

UNIVERSITY OF ILLINOIS

Supplementary Financial Information and
Special Data Requirements

Year Ended June 30, 2010

Performed as Special Assistant
Auditors for the Auditor General,
State of Illinois

UNIVERSITY OF ILLINOIS
Supplementary Financial Information and
Special Data Requirements
Year Ended June 30, 2010

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Related Reports Published under Separate Covers

The University of Illinois Annual Financial Report for the year ended June 30, 2010

The University of Illinois Auxiliary Facilities System Annual Financial Report for the year
 ended June 30, 2010

The University of Illinois Health Services Facilities System Annual Financial Report for the year
 ended June 30, 2010

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Year Ended June 30, 2010

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Compliance Examination Report (In accordance with the Single Audit Act and OMB
Circular A-133) for the year ended June 30, 2010, including findings, recommendations, and
University responses

Independent Auditor's Reports 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



KPMG LLP
303 East Wacker Drive
Chicago, IL 60601-5212

**Independent Auditors' Report on
Supplementary Information for
State Compliance Purposes**

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

As Special Assistant Auditors for the Auditor General, we have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the University of Illinois (University), a component unit of the State of Illinois, as of and for the year ended June 30, 2010, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 20, 2010. Our audit report was modified to include a reference to other auditors and a change in accounting for discretely presented component units.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information as of and for the year ended June 30, 2010, 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, as of and for the year ended June 30, 2010, taken as a whole.

We have also previously audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, the basic financial statements of the University as of and for the year ended June 30, 2009, and we expressed unqualified opinions on those basic financial statements. The accompanying supplementary information related to the University's 2009 basic financial statements was subjected to auditing procedures applied in the audit of those basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements from which it has been derived.

The accompanying supplementary information for the years ended June 30, 2000 through 2008 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Auditor General, the General Assembly, the Legislative Audit Commission, the Governor, University management, the Board of Trustees of the University, and others within the University who have previously received the basic financial statements of the University as of and for the year ended June 30, 2010, and our unqualified opinions thereon, for use in evaluating those basic financial statements and is not intended to be and should not be used for any other purpose.

KPMG LLP

Chicago, Illinois
December 20, 2010

UNIVERSITY OF ILLINOIS

Schedule of Appropriations, Expenditures, and Lapsed Balances

Fourteen months ended August 31, 2010

	Appropriations (net after transfers)	Vouchered expenditures for the year ended June 30, 2010	Vouchered expenditures for the two months ended August 31, 2010	Total expenditures for the fourteen months ended August 31, 2010	Balances lapsed August 31, 2010	Balances reappropriated August 31, 2010
General Revenue Fund :						
Appropriation						
Expenditures:						
Hispanic Center Excellence	\$ 800,000	606,667	193,333	800,000	—	—
Dixon Springs	350,000	330,420	19,580	350,000	—	—
Dentistry	350,000	327,525	22,475	350,000	—	—
Personal Services	548,137,528	547,654,920	482,608	548,137,528	—	—
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	44,073,100	44,073,100	—	44,073,100	—	—
Equipment	511,000	511,000	—	511,000	—	—
Telecommunications	5,016,800	5,016,800	—	5,016,800	—	—
Operation of automotive equipment	967,000	967,000	—	967,000	—	—
Worker's compensation	3,299,900	3,299,900	—	3,299,900	—	—
Hospital and Medical Services and Appliances	4,689,672	4,528,773	160,899	4,689,672	—	—
Health Insurance	24,893,200	24,893,200	—	24,893,200	—	—
Medicare	9,737,100	9,737,100	—	9,737,100	—	—
Public Policy Institute	1,250,000	927,028	322,972	1,250,000	—	—
Transfer to UI Hospital Services Fund	45,000,000	45,000,000	—	45,000,000	—	—
Total general revenue fund	<u>697,901,100</u>	<u>696,699,233</u>	<u>1,201,867</u>	<u>697,901,100</u>	<u>—</u>	<u>—</u>
Fire Prevention Fund	2,445,500	2,353,974	91,526	2,445,500	—	—
State College and University Trust Fund	250,000	180,700	—	180,700	69,300	—
Hazardous Waste Research Fund	472,100	151,838	76,123	227,961	244,139	—
Emergency Public Health Fund	200,000	190,509	9,491	200,000	—	—
Used Tire Management Fund	200,000	191,360	8,640	200,000	—	—
General Professions Dedicated Fund	1,000,000	971,066	28,934	1,000,000	—	—
Capital Development Bond Fund – Space Needs for DNR	3,973,700	2,579,458	—	2,579,458	—	1,394,242
ARRA Title XIV – Education Stabilization	18,670,800	18,670,800	—	18,670,800	—	—
ARRA Title XIV – General Stabilization	26,847,800	26,847,800	—	26,847,800	—	—
Grand totals, all funds	<u>751,961,000</u>	<u>748,836,738</u>	<u>1,416,581</u>	<u>750,253,319</u>	<u>313,439</u>	<u>1,394,242</u>
Less ARRA Fund Totals (which will be reported as grants on financial reports)	<u>(45,518,600)</u>	<u>(45,518,600)</u>	<u>—</u>	<u>(45,518,600)</u>	<u>—</u>	<u>—</u>
Grand totals, all funds, less ARRA	<u>\$ 706,442,400</u>	<u>703,318,138</u>	<u>1,416,581</u>	<u>704,734,719</u>	<u>313,439</u>	<u>1,394,242</u>

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 PA 096-0114, PA 096-0046, and PA 096-0045. The appropriations reported above includes Capital Development Bond Fund expenditures which are separately reported in the audit financial statements and excludes \$15,826,499 of Funds received for State Surveys

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Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances

Budget years of fiscal 2010 and 2009

	PA 096-0114, PA 096-0046, PA 096-0045 2010	PA 95-0734 2009
General Revenue Fund:		
Appropriations	\$ 697,901,100	743,419,700
Expenditures:		
Hispanic Center Excellence	800,000	606,816
Dixon Springs	350,000	350,000
Dentistry	350,000	350,000
Personal Services	548,137,528	628,673,100
Awards and Grants	6,057,500	6,057,500
Travel	249,700	249,700
Commodities	2,518,600	2,518,600
Contractual Services	44,073,100	34,563,842
Equipment	511,000	511,000
Telecommunications	5,016,800	5,016,800
Operation of Automotive Equipment	967,000	967,000
Worker's Compensation	3,299,900	3,270,000
Hospital and Medical Services and Appliances	4,689,672	5,205,502
Health Insurance	24,893,200	24,893,200
Medicare	9,737,100	9,737,100
CHANCE Program	—	1,000,000
Public Policy Institute	1,250,000	864,047
Transfer to UI Hospital Services Fund	45,000,000	—
Total expenditures	<u>697,901,100</u>	<u>724,834,207</u>
Rescission total	<u>—</u>	<u>18,585,493</u>
Lapsed balances	\$ <u>—</u>	\$ <u>—</u>
Fire Prevention Fund:		
Appropriations	\$ 2,445,500	2,445,500
Expenditures	<u>2,445,500</u>	<u>2,445,500</u>
Lapsed balances	\$ <u>—</u>	\$ <u>—</u>
State College and University Trust Fund:		
Appropriations	\$ 250,000	250,000
Expenditures	<u>180,700</u>	<u>177,400</u>
Lapsed balance	\$ <u>69,300</u>	\$ <u>72,600</u>
Capital Development Bond Fund:		
Appropriations	\$ 3,973,700	4,520,952
Expenditures:		
WILL-TV digitalization infrastructure	—	134,917
Classroom and Office Construction at UIS	—	1
Space needs for DNR	<u>2,579,458</u>	<u>412,335</u>
Total expenditures	<u>2,579,458</u>	<u>547,253</u>
Reappropriated balances	\$ <u>1,394,242</u>	\$ <u>3,973,699</u>
Lapsed balances	\$ <u>—</u>	\$ <u>—</u>
Toxic Pollution Prevention Fund:		
Appropriations	\$ <u>—</u>	89,700
Expenditures	<u>—</u>	<u>—</u>
Lapsed balance	\$ <u>—</u>	\$ <u>89,700</u>

(Continued)

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Comparative Schedule of Net Appropriations, Expenditures, and Lapsed Balances

Budget years of fiscal 2010 and 2009

	PA 096-0114, PA 096-0046, PA 096-0045 2010	PA 95-0348 2009
Hazardous Waste Research Fund:		
Appropriations	\$ 472,100	472,100
Expenditures	<u>227,961</u>	<u>243,738</u>
Lapsed balance	\$ <u>244,139</u>	<u>228,362</u>
Emergency Public Health Fund:		
Appropriations	\$ 200,000	200,000
Expenditures	<u>200,000</u>	<u>200,000</u>
Lapsed balance	\$ <u>—</u>	<u>—</u>
Used Tire Management Fund:		
Appropriations	\$ 200,000	200,000
Expenditures	<u>200,000</u>	<u>200,000</u>
Lapsed balance	\$ <u>—</u>	<u>—</u>
General Professions Dedicated Fund:		
Appropriations	\$ 1,000,000	1,000,000
Expenditures	<u>1,000,000</u>	<u>1,000,000</u>
Lapsed balance	\$ <u>—</u>	<u>—</u>
Grand totals, all funds:		
Appropriations	\$ 706,442,400	752,597,952
Expenditures	704,734,719	729,648,098
Rescission totals	—	18,585,493
Reappropriated balances	<u>1,394,242</u>	<u>3,973,699</u>
Lapsed balances	\$ <u>313,439</u>	<u>390,662</u>
ARRA Title XIV – Education Stabilization:		
Appropriations	\$ 18,670,800	—
Expenditures	<u>18,670,800</u>	<u>—</u>
Lapsed balances	\$ <u>—</u>	<u>—</u>
ARRA Title XIV – General Stabilization:		
Appropriations	\$ 26,847,800	—
Expenditures	<u>26,847,800</u>	<u>—</u>
Lapsed balances	\$ <u>—</u>	<u>—</u>
Grand totals, all funds, including ARRA:		
Appropriations	\$ 751,961,000	752,597,952
Expenditures	750,253,319	729,648,098
Rescission totals	—	18,585,493
Reappropriated balances	<u>1,394,242</u>	<u>3,973,699</u>
Lapsed balances	\$ <u>313,439</u>	<u>390,662</u>

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Analysis of State Appropriations –
Significant Lapse Period Expenditures

Two months ended August 31, 2010

	Total expenditures for the fourteen months ended August 31, 2010	Vouchered expenditures for the two months ended August 31, 2010	Percentage
Public Policy Institute	\$ 1,250,000	322,972	25.8%

There was a reorganization of the Public Policy Institute in fiscal year 2010. This reorganization resulted in new personnel managing this fund which delayed spending.

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, 2010.

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Analysis of University Income Fund

Comparative Schedule of University Income Fund Revenues and Expenditures

Budget years of fiscal 2010 and 2009

	<u>2010</u>	<u>2009</u>	
University Income Fund:			
Revenues:			
Net student tuition and fees	\$ 740,861,906	651,451,720	
Other sources	28,155,844	12,582,028	
	<u>769,017,750</u>	<u>664,033,748</u>	
Provision for bad debts	(2,848,735)	(1,897,885)	
Net revenues	<u>766,169,015</u>	<u>662,135,863</u>	
Add (deduct) net change in:			
Cash	148,042	92,436	
Accounts receivable	2,000,974	(1,827,078)	
Deferred charges	(135,677)	(796,142)	
Accrued investment income	(3,440,208)	13,549,190	
Deferred income	1,506,937	4,191,107	
Accounts payable	(5,243)	(522)	
	<u>74,825</u>	<u>15,208,991</u>	
Fiscal year deposits	<u>766,243,840</u>	<u>677,344,854</u>	
Expenditures:			
Audit expense	388,439	323,699	
Unemployment compensation	816,688	494,704	
Permanent improvements	35,970,464	25,872,717	[1]
Personal services	340,167,561	375,435,406	
Awards and grants	59,210,790	45,838,424	
Travel	4,099,524	4,063,985	
Commodities	6,662,313	6,477,871	
Contractual services	168,132,695	164,146,739	[1]
Equipment	35,233,332	31,359,349	
Telecommunications	2,699,376	1,457,392	
Operation of automotive equipment	461,012	314,866	
Workers' compensation	3,065,153	2,851,198	
Medicare	4,121,341	4,837,378	
Total expenditures	<u>661,028,688</u>	<u>663,473,728</u>	
Increase in fund balance	<u>105,215,152</u>	<u>13,871,126</u>	
Fund balance at beginning of budget fiscal year	13,248,215	(622,072)	
Prior year adjustments made after final report was completed	3,899	(839)	
Beginning balance as adjusted	<u>13,252,114</u>	<u>(622,911)</u>	
Fund balance at end of budget fiscal year	\$ <u>118,467,266</u>	<u>13,248,215</u>	
Budget	\$ <u>754,768,799</u>	<u>671,275,600</u>	
Fund balance as percentage of budget	<u>15.70%</u>	<u>1.97%</u>	

[1] – These amounts have been reclassified for fiscal year 2009. Certain expenditures have been reclassified from contractual services to permanent improvements.

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Analysis of University Income Fund

Comparative Schedule of University Income Fund Revenues and Expenditures

Budget years of fiscal 2010 and 2009

Net student tuition increased by approximately \$89.4 million from fiscal year 2009 to fiscal year 2010. General tuition programs for continuing undergraduates increased approximately 5.0% at the University of Illinois at Urbana-Champaign (UIUC) and 2.6% at University of Illinois at Chicago (UIC) and University of Illinois at Springfield (UIS). 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 2010 for first-time enrollments increased approximately 2.6% at all three campuses. There were also increases to existing undergraduate tuition differentials at UIUC and UIC. General graduate tuition increased approximately 4.0% at all three campuses. There were increases to existing differentials in several graduate and professional programs at UIC and UIUC, two new programmatic differentials implemented at UIC and one at UIUC. The campuses also experienced variations in enrollments, the student payer mix, carryover and technical adjustments in fiscal year 2010. In addition to normal technical adjustments, in fiscal year 2010, the State Surveys continued to be transferred to the University via the income fund, a \$15.8 million dollar transfer.

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 \$2.4 million and \$5.1 million in fiscal years 2010 and 2009, respectively, for institutional system development and institutional utility costs. A substantial portion of the investment funds are committed for recurring obligations.

Income Fund expenditures decreased by approximately \$2.4 million (a 0.37% decrease). As noted above, in addition to the tuition and fee increases, annual changes in enrollment, the student payer mix, and carryover balances can have an impact on the spending available from this fund source.

UNIVERSITY OF ILLINOIS
 Analysis of Revenues, Expenses, and
 Changes in Net Assets – Business-Type Activities
 Years ended June 30, 2010 and 2009
 (In thousands)

	<u>2010</u>	<u>2009</u>	<u>Increase (decrease)</u>
Operating revenues:			
Student tuition and fees, net	\$ 823,488	743,286	80,202
Medical fees for services – state appropriation	1,014	45,982	(44,968)
Federal appropriations	16,188	16,909	(721)
Federal grants and contracts	641,708	572,598	69,110
State of Illinois, grants, and contracts	84,065	79,499	4,566
Private and other governmental agency grants and contracts	147,964	137,071	10,893
Educational activities	251,770	253,203	(1,433)
Auxiliary enterprises, net	368,515	348,134	20,381
Hospital and other medical activities, net	576,852	481,943	94,909
Medical service plan	185,061	189,444	(4,383)
Independent operations	12,960	15,012	(2,052)
Interest and service charges on student loans	1,584	1,160	424
Total operating revenues	<u>3,111,169</u>	<u>2,884,241</u>	<u>226,928</u>
Operating expenses:			
Instruction	970,339	961,305	9,034
Research	652,229	630,127	22,102
Public service	395,343	383,429	11,914
Academic support	354,238	303,742	50,496
Student services	126,635	123,328	3,307
Institutional support	228,610	229,737	(1,127)
Operation and maintenance of plant	269,739	274,373	(4,634)
Scholarships and fellowships	215,270	200,038	15,232
Auxiliary enterprises	310,794	306,967	3,827
Hospital and medical activities	597,426	578,858	18,568
Independent operations	12,067	13,806	(1,739)
Depreciation	208,885	203,477	5,408
Total operating expenses	<u>4,341,575</u>	<u>4,209,187</u>	<u>132,388</u>
Operating income (loss)	<u>(1,230,406)</u>	<u>(1,324,946)</u>	<u>94,540</u>
Nonoperating revenues (expenses):			
State appropriations	717,300	699,038	18,262
Transfer of state appropriations to the Illinois DHFS Hospital Services Fund	(45,000)	—	(45,000)
Private gifts	144,099	141,315	2,784
Federal grants, nonoperating	103,101	39,347	63,754
On behalf payments for fringe benefits	634,745	486,022	148,723
Net investment income	19,338	24,836	(5,498)
Net increase (decrease) in the fair value of investments	54,980	(54,547)	109,527
Interest expense	(77,368)	(73,460)	(3,908)
Loss on sale/disposals of capital assets	(7,041)	(4,871)	(2,170)
Other nonoperating revenues, net	33,748	38,780	(5,032)
Net nonoperating revenue	<u>1,577,902</u>	<u>1,296,460</u>	<u>281,442</u>
Income (loss) before other revenues	347,496	(28,486)	375,982
Capital state appropriations	20,610	3,203	17,407
Capital gifts and grants	61,898	8,442	53,456
Private gifts for endowment purposes	98	1,905	(1,807)
Increase (decrease) in net assets	430,102	(14,936)	445,038
Net assets, beginning of year, adjusted (a)	<u>2,355,444</u> (a)	<u>2,372,694</u>	<u>(17,250)</u>
Net assets, end of year	<u>\$ 2,785,546</u>	<u>2,357,758</u>	<u>427,788</u>
(a) Beginning of year net assets for fiscal year 2010 were adjusted due to adoption of a new accounting standard, GASB Standard #53.			
Net assets, beginning of year as previously reported	\$ 2,357,758		
Cumulative effect of accounting change	(2,314)		
Net assets, beginning of year, adjusted	<u>\$ 2,355,444</u>		

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Analysis of Revenues, Expenses, and Changes in Net Assets Significant Revenue, Expense, and Changes in Net Assets Variances Years ended June 30, 2010 and 2009

Consistent with prior years, all variances greater than \$30 million, and more than 10% variance from fiscal year 2009 are discussed below. Refer to the Analysis of Revenues, Expenses and Changes in Net Assets on page 8 for the actual dollar changes.

Explanations of significant variances:

- *Student tuition and fees, net* – This increase is due to an increase in tuition rates for the 2009 – 2010 school year and an increase in the number of students required to pay deferred maintenance fees.
- *Medical fees for services – state appropriation* – Hospital state appropriations were classified as nonoperating in fiscal year 2010 due to a new interagency agreement with the Illinois Department of Healthcare and Family Services discussed below.
- *Federal grants and contracts* – Increase is due to additional funding for existing grants and an increase in new grants.
- *Hospital and other medical activities, net* – Increase is due to the incorporation of the state appropriation into the Medicaid reimbursement rate, Medicaid carryovers, rate increases, and settlements.
- *Academic support (operating expenses)* – Increase is due to an increase in the on behalf payments allocation to the academic support function that was driven by an increase in on behalf payments for fringe benefits discussed below.
- *Transfer of state appropriations to the Hospital Services Fund* – In fiscal year 2010, in accordance with a new intergovernmental agreement with the Illinois Department of Healthcare and Family Services, State General Revenue Fund appropriations were transferred to the University of Illinois Hospital Services Fund, which is a special fund established in the State Treasury pursuant to the State Finance Act, 30 ILCS 105/6z-30. This fund is owned and operated by the Illinois Department of Healthcare and Family Services. It is not part of or a related organization of the University.
- *Federal grants, nonoperating* – Fiscal year 2010 saw increases in Pell Grants awarded and the receipt of approximately \$46 million of Federal American Recovery and Reinvestment Act funding under the State Fiscal Stabilization Fund Cluster program.
- *On behalf payments for fringe benefits* – This increase is due to an increase in the actuarial determined required contributions to the State Universities Retirement System and the Central Management Services State Employees Group Insurance Program. These contributions are made substantially by the State of Illinois on the University's behalf to SURS and CMS. The contribution increased from \$486 million in 2009 to \$635 million in 2010.
- *Net increase (decrease) in fair value of investments* – This increase is due to recovering market conditions from a significant decrease in fiscal year 2009.
- *Capital gifts and grants* – This increase was driven by a \$60 million grant received from the Illinois Department of Commerce and Economic Opportunity for the construction of the Petascale building.

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Analysis of Significant Account Balances

Cash and Cash Equivalents, Investments, and Accrued Investment Income

June 30, 2010 and 2009

Various University funds have cash and certain investments that 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.

Nonpooled investments are reported at fair value, as determined by quoted market price. Investment income, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund that 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.

The fair value of permanent and term endowed real estate and farm properties are determined by a periodic appraisal of the property by a certified real estate appraiser. Real estate and farm properties held as investment by quasi-endowments are reported at cost, or when donated, at fair value at the date of donation.

At June 30, 2010, the University had \$27,405,000 of deposits that was not covered by federal depository insurance or by collateral held by an agent in the University's name. The carrying value of the cash deposits were \$23,734,000 and (\$7,995,000) at June 30, 2010 and 2009, respectively. The carrying value of University's investment balances, including pooled investments at June 30, 2010 and 2009 were held as follows (in thousands):

	2010	2009
U.S. Treasury put	\$ 4,345	4,345
U.S. Treasury bonds and bills	92,926	81,161
U.S. government agencies	107,827	212,421
Commercial paper	18,191	1,999
Corporate bonds	102,739	87,215
Bond mutual funds	54,850	48,820
Nongovernment mortgage-backed securities	33,645	40,569
Non-U.S. government bonds	1,602	3,294
Money market funds	662,485	413,929
Illinois Public Teachers Investment Pool	19,226	1,957
U.S. equities	17,659	18,306
International equities	31,461	24,441
U.S. equity mutual funds	97,652	83,898
Limited partnerships	13,133	10,339
Repurchase agreements	526	38,427
Certificates of deposits	400	400
Preferred stock	1,055	294
Real estate and farm properties	49,431	48,672
Total	\$ 1,309,153	1,120,487

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Cash and Cash Equivalents, Investments, and Accrued Investment Income

June 30, 2010 and 2009

Refer to the Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2010, for categorization of investments according to interest rate risk and credit risk assumed by the University at June 30, 2010.

The University accounts for investment income on the accrual basis. Investment income for nonpooled investments, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund that 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, 2010 and 2009 was as follows (in thousands):

	<u>2010</u>	<u>2009</u>
Current funds:		
Unrestricted	\$ 1,729	1,709
Restricted	109	108
Loan funds	20	24
Plant funds	490	1,295
	<u>\$ 2,348</u>	<u>3,136</u>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Accounts and Notes Receivable
 June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>	
Accounts receivable:			
Current unrestricted funds:			
Student tuition	\$ 28,991,760	30,275,487	[1]
Other unrestricted	6,441,256	7,794,747	[1]
Entity activities:			
Auxiliary enterprises	15,155,930	15,327,114	
Hospital and clinics	326,238,278	330,512,916	
Other departmental activities	48,837,388	60,384,149	
Total accounts receivable	<u>425,664,612</u>	<u>444,294,413</u>	
Allowance for doubtful accounts:			
Hospital and clinics	(234,237,673)	(250,081,318)	
Other departmental activities	(8,505,344)	(10,666,172)	
Student tuition	(10,482,725)	(9,765,479)	[1]
Other unrestricted funds	(1,563,023)	(2,574,840)	[1]
Auxiliary enterprises	(4,561,050)	(4,017,989)	
Total allowance for doubtful accounts	<u>(259,349,815)</u>	<u>(277,105,798)</u>	
Current unrestricted funds accounts receivable, net	<u>166,314,797</u>	<u>167,188,615</u>	
Current restricted funds:			
Medical Service Plan	74,930,597	74,262,440	
Grants, contracts, and gifts	161,435,786	137,315,631	
Federal appropriations	2,453,183	1,657,013	
Total accounts receivable	<u>238,819,566</u>	<u>213,235,084</u>	
Allowance for doubtful accounts:			
Medical Service Plan	(30,223,374)	(26,905,091)	
Grants, contracts, and gifts	(1,737,642)	(1,524,584)	
Current restricted funds accounts receivable, net	<u>206,858,550</u>	<u>184,805,409</u>	
Plant funds	<u>573,682</u>	<u>3,805,232</u>	
Total accounts receivable, net	<u>373,747,029</u>	<u>355,799,256</u>	
Notes receivable:			
Loan funds:			
Urbana campus	28,572,876	28,081,220	
Chicago campus	34,816,983	36,114,558	
Springfield campus	195,622	209,811	
Total notes receivable	<u>63,585,481</u>	<u>64,405,589</u>	
Allowance for doubtful notes:			
Urbana campus	(1,397,023)	(1,385,004)	
Chicago campus	(1,397,498)	(1,404,261)	
Springfield campus	(5,890)	(10,331)	
Total allowance for doubtful accounts	<u>(2,800,411)</u>	<u>(2,799,596)</u>	
Total notes receivable, net	<u>60,785,070</u>	<u>61,605,993</u>	
Total accounts and notes receivable, net	<u>\$ 434,532,099</u>	<u>417,405,249</u>	

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Accounts and Notes Receivable

Student Tuition Receivable

June 30, 2010 and 2009

		June 30, 2010				
		Total	Urbana Campus	Chicago Campus	Springfield Campus	Global Campus
Student tuition receivable:						
Current – 30 days	\$	10,219,302	5,464,050	4,088,008	666,540	704
31 – 90 days		705,303	428,006	236,002	41,295	—
Over 90 days		18,067,155	7,065,702	8,970,447	2,002,128	28,878
Total student tuition receivable		28,991,760	12,957,758	13,294,457	2,709,963	29,582
Allowance for doubtful accounts		(10,482,725)	(4,418,253)	(5,042,773)	(1,001,394)	(20,305)
Student tuition receivable, net		\$ 18,509,035	8,539,505	8,251,684	1,708,569	9,277
		June 30, 2009 [1]				
		Total	Urbana Campus	Chicago Campus	Springfield Campus	Global Campus
Student tuition receivable:						
Current – 30 days	\$	11,558,169	5,923,736	4,784,955	753,766	95,712
31 – 90 days		813,185	525,708	243,042	43,756	679
Over 90 days		17,904,133	7,970,988	8,134,260	1,798,885	—
Total student tuition receivable		30,275,487	14,420,432	13,162,257	2,596,407	96,391
Allowance for doubtful accounts		(9,765,479)	(4,672,493)	(4,284,522)	(803,845)	(4,619)
Student tuition receivable, net		\$ 20,510,008	9,747,939	8,877,735	1,792,562	91,772

[1] – These amounts have been reclassified for June 30, 2009. Certain receivables and the related allowance for doubtful accounts have been reclassified from Other Unrestricted to Student Tuition

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, 2010 and 2009

(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>2010</u>	<u>2009</u>
Active accounts:		
Patient receivables	\$ 124,292	110,727
Less bad debt allowance	(41,170)	(39,864)
Net patient receivables	<u>\$ 83,122</u>	<u>70,863</u>
Bad debt allowance – as a percent of patient receivables	33.12%	36.00%
Days revenue in net patient receivables	\$ 55	56
Write-offs of uncollectible accounts, net of recoveries	40,412	8,954
As a percent of gross revenue	2.79%	0.63%
Provision for bad debts	\$ 28,261	27,260
As a percent of gross revenue	1.95%	1.91%
Aging:		
0 – 30 days (including in-house)	59.76%	57.13%
31 – 90 days	14.19	16.23
91 – 180 days	10.84	10.86
Over 180 days	15.21	15.78
	<u>100.00%</u>	<u>100.00%</u>
Inactive accounts:		
Patient receivables	\$ 193,068	210,218
Less bad debt allowance	(193,068)	(210,218)
Net patient receivables	<u>\$ —</u>	<u>—</u>
Health Services Facilities System Receivables:		
Active patient receivables	\$ 124,292	110,727
Inactive patient receivables	193,068	210,218
Other receivables, net of allowance of \$1,107,000	7,177	8,696
Due from related organizations	1,701	872
Total Health Services Facilities System receivables	<u>\$ 326,238</u>	<u>330,513</u>

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Accounts and Notes Receivable

Grants, Contracts and Gifts

June 30, 2010 and 2009

June 30, 2010						
	Total	Urbana Campus	Chicago Campus	Springfield Campus	Global Campus	University Administration
Grants, contracts, and gifts:						
U.S. government grants and contracts	\$ 87,662,852	51,732,172	35,002,883	170,421	2,622	754,754
Private gifts, grants, and contracts	35,349,137	28,715,073	6,427,169	69,318	46,551	91,026
State of Illinois grants and contracts	36,686,155	18,096,594	15,624,154	1,503,512	—	1,461,895
Total grants, contracts, and gifts, net	<u>\$ 159,698,144</u>	<u>98,543,839</u>	<u>57,054,206</u>	<u>1,743,251</u>	<u>49,173</u>	<u>2,307,675</u>
June 30, 2009						
	Total	Urbana Campus	Chicago Campus	Springfield Campus	Global Campus	University Administration
Grants, contracts, and gifts:						
U.S. government grants and contracts	\$ 75,618,092	46,968,004	28,227,026	101,077	11,826	310,159
Private gifts, grants, and contracts	28,968,401	18,973,895	9,948,670	45,836	—	—
State of Illinois grants, and contracts	31,204,554	13,103,289	16,042,307	1,728,160	24,420	306,378
Total grants, contracts, and gifts	<u>\$ 135,791,047</u>	<u>79,045,188</u>	<u>54,218,003</u>	<u>1,875,073</u>	<u>36,246</u>	<u>616,537</u>

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, 2010 and 2009

	2010	2009
Urbana campus:		
Age:		
Not in repayment status/current billing	\$ 24,693,682	23,305,979
Under 120 days	1,201,260	1,298,514
Over 120 days	2,677,934	3,476,727
	28,572,876	28,081,220
Allowance for doubtful notes	(1,397,023)	(1,385,004)
Total – Urbana campus	27,175,853	26,696,216
Chicago campus:		
Age:		
Not in repayment status/current billing	30,626,680	29,972,465
Under 120 days	1,684,255	1,922,451
Over 120 days	2,506,048	4,219,642
	34,816,983	36,114,558
Allowance for doubtful notes	(1,397,498)	(1,404,261)
Total – Chicago campus	33,419,485	34,710,297
Springfield campus:		
Age:		
Not in repayment status/current billing	157,526	136,601
Under 120 days	19,868	35,457
Over 120 days	18,228	37,753
	195,622	209,811
Allowance for doubtful notes	(5,890)	(10,331)
Total – Springfield campus	189,732	199,480
All campuses:		
Age:		
Not in repayment status/current billing	55,477,888	53,415,045
Under 120 days	2,905,383	3,256,422
Over 120 days	5,202,210	7,734,122
	63,585,481	64,405,589
Allowance for doubtful notes	(2,800,411)	(2,799,596)
Total – all campuses	\$ 60,785,070	61,605,993

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, 2010

	Beginning balance	Additions	Retirements	Transfers (internal and from other state agencies)	Ending balance
Nondepreciable capital assets:					
Land	\$ 132,693,601	889,366	(965,700)	—	132,617,267
Construction in progress	173,471,803	125,085,727	—	(189,902,181)	108,655,349
Inexhaustible collections	15,989,304	3,813,674	—	—	19,802,978
Total nondepreciable capital assets	<u>322,154,708</u>	<u>129,788,767</u>	<u>(965,700)</u>	<u>(189,902,181)</u>	<u>261,075,594</u>
Depreciable capital assets:					
Buildings	3,297,964,016	—	—	183,873,687	3,481,837,703
Improvements and infrastructure	657,016,438	—	—	6,028,494	663,044,932
Equipment	987,022,080	61,064,338	(51,674,325)	—	996,412,093
Software	162,052,658	1,409,528	—	—	163,462,186
Exhaustible collections	474,854,642	24,914,989	(844,655)	—	498,924,976
Subtotal	5,578,909,834	87,388,855	(52,518,980)	189,902,181	5,803,681,890
Less accumulated depreciation	<u>2,572,509,332</u>	<u>208,884,479</u>	<u>(46,443,767)</u>	<u>—</u>	<u>2,734,950,044</u>
Total net depreciable capital assets	<u>3,006,400,502</u>	<u>(121,495,624)</u>	<u>(6,075,213)</u>	<u>189,902,181</u>	<u>3,068,731,846</u>
Total capital assets	<u>\$ 3,328,555,210</u>	<u>8,293,143</u>	<u>(7,040,913)</u>	<u>—</u>	<u>3,329,807,440</u>

*Amounts reconcile to the records submitted to the Illinois Office of the Comptroller.

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Capital Assets

June 30, 2010

Major changes to land fiscal year 2010:

Additions to/deductions from land in 2010:

Urbana-Champaign:

TR 1193 Deere Grove Farm	\$ (965,700)
TR 2012 Douglas Farm	889,366
	(76,334)
Total changes to Land – Urbana-Champaign	(76,334)
Total additions to/deductions from land	(76,334)
	\$ (76,334)

Major building changes, including transfers from construction in progress fiscal year 2010

Transfers to/from buildings in 2010:

Urbana-Champaign:

Armory	\$ 1,418,943
Atkins Tennis Center	505,487
Babcock Hall	690,968
Blaisdell Hall	938,812
Busey Hall	684,306
Digital Computer Laboratory	585,984
Energy Biosciences Institute Farm Shed	907,120
Foreign Languages Building	1,287,314
Fruit Research Farm-Administration Building	1,713,390
Ikenberry Commons-Residence Hall	30,845,636
Ikenberry Dining Hall	48,546,693
Intramural-Physical Education Building (Activities and Recreation Center)	1,055,059
Memorial Stadium	3,451,984
Morrill Hall	1,507,362
Mumford Hall	1,279,309
National Petascale Computing Facility	53,383,863
Pennsylvania Lounge Building	10,795,149
Roger Adams Laboratory	4,897,461
Saunders Hall	690,968
	165,185,808
Urbana-Champaign major transfers to/from buildings	165,185,808
Other (transfers less than \$500,000)	2,669,334
	167,855,142

UNIVERSITY OF ILLINOIS
Analysis of Significant Account Balances

Capital Assets

June 30, 2010

Chicago:	
2242 W Harrison Tech	\$ 2,850,757
Lincoln Hall	10,385,375
Rockford College Of Medicine – North Building	1,158,353
UIC Hospital	<u>1,422,060</u>
Chicago major transfers to/from buildings	15,816,545
Other (transfers less than \$500,000)	<u>202,000</u>
Total transfers to/from buildings – Chicago	<u>16,018,545</u>
Total transfers to/from buildings	<u>183,873,687</u>
Total changes to buildings fiscal year 2010	<u>\$ 183,873,687</u>
Major changes to improvements and infrastructure fiscal year 2010	
Transfers to/from improvements and infrastructure in fiscal year 2010:	
Urbana-Champaign:	
Atkins Tennis Center	\$ 259,708
Fire Service Institute – Street Scape	303,710
Fruit Farm Relocation	748,763
Memorials, statues, fountains, etc.	<u>319,302</u>
Total transfers to/from improvements and infrastructure – Urbana-Champaign	<u>1,631,483</u>
Chicago:	
South Campus Infrastructure	<u>4,397,011</u>
Total transfers to/from improvements and infrastructure – Chicago	<u>4,397,011</u>
Total transfers to/from improvements and infrastructure	<u>6,028,494</u>
Total changes to improvements and infrastructure fiscal year 2010	<u>\$ 6,028,494</u>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Capital Assets
 June 30, 2010

Major changes to equipment fiscal year 2010:

Additions/internal transfers in 2010 by category:

Urbana-Champaign:	
Auxiliaries	\$ 944,481
Other self supporting	17,078,844
General campus	<u>16,239,772</u>
Total additions/transfers – Urbana-Champaign	<u>34,263,097</u>
Chicago:	
Hospital	12,029,176
Auxiliaries	202,696
Other self supporting	1,895,167
General campus	<u>10,425,873</u>
Total additions/transfers – Chicago	<u>24,552,912</u>
Springfield:	
Auxiliaries	30,157
Other self supporting	107,917
General campus	<u>93,790</u>
Total additions/transfers – Springfield	<u>231,864</u>
Global campus:	
Other self supporting	(31,463)
General campus	<u>(82,222)</u>
Total additions/transfers – Global Campus	<u>(113,685)</u>
University administration:	
Other self supporting	70,151
General campus	<u>2,059,999</u>
Total additions/transfers – University Administration	<u>2,130,150</u>
Total additions/transfers to equipment	<u>61,064,338</u>
Equipment trade-ins, disposals, and adjustments by category fiscal year 2010:	
Urbana-Champaign:	
Auxiliaries	(665,716)
Other self supporting	(3,516,950)
General campus	<u>(37,760,001)</u>
Total trade-ins, disposals, and adjustments – Urbana-Champaign	<u>(41,942,667)</u>
Chicago:	
Hospital	(4,506,417)
Auxiliaries	(8,648)
Other self supporting	(1,865,099)
General campus	<u>(2,709,738)</u>
Total trade-ins, disposals, and adjustments – Chicago	<u>(9,089,902)</u>
Springfield:	
Auxiliaries	(13,500)
Other self supporting	(44,279)
General campus	<u>(94,421)</u>
Total trade-ins, disposals, and adjustments – Springfield	<u>(152,200)</u>
Global campus:	
General campus	<u>(6,159)</u>
Total trade-ins, disposals, and adjustments – Global Campus	<u>(6,159)</u>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Capital Assets
 June 30, 2010

Major changes to equipment fiscal year 2010 (continued):

Equipment trade-ins, disposals, and adjustments by category fiscal year 2010:

University administration:

Other self supporting	\$ (36,521)
General campus	<u>(446,876)</u>
Total trade-ins, disposals, and adjustments – University Administration	<u>(483,397)</u>
Total trade-ins, disposals, and adjustments to equipment	<u>(51,674,325)</u>
Total changes to equipment	<u>\$ 9,390,013</u>

Summary of equipment trade-ins, disposals, and adjustments by campus fiscal year 2010:

Trade-ins:

Urbana-Champaign	\$ (5,356,480)
Chicago	(2,488,683)
Springfield	<u>(37,202)</u>
	<u>(7,882,365)</u>

Disposals:

Urbana-Champaign	(37,075,743)
Chicago	(6,601,219)
Springfield	<u>(114,998)</u>
	<u>(43,791,960)</u>

Total equipment trade-ins, disposals, and adjustment fiscal year 2010	<u>\$ (51,674,325)</u>
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Major changes to software fiscal year 2010:

Additions/internal transfers in 2010 by category:

Urbana-Champaign – Other self supporting	\$ <u>415,590</u>
Total additions/transfers to software – Urbana-Champaign	<u>415,590</u>
Chicago – Hospital	<u>993,938</u>
Total additions/transfers to software – Chicago	<u>993,938</u>
Total additions/transfers to software	<u>1,409,528</u>
Total changes to software fiscal year 2010	<u>\$ 1,409,528</u>

Major changes to exhaustible collections fiscal year 2010:

Additions/internal transfers in 2010 by category

Urbana-Champaign – General campus	\$ <u>15,574,253</u>
Total additions/transfers to exhaustible collections – Urbana-Champaign	<u>15,574,253</u>
Chicago – General campus	<u>8,290,403</u>
Total additions/transfers to exhaustible collections – Chicago	<u>8,290,403</u>
Springfield – General campus	<u>1,050,333</u>
Total additions/transfers to exhaustible collections – Springfield	<u>1,050,333</u>
Total additions/transfers to exhaustible collections	<u>24,914,989</u>

Summary of exhaustible collections trade-ins, disposals, and adjustments by campus fiscal year 2010:

Urbana-Champaign – General campus	<u>(339,738)</u>
Total trade-ins, disposal, and adjustments – Urbana-Champaign	<u>(339,738)</u>
Chicago – General campus	<u>(504,917)</u>
Total trade-ins, disposal, and adjustments – Chicago	<u>(504,917)</u>
Total Trade-ins, disposals, and adjustments to exhaustible collections	<u>(844,655)</u>
Total changes to exhaustible collections fiscal year 2010	<u>\$ 24,070,334</u>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Capital Assets
 June 30, 2010

Major changes to inexhaustible collections fiscal year 2010:

Additions/internal transfers in 2010 by category:

Urbana-Champaign – General campus	\$ <u>3,518,108</u>
Total additions/transfers to inexhaustible collections – Urbana-Champaign	<u>3,518,108</u>
Chicago – General campus	<u>—</u>
Total additions/transfers to inexhaustible collections – Chicago	<u>—</u>
Springfield – General campus	<u>295,566</u>
Total additions/transfers to inexhaustible collections – Springfield	<u>295,566</u>
Total additions/transfers to inexhaustible collections	3,813,674

Summary of exhaustible collections trade-ins, disposals, and adjustments by campus fiscal year 2010:

Urbana-Champaign:	
General campus	<u>—</u>
Total trade-ins, disposal, and adjustments – Urbana-Champaign	<u>—</u>
Total trade-ins, disposals, and adjustments to inexhaustible collections	<u>—</u>
Total changes to inexhaustible collections fiscal year 2010	\$ <u><u>3,813,674</u></u>

Major changes to construction in progress fiscal year 2010:

Additions in 2010:

Urbana-Champaign:	
Activities and Recreation Center	\$ 1,055,059
Armory	1,140,144
Blue Waters Supercomputer	10,000,000
David Kinley Hall	845,138
Digital Computer Laboratory	585,207
Energy Biosciences Institute Farm Shed	508,693
Electrical and Computer Engineering Building	1,675,348
Fabricated Equipment	885,159
Foreign Languages Building	545,373
Fruit Research Farm – Administration Building	1,316,056
Fire Service Institute Class/Office Building	4,684,636
Huff Hall	2,171,356
Ikenberry Commons	26,617,584
Illini Union	739,281
Krannert Art Museum	1,163,879
Lincoln Avenue Residence Hall	691,127
Lincoln Hall	4,994,358
Memorial Stadium	3,451,984
Morrill Hall	1,034,650
National Petascale Computing Facility	25,495,716
Newmark Civil Engineering Building	1,129,615
Oak Street Chiller Plant & Distribution System	6,936,149
Roger Adams Laboratory	518,253
Snyder Hall & Scott Hall	1,157,157
Survey Building	<u>2,753,689</u>
Urbana-Champaign major additions to construction in progress	102,095,611
Other (additions less than \$500,000)	<u>4,755,755</u>
Total additions to construction in progress – Urbana-Champaign	<u><u>106,851,366</u></u>

UNIVERSITY OF ILLINOIS
Analysis of Significant Account Balances

Capital Assets

June 30, 2010

Chicago:	
Douglas Hall	\$ 1,066,850
Lincoln Hall	1,161,026
Rockford College Of Medicine-East Building	15,621,194
South Campus Infrastructure	593,194
Student Residence Hall	1,632,199
UIC Hospital	832,421
	<hr/>
Chicago major additions to construction in progress	20,906,884
Other (additions less than \$500,000)	190,103
Capital Development Board – Project Cancelled	(2,862,626)
	<hr/>
Total additions to construction in progress – Chicago	18,234,361
	<hr/>
Total additions to construction in progress	125,085,727
Transfers to/from construction in progress in 2010:	
Urbana-Champaign:	
Armory	\$ (1,418,943)
Atkins Tennis Center	(765,195)
Babcock Hall	(690,968)
Blaisdell Hall	(938,812)
Busey Hall	(684,306)
Digital Computer Laboratory	(585,984)
Energy Biosciences Institute Farm Shed	(907,120)
Foreign Languages Building	(1,287,314)
Fruit Farm Relocation	(748,763)
Fruit Research Farm – Administration Building	(1,713,390)
Ikenberry Commons – Residence Hall	(30,845,636)
Ikenberry Dining Hall	(48,546,693)
Intramural – Physical Education Building (Activities and Recreation Center)	(1,055,059)
Memorial Stadium	(3,451,984)
Morrill Hall	(1,507,362)
Mumford Hall	(1,279,309)
National Petascale Computing Facility	(53,383,863)
Pennsylvania Lounge Building	(10,795,149)
Roger Adams Laboratory	(4,897,461)
Saunders Hall	(690,968)
	<hr/>
Urbana-Champaign major transfers to/from construction in progress	(166,194,279)
Other (transfers less than \$500,000)	(3,292,346)
	<hr/>
Total transfers to/from construction in progress – Urbana-Champaign	(169,486,625)
Chicago:	
2242 W Harrison Tech	\$ (2,850,757)
Lincoln Hall	(10,385,375)
Rockford College Of Medicine – North Building	(1,158,353)
South Campus Infrastructure	(4,397,011)
University Of Illinois at Chicago Hospital	(1,422,060)
	<hr/>
Chicago major transfers to/from construction in progress	(20,213,556)
Other (transfers less than \$500,000)	(202,000)
Total transfers to/from construction in progress – Chicago	(20,415,556)
	<hr/>
Total transfers to/from construction in progress	(189,902,181)
	<hr/>
Total changes to construction in progress fiscal year 2010	\$ (64,816,454)
	<hr/>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Accounts Payable and Accrued Liabilities
 June 30, 2010 and 2009

	2010	2009	Increase (decrease)
All funds:			
Accounts payable	\$ 247,004,932	257,216,030	(10,211,098)
Accrued payroll	137,034,974	137,286,518	(251,544)
Accrued interest	17,242,106	17,683,061	(440,955)
Accrued compensated absences:			
Vacation	146,485,196	143,532,929	2,952,267
Sick-leave	68,502,921	74,001,733	(5,498,812)
Total compensated absences	214,988,117	217,534,662	(2,546,545)
Accrued self-insurance	206,829,010	181,827,483	25,001,527
Total accounts payable and accrued liabilities	\$ 823,099,139	811,547,754	11,551,385

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Accounts Payable and Accrued Liabilities
 Accrued Compensated Absences
 June 30 for the last ten years
 (Years 2000 – 2008 are unaudited)

	<u>Accrued vacation pay</u>	<u>Accrued sick pay</u>	<u>Total</u>
2010	\$ 146,485,196	68,502,921	214,988,117
2009	143,532,929	74,001,733	217,534,662
2008	135,304,812	78,003,438	213,308,250
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	206,075,034
2004	90,443,817	92,926,513	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

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Deferred Revenue and Student Deposits
 June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Deferred revenue and student deposits:		
Deferred General Revenue Fund appropriations	\$ 493,287	935,760
Deferred tuition	36,660,310	35,153,373
Student deposits	1,532,994	1,438,307
Auxiliary enterprises under indenture	6,812,154	7,174,533
Auxiliary enterprises not under indenture	5,892,621	5,980,209
Departmental activities	12,848,788	13,581,307
Storerooms and other services	574,210	1,474,435
U.S. grants and contracts	10,518,180	11,611,329
Private grants and contracts	55,388,983	55,472,782
State of Illinois grants and contracts	9,032,655	10,314,339
Unexpended Plant	2,231,223	2,599,850
Other	306,027	385,278
	<u>142,291,432</u>	<u>146,121,502</u>
Total deferred revenue and student deposits	\$ <u>142,291,432</u>	<u>146,121,502</u>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Bonds Payable and Accrued Interest
 Year ended June 30, 2010

	Balance at July 1, 2009	Bonds issued	Principal reductions	Accretion on bonds	Balance at June 30, 2010
University of Illinois Auxiliary Facilities					
System Revenue Bonds:					
Series 1979 UIS HUD Bonds	660,000	—	660,000	—	—
Series 1991	128,360,570	—	16,270,000	9,264,333	121,354,903
Series 1996	435,000	—	210,000	—	225,000
Series 1999A	19,654,959	—	1,910,000	1,125,846	18,870,805
Series 1999B	4,410,000	—	715,000	—	3,695,000
Series 2000	180,000	—	180,000	—	—
Series 2001A	99,675,000	—	1,345,000	—	98,330,000
Series 2001B	38,075,000	—	555,000	—	37,520,000
Series 2001C	12,740,000	—	1,085,000	—	11,655,000
Series 2003A	60,580,000	—	1,270,000	—	59,310,000
Series 2005A	154,955,000	—	3,710,000	—	151,245,000
Series 2006	315,160,000	—	1,565,000	—	313,595,000
Series 2008	20,485,000	—	365,000	—	20,120,000
Series 2009A	84,100,000	—	665,000	—	83,435,000
Total Auxiliary Facilities System	<u>939,470,529</u>	<u>—</u>	<u>30,505,000</u>	<u>10,390,179</u>	<u>919,355,708</u>
UIC South Campus Development					
Revenue Bonds:					
Series 2000	10,345,000	—	2,440,000	—	7,905,000
Series 2003	8,290,000	—	455,000	—	7,835,000
Series 2008	54,245,000	—	—	—	54,245,000
Total UIC South Campus Development	<u>72,880,000</u>	<u>—</u>	<u>2,895,000</u>	<u>—</u>	<u>69,985,000</u>
University of Illinois Health Services					
Facilities System Revenue Bonds					
Series 1997B	19,400,000	—	800,000	—	18,600,000
Series 2008	41,215,000	—	—	—	41,215,000
Total Health Services Facilities System	<u>60,615,000</u>	<u>—</u>	<u>800,000</u>	<u>—</u>	<u>59,815,000</u>
Total bonds payable	<u><u>1,072,965,529</u></u>	<u><u>—</u></u>	<u><u>34,200,000</u></u>	<u><u>10,390,179</u></u>	<u><u>1,049,155,708</u></u>

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Bonds Payable and Accrued Interest

June 30, 2010

University of Illinois Auxiliary Facilities System

Series 1979 UIS HUD Bonds

On May 1, 1979, the Series 1979 Bonds were issued in the principal amount of \$2,065,000. The Series 1979 Bonds were issued to the Secretary, Department of Housing and Urban Development, United States of America and bear interest at a rate of 3.0% per annum, payable semi-annually commencing November 1, 1979 and began maturing annually November 1, 1981 through May 1, 2018.

Proceeds from the Series 1979 Bonds were used to pay a portion of the cost of the construction of seven two-story housing units for use by students, faculty, and staff of Sangamon State University (later renamed University of Illinois – Springfield) upon a part of the University campus.

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 fiscal year 2002 utilizing funds from the sale of the Series 2001B and 2001C Bonds. The capital appreciation bonds do not require current interest payments. They began maturing 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 are being 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 4.00% to 5.60% per annum, payable semi-annually commencing October 1, 1996 and began maturing annually October 1, 1996 through 2022. A portion of the Series 1996 Bonds were refunded during fiscal year 2005 utilizing funds from the sale of the Series 2005A Bonds and also in fiscal year 2007 utilizing funds from the sale of the Series 2006 Bonds.

Proceeds from the sale of the Series 1996 Bonds were 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 are being amortized over the life of the bond issue.

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Bonds Payable and Accrued Interest

June 30, 2010

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 4.50% to 6.10% per annum, payable semi-annually commencing April 1, 2000 and began maturing annually April 1, 2002 through 2030. A portion of the current interest bonds were refunded during fiscal year 2005 utilizing funds from the sale of the Series 2005A Bonds. The capital appreciation bonds do not require current interest payments. They began maturing 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 began maturing annually April 1, 2005 through 2015.

Proceeds from the sale of the Series 1999A and 1999B Bonds were 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 are being 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 began maturing annually April 1, 2003 through 2031. A portion of the Series 2000 Bonds were refunded during fiscal year 2005 utilizing funds from the sale of the Series 2005A Bonds.

Proceeds from the sale of the Series 2000 Bonds were 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 are being amortized over the life of the bond issue.

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 4.00% to 5.50% per annum, payable semi-annually commencing April 1, 2002 and began maturing annually April 1, 2006 through 2030.

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Bonds Payable and Accrued Interest

June 30, 2010

Proceeds from the sale of the Series 2001A Bonds were 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 4.00% 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 fiscal year 2005 utilizing funds from the sale of the Series 2005A Bonds and also in fiscal year 2007 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 began maturing annually April 1, 2004 through 2021.

Proceeds from the sale of the Series 2001B and Series 2001C Bonds were 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 Bonds, in the amount of \$913,000, and \$120,000, respectively, have been recorded as a prepaid expense and are being 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 2.00% to 5.50% per annum, payable semi-annually commencing October 1, 2003 and began maturing annually April 1, 2004 through 2034.

Proceeds from the sale of the Series 2003A Bonds were 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 are being amortized over the life of the bond issues.

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 began maturing 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 are being amortized over the life of the bond issues.

UNIVERSITY OF ILLINOIS

Analysis of Significant Account Balances

Bonds Payable and Accrued Interest

June 30, 2010

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 began maturing annually April 1, 2008 through 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 are being amortized over the life of the bond issues.

Series 2008

On June 18, 2008, the Series 2008 Bonds were issued in the principal amount of \$20,800,000. Series 2008 Bonds are variable rate bonds bearing a weekly rate originally estimated at 4% per annum over the life of the bonds. Interest is payable monthly commencing July 2008. The bonds began maturing annually April 1, 2009 through April 1, 2038.

Proceeds from the sale of the Series 2008 Bonds are used to pay for various improvements and additions to the System, to pay debt service during construction, and to pay all costs incidental to the issuance of the Series 2008 Bonds. These issuance costs, in the amount of \$266,845 have been recorded as a prepaid expense and are being amortized over the life of the bond issues.

Series 2009A

On March 19, 2009, the Series 2009A Bonds were issued in the principal amount of \$84,100,000. Series 2009A Bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.75% per annum, payable semi-annually commencing October 1, 2009 and began maturing annually April 1, 2010 through 2038.

Proceeds from the sale of the Series 2009A Bonds are being used to fund various improvements to the System, provide for the refunding of the outstanding variable rate bonds, Series 2005B, and to pay all costs incidental to the issuance of the bonds. These issuance costs, in the amount of \$769,909 have been recorded as a prepaid expense and are being amortized over the life of the bond issues.

UNIVERSITY OF ILLINOIS
Analysis of Significant Account Balances
Bonds Payable and Accrued Interest
June 30, 2010

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 began maturing annually, commencing January 15, 2001 through 2002 and annually January 15, 2004 through 2013.

Proceeds from the sale of the Series 2000 Bonds were 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 2000 Bonds. These issuance costs, in the amount of \$259,710, have been recorded as a prepaid expense and are being 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 5.25% per annum, payable semi-annually, commencing January 15, 2004. The bonds began maturing annually, commencing January 15, 2004 through January 15, 2023.

Proceeds from the sale of the Series 2003 Bonds were 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 are being amortized over the life of the bond issue.

Series 2008 Bonds

On July 16, 2008, the Series 2008 Bonds were issued in the principal amount of \$54,245,000. Series 2008 Bonds are variable rate bonds bearing interest at a weekly rate. Interest is payable monthly commencing August 2008. The bonds began maturing annually commencing January 15, 2011 through January 15, 2022.

Proceeds from the sale of the Series 2008 Bonds were used to refund all of outstanding principal amount of the Series 2006A Bonds and to pay costs incidental to the issuance of the Series 2008 Bonds. These issuance costs, in the amount of \$545,000 have been recorded as a prepaid expense and are being amortized over the life of the bond issue.

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Bonds Payable and Accrued Interest
 June 30, 2010

University of Illinois Health Services Facilities System

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 began maturing annually, commencing October 1, 2000 through October 1, 2026.

Proceeds from the sale of the Series 1997B Bonds were used (a) to pay or reimburse the Board for the cost of acquiring, constructing 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 1997B Bonds; and (c) to pay costs incidental to the issuance of the Series 1997B Bonds. These issuance costs, in the amount of \$964,525, have been recorded as a prepaid expense and are being amortized over the life of the bond issues.

Series 2008 Bonds

On June 26, 2008, the Series 2008 Bonds were issued in the principal amount of \$41,215,000. The Series 2008 Bonds are variable rate bonds bearing interest at a weekly rate. Interest is payable monthly commencing July 2008. The Series 2007 interest rate swap agreement was transferred to the Series 2008 Bonds on July 28, 2008, in the notional amount of \$40,875,000.

Proceeds from the issuance of these bonds were used to fund the redemption of the \$40,875,000 outstanding principal amount of the Series 2007 Bonds, and to pay all costs incidental to the issuance of the Series 2008 Bonds. These issuance costs, in the amount of \$340,000, have been recorded as a prepaid expense and are being amortized over the life of the bond issues.

(1) 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, 2010 are seen in this table (rounded to the nearest thousand):

	Outstanding at June 30, 2010
University of Illinois Auxiliary Facilities System:	
Series 2001B	\$ <u>55,315</u>
Total	\$ <u><u>55,315</u></u>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Bonds Payable and Accrued Interest
 June 30, 2010

(2) Accrued Interest

Accrued interest on outstanding bonds payable at June 30, 2010 is as follows:

	<u>Outstanding at June 30, 2010</u>
University of Illinois Auxiliary Facilities System Revenue Bonds	\$ 9,762,568
University of Illinois Health Services Facilities System Revenue Bonds	126,258
University of Illinois UIC South Campus Development Revenue Bonds	<u>631,388</u>
	<u><u>\$ 10,520,214</u></u>

UNIVERSITY OF ILLINOIS
 Analysis of Significant Account Balances
 Leaseholds Payable and Other Obligations
 Year ended June 30, 2010

Lessor	Balance at July 1, 2009	Increase in leaseholds and other obligations	Principal payments	Cancellations and adjustments	Balance at June 30, 2010
Leaseholds payable:					
Certificates of Participation:					
Series 2001 UI Integrate	\$ 8,540,000	—	8,540,000	—	—
Series 2003 South Farm Projects	20,230,000	—	1,075,000	—	19,155,000
Series 2003 UI Integrate	31,700,000	—	—	—	31,700,000
Series 2003 Utility Infrastructure	47,830,000	—	5,015,000	—	42,815,000
Series 2004 Utility Infrastructure	139,765,000	—	1,075,000	—	138,690,000
Series 2005 College of Medicine	17,775,000	—	765,000	—	17,010,000
Series 2006 Academic Facilities	73,210,000	—	2,865,000	—	70,345,000
Series 2007A	72,595,000	—	135,000	—	72,460,000
Series 2007B	45,645,000	—	—	—	45,645,000
Series 2009A	38,230,000	—	—	—	38,230,000
Series 2009B	75,000,000	—	15,000,000	—	60,000,000
Other Capital Leases:					
First Southwest Leasing (CARLYLE)	2,423,758	—	447,939	—	1,975,819
Commerce Bank	—	248,107	97,924	—	150,183
CNH Capital	21,949	—	15,000	—	6,949
Eltekon Capital	8,075,874	—	2,043,525	(51,339)	5,981,010
G E Healthcare	37,285	—	21,478	1,703	17,510
JAMSAB	18,525	—	18,525	—	—
Key Government Finance	119,210	—	71,019	36,500	84,691
Key Municipal Finance	2,745,145	—	1,347,044	—	1,398,101
Midwest Construction Rentals	—	54,751	12,732	(418)	41,601
Municipal Asset Management	—	18,072	4,827	—	13,245
Shimadzu Financial	—	69,815	5,633	—	64,182
Siemens Medical	40,148	—	15,748	—	24,400
Suntrust Leasing Corporation	2,902,449	—	1,312,796	(183)	1,589,470
Stryker Sales Corp	61,697	—	19,880	—	41,817
Illinois Medical District Commission	32,491,800	—	896,700	—	31,595,100
Other	55,782	54,726	59,029	(3)	51,476
Total leaseholds payable	<u>619,513,622</u>	<u>445,471</u>	<u>40,859,799</u>	<u>(13,740)</u>	<u>579,085,554</u>
Other obligations:					
Environmental Remediation Liabilities	471,803	4,200,000	79,803	—	4,592,000
Total other obligations	<u>471,803</u>	<u>4,200,000</u>	<u>79,803</u>	<u>—</u>	<u>4,592,000</u>
Total leaseholds payable and other obligations	<u>\$ 619,985,425</u>	<u>4,645,471</u>	<u>40,939,602</u>	<u>(13,740)</u>	<u>583,677,554</u>

UNIVERSITY OF ILLINOIS

Entity Financial Statements and Related Information

Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2010

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, 2010 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 1979, Series 1991, Series 1996, Series 1999A, Series 1999B, Series 2000, Series 2001A, Series 2001B, Series 2001C, Series 2003A, Series 2005A, Series 2006, Series 2008, and Series 2009A (Bond Resolutions).

The Auxiliary Facilities System comprises 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 Activities and Recreation Center, Ice Rink Arena, and Memorial Stadium at the Urbana-Champaign campus; the Pavilion and Ice Rink at the Chicago campus; and the Gymnasium and the Recreation and Athletic Center at the Springfield campus.

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.

UNIVERSITY OF ILLINOIS

Entity Financial Statements and Related Information

Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2010

- 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* – Noncredit-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 a commercial activity with a significant emphasis on users outside the University community; formally included Willard Airport Operations, but the debt matured and the activity was moved to Commercial Operations Not under Indenture in fiscal year 2010.
- 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, Academic Support, and Economic Development 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.

UNIVERSITY OF ILLINOIS

Entity Financial Statements and Related Information

Entity Descriptions,
Auxiliary Facilities System Bonds, and
Special Bonds

Year ended June 30, 2010

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, 2010

Entity Descriptions	Urbana	Chicago	Springfield	Global Campus
Auxiliary Enterprises Under Indenture (reported University-wide)	X	X	X	
Student/Staff Programs and Services	X	X	X	
Communication and Computing Services (reported University-wide)	X	X	X	X
Plant and Service Operations (reported University-wide)	X	X	X	
Instructional Course Activities	X	X		
Professional Development Activities	X	X	X	X
Unique Instructional Programs	X	X	X	
Agricultural Operations	X			
Commercial Operations Not Under Indenture	X	X		
Hospital and Clinics		X		
Public Service, Academic Support, and Economic Development Activities	X	X	X	
Intercollegiate Activities	X	X	X	
<hr/>				
Special Bonds (Separate Reports for I)	Urbana	Chicago	Springfield	Global Campus
I. Health Services Facilities System		X		

UNIVERSITY OF ILLINOIS
Balance Sheet
Auxiliary Enterprises Under Indenture
June 30, 2010

	<u>All campuses</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 110,112,463
Cash and cash equivalents, restricted	24,581,240
Investments	3,002,689
Accrued investment income	232,065
Accounts receivable, net of allowance	7,962,468
Inventories	10,790,881
Prepaid expenses and deferred charges	808,289
	<u>157,490,095</u>
Noncurrent assets:	
Investments, restricted	14,364,266
Capital assets, net of accumulated depreciation	946,021,633
Prepaid expenses and deferred charges	5,527,724
	<u>965,913,623</u>
Total assets	<u>\$ 1,123,403,718</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 31,822,118
Accrued compensated absences, current portion	602,244
Deferred revenue	6,812,154
Notes payable to the University, current portion	3,431,500
Bonds and leaseholds payable, current portion	50,481,627
	<u>93,149,643</u>
Noncurrent liabilities:	
Accrued compensated absences	5,874,508
Notes payable to the University	11,765,704
Bonds and leaseholds payable	889,705,045
	<u>907,345,257</u>
Total liabilities	<u>1,000,494,900</u>
Net assets:	
Invested in capital assets, net of related debt	9,907,091
Restricted:	
Expendable for debt service	19,646,684
Unrestricted	<u>93,355,043</u>
Total net assets	<u>122,908,818</u>
Total liabilities and net assets	<u>\$ 1,123,403,718</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Auxiliary Enterprises Under Indenture

Year ended June 30, 2010

	All campuses
Operating revenues:	
Room and board	\$ 121,897,163
Merchandise and food sales	31,850,997
Student service fees	88,193,121
Public events and recreation fees	8,256,358
Parking income	22,352,952
Rental and lease income	20,515,928
Vending income	1,342,674
Other operating revenue	11,880,089
Total operating revenues	306,289,282
Operating expenses:	
Salaries and wages	82,470,032
Merchandise and food for resale	31,508,083
Repairs and maintenance	3,521,268
Professional and other contractual services	33,430,926
Utilities	26,355,186
Supplies	12,496,674
Noncapitalized equipment and equipment rental	1,788,554
Administrative services	14,377,333
Other operating expense	10,502,254
Depreciation and amortization	28,673,198
On behalf payments for fringe benefits	26,900,395
Total operating expenses	272,023,903
Operating income	34,265,379
Nonoperating revenues (expenses):	
On behalf payments for fringe benefits	26,900,395
Investment income (net of related expenses)	3,507,810
Interest on capital asset related debt	(45,521,604)
Amortization of issuance costs	(275,283)
Loss on disposal of capital assets	(164,055)
Other nonoperating expenses, net	(960,836)
Total nonoperating expenses, net	(16,513,573)
Increase in net assets	17,751,806
Net assets, beginning of year	105,157,012
Net assets, end of year	\$ 122,908,818

UNIVERSITY OF ILLINOIS

Balance Sheet

Auxiliary Enterprises Not Under Indenture

Student/Staff Programs and Services

June 30, 2010

	Urbana	Chicago	Springfield
Assets:			
Current assets:			
Cash and cash equivalents	\$ 9,837,925	5,874,123	667,586
Accounts receivable and accrued investment income	799,492	1,718,071	136,435
Inventories	116,195	274,631	576
Prepaid expenses and deferred charges	1,359,896	188,931	—
Total current assets	12,113,508	8,055,756	804,597
Noncurrent assets:			
Capital assets net of accumulated depreciation	1,561,955	175,300	590,310
Total assets	\$ 13,675,463	8,231,056	1,394,907
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,330,885	378,154	60,640
Deferred revenue	2,160,434	3,549,384	182,802
Accrued compensated absences, current portion	45,233	48,972	6,329
Total current liabilities	3,536,552	3,976,510	249,771
Noncurrent liabilities:			
Accrued compensated absences	520,180	563,174	72,783
Total liabilities	4,056,732	4,539,684	322,554
Net assets:			
Invested in capital assets, net of related debt	1,561,955	175,300	590,310
Unrestricted	8,056,776	3,516,072	482,043
Total net assets	9,618,731	3,691,372	1,072,353
Total liabilities and net assets	\$ 13,675,463	8,231,056	1,394,907

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, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Room and board	\$ 610,532	—	—
Merchandise and food sales	518,605	25,436	1,764
Student service fees	27,537,232	32,544,956	2,236,953
Public events and recreation fees	369,285	—	7,706
Parking	3,193	117,249	—
Rental and lease income	89,294	4,550	—
Vending income	—	—	—
Other sources	6,095,170	7,954,955	562,654
Total operating revenues	<u>35,223,311</u>	<u>40,647,146</u>	<u>2,809,077</u>
Operating expenses:			
Salaries and wages	7,883,354	5,212,403	1,037,746
Merchandise and food for resale	720,561	8,461,699	2,142
Repairs and maintenance	30,712	125,954	5,415
Professional and other contractual services	19,362,933	11,719,013	881,657
Utilities	119,169	107,849	12,498
Supplies	983,935	2,786,135	400,887
Equipment rental	2,825,776	88,998	30,639
Administrative services	304,175	507,238	16,011
Other operating expense	2,363,315	9,876,991	194,703
Depreciation and amortization	141,894	26,352	37,362
Total operating expenses	<u>34,735,824</u>	<u>38,912,632</u>	<u>2,619,060</u>
Operating income	<u>487,487</u>	<u>1,734,514</u>	<u>190,017</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	414,546	285,706	545
Interest on capital asset related debt	—	2,149	—
Other nonoperating expense	(187,922)	(53,151)	—
Total nonoperating revenues, net	<u>226,624</u>	<u>234,704</u>	<u>545</u>
Increase in net assets	714,111	1,969,218	190,562
Net assets, beginning of year	<u>8,904,620</u>	<u>1,722,154</u>	<u>881,791</u>
Net assets, end of year	<u>\$ 9,618,731</u>	<u>3,691,372</u>	<u>1,072,353</u>

UNIVERSITY OF ILLINOIS
 Balance Sheet
 Storerooms and Service Departments
 Communication and Computing Services
 June 30, 2010

	<u>All campuses</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 9,867,898
Investments	768
Accounts receivable and accrued investment income	137,300
Inventories	1,688,332
Prepaid expenses and deferred charges	313,604
Total current assets	<u>12,007,902</u>
Noncurrent assets:	
Prepaid expenses	288,188
Capital assets net of accumulated depreciation	74,701,473
Total noncurrent assets	<u>74,989,661</u>
Total assets	<u><u>\$ 86,997,563</u></u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 2,408,091
Deferred revenue	218,246
Accrued compensated absences, current portion	239,612
Leaseholds payable and other obligations, current portion	19,599,127
Total current liabilities	<u>22,465,076</u>
Noncurrent liabilities:	
Accrued compensated absences	2,755,543
Leaseholds payable and other obligations	57,817,277
Total noncurrent liabilities	<u>60,572,820</u>
Total liabilities	<u>83,037,896</u>
Net assets (deficits):	
Invested in capital assets, net of related debt	(2,714,931)
Unrestricted	6,674,598
Total net assets	<u>3,959,667</u>
Total liabilities and net assets	<u><u>\$ 86,997,563</u></u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Storerooms and Service Departments

Communication and Computing Services

Year ended June 30, 2010

	<u>All campuses</u>
Operating revenues:	
CITES and other computing and telecommunication services	\$ 38,567,806
Academic Computing and Communication Center services	10,024,361
Global Campus	2,711,122
Merchandise and food sales	2,050,183
UI Integrate services	1,500,000
Business Information Systems services	1,007,743
Administrative Information Technology Services (AITS) training and assistance	984,713
Rental and lease income	136,691
Total operating revenues	56,982,619
Operating expenses:	
Salaries and wages	23,637,013
Merchandise and food for resale	4,919,455
Repairs and maintenance	2,460,511
Professional and other contractual services	6,835,252
Utilities	10,599,118
Supplies	1,230,438
Equipment rental	277,252
Other operating expense	4,368,148
Depreciation and amortization	4,682,079
Total operating expenses	59,009,266
Operating loss	(2,026,647)
Nonoperating revenues (expenses):	
State appropriations for debt service	12,789,000
Investment income (net of related expenses)	3,182,170
Interest on capital asset related indebtedness	(3,016,462)
Gain on transfer of capital assets, net	3,297,087
Other nonoperating expenses, net	(685,368)
Total nonoperating revenues, net	15,566,427
Increase in net assets	13,539,780
Net deficits, beginning of year	(9,580,113)
Net assets, end of year	\$ 3,959,667

UNIVERSITY OF ILLINOIS
 Balance Sheet
 Storerooms and Service Departments
 Plant and Services Operations
 June 30, 2010

	<u>All campuses</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 33,692,893
Investments	328,017
Accounts receivable and accrued investment income	10,668,554
Inventories	8,386,277
Prepaid expenses and deferred charges	1,772,877
Other assets	2,000,000
Total current assets	<u>56,848,618</u>
Noncurrent assets:	
Prepaid expenses, noncurrent	1,140,855
Capital assets net of accumulated depreciation	209,513,757
Total noncurrent assets	<u>210,654,612</u>
Total assets	<u><u>\$ 267,503,230</u></u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 31,494,368
Deferred revenue	351,736
Accrued compensated absences, current portion	1,399,079
Leaseholds payable and other obligations, current portion	12,459,089
Total current liabilities	<u>45,704,272</u>
Noncurrent liabilities:	
Leaseholds payable and other obligations	192,133,648
Accrued compensated absences	16,089,408
Total noncurrent liabilities	<u>208,223,056</u>
Total liabilities	<u>253,927,328</u>
Net assets:	
Invested in capital assets, net of related debt	5,313,020
Unrestricted	8,262,882
Total net assets	<u>13,575,902</u>
Total liabilities and net assets	<u><u>\$ 267,503,230</u></u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Storerooms and Service Departments

Plant and Services Operations

Year ended June 30, 2010

	<u>All campuses</u>
Operating revenues:	
Plant operations and related services	\$ 296,833,062
Utility services	136,159,700
Lab and pharmacy services	47,545,048
Merchandise and food sales	19,420,220
Other sources	6,045,848
Rental and lease income	947,720
Farm product sales	903,597
Vending income	94,070
Student service fees	17,500
Total operating revenues	<u>507,966,765</u>
Operating expenses:	
Salaries and wages	187,404,215
Merchandise and food for resale	130,927,342
Repairs and maintenance	32,541,558
Professional and other contractual services	98,147,609
Utilities	2,301,660
Supplies	19,022,431
Equipment rental	2,949,740
Administrative services	330,463
Other operating expense	7,730,907
Depreciation and amortization	16,068,427
Total operating expenses	<u>497,424,352</u>
Operating income	<u>10,542,413</u>
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	5,679,565
Interest on capital asset related indebtedness	(7,417,608)
Other nonoperating expenses, net	(3,921,447)
Total nonoperating expenses, net	<u>(5,659,490)</u>
Increase in net assets	4,882,923
Net assets, beginning of year	<u>8,692,979</u>
Net assets, end of year	<u><u>\$ 13,575,902</u></u>

UNIVERSITY OF ILLINOIS

Balance Sheet

Departmental Activities

Instructional Course Activities

June 30, 2010

	Urbana	Chicago
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,520,121	1,675,863
Accounts receivable and accrued investment income	84,739	16,883
Deferred charges	23,450	315
Total current assets	2,628,310	1,693,061
Noncurrent assets:		
Capital assets net of accumulated depreciation	3,092,664	214,973
Total assets	\$ 5,720,974	1,908,034
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 179,083	66,027
Deferred revenue	540,060	1,050,986
Accrued compensated absences, current portion	3,955	6,257
Total current liabilities	723,098	1,123,270
Noncurrent liabilities:		
Accrued compensated absences	45,485	71,958
Total liabilities	768,583	1,195,228
Net assets:		
Invested in capital assets, net of related debt	3,092,664	214,973
Unrestricted	1,859,727	497,833
Total net assets	4,952,391	712,806
Total liabilities and net assets	\$ 5,720,974	1,908,034

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Instructional Course Activities

Year ended June 30, 2010

	Urbana	Chicago
Operating revenues:		
Tuition and fee income	\$ 525,238	—
Food and merchandise sales	18,210	—
Student service fees	354,709	250
Other sources	2,595,774	4,407,825
Total operating revenues	3,493,931	4,408,075
Operating expenses:		
Salaries and wages	1,211,787	1,234,602
Repairs and maintenance	17,757	29,185
Professional and other contractual services	631,569	2,296,066
Utilities	6,269	28,946
Supplies	249,820	383,106
Equipment rental	61,036	16,877
Administrative services	280,332	576
Other operating expense	673,431	69,300
Depreciation and amortization	135,428	26,694
Total operating expenses	3,267,429	4,085,352
Operating income	226,502	322,723
Nonoperating revenues:		
Investment income (net of related expenses)	49,195	46,278
Other nonoperating expenses, net	(204,923)	(855)
Total nonoperating revenues (expenses), net	(155,728)	45,423
Increase in net assets	70,774	368,146
Net assets, beginning of year	4,881,617	344,660
Net assets, end of year	\$ 4,952,391	712,806

UNIVERSITY OF ILLINOIS
Balance Sheet
Departmental Activities
Professional Development Activities
June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 7,646,204	2,923,849	117,894
Accounts receivable and accrued investment income	775,313	206,485	27,494
Inventories	—	23	42
Prepaid expenses and deferred charges	37,728	45,752	—
Total current assets	<u>8,459,245</u>	<u>3,176,109</u>	<u>145,430</u>
Noncurrent assets:			
Prepaid expenses, noncurrent	38,483	—	—
Capital assets net of accumulated depreciation	6,809,614	140,818	5,984
Total noncurrent assets	<u>6,848,097</u>	<u>140,818</u>	<u>5,984</u>
Total assets	<u>\$ 15,307,342</u>	<u>3,316,927</u>	<u>151,414</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,031,713	250,706	23,398
Deferred revenue	1,061,657	1,043,383	47,161
Accrued compensated absences, current portion	15,562	26,654	817
Leaseholds payable and other obligations	274,831	—	—
Total current liabilities	<u>3,383,763</u>	<u>1,320,743</u>	<u>71,376</u>
Noncurrent liabilities:			
Accrued compensated absences	178,969	306,524	9,395
Leaseholds payable and other obligations	8,173,320	—	—
Total noncurrent liabilities	<u>8,352,289</u>	<u>306,524</u>	<u>9,395</u>
Total liabilities	<u>11,736,052</u>	<u>1,627,267</u>	<u>80,771</u>
Net assets (deficits):			
Invested in capital assets, net of related debt	(1,638,537)	140,818	5,984
Restricted	944	—	—
Unrestricted	5,208,883	1,548,842	64,659
Total net assets	<u>3,571,290</u>	<u>1,689,660</u>	<u>70,643</u>
Total liabilities and net assets	<u>\$ 15,307,342</u>	<u>3,316,927</u>	<u>151,414</u>

UNIVERSITY OF ILLINOIS
Statement of Revenues, Expenses, and Changes in Net Assets
Departmental Activities
Professional Development Activities
Year ended June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Global Campus</u>
Operating revenues:				
Professional development conferences and workshops	\$ 11,281,971	7,044,640	200,081	—
Tuition and fee income	41,644	750	420	—
Public events and recreation fees	115,073	—	—	—
Rental and lease income	46,048	45,828	149,244	—
Other sources	3,758	21,610	1,970	5,580
Total operating revenues	<u>11,488,494</u>	<u>7,112,828</u>	<u>351,715</u>	<u>5,580</u>
Operating expenses:				
Salaries and wages	4,342,185	3,924,123	120,324	(7,667)
Merchandise and food for resale	—	3,040	458	—
Repairs and maintenance	37,609	12,185	176	—
Professional and other contractual services	3,972,920	1,611,867	241,541	—
Utilities	206,814	163,081	—	—
Supplies	602,149	524,801	18,236	—
Equipment rental	876,252	421,257	15,809	—
Administrative services	189,836	27,719	—	—
Other operating expense	594,200	440,591	2,776	769
Depreciation and amortization	98,460	43,255	575	—
Total operating expenses	<u>10,920,425</u>	<u>7,171,919</u>	<u>399,895</u>	<u>(6,898)</u>
Operating income (loss)	<u>568,069</u>	<u>(59,091)</u>	<u>(48,180)</u>	<u>12,478</u>
Nonoperating revenues (expenses):				
Investment income (net of related expenses)	103,248	140,618	—	—
Interest on capital asset related debt	(378,470)	—	—	—
Other nonoperating (expenses), net	(679,730)	—	(16,344)	(153,872)
Total nonoperating revenues (expenses), net	<u>(954,952)</u>	<u>140,618</u>	<u>(16,344)</u>	<u>(153,872)</u>
Increase (decrease) in net assets	<u>(386,883)</u>	<u>81,527</u>	<u>(64,524)</u>	<u>(141,394)</u>
Net assets, beginning of year	<u>3,958,173</u>	<u>1,608,133</u>	<u>135,167</u>	<u>141,394</u>
Net assets, end of year	<u>\$ 3,571,290</u>	<u>1,689,660</u>	<u>70,643</u>	<u>—</u>

UNIVERSITY OF ILLINOIS

Balance Sheet

Departmental Activities

Unique Instructional Programs

June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,091,837	96,222	—
Accounts receivable and accrued investment income	499,073	25,228	—
Deferred charges	<u>406,979</u>	<u>42,749</u>	<u>—</u>
Total current assets	2,997,889	164,199	—
Noncurrent assets:			
Capital assets net of accumulated depreciation	<u>5,621</u>	<u>—</u>	<u>—</u>
Total assets	<u>\$ 3,003,510</u>	<u>164,199</u>	<u>—</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 416,520	49,531	—
Deferred revenue	1,173,458	78,112	—
Accrued compensated absences, current portion	<u>9,818</u>	<u>—</u>	<u>—</u>
Total current liabilities	1,599,796	127,643	—
Noncurrent liabilities:			
Accrued compensated absences	<u>112,906</u>	<u>—</u>	<u>—</u>
Total liabilities	<u>1,712,702</u>	<u>127,643</u>	<u>—</u>
Net assets:			
Invested in capital assets, net of related debt	5,621	—	—
Unrestricted	<u>1,285,187</u>	<u>36,556</u>	<u>—</u>
Total net assets	<u>1,290,808</u>	<u>36,556</u>	<u>—</u>
Total liabilities and net assets	<u>\$ 3,003,510</u>	<u>164,199</u>	<u>—</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Unique Instructional Programs

Year ended June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Tuition and fee income	\$ 2,018,093	36,889	—
Student service fees	425,571	367,562	17,640
Rental and lease income	63	—	—
Program services	9,394,369	407,460	—
Total operating revenues	<u>11,838,096</u>	<u>811,911</u>	<u>17,640</u>
Operating expenses:			
Salaries and wages	1,880,469	334,775	—
Repairs and maintenance	4,355	4,500	—
Professional and other contractual services	7,162,154	287,642	10,747
Utilities	17,748	739	—
Supplies	821,830	22,752	—
Equipment rental	120,999	104,527	—
Administrative expenses	5,515	—	—
Other operating expense	1,324,726	152,172	6,893
Depreciation	624	—	—
Total operating expenses	<u>11,338,420</u>	<u>907,107</u>	<u>17,640</u>
Operating income (loss)	<u>499,676</u>	<u>(95,196)</u>	<u>—</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	74,309	16,496	—
Other nonoperating expenses	(617,020)	—	—
Total nonoperating revenues (expenses), net	<u>(542,711)</u>	<u>16,496</u>	<u>—</u>
Decrease in net assets	<u>(43,035)</u>	<u>(78,700)</u>	<u>—</u>
Net assets, beginning of year	<u>1,333,843</u>	<u>115,256</u>	<u>—</u>
Net assets, end of year	\$ <u><u>1,290,808</u></u>	\$ <u><u>36,556</u></u>	\$ <u><u>—</u></u>

UNIVERSITY OF ILLINOIS

Balance Sheet

Departmental Activities

Agricultural Operations

June 30, 2010

	Urbana
Assets:	
Current assets:	
Cash and cash equivalents	\$ 6,965,389
Accounts receivable and accrued investment income	782,793
Inventories	183,742
Prepaid expenses and deferred charges	75,698
Total current assets	8,007,622
Noncurrent assets:	
Capital assets net of accumulated depreciation	8,685,736
Total assets	\$ 16,693,358
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 966,413
Leaseholds payable, current portion	47,668
Deferred revenue	31,510
Accrued compensated absences, current portion	27,269
Total current liabilities	1,072,860
Noncurrent liabilities:	
Leaseholds payable	49,518
Accrued compensated absences	313,598
Total noncurrent liabilities	363,116
Total liabilities	1,435,976
Net assets:	
Invested in capital assets, net of related debt	8,588,550
Unrestricted	6,668,832
Total net assets	15,257,382
Total liabilities and net assets	\$ 16,693,358

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Agricultural Operations

Year ended June 30, 2010

	Urbana
Operating revenues:	
Merchandise and food sales	\$ 233,731
Ag Law Tax School workshops	1,703,663
4H activities	459,890
Information technology and commercial services	400,262
Animal sciences programs	520,302
Agricultural and biological engineering activities	558,511
Crop sciences programs	2,101,637
Food science and human nutrition programs	348,826
Cooperative Extension services	6,454,433
Rental and lease income	538,241
Farm sales	5,121,742
Other sources	394,269
Total operating revenues	18,835,507
Operating expenses:	
Salaries and wages	5,477,518
Merchandise and food for resale	232,320
Repairs and maintenance	372,014
Professional and other contractual services	4,080,909
Utilities	182,292
Supplies	5,027,141
Equipment rental	676,684
Administrative services	284,340
Other operating expense	193,701
Depreciation and amortization	703,055
Total operating expenses	17,229,974
Operating income	1,605,533
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	180,437
Interest on capital asset related debt	(7,019)
Other nonoperating expense	(865,074)
Total nonoperating expenses, net	(691,656)
Increase in net assets	913,877
Net assets, beginning of year	14,343,505
Net assets, end of year	\$ 15,257,382

UNIVERSITY OF ILLINOIS
Balance Sheet
Departmental Activities
Commercial Operations Not Under Indenture
June 30, 2010

	Urbana	Chicago
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,181,601	—
Accounts receivable and accrued investment income	522,945	6,856,905
Prepaid expenses and deferred charges	256	—
Total current assets	2,704,802	6,856,905
Noncurrent assets:		
Capital assets net of accumulated depreciation	31,034,894	7,031,089
Total assets	\$ 33,739,696	13,887,994
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 36,263	4,728,496
Accrued compensated absences, current portion	5,023	—
Deferred revenue	—	39,281
Internal payable, current portion	54,992	—
Total current liabilities	96,278	4,767,777
Noncurrent liabilities:		
Internal payable	373,168	—
Accrued compensated absences	57,770	—
Total noncurrent liabilities	430,938	—
Total liabilities	527,216	4,767,777
Net assets:		
Invested in capital assets, net of related debt	31,034,894	7,031,089
Unrestricted	2,177,586	2,089,128
Total net assets	33,212,480	9,120,217
Total liabilities and net assets	\$ 33,739,696	13,887,994

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Commercial Operations Not Under Indenture

Year ended June 30, 2010

	Urbana	Chicago
Operating revenues:		
Rental and lease income	\$ 960,809	855,892
Utilities provided to outside parties	2,293,387	6,912,180
Merchandise and food sales	9,176	—
Parking	494,470	—
Vending income	694,486	—
Farm sales	320,971	—
Other sources	22,863	396,226
Total operating revenues	4,796,162	8,164,298
Operating expenses:		
Salaries and wages	765,955	—
Repairs and maintenance	41,172	290,316
Professional and other contractual services	250,825	281,419
Utilities	2,592,515	7,235,801
Supplies	168,079	11,020
Equipment rental	17,545	—
Administrative services	—	211,734
Other operating expense	61,646	37,500
Depreciation and amortization	1,958,759	399,486
Total operating expenses	5,856,496	8,467,276
Operating loss	(1,060,334)	(302,978)
Nonoperating revenues (expenses):		
Investment income (net of related expenses)	12,513	41,967
Interest on capital asset related debt	(25,217)	—
Other nonoperating revenue	722,661	—
Total nonoperating revenues, net	709,957	41,967
Decrease in net assets	(350,377)	(261,011)
Net assets, beginning of year	33,562,857	9,381,228
Net assets, end of year	\$ 33,212,480	9,120,217
<p>(a) Beginning of year net assets for fiscal year 2010 were restated due to Willard Airport Facility not being under indenture in fiscal year 2010. This Facility was reported as Commercial Operations Under Indenture in fiscal year 2009.</p>		
Net assets, beginning of year as previously reported	\$ (624)	
Cumulative effect of adding Willard Airport Facility	33,563,481	
Net assets, beginning of year, restated	\$ 33,562,857	

UNIVERSITY OF ILLINOIS

Balance Sheet

Departmental Activities

Hospital and Clinics

June 30, 2010

	Chicago
Assets:	
Current assets:	
Cash and cash equivalents	\$ 152,197,729
Cash and cash equivalents, restricted	126,258
Accrued investment income	260,131
Patient receivables, net	83,122,329
Other receivables	8,878,276
Inventories	4,424,533
Prepaid expenses, deposits, and other assets	595,812
Total current assets	249,605,068
Noncurrent assets:	
Restricted cash and investments	3,727,067
Prepaid expenses	151,578,522
Capital assets net of accumulated depreciation	67,901
Total noncurrent assets	155,373,490
Deferred outflow of resources	1,701,887
Total assets and deferred outflow of resources	\$ 406,680,445
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 84,239,147
Long-term liabilities, current portion	45,458,618
Total current liabilities	129,697,765
Noncurrent liabilities:	
Long-term debt, net of current portion	22,792,539
Accrued compensated absences	22,412,460
Derivative instrument – swap liability	1,701,887
Total noncurrent liabilities	46,906,886
Total liabilities	176,604,651
Net assets:	
Invested in capital assets, net of related debt	83,327,365
Restricted	3,727,067
Unrestricted	143,021,362
Total net assets	230,075,794
Total liabilities and net assets	\$ 406,680,445

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Hospital and Clinics

Year ended June 30, 2010

	Chicago
Operating revenues:	
Net patient service revenues	\$ 528,022,882
Fee for services – state appropriation	1,014,377
Other revenues	33,810,665
Total operating revenues	562,847,924
Operating expenses:	
Salaries and wages	261,749,663
Fringe benefits	125,033,558
Supplies and general expenses	202,222,659
Administrative services	13,438,597
Depreciation and amortization	20,052,794
Total operating expenses	622,497,271
Operating loss	(59,649,347)
Nonoperating revenue (expenses):	
On behalf payments for fringe benefits	119,392,640
State appropriations	45,000,000
Transfer to the Illinois DHFS Hospital Services Fund	(45,000,000)
Net increase in fair value of investments	1,266,658
Interest on capital asset related debt	(2,046,347)
Investment income	887,925
Loss on disposal of capital assets	(349,349)
Other nonoperating revenue, net	1,406,822
Total nonoperating revenues, net	120,558,349
Increase in net assets	60,909,002
Net assets, beginning of the year, as adjusted	169,166,792 (a)
Net assets, end of the year	\$ 230,075,794
(a) Beginning of year net assets for fiscal year 2010 were restated due to adoption of a new accounting standard, GASB Statement No. 53.	
Net assets, beginning of year as previously reported	\$ 171,481,104
Cumulative effect of accounting change	(2,314,312)
Net assets, beginning of year, as adjusted	\$ 169,166,792

UNIVERSITY OF ILLINOIS

Balance Sheet

Departmental Activities

Public Service, Academic Support, and Economic Development Activities

June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 6,308,693	12,304,393	—
Accounts receivable and accrued investment income	2,606,295	14,416,582	57,383
Inventories	2,850,840	2,636,623	5,710
Prepaid expenses and deferred charges	94,886	65,409	25,272
Total current assets	<u>11,860,714</u>	<u>29,423,007</u>	<u>88,365</u>
Noncurrent assets:			
Capital assets net of accumulated depreciation	14,388,462	27,293,503	170
Total assets	<u>\$ 26,249,176</u>	<u>56,716,510</u>	<u>88,535</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,076,096	12,989,023	530,112
Deferred revenue	825,901	800,774	78,599
Internal payable, current portion	—	89,525	5,000
Leaseholds payable, current portion	126,873	47,569	—
Accrued compensated absences, current portion	59,710	224,022	603
Total current liabilities	<u>3,088,580</u>	<u>14,150,913</u>	<u>614,314</u>
Noncurrent liabilities:			
Internal payable	—	559,105	15,000
Leaseholds payable	75,206	102,614	—
Accrued compensated absences	686,669	2,576,250	6,937
Total noncurrent liabilities	<u>761,875</u>	<u>3,237,969</u>	<u>21,937</u>
Total liabilities	<u>3,850,455</u>	<u>17,388,882</u>	<u>636,251</u>
Net assets (deficits):			
Invested in capital assets, net of related debt	14,186,383	26,494,690	(19,830)
Unrestricted	8,212,338	12,832,938	(527,886)
Total net assets (deficits)	<u>22,398,721</u>	<u>39,327,628</u>	<u>(547,716)</u>
Total liabilities and net assets	<u>\$ 26,249,176</u>	<u>56,716,510</u>	<u>88,535</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, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Tuition and fee income	\$ 120,820	20,711	—
Room and board	287,719	—	—
Merchandise and food sales	1,275,378	77,326	9,230
Student service fees	1,307,439	315,971	7,300
Academic support activities income	5,792,933	169,221	131
Economic development services	51,912	—	—
Hospital and medical services income	14,029,566	92,814,184	—
Farm sales	161,890	—	—
Public events and recreation fees	116,544	26,785	646,199
Public services income	11,368,120	2,971,239	945,167
Parking	4,389	16,749	—
Rental and lease income	867,655	18,800	186,011
Vending income	27,191	47	—
Other sources	2,097,395	1,011,329	—
Total operating revenues	<u>37,508,951</u>	<u>97,442,362</u>	<u>1,794,038</u>
Operating expenses:			
Salaries and wages	14,338,760	36,225,405	311,068
Merchandise and food for resale	593,078	21,042,804	14,248
Repairs and maintenance	429,814	364,890	1,028
Professional and other contractual services	12,763,316	25,944,926	1,110,959
Utilities	439,533	995,964	23,887
Supplies	4,611,009	3,331,058	84,248
Equipment rental	775,696	1,229,266	29,674
Administrative services	185	134,046	—
Other operating expense	721,206	2,676,424	139,840
Depreciation and amortization	1,399,758	1,161,806	2,004
Total operating expenses	<u>36,072,355</u>	<u>93,106,589</u>	<u>1,716,956</u>
Operating income	<u>1,436,596</u>	<u>4,335,773</u>	<u>77,082</u>
Nonoperating revenues (expenses):			
Interest on capital related debt	(999)	(46,742)	—
Other nonoperating revenues	701,350	—	5,000
Other nonoperating expenses	—	(24,109)	—
Investment income (net of related expenses)	68,403	248,941	—
Total nonoperating revenues, net	<u>768,754</u>	<u>178,090</u>	<u>5,000</u>
Increase in net assets	<u>2,205,350</u>	<u>4,513,863</u>	<u>82,082</u>
Net assets (deficits), beginning of year	<u>20,193,371</u>	<u>34,813,765</u>	<u>(629,798)</u>
Net assets (deficits), end of year	<u>\$ 22,398,721</u>	<u>39,327,628</u>	<u>(547,716)</u>

UNIVERSITY OF ILLINOIS

Balance Sheet

Departmental Activities

Intercollegiate Athletics

June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 9,047,742	—	—
Accounts receivable and accrued investment income	2,115,216	546,327	36,838
Inventories	98,910	—	1,340
Prepaid expenses and deferred charges	445,685	4,490	—
Total current assets	<u>11,707,553</u>	<u>550,817</u>	<u>38,178</u>
Noncurrent assets:			
Capital assets net of accumulated depreciation	5,459,809	2,311,811	3,745
Total assets	<u>\$ 17,167,362</u>	<u>2,862,628</u>	<u>41,923</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 3,223,827	513,725	106,226
Deferred revenue	6,030,150	—	47,756
Accrued compensated absences, current portion	135,681	53,557	468
Leaseholds payable, current portion	4,218	—	—
Internal financing payable, current portion	—	208,404	—
Total current liabilities	<u>9,393,876</u>	<u>775,686</u>	<u>154,450</u>
Noncurrent liabilities:			
Internal financing payable	—	2,152,298	—
Leaseholds payable	9,027	—	—
Accrued compensated absences	1,560,333	615,909	5,381
Total noncurrent liabilities	<u>1,569,360</u>	<u>2,768,207</u>	<u>5,381</u>
Total liabilities	<u>10,963,236</u>	<u>3,543,893</u>	<u>159,831</u>
Net assets (deficits):			
Invested in capital assets, net of related debt	5,446,564	2,311,811	3,745
Unrestricted	757,562	(2,993,076)	(121,653)
Total net assets (deficits)	<u>6,204,126</u>	<u>(681,265)</u>	<u>(117,908)</u>
Total liabilities and net assets	<u>\$ 17,167,362</u>	<u>2,862,628</u>	<u>41,923</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Intercollegiate Athletics

Year ended June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Merchandise and food sales	\$ 961,849	—	11,765
Student service fees	—	5,760,458	944,648
Public events and recreation fees	41,661,193	2,152,083	65,289
Parking	10,807	—	—
Rental and lease income	101,447	—	—
Other sources	4,716,894	280,866	1,685
Total operating revenues	<u>47,452,190</u>	<u>8,193,407</u>	<u>1,023,387</u>
Operating expenses:			
Salaries and wages	20,204,337	3,870,394	288,598
Merchandise and food for resale	307,574	—	9,118
Repairs and maintenance	172,660	20,534	1,097
Professional and other contractual services	11,450,640	1,271,351	214,025
Utilities	4,335,265	73,382	4,701
Supplies	2,312,423	540,476	109,085
Equipment rental	1,418,527	289,629	24,103
Administrative services	601,200	213,217	455
Other operating expense	3,775,860	1,511,583	276,734
Depreciation and amortization	751,438	133,004	1,203
Total operating expenses	<u>45,329,924</u>	<u>7,923,570</u>	<u>929,119</u>
Operating income	<u>2,122,266</u>	<u>269,837</u>	<u>94,268</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	409,615	835	—
Interest on capital asset related debt	(102)	(124,076)	—
Other nonoperating revenues (expenses), net	(134,473)	—	—
Total nonoperating revenues (expenses), net	<u>275,040</u>	<u>(123,241)</u>	<u>—</u>
Increase in net assets	2,397,306	146,596	94,268
Net assets (deficits), beginning of year	<u>3,806,820</u>	<u>(827,861)</u>	<u>(212,176)</u>
Net assets (deficits), end of year	\$ <u>6,204,126</u>	<u>(681,265)</u>	<u>(117,908)</u>

UNIVERSITY OF ILLINOIS
Current Excess Funds Calculations
Selected Plant Fund Data
Auxiliary Enterprises Under Indenture
June 30, 2010

	<u>All campuses</u>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 2,334,297,888
Parking lots and improvements – at historical cost	49,569,279
Equipment – at historical cost	33,455,891
Bond resolution limitations on repair and replacement reserve:	
5% of replacement cost of facilities (unaudited)	\$ 116,714,894
5% of historical cost of parking lots and improvements	2,478,464
20% of historical cost of equipment	6,691,178
Total reserve limitation (unaudited)	<u>125,884,536</u>
Repair and replacement reserve	<u>52,534,948</u>
Total margin of compliance (unaudited)	<u><u>\$ 73,349,588</u></u>

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, 2010

	Student/staff programs and services		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities – at replacement cost (unaudited)	\$ 3,458,433	—	3,222,356
Improvements – at historical cost	—	—	—
Parking lots – at historical cost	—	698,666	—
Equipment – at historical cost	2,138,315	1,516,765	1,135,059
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities (unaudited)	\$ 172,922	—	161,118
5% of historical cost of improvements	—	—	—
10% of historical cost of parking lots	—	69,867	—
20% of historical cost of equipment	427,663	303,353	227,012
Total reserve limitation (unaudited)	600,585	373,220	388,130
Repair and replacement reserve	219,951	—	—
Total margin of compliance (unaudited)	\$ 380,634	373,220	388,130

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, 2010

	Communication and computing services
	<u>All campuses</u>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 17,867,945
Improvements – at historical cost	10,500,000
Equipment – at historical cost	183,279,911
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities (unaudited)	\$ 893,397
5% of historical cost of improvements	525,000
20% of historical cost of equipment	36,655,982
Total reserve limitation (unaudited)	38,074,379
Repair and replacement reserve	1,800,000
Total margin of compliance (unaudited)	<u>\$ 36,274,379</u>
	Plant and service operations
	<u>All campuses</u>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 47,008,718
Improvements – at historical cost	281,088,274
Equipment – at historical cost	67,068,197
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities (unaudited)	\$ 2,350,436
5% of historical cost of improvements	14,054,414
20% of historical cost of equipment	13,413,639
Total reserve limitation (unaudited)	29,818,489
Repair and replacement reserve	8,502,092
Total margin of compliance (unaudited)	<u>\$ 21,316,397</u>

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
 Current Excess Funds Calculations
 Selected Plant Fund Data
 Departmental Activities
 June 30, 2010

	Instructional course activities	
	Urbana	Chicago
Capital assets:		
Facilities – at replacement cost (unaudited)	\$ 21,138,003	—
Equipment – at historical cost	6,564,814	518,911
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities (unaudited)	\$ 1,056,900	—
20% of historical cost of equipment	<u>1,312,963</u>	<u>103,782</u>
Total reserve limitation (unaudited)	2,369,863	103,782
Repair and replacement reserve	<u>669,431</u>	—
Total margin of compliance (unaudited)	<u>\$ 1,700,432</u>	<u>103,782</u>

	Professional development activities		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities – at replacement cost (unaudited)	\$ 239,351	—	—
Equipment – at historical cost	2,535,683	2,007,277	74,495
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities (unaudited)	\$ 11,968	—	—
20% of historical cost of equipment	<u>507,137</u>	<u>401,455</u>	<u>14,899</u>
Total reserve limitation (unaudited)	519,105	401,455	14,899
Repair and replacement reserve	<u>157,700</u>	—	—
Total margin of compliance (unaudited)	<u>\$ 361,405</u>	<u>401,455</u>	<u>14,899</u>

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
Current Excess Funds Calculations
Selected Plant Fund Data
Departmental Activities
June 30, 2010

	Agricultural operations	
	Urbana	
Capital assets:		
Facilities – at replacement cost (unaudited)	\$	46,883,561
Improvements – at historical cost		473,425
Equipment – at historical cost		8,060,669
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities (unaudited)	\$	2,344,178
5% of historical cost of improvements		23,671
20% of historical cost of equipment		1,612,134
Total reserve limitation (unaudited)		3,979,983
Repair and replacement reserve		350,000
Total margin of compliance (unaudited)	\$	3,629,983

	Commercial operations not under indenture	
	Urbana	Chicago
Capital assets:		
Facilities – at replacement cost (unaudited)	\$	16,051,241
Improvements – at historical cost		21,241,650
Equipment – at historical cost		—
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities (unaudited)	\$	802,562
5% of historical cost of improvements		1,062,083
20% of historical cost of equipment		—
Total reserve limitation (unaudited)		1,864,645
Repair and replacement reserve		—
Total margin of compliance (unaudited)	\$	1,864,645

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
 Current Excess Funds Calculations
 Selected Plant Fund Data
 Departmental Activities
 June 30, 2010

		Unique Instructional Programs		
		<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:				
Facilities – at replacement cost (unaudited)	\$	—	—	—
Improvements – at historical cost		—	—	—
Equipment – at historical cost		108,957	6,040	—
Guidelines limitations on repair and replacement reserves for entities:				
5% of replacement cost of facilities (unaudited)	\$	—	—	—
5% of historical cost of improvements		—	—	—
20% of historical cost of equipment		21,791	1,208	—
Total reserve limitation (unaudited)		<u>21,791</u>	<u>1,208</u>	<u>—</u>
Repair and replacement reserve		<u>—</u>	<u>—</u>	<u>—</u>
Total margin of compliance (unaudited)	\$	<u><u>21,791</u></u>	<u><u>1,208</u></u>	<u><u>—</u></u>
 Hospital and clinics				
Chicago				
Capital assets:				
Facilities – at replacement cost (unaudited)	\$	332,079,962		
Equipment – at historical cost		202,963,632		
Guidelines limitations on repair and replacement reserves for entities:				
5% of replacement cost of facilities (unaudited)	\$	16,603,998		
20% of historical cost of equipment		40,592,726		
Total reserve limitation (unaudited)		<u>57,196,724</u>		
Repair and replacement reserve		<u>3,778,796</u>		
Total margin of compliance (unaudited)	\$	<u><u>53,417,928</u></u>		

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
 Current Excess Funds Calculations
 Selected Plant Fund Data
 Departmental Activities
 June 30, 2010

	Public service, academic support, and economic development activities		
	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities – at replacement cost (unaudited)	\$ 193,617,169	164,227,892	—
Improvements – at historical cost	633,636	—	—
Equipment – at historical cost	10,728,592	8,718,906	80,637
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities (unaudited)	\$ 9,680,858	8,211,395	—
5% of historical cost of improvements	31,682	—	—
20% of historical cost of equipment	<u>2,145,718</u>	<u>1,743,781</u>	<u>16,127</u>
Total reserve limitation (unaudited)	11,858,258	9,955,176	16,127
Repair and replacement reserve	<u>1,181,233</u>	<u>—</u>	<u>7,424</u>
Total margin of compliance (unaudited)	<u>\$ 10,677,025</u>	<u>9,955,176</u>	<u>8,703</u>

	Intercollegiate athletics		
	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities – at replacement cost (unaudited)	\$ 3,494,526	—	—
Improvements – at historical cost	8,001	2,409,202	—
Equipment – at historical cost	10,219,193	553,239	51,505
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities (unaudited)	\$ 174,726	—	—
5% of historical cost of improvements	400	120,460	—
20% of historical cost of equipment	<u>2,043,839</u>	<u>110,648</u>	<u>10,301</u>
Total reserve limitation (unaudited)	2,218,965	231,108	10,301
Repair and replacement reserve	<u>—</u>	<u>—</u>	<u>—</u>
Total margin of compliance (unaudited)	<u>\$ 2,218,965</u>	<u>231,108</u>	<u>10,301</u>

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
Current Excess Funds Calculations
Notes to Selected Plant Fund Data
June 30, 2010

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, 2010

	<u>All campuses</u>
1. Current available funds:	
Add:	
Cash (excludes repair and replacement reserve)	\$ 33,803,564
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>33,803,564</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	30,337,155
Encumbrances and current liabilities paid in lapse period	7,421,306
Deferred income	4,084,302
Refundable deposits	1,593,727
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	613,350
Working capital allowance	B <u>44,049,840</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>(10,246,276)</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity.	
Enter the amount to be offset, if any, here	D <u>(73,349,588)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(83,595,864)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Auxiliary Enterprises not under Indenture
 Student/Staff Programs and Services – Entity 3200
 June 30, 2010

		<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:				
Add:				
Cash (excludes repair and replacement reserve)	\$	9,617,974	5,849,123	667,586
Cash equivalents:				
Bank deposits		—	—	—
Marketable securities		—	—	—
Certificates of deposit		—	—	—
Repurchase agreements		—	—	—
Other cash equivalent items		—	—	—
Interfund receivables		—	—	—
Total current available funds	A	<u>9,617,974</u>	<u>5,849,123</u>	<u>667,586</u>
2. Working capital allowance:				
Add:				
Highest month's expenditures		8,671,160	5,001,829	388,579
Encumbrances and current liabilities paid in lapse period		1,330,885	378,153	60,640
Deferred income		2,020,139	2,690,910	95,150
Refundable deposits		80,058	142,488	57,164
Allowance for restoring inventory to normal level		—	—	—
Allowance for sick leave/vacation payouts		51,851	52,304	9,964
Working capital allowance	B	<u>12,154,093</u>	<u>8,265,684</u>	<u>611,497</u>
3. Current excess funds:				
Deduct B from A and enter here	C	<u>(2,536,119)</u>	<u>(2,416,561)</u>	<u>56,089</u>
4. Calculation of income fund remittance:				
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(380,634)</u>	<u>(373,220)</u>	<u>(388,130)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(2,916,753)</u></u>	<u><u>(2,789,781)</u></u>	<u><u>(332,041)</u></u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Storerooms and Service Departments

Communication and Computing Services – Entity 3100

June 30, 2010

All campuses

1. Current available funds:		
Add:		
Cash	\$	7,635,208
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>7,635,208</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		6,768,105
Encumbrances and current liabilities paid in lapse period		2,014,341
Deferred income		218,246
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		312,609
Working capital allowance	B	<u>9,313,301</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(1,678,093)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(36,274,379)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		\$ <u><u>(37,952,472)</u></u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Storerooms and Service Departments

Plant and Service Operations – Entity 3110

June 30, 2010

	<u>All campuses</u>
1. Current available funds:	
Add:	
Cash	\$ 21,915,893
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>21,915,893</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	59,493,129
Encumbrances and current liabilities paid in lapse period	28,222,720
Deferred income	322,776
Refundable deposits	—
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	1,360,426
Working capital allowance	B <u>89,399,051</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>(67,483,158)</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(21,316,397)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(88,799,555)</u></u>

UNIVERSITY OF ILLINOIS
Calculation Sheet for Current Excess Funds
Departmental Activities
Instructional Course Activities – Entity 3400
June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>
1. Current available funds:		
Add:		
Cash (excludes repair and replacement reserve)	\$ 1,850,690	1,675,863
Cash equivalents:		
Bank deposits	—	—
Marketable securities	—	—
Certificates of deposit	—	—
Repurchase agreements	—	—
Other cash equivalent items	—	—
Interfund receivables	—	—
Total current available funds	A <u>1,850,690</u>	<u>1,675,863</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures	540,745	996,962
Encumbrances and current liabilities paid in lapse period	179,083	66,027
Deferred income	341,623	1,048,882
Refundable deposits	175,458	—
Allowance for restoring inventory to normal level	—	—
Allowance for sick leave/vacation payouts	—	12,232
Working capital allowance	B <u>1,236,909</u>	<u>2,124,103</u>
3. Current excess funds:		
Deduct B from A and enter here	C <u>613,781</u>	<u>(448,240)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(1,700,432)</u>	<u>(103,782)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(1,086,651)</u></u>	<u><u>(552,022)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Professional Development Activities – Entity 3410
 June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Global Campus</u>
1. Current available funds:				
Add:				
Cash (excludes repair and replacement reserve)	\$ 3,408,335	2,923,849	117,894	—
Cash equivalents:				
Bank deposits	—	—	—	—
Marketable securities	—	—	—	—
Certificates of deposit	—	—	—	—
Repurchase agreements	—	—	—	—
Other cash equivalent items	—	—	—	—
Interfund receivables	—	—	—	—
Total current available funds	A <u>3,408,335</u>	<u>2,923,849</u>	<u>117,894</u>	<u>—</u>
2. Working capital allowance				
Add:				
Highest month's expenditures	1,307,277	869,521	79,287	31,655
Encumbrances and current liabilities paid in lapse period	859,613	296,842	23,398	—
Deferred income	911,569	902,462	47,161	—
Refundable deposits	—	91,255	—	—
Allowance for restoring inventory to normal level	—	—	—	—
Allowance for sick leave/vacation payouts	14,598	25,598	—	10,119
Working capital allowance	B <u>3,093,057</u>	<u>2,185,678</u>	<u>149,846</u>	<u>41,774</u>
3. Current excess funds:				
Deduct B from A and enter here	C <u>315,278</u>	<u>738,171</u>	<u>(31,952)</u>	<u>(41,774)</u>
4. Calculation of income fund remittance:				
An entity may offset excess capital or current funds within the entity. enter the amount to be offset, if any, here	D <u>(361,405)</u>	<u>(401,455)</u>	<u>(14,899)</u>	<u>—</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u>(46,127)</u>	<u>336,716</u>	<u>(46,851)</u>	<u>(41,774)</u>

UNIVERSITY OF ILLINOIS
Calculation Sheet for Current Excess Funds
Departmental Activities
Unique Instructional Programs – Entity 3420
June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>
1. Current available funds:		
Add:		
Cash	\$ 2,091,837	96,222
Cash equivalents:		
Bank deposits	—	—
Marketable securities	—	—
Certificates of deposit	—	—
Repurchase agreements	—	—
Other cash equivalent items	—	—
Interfund receivables	—	—
Total current available funds	A <u>2,091,837</u>	<u>96,222</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		
Encumbrances and current liabilities paid in lapse period	416,578	49,531
Deferred income	1,173,458	78,112
Refundable deposits	—	—
Allowance for restoring inventory to normal level	—	—
Allowance for sick leave/vacation payouts	14,202	—
Working capital allowance	B <u>1,604,238</u>	<u>127,643</u>
3. Current excess funds:		
Deduct B from A and enter here	C <u>487,599</u>	<u>(31,421)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>—</u>	<u>—</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>487,599</u></u>	<u><u>(31,421)</u></u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Departmental Activities

Agricultural Operations – Entity 3430

June 30, 2010

	<u>Urbana</u>
1. Current available funds:	
Add:	
Cash	\$ 6,615,389
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>6,615,389</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	2,116,733
Encumbrances and current liabilities paid in lapse period	964,940
Deferred income	15,260
Refundable deposits	—
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	17,145
Working capital allowance	B <u>3,114,078</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>3,501,311</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(3,629,983)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(128,672)</u></u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Departmental Activities

Commercial Operations not under Indenture – Entity 3600

June 30, 2010

		<u>Urbana</u>	<u>Chicago</u>
1. Current available funds:			
Add:			
Cash	\$		
Cash equivalents:		695,400	(4,686,433)
Bank deposits			
Marketable securities		—	—
Certificates of deposit		—	—
Repurchase agreements		—	—
Other cash equivalent items		—	—
Interfund receivables		—	—
Total current available funds	A	<u>695,400</u>	<u>(4,686,433)</u>
2. Working capital allowance:			
Add:			
Highest month's expenditures		484,734	6,670,954
Encumbrances and current liabilities paid in lapse period		36,263	42,063
Deferred income		—	39,281
Refundable deposits		—	—
Allowance for restoring inventory to normal level		—	—
Allowance for sick leave/vacation payouts		10,120	—
Working capital allowance	B	<u>531,117</u>	<u>6,752,298</u>
3. Current excess funds:			
Deduct B from A and enter here	C	<u>164,283</u>	<u>(11,438,731)</u>
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(4,186,864)</u>	<u>(1,864,645)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(4,022,581)</u></u>	<u><u>(13,303,376)</u></u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Departmental Activities

Commercial Operations Under Indenture – Entity 3610

June 30, 2010

Urbana

1. Current available funds:		
Add:		
Cash	\$	—
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	—
2. Working capital allowance:		
Add:		
Highest month's expenditures		
Encumbrances and current liabilities paid in lapse period		—
Deferred income		—
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		—
Working capital allowance	B	—
3. Current excess funds:		
Deduct B from A and enter here	C	—
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	\$	—

Note: All Entity 3610 activity and balances were transferred to Entity 3600 since the Willard Airport Facility Bonds were paid off.

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Hospital and Clinics – Entity 3500
 June 30, 2010

		<u>Chicago</u>
1. Current available funds:		
Add:		
Cash	\$	149,275,055
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>149,275,055</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		69,532,888
Encumbrances and current liabilities paid in lapse period		81,979,643
Deferred income		—
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		1,651,463
Working capital allowance	B	<u>153,163,994</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(3,888,939)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	—
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ (3,888,939)</u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Departmental Activities

Public Service, Economic Development, and Academic Support Activities – Entity 3440

June 30, 2010

		<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:				
Add:				
Cash (excludes repair and replacement reserve)	\$	5,127,460	12,304,393	(453,750)
Cash equivalents:				
Bank deposits		—	—	—
Marketable securities		—	—	—
Certificates of deposit		—	—	—
Repurchase agreements		—	—	—
Other cash equivalent items		—	—	—
Interfund receivables		—	—	—
Total current available funds	A	<u>5,127,460</u>	<u>12,304,393</u>	<u>(453,750)</u>
2. Working capital allowance:				
Add:				
Highest month's expenditures		4,052,244	10,205,248	245,335
Encumbrances and current liabilities paid in lapse period		2,076,096	12,989,023	83,786
Deferred income		711,187	510,426	78,599
Refundable deposits		5,133	—	—
Allowance for restoring inventory to normal level		—	—	—
Allowance for sick leave/vacation payouts		63,782	169,928	3
Working capital allowance	B	<u>6,908,442</u>	<u>23,874,625</u>	<u>407,723</u>
3. Current excess funds:				
Deduct B from A and enter here	C	<u>(1,780,982)</u>	<u>(11,570,232)</u>	<u>(861,473)</u>
4. Calculation of income fund remittance:				
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(10,677,025)</u>	<u>(9,955,176)</u>	<u>(8,703)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(12,458,007)</u></u>	<u><u>(21,525,408)</u></u>	<u><u>(870,176)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Intercollegiate Athletics – Entity 3450
 June 30, 2010

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash	\$ 9,062,684	(256,195)	(89,916)
Cash equivalents:			
Bank deposits	—	—	—
Marketable securities	—	—	—
Certificates of deposit	—	—	—
Repurchase agreements	—	—	—
Other cash equivalent items	—	—	—
Interfund receivables	—	—	—
Total current available funds	A <u>9,062,684</u>	<u>(256,195)</u>	<u>(89,916)</u>
2. Working capital allowance:			
Add:			
Highest month's expenditures	7,948,180	1,355,119	206,929
Encumbrances and current liabilities paid in lapse period	3,223,584	257,530	16,310
Deferred income	6,030,150	—	36,028
Refundable deposits	—	—	—
Allowance for restoring inventory to normal level	—	—	—
Allowance for sick leave/vacation payouts	140,828	44,400	3,024
Working capital allowance	B <u>17,342,742</u>	<u>1,657,049</u>	<u>262,291</u>
3. Current excess funds:			
Deduct B from A and enter here	C <u>(8,280,058)</u>	<u>(1,913,244)</u>	<u>(352,207)</u>
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(2,218,965)</u>	<u>(231,108)</u>	<u>(10,301)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(10,499,023)</u></u>	<u><u>(2,144,352)</u></u>	<u><u>(362,508)</u></u>

UNIVERSITY OF ILLINOIS
 Analysis of Indirect Cost Reimbursements
 Schedule of Sources and Applications of
 Indirect Cost Reimbursements
 Year ended June 30, 2010

Balance, July 1, 2009	\$ 60,245,265
Sources:	
Private Gifts, Grants and Contracts	25,296,021
United States Government Grants and Contracts	158,664,558
State of Illinois Grants and Contracts	7,775,996
Medical Service Plan	1,815,148
Auxiliary Administrative Allowances	14,934,959
Other Administrative Allowances	30,880,463
Investment income	163,088
	<u>239,530,233</u>
Total Additions	
Applications:	
Educational and general:	
Instruction	412
Research	(47,971,008)
Public Service	(5,361,728)
Academic Support	(41,814,674)
Student Services	(2,210,197)
Institutional Support	(56,020,407)
Operation and Maintenance of Plant	(12,253,849)
Student Aid	(7,849,872)
	<u>(173,481,323)</u>
Total deductions	
Balance at June 30, 2010	\$ <u><u>126,294,175</u></u>

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 carryforward.

UNIVERSITY OF ILLINOIS

Analysis of Indirect Cost Reimbursements

Calculation Sheet for Indirect Cost Carry-forward

June 30, 2010

1. Cash and equivalents balance:	
Add:	
Cash	\$ 91,107,324
Cash equivalents:	
Bank deposits	—
Marketable securities	91,560
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
	<hr/>
Interfund receivables	91,198,884
	<hr/>
2. Allocated reimbursements:	
Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:	
\$239,880,000; enter 30% of this amount	<hr/> 71,964,000 <hr/>
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	<hr/> 23,988,000 <hr/>
4. Encumbrances and current liabilities paid in the lapse period:	
Enter the amount of:	
Current liabilities	12,169,942
Encumbrances	<hr/> 1,482,951 <hr/>
Total	<hr/> 13,652,893 <hr/>
5. Indirect cost carryforward:	
a. Enter the total items 2, 3, and 4	<hr/> 109,604,893 <hr/>
b. Subtract from item 1	<hr/> (18,406,009) <hr/>
If a positive number results, enter here and remit for deposit in the income fund	\$ <hr/> <hr/> N/A <hr/> <hr/>

UNIVERSITY OF ILLINOIS

Schedules of Federal Expenditures, Nonfederal Expenses, and New Loans

Year ended June 30, 2010

(Expressed in thousands)

Schedule A – Federal financial component:

Total federal expenditures reported on SEFA schedule	\$	764,444
Total new loans made not included on SEFA schedule		453,570
Amount of federal loan balances at beginning of the year (not included on the SEFA schedule and continued compliance is required)		49,922
Other noncash federal award expenditures		<u>10,395</u>
Total Schedule A	\$	<u><u>1,278,331</u></u>

Schedule B – Total financial component:

Total operating expenses (from financial statements)	\$	4,341,575
Total nonoperating expenses (from financial statements)		77,368
Total new loans made		453,570
Amount of federal loan balances at beginning of the year		49,922
Other noncash federal award expenditures		<u>10,395</u>
Total Schedule B	\$	<u><u>4,932,830</u></u>

	<u>Amount</u>	<u>Percentage</u>
Schedule C:		
Total Schedule A	\$ 1,278,331	25.9%
Total nonfederal expenses	<u>3,654,499</u>	<u>74.1%</u>
Total Schedule C	\$ <u><u>4,932,830</u></u>	<u><u>100.0%</u></u>

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

UNIVERSITY OF ILLINOIS

University Functions and Planning Program

Year ended June 30, 2010

The University of Illinois (University) is a comprehensive university primarily serving the citizens of Illinois from three main campuses through instruction (both on-campus and on-line), research, economic development, and outreach activities. The University is headed by its President, Michael Hogan, 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 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.

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.

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 that 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.

UNIVERSITY OF ILLINOIS

CeaseFire Program Audit Follow-Up

Year ended June 30, 2010

In August 2007, the Auditor General, State of Illinois, (Auditor General) released a program audit of Funding Provided by or through the State of Illinois to the Chicago Project for Violence Prevention for the CeaseFire Program. The audit contained 6 recommendations to the University of Illinois-Chicago (University) and Chicago Project for Violence Prevention (Chicago Project). The program audit examined funding for the Chicago Project for the period fiscal year 2004 – fiscal year 2006. In fiscal year 2007, the CeaseFire Program again received State funding from the Department of Corrections (DOC). The Governor vetoed fiscal year 2008 funding for CeaseFire from the State budget.

In fiscal year 2009, DOC was appropriated \$6.25 million for CeaseFire. The funds were for named communities in the appropriations bill. While the State budget was effective in July 2008, a grant agreement between the University and DOC was not executed until December 2008.

An examination of Comptroller payment information by the Auditor General in fiscal year 2009 showed that only \$1.97 million (32%) of the total appropriation had been disbursed to the University to be used on CeaseFire. Chicago Project officials, in mid August 2009, submitted additional documentation totaling \$2.41 million for CeaseFire activities to DOC for reimbursement. DOC officials have indicated that the amount would be submitted to the Court of Claims.

During the current examination of the University, the Auditor General tested documentation to determine the University and Chicago Project's progress in implementing the recommendations. They found that the final recommendation had been implemented. The result of the Auditor General testing is summarized below:

Recommendation 6 – Subcontractor Hiring of Outreach Workers

The Chicago Project for Violence Prevention should enforce provisions of the subcontractor agreements to ensure that the required numbers of outreach workers are hired by the community partners.

The contract between DOC and the University of Illinois details that each community partner shall hire and provide support to no fewer than three outreach workers per site, unless the approved budget in the agreement between the University of Illinois and the community partner provides otherwise.

The Auditor General's examination of subcontractor agreements found that community partners had made progress in this area since the management audit, and a comparison analysis of payments to community partners against the three-worker criteria in the DOC contract found that no community partners failed to fulfill this required number of outreach workers.

Due to the results of our review, this recommendation is *Implemented and Not Repeated*.

UNIVERSITY OF ILLINOIS

Employment and Cost Statistics

Fall terms fiscal 2010 and 2009

(Unaudited)

	Fall term fiscal 2010				Fall term fiscal 2009			
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
University employment statistics:								
Headcount:								
Faculty	\$ 3,319	3,014	338	6,671	3,461	3,019	336	6,816
Academic professionals	4,427	4,004	253	8,684	4,705	4,017	268	8,990
Support staff	4,488	5,208	301	9,997	4,929	5,323	316	10,568
Other	5,955	3,326	235	9,516	6,269	3,469	270	10,008
	<u>\$ 18,189</u>	<u>15,552</u>	<u>1,127</u>	<u>34,868</u>	<u>19,364</u>	<u>15,828</u>	<u>1,190</u>	<u>36,382</u>
Full-time equivalency:								
Faculty	\$ 3,020	2,433	241	5,694	3,152	2,377	251	5,780
Academic professionals	4,341	3,894	247	8,482	4,608	3,915	259	8,782
Support staff	4,407	5,045	295	9,747	4,837	5,166	311	10,314
Other	2,641	1,985	127	4,753	2,756	2,045	145	4,946
	<u>\$ 14,409</u>	<u>13,357</u>	<u>910</u>	<u>28,676</u>	<u>15,353</u>	<u>13,503</u>	<u>966</u>	<u>29,822</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, 2010 and 2009

(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, 2010 and June 30, 2009, 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, 2010:						
Total costs (1)	\$ 290,137,632	221,833,987	131,350,139	121,458,834	27,226,293	13,131,598
Student credit hours	969,732	317,274	472,073	197,224	76,074	30,332
Full-time equivalent students (2)	32,324	13,220	15,736	8,218	2,536	1,264
Cost per student credit hour	\$ 299	699	278	616	358	433
Cost per full-time equivalent student	8,976	16,780	8,347	14,780	10,736	10,389

	Urbana-Champaign		Chicago		Springfield	
	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate
For the year ended June 30, 2009:						
Total costs (1)	\$ 289,831,652	220,141,512	133,959,885	123,357,613	26,041,029	13,123,954
Student credit hours	961,014	305,496	453,492	180,121	71,280	28,986
Full-time equivalent students (2)	32,034	12,729	15,116	7,505	2,376	1,208
Cost per student credit hour	\$ 302	721	295	685	365	453
Cost per full-time equivalent student	9,048	17,294	8,862	16,437	10,960	10,866

- (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 2010
 (Unaudited)

The following statistics are from the State of Illinois Board of Higher Education 2008 Data Book on Illinois Higher Education, Fall Enrollment Survey.

Enrollment statistics:

The total headcount enrollment for Fall 2009 by class level was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Undergraduate:				
Freshman	7,963	4,244	436	12,643
Sophomore	6,702	2,975	343	10,020
Junior	7,381	3,722	799	11,902
Senior	8,687	5,045	1,342	15,074
Unclassified	744	58	107	909
Total undergraduate	<u>31,477</u>	<u>16,044</u>	<u>3,027</u>	<u>50,548</u>
Graduate:				
Professional	1,098	2,479	—	3,577
Graduate	10,589	7,397	1,717	19,703
Unclassified	717	920	233	1,870
Total graduate	<u>12,404</u>	<u>10,796</u>	<u>1,950</u>	<u>25,150</u>
Total	<u><u>43,881</u></u>	<u><u>26,840</u></u>	<u><u>4,977</u></u>	<u><u>75,698</u></u>

The total headcount enrollment for Fall 2009 by gender and by level of instruction were as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Gender:				
Men	23,389	12,059	2,238	37,686
Women	20,492	14,781	2,739	38,012
Total	<u>43,881</u>	<u>26,840</u>	<u>4,977</u>	<u>75,698</u>
Level of instruction:				
Full-time	39,877	22,126	2,458	64,461
Part-time	4,004	4,714	2,519	11,237
Total	<u>43,881</u>	<u>26,840</u>	<u>4,977</u>	<u>75,698</u>

The median age of students enrolled by level of instruction for Fall 2009 were as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Median age:			
Undergraduate	20.3	20.9	23.6
Graduate	27.4	28.1	30.5
Combined	21.1	23.1	26.4

UNIVERSITY OF ILLINOIS
 Service Efforts and Accomplishments
 Fiscal year 2010
 (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, 2009 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Degrees:				
Certificate	6	—	—	6
Baccalaureate	7,422	3,345	592	11,359
Postbaccalaureate certificates	—	4	20	24
Masters	3,074	2,010	499	5,583
Post-Master's certificates	15	19	9	43
Doctorate (Research)	763	316	1	1,080
Doctorate (Professional Practice)	303	649	—	952
Total	<u>11,583</u>	<u>6,343</u>	<u>1,121</u>	<u>19,047</u>

UIC Baccalaureate counts include 3 Postbaccalaureate Certificates.

UIC Masters counts include 27 Post-Master's Certificates.

UIC Professional counts include 29 First-Professional Certificates.

UIS Baccalaureate counts include 16 Postbaccalaureate Certificates.

UIS Masters counts include 12 Post-Master's Certificates.

UIUC Masters counts include 11 Post-Master's Certificates.

UIUC also had 11 Aviation Certificates not counted above.

Staff statistics:

The following statistics are from the Survey of Salaries of Full-Time Instructional Faculty, 2009 – 2010 IPEDS.

The average salary of full-time faculty for the year ended June 30, 2010 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Combined</u>
Average salary of full-time faculty	\$ 93,206	84,352	61,375	88,455

The percent of tenured full-time faculty for the year ended June 30, 2010 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Combined</u>
Percent of tenured full-time faculty	59.89%	53.96%	46.34%	57.15%

Notes

1 All data are for full-time instructional faculty, which excludes faculty whose responsibilities are primarily research or public service.

2 Chicago figures exclude all Colleges of Medicine and the University Hospital. Urbana figures exclude Cooperative Extension staff. University Administration staff are excluded from all campus and combined figures.

UNIVERSITY OF ILLINOIS
 Service Efforts and Accomplishments
 Fiscal year 2010
 (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 2009 for the 2009-10 academic year were as follows (excluding refundable fees at Urbana):

	<u>Urbana*</u>	<u>Chicago*</u>	<u>Springfield*</u>
Undergraduate	\$ 12,528	12,028	9,533
Graduate	12,534	12,558	8,434

* The tuition and fee rates listed for Chicago and Urbana include rates for students enrolled for 12 or more semester hours per term. Springfield rates are for 30 semester credit hours for undergraduate students and 24 semester credit hours for graduate students. Springfield lists the following tuition and fee rates on the IPEDS IC survey: undergraduate \$7,966 (12 semester hours per term), and graduate \$6,750 (9 semester hours per term).

The tuition and required fees for a full-time student entering fall 2009 for the 2009-2010 academic year in the first-professional programs were as follows (excluding refundable fees at Urbana):

	<u>Urbana</u>	<u>Chicago</u>
First-professional programs:		
Medicine	\$ —	33,138
Dentistry	—	31,702
Pharmacy	—	22,348
Physical therapy	—	15,850
Law	36,323	—
Veterinary medicine	22,656	—

UNIVERSITY OF ILLINOIS

Emergency Purchases

Year ended June 30, 2010

(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2010:

Vendor	Description	Amount
SonTek/YSI Incorporated	This emergency purchase is for multi-parameter water quality meters. These will allow the Illinois State Water Survey to monitor water quality for two 7-day periods at approx. 300 sites for years 2009 – 2011. This will provide benchmark water quality data to the Illinois EPA.	\$ 222,445
Kroeschell, Inc	This emergency purchase is required to replace and re-gasket the Chiller bearing for the College of Urban Planning and Public Affairs Hall at 412 Peoria Street due to mechanical failure between June 20 – 21, 2009.	59,500
Coca Cola Enterprises	This emergency purchase is for soft drink equipment for the Division of Intercollegiate Athletics for students, faculty, staff, and visitors to the University Memorial Stadium.	1,550,292
Gala Systems Inc.	This emergency purchase is due the Krannert Center for Performing Arts Playhouse Theater experiencing a flood that damaged a stage lift. This poses potential risks to students and employees and repairs are needed promptly	59,500
Riechmann Bros, LLC	The department of Crop Sciences required a combine replacement at their Dixon Springs location. To maximize their budget, they decided to purchase a used combine and negotiate discounts and fair values of trade-ins.	80,000
Kroeschell Inc.	The emergency repair of a cooling system located at Chicago Biological Research Laboratory Building. The system became inoperable and could not cool the building. Federal law requires laboratories with research animals maintain certain temperatures throughout the year.	149,480
TDW Pipeline Services	UIUC maintains an Integrity Management Plan of the UI transmission pipeline as required by the U.S. DOT, Pipeline and Hazardous Materials Safety Administration, Pipeline Safety Regulations part, Subpart O, Gas Transmission Pipeline Integrity Management. On 10-27-09 a preliminary report identified 10 anomalies that required immediate attention.	46,888

UNIVERSITY OF ILLINOIS
 University Bookstore Information
 Fiscal year 2010
 (Unaudited)

University	University of Illinois (U of I)	U of I at Chicago (UIC)	U of I – Springfield (UIS)
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	fiscal year 2010 – 9/1/2008-8/31/2013 * renewable 5 year terms
Amount of gross sales for bookstore for FY 09	\$ 10,105,425	10,820,825	1,473,321
Amount to be paid to bookstore for FY 09 (if any) from university	N/A	N/A	N/A
Commissions	N/A	N/A	\$ 122,249
Commission terms	N/A	N/A	Follett to pay UIS – an annual amount equal to the sum of: a) 8.10% of all Gross Revenue up to \$1,000,000 b) 9.60% of any part of Gross Revenue over one \$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, 2010

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 by the University. 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, 2010, where such special data is found.

Compliance Findings

- 13(a) At June 30, 2010, State Compliance Findings were reported on pages 106 through 119 within the Compliance Examination report. None of these findings specifically related to the *University Guidelines*. The University's calculation sheets for current excess funds are presented in this report on page numbers 72 through 84.

Indirect Cost Reimbursements

- 13(b) A statement of the sources and applications of indirect cost reimbursements is included in this report on page number 85.
- 13(c) The University's calculation sheet for indirect cost carry-forward is included in this report on page number 86.

Tuition Charges and Fees

- 13(d) The University identified no instances of tuition being diverted to auxiliary enterprise operations.

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 36 through 39.
- 13(f) Entity financial statements are presented on pages 40 through 63 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, 2010, the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2010 and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2010.
- 13(g) The University's calculation sheets for current excess funds are presented in this report on pages 72 through 84.
- 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 for the year ended June 30, 2010 on page 11.
- 13(i) Statements of receipts and disbursements and related definitions, for funds required by bond indentures are presented on pages 5 through 7 and page 17 of the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2010.

UNIVERSITY OF ILLINOIS

Special Data Requirements for University Audits

Year ended June 30, 2010

- 13(j) At June 30, 2010, no Compliance Findings were reported regarding 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.
- 13(k) At June 30, 2010, no noninstructional 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.
UI Singapore Research, LLC and its Subsidiary	

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 for the year ended June 30, 2010 are disclosed in this report on pages 100 and 101.

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

- 13(o) At June 30, 2010, the University identified there were no unreimbursed subsidies to the UROs from University or appropriated funds.
- 13(p) Debt financing by UROs at June 30, 2010 is disclosed in the Annual Financial Statements of the University of Illinois Foundation on page 19.

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 10 and 11 and in the notes to financial statements in the University of Illinois Annual Financial Report for the year ended June 30, 2010 on pages 24 through 28.
- 13(r) A statement describing the methodology used to allocate income from investments of pooled funds is included in this report on page 10.
- 13(s) Costs per full time equivalent student are presented in this report on page 91.

UNIVERSITY OF ILLINOIS

Special Data Requirements for University Audits

Year ended June 30, 2010

- 13(t) Acquisitions of land in excess of \$250,000 by the University and its UROs during the year ended June 30, 2010 that were not funded by a separate appropriation specifically identifying the particular acquisitions are presented in this report, if applicable, on pages 18 and 100 as Analysis of Significant Account Balances – Capital Assets and Schedule of Funds Provided by the University of Illinois Foundation.
- 13(u) The University did not identify any new debt issues for fiscal year 2010.

UNIVERSITY OF ILLINOIS

Analysis of Operations

Schedule of Funds Provided by the University of Illinois Foundation

Years ended June 30, 2010 and 2009

During fiscal years 2010 and 2009, the University engaged the Foundation, under contract, to provide fund-raising and other services. In accordance with the contract agreement, the University provided \$1,080,558 cash and \$7,185,919 Budget allocation in 2010 and \$1,092,618 cash and \$7,401,382 Budget allocation in 2009, and an additional \$777,035 and \$375,000 of services in 2010 and 2009, 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:

	<u>2010</u>	<u>2009</u>
Unrestricted funds	\$ 325,438	535,583
Restricted only as to campus, college, or department, and generally available for ongoing university operations:		
Provided to a particular campus	1,060,825	1,269,094
Provided to a particular college	18,457,260	12,985,520
Provided to a particular department	26,742,873	24,638,564
Provided for the Intercollegiate Athletics	<u>12,452,390</u>	<u>9,438,638</u>
Subtotal	59,038,786	48,867,399
Restricted by donor:		
Provided for student support	18,999,601	21,183,313
Provided for certain instructional, research, and public service programs	24,368,200	26,327,065
Provided for physical facilities additions or improvements	15,639,548	20,987,348
Provided for other restricted purposes	<u>29,079,178</u>	<u>34,831,984</u>
Total funds provided by the Foundation to the University	<u>\$ 147,125,313</u>	<u>152,197,109</u>

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 2010, the University of Illinois Foundation received the following gifts and made the following purchases of real estate (unaudited):

<u>Date</u>	<u>Value (\$)</u>	<u>Property and description</u>
9/22/2009	\$ 343,871	60 acres of farmland in Montgomery County, Illinois (gift)
12/17/2009	441,326	40 acres of farmland in Urbana, Illinois (purchase)
6/22/2010	484,800	115 acres of farmland in Winfield, Iowa (gift)

UNIVERSITY OF ILLINOIS

Analysis of Operations

Schedule of Funds Provided by the University to the University of Illinois Alumni Association

Years ended June 30, 2010 and 2009

In accordance with an annual agreement between the University and the Alumni Association, the University paid \$4,707,300 and \$4,858,400 of which \$2,465,800 and \$2,664,600 represent employee salaries to the Alumni Association for the years ended June 30, 2010 and 2009, 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, 2010 and 2009, the Alumni Association expended the following amounts in the performance of those functions (unaudited):

	<u>2010</u>	<u>2009</u>
Communications	\$ 716,400	684,200
Information services	896,500	859,100
Membership promotion	278,300	277,400
Alumni outreach programs	1,268,100	1,411,900
General and operating expenses	<u>1,548,000</u>	<u>1,625,800</u>
Total expenditures	<u>\$ 4,707,300</u>	<u>4,858,400</u>

UNIVERSITY OF ILLINOIS

Schedule of Undergraduate and Graduate Tuition and Fee Waivers

2009 – 2010 School Year

(Unaudited)

(In thousands)

	Undergraduate			Graduate		
	Tuition waivers	Fee waivers	Total waivers	Tuition waivers	Fee waivers	Total waivers
Urbana	\$ 28,666	1,122	29,788	149,625	10,891	160,516
Chicago	6,964	337	7,301	65,591	6,548	72,139
Springfield	1,746	30	1,776	1,812	145	1,957
Total	\$ 37,376	1,489	38,865	217,028	17,584	234,612

The amount of fiscal 2010 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
2009 – 2010 School Year
(Unaudited)

	University of Illinois at Urbana-Champaign			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers	Number of recipients *	Value of waivers
	(In thousands)		(In thousands)	
Mandatory waivers:				
Teacher special education	73	\$ 626	73	\$ 137
General assembly	510	4,901	—	—
Reserve Officers' Training Corps (ROTC)	150	1,090	1	—
Department of Children and Family Services (DCFS)	29	155	29	73
Children of employees	678	3,349	—	—
Senior Citizens	—	—	—	—
Honorary scholarships	231	2,263	—	—
Veterans grants and scholarships**	175	849	122	138
Adjustments (1)	(51)	—	(4)	—
Subtotal	<u>1,795</u>	<u>13,233</u>	<u>221</u>	<u>348</u>
Discretionary waivers:				
Faculty/administrators	34	94	35	29
Civil service	33	93	33	30
Academic/other talent	861	2,700	233	122
Athletic	137	1,012	—	—
Gender equity in intercollegiate athletics	—	—	—	—
Foreign exchange students	447	6,775	447	487
Out-of-state students	—	—	—	—
Foreign students	16	75	—	—
Student need – financial aid	1,833	3,575	—	—
Student need – special programs	—	—	—	—
Cooperating professionals	3	3	3	1
Research assistants	—	—	—	—
Teaching assistants	121	872	116	78
Other assistants	27	167	28	19
Interinstitutional/related agencies	6	22	6	5
Retired university employees	2	8	2	2
Children of deceased employees	—	—	—	—
Contract/training grants	—	—	—	—
Fellowship	1	2	—	—
Yellow Ribbon (VA)	7	35	1	1
Adjustments (1)	(42)	—	(15)	—
Subtotal	<u>3,486</u>	<u>15,433</u>	<u>889</u>	<u>774</u>
Total	<u>5,281</u>	<u>\$ 28,666</u>	<u>1,110</u>	<u>\$ 1,122</u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (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.

UNIVERSITY OF ILLINOIS
Schedule of Undergraduate Tuition and Fee Waivers
2009 – 2010 School Year
(Unaudited)

	University of Illinois at Chicago			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers	Number of recipients *	Value of waivers
	(In thousands)		(In thousands)	
Mandatory waivers:				
Teacher special education	1	\$ 2	—	\$ —
General assembly	106	796	—	—
Reserve Officers' Training Corps (ROTC)	70	504	—	—
Department of Children and Family Services (DCFS)	10	92	10	29
Children of employees	190	739	—	—
Senior Citizens	—	—	—	—
Honorary scholarships	30	233	—	—
Veterans grants and scholarships**	254	912	254	228
Adjustments (1)	(1)	—	—	—
Subtotal	<u>660</u>	<u>3,278</u>	<u>264</u>	<u>257</u>
Discretionary waivers:				
Faculty/administrators	12	33	12	16
Civil service	35	127	35	61
Academic/other talent	395	1,569	—	—
Athletic	168	1,455	—	—
Student need – financial aid	236	424	—	—
Student need – special programs	45	72	—	—
Cooperating professionals	3	4	3	2
Research assistants	—	—	—	—
Other assistants	—	—	—	—
Retired university employees	1	2	1	1
Adjustments (1)	(20)	—	—	—
Subtotal	<u>875</u>	<u>3,686</u>	<u>51</u>	<u>80</u>
Total	<u>1,535</u>	<u>\$ 6,964</u>	<u>315</u>	<u>\$ 337</u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (ISAC), Illinois National Guard Grants (ISAC), and POW/MIA Scholarships (Department of Veterans Affairs). Include only the waive (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.

UNIVERSITY OF ILLINOIS
Schedule of Undergraduate Tuition and Fee Waivers
2009 – 2010 School Year
(Unaudited)

	University of Illinois – Springfield			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
General assembly	23	\$ 174	—	\$ —
Department of Children and Family Services (DCFS)	3	27	—	—
Children of employees	41	121	—	—
Senior citizens	—	—	—	—
Honorary scholarships	57	370	—	—
Veterans grants and scholarships**	237	450	—	—
Subtotal	<u>361</u>	<u>1,142</u>	<u>—</u>	<u>—</u>
Discretionary waivers:				
Faculty/administrators	7	30	7	5
Civil service	36	100	36	23
Academic/other talent	30	185	—	—
Athletic	42	150	—	—
Gender equity in intercollegiate athletics	6	25	—	—
Student need – financial aid	111	81	—	—
Student need – special programs	—	—	—	—
Interinstitutional/related agencies	10	26	—	—
Retired university employees	2	7	2	2
Adjustments (1)	(3)	—	—	—
Subtotal	<u>241</u>	<u>604</u>	<u>45</u>	<u>30</u>
Total	<u>602</u>	<u>\$ 1,746</u>	<u>45</u>	<u>\$ 30</u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (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.

UNIVERSITY OF ILLINOIS
Schedule of Graduate Tuition and Fee Waivers
2009 – 2010 School Year
(Unaudited)

	University of Illinois at Urbana-Champaign			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers	Number of recipients *	Value of waivers
	(In thousands)	(In thousands)	(In thousands)	
Mandatory waivers:				
Teacher special education	—	\$ —	—	\$ —
General assembly	14	260	—	—
Department of Children and Family Services (DCPS)	—	—	—	—
Honorary scholarships	34	438	—	—
Veterans grants and scholarships**	125	810	115	187
Adjustments (1)	(2)	—	—	—
Subtotal	<u>171</u>	<u>1,508</u>	<u>115</u>	<u>187</u>
Discretionary waivers:				
Faculty/administrators	421	2,454	454	670
Civil service	50	180	54	62
Academic/other talent	210	2,145	299	203
Athletic	1	9	—	—
Foreign exchange students	29	510	36	38
Out-of-state students	—	—	—	—
Cooperating professionals	194	671	188	198
Research assistants	2,555	55,644	2,551	3,344
Teaching assistants	1,653	24,942	1,651	1,876
Other assistants	2,332	35,748	2,355	2,533
Interinstitutional/related agencies	40	226	43	39
Retired university employees	3	4	3	2
Contract/training grants	144	2,695	143	78
Fellowship/traineeship	1,217	22,889	1,328	1,661
Adjustments (1)	(1,085)	—	(1,356)	—
Subtotal	<u>7,764</u>	<u>148,117</u>	<u>7,749</u>	<u>10,704</u>
Total	<u><u>7,935</u></u>	<u><u>\$ 149,625</u></u>	<u><u>7,864</u></u>	<u><u>\$ 10,891</u></u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (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.

UNIVERSITY OF ILLINOIS
Schedule of Graduate Tuition and Fee Waivers
2009 – 2010 School Year
(Unaudited)

	University of Illinois at Chicago			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers	Number of recipients *	Value of waivers
		(In thousands)		(In thousands)
Mandatory waivers:				
Teacher special education	7	\$ 47	7	\$ 18
General assembly	126	3,344	—	—
Senior citizen	1	7	—	—
Honorary scholarships	18	268	—	—
Veterans grants and scholarships	136	633	136	158
Subtotal	<u>288</u>	<u>4,299</u>	<u>143</u>	<u>176</u>
Discretionary waivers:				
Faculty/administrators	688	4,900	586	1,097
Civil service	99	663	83	156
Academic/other talent	109	3,873	—	—
Athletic	1	21	—	—
Cooperating professionals	67	192	67	81
Research assistants	974	14,079	975	1,501
Teaching assistants	1,007	14,859	1,001	1,472
Other assistants	879	11,749	1,212	1,283
Retired university employees	3	10	3	5
Fellowship/traineeship	746	10,946	689	777
Adjustments (1)	(280)	—	(596)	—
Subtotal	<u>4,293</u>	<u>61,292</u>	<u>4,020</u>	<u>6,372</u>
Total	<u><u>4,581</u></u>	<u><u>\$ 65,591</u></u>	<u><u>4,163</u></u>	<u><u>\$ 6,548</u></u>

* 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.

UNIVERSITY OF ILLINOIS
Schedule of Graduate Tuition and Fee Waivers
2009 – 2010 School Year
(Unaudited)

	University of Illinois – Springfield			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	—	\$ —	—	\$ —
General assembly	1	1	—	—
Senior citizens	—	—	—	—
Honorary scholarships	16	56	—	—
Veterans grants and scholarships**	126	209	—	—
Subtotal	<u>143</u>	<u>266</u>	<u>—</u>	<u>—</u>
Discretionary waivers:				
Faculty/administrators	133	370	133	79
Civil service	21	63	20	15
Academic/other talent	10	54	—	—
Gender equity in intercollegiate athletics	—	—	—	—
Out-of-state students	—	—	—	—
Foreign Students	6	15	—	—
Student need – financial aid	—	—	—	—
Student need – special programs	—	—	—	—
Cooperating professionals	21	32	21	2
Research assistants	10	56	10	5
Teaching assistants	20	123	20	9
Other assistants	131	786	68	30
Interinstitutional/related agencies	14	35	2	1
Retired university employees	3	12	3	4
Adjustments (1)	(1)	—	—	—
Subtotal	<u>368</u>	<u>1,546</u>	<u>277</u>	<u>145</u>
Total	<u>511</u>	<u>\$ 1,812</u>	<u>277</u>	<u>\$ 145</u>

* Unduplicated

** Illinois Veterans Grants from Illinois Student Assistance Commission (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.