59,240,791	\$ 49,189,984	\$ 94,445
Private gifts, grants and contracts	24,952,435		11,130,474	13,715,823	106,138
State of Illinois grants and contracts	29,247,811	578,180	12,933,595	14,805,591	930,445
Total grants, contracts and gifts	\$ 163,184,983	\$ 1,037,697	\$ 83,304,860	\$ 77,711,398	\$ 1,131,028

These accounts primarily consist of receivables for work performed under grant and contract activity.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
NOTES RECEIVABLE - LOAN FUNDS
JUNE 30, 2007 AND 2006

	June 30,	
	2007	2006
<u>Urbana campus</u>		
<u>Age</u>		
Not in repayment status/current billing	\$ 24,699,467	\$ 23,121,729
Under 120 days	1,047,352	778,684
Over 120 days	2,380,307	2,033,339
	<u>28,127,126</u>	<u>25,933,752</u>
Allowance for doubtful notes	(1,748,277)	(1,155,102)
Total - Urbana campus	<u>26,378,849</u>	<u>24,778,650</u>
<u>Chicago campus</u>		
<u>Age</u>		
Not in repayment status/current billing	31,228,800	28,336,460
Under 120 days	1,191,003	1,290,851
Over 120 days	3,540,877	2,629,761
	<u>35,960,680</u>	<u>32,257,072</u>
Allowance for doubtful notes	(1,246,935)	(1,103,438)
Total - Chicago campus	<u>34,713,745</u>	<u>31,153,634</u>
<u>Springfield campus</u>		
<u>Age</u>		
Not in repayment status/current billing	207,043	190,978
Under 120 days	28,594	9,027
Over 120 days	28,001	25,098
	<u>263,638</u>	<u>225,103</u>
Allowance for doubtful notes	(9,653)	(8,867)
Total - Springfield campus	<u>253,985</u>	<u>216,236</u>
<u>All campuses</u>		
<u>Age</u>		
Not in repayment status/current billing	56,135,310	51,649,167
Under 120 days	2,266,949	2,078,562
Over 120 days	5,949,185	4,688,198
	<u>64,351,444</u>	<u>58,415,927</u>
Allowance for doubtful notes	(3,004,865)	(2,267,407)
Total - All campuses	<u>\$ 61,346,579</u>	<u>\$ 56,148,520</u>

These amounts primarily represent loans to students under the Perkins and HPSL programs.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

CAPITAL ASSETS
JUNE 30, 2007

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 121,851,705	\$ 3,918,849	\$ (113,006)	643,512	\$ 126,301,060
Construction in progress	262,974,384	240,889,558		(214,346,589)	289,517,353
Inexhaustible collections	14,018,948	794,468			14,813,416
Total nondepreciable capital assets	398,845,037	245,602,875	(113,006)	(213,703,077)	430,631,829
Depreciable Capital Assets:					
Buildings	2,638,407,311		(178,715)	145,148,041	2,783,376,637
Improvements and infrastructure	552,060,037	50,457		68,555,036	620,665,530
Equipment	935,668,347	62,781,290	(47,221,776)		951,227,861
Software	147,489,640	4,836,283			152,325,923
Library materials	405,286,540	22,079,886			427,366,426
Subtotal	4,678,911,875	89,747,916	(47,400,491)	213,703,077	4,934,962,377
Less accumulated depreciation	2,107,767,501	191,679,149	(43,248,519)		2,256,198,131
Total net depreciable capital assets	2,571,144,374	(101,931,233)	(4,151,972)	213,703,077	2,678,764,246
Total Capital Assets	\$ 2,969,989,411	\$ 143,671,642	\$ (4,264,978)	\$ -	\$ 3,109,396,075

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR CHANGES TO LAND FY2007

Additions to Land in 2007:	
CHICAGO:	
OTHER (changes less than \$500,000):	\$ <u>559,873</u>
Total changes to Land - Chicago	\$ <u>559,873</u>
URBANA-CHAMPAIGN:	
1004-06 W Nevada	\$ 1,097,040
1106 W Main	567,737
Ashton Woods Apartments	<u>1,500,000</u>
Urbana-Champaign major changes to land	<u>3,164,777</u>
OTHER (changes less than \$500,000):	<u>724,705</u>
Total changes to Land - Urbana-Champaign	\$ <u>3,889,482</u>
Total Additions to Land	\$ <u>4,449,355</u>
TOTAL CHANGES TO LAND FY2007	\$ <u>4,449,355</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR BUILDING CHANGES, INCLUDING TRANSFERS FROM CONSTRUCTION IN PROGRESS FY2007

Deductions from Buildings in 2007:	
CHICAGO:	\$
URBANA-CHAMPAIGN:	
Animal Husbandry Cattle Feeding Plant	(178,715)
SPRINGFIELD:	
Total Deductions from Buildings	\$ (178,715)
Transfers to/from Buildings in 2007:	
CHICAGO:	
Adaptive Reuse Building #672	\$ 5,874,191
Adaptive Reuse Building #673	1,250,863
Adaptive Reuse Building #674	1,034,180
Adaptive Reuse Building #675	1,984,900
Applied Health Science Building, 1919 W Taylor	581,040
Art And Design Hall, 400 S Peoria	4,923,842
Beckham Hall, 1250 S. Halsted St.	(7,018,974)
Clinical Science Building, 840 S Wood	4,008,160
College Of Dentistry, 801 S Paulina	898,047
Outpatient Care Center, 1801 W Taylor	1,082,296
Recreation Center East	689,533
Robinson Hall, 811 W. Maxwell Street	1,155,169
Single Student Residence, 809 Damen	1,891,962
South Campus Parking Structure	2,372,390
Student Residence Hall, 818 S Wolcott	9,340,810
U of I Hospital, 1740 W Taylor	1,368,458
University Hall, 601 S Morgan	1,684,436
Chicago major Transfers to/from Buildings	<u>33,121,303</u>
OTHER (transfers less than \$500,000):	<u>865,149</u>
Total Transfers to/from Buildings - Chicago	\$ 33,986,452
URBANA-CHAMPAIGN:	
Ashton Woods Apartments	\$ 6,901,053
Christopher Hall	557,367
Clark Hall	615,441
Digital Computer Laboratory	1,800,652
Institute For Genomic Biology	65,828,771
Loomis Laboratory of Physics	532,555
Mechanical Engineering Building	1,375,218
Microelectronics Laboratory	17,580,231
Noyes Laboratory of Chemistry	1,932,539
Physical Plant Service Building	791,831
Roger Adams Laboratory	5,493,809
Trelease Hall	1,514,722
Water Survey Building	1,442,815
Urbana-Champaign major Transfers to/from Buildings	<u>106,367,004</u>
OTHER (transfers less than \$500,000):	<u>3,976,005</u>
Total Transfers to/from Buildings - Urbana-Champaign	\$ 110,343,009
SPRINGFIELD:	
Health & Science Building	\$ 818,580
Springfield major Transfers to/from Buildings	<u>818,580</u>
OTHER (transfers less than \$500,000):	<u>-</u>
Total Transfers to/from Buildings - Springfield	\$ 818,580
Total Transfers to/from Buildings	\$ 145,148,041
TOTAL CHANGES TO BUILDINGS FY2007	\$ 144,969,326

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR CHANGES TO IMPROVEMENTS OTHER THAN BUILDINGS FY2007

Transfers to/from improvements other than buildings in 2007:

CHICAGO:

Chilled Water Facilities	\$ (1,020,179)
South Campus Infrastructure	36,842,710
South Campus Land Improvements	18,178,180
University Hall & Behavioral Science Building Site Improvement	680,873
West Campus Chilled Water	4,548,135

Total transfers to/from improvements other than buildings - Chicago	<u>\$ 59,229,719</u>
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URBANA-CHAMPAIGN:

Campus Water Chiller	\$ 3,341,534
ICCN IRU Dark Fiber Optic Cable	1,980,066
Parking Facilities	223,188
Willard Airport Runways	1,629,155

Total transfers to/from improvements other than buildings - Urbana-Champaign	<u>\$ 7,173,943</u>
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SPRINGFIELD:

Classroom Office Building Quad	\$ 1,438,933
Recreation Center Parking Lot	762,899

Total transfers to/from improvements other than buildings -Springfield	<u>\$ 2,201,832</u>
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Total Transfers to/from Improvements other than Buildings	<u><u>\$ 68,605,494</u></u>
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TOTAL CHANGES TO LAND IMPROVEMENTS OTHER THAN BUILDINGS FY2007	<u><u>\$ 68,605,494</u></u>
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UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR CHANGES TO EQUIPMENT, INEXHAUSTIBLE COLLECTIONS, AND LIBRARY MATERIALS FY2007

Additions/Internal Transfers in 2007 by category

CHICAGO:

Hospital	\$ 8,015,402
Auxiliaries	82,495
Other Self Supporting	1,539,542
General Campus	<u>22,015,350</u>

Total Additions/Transfers - Chicago \$ 31,652,789

URBANA-CHAMPAIGN:

Willard Airport	\$ 20,265
Auxiliaries	(1,132,345)
Other Self Supporting	11,149,214
General Campus	<u>39,626,805</u>

Total Additions/Transfers - Urbana-Champaign \$ 49,663,939

SPRINGFIELD:

Auxiliaries	\$ 31,181
Other Self Supporting	146,943
General Campus	<u>1,487,568</u>

Total Additions/Transfers - Springfield \$ 1,665,692

UNIVERSITY ADMINISTRATION:

Other Self Supporting	(50,433)
General Campus	<u>2,723,657</u>

Total Additions/Transfers - University Administration \$ 2,673,224

Total Additions/Transfers to Equipment, Inexhaustible Collections, and Library Materials \$ 85,655,644

Equipment trade-ins, disposals and adjustments by category FY2007

CHICAGO:

Hospital	\$ (15,249,789)
Auxiliaries	(10,161)
Other Self Supporting	(903,785)
General Campus	<u>(5,977,450)</u>

Total trade-ins, disposals and adjustments - Chicago \$ (22,141,185)

URBANA-CHAMPAIGN:

Willard Airport	\$ -
Auxiliaries	(226,453)
Other Self Supporting	(3,333,104)
General Campus	<u>(17,987,950)</u>

Total trade-ins, disposals and adjustments - Urbana-Champaign \$ (21,547,507)

SPRINGFIELD:

Auxiliaries	\$ (94,606)
Other Self Supporting	(31,759)
General Campus	<u>(140,162)</u>

Total trade-ins, disposals and adjustments - Springfield \$ (266,527)

UNIVERSITY ADMINISTRATION:

Other Self Supporting	\$ (1,893,089)
General Campus	<u>(1,373,468)</u>

Total trade-ins, disposals and adjustments - University Administration \$ (3,266,557)

Total trade-ins, disposals and adjustments to Equipment \$ (47,221,776)

TOTAL CHANGES TO EQUIPMENT, INEXHAUSTIBLE COLLECTIONS, AND LIBRARY MATERIALS FY2007 \$ 38,433,868

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR CHANGES TO EQUIPMENT FY2007 (CONT'D)

SUMMARY OF EQUIPMENT TRADE-INS, DISPOSALS AND ADJUSTMENTS BY CAMPUS FY2007

Trade-ins:	
Chicago	\$ (2,977,941)
Urbana-Champaign	(3,455,343)
Springfield	(160,672)
	<u>(6,593,956)</u>
Disposals:	
Chicago	\$ (19,163,244)
Urbana-Champaign	(21,358,721)
Springfield	(105,855)
	<u>(40,627,820)</u>
TOTAL EQUIPMENT TRADE-INS, DISPOSALS AND ADJUSTMENT FY2007	<u>\$ (47,221,776)</u>

MAJOR CHANGES TO SOFTWARE FY2007

Additions/Internal Transfers in 2007 by category	
CHICAGO:	
Hospital	\$ 4,433,536
Total Additions/Transfers to Software - Chicago	<u>\$ 4,433,536</u>
URBANA-CHAMPAIGN:	
Other Self Supporting	\$ 402,748
Total Additions/Transfers to Software - Urbana-Champaign	<u>\$ 402,748</u>
Total Additions/Transfers to Software	<u>\$ 4,836,284</u>
TOTAL CHANGES TO SOFTWARE FY2007	<u>\$ 4,836,284</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2007

Additions in 2007:

CHICAGO:

Adaptive Reuse Building #672	\$ 1,911,146
Adaptive Reuse Building #673	551,294
Adaptive Reuse Building #675	1,014,851
Campus Water Chiller	(988,796)
Chicago Circle Center	642,018
College of Dentistry	1,464,900
College of Medicine Research Facility	764,133
Grant Hall	4,278,040
Outpatient Care Center	740,824
RCOM-East Building	786,406
Recreation Center East	756,271
Roosevelt & Wood Parking Facility	1,595,101
South Campus Chilled Water Lines	1,888,117
South Campus Infrastructure	3,168,952
South Campus Mixed Use Development	6,651,601
South Campus Parking Structure	505,599
Stroke Center	735,500
Student Residence Hall	6,417,515
Stukel Towers	51,627,471
UIC Athletic Lighting	675,973
UIC Athletic Turf	1,289,334
UIC Forum	17,521,434
West Campus Chilled Water	1,386,685
West Side HVAC	703,063

Chicago major Additions to Construction In Progress 106,087,432

OTHER (additions less than \$500,000): 2,470,626

Total Additions to Construction In Progress - Chicago \$ 108,558,058

URBANA-CHAMPAIGN:

Ashton Woods Apartments	\$ 6,901,053
Business Instructional Facility	15,293,873
Campus Chiller 5	598,991
Chilled Water	1,192,134
Cites Network Upgrade	3,600,070
Conference Center	1,698,904
Dark Fiber Optic Cable	1,980,066
Everitt Electrical & Computer Engineering Building	585,975
Indoor Golf Facility	2,876,114
Intramural-Physical Education Building	18,441,827
Irvine Academic Service Center	3,003,238
Irvine Indoor Football Practice Facility	1,060,467
Memorial Stadium	25,509,119
Microelectronics Laboratory	4,676,072
Noyes Laboratory	3,809,753
Peabody/Gregory Residence Hall	3,109,512
Pennsylvania Lounge Building	906,409
Physical Plant Service Building	764,401
Post Genomics Institute	4,026,474
Poultry Research Facility	2,145,703
Roger Adams Laboratory	774,884
South Campus Chilled Water Improvement	1,972,969
Trelease Hall	571,391
Willard Airport	3,864,513

Urbana-Champaign major Additions to Construction In Progress 109,363,912

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2007 (CONT'D)

Additions in 2007 (cont'd):

URBANA-CHAMPAIGN (cont'd):

OTHER (additions less than \$500,000): 5,314,078

Total Additions to Construction In Progress - Urbana-Champaign \$ 114,677,990

SPRINGFIELD:

UIS Student Recreation Center \$ 13,093,645

UIS Residence Hall 741,628

UIS Townhouses Phase III 3,322,196

Springfield major Additions to Construction In Progress 17,157,469

OTHER (additions less than \$500,000): 496,041

Total Additions to Construction In Progress - Springfield \$ 17,653,510

Total Additions to Construction In Progress \$ 240,889,558

Transfers to/from Construction In Progress in 2007:

CHICAGO:

Adaptive Reuse Building #672 \$ (5,874,191)

Adaptive Reuse Building #673 (1,250,863)

Adaptive Reuse Building #674 (1,034,180)

Adaptive Reuse Building #675 (1,984,900)

Applied Health Science (581,041)

Art and Design Hall (4,923,842)

Beckham Hall 7,018,974

Campus Water Chiller 851,244

Clinical Sciences Building (4,008,160)

College of Dentistry (898,048)

Maxwell Street Parking Structure (2,372,390)

Outpatient Care Center (1,082,296)

Recreation Center East (689,533)

Robinson Hall (1,155,169)

Single Student Residence Hall (1,891,962)

South Campus Infrastructure (36,842,708)

South Campus Site Improvements (18,178,180)

Student Residence Hall (9,340,810)

University Hall (1,684,436)

University Hall & Behavioral Science Building Site Improvement (680,873)

University of Illinois Hospital (1,399,465)

West Campus Chilled Water (4,379,199)

Chicago major Transfers to/from Construction In Progress (92,382,028)

OTHER (transfers less than \$500,000): (1,477,653)

Total Transfers to/from Construction In Progress - Chicago \$ (93,859,681)

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2007

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2007 (CONT'D)

Transfers to/from Construction In Progress in 2007 (cont'd):

URBANA-CHAMPAIGN:

Ashton Woods Apartments	\$ (6,901,053)
Campus Chiller 5	(3,341,534)
Campus Parking	(701,686)
Christopher Hall	(557,367)
Clark Hall	(615,441)
Dark Fiber Optic Cable	(1,980,065)
Digital Computer Lab	(1,800,652)
Loomis Laboratory	(532,555)
Mechanical Engineering Lab	(1,375,218)
Microelectronics Lab	(17,580,231)
Noyes Laboratory	(1,932,539)
Physical Plant Service Building	(791,831)
Post Genomics Institute	(65,828,772)
Roger Adams Laboratory	(5,493,809)
Trelease Hall	(1,514,722)
Water Survey Shop	(1,442,815)
Willard Airport	(1,578,698)

Urbana-Champaign major Transfers to/from Construction In Progress (113,968,988)

OTHER (transfers less than \$500,000): (3,497,507)

Total Transfers to/from Construction In Progress - Urbana-Champaign \$ (117,466,495)

SPRINGFIELD:

Classroom Office Building Site Improvement (Quad)	\$ (1,438,934)
Health and Sciences Building	(530,869)
Recreation Center Parking Lot	(762,899)

Springfield major Transfers to/from Construction In Progress (2,732,702)

OTHER (transfers less than \$500,000): (287,711)

Total Transfers to/from Construction In Progress - Springfield \$ (3,020,413)

Total Transfers to/from Construction In Progress \$ (214,346,589)

TOTAL CHANGES TO CONSTRUCTION IN PROGRESS FY2007 \$ 26,542,969

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>	<u>Increase (decrease)</u>
ALL FUNDS			
Accounts payable	\$ 195,079,366	\$ 158,681,098 (b)	\$ 36,398,268
Accrued payroll	119,266,931	115,607,642	3,659,289
Accrued interest	17,191,506	13,648,130	3,543,376
Accrued compensated absences:			
Vacation	127,407,585	122,653,572	4,754,013
Sick-leave	81,773,448	84,653,590	(2,880,142)
Total compensated absences	<u>209,181,033</u>	<u>207,307,162</u>	<u>1,873,871</u>
Accrued self-insurance	<u>156,178,221</u>	<u>142,214,064</u>	<u>13,964,157</u>
Total accounts payable and accrued liabilities	<u>\$ 696,897,057</u>	<u>\$ 637,458,096</u>	<u>\$ 59,438,961</u>

(b) Certain liabilities were reclassified to accounts payable for fiscal year 2006 to be consistent with fiscal year 2007 presentation.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
ACCRUED COMPENSATED ABSENCES AT
JUNE 30 FOR THE LAST TEN YEARS

	<u>Accrued Vacation Pay</u>	<u>Accrued Sick Pay</u>	<u>Total</u>
2007	\$ 127,407,585	\$ 81,773,448	\$ 209,181,033
2006	122,653,572	84,653,590	207,307,162
2005	115,467,685	90,607,349 ¹	206,075,034
2004	90,443,817	92,926,513 ¹	183,370,330
2003	92,291,996	100,232,056	192,524,052
2002	91,782,138	107,381,345	199,163,483
2001	84,650,349	110,096,329	194,746,678
2000	79,278,265	116,817,407	196,095,672
1999	71,511,180	122,571,606	194,082,786
1998	75,099,842	120,304,964	195,404,806

¹ The amounts previously reported of 78,969,349 and 81,089,513 as of June 30, 2005 and 2004, respectively, were revised. University management reviewed and revised its calculation to more accurately estimate expected payouts to employees upon termination.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
DEFERRED REVENUE AND STUDENT DEPOSITS
JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
Deferred revenue and student deposits		
Deferred General Revenue Fund appropriations	\$ 873,044	\$ 345,365
Deferred tuition	23,823,632	24,108,181
Student deposits	933,712	762,015
Auxiliary enterprises under indenture	5,488,399	5,389,048
Auxiliary enterprises not under indenture	4,829,386	4,624,968
Departmental activities	12,176,258	11,369,291
Storerooms and other services	2,269,131	409,813
US grants & contracts	20,264,217	11,970,870
Private grants & contracts	52,927,348	57,611,495
State of Ill grants & contracts	22,444,654	23,184,144
Unexpended Plant	2,005,000	1,500,000
Other	241,880	
	<hr/>	<hr/>
Total deferred revenue and student deposits	<u>\$ 148,276,661</u>	<u>\$ 141,275,190</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
YEAR ENDED JUNE 30, 2007

	Balance at July 1, 2006	Bonds Issued	Principal Reductions	Accretion on Bonds	Balance at June 30, 2007
University of Illinois Auxiliary Facilities					
System Revenue Bonds:					
Series 1979 UIS HUD Bonds	\$ 840,000	\$	\$ 60,000		\$ 780,000
Series 1991	113,722,610		3,870,000	8,381,107	118,233,717
Series 1993	30,848,423		11,145,000	1,445,695	21,149,118
Series 1996	2,970,000		2,135,000		835,000
Series 1999A	21,794,558		1,845,000	936,136	20,885,694
Series 1999B	5,705,000		305,000		5,400,000
Series 2000	545,000		95,000		450,000
Series 2001A	105,810,000		1,950,000		103,860,000
Series 2001B	91,935,000		52,210,000		39,725,000
Series 2001C	16,090,000		1,165,000		14,925,000
Series 2003A	64,075,000		1,130,000		62,945,000
Series 2005A	163,905,000		2,260,000		161,645,000
Series 2005B	67,305,000				67,305,000
Series 2006		318,155,000			318,155,000
Total Auxiliary Facilities System	<u>685,545,591</u>	<u>318,155,000</u>	<u>78,170,000</u>	<u>10,762,938</u>	<u>936,293,529</u>
UIC South Campus Development					
Revenue Bonds:					
Series 2000	17,205,000		2,770,000		14,435,000
Series 2003	9,585,000		420,000		9,165,000
Series 2006A	53,700,000				53,700,000
Total UIC South Campus Development	<u>80,490,000</u>	<u>-</u>	<u>3,190,000</u>	<u>-</u>	<u>77,300,000</u>
Willard Airport Revenue Bonds:					
Series 1997	745,000		235,000		510,000
University of Illinois Health Services					
Facilities System Revenue Bonds:					
Series 1997A	41,730,000		1,055,000		40,675,000
Series 1997B	21,500,000		700,000		20,800,000
Total Health Services Facilities System	<u>63,230,000</u>	<u>-</u>	<u>1,755,000</u>	<u>-</u>	<u>61,475,000</u>
Total bonds payable	<u>\$ 830,010,591</u>	<u>\$ 318,155,000</u>	<u>\$ 83,350,000</u>	<u>\$ 10,762,938</u>	<u>\$ 1,075,578,529</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2007 AND 2006

University of Illinois Auxiliary Facilities System

Series 1991 Bonds –

On June 13, 1991, the Series 1991 Bonds were issued in the principal amount of \$77,387,579. The Series 1991 Bonds consist of current interest bonds (\$29,640,000) and capital appreciation bonds (\$47,747,579). The current interest bonds were retired during FY2002 utilizing funds from the sale of the Series 2001B and 2001C Bonds. The capital appreciation bonds do not require current interest payments. They mature on April 1, 1996 and April 1, 2002 through April 1, 2021, at amounts sufficient to produce yields ranging from 5.95% to 7.35%. The University records the annual increase in the principal amount of the bonds as capital appreciation on bonds payable.

Proceeds from the sale of the Series 1991 Bonds were used (a) to finance certain additions to the System; (b) to finance remodeling, repair and improvement of certain existing facilities of the System; (c) to fund the Debt Service Reserve in an amount equal to the difference between the Maximum Annual Net Debt Service and the balance in such account at the time of delivery of the Series 1991 Bonds; and (d) to pay all costs incidental to the issuance of the Series 1991 Bonds. These issuance costs, in the amount of \$3,660,983, have been recorded as a prepaid expense and will be amortized over the life of the bond issue.

Series 1993 Bonds –

On June 29, 1993, the Series 1993 Bonds were issued in the principal amount of \$45,926,969. The Series 1993 Bonds consist of current interest bonds (\$31,305,000) and capital appreciation bonds (\$14,621,969). The current interest bonds bear interest at rates ranging from 3.5% to 5.875% per annum, payable semi-annually, commencing October 1, 1993 and mature annually October 1, 1995 through 2005. A portion of the current interest bonds were refunded during FY2002 utilizing funds from the sale of the Series 2001A Bonds. The capital appreciation bonds do not require current interest payments. They mature semi-annually, commencing October 1, 2006 through April 1, 2009, at amounts sufficient to produce yields ranging from 5.7% to 5.95%. The University records the annual increase in the principal amount of the bonds as interest expense and accretion on bonds payable.

Proceeds from the sale of the Series 1993 Bonds were used (a) to advance refund a portion of the Series 1986 Bonds due April 1, 2006 through April 1, 2009; (b) to finance various additions, improvements and renovations to the System; (c) to fund the Debt Service Reserve in an amount equal to the difference between the Maximum Annual Net Debt Reserve and the balance in such account at the time of delivery of the Series 1993 Bonds; and (d) to pay all costs incidental to the issuance of the Series 1993 Bonds and the advance refunding. These issuance costs, in the amount of \$737,335, have been recorded as a prepaid expense and will be amortized over the life of the bond issue.

Series 1996 Bonds –

On February 14, 1996, the Series 1996 Bonds were issued in the principal amount of \$62,285,000. The Series 1996 Bonds are current interest bonds which bear interest at rates ranging from 4.0% to 5.60% per annum, payable semi-annually commencing October 1, 1996 and mature annually October 1, 1996 through 2022. A portion of the Series 1996 Bonds were refunded during FY2005 utilizing funds from the sale of the Series 2005A Bonds and also in FY2007 utilizing funds from the sale of the Series 2006 Bonds.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2007 AND 2006

University of Illinois Auxiliary Facilities System (cont'd)

Proceeds from the sale of the Series 1996 Bonds are being used (a) to advance refund the Series 1992 Sangamon State Housing bonds; (b) to finance various additions, improvements and renovations to the System; (c) to fund the Debt Service Reserve in an amount equal to the difference between the maximum Annual Net Debt Reserve and the balance in such account at the time of delivery of the Series 1996 Bonds; and (d) to pay all costs incidental to the issuance of the Series 1996 Bonds and the advance refunding. These issuance costs including bond premium, in the amount of \$95,037, have been recorded as prepaid expense and will be amortized over the life of the bond issue.

Series 1999A Bonds –

On January 12, 2000, the Series 1999A Bonds were issued in the principal amount of \$110,639,381. The Series 1999A Bonds consist of current interest bonds (\$100,730,000) and capital appreciation bonds (\$9,909,381). The current interest bonds bear interest at rates ranging from 4.5% to 6.0% per annum, payable semi-annually commencing April 1, 2000 and mature annually April 1, 2002 through 2030. A portion of the current interest bonds were refunded during FY2005 utilizing funds from the sale of the Series 2005A Bonds. The capital appreciation bonds do not require current interest payments. They mature annually commencing April 1, 2015 through 2030 at amounts sufficient to produce yields ranging from 4.5% to 6.0%. The University records the annual increase in the principal amount of the bonds as interest expense and accretion on bonds payable.

Series 1999B Bonds –

On January 12, 2000, the Series 1999B Bonds were issued in the principal amount of \$6,000,000. The Series 1999B Bonds are current interest bonds which bear interest at rates ranging from 7.41% to 7.56% per annum, payable semi-annually commencing April 1, 2000 and mature annually April 1, 2005 through 2015.

Proceeds from the sale of the Series 1999A and 1999B Bonds are being used (a) to finance various additions, improvements and renovations to the System; (b) to pay a portion of the interest on the Series 1999A and 1999B Bonds during construction; and (c) to pay all costs incidental to the issuance of the Series 1999A and 1999B Bonds. These issuance costs, in the amount of \$1,933,819, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

Series 2000 Bonds-

On July 12, 2000, the Series 2000 Bonds were issued in the principal amount of \$11,500,000. The Series 2000 Bonds are current interest bonds which bear interest at rates ranging from 5.5% to 5.8% per annum, payable semi-annually commencing October 1, 2000 and mature annually April 1, 2003 through 2031. A portion of the Series 2000 Bonds were refunded during FY2005 utilizing funds from the sale of the Series 2005A Bonds.

Proceeds from the sale of the Series 2000 Bonds are being used to (a) pay (or reimburse the University) for constructing a new student housing facility and food service improvements at the University's Springfield campus; (b) pay the interest on the Series 2000 Bonds through April 1, 2002; and (c) pay costs incidental to the issuance of the Series 2000 bonds. The issuance costs, in the amount of \$125,000, have been recorded as a prepaid expense and will be amortized over the life of the bond issue.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2007 AND 2006

University of Illinois Auxiliary Facilities System (cont'd)

Series 2001A

On August 30, 2001, the Series 2001A Bonds were issued in the principal amount of \$106,030,000. Series 2001A Bonds are current interest bonds which bear interest at rates ranging from 4.0% to 5.50% per annum, payable semi-annually commencing April 1, 2002 and mature annually April 1, 2006 through 2030.

Proceeds from the sale of the Series 2001A Bonds are being used to advance refund portions of various outstanding Auxiliary Facilities System bond issues. The refunding resulted in a reduction in debt service of approximately \$7,900,000 and an economic gain of approximately \$8,169,000. The difference between the reacquisition price and the net carrying amount of the old debt, loss on refunding, is deferred and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

Series 2001B and Series 2001C

On July 26, 2001, the Series 2001B and Series 2001C Bonds were issued in the principal amount of \$135,630,000 and \$18,925,000, respectively. Series 2001B Bonds are current interest bonds which bear interest at rates ranging from 4.0% to 5.55% per annum, payable semi-annually commencing April 1, 2002 and mature annually April 1, 2003 through 2032. A portion of the Series 2001B Bonds were refunded during FY2005 utilizing funds from the sale of the Series 2005A Bonds and also in FY2007 utilizing funds from the sale of the Series 2006 Bonds. Series 2001C are current interest bonds which bear interest at rates ranging from 5.08% to 7.00% per annum, payable semi-annually commencing April 1, 2002 and mature annually April 1, 2004 through 2021.

Proceeds from the sale of the Series 2001B and Series 2001C Bonds are being used to (a) fund the current refunding of various outstanding issues, (b) fund various additions and improvements to the System, (c) pay the interest on the Series 2001B and Series 2001C Bonds during construction; and (d) pay costs incidental to the issuance of the Series 2001B and Series 2001C bonds. The issuance costs for Series 2001B and Series 2001C, in the amount of \$913,000, and 120,000, respectively, have been recorded as a prepaid expense and will be amortized over the life of the bond issue.

Series 2003A

On June 5, 2003, the Series 2003A Bonds were issued in the principal amount of \$65,870,000. Series 2003A Bonds are current interest bonds which bear interest at rates ranging from 2.0% to 5.50% per annum, payable semi-annually commencing October 1, 2003 and mature annually April 1, 2004 through 2034.

Proceeds from the sale of the Series 2003A Bonds are being used to fund various additions and improvements to the System, pay debt service during construction, and pay all costs incidental to the issuance of the bonds. These issuance costs, in the amount of \$594,592, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2007 AND 2006

University of Illinois Auxiliary Facilities System (cont'd)

Series 2005A

On March 31, 2005, the Series 2005A Bonds were issued in the principal amount of \$163,905,000. Series 2005A Bonds are current interest bonds which bear interest at rates ranging from 4.625% to 5.50% per annum, payable semi-annually commencing October 1, 2005 and mature annually April 1, 2007 through 2031.

Proceeds from the sale of the Series 2005A Bonds are being used to fund various additions and improvements to the System, to provide for the advance refunding of portions of the outstanding Auxiliary Facilities System Revenue Bonds, Series 1996, Series 1999A, Series 2000, and Series 2001B, to pay debt service during construction and to pay all costs incidental to the issuance of the bonds. These issuance costs, in the amount of \$1,113,378, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

Series 2005B

On August 10, 2005, the Series 2005B Bonds were issued in the principal amount of \$67,305,000. Series 2005B Bonds are variable rate bonds bearing at a weekly rate estimated to average 3.60% per annum over the life of the bonds. Interest is payable monthly commencing September 2005. The bonds mature annually April 1, 2008 through April 1, 2035.

Proceeds from the sale of the Series 2005B Bonds are being used to fund various additions and improvements to the System, to pay debt service during construction and to pay all costs incidental to the issuance of the bonds. These issuance costs, in the amount of \$694,204, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

Series 2006

On October 5, 2006, the Series 2006 Bonds were issued in the principal amount of \$318,155,000. Series 2006 Bonds are current interest bonds which bear interest at rates ranging from 4.00% to 5.00% per annum, payable semi-annually commencing April 1, 2007 and mature annually April 1, 2008 thru 2036.

Proceeds from the sale of the Series 2006 Bonds are being used to fund various improvements to the System, provide for the refunding of portions of the outstanding System bonds, Series 1996 and Series 2001B, to pay debt service during construction and to pay all costs incidental to the issuance of the bonds. These issuance costs, in the amount of \$2,666,750, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

Willard Airport

Series 1997 Bonds –

On July 16, 1997, the Series 1997 Bonds were issued in the principal amount of \$4,155,000. The Series 1997 Bonds bear interest at rates ranging from 3.95% to 5.00% per annum, payable semi-annually, commencing October 1, 1997. They mature annually, commencing April 1, 1998 through April 1, 2009.

Proceeds from the sale of the Series 1997 Bonds were used (a) to fund the full retirement of the Series 1987 Bonds, and (b) to pay certain expenses relating to the issuance of the Series 1997 Bonds. These issuance costs, in the amount of \$54,262, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2007 AND 2006

University of Illinois Health Services Facilities System

Series 1997A Bonds –

On April 15, 1997, the Series 1997A Bonds were issued in the principal amount of \$47,210,000. The Series 1997A Bonds are current interest bonds, which bear interest at rates ranging from 4.80% to 5.90%, per annum, payable semi-annually, commencing October 1, 1997. They mature annually, commencing October 1, 2000 through October 1, 2006.

Series 1997B Bonds –

On May 8, 1997, the Series 1997B Bonds were issued in the principal amount of \$25,000,000. The Series 1997B Bonds are variable rate bonds bearing interest at a weekly rate estimated to average 4% per annum over the life of the bonds. Interest is payable monthly commencing June 1, 1997. The bonds mature annually, commencing October 1, 2000 through October 1, 2006.

Proceeds from the sale of the Series 1997A and 1997B Bonds are being used (a) to pay or reimburse the Board for the cost of acquiring, construction and equipping a new ambulatory care facility on the campus of the University of Illinois at Chicago and a medical office building in Rockford, Illinois, as a part of the Health Services Facilities System of the University; (b) to pay a portion of the interest on the Series 1997A and Series 1997B Bonds; and (c) to pay costs incidental to the issuance of the Series 1997A and 1997B Bonds. These issuance costs, in the amount of \$964,525, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

University of Illinois UIC South Campus Development Project

Series 2000 Bonds –

On February 17, 2000, the Series 2000 Bonds were issued in the principal amount of \$27,150,000. The Series 2000 Bonds are current interest bonds which bear interest at rates ranging from 6.77% to 7.96%, per annum, payable semi-annually, commencing July 15, 2000. The bonds mature annually, commencing January 15, 2001 through 2002 and annually January 15, 2004 through 2013.

Proceeds from the sale of the Series 1999 and 2000 Bonds are being used (a) to provide a portion of the funding for the University of Illinois South Campus Development Project, an integrated academic, residential, recreational, and commercial development; and (b) to pay costs incidental to the issuance of the Series 1999 and 2000 Bonds. These issuance costs, in the amount of \$936,434, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

Series 2003 Bonds –

On August 1, 2003, the Series 2003 Bonds were issued in the principal amount of \$10,000,000. The Series 2003 bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.00%, per annum, payable semi-annually, commencing January 15, 2004. The bonds mature annually, commencing January 15, 2003 through January 15, 2023.

Proceeds from the sale of the Series 2003 Bonds are being used (a) to provide a portion of the funding for the University of Illinois South Campus Development Project; and (b) to pay costs incidental to the issuance of the Series 2003 Bonds. These issuance costs, in the amount of \$105,519, have been recorded as a prepaid expense and will be amortized over the life of the bond issue.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2007 AND 2006

University of Illinois UIC South Campus Development Project (cont'd)

Series 2006A Bonds –

On February 2, 2006, the Series 2006A Bonds were issued in the principal amount of \$53,700,000. Series 2006A Bonds are variable rate bonds bearing interest at a weekly rate estimated to average 3.51% per annum over the life of the bonds. Interest is payable monthly commencing March 2006. The bonds mature annually commencing January 15, 2011 through January 15, 2025.

Proceeds from the sale of the Series 2006A Bonds are being used 1) to refund in advance of maturity and defease all of the outstanding principal amount of the Series 1999 bonds and 2) to pay costs incidental to the issuance of the Series 2006A Bonds. These issuance costs, in the amount of \$635,359, have been recorded as a prepaid expense and will be amortized over the life of the bond issue.

Advance Refunded Bonds

The University has defeased bonds through advance refunding in prior years and, accordingly, they are not reflected in the financial statements. The bonds which have been defeased as of June 30, 2007 are seen in this table (rounded to the nearest thousand):

<u>Series</u>	<u>Outstanding at June 30, 2007</u>
1978-M	35,030
1999	49,365
1999A	85,300
2000	10,785
2001B	<u>55,315</u>
Total	<u>235,795</u>

Accrued Interest

Accrued interest on outstanding bonds payable at June 30, 2007 and June 30, 2006 is as follows:

	<u>2007</u>	<u>2006</u>
University of Illinois Auxiliary		
Facilities System Revenue Bonds	\$9,273,736	\$ 6,180,698
Willard Airport Revenue Bonds	6,375	9,313
University of Illinois Health Services		
Facilities System Revenue Bonds	655,192	670,963
University of Illinois UIC South		
Campus Development Revenue Bonds	<u>743,824</u>	<u>841,645</u>
Total accrued interest	<u>\$ 10,679,127</u>	<u>\$ 7,702,619</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
LEASEHOLDS PAYABLE AND OTHER OBLIGATIONS
JUNE 30, 2007

Lessor	Balance at July 1, 2006	Increase in Leaseholds and Other Obligations	Principal Payments	Cancellations and Adjustments	Balance at June 30, 2007
Leaseholds payable:					
Certificates of Participation -					
Series 1997 Utility Infrastructure	\$ 19,900,000		\$ (4,565,000)		\$ 15,335,000
Series 2001 UI Integrate	86,285,000		(11,620,000)		74,665,000
Series 2003 South Farm Projects	23,280,000		(995,000)		22,285,000
Series 2003 UI Integrate	31,700,000				31,700,000
Series 2003 Utility Infrastructure	61,550,000		(4,350,000)		57,200,000
Series 2004 Utility Infrastructure	142,750,000		(955,000)		141,795,000
Series 2005 College of Medicine	19,905,000		(685,000)		19,220,000
Series 2006 Academic Facilities	81,930,000		(3,360,000)		78,570,000
AMO USA, Inc.		195,408	(100,000)		95,408
Carlyle	3,819,535		(273,529)		3,546,006
Cerner	1,315,268		(404,188)		911,080
CNH Capital	58,148	7,590	(8,684)	(7,848)	49,206
Eltek Capital		5,271,394	(102,579)		5,168,815
G E Capital	5,247		(1,430)	(3,817)	-
G E Healthcare	97,349		(18,492)		78,857
Illinois Medical District Commission	35,033,900		(825,700)		34,208,200
Key Municipal Finance	7,877,028	33,356	(1,829,540)		6,080,844
Koch Financial Corp.	88,897		(62,267)		26,630
Siemens Medical		71,485	(3,457)		68,028
Suntrust Leasing Corporation	6,771,967		(1,970,975)	(1,986)	4,799,006
University of Illinois Foundation	84,861		(84,861)		-
Xerox Corporation	181,070		(146,226)	(3,631)	31,213
Other	51,549		(26,081)	(7,845)	17,623
Total leaseholds payable	<u>522,684,819</u>	<u>5,579,233</u>	<u>(32,388,009)</u>	<u>(25,127)</u>	<u>495,850,916</u>
Other obligations:					
Environmental Remediation Liabilities	<u>4,723,450</u>	<u>300,100</u>	<u>(183,550)</u>		<u>4,840,000</u>
Total other obligations	<u>4,723,450</u>	<u>300,100</u>	<u>(183,550)</u>	<u>-</u>	<u>4,840,000</u>
Total leaseholds payable and other obligations	<u>\$ 527,408,269</u>	<u>\$ 5,879,333</u>	<u>\$ (32,571,559)</u>	<u>\$ (25,127)</u>	<u>\$ 500,690,916</u>

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2007

The revenues, expenditures and other changes for the current unrestricted funds, excluding state appropriations and student tuition, unrestricted gifts and indirect cost reimbursements for the year ended June 30, 2007 are compared and analyzed by accounting entity, as defined by the University.

The entities, as defined by the University, are classified in four general categories: auxiliary enterprises under indenture, auxiliary enterprises not under indenture, storerooms and service departments, and departmental activities. The University's entity definitions combine operations by campus and function. However, entity financial statements have been prepared by campus and function, as required by *University Guidelines*, and shown in this report as referenced in the Table of Contents as Entity financial statements and related information. The information in the entity financial statements is presented in accordance with the requirements of *University Guidelines*. Therefore, some amounts presented in the entity financial statements may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The individual entities are described as follows:

I. Auxiliary Enterprises Under Indenture

Auxiliary enterprises under indenture consist of the operations of the University of Illinois Auxiliary Facilities System. The operations of the Auxiliary Facilities System are subject to the provisions, terms, covenants and conditions of the Resolutions of the Board of Trustees of the University, which provided for the issuance of the University of Illinois Auxiliary Facilities System Revenue Bonds, Series 1991, Series 1993, Series 1996, Series 1999A, Series 1999B, Series 2000, Series 2001A, Series 2001B, Series 2001C, Series 2003A, Series 2005A, Series 2005B, and Series 2006 (Bond Resolutions).

The Auxiliary Facilities System is comprised of University owned housing units, student unions and similar auxiliary service units, including parking, at the three campuses; recreation and athletic facilities, including the Assembly Hall, the Intramural Physical Education facility, Ice Rink Arena, and Memorial Stadium at the Urbana-Champaign campus; the Pavilion and Ice Rink at the Chicago campus; and the Gymnasium at the Springfield campus.

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2007

- II. Auxiliary Enterprises Not Under Indenture
 - A. Student/Staff Programs and Services - Administration and operation of programs and services for students, faculty and staff, including counseling, testing, student government activities and the Beckwith Living Center.

- III. Storerooms and Service Departments
 - A. Communication and Computing Services - Activities that provide University-wide services, primarily to University departments, for data processing, telecommunications and computing services.
 - B. Plant and Service Operations - Activities for distribution of costs associated with services rendered to internal operations on a University-wide basis including storeroom operations, physical plant, mail service, advance insurance billings to units, printing, duplication and activities used for collection and redistribution of costs.

- IV. Departmental Activities
 - A. Instructional Course Activities - Credit bearing instructional activities provided primarily as a public service for private businesses, community organizations and governmental units.
 - B. Professional Development Activities - Non-credit bearing instructional activities including conferences, workshops, seminars and continuing education courses provided primarily as a public service.
 - C. Unique Instructional Programs - Unique student and staff programs such as flight training, field trips, summer and abroad programs and other activities of a similar nature.
 - D. Agricultural Operations - Agricultural activities in direct support of the instructional, research and public service functions of the University administered by the College of Agricultural, Consumer and Environmental Sciences.
 - E. Commercial Operations Not Under Indenture - Facilities and costs of services with a significant emphasis on users outside the University community, including services of the steam plant operations and the technical research park.
 - F. Commercial Operations Under Indenture - Operation of the University of Illinois Willard Airport Facility at Urbana and the South Campus Development Project at Chicago with a significant emphasis on users outside the University community.

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2007

IV. Departmental Activities (continued)

- G. Hospital and Clinics - Administration and operation of patient care facilities, primarily the University of Illinois Hospital and Clinics, which are in direct support of the instructional, research and public service functions of the University.
- H. Public Service, Economic Development, and Academic Support Activities - Activities in direct support of the primary academic, service and economic development missions of the University including laboratory and testing centers and services, publication and design services, technology incubation and economic development services, and facilities which are in direct support of the instructional, research, public service, and economic development functions of the University.
- I. Intercollegiate Athletics - Administration and operation of intercollegiate athletic activities and programs administered by the Department of Intercollegiate Athletics, including summer camps, golf course, tennis center and the various athletic programs.

Auxiliary enterprises receive revenues from the following sources:

- Room and board
- Merchandise and food sales
- Public events and recreation fees
- Parking
- Health, life and disability insurance premiums
- Investment income
- Student service fees
- Rental and lease income
- Vending income
- Other sources

Storerooms and service departments receive revenues from services performed and goods provided to University departments.

Departmental activities receive revenues from operations.

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS,
AUXILIARY FACILITIES SYSTEM BONDS, AND
SPECIAL BONDS
YEAR ENDED JUNE 30, 2007

<u>Names</u> <u>Entity Descriptions</u>	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Auxiliary Enterprises Under Indenture (Reported System-wide)	X	X	X
Student/Staff Programs and Services	X	X	X
Communication and Computing Services (Reported University-wide)	X	X	X
Plant and Service Operations (Reported University-wide)	X	X	X
Instructional Course Activities	X	X	
Professional Development Activities	X	X	X
Unique Instructional Programs	X	X	X
Agricultural Operations	X		
Commercial Operations Not Under Indenture	X	X	
Commercial Operations Under Indenture	X		
Hospital and Clinics		X	
Public Service, Academic Support, and Economic Development Activities	X	X	X
Intercollegiate Athletics	X	X	X

<u>No.</u>	<u>Names</u>	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
	Special Bonds (Separate Reports for I and II)			
I.	Willard Airport Facility	X		
II.	Health Services Facilities System		X	

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
AUXILIARY ENTERPRISES UNDER INDENTURE
JUNE 30, 2007

Assets

Current assets:

Cash and cash equivalents	\$ 350,042,056
Investments	17,269,080
Accrued investment income	1,363,962
Receivables, net of allowance	7,278,385
Inventories	7,631,742
Prepaid expenses and deferred charges	740,172

Total current assets 384,325,397

Noncurrent assets:

Investments, restricted	14,632,453
Capital assets, net of accumulated depreciation	735,297,964
Prepaid expenses and deferred charges	6,272,800

Total noncurrent assets 756,203,217

Total assets \$ 1,140,528,614

Liabilities:

Current liabilities:

Accounts payable and accrued liabilities	\$ 59,800,265
Deferred revenue	5,488,399
Long term liabilities, current portion	28,568,135

Total current liabilities 93,856,799

Noncurrent liabilities:

Accrued compensated absences	5,195,034
Notes payable to the University	8,154,325
Bonds Payable	930,056,447

Total noncurrent liabilities 943,405,806

Total liabilities 1,037,262,605

Net assets:

Invested in capital assets, net of related debt	8,083,973
Restricted -	
Expendable for debt service	16,295,147
Unrestricted	78,886,889

Total Net Assets 103,266,009

Total liabilities and net assets \$ 1,140,528,614

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
AUXILIARY ENTERPRISES UNDER INDENTURE
YEAR ENDED JUNE 30, 2007

Operating revenues:	
Room and board	\$ 99,578,997
Merchandise and food sales	30,363,584
Student service fees	72,757,970
Public events and recreation fees	6,965,832
Parking	20,757,225
Rental and lease income	8,160,478
Vending income	1,391,168
Other sources	6,042,956
	<hr/>
Total operating revenues	246,018,210
Operating expenses:	
Salaries and wages	69,115,347
Merchandise and food for resale	29,562,597
Repairs and maintenance	2,966,493
Professional and other contractual services	35,707,418
Utilities	19,957,870
Supplies	11,856,831
Equipment rental	2,282,931
Administrative services	12,730,093
Other operating expense	3,774,639
Depreciation and amortization	16,583,382
Payments on behalf of the Facility	15,636,889
	<hr/>
Total operating expenses	220,174,490
	<hr/>
Operating income	25,843,720
Nonoperating revenues (expenses):	
Payments on behalf of the Facility	15,636,889
Investment income (net of related expenses)	19,820,602
Interest on capital asset related debt	(45,707,369)
Amortization of issuance costs	(252,524)
Loss on disposal of capital assets	(1,428,249)
Other nonoperating revenues	735,879
Other nonoperating expenses	(2,932,353)
	<hr/>
Net nonoperating revenues (expenses)	(14,127,125)
	<hr/>
Increase in net assets	11,716,595
	<hr/>
Net assets, beginning of year	91,549,414
	<hr/>
Net assets, end of year	\$ 103,266,009
	<hr/> <hr/>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
AUXILIARY ENTERPRISES NOT UNDER INDENTURE
STUDENT/STAFF PROGRAMS AND SERVICES
JUNE 30, 2007

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 6,944,960	\$ 3,958,341	\$ 244,246
Accounts receivable and accrued investment income	1,086,989	2,248,087	183,148
Inventories	136,368	254,842	840
Prepaid expenses and deferred charges	28,102	143,831	
Total current assets	8,196,419	6,605,101	428,234
Noncurrent assets:			
Capital assets net of accumulated depreciation	1,284,894	104,315	693,544
Total assets	\$ 9,481,313	\$ 6,709,416	\$ 1,121,778
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 868,426	\$ 380,159	\$ 51,662
Deferred revenue	2,059,660	2,655,775	113,952
Accrued compensated absences, current portion	42,698	40,393	6,650
Total current liabilities	2,970,784	3,076,327	172,264
Noncurrent liabilities:			
Accrued compensated absences	491,034	464,515	76,469
Total liabilities	3,461,818	3,540,842	248,733
Net assets			
Invested in capital assets, net of related debt	1,284,894	104,315	693,544
Restricted	272,550		
Unrestricted	4,462,051	3,064,259	179,501
Total net assets	6,019,495	3,168,574	873,045
Total liabilities and net assets	\$ 9,481,313	\$ 6,709,416	\$ 1,121,778

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
AUXILIARY ENTERPRISES NOT UNDER INDENTURE
STUDENT/STAFF PROGRAMS AND SERVICES
YEAR ENDED JUNE 30, 2007

	Urbana	Chicago	Springfield
Operating revenues:			
Room and board	\$ 396,479	\$	\$
Merchandise and food sales	379,134		10,218
Student service fees	22,601,346	18,177,650	1,759,161
Public events and recreation fees	512,753		17,820
Parking	3,160	110,396	
Rental and lease income	728,498	1,600	635
Vending income		2,797	
Other sources	5,604,738	4,396,744	593,342
Total operating revenues	30,226,108	22,689,187	2,381,176
Operating expenses:			
Salaries and wages	6,509,791	4,583,872	1,046,848
Merchandise and food for resale	458,638	6,104,887	1,693
Repairs and maintenance	18,996	61,190	11,632
Professional and other contractual services	16,409,889	9,886,598	852,397
Utilities	127,878	69,919	5,841
Supplies	1,135,085	1,427,114	267,200
Equipment rental	3,143,683	26,964	25,054
Administrative services	206,584	394,952	15,478
Other operating expense	1,641,961	759,993	128,917
Depreciation and amortization	117,304	20,055	36,778
Total operating expenses	29,769,809	23,335,544	2,391,838
Operating income (loss)	456,299	(646,357)	(10,662)
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	420,326	277,175	30,448
Nonoperating expense	(59,402)		
Net nonoperating revenues	360,924	277,175	30,448
Increase (decrease) in net assets	817,223	(369,182)	19,786
Net assets, beginning of year	5,202,272	3,537,756	853,259
Net assets, end of year	\$ 6,019,495	\$ 3,168,574	\$ 873,045

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES
JUNE 30, 2007

	All Campuses
Assets	
Current assets:	
Cash and cash equivalents	\$ 5,345,750
Accounts receivable and accrued investment income	218,975
Inventories	1,673,863
Prepaid expenses and deferred charges	187,053
Total current assets	7,425,641
Noncurrent assets:	
Prepaid expenses	719,288
Capital assets net of accumulated depreciation	101,244,992
Total noncurrent assets	101,964,280
Total assets	\$ 109,389,921
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 3,864,074
Deferred revenue	25,200
Long term liabilities, current portion	13,397,976
Total current liabilities	17,287,250
Noncurrent liabilities:	
Accrued compensated absences	2,905,845
Certificates of Participation	98,298,501
Total noncurrent liabilities	101,204,346
Total liabilities	118,491,596
Net assets	
Invested in capital assets, net of related debt	(9,479,515)
Unrestricted	377,840
Total net assets	(9,101,675)
Total liabilities and net assets	\$ 109,389,921

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES
YEAR ENDED JUNE 30, 2007

	All Campuses
Operating revenues:	
Merchandise and food sales	\$ 1,562,301
Rental and lease income	103,550
Vending income	31,111
CITES computing and telecommunication services	35,201,533
Academic Computing and Communication Center services	11,156,634
UI Integrate services	14,289,000
Business Information Systems services	1,826,983
Administrative Information Technology Services (AITS) training and assistance	1,070,599
Coordinated Science Lab services	464,906
Various web development services	215,226
LAN support provided by Continuing Education Administration	392,977
Other communication and computing services	1,503,924
	67,818,744
Total operating revenues	67,818,744
Operating expenses:	
Salaries and wages	23,189,112
Merchandise and food for resale	2,357,619
Repairs and maintenance	1,583,256
Professional and other contractual services	9,196,125
Utilities	11,492,162
Supplies	2,305,463
Equipment rental	727,840
Other operating expense	968,172
Depreciation and amortization	16,180,285
	68,000,034
Total operating expenses	68,000,034
Operating loss	(181,290)
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	2,301,797
Interest on capital asset related indebtedness	(5,542,719)
Loss on disposal of capital assets	(137,989)
	(3,378,911)
Net nonoperating revenues (expenses)	(3,378,911)
Decrease in net assets	(3,560,201)
Net assets, beginning of year	(5,541,474)
Net assets, end of year	\$ (9,101,675)

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICES OPERATIONS
JUNE 30, 2007

Assets	<u>All Campuses</u>
Current assets:	
Cash and cash equivalents	\$ 13,049,049
Investments	3,385,981
Accounts receivable and accrued investment income	21,477,925
Inventories	7,877,712
Prepaid expenses and deferred charges	1,124,833
	<hr/>
Total current assets	46,915,500
Noncurrent assets:	
Capital assets net of accumulated depreciation	239,298,769
	<hr/>
Total assets	\$ 286,214,269
	<hr/> <hr/>
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	39,637,037
Deferred Revenue	2,169,221
Accrued compensated absences, current portion	1,221,430
Leaseholds payable and other obligations, current portion	9,494,656
	<hr/>
Total current liabilities	52,522,344
Noncurrent liabilities:	
Leaseholds payable and other obligations	195,917,701
Accrued compensated absences	14,046,448
	<hr/>
Total noncurrent liabilities	209,964,149
	<hr/>
Total liabilities	262,486,493
	<hr/> <hr/>
Net assets	
Invested in capital assets, net of related debt	33,886,412
Restricted	899,923
Unrestricted	(11,058,559)
	<hr/>
Total net assets	23,727,776
	<hr/>
Total liabilities and net assets	\$ 286,214,269
	<hr/> <hr/>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICES OPERATIONS
YEAR ENDED JUNE 30, 2007

	All Campuses
Operating revenues:	
Merchandise and food sales	\$ 35,615,615
Student service fees	16,336
Rental and lease income	2,773,903
Vending income	299,721
Farm product sales	1,288,406
Utility services	168,833,828
Fuel sales	51,961,033
Plant operations and related services	291,931,796
Lab and pharmacy services	22,456,315
Other sources	2,010,060
	577,187,013
Operating expenses:	
Salaries and wages	162,473,989
Merchandise and food for resale	113,667,436
Repairs and maintenance	34,751,063
Professional and other contractual services	88,257,028
Utilities	120,100,829
Supplies	23,417,000
Equipment rental	2,819,502
Administrative services	147,942
Other operating expense	5,419,903
Depreciation and amortization	15,224,073
	566,278,765
Operating gain/(loss)	10,908,248
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	5,331,953
Interest on capital asset related indebtedness	(9,418,285)
Other nonoperating revenues	667,230
Other nonoperating expenses	(1,131,185)
	(4,550,287)
Net nonoperating expenses	(4,550,287)
Increase in net assets	6,357,961
Net assets, beginning of year	17,369,815
Net assets, end of year	\$ 23,727,776

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITIES
JUNE 30, 2007

	Urbana	Chicago
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,309,735	\$ 741,070
Accounts receivable and accrued investment income	93,710	25,851
Inventories	1,896	
Total current assets	2,405,341	766,921
Noncurrent assets:		
Capital assets net of accumulated depreciation	2,514,071	16,899
Total assets	\$ 4,919,412	\$ 783,820
 Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 112,735	\$ 113,362
Deferred revenue	177,829	312,984
Accrued compensated absences, current portion	3,448	3,411
Total current liabilities	294,012	429,757
Noncurrent liabilities:		
Accrued compensated absences	39,651	39,223
Total liabilities	333,663	468,980
 Net assets		
Invested in capital assets, net of related debt	2,514,071	16,899
Restricted	851,011	
Unrestricted	1,220,667	297,941
Total net assets	4,585,749	314,840
Total liabilities and net assets	\$ 4,919,412	\$ 783,820

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITIES
YEAR ENDED JUNE 30, 2007

	Urbana	Chicago
Operating revenues:		
Tuition and Fee income	\$ 246,028	
Merchandise and food sales	36,475	
Student service fees	228,965	
Rental Lease Income	38,160	
Other sources	2,623,755	2,368,499
Total operating revenues	<u>3,173,383</u>	<u>2,368,499</u>
Operating expenses:		
Salaries and wages	1,028,733	1,113,034
Merchandise and food for resale	1,440	
Repairs and maintenance	15,002	2,585
Professional and other contractual services	371,451	838,167
Utilities	3,690	11,875
Supplies	139,010	326,731
Equipment rental	68,283	13,571
Administrative services	264,027	408
Other operating expense	721,851	55,914
Depreciation and amortization	160,246	4,860
Total operating expenses	<u>2,773,733</u>	<u>2,367,145</u>
Operating income	<u>399,650</u>	<u>1,354</u>
Nonoperating revenues:		
Investment income (net of related expenses)	90,868	37,163
Total nonoperating revenue	<u>90,868</u>	<u>37,163</u>
Increase in net assets	490,518	38,517
Net assets, beginning of year	<u>4,095,231</u>	<u>276,323</u>
Net assets, end of year	<u>\$ 4,585,749</u>	<u>\$ 314,840</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES
JUNE 30, 2007

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 4,000,502	\$ 2,739,295	\$ 45,314
Accounts receivable and accrued investment income	500,944	542,891	19,980
Inventories	17,994	19,245	
Prepaid expenses and deferred charges	3,966	135,224	
Total current assets	4,523,406	3,436,655	65,294
Noncurrent assets:			
Capital assets net of accumulated depreciation	419,728	230,317	7,710
Total assets	\$ 4,943,134	\$ 3,666,972	\$ 73,004
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 586,782	\$ 406,517	\$ 12,083
Deferred revenue	792,663	1,216,458	70
Accrued compensated absences, current portion	15,130	27,474	549
Total current liabilities	1,394,575	1,650,449	12,702
Noncurrent liabilities:			
Accrued compensated absences	174,002	315,951	6,316
Total liabilities	1,568,577	1,966,400	19,018
Net assets			
Invested in capital assets, net of related debt	419,728	230,317	7,710
Unrestricted	2,954,829	1,470,255	46,276
Total net assets	3,374,557	1,700,572	53,986
Total liabilities and net assets	\$ 4,943,134	\$ 3,666,972	\$ 73,004

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES
YEAR ENDED JUNE 30, 2007

	Urbana	Chicago	Springfield
Operating revenues:			
Professional development conferences and workshops	\$ 10,581,325	\$ 8,545,030	\$ 118,444
Tuition and fee income	360,535		
Merchandise and food sales	912	2,607	
Public events and recreation fees	34,896		
Rental and lease income	57,121	43,891	156,379
Other sources	9,230		190
	<hr/>	<hr/>	<hr/>
Total operating revenues	11,044,019	8,591,528	275,013
Operating expenses:			
Salaries and wages	4,643,964	4,271,384	10,122
Merchandise and food for resale	2,725	1,589	
Repairs and maintenance	20,229	32,551	
Professional and other contractual services	1,974,586	1,617,445	234,671
Utilities	126,684	177,333	
Supplies	788,309	682,473	8,344
Equipment rental	1,015,900	379,699	6,158
Administrative services	326,431	58	
Other operating expense	1,097,434	737,608	18,353
Depreciation and amortization	55,304	91,880	1,175
	<hr/>	<hr/>	<hr/>
Total operating expenses	10,051,566	7,992,020	278,823
Operating income (loss)	<hr/>	<hr/>	<hr/>
	992,453	599,508	(3,810)
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	160,528	121,136	
	<hr/>	<hr/>	<hr/>
Total nonoperating expenses	160,528	121,136	-
Increase (decrease) in net assets	<hr/>	<hr/>	<hr/>
	1,152,981	720,644	(3,810)
Net assets, beginning of year	<hr/>	<hr/>	<hr/>
	2,221,576	979,928	57,796
Net assets, end of year	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 3,374,557	\$ 1,700,572	\$ 53,986

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS
JUNE 30, 2007

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,415,465	\$ 291,975	\$ (331)
Accounts receivable and accrued investment income	684,723	1,326	
Total assets	\$ 3,100,188	\$ 293,301	\$ (331)
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 592,802	\$ 59,824	
Deferred revenue	1,528,989	240,543	
Accrued compensated absences, current portion	10,537		
Total current liabilities	2,132,328	300,367	-
Noncurrent liabilities:			
Accrued compensated absences	121,180		
Total liabilities	2,253,508	300,367	-
Net assets			
Unrestricted	846,680	(7,066)	(331)
Total net assets	846,680	(7,066)	(331)
Total liabilities and net assets	\$ 3,100,188	\$ 293,301	\$ (331)

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

**DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS
YEAR ENDED JUNE 30, 2007**

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Tuition and fee income	\$ 2,375,070	\$ 6,231	\$
Merchandise and food sales	4,456		
Student service fees	44,230	211,474	
Rental and lease income	6,484		
Program services	8,752,337	234,589	
Other revenue	2,947	110	
	<hr/>	<hr/>	<hr/>
Total operating revenues	11,185,524	452,404	-
	<hr/>	<hr/>	<hr/>
Operating expenses:			
Salaries and wages	1,823,914	268,975	
Merchandise and food for resale			
Repairs and maintenance	127,505	470	
Professional and other contractual services	6,859,730	126,571	160
Utilities	16,651	1,425	
Supplies	1,212,822	41,602	12
Equipment rental	86,725	69,412	
Administrative expenses	3,944		
Other operating expense	1,368,356	(55,821)	159
	<hr/>	<hr/>	<hr/>
Total operating expenses	11,499,647	452,634	331
	<hr/>	<hr/>	<hr/>
Operating (loss)	<u>(314,123)</u>	<u>(230)</u>	<u>(331)</u>
	<hr/>	<hr/>	<hr/>
Nonoperating revenues (expenses):			
Other nonoperating expense	(15,429)		
Investment income (net of related expenses)	125,854	12,079	
Total nonoperating (expenses)	110,425	12,079	-
	<hr/>	<hr/>	<hr/>
Increase (decrease) in net assets	(203,698)	11,849	(331)
	<hr/>	<hr/>	<hr/>
Net assets (deficit), beginning of year	1,050,378	(18,915)	
	<hr/>	<hr/>	<hr/>
Net assets (deficit), end of year	\$ 846,680	\$ (7,066)	\$ (331)
	<hr/>	<hr/>	<hr/>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS
JUNE 30, 2007

	Urbana
Assets	
Current assets:	
Cash and cash equivalents	\$ 5,781,630
Accounts receivable and accrued investment income	72,975
Inventories	467,911
Prepaid expenses and deferred charges	1,094
Total current assets	6,323,610
Noncurrent assets:	
Capital assets net of accumulated depreciation	6,655,525
Total assets	\$ 12,979,135
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 598,338
Leaseholds payable, current portion	14,836
Deferred revenue	319,298
Accrued compensated absences, current portion	27,476
Total current liabilities	959,948
Noncurrent liabilities:	
Leaseholds payable	34,370
Accrued compensated absences	315,979
Total liabilities	1,310,297
 Net assets	
Invested in capital assets, net of related debt	6,606,319
Unrestricted	5,062,519
Total net assets	11,668,838
Total liabilities and net assets	\$ 12,979,135

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS
YEAR ENDED JUNE 30, 2007

	Urbana
Operating revenues:	
Tuition and fee income	\$ 6,254
Room and board	1,513
Merchandise and food sales	248,729
Student service fees	2,820
Public events and recreation fees	8,095
Ag Law Tax School workshops	2,027,800
4H activities	283,844
Information technology and commercial services	487,547
Animal sciences programs	469,293
Agricultural and biological engineering activities	178,116
Crop sciences programs	1,729,749
Natural resources and environment sciences	733,510
Food science and human nutrition programs	198,411
Cooperative Extension services	2,802,606
Rental and lease income	454,549
Farm sales	4,963,659
Other sources	489,183
	15,085,678
Total operating revenues	
Operating expenses:	
Salaries and wages	5,229,142
Merchandise and food for resale	174,635
Repairs and maintenance	152,677
Professional and other contractual services	2,652,542
Utilities	151,282
Supplies	4,829,124
Equipment rental	487,313
Administrative services	86,216
Other operating expense	262,154
Depreciation and amortization	535,633
	14,560,718
Total operating expenses	
Operating income	
	524,960
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	235,471
Interest on capital asset related debt	434
Other nonoperating expense	(1,500)
	234,405
Net nonoperating revenues	
Increase in net assets	
	759,365
Net assets, beginning of year	
	10,909,473
Net assets, end of year	
	\$ 11,668,838

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE
JUNE 30, 2007

	<u>Urbana</u>	<u>Chicago</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ (9,874)	\$ 1,272,191
Accounts receivable and accrued investment income	3,365	503,679
	<u>(6,509)</u>	<u>1,775,870</u>
Total current assets		
Noncurrent assets:		
Capital assets net of accumulated depreciation		8,229,545
	<u>\$ (6,509)</u>	<u>\$ 10,005,415</u>
Total assets		
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 18,225	\$ 24,719
Accrued compensated absences, current portion		259
	<u>18,225</u>	<u>24,978</u>
Total current liabilities		
Noncurrent liabilities:		
Internal payable		1,309,918
Accrued compensated absences		2,975
	<u>18,225</u>	<u>1,337,871</u>
Total liabilities		
Net assets		
Invested in capital assets, net of related debt		8,229,545
Unrestricted	(24,734)	437,999
	<u>(24,734)</u>	<u>8,667,544</u>
Total net assets		
	<u>\$ (6,509)</u>	<u>\$ 10,005,415</u>
Total liabilities and net assets		

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE
YEAR ENDED JUNE 30, 2007

	<u>Urbana</u>	<u>Chicago</u>
Operating revenues:		
Rental and lease income	\$	\$ 1,542,732
Utilities provided to outside parties	1,243,312	5,312,185
Other sources		36,901
	<u>1,243,312</u>	<u>6,891,818</u>
Total operating revenues		
Operating expenses:		
Salaries and wages		35,912
Repairs and maintenance		263,457
Professional and other contractual services		139,601
Utilities	1,193,060	5,329,988
Supplies	332,660	29,526
Administrative services		162,702
Other operating expense	89,885	5,092
Depreciation and amortization		399,485
	<u>1,615,605</u>	<u>6,365,763</u>
Total operating expenses		
Operating income (loss)	<u>(372,293)</u>	<u>526,055</u>
Nonoperating revenues (expenses):		
Investment income (net of related expenses)	3,464	15,420
Interest on capital asset related debt		(85,927)
Other nonoperating revenue	353,540	
Other nonoperating expense	(9,445)	
	<u>347,559</u>	<u>(70,507)</u>
Net nonoperating revenues (expenses)		
Increase (decrease) in net assets	(24,734)	455,548
Net assets, beginning of year		<u>8,211,996</u>
Net assets (deficit), end of year	<u>\$ (24,734)</u>	<u>\$ 8,667,544</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE
JUNE 30, 2007

	Urbana
Assets:	
Current assets	
Cash and cash equivalents	\$ 911,383
Cash and cash equivalents, restricted	1,247,162
Accrued investment income	6,043
Accounts receivable	80,925
Prepaid expenses	4,522
	2,250,035
Noncurrent assets	
Capital assets, net of accumulated depreciation	33,440,617
Prepaid expenses	4,522
	33,445,139
Total assets	\$ 35,695,174
Liabilities:	
Current liabilities	
Accounts payable	\$ 14,238
Accrued liabilities	86,540
Accrued interest	6,375
Deferred revenue	740,524
Long term liabilities - current portion	539,799
	1,387,476
Noncurrent liabilities	
Bonds payable	259,413
Total liabilities	1,646,889
Net assets:	
Invested in capital assets, net of related debt	32,650,449
Restricted -	
Expendable for capital projects	236,638
Expendable for debt service	269,982
Unrestricted	891,216
	34,048,285
Total net assets	34,048,285
Total liabilities and net assets	\$ 35,695,174

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE
YEAR ENDED JUNE 30, 2007

	Urbana
Operating revenues:	
Rental and lease income	\$ 1,769,159
Parking operations	551,163
Farm sales	135,000
Other operating revenue	29,332
	2,484,654
Operating expenses:	
Salaries and wages	1,236,001
Fringe benefits	250,511
Professional and other contractual services	118,942
Utilities	312,122
Supplies	570,219
Other operating expense	135,138
Depreciation	1,807,119
Payments on behalf of the Facility	124,461
	4,554,513
Operating loss	(2,069,859)
Nonoperating revenues (expenses):	
State appropriations	446,922
Payments on behalf of the Facility	124,461
Investment income (net of related expenses)	72,130
Interest on capital asset-related debt	(42,404)
Net increase in the fair value of investments	(3,818)
Other nonoperating expenses	(5,109)
	592,182
Net nonoperating revenues (expenses)	592,182
Capital federal grants	3,978,727
Increase in net assets	2,501,050
Net assets, beginning of year	31,547,235
Net assets, end of year	\$ 34,048,285

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS
JUNE 30, 2007

	Chicago
Assets	
Current assets:	
Cash and cash equivalents	\$ 59,382,231
Accounts receivable and accrued investment income	84,533,427
Inventories	5,049,067
Prepaid expenses and deferred charges	6,714,989
Total current assets	155,679,714
Noncurrent assets:	
Cash and investments	2,349,630
Prepaid expenses	598,671
Capital assets net of accumulated depreciation	170,684,960
Total noncurrent assets	173,633,261
Total assets	\$ 329,312,975
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 64,156,790
Long term liabilities, current portion	8,269,958
Total current liabilities	72,426,748
Noncurrent liabilities:	
Long term debt, net of current portion	73,679,209
Accrued compensated absences	20,472,163
Total noncurrent liabilities	94,151,372
Total liabilities	166,578,120
 Net assets	
Invested in capital assets, net of related debt	96,292,962
Restricted	2,349,630
Unrestricted	64,092,263
Total net assets	162,734,855
Total liabilities and net assets	\$ 329,312,975

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS
YEAR ENDED JUNE 30, 2007

	Chicago
Operating revenues:	
Net patient service revenues	\$ 406,049,633
Payments on behalf of the System - hospital and other medical activities	83,886,527
Fee for services - state appropriation	46,207,093
Other revenues	18,161,024
Total operating revenues	554,304,277
Operating expenses:	
Salaries and wages	241,830,669
Fringe benefits	75,567,845
Supplies and general expenses	180,110,425
Provision for bad debts	20,393,229
Administrative services	9,600,000
Depreciation and amortization	20,065,748
Total operating expenses	547,567,916
Operating income	6,736,361
Nonoperating revenue (expenses)	
Interest payments on capital debt	(3,993,332)
Investment income	2,351,626
Loss on disposal of plant assets	(1,248,505)
Other nonoperating expense	(721,333)
Net nonoperating revenues (expenses)	(3,611,544)
Increase in net assets	3,124,817
Net assets, beginning of the year, as restated	159,610,038
Net assets, end of the year	\$ 162,734,855

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
PUBLIC SERVICE, ACADEMIC SUPPORT, AND ECONOMIC DEVELOPMENT ACTIVITIES
JUNE 30, 2007

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 6,599,260	\$ 1,519,603	\$ (416,339)
Accounts receivable and accrued investment income	1,465,565	10,109,962	40,804
Inventories	2,094,072	2,092,198	9,276
Prepaid expenses and deferred charges	196,240	3,651	
Total current assets	<u>10,355,137</u>	<u>13,725,414</u>	<u>(366,259)</u>
Noncurrent assets:			
Capital assets net of accumulated depreciation	16,198,370	24,816,059	10,565
Total assets	<u>\$ 26,553,507</u>	<u>\$ 38,541,473</u>	<u>\$ (355,694)</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,689,305	\$ 5,508,156	\$ 217,605
Deferred revenue	1,521,851	895,160	47,545
Leaseholds payable, current portion	567,492	91,062	
Accrued compensated absences, current portion	92,349	185,051	183
Total current liabilities	<u>3,870,997</u>	<u>6,679,429</u>	<u>265,333</u>
Noncurrent liabilities:			
Internal payable			35,000
Leaseholds payable	332,343	81,148	
Accrued compensated absences	1,062,014	2,128,089	2,109
Total noncurrent liabilities	<u>1,394,357</u>	<u>2,209,237</u>	<u>37,109</u>
Total liabilities	<u>5,265,354</u>	<u>8,888,666</u>	<u>302,442</u>
Net assets			
Invested in capital assets, net of related debt	15,298,535	24,643,849	10,565
Restricted	1,403,325		(35,000)
Unrestricted	4,586,293	5,008,958	(633,701)
Total net assets	<u>21,288,153</u>	<u>29,652,807</u>	<u>(658,136)</u>
Total liabilities and net assets	<u>\$ 26,553,507</u>	<u>\$ 38,541,473</u>	<u>\$ (355,694)</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
PUBLIC SERVICE, ACADEMIC SUPPORT, AND ECONOMIC DEVELOPMENT ACTIVITIES
YEAR ENDED JUNE 30, 2007

	Urbana	Chicago	Springfield
Operating revenues:			
Tuition and fee income		\$ 30,539	
Room and board	581,084		
Merchandise and food sales	2,694,855	50,479	79,097
Student service fees	299,744	328,060	6,735
Academic support activities income	4,637,740	87,298	
Economic development services	64,824		
Hospital and medical services income	12,336,634	53,237,684	
Farm Sales	136,501		
Public events and recreation fees	410,748	21,669	416,685
Public services income	13,060,416	17,671,225	824,008
Parking	430	7,222	
Rental and lease income	746,469	13,020	236,205
Vending Income	40,484	730	
Other sources	1,198,326	789,153	-
Total operating revenues	36,208,255	72,237,079	1,562,730
Operating expenses:			
Salaries and wages	18,686,064	27,757,275	310,562
Merchandise and food for resale	274,530	19,114,717	3,263
Repairs and maintenance	595,705	336,767	2,927
Professional and other contractual services	9,414,192	16,108,219	536,833
Utilities	533,588	678,779	18,550
Supplies	6,714,720	3,981,554	114,414
Equipment rental	544,656	648,559	7,974
Administrative services	134,590	110,006	
Other operating expense	584,442	992,786	110,273
Depreciation and amortization	1,090,469	1,108,827	4,855
Total operating expenses	38,572,956	70,837,489	1,109,651
Operating income (loss)	(2,364,701)	1,399,590	453,079
Nonoperating revenues (expenses):			
Interest on capital related debt	(16,483)	(9,672)	
Other nonoperating revenues	701,983	426,748	5,000
Other nonoperating expenses		(128,086)	
Investment income (net of related expenses)	308,120	(2,481)	
Net nonoperating revenues (expenses)	993,620	286,509	5,000
Increase (decrease) in net assets	(1,371,081)	1,686,099	458,079
Net assets, beginning of year	22,659,234	27,966,708	(1,116,215)
Net assets, end of year	\$ 21,288,153	\$ 29,652,807	\$ (658,136)

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS
JUNE 30, 2007

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,748,641	\$ 176,388	\$ (5,575)
Accounts receivable and accrued investment income	13,334	743	47,045
Inventories	78,600		7,283
Prepaid expenses and deferred charges	65,698		
Total current assets	3,906,273	177,131	48,753
Noncurrent assets:			
Capital assets net of accumulated depreciation	2,951,085	1,989,127	7,354
Total assets	\$ 6,857,358	\$ 2,166,258	\$ 56,107
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,088,345	\$ 177,131	\$ 16,381
Deferred revenue	5,085,490		37,379
Accrued compensated absences, current portion	127,721	48,974	2,740
Leaseholds payable, current portion	4,214		
Total current liabilities	6,305,770	226,105	56,500
Noncurrent liabilities:			
Internal Payable		1,965,307	
Accrued compensated absences	1,468,786	563,207	31,507
Total noncurrent liabilities	1,468,786	2,528,514	31,507
Total liabilities	7,774,556	2,754,619	88,007
Net assets			
Invested in capital assets, net of related debt	2,946,871	1,989,127	7,354
Unrestricted	(3,864,069)	(2,577,488)	(39,254)
Total net assets	(917,198)	(588,361)	(31,900)
Total liabilities and net assets	\$ 6,857,358	\$ 2,166,258	\$ 56,107

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS
YEAR ENDED JUNE 30, 2007

	Urbana	Chicago	Springfield
Operating revenues:			
Merchandise and food sales	\$ 916,444	\$	\$ 5,928
Student service fees		5,025,148	801,074
Public events and recreation fees	32,492,291	1,910,797	34,431
Parking	14,348		
Rental and lease income	8,445		
Vending income			350
Other sources	2,509,640	443,370	7,724
Total operating revenues	35,941,168	7,379,315	849,507
Operating expenses:			
Salaries and wages	16,549,935	3,297,932	334,300
Merchandise and food for resale	314,130		(451)
Repairs and maintenance	735,615	507	5
Professional and other contractual services	7,048,572	1,289,563	96,696
Utilities	636,332	74,815	4,009
Supplies	2,209,880	291,480	50,819
Equipment rental	1,367,483	193,627	49,848
Administrative services	456,400	184,202	300
Other operating expense	311,263	2,115,457	296,758
Depreciation and amortization	2,542,458	8,336	1,611
Total operating expenses	32,172,068	7,455,919	833,895
Operating income (loss)	3,769,100	(76,604)	15,612
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	66,530	5,474	336
Interest on capital asset related debt	(1,871)		
Other nonoperating revenue	61,668	1,792,662	
Net nonoperating revenues	126,327	1,798,136	336
Increase in net assets	3,895,427	1,721,532	15,948
Net assets, beginning of year	(4,812,625)	(2,309,893)	(47,848)
Net assets, end of year	\$ (917,198)	\$ (588,361)	\$ (31,900)

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATION
SELECTED PLANT FUND DATA
AUXILIARY ENTERPRISES UNDER INDENTURE
JUNE 30, 2007

	All campuses
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 1,705,761,571
Parking lots and improvements - at historical cost	\$ 41,045,990
Equipment - at historical cost	\$ 17,882,383
Bond resolution limitations on repair and replacement reserve	
5% of replacement cost of facilities	\$ 85,288,079
5% of historical cost of parking lots	2,052,300
20% of historical cost of equipment	3,576,477
Total reserve limitation	90,916,856
Repair and replacement reserve	51,973,940
Total margin of compliance	\$ 38,942,916

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
AUXILIARY ENTERPRISES NOT UNDER INDENTURE
JUNE 30, 2007

	<u>Student/Staff Programs and Services</u>		
	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 2,918,043	\$ -	\$ 2,947,207
Improvements - at historical cost	\$ -	\$ -	\$ -
Parking Lots - at historical cost	\$ -	\$ 698,666	\$ -
Equipment - at historical cost	\$ 1,900,247	\$ 1,639,169	\$ 754,592
Guidelines limitations on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 145,902	\$ -	\$ 147,360
5% of historical cost of improvements	-	-	-
10% of historical cost of parking lots	-	69,867	-
20% of historical cost of equipment	380,049	327,834	150,918
Total reserve limitation	525,951	397,701	298,278
Repair and replacement reserve	272,550	-	-
Total margin of compliance	\$ 253,401	\$ 397,701	\$ 298,278

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
STOREROOMS AND SERVICE DEPARTMENTS
JUNE 30, 2007

	<u>Communication and Computing Services</u> <u>All Campuses</u>
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 12,037,429
Improvements - at historical cost	<u>\$ 10,500,000</u>
Equipment - at historical cost	<u>\$ 172,135,942</u>
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 601,871
5% of historical cost of improvements	525,000
20% of historical cost of equipment	<u>34,427,188</u>
Total reserve limitation	35,554,059
Repair and replacement reserve	<u>-</u>
Total margin of compliance	<u>\$ 35,554,059</u>

	<u>Plant and Service Operation</u> <u>All Campuses</u>
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 42,994,754
Improvements - at historical cost	<u>\$ 278,602,341</u>
Equipment - at historical cost	<u>\$ 54,996,472</u>
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 2,149,738
5% of historical cost of improvements	13,930,117
20% of historical cost of equipment	<u>10,999,294</u>
Total reserve limitation	27,079,149
Repair and replacement reserve	<u>899,923</u>
Total margin of compliance	<u>\$ 26,179,226</u>

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2007

	<u>Instructional Course Activities</u>	
	<u>Urbana</u>	<u>Chicago</u>
Capital assets:		
Facilities - at replacement cost (unaudited)	\$ 19,222,425	\$
Equipment - at historical cost	<u>6,598,861</u>	<u>\$ 167,740</u>
Guidelines limitations on repair and replacement reserves for entities		
5% of replacement cost of facilities	\$ 961,121	\$ -
20% of historical cost of equipment	<u>1,319,772</u>	<u>33,548</u>
Total reserve limitation	2,280,893	33,548
Repair and replacement reserve	<u>851,011</u>	<u>-</u>
Total margin of compliance	<u>\$ 1,429,882</u>	<u>\$ 33,548</u>

	<u>Professional Development Activities</u>		
	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 218,913	\$	\$
Equipment - at historical cost	<u>2,507,726</u>	<u>\$ 1,761,502</u>	<u>\$ 61,894</u>
Guidelines limitations on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 10,946	\$ -	\$ -
20% of historical cost of equipment	<u>501,545</u>	<u>\$ 352,300</u>	<u>\$ 12,379</u>
Total reserve limitation	512,491	352,300	12,379
Repair and replacement reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total margin of compliance	<u>\$ 512,491</u>	<u>\$ 352,300</u>	<u>\$ 12,379</u>

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
 CURRENT EXCESS FUNDS CALCULATIONS
 SELECTED PLANT FUND DATA
 DEPARTMENTAL ACTIVITIES
 JUNE 30, 2007

		<u>Agricultural Operations</u>
		<u>Urbana</u>
Capital assets:		
Facilities - at replacement cost (unaudited)	\$	41,333,686
Improvements - at historical cost	\$	473,425
Equipment - at historical cost	\$	5,914,231
Guidelines limitations on repair and replacement reserves for entities		
5% of replacement cost of facilities	\$	2,066,684
5% of historical cost of improvements		23,671
20% of historical cost of equipment		1,182,846
Total reserve limitation		3,273,201
Repair and replacement reserve		-
Total margin of compliance	\$	3,273,201

		<u>Commercial Operations</u>
		<u>Not Under Indenture</u>
		<u>Chicago</u>
Capital assets:		
Facilities - at replacement cost (unaudited)	\$	14,680,662
Improvements - at historical cost	\$	21,241,650
Guidelines limitations on repair and replacement reserves for entities		
5% of replacement cost of facilities	\$	734,033
5% of historical cost of improvements		1,062,083
Total reserve limitation		1,796,116
Repair and replacement reserve		-
Total margin of compliance	\$	1,796,116

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2007

	Commercial Operations
	Under Indenture
	Urbana
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 26,727,910
Improvements - at historical cost	\$ 40,307,262
Equipment - at historical cost	\$ 2,553,414
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 1,336,396
5% of historical cost of improvements	2,015,363
20% of historical cost of equipment	510,683
Total reserve limitation	3,862,442
Repair and replacement reserve	260,614
Total margin of compliance	\$ 3,601,828

	Hospital and Clinics
	Chicago
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 297,132,340
Equipment - at historical cost	\$ 162,655,815
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 14,856,617
20% of historical cost of equipment	32,531,163
Total reserve limitation	47,387,780
Repair and replacement reserve	2,395,620
Total margin of compliance	\$ 44,992,160

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2007

	Public Service, Academic Support and Economic Development Activities		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 177,084,646	\$ 146,963,875	\$ -
Improvements - at historical cost	\$ 633,636	\$ -	\$ -
Equipment - at historical cost	\$ 8,166,220	\$ 6,313,279	\$ 65,291
Guidelines limitations on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 8,854,232	\$ 7,348,194	\$ -
5% of historical cost of improvements	31,682	-	-
20% of historical cost of equipment	1,633,244	1,262,656	13,058
Total reserve limitation	10,519,158	8,610,850	13,058
Repair and replacement reserve	1,403,325	-	-
Total margin of compliance	\$ 9,115,833	\$ 8,610,850	\$ 13,058

	Intercollegiate Athletics		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 435,671	\$ -	\$ -
Improvements - at historical cost	\$ 8,001	\$ -	\$ -
Equipment - at historical cost	\$ 6,482,931	\$ 200,014	\$ 48,964
Guidelines limitations on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 21,784	\$ -	\$ -
5% of historical cost of improvements	400	-	-
20% of historical cost of equipment	1,296,586	40,003	9,793
Total reserve limitation	1,318,770	40,003	9,793
Repair and replacement reserve	-	-	-
Total margin of compliance	\$ 1,318,770	\$ 40,003	\$ 9,793

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
NOTES TO SELECTED PLANT FUND DATA
JUNE 30, 2007

1. The *University Guidelines* allow for the establishment of capital reserves for **indentured entities** as required by the bond indenture.

2. The *University Guidelines* allow for the establishment of capital reserves for **nonindentured entities** as follows:
 - 5% of replacement cost of buildings and related improvements.
 - 10% of the historical cost of parking lots or estimated cost of resurfacing any one existing parking lot, whichever is greater.
 - 20% of the historical cost of moveable equipment or the replacement cost of any individual piece of equipment, whichever is greater.

In the Selected Plant Fund Data presented, the University has used 5% of replacement cost (calculated using the *Engineering News Record* - Building Cost Index) of buildings and related improvements in calculating allowable reserves.

3. Historical or replacement cost of investments in plant assets have been provided for purposes of computing the margins of compliance. In compliance with GASB 35, all reserve activity associated with an entity has been included in the financial statement for that entity.

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
AUXILIARY ENTERPRISES UNDER INDENTURE
AUXILIARY FACILITIES SYSTEM
June 30, 2007

1. Current Available Funds	All campuses
Add:	
Cash (excludes repair and replacement reserve)	\$ 13,357,906
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 13,357,906

2. Working Capital Allowance	
Add:	
Highest month's expenditures	\$ 25,635,751
Encumbrances and current liabilities paid in lapse period	7,158,418
Deferred income	3,333,890
Refundable deposits	1,153,469
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	(56,246)
Working Capital Allowance	B \$ 37,225,282

3. Current Excess Funds	
Deduct B from A and enter here	C \$ (23,867,376)

4. Calculation of Income Fund Remittance	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (38,942,916)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (62,810,292)

UNIVERSITY OF ILLINOIS
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS
 AUXILIARY ENTERPRISES NOT UNDER INDENTURE
 STUDENT/STAFF PROGRAMS AND SERVICES - ENTITY 3200
 JUNE 30, 2007

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash (excludes repair and replacement reserve)	\$ 6,672,410	\$ 3,958,341	\$ 244,246
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds	A \$ 6,672,410	\$ 3,958,341	\$ 244,246

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 7,768,583	\$ 7,466,181	\$ 774,675
Encumbrances and current liabilities paid in lapse period	868,426	380,159	51,662
Deferred income	1,752,716	1,928,256	29,343
Refundable deposits	26,239	136,666	41,021
Allowance for restoring inventory to normal level			
Allowance for sick leave/vacation payouts	35,007	48,221	11,542
Working Capital Allowance	B \$ 10,450,971	\$ 9,959,483	\$ 908,243

3. Current Excess Funds

Deduct B from A and enter here	C \$ (3,778,561)	\$ (6,001,142)	\$ (663,997)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (253,401)	\$ (397,701)	\$ (298,278)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (4,031,962)	\$ (6,398,843)	\$ (962,275)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES - ENTITY 3100
JUNE 30, 2007

1. Current Available Funds

	All campuses
Add:	
Cash	\$ 9,152,860
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 9,152,860

2. Working Capital Allowance

Add:	
Highest month's expenditures	\$ 7,522,132
Encumbrances and current liabilities paid in lapse period	2,510,811
Deferred income	25,200
Refundable deposits	
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	332,314
Working Capital Allowance	B \$ 10,390,457

3. Current Excess Funds

Deduct B from A and enter here	C \$ (1,237,597)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (35,554,059)
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Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (36,791,656)
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UNIVERSITY OF ILLINOIS
 CALCULATION SHEET FOR CURRENT EXCESS FUNDS
 STOREROOMS AND SERVICE DEPARTMENTS
 PLANT AND SERVICE OPERATIONS - ENTITY 3110
 JUNE 30, 2007

1. Current Available Funds

	All campuses
Add:	
Cash	\$ 12,149,127
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 12,149,127

2. Working Capital Allowance

Add:	
Highest month's expenditures	\$ 69,275,578
Encumbrances and current liabilities paid in lapse period	35,921,057
Deferred income	2,140,245
Refundable deposits	
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	30,809
Working Capital Allowance	B \$ 107,367,689

3. Current Excess Funds

Deduct B from A and enter here	C \$ (95,218,562)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (26,179,226)
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Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (121,397,788)
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UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS - ENTITY 3420
JUNE 30, 2007

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash	\$ 2,415,465	\$ 291,975	\$ (331)
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds	A \$ 2,415,465	\$ 291,975	\$ (331)

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 1,500,042	\$ 216,790	\$ 331
Encumbrances and current liabilities paid in lapse period	592,802	59,824	
Deferred income	1,528,989	240,543	
Refundable deposits			
Allow ance for restoring inventory to normal level			
Allow ance for sick leave/vacation payouts	24,629	-	-
Working Capital Allow ance	B \$ 3,646,462	\$ 517,157	\$ 331

3. Current Excess Funds

Deduct B from A and enter here	C \$ (1,230,997)	\$ (225,182)	\$ (662)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$	\$	\$
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (1,230,997)	\$ (225,182)	\$ (662)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS - ENTITY 3430
JUNE 30, 2007

1. Current Available Funds

		Urbana
Add:		
Cash		\$ 5,312,486
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A	\$ 5,312,486

2. Working Capital Allowance

Add:		
Highest month's expenditures		\$ 1,789,253
Encumbrances and current liabilities paid in lapse period		592,308
Deferred income		319,298
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		159,084
Working Capital Allowance	B	\$ 2,859,943

3. Current Excess Funds

Deduct B from A and enter here	C	\$ 2,452,543
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	\$ (3,273,201)
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Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund		\$ (820,658)
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UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE - ENTITY 3600
JUNE 30, 2007

1. Current Available Funds

	Urbana	Chicago
Add:		
Cash	\$ (9,874)	\$ 1,272,191
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A \$ (9,874)	\$ 1,272,191

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$ 1,118,959	\$ 862,159
Encumbrances and current liabilities paid in lapse period	18,225	24,719
Deferred income		-
Refundable deposits		-
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		(701)
Working Capital Allowance	B \$ 1,137,184	\$ 886,177

3. Current Excess Funds

Deduct B from A and enter here	C \$ (1,147,058)	\$ 386,014
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$	\$ (1,796,116)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (1,147,058)	\$ (1,410,102)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE - ENTITY 3610
JUNE 30, 2007

1. Current Available Funds

	Urbana
Add:	
Cash	\$ 485,224
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 485,224

2. Working Capital Allowance

Add:	
Highest month's expenditures	\$ 244,385
Encumbrances and current liabilities paid in lapse period	45,347
Deferred income	
Refundable deposits	
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	(87,249)
Working Capital Allowance	B \$ 202,483

3. Current Excess Funds

Deduct B from A and enter here	C \$ 282,741
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (3,601,828)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (3,319,087)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
 DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS - ENTITY 3450
 JUNE 30, 2007

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash	\$ 3,772,414	\$ 176,388	\$ (5,575)
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds A	\$ 3,772,414	\$ 176,388	\$ (5,575)

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 3,388,662	\$ 1,503,989	\$ 172,907
Encumbrances and current liabilities paid in lapse period	1,088,317	177,131	16,381
Deferred income	5,085,490		7,185
Refundable deposits			
Allowance for restoring inventory to normal level			
Allowance for sick leave/vacation payouts	73,054	46,206	5,419
Working Capital Allowance B	\$ 9,635,523	\$ 1,727,326	\$ 201,892

3. Current Excess Funds

Deduct B from A and enter here	C \$ (5,863,109)	\$ (1,550,938)	\$ (207,467)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (1,318,770)	\$ (40,003)	\$ (9,793)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (7,181,879)	\$ (1,590,941)	\$ (217,260)

UNIVERSITY OF ILLINOIS
ANALYSIS OF INDIRECT COST REIMBURSEMENTS
STATEMENT OF SOURCES AND APPLICATIONS OF
INDIRECT COST REIMBURSEMENTS
YEAR ENDED JUNE 30, 2007

Balance, July 1, 2006		\$ 70,589,462
Sources		
Private Gifts, Grants and Contracts	19,781,760	
United States Government Grants and Contracts	141,309,317	
State of Illinois Grants and Contracts	6,357,972	
Medical Service Plan	1,625,347	
Auxiliary Administrative Allowances	13,114,906	
Other Administrative Allowances	18,270,866	
Investment income	653,144	
	201,113,312	
Total Additions		201,113,312
Applications		
Educational and General		
Instruction	449	
Research	68,226,189	
Public Service	6,623,743	
Academic Support	48,857,637	
Student Services	2,064,578	
Institutional Support	40,072,891	
Operation and Maintenance of Plant	71,726,469	
Student Aid	5,683,111	
	243,255,067	
Total Deductions		243,255,067
Balance at June 30, 2007		\$ 28,447,707

Note: Above information is prepared on an accrual basis.

Indirect cost reimbursements are expended, pursuant to allocations of funds within the University's budget as adopted by the Board of Trustees, to pay for the costs of grants and contracts operations and to pay for overhead expenses of the University. Indirect cost reimbursements are expended in a manner consistent with the formula under which such reimbursements are determined.

Based on the requirements of the *University Guidelines*, patents and royalties do not meet the definition of indirect cost reimbursements and are excluded from this calculation as well as the indirect cost carry-forward.

UNIVERSITY OF ILLINOIS
ANALYSIS OF INDIRECT COST REIMBURSEMENTS
CALCULATION SHEET FOR INDIRECT COST CARRY-FORWARD
JUNE 30, 2007

1. Cash and Equivalents Balance

Add:

Cash	\$ (1,734,729)
Cash Equivalents	
Bank Deposits	
Marketable Securities	4,298,947
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	

\$ 2,564,218

2. Allocated Reimbursements

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:

\$ 219,745,000 ; enter 30% of this amount	\$ 65,923,500
---	---------------

3. Unallocated Reimbursements

Enter the lesser of the actual unallocated indirect cost expenditure for the year completed OR 10% of total indirect cost allocations for the year completed

0

4. Encumbrances and Current Liabilities Paid in the Lapse Period

Enter the amount of:

Current Liabilities	8,309,418
Encumbrances	16,894,437
Total	\$ 25,203,855

5. Indirect Cost Carry-forward

a. Enter the total items 2, 3 and 4 91,127,355

b. Subtract from item 1 (88,563,137)

If a positive number results, enter here and remit for deposit in the Income Fund \$ N/A

UNIVERSITY OF ILLINOIS
RATIO OF FEDERAL TO NONFEDERAL EXPENDITURES
YEAR ENDED JUNE 30, 2007

	<u>Amount</u>	<u>Percent</u>
Federal funds	\$ 608,894,819	15.95%
Nonfederal funds	<u>3,207,660,181</u>	<u>84.05%</u>
	<u>\$ 3,816,555,000</u>	<u>100.00%</u>

Source: Schedule of Expenditures of Federal Awards and the University of Illinois Annual Financial Report.

UNIVERSITY OF ILLINOIS
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM
YEAR ENDED JUNE 30, 2007

The University of Illinois ("University") is a comprehensive university primarily serving the citizens of Illinois from three main campuses and various outreach activities. The University is headed by its President, B. Joseph White, whose office is located at the Urbana-Champaign campus, Office of the President, 346 Henry Administration Building, 506 South Wright Street, Urbana, Illinois 61801. The University's mission is articulated in its "Scope and Mission of the University of Illinois" statement. This document is updated as deemed necessary by management of the University.

The Chicago campus is responsible for pursuing teaching, research and service activities related to basic and health sciences and providing a broad range of educational services at both the graduate and undergraduate levels. Vast educational offerings include professional degree programs in medicine, dentistry, pharmacy, nursing, associated health professions and public health as well as major research programs in a variety of curriculums.

The Springfield campus is responsible for addressing public affairs within the framework of a liberal arts curriculum through its first-hand access to state government and public service through special courses, projects and internship opportunities.

The Urbana-Champaign campus is responsible for pursuing instruction, including strong emphasis at the graduate level; research, through its eminent faculty; and public service as the original land grant campus of the University.

Each campus has developed planning procedures for maintenance and expansion of existing programs as well as development of new programs. All proposals for academic programs originate in the campus Faculty Senate, are reviewed by Central Administration and are approved by the Board of Trustees before being submitted, when necessary, to the Illinois Board of Higher Education. A university-wide, five-year "rolling" budget, the Resource Allocation Management Plan (RAMP), is prepared annually and is approved by the Illinois Board of Higher Education. The University's planning and budgeting procedures appear to be comprehensive and responsive in accomplishing each campus' mission.

In addition to the extensive formal planning and budgeting process at the University, each campus has established its own academic review program. These programs involve the participation of those faculty members responsible for considering matters of educational policy (e.g., granting tenure). On occasion, outside reviewers are utilized and accreditation review teams provide additional input for virtually all professional programs and academic offerings. The reviews concentrate on qualitative concerns as well as document quantitative issues. It appears that the academic reviews should be effective measures in accomplishing the University's mission.

We conclude, based on our observation of the University's functions and planning program, that the University's mission is formally documented on a current basis and that formal planning and monitoring procedures have been designed and implemented to meet the needs of the University and the requirements of the State.

UNIVERSITY OF ILLINOIS
EMPLOYMENT AND COST STATISTICS
FALL TERMS FISCAL 2007 AND 2006
(Unaudited)

University employment statistics

	Fall Term Fiscal 2007			Fall Term Fiscal 2006				
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
<u>Headcount</u>								
Faculty	3,330	3,061	323	6,714	3,341	2,958	316	6,615
Academic Professionals	4,231	4,005	237	8,473	4,134	3,931	214	8,279
Support Staff	4,983	5,499	297	10,779	5,006	5,531	304	10,841
Other	6,180	3,737	253	10,170	6,218	3,623	259	10,100
	<u>18,724</u>	<u>16,302</u>	<u>1,110</u>	<u>36,136</u>	<u>18,699</u>	<u>16,043</u>	<u>1,093</u>	<u>35,835</u>
<u>Full-time equivalency</u>								
Faculty	3,027	2,424	249	5,700	3,051	2,439	242	5,732
Academic Professionals	4,179	3,909	230	8,318	4,020	3,758	202	7,980
Support Staff	4,885	5,316	294	10,495	4,899	5,361	301	10,561
Other	2,697	2,199	141	5,036	2,741	2,080	140	4,961
	<u>14,788</u>	<u>13,848</u>	<u>914</u>	<u>29,550</u>	<u>14,711</u>	<u>13,638</u>	<u>885</u>	<u>29,234</u>

"Other" represents house staff (medical residents and interns) and research and teaching assistants.

The above information was provided by the University Office of Planning and Budgeting from the Staff Monitoring System and is prepared using Illinois Board of Higher Education requirements as follows:

- (1) Employees with full-time contracts are counted as one full-time equivalent.
- (2) Part-time employees are multiplied by the number of months worked and then divided by twelve to arrive at their full-time equivalency.

UNIVERSITY OF ILLINOIS
EMPLOYMENT AND COST STATISTICS
YEARS ENDED JUNE 30, 2007 AND 2006
(Unaudited)

Cost per student credit hour and full-time equivalent student

The following are calculations of cost per student credit hour and cost per full-time equivalent student for the years ended June 30, 2007 and June 30, 2006, using the formula prescribed by the Illinois Board of Higher Education. All credit hours and instructional operating costs paid from state appropriated funds are included (except costs related to the College of Medicine and Dentistry at the Health Sciences Center).

	Urbana-Champaign		Chicago		Springfield	
	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate
For the year ended June 30, 2007:						
Total costs (1)	\$ 267,843,476	\$ 208,086,178	\$ 110,889,432	\$ 112,063,756	\$ 23,749,794	\$ 12,698,373
Student credit hours	943,047	298,224	429,168	164,957	66,605	32,957
Full-time equivalent students (2)	31,435	12,426	14,306	6,873	2,220	1,373
Cost per student credit hour	\$ 284	\$ 698	\$ 258	\$ 679	\$ 357	\$ 385
Cost per full-time equivalent student	\$ 8,521	\$ 16,746	\$ 7,751	\$ 16,305	\$ 10,697	\$ 9,247
For the year ended June 30, 2006:						
Total costs (1)	\$ 259,530,738	\$ 204,443,270	\$ 107,639,041	\$ 112,178,304	\$ 19,909,265	\$ 10,914,359
Student credit hours	886,588	296,622	433,254	165,147	61,100	29,505
Full-time equivalent students (2)	29,553	12,539	14,442	6,881	2,037	1,229
Cost per student credit hour	\$ 293	\$ 689	\$ 248	\$ 679	\$ 326	\$ 370
Cost per full-time equivalent student	\$ 8,782	\$ 16,305	\$ 7,453	\$ 16,302	\$ 9,774	\$ 8,881

(1) Total costs are calculated using Illinois Board of Higher Education requirements as follows: total state appropriated costs less organized research, public service, student financial aid, appropriations for the State Universities Retirement System, appropriations for workmen's compensation, auxiliary enterprises, hospital and independent operations.

(2) Undergraduate full-time equivalent student is computed as the total number of semester credit hours divided by 30. Graduate and professional full-time equivalent student is computed as the total number of semester credit hours divided by 24.

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2007
(Unaudited)

The following statistics are from the *State of Illinois Board of Higher Education 2006 Data Book on Illinois Higher Education*, Fall Enrollment Survey.

Enrollment Statistics

The total headcount enrollment for Fall 2006 by class level was as follows:

	Chicago	Urbana	Springfield	Total
Undergraduate				
Freshman	4,090	8,234	336	12,660
Sophomore	2,527	6,537	292	9,356
Junior	3,252	7,396	736	11,384
Senior	5,075	8,554	1,240	14,869
Unclassified	62	751	154	967
Total Undergraduate	<u>15,006</u>	<u>31,472</u>	<u>2,758</u>	<u>49,236</u>
Graduate				
Professional	2,324	1,045		3,369
Graduate	6,483	9,740	1,754	17,977
Unclassified	831	481	249	1,561
Total Graduate	<u>9,638</u>	<u>11,266</u>	<u>2,003</u>	<u>22,907</u>
Total	<u>24,644</u>	<u>42,738</u>	<u>4,761</u>	<u>72,143</u>

The total headcount enrollment for Fall 2006 by gender and by level of instruction were as follows:

	Chicago	Urbana	Springfield	Total
Gender				
Men	10,979	22,648	2,027	35,654
Women	13,665	20,090	2,734	36,489
Total	<u>24,644</u>	<u>42,738</u>	<u>4,761</u>	<u>72,143</u>
Level of instruction				
Full-time	20,230	39,249	2,167	61,646
Part-time	4,414	3,489	2,594	10,497
Total	<u>24,644</u>	<u>42,738</u>	<u>4,761</u>	<u>72,143</u>

The median age of students enrolled by level of instruction for Fall 2006 were as follows:

	Chicago	Urbana	Springfield
Median age			
Undergraduate	21.3	20.2	24.7
Graduate	28.4	27.4	29.4
Combined	23.5	21.0	27.1

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2007
(Unaudited)

Degrees Conferred

The following statistics are from the Integrated Postsecondary Education Data System (IPEDS) Completion Survey.

The number of degrees conferred for the year ended June 30, 2007 was as follows:

Degrees	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Baccalaureate	3,286	7,035	612	10,933
Masters	1,737	2,601	431	4,769
First Professional	579	320	-	899
Doctorate	317	698	2	1,017
Total	<u>5,919</u>	<u>10,654</u>	<u>1,045</u>	<u>17,618</u>

UIC Doctorate counts include the Doctor of Physical Therapy degrees which the campus considers first-professional degrees.

UIC Professional counts include 34 First-Professional Certificates.

UIS Masters counts include 9 Post-Baccalaureate Certificates and 16 Post-Master's Certificates.

UIUC Masters counts include 19 Post-Master's Certificates. UIUC also had 5 Aviation Certificates.

Staff Statistics

The following statistics are from the Survey of Salaries of Full-Time Instructional Faculty, 2006-2007 IPEDS.

The average salary of full-time faculty for the year ended June 30, 2007 was as follows:

Average salary of full-time faculty	<u>Chicago</u>	<u>Urbana*</u>	<u>Springfield</u>	<u>Combined</u>
	\$ 80,049	\$ 88,551	\$ 59,069	\$ 84,085

* Excludes University Administration

The percent of tenured full-time faculty for the year ended June 30, 2006 was as follows:

Percent of tenured full-time faculty	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Combined</u>
	57.0%	59.5%	42.3%	57.7%

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2007
(Unaudited)

Tuition and Required Fees Rates

The following tuition and required fee rates are from the Institutional Characteristics Survey (IC), Integrated Postsecondary Education Data System (IPEDS).

The general 4-year guaranteed base rate tuition and required fees for full-time, in-state undergraduates and general full-time base rate tuition and required fees for in-state graduate students entering after fall 2006 for the 2006-07 academic year were as follows (excluding refundable fees):

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>
Undergraduate	\$ 9,742	\$ 9,882	\$ 7,244
Graduate	\$ 10,076	\$ 10,152	\$ 6,336

The tuition and required fees for a full-time student entering fall 2006 for the 2006-2007 academic year in the first-professional programs were as follows (excluding refundable fees):

	<u>Chicago</u>	<u>Urbana</u>
First-professional programs		
Medicine*	\$ 27,670	
Dentistry	\$ 23,374	
Pharmacy	\$ 16,670	
Other (Physical Therapy)**	\$ 14,772	
Law*		\$ 20,458
Veterinary Medicine*		\$ 17,566

*Excludes a disability insurance fee of \$58.20.

**IPEDS does not consider this a First-professional program.

UNIVERSITY OF ILLINOIS
ILLINOIS FIRST PROJECTS
FISCAL YEAR 2007
(Unaudited)

Appropriation Code/ Project Number	Award Amount	Expenditures
Appropriated to the Capital Development Board for the benefit of the Board of Higher Education:		
No amount appropriated for FY07		
Total Illinois First Projects	<u>\$ -</u>	<u>\$ -</u>

UNIVERSITY OF ILLINOIS
EMERGENCY PURCHASES
YEAR ENDED JUNE 30, 2007
(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2007.

Vendor	Description	Amount
Northwestern University	The equipment was necessary to allow the Chemistry Department to conduct research work in the field of surface chemistry and to provide the department with state-of-the-art capability in the field of scanning tunneling microscopy.	140,000.00
Kroeschell Engineering Service	Repair costs for the motor on chiller #4 in the east side central chiller plant at UIC. The motor was not running due to a failure of the insulation on the stator windings. Since this chiller is needed to meet the campus chilled water load, emergency repairs were necessary.	54,886.12
David Allbritten	The Department of Animal Sciences required the purchase of 200 head of cattle for research at the Animal Science Beef Cow facility at the Dixon Springs Agriculture Center. This purchase is a spot market purchase because the cattle are available for a limited time and good business judgement mandated a "quick purchase" immediately to take advantage of the availability and price.	200,000.00
The Babcock & Wilcox Company	Replacement cost for boiler tubes that needed repair.	49,100.00
Bruker AXS, Inc.	Bruker loaned out an APEX II CCD chip, the keystone component of a proprietary diffraction instrument, which hedged further losses.	39,000.00
AGA Medical Corp.	5 Cribiform Septal Occluders and 4 Amplatzer Septal Occluders were purchased to close holes in the heart chambers of four patients at UIC Medical Center.	41,000.00
Dovebid, Inc.	The School of Chemical Sciences purchased a quadrupole/time-of-flight, mass spectrometer system at an auction that saved them considerable funds.	130,525.00
Blackstone Medical	Orthopedic implants for an emergency implant at UIC Medical Center.	32,275.00
Matrix Technologies	Emergency quick purchase to take advantage of one-time discounts for a PlateMate Plus 96/384 Channel Automated Pipetting System for the School of Chemical Sciences.	150,000.00
Tanglefoot Ranch	The Department of Veterinary Medicine Administration purchased corn to feed cattle at the Dixon Springs Agricultural Center.	81,700.00
Crowne Plaza	Hotel accommodations and catering services for the UIUC men's basketball team while playing at the NCAA tournament in Columbus, OH.	31,206.84
Diagnostic Services, Inc.	The Department of Veterinary Clinical Medicine had a nuclear imaging system that required repairs and relocation.	81,300.00

UNIVERSITY OF ILLINOIS
 UNIVERSITY BOOKSTORE INFORMATION
 FISCAL YEAR 2007
 (Unaudited)

	<u>University of Illinois</u>	<u>U of I at Chicago</u>	<u>U of I -Springfield</u>
University	<u>(U of I)</u>	<u>(UIC)</u>	<u>(UIS)</u>
Contracted/Rents to students/University operated	University operated	University Operated	Contracted
Contractor	N/A	N/A	Follett Higher Education Group, Inc
Contract Term	N/A	N/A	4/1/05 - 3/31/10 * renewable for 5 add'l 12 month periods
Amount of Gross Sales for bookstore for FY 06	\$10,890,886	\$11,323,530	\$1,351,501
Amount to be Paid to bookstore for FY 06 (if any) from University	N/A	N/A	N/A
Commissions	N/A	N/A	\$116,223
Commission terms	N/A	N/A	-Follett to pay UIS - an annual amount equal to the sum of: 1)8.50% of all Gross Revenue up to \$1,000,000, plus 2) 9.50% of any part of Gross Revenue over \$1,000,000 *paid monthly 20 days after the end of the month
Given exclusive rights	No	No	Yes
Competition/ "Other" nearby/on campus Bookstores	T.I.S College Bookstore Follett Bookstore	Chicago Textbooks, Inc	Barnes & Noble

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2007

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled "*Matters Regarding University Audits*" ("Memorandum"), certain supplemental data is required to be reported for University audits. The table below cross-references the memorandum requirements (indicated by number and letter paragraph references) to the University financial statements and audit reports for the year ended June 30, 2007 where such special data is found.

Compliance Findings

- 13(a) At June 30, 2007 no findings of noncompliance with *University Guidelines* were noted. The University's calculation sheets for current excess funds are presented in this report on page numbers 76 through 88.

Indirect Cost Reimbursements

- 13(b) A statement of the sources and applications of indirect cost reimbursements is included in this report on page number 89.
- 13(c) The University's calculation sheet for indirect cost carry-forward is included in this report on page number 90.

Tuition Charges and Fees

- 13(d) No instances of tuition being diverted to auxiliary enterprise operations were noted.

Auxiliary Enterprises, Activities and Accounting Entities

- 13(e) Identification of each specific accounting entity and descriptions of the sources of revenue and purpose of each are presented in this report on pages 38 through 41.
- 13(f) Entity financial statements are presented on pages 42 through 67 of this report. The entity financial statements should be read in conjunction with the University of Illinois Annual Financial Report for the year ended June 30, 2007, the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2007, the Annual Financial Report of the Willard Airport Facility for the year ended June 30, 2007, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2007.
- 13(g) The University's calculation sheets for current excess funds are presented in this report on pages 76 through 88.
- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the Annual Financial Report of the University of Illinois Auxiliary Facilities System on page 10.

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2007

Auxiliary Enterprises, Activities and Accounting Entities (cont'd)

- 13(i) Statements of receipts and disbursements, and related definitions, for funds required by bond indentures are presented on pages 7 through 9 and page 15 and 16 of the Annual Financial Report of the University of Illinois Auxiliary Facilities System.
- 13(j) Statements with respect to compliance with the fund accounting covenants of the Resolutions of the Board of Trustees of the University of Illinois, which provided for the issuance of revenue bonds, are included in the respective Independent Auditor's Report included in the Annual Financial Report of the University of Illinois Auxiliary Facilities System, the Annual Financial Report of the Willard Airport Facility, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2007
- 13(k) At June 30, 2007 no non-instructional facilities reserves (development reserves) have been established by the University.

University-Related Organizations

13(l), (m) and (n)

Organizations recognized by the University as University Related Organizations (UROs) are as follows:

University of Illinois Foundation	PrairieLand Energy, Inc.
University of Illinois Alumni Association	Illinois Ventures, LLC and its Subsidiary
University of Illinois Research Park, LLC	Wolcott, Wood and Taylor, Inc.

Payments by the UROs to the University for services provided by the University and payments by the University to UROs for services provided by the UROs are disclosed in this report on pages 103 and 104 and on indicated pages of the following reports for the year ended June 30, 2007

University of Illinois Annual Financial Report	Page 28
Annual Financial Statements of the University of Illinois Foundation	Page 18 and 19
Annual Financial Statements of the University of Illinois Alumni Association	Pages 15 and 16
Annual Financial Statements of Wolcott, Wood and Taylor, Inc.	Page 18

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2007

University-Related Organizations (cont'd)

Annual Financial Statements of Prairieland Energy, Inc.	Pages 16 and 17
Annual Financial Statements of Illinois Ventures, LLC and its Subsidiary	Page 19
Annual Financial Statements of University Of Illinois Research Park, LLC	Pages 15 and 16

The University has designated no organizations as "Independent Organizations" as defined in Section VII of *University Guidelines*.

- 13(o) At June 30, 2007 there are no unreimbursed subsidies to the UROs from University or appropriated funds.
- 13(p) Debt financing by UROs at June 30, 2007 is disclosed in the Annual Financial Statements of the University of Illinois Foundation on page 23.

Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in the Analysis of Significant Account Balances section of this report on pages 11 and 12 and in the Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2007 on pages 33 through 37.
- 13(r) A statement describing the methodology used to allocate income from investments of pooled funds is included in this report on page 11.
- 13(s) Costs per full time equivalent student are presented in this report on page 94.
- 13(t) Acquisitions of land in excess of \$250,000 by the University and its UROs during the year ended June 30, 2007 that were not funded by a separate appropriation specifically identifying the particular acquisitions are presented in this report on pages 19 and 103 as Analysis of Significant Account Balances – Capital Assets and Schedule of Funds Provided by the University of Illinois Foundation.
- 13(u) During fiscal year 2007, the University did not issue Certificates of Participation.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS
SCHEDULE OF FUNDS PROVIDED BY THE UNIVERSITY OF ILLINOIS FOUNDATION
YEARS ENDED JUNE 30, 2007 and 2006

During fiscal years 2007 and 2006, the University engaged the Foundation, under contract, to provide fund-raising and other services. In accordance with the contract agreement, the University provided \$4,095,182 cash and \$4,863,705 Budget allocation in 2007 and \$4,263,912 cash and \$4,378,025 budget allocation in 2006, and an additional \$374,000 and \$330,000 of services in 2007 and 2006, respectively, to the Foundation. As required by contract, the Foundation provided the University certain funds considered unrestricted for purposes of the computations outlined in *University Guidelines*. In addition, the Foundation provided the University with nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation provided to the University during each fiscal year:

	2007	2006
Unrestricted funds	\$ 447,470	\$ 425,673
Restricted only as to campus, college or department and generally available for ongoing university operations:		
Provided to a particular campus	2,462,771	1,199,725
Provided to a particular college	16,084,540	10,575,494
Provided to a particular department	17,929,911	18,796,985
Provided for the Intercollegiate Athletics	7,561,396	7,242,635
Subtotal	44,486,088	38,240,512
Restricted by donor:		
Provided for student support	18,001,267	15,665,865
Provided for certain instructional, research and public service programs	27,229,064	28,543,284
Provided for physical facilities additions or improvements	11,544,534	19,699,620
Provided for other restricted purposes	27,470,059	25,129,268
Total funds provided by the Foundation to the University	\$ 128,731,012	\$ 127,278,549

University Guidelines require that the University report annually the purchase or acceptance of gifts of real estate by a University Related Organization (URO) in excess of \$250,000. During fiscal year 2007, the University of Illinois Foundation did not purchase real estate in excess of \$250,000 and received the following gifts:

Date	Value	Property and Description
7/26/2006	\$ 410,000	Property located at 21 Lands End Dr., Greensboro, NC
12/28/2006	\$ 700,000	Property located at 12 Greencroft Dr. in Champaign, IL

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS
SCHEDULE OF FUNDS PROVIDED BY THE UNIVERSITY TO THE UNIVERSITY OF ILLINOIS ALUMNI ASSOCIATION
YEARS ENDED JUNE 30, 2007 and 2006

In accordance with an annual agreement between the University and the Alumni Association, the University paid \$4,905,300 and \$3,942,900 of which \$2,608,100 and \$2,408,500 represent employee salaries to the Alumni Association for the years ended June 30, 2007 and 2006, respectively. In return, the Alumni Association agreed to: (1) provide management and supervisory services for the maintenance of alumni records, (2) publish Alumni periodicals and (3) provide support to Alumni field activities and meetings. During the years ended June 30, 2007 and 2006, the Alumni Association expended the following amounts in the performance of those functions:

	<u>2007</u>	<u>2006</u>
Communications	\$ 566,500	\$ 445,600
Information services	947,800	891,700
Membership promotion	285,600	283,000
Alumni outreach programs	1,376,600	1,341,800
General and operating expenses	<u>1,728,800</u>	<u>980,800</u>
Total expenditures	<u>\$ 4,905,300</u>	<u>\$ 3,942,900</u>

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE AND GRADUATE TUITION AND FEE WAIVERS
2006 - 2007 SCHOOL YEAR
 (Unaudited)
 (in thousands)

	Undergraduate			Graduate		
	Tuition Waivers	Fee Waivers	Total Waivers	Tuition Waivers	Fee Waivers	Total Waivers
Urbana	\$ 22,211.3	\$ 476.2	\$ 22,687.5	\$ 133,832.3	\$ 4,594.7	\$ 138,427.0
Chicago	\$ 5,861.1	\$ 382.6	\$ 6,243.7	\$ 63,498.9	\$ 4,595.2	\$ 68,094.1
Springfield	\$ 824.4	\$ 19.9	\$ 844.3	\$ 1,541.1	\$ 91.6	\$ 1,632.7
Total	\$ 28,896.8	\$ 878.7	\$ 29,775.5	\$ 198,872.3	\$ 9,281.5	\$ 208,153.8

The amount of fiscal 2007 tuition waivers reported above are based on data provided from the Office of Planning and Budgeting.

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE TUITION AND FEE WAIVERS
2006 - 2007 SCHOOL YEAR
(Unaudited)

University of Illinois at Urbana-Champaign
(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
MANDATORY WAIVERS				
(SUBTOTAL)	1,961	\$ 11,472.9	249	\$ 255.0
Teacher Special Education	73	499.9	73	112.8
General Assembly	558	4,645.3		
ROTC	120	703.1		
DCFS	30	173.9	16	16.4
Children of Employees	758	2,905.0		
Honorary Scholarships	239	1,845.1		
Veterans Grants & Scholarships**	185	700.6	160	125.8
Adjustments (1)	(2)			
DISCRETIONARY WAIVERS				
(SUBTOTAL)	2,769	10,738.4	595	221.2
Faculty/Administrators	45	103.9	48	25.3
Civil Service	35	65.2	34	20.8
Academic/Other Talent	989	2,221.3	104	16.3
Athletic	144	937.5		
Foreign Exchange Students	303	4,309.3	300	117.1
Out-of-State Students	6	70.5		
Foreign Students	24	120.0		
Student Need-Financial Aid	1,092	2,102.9		
Student Need-Special Programs	53	23.5		
Cooperating Professionals	3	12.7	3	2.7
Research Assistants	4	14.1	4	0.9
Teaching Assistants	2	5.4	2	0.3
Other Assistants	93	719.2	90	26.3
Interinstitutional/Related Agencies	11	25.7	12	9.9
Retired University Employees	3	7.2	3	1.6
Adjustments (1)	(38)		(5)	
TOTAL	4,730	\$ 22,211.3	844	\$ 476.2

* Unduplicated

** Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

NOTE: DISCRETIONARY CHILDREN OF EMPLOYEE WAIVERS CATEGORY HAS BEEN DISCONTINUED AS OF FISCAL YEAR 2005

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE TUITION AND FEE WAIVERS
2006 - 2007 SCHOOL YEAR
(Unaudited)

University of Illinois at Chicago
(in thousands)

	<u>Tuition Waived</u>		<u>Fees Waived</u>	
	<u>Number of Recipients *</u>	<u>Value of Waivers</u>	<u>Number of Recipients *</u>	<u>Value of Waivers</u>
MANDATORY WAIVERS				
(SUBTOTAL)	<u>686</u>	<u>\$ 2,749.9</u>	<u>342</u>	<u>\$ 300.5</u>
Teacher Special Education	<u>5</u>	<u>30.5</u>	<u>5</u>	<u>7.6</u>
General Assembly	<u>96</u>	<u>640.4</u>		
ROTC	<u>52</u>	<u>279.3</u>		
DCFS	<u>8</u>	<u>48.6</u>	<u>8</u>	<u>12.9</u>
Children of Employees	<u>183</u>	<u>542.4</u>		
Honorary Scholarships	<u>13</u>	<u>83.7</u>		
Veterans Grants & Scholarships**	<u>329</u>	<u>1,125.0</u>	<u>329</u>	<u>280.0</u>
DISCRETIONARY WAIVERS				
(SUBTOTAL)	<u>747</u>	<u>3,111.2</u>	<u>75</u>	<u>82.1</u>
Faculty/Administrators	<u>29</u>	<u>73.2</u>	<u>29</u>	<u>29.2</u>
Civil Service	<u>44</u>	<u>110.2</u>	<u>44</u>	<u>51.9</u>
Academic/Other Talent	<u>372</u>	<u>1,293.0</u>		
Athletic	<u>161</u>	<u>1,226.1</u>		
Student Need-Financial Aid	<u>97</u>	<u>349.1</u>		
Student Need-Special Programs	<u>42</u>	<u>57.0</u>		
Cooperating Professionals	<u>2</u>	<u>2.6</u>	<u>2</u>	<u>1.0</u>
Adjustments (1)				
TOTAL	<u>1,433</u>	<u>\$ 5,861.1</u>	<u>417</u>	<u>\$ 382.6</u>

* Unduplicated

** Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

NOTE: DISCRETIONARY CHILDREN OF EMPLOYEE WAIVERS CATEGORY HAS BEEN DISCONTINUED AS OF FISCAL YEAR 2005

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE TUITION AND FEE WAIVERS
2006 - 2007 SCHOOL YEAR
(Unaudited)

University of Illinois at Springfield

(in thousands)

	<u>Tuition Waived</u>		<u>Fees Waived</u>	
	<u>Number of Recipients *</u>	<u>Value of Waivers</u>	<u>Number of Recipients *</u>	<u>Value of Waivers</u>
<u>MANDATORY WAIVERS</u>				
<u>(SUBTOTAL)</u>	<u>264</u>	<u>\$ 504.3</u>	<u>-</u>	<u>\$ -</u>
General Assembly	8	34.4		
DCFS	3	11.2		
Children of Employees	36	67.3		
Honorary Scholarships	21	102.0		
Veterans Grants & Scholarships**	196	289.4		
<u>DISCRETIONARY WAIVERS</u>				
<u>(SUBTOTAL)</u>	<u>180</u>	<u>320.1</u>	<u>48</u>	<u>19.9</u>
Faculty/Administrators	6	15.1	7	1.4
Civil Service	41	75.2	41	18.2
Academic/Other Talent	15	31.8		
Athletic	34	100.0		
Gender Equity in				
Intercollegiate Athletics	7	24.2		
Student Need-Financial Aid	64	52.7		
Cooperating Professionals	1	0.8	1	0.3
Interinstitutional/Related Agencies	13	20.3		
Adjustments (1)	(1)		(1)	
<u>TOTAL</u>	<u>444</u>	<u>\$ 824.4</u>	<u>48</u>	<u>\$ 19.9</u>

* Unduplicated

** Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

NOTE: DISCRETIONARY CHILDREN OF EMPLOYEE WAIVERS CATEGORY HAS BEEN DISCONTINUED AS OF FISCAL YEAR 2005

UNIVERSITY OF ILLINOIS
SCHEDULE OF GRADUATE TUITION AND FEE WAIVERS
2006 - 2007 SCHOOL YEAR
(Unaudited)

University of Illinois at Urbana-Champaign
(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
MANDATORY WAIVERS				
(SUBTOTAL)	195	\$ 1,701.9	45	\$ 41.2
Teacher Special Education	4	20.6	3	4.1
General Assembly	25	376.4		
Honorary Scholarships	39	374.3		
Veterans Grants & Scholarships**	127	930.6	42	37.1
DISCRETIONARY WAIVERS				
(SUBTOTAL)	7,905	132,130.4	7,836	4,553.5
Faculty/Administrators	444	2,266.9	467	452.1
Civil Service	66	208.1	68	47.5
Academic/Other Talent	202	2,409.1	186	72.6
Athletic	2	11.7		
Foreign Exchange Students	40	501.7	40	18.5
Out-of-State Students	22	272.9		
Cooperating Professionals	236	646.2	246	150.8
Research Assistants	2,549	47,400.9	2,519	1,279.4
Teaching Assistants	1,886	24,941.7	1,872	817.4
Other Assistants	2,566	32,803.5	2,462	1,022.0
Interinstitutional/Related Agencies	45	172.5	46	29.8
Retired University Employees	3	12.7	3	1.3
Contract/Training Grants	111	1,706.1	111	44.7
Fellowship/Traineeship	1,121	18,776.4	1,137	617.4
Adjustments (1)	(1,388)		(1,321)	
TOTAL	8,100	\$ 133,832.3	7,881	\$ 4,594.7

* Unduplicated

** Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

NOTE: DISCRETIONARY CHILDREN OF EMPLOYEE WAIVERS CATEGORY HAS BEEN DISCONTINUED AS OF FISCAL YEAR 2005

UNIVERSITY OF ILLINOIS
SCHEDULE OF GRADUATE TUITION AND FEE WAIVERS
2006 - 2007 SCHOOL YEAR
(Unaudited)

University of Illinois at Chicago
(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
MANDATORY WAIVERS				
(SUBTOTAL)	227	\$ 2,880.0	123	\$ 133.8
Teacher Special Education	8	36.9	8	13.8
General Assembly	90	2,119.0		
Honorary Scholarships	14	244.1		
Veterans Grants & Scholarships	115	480.0	115	120.0
DISCRETIONARY WAIVERS				
(SUBTOTAL)	4,402	60,618.9	4,260	4,461.4
Faculty/Administrators	612	4,290.8	585	821.4
Civil Service	63	266.6	60	71.0
Academic/Other Talent	107	3,403.9		
Cooperating Professionals	61	155.7	53	51.2
Research Assistants	1,137	15,226.9	1,134	1,144.0
Teaching Assistants	966	13,426.1	950	932.1
Other Assistants	1,020	15,357.9	1,020	886.5
Retired University Employees	1	7.1	1	2.1
Fellowship/Traineeship	698	8,483.9	664	553.1
Adjustments (1)	(263)		(207)	
TOTAL	4,629	\$ 63,498.9	4,383	\$ 4,595.2

* Unduplicated

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

NOTE: DISCRETIONARY CHILDREN OF EMPLOYEE WAIVERS CATEGORY HAS BEEN DISCONTINUED AS OF FISCAL YEAR 2005

UNIVERSITY OF ILLINOIS
SCHEDULE OF GRADUATE TUITION AND FEE WAIVERS
2006 - 2007 SCHOOL YEAR
(Unaudited)

University of Illinois at Springfield
(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
MANDATORY WAIVERS				
(SUBTOTAL)	93	\$ 120.5	-	\$ -
Teacher Special Education				
General Assembly	8	10.3		
Honorary Scholarships	5	11.2		
Veterans Grants & Scholarships**	80	99.0		
DISCRETIONARY WAIVERS				
(SUBTOTAL)	385	1,420.6	239	91.6
Faculty/Administrators	78	158.7	79	31.8
Civil Service	22	32.4	22	9.1
Academic/Other Talent	15	65.7		
Gender Equity in				
Intercollegiate Athletics	1.0	0.8		
Student Need-Financial Aid	48	51.1		
Cooperating Professionals	16	18.2	16	4.7
Research Assistants	14	71.9	14	5.3
Teaching Assistants	24	130.5	23	9.1
Other Assistants	163	875.7	87	31.6
Interinstitutional/Related Agencies	8	15.6		
Retired University Employees				
Adjustments (1)	(4)		(2)	
TOTAL	478	\$ 1,541.1	239	\$ 91.6

* Unduplicated

** Illinois Veterans Grants (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waived (unfunded) portion of these grants.

(1) A recipient may be granted a waiver in multiple categories. The number of recipients in the subtotal is adjusted for student waivers granted in multiple categories.

NOTE: DISCRETIONARY CHILDREN OF EMPLOYEE WAIVERS CATEGORY HAS BEEN DISCONTINUED AS OF FISCAL YEAR 2005