

UNIVERSITY OF ILLINOIS

Supplementary Financial Information
and Special Data Requirements
For the Year Ended June 30, 2004
Performed as Special Assistant Auditors
for the Auditor General, State of Illinois

UNIVERSITY OF ILLINOIS
SUPPLEMENTARY FINANCIAL INFORMATION AND SPECIAL DATA REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2004
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RELATED REPORTS PUBLISHED UNDER SEPARATE COVERS

University of Illinois Reports

- The University of Illinois Annual Financial Report for the year ended June 30, 2004.
- The Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2004 .
- The Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2004.
- The Annual Financial Report of the Willard Airport Facility for the year ended June 30, 2004.
- The Compliance Report (in accordance with the Single Audit Act and OMB Circular A-133) for the year ended June 30, 2004, including findings, recommendations, and University responses.

University of Illinois Foundation Reports

- The Annual Financial Statements of the University of Illinois Foundation for the year ended June 30, 2004.
- Compliance Examination for the two years ended June 30, 2004.

University of Illinois Alumni Association Reports

- The Annual Financial Statements of the University of Illinois Alumni Association for the year ended June 30, 2004.
- Compliance Examination for the two years ended June 30, 2004.

Wolcott, Wood and Taylor, Inc. Reports

- The Financial Audit and Compliance Examination for the two years ended June 30, 2004.

PrairieLand Energy, Inc. Reports

- The Financial Audit for the year ended June 30, 2004 and Compliance Examination for the two years ended June 30, 2004.

Illinois Ventures, LLC. Reports

- The Financial Audit for the year ended June 30, 2004 and Compliance Examination for the two years ended June 30, 2004.

University of Illinois Research Park, LLC. Reports

- The Financial Audit and Compliance Examination for the two years ended June 30, 2004.

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

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

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the University of Illinois (University) as of and for the year ended June 30, 2004, and have issued our report thereon dated October 15, 2004. These financial statements and the supplementary information referred to below are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the basic financial statements of the University taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements of the University of Illinois. Such information for the year ended June 30, 2004, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2004 taken as a whole.

The supplementary information for the year ended June 30, 2003 has been derived from financial statements audited previously and, in our report dated September 16, 2003, we expressed unqualified opinions on such information in relation to the University's basic financial statements taken as a whole. The supplementary information for the years ended June 30, 1995 through 2002 has been derived from financial statements audited by other auditors, whose reports thereon expressed unqualified opinions on such information in relation to the University's basic financial statements for those years ended taken as a whole.

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

Clifton Gunderson LLP

Peoria, Illinois
October 15, 2004

UNIVERSITY OF ILLINOIS

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES

FOURTEEN MONTHS ENDED AUGUST 31, 2004

	Appropriations (net after transfers)	Vouchered expenditures for the year ended June 30, 2004	Vouchered expenditures for the two months ended August 31, 2004	Total expenditures for the fourteen months ended August 31, 2004	Balances lapsed August 31, 2004	Balances reappropriated August 31, 2004
General Revenue Fund :						
Personal services	\$ 634,025,642	\$ 621,232,053	\$ 1,171,359	\$ 622,403,412	\$ 11,622,230	\$ -
Travel	42,924	40,078	-	40,078	2,846	-
Commodities	344,389	304,871	-	304,871	39,518	-
Contractual services	8,844,916	8,596,454	4,127	8,600,581	244,335	-
Equipment	5,482	-	-	-	5,482	-
Telecommunications	4,699,818	4,594,233	-	4,594,233	105,585	-
Worker's compensation	3,270,000	3,270,000	-	3,270,000	-	-
Permanent improvements	2,464	-	-	-	2,464	-
Hospital and medical services and appliances	6,026,480	5,501,391	525,089	6,026,480	-	-
Operation of automotive equipment	20,609	-	-	-	20,609	-
Health Insurance	24,893,200	24,893,200	-	24,893,200	-	-
Cooperative Extension for the Urban Leadership Center	10,016	10,016	-	10,016	-	-
Medicare	8,896,776	8,693,871	-	8,693,871	202,905	-
Awards and grants	5,828,400	5,806,774	-	5,806,774	21,626	-
Total General Revenue Fund	\$ 696,911,116	\$ 682,942,941	\$ 1,700,575	\$ 684,643,516	\$ 12,267,600	\$ -
Fire Prevention Fund	\$ 1,408,000	\$ 1,360,706	\$ 47,294	\$ 1,408,000	\$ -	\$ -
Tobacco Settlement Recovery Fund	\$ 1,000,000	\$ 654,626	\$ 345,374	\$ 1,000,000	\$ -	\$ -
State College and University Trust Fund	\$ 150,000	\$ 77,874	\$ 1,250	\$ 79,124	\$ 70,876	\$ -

UNIVERSITY OF ILLINOIS

SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOURTEEN MONTHS ENDED AUGUST 31, 2004

	Appropriations (net after transfers)	Vouchered expenditures for the year ended June 30, 2004	Vouchered expenditures for the two months ended August 31, 2004	Total expenditures for the fourteen months ended August 31, 2004	Balances lapsed August 31, 2004	Balances reappropriated August 31, 2004
Capital Development Bond Fund:						
WILL-TV digitalization infrastructure	\$ 2,075,058	\$ 572,525	\$ -	\$ 572,525	\$ -	\$ 1,502,533
College of Medicine education and research facility	38,628,695	24,068,825	-	24,068,825	-	14,559,870
Computer Science engineering facility	783,974	783,973	-	783,973	-	1
Classroom and office construction at UIS	27,378,802	19,014,222	-	19,014,222	-	8,364,580
Space needs for DNR survey	13,761,948	360,529	-	360,529	-	13,401,419
Total Capital Development Bond Fund	\$ 82,628,477	\$ 44,800,074	\$ -	\$ 44,800,074	\$ -	\$ 37,828,403
Grand Totals, All Funds	\$ 782,097,593	\$ 729,836,221	\$ 2,094,493	\$ 731,930,714	\$ 12,338,476	\$ 37,828,403

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 093-0090 and Public Act 93-587.

UNIVERSITY OF ILLINOIS
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
BUDGET YEARS OF FISCAL 2004 AND 2003

	<u>2004</u>	<u>2003</u>
General Revenue Fund:		
Appropriations	\$ 696,911,116	\$ 667,477,900
Expenditures		
Personal services	622,403,412	561,738,553
Travel	40,078	249,700
Commodities	304,871	2,018,600
Contractual services	8,600,581	19,176,099
Equipment	-	1,736,000
Telecommunications	4,594,233	4,816,800
Worker's compensation	3,270,000	3,259,834
Permanent improvements	-	124,862
Hospital and medical services and appliances	6,026,480	6,306,653
Operation of automotive equipment	-	667,000
Medicare	8,693,871	7,537,100
Awards and grants	5,806,774	5,828,500
Health Insurance	24,893,200	24,893,200
Coop Ext Urb. Ldrshp	10,016	114,984
Total expenditures	<u>684,643,516</u>	<u>638,467,885</u>
Reappropriated balances	-	10,015
Lapsed balances	<u>\$ 12,267,600</u>	<u>\$ 29,000,000</u>
Educational Assistance Fund:		
Appropriations	\$ -	\$ 87,439,500
Expenditures		
Personal services	-	82,862,100
Commodities	-	500,000
Contractual services	-	2,627,400
Equipment	-	100,000
Telecommunications	-	200,000
Operation of automotive equipment	-	300,000
Hospital and medical services and appliances	-	450,000
Medicare	-	400,000
Total expenditures	<u>-</u>	<u>87,439,500</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>
Tobacco Settlement Recovery Fund:		
Appropriations	\$ 1,000,000	\$ 1,000,000
Expenditures	<u>1,000,000</u>	<u>1,000,000</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>

UNIVERSITY OF ILLINOIS
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
BUDGET YEARS OF FISCAL 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Fire Prevention Fund:		
Appropriations	\$ 1,408,000	\$ 1,190,900
Expenditures	1,408,000	1,190,900
Lapsed balances	\$ -	\$ -
Pres Library & Museum Operating Fund:		
Appropriations	\$ -	\$ 1,500,000
Expenditures	-	789,381
Lapsed balances	\$ -	\$ 710,619
State College and University Trust Fund:		
Appropriations	\$ 150,000	\$ 150,000
Expenditures	79,124	137,750
Lapsed balances	\$ 70,876	\$ 12,250
Capital Development Bond Fund:		
Appropriations	\$ 82,628,477	\$ 142,155,308
Expenditures		
Chicago campus land acquisition and development	-	957,161
Technology infrastructure	-	134,018
Space Need of DNR	360,529	-
Constr of CLSRM & Office at UIS	19,014,222	2,621,198
WILL-TV digitalization infrastructure	572,525	45,574
College of Medicine education and research facility	24,068,825	25,995,252
Computer Science engineering facility	783,973	21,873,532
Com Educ/Research FAC	-	7,814,291
Agricultural land acquisition	-	78,129
Total expenditures	44,800,074	59,519,155
Reappropriated balances	37,828,403	82,628,475
Lapsed balances	\$ -	\$ 7,678
Build Illinois Bond Fund:		
Appropriation	\$ -	\$ 1,625,000
Expenditures		
College of Medicine education and research facility	-	1,625,000
Lapsed balances	\$ -	\$ -

UNIVERSITY OF ILLINOIS
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
BUDGET YEARS OF FISCAL 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Grand Totals, All Funds:		
Appropriations	\$ 782,097,593	\$ 902,538,608
Expenditures	731,930,714	790,169,571
Reappropriated balances	<u>37,828,403</u>	<u>82,638,490</u>
Lapsed balances	<u>\$ 12,338,476</u>	<u>\$ 29,730,547</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF STATE APPROPRIATIONS
SIGNIFICANT LAPSE PERIOD EXPENDITURES
TWO MONTHS ENDED AUGUST 31, 2004

	Total expenditures for the fourteen months ended August 31, 2004	Vouchered expenditures for the two months ended August 31, 2004	%
Tobacco Settlement Recovery Fund	\$ 1,000,000	\$ 345,374 *	34.5%

The above represents all appropriations with lapse period expenditures greater than \$250,000 and 20% of total expenditures for the fourteen months ended August 31, 2004.

*These expenditures were not officially approved until the lapse period due to technical issues with the invoice voucher submissions.

UNIVERSITY OF ILLINOIS
ANALYSIS OF UNIVERSITY INCOME FUND
COMPARATIVE SCHEDULE OF UNIVERSITY INCOME FUND REVENUES AND EXPENDITURES
BUDGET YEARS OF FISCAL 2004 AND 2003

<u>University Income Fund</u>	<u>2004</u>	<u>2003</u>
Revenues		
Net student tuition and fees	\$ 376,070,724	\$ 330,219,105
Other sources	6,897,396	8,102,231
	<u>382,968,120</u>	<u>338,321,336</u>
Provision for bad debts	(3,662,168)	(6,466,390)
Net revenues	<u>379,305,952</u>	<u>331,854,946</u>
Add (deduct) net change in:		
Cash	(1,284,430)	(1,650,437)
Accounts receivable	(5,695,842)	(5,323,917)
Deferred charges	754,464	(84,111)
Accrued investment income	(621,433)	(16,129)
Deferred income	2,987,736	2,696,718
Accounts payable	(627)	3,671
	<u>(3,860,132)</u>	<u>(4,374,205)</u>
Fiscal year deposits	<u>375,445,820</u>	<u>327,480,741</u>
Expenditures		
Personal services	197,749,183	179,683,873
Travel	3,179,004	2,909,075
Commodities	14,141,867	10,486,910
Contractual services	111,461,300	103,331,824
Equipment	23,954,973	15,497,606
Telecommunications	3,415,425	1,797,042
Operation of automotive equipment	1,791,107	736,597
Awards and grants	20,563,486	17,704,317
Student loan matching	-	106,014
Worker's compensation	766,736	430,744
Permanent improvements	360,003	168,004
Medicare	1,579,000	2,072,232
Audit expense	170,484	156,965
Unemployment compensation	634,286	343,167
Total expenditures	<u>379,766,854</u>	<u>335,424,370</u>
Decrease in fund balance	(4,321,034)	(7,943,629)
Fund balance at beginning of budget fiscal year	<u>2,730,135</u>	<u>10,673,764</u>
Fund balance (deficit) at end of budget fiscal year	<u>\$ (1,590,899)</u>	<u>\$ 2,730,135</u>
Budget	<u>\$ 380,652,400</u>	<u>\$ 335,882,400</u>
Fund balance as percentage of budget	<u>-0.42%</u>	<u>0.81%</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF UNIVERSITY INCOME FUND

COMPARATIVE SCHEDULE OF UNIVERSITY INCOME FUND REVENUES AND EXPENDITURES
BUDGET YEARS OF FISCAL 2004 AND 2003

Net student tuition and fees increased by approximately \$45.8 million from fiscal year 2003 to fiscal year 2004. General tuition programs increased approximately 5.0% for all three campuses, UIC, UIS, and UIUC for fiscal year 2004. These general tuition increases generated approximately \$16.8 million in fiscal 2004. Fiscal year 2004 was the third year of phasing in a \$1,000 fixed programmatic differential assessed to all students entering after May 2001. This tuition differential generated approximately \$13.2 million in fiscal 2004. In addition to these there were several increases in specific high demand programs, including engineering, health related and graduate programs at UIC and UIUC which generated \$11.0 million. The campuses experienced stronger than expected enrollments and carryover adjustments which generated \$3.6 million more in revenue in FY 2004. The fund balance (deficit) at the end of fiscal 2004 of \$(1.6) million is due to slight under realization of overall anticipated revenue and an increase in expenditures. Total expenditures increased \$44.3 million from fiscal year 2003 to fiscal year 2004.

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 accounts at the end of each quarter based on the account's average cash balance. During fiscal year 2004, \$1.3 million of investment income earned on the Income Fund cash balance was expended for institutional system development. During fiscal year 2003, \$3.1 million of investment income earned on the Income Fund cash balance was expended for institutional utility costs and system development. Institutionally, these earnings represent discretionary funds controlled and allocated by the University's Academic Affairs Management Team, although a substantial portion of the funds are committed for recurring activities.

UNIVERSITY OF ILLINOIS
ANALYSIS OF
REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS

YEARS ENDED JUNE 30, 2004 AND 2003

	2004	2003	Increase (decrease)
OPERATING REVENUES:			
Student tuition and fees, net	\$ 448,476,238	\$ 384,981,161	\$ 63,495,077
Fee for services - state appropriation	47,868,867	47,911,047	(42,180)
Federal appropriations	16,417,645	17,057,884	(640,239)
Federal grants and contracts	572,996,013	552,466,055	20,529,958
State of Illinois grants and contracts	74,440,042	108,444,375	(34,004,333)
Private gifts, grants, and contracts	63,736,432	89,725,961	(25,989,529)
Educational activities	173,297,388	172,215,410	1,081,978
Auxiliary enterprises, net	262,058,004	260,964,189	1,093,815
Hospital and other medical activities, net	336,453,607	311,777,801	24,675,806
Medical service plan	116,945,941	111,589,459	5,356,482
Independent operations	7,857,699	10,147,221	(2,289,522)
Interest and service charges on student loans	310,428	1,215,294	(904,866)
On behalf - hospital and other medical activities	171,403,200	54,189,739	117,213,461
Total operating revenues	2,292,261,504	2,122,685,596	169,575,908
OPERATING EXPENSES:			
Instruction	602,025,183	608,249,692	(6,224,509)
Research	548,968,139	520,574,129	28,394,010
Public service	250,534,350	297,557,790	(47,023,440)
Academic support	187,290,206	212,024,983	(24,734,777)
Student services	75,643,715	70,088,978	5,554,737
Institutional support	129,114,409	148,430,652	(19,316,243)
Operation and maintenance of plant	176,682,538	171,417,873	5,264,665
Scholarships and fellowships	160,673,373	138,732,526	21,940,847
Auxiliary enterprises	213,739,658	192,163,004	21,576,654
Hospital and medical activities	353,861,425	319,794,740	34,066,685
Independent operations	9,095,053	9,011,795	83,258
Depreciation	153,021,796	140,105,987	12,915,809
On behalf payments for fringe benefits	937,353,716	282,150,967	655,202,749
Total operating expenses	3,798,003,561	3,110,303,116	687,700,445
Operating (Loss)	(1,505,742,057)	(987,617,520)	(518,124,537)
NONOPERATING REVENUES (EXPENSES):			
State appropriations	639,226,703	681,953,183	(42,726,480)
Private gifts	96,319,501	118,702,783	(22,383,282)
On behalf payments for fringe benefits	765,950,516	227,961,228	537,989,288
Net investment income	28,795,327	28,686,510	108,817
Net increase in the fair value of investments	18,691,237	14,350,876	4,340,361
Interest on capital asset related debt	(56,526,158)	(56,606,618)	80,460
Loss on disposals of capital assets	(1,747,007)	(11,543,079)	9,796,072
Other nonoperating revenues	19,754,609	23,366,658	(3,612,049)
Net nonoperating revenues (expenses)	1,510,464,728	1,026,871,541	483,593,187
Income (loss) before other revenues, expenses, gains, and losses	4,722,671	39,254,021	(34,531,350)
Capital state appropriations	68,388,042	94,452,475	(26,064,433)
Capital gifts and grants	59,125,921	17,329,029	41,796,892
Private gifts for endowment purposes	2,273,153	2,821,316	(548,163)
INCREASE IN NET ASSETS	134,509,787	153,856,841	(19,347,054)
NET ASSETS, BEGINNING OF YEAR	2,143,868,565	1,990,011,724	153,856,841
NET ASSETS, END OF YEAR	\$ 2,278,378,352	\$ 2,143,868,565	\$ 134,509,787

UNIVERSITY OF ILLINOIS
ANALYSIS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS
SIGNIFICANT REVENUE, EXPENSE AND OTHER CHANGES IN NET ASSETS VARIANCES
YEARS ENDED JUNE 30, 2004 AND 2003

All variances greater than \$30 million, and more than a 10 percent variance from fiscal year 2003 are discussed below. Refer to the Analysis of Revenues, Expenses and Other Changes in Net Assets on page 10 for the actual dollar changes.

Explanations of significant variances:

- Student tuition and fees, net – The increase in tuition is due to: 1) A new 5 percent tuition increase approved by the Board of Trustees for fiscal year 2004, 2) Additional tuition from the third year of a four year tuition increase program, and 3) Additional tuition as the result of special tuition differentials in various graduate and undergraduate programs.
- State of Illinois grants and contracts – The decrease in State of Illinois grants and contracts was due to the State awarding the Nursing Program grant to another State Agency in fiscal year 2004.
- On behalf – hospital and other medical activities – The increase represents the hospital's share of the additional funding provided by the State, in response to its significant underfunded pension liability for State employees.
- Public service – The decrease was due to: 1) Primarily, the loss of the Nursing Program grant, as discussed above, 2) A decline in conference programs, publications and the related supplies and personnel costs, 3) The reclassification of expenses for auditorium operations on the Springfield campus to Auxiliary enterprises in fiscal year 2004, and 4) General decreases in supplies and services expenses in the agricultural and animal sciences activities at the Urbana campus.
- Hospital and medical activities – The increase is due to increases in compensation and benefits expense, as well as supplies and services expenses.
- On behalf payments for fringe benefits - (Operating Expenses) – Related to the On behalf revenues for the hospital and other medical activities discussed above, the increase is due to: 1) In addition to the expected, annual increases for pension expenses, the State provided additional funding of over \$597 million for pension expenses in fiscal year 2004, and 2) Increases in costs of health insurance benefits by nearly \$41 million.
- On behalf payments for fringe benefits – (Nonoperating Revenues) – See explanation above.
- Capital gifts and grants – The increase is due to significant new gifts to permanent endowments of over \$40 million during fiscal year 2004.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

CASH AND CASH EQUIVALENTS,
INVESTMENTS, AND ACCRUED INVESTMENT INCOME
JUNE 30, 2004 AND 2003

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

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

At June 30, 2004, the University did not have deposits that exceeded the federally insured amount and the value of the underlying collateral at Busey Bank.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CASH AND CASH EQUIVALENTS,
INVESTMENTS, AND ACCRUED INVESTMENT INCOME
JUNE 30, 2004 AND 2003

The University's investment balances, including pooled investments, but excluding real estate and farm properties, at June 30, 2004 and 2003 were held as follows:

	2004 Carrying Amount	2003 Carrying Amount
	<u> </u>	<u> </u>
Certificates of Deposit	\$ 4,745,000	\$ 4,752,009
U.S. Government Securities	221,135,976	193,511,873
Repurchase Agreements	68,618,214	95,441,717
Commercial Paper	10,231,368	21,967,669
Corporate Bonds	214,623,207	218,225,619
Corporate Stock	35,626,113	26,012,975
Mutual Funds – Bonds	60,530,000	75,154,741
Mutual Funds – Stocks	124,378,042	110,779,028
Mutual Funds - Money Market	198,494,580	219,816,535
Mutual Funds - Real Estate	391,406	780,215
Illinois Fund	1,054,674	1,453,376
	<u> </u>	<u> </u>
Total investments	<u>\$ 939,828,580</u>	<u>\$ 967,895,757</u>

Refer to Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2004, for categorization of investments according to level of custodial credit risk assumed by the University at June 30, 2004.

Investments of the endowment and similar funds also include real estate and farm properties which are carried at cost or, if donated, at the appraised value as of the date received. Investments in real estate and farm properties amounted to \$12,516,488 and \$10,979,515 at June 30, 2004 and 2003, respectively.

The University accounts for investment income on the accrual basis. Investment income for non-pooled investments, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund which owns the investments, except for income derived from investments of the Endowment and Similar Funds, which is recognized in the funds to which such income is restricted. Income from pooled investments is distributed to individual University funds quarterly based upon average monthly balances invested in the pool. Accrued investment income, by fund, at June 30, 2004 and 2003 was as follows:

	<u>2004</u>	<u>2003</u>
Current Funds		
Unrestricted	\$ 2,712,542	\$ 2,935,076
Restricted	89,005	84,981
Loan Funds	59,648	74,426
Plant Funds	<u>1,407,949</u>	<u>2,100,581</u>
Total	<u>\$ 4,269,144</u>	<u>\$ 5,195,064</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
JUNE 30, 2004 AND 2003

	2004	2003
Accounts receivable		
Current Unrestricted Funds:		
Student and other unrestricted receivables	\$ 40,305,832	\$ 36,243,659
State clearing receivable	3,493,309	11,925,603
Entity activities:		
Storerooms and service departments	-	-
Auxiliary enterprises	11,187,163	10,024,319
Hospital and clinics	250,783,712	222,244,344
Other departmental activities	13,289,393	14,947,073
Total accounts receivable	319,059,409	295,384,998
Allowance for doubtful accounts:		
Hospital and clinics	(180,767,606)	(156,057,777)
Other	(19,461,721)	(12,438,905)
Total allowance for doubtful accounts	(200,229,327)	(168,496,682)
Current Unrestricted Funds accounts receivable, net	118,830,082	126,888,316
Current Restricted Funds:		
Medical Service Plan	20,695,584	27,289,966
Grants, contracts and gifts	145,415,010	129,495,081
Federal appropriations	4,301,791	2,547,219
Endowment farms	592,365	236,471
Total accounts receivable	171,004,750	159,568,737
Allowance for doubtful accounts:		
U.S. Grants, gifts	-	(2,141,669)
Medical Service Plan	(5,135,673)	(12,947,955)
Current Restricted Funds accounts receivable, net	165,869,077	144,479,113
Plant Funds	83,729	238,946
Total accounts receivable, net	284,782,888	271,606,375
Notes receivable		
Loan Funds:		
Urbana campus	25,490,430	23,618,476
Chicago campus	38,004,520	36,376,848
Springfield campus	261,264	278,265
Total notes receivable	63,756,214	60,273,589
Allowance for doubtful notes:		
Urbana campus	(1,110,798)	(776,878)
Chicago campus	(1,269,664)	(958,850)
Springfield campus	(17,561)	(20,373)
Total allowance for doubtful accounts	(2,398,023)	(1,756,101)
Total notes receivable, net	61,358,191	58,517,488
Total accounts and notes receivable, net	\$ 346,141,079	\$ 330,123,863

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
STUDENT ACCOUNTS RECEIVABLE
JUNE 30, 2004 AND 2003

	June 30, 2004			
	<u>Total</u>	<u>Urbana Campus</u>	<u>Chicago Campus</u>	<u>Springfield Campus</u>
Student accounts receivable				
Current - 30 days	\$ 25,535,521	\$ 16,577,790	\$ 8,081,128	\$ 876,603
31 - 90 days	2,376,400	1,235,524	1,005,379	135,497
Over 90 days	<u>21,433,098</u>	<u>9,483,950</u>	<u>10,922,814</u>	<u>1,026,334</u>
Total student accounts receivable	49,345,019	27,297,264	20,009,321	2,038,434
Allowance for doubtful accounts	<u>(16,879,008)</u>	<u>(7,734,927)</u>	<u>(8,436,507)</u>	<u>(707,574)</u>
Student accounts receivable, net	<u>\$ 32,466,011</u>	<u>\$ 19,562,337</u>	<u>\$ 11,572,814</u>	<u>\$ 1,330,860</u>

	June 30, 2003			
	<u>Total</u>	<u>Urbana Campus</u>	<u>Chicago Campus</u>	<u>Springfield Campus</u>
Student accounts receivable				
Current - 30 days	\$ 25,051,000	\$ 12,754,000	\$ 11,940,000	\$ 357,000
31 - 90 days	3,801,438	3,459,000	239,438	103,000
Over 90 days	<u>12,228,982</u>	<u>2,913,000</u>	<u>8,221,982</u>	<u>1,094,000</u>
Total student accounts receivable	41,081,420	19,126,000	20,401,420	1,554,000
Allowance for doubtful accounts	<u>(12,810,000)</u>	<u>(4,085,000)</u>	<u>(8,443,000)</u>	<u>(282,000)</u>
Student accounts receivable, net	<u>\$ 28,271,420</u>	<u>\$ 15,041,000</u>	<u>\$ 11,958,420</u>	<u>\$ 1,272,000</u>

These receivables relate to unpaid student tuition and fees and charges to students for the bookstore, library fines, parking fines and other miscellaneous charges.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
HEALTH SERVICES FACILITIES SYSTEM - PATIENT RECEIVABLES
JUNE 30, 2004 AND 2003

(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>2004</u>	<u>2003</u>
<u>Active Accounts</u>		
Patient receivables	\$ 99,859	\$ 94,422
Less bad debt allowance	(34,458)	(32,594)
Net patient receivables	<u>\$ 65,401</u>	<u>\$ 61,828</u>
Bad debt allowance -		
As a percent of patient receivables	<u>34.51%</u>	<u>34.52%</u>
Days revenue in net patient receivables	<u>73</u>	<u>74</u>
Write-offs of uncollectible accounts, net of recoveries	\$ 5,255	\$ 7,124
As a percent of gross revenue	<u>0.63%</u>	<u>0.97%</u>
Provision for bad debts	\$ 25,362	\$ 22,842
As a percent of gross revenue	<u>3.02%</u>	<u>3.10%</u>
Aging:		
0-30 days (including in-house)	56.40%	58.30%
31-90 days	14.90%	13.90%
91-180 days	9.90%	10.80%
Over 180 days	<u>18.80%</u>	<u>17.00%</u>
	<u>100.00%</u>	<u>100.00%</u>
<u>Inactive Accounts</u>		
Patient receivables	\$ 146,310	\$ 123,463
Less bad debt allowance	(146,310)	(123,463)
Net patient receivables	<u>\$ -</u>	<u>\$ -</u>
<u>Health Services Facilities System Receivables</u>		
	<u>2004</u>	<u>2003</u>
Active patient receivables	\$ 99,859	\$ 94,422
Inactive patient receivables	146,310	123,463
Other receivables	4,331	4,242
Due from related organizations	<u>284</u>	<u>117</u>
Total Health Services Facilities System receivables	<u>\$ 250,784</u>	<u>\$ 222,244</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
GRANTS, CONTRACTS AND GIFTS
JUNE 30, 2004 AND 2003

	June 30, 2004				
	<u>Total</u>	<u>University Administration</u>	<u>Urbana Campus</u>	<u>Chicago Campus</u>	<u>Springfield Campus</u>
Grants, contracts and gifts					
United States government grants and contracts	\$ 98,919,002	\$ 204,267	\$ 51,312,515	\$ 47,050,587	\$ 351,633
Private gifts, grants and contracts	23,255,991	189,710	11,185,068	11,853,206	28,007
State of Illinois grants and contracts	<u>23,240,017</u>	<u>424,720</u>	<u>12,741,650</u>	<u>8,943,460</u>	<u>1,130,187</u>
Total grants, contracts and gifts	<u>\$ 145,415,010</u>	<u>\$ 818,697</u>	<u>\$ 75,239,233</u>	<u>\$ 67,847,253</u>	<u>\$ 1,509,827</u>

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

	June 30, 2003				
	<u>Total</u>	<u>University Administration</u>	<u>Urbana Campus</u>	<u>Chicago Campus</u>	<u>Springfield Campus</u>
Grants, contracts and gifts					
United States government grants and contracts	\$ 81,179,218	\$ 302,160	\$ 57,109,661	\$ 23,631,967	\$ 135,430
Private gifts, grants and contracts	19,733,486	228,805	3,856,940	15,639,583	8,158
State of Illinois grants and contracts	<u>28,582,377</u>	<u>588,209</u>	<u>12,287,953</u>	<u>14,649,388</u>	<u>1,056,827</u>
Total grants, contracts and gifts	<u>\$ 129,495,081</u>	<u>\$ 1,119,174</u>	<u>\$ 73,254,554</u>	<u>\$ 53,920,938</u>	<u>\$ 1,200,415</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, 2004 AND 2003

	<u>June 30,</u>	
	<u>2004</u>	<u>2003</u>
<u>Urbana campus</u>		
<u>Age</u>		
Not in repayment status/current billing	\$ 22,886,358	\$ 21,688,476
Under 120 days	1,379,729	175,000
Over 120 days	<u>1,224,343</u>	<u>1,755,000</u>
	25,490,430	23,618,476
Allowance for doubtful notes	<u>(1,110,798)</u>	<u>(776,878)</u>
Total - Urbana campus	<u>24,379,632</u>	<u>22,841,598</u>
<u>Chicago campus</u>		
<u>Age</u>		
Not in repayment status/current billing	34,348,273	32,374,350
Under 120 days	1,618,007	1,731,353
Over 120 days	<u>2,038,240</u>	<u>2,271,145</u>
	38,004,520	36,376,848
Allowance for doubtful notes	<u>(1,269,664)</u>	<u>(958,850)</u>
Total - Chicago campus	<u>36,734,856</u>	<u>35,417,998</u>
<u>Springfield campus</u>		
<u>Age</u>		
Not in repayment status/current billing	247,264	239,265
Under 120 days	1,000	6,000
Over 120 days	<u>13,000</u>	<u>33,000</u>
	261,264	278,265
Allowance for doubtful notes	<u>(17,561)</u>	<u>(20,373)</u>
Total - Springfield campus	<u>243,703</u>	<u>257,892</u>
<u>All campuses</u>		
<u>Age</u>		
Not in repayment status/current billing	57,481,895	54,302,091
Under 120 days	2,998,736	1,912,353
Over 120 days	<u>3,275,583</u>	<u>4,059,145</u>
	63,756,214	60,273,589
Allowance for doubtful notes	<u>(2,398,023)</u>	<u>(1,756,101)</u>
Total - All campuses	<u>\$ 61,358,191</u>	<u>\$ 58,517,488</u>

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 105,292,968	\$ 12,579,478	\$ (858,926)	\$ -	\$ 117,013,520
Construction in progress	232,593,975	209,074,624	-	69,158,380	510,826,979
Inexhaustible collections	11,607,521	1,275,656	-	-	12,883,177
Total nondepreciable capital assets	349,494,464	222,929,758	(858,926)	69,158,380	640,723,676
Depreciable Capital Assets:					
Buildings	2,024,558,958	25,930,310	(158,597)	136,540,177	2,186,870,848
Improvements and infrastructure	589,524,858	-	-	(205,698,557)	383,826,301
Equipment and software	922,351,270	86,052,071	(13,569,843)	(9,943,531)	984,889,967
Library materials	330,865,119	20,335,423	-	9,943,531	361,144,073
Subtotal	3,867,300,205	132,317,804	(13,728,440)	(69,158,380)	3,916,731,189
Less accumulated depreciation	1,669,732,279	153,021,796	(11,822,835)	-	1,810,931,240
Total net depreciable capital assets	2,197,567,926	(20,703,992)	(1,905,605)	(69,158,380)	2,105,799,949
Total Capital Assets	\$ 2,547,062,390	\$ 202,225,766	\$ (2,764,531)	\$ -	\$ 2,746,523,625

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

MAJOR CHANGES TO LAND FY2004

Additions to Land in 2004:

Chicago:

SOUTH CAMPUS	\$ 2,400,000
1747 W. ROOSEVELT ROAD	6,471,000
	8,871,000

Urbana:

TR1185 MAXWELL FARM	2,225,944
TR1186 BURWASH FARM	1,482,534
	3,708,478

\$ 12,579,478

Disposals of Land in 2004:

Chicago:

I-8 & OPTION PROP	\$ (858,926)
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\$ (858,926)

MAJOR BUILDING CHANGES, INCLUDING TRANSFERS FROM CONSTRUCTION IN PROGRESS FY2004

Additions to Buildings in 2004:

Chicago:

WESTSIDE RESEARCH OFFICE BUILDING	\$ 30,625,000
CHICAGO CIRCLE CENTER	1,548,800
UNIVERSITY OF ILLINOIS AT CHICAGO HOSPITAL	2,128,391
CLINICAL SCIENCES NORTH	569,711
	34,871,902

Urbana-Champaign:

GEORGE HUFF HALL	997,140
BURRILL HALL	875,666
ADMINISTRATIVE INFORMATION TECH BLDG.	1,259,830
VET MED BASIC SCIENCE BUILDING	603,199
CIVIL ENG BLDG. NATHAN NEWMARK	582,759
	4,318,594

Other buildings (all campuses) (Changes less than \$500,000)

2,583,926

Reclassification of CIP amounts at beginning of fiscal year

(15,844,112)

\$ 25,930,310

Disposals of Buildings in 2004:

ORNAMENTAL HORT BUILDING	\$ (158,597)
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\$ (158,597)

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

MAJOR BUILDING CHANGES, INCLUDING TRANSFERS FROM CONSTRUCTION IN PROGRESS FY2004 (CONT'D)

Transfers to/(from) Buildings in 2004:

Chicago:

STUDENT RESIDENCE PHASE II	\$ 39,777,717
RESEARCH OFFICE BUILDING	1,004,465
IMAGING FACILITY	8,787,971
	<u>49,570,153</u>

Urbana-Champaign:

SIEBEL CENTER FOR COMPUTER SCIENCE	63,988,440
ENTERPRISE WORKS @ IL	7,773,634
SUBSONIC AERODYNAMIC LAB	1,296,733
EXPANDED CHILD DEVELOPMENT LABORATORY	4,281,641
	<u>77,340,448</u>

Springfield:

TOWN HOUSES PHASE II	<u>9,629,576</u>
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\$ 136,540,177

Net change to Buildings

\$ 162,311,890

MAJOR CHANGES TO IMPROVEMENTS OTHER THAN BUILDINGS FY2004

Transfers to/(from) Improvements Other Than Buildings in 2004:

Urbana-Champaign:

CAMPUS-WIDE CENTRAL CHILLED WATER SYSTEM TO IN PROCESS (G5)	\$ (56,368,099)
ABBOTT EXPANSION TO IN PROCESS (G5)	(60,664,244)
COP PROJECTS TRANSFER TO IN PROCESS (G5)	(29,326,491)
AIRPORT IMPROVEMENTS TO IN PROCESS (G5)	(3,789,247)
	<u>(150,148,081)</u>

Chicago:

COP SOUTH CAMPUS TRANSFER TO IN PROCESS (G5)	(39,147,187)
ADA-EAST & WEST RENOVATIONS TRANSFER TO IN PROCESS (G5)	(1,229,879)
COP ELECTRICAL DISTRIBUTION- TRANSFER TO IN PROCESS (G5)	(15,173,410)
	<u>(55,550,476)</u>

Net change to Improvements Other Than Buildings

\$ (205,698,557)

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

MAJOR CHANGES TO EQUIPMENT AND SOFTWARE BY DEPARTMENT FY2004

Additions to Equipment and Software in 2004:

Chicago:

GENERAL ADMINISTRATIVE OFFICES	\$ 3,869,587
ENGINEERING	2,011,600
FINE AND APPLIED ARTS	881,303
LIBERAL ARTS & SCIENCES	1,472,509
COLLEGES OF MEDICINE	2,441,923
PHARMACY	2,520,995
UNIVERSITY OF ILLINOIS HOSPITALS	8,475,780
CAMPUS AUXILIARIES	510,393
	<u>22,184,090</u>

Urbana-Champaign:

GENERAL ADMINISTRATIVE OFFICES	25,016,247
VC PUB ENGAGE & INST RELATIONS	2,437,132
AGR., CONSUMER & ENV. SCIENCES	1,375,608
ENGINEERING	7,175,652
LIBERAL ARTS & SCIENCES	11,002,336
VETERINARY MEDICINE	1,219,935
BECKMAN INSTITUTE	1,519,139
OPERATIONS & MAINTENANCE	1,533,106
UNIVERSITY ADMINISTRATION	3,080,653
	<u>54,359,808</u>

Other departments (all campuses)

9,508,173

Total additions to equipment

\$ 86,052,071

Disposals of Equipment and Software in 2004:

Chicago:

CAMPUS AUXILIARY SERVICES	<u>\$ (1,093,722)</u>
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Urbana-Champaign:

GENERAL ADMINISTRATIVE OFFICES	(1,227,402)
ENGINEERING	(2,824,092)
LIBERAL ARTS & SCIENCES	(887,996)
OPERATIONS & MAINTENANCE ADMIN	(1,243,901)
BUSINESS & FINANCIAL SERVICES	(1,536,254)
	<u>(7,719,645)</u>

Other departments (all campuses)

(4,756,476)

\$ (13,569,843)

Transfers to/(from) Equipment and Software in 2004:

Chicago:

LIBRARIES	<u>\$ (9,943,531)</u>
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Net change to Equipment and Software

\$ 62,538,697

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

MAJOR CHANGES TO LIBRARY MATERIALS FY2004

Additions to Library Materials in 2004:

Chicago:

LIBRARIES \$ 7,533,109

Urbana-Champaign:

LIBRARIES 11,956,697

Springfield:

LIBRARY 777,507

Other departments (all campuses)

68,110

\$ 20,335,423

Transfers to/(from) Library Materials in 2004:

Chicago:

LIBRARIES \$ 9,943,531

Net change to Library Materials

\$ 30,278,954

MAJOR CHANGES TO INEXHAUSTIBLE COLLECTIONS FY2004

Additions to Inexhaustible Collections in 2004:

Other departments (all campuses)

\$ 1,275,656

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2004

Additions to Construction in Progress in 2004:

Chicago:

RESEARCH OFFICE BUILDING	\$ 909,219
COM RESEARCH FACILITY	36,032,615
IMAGING FACILITY	846,812
STRUCTURAL BIOLOGY LAB	1,617,663
SOUTH CAMPUS PROJECTS	1,068,029
CLINICAL SCIENCE BLDG	5,004,205
SPH AND PSYCH INST	6,090,806
SCI & ENG LAB EAST REMODEL	576,602
INCUBATOR LAB	1,006,764
CENTER FOR STRUCTURAL BIOLOGY	1,530,646
REMODEL FOR CLINICAL RES	971,006
UPGRD HVAC REMOD ALU	1,663,355
UNIVERSITY HALL	1,539,639
SOUTH CAMPUS	1,004,922
CHEM SCI BLDG	860,731
ADAPTIVE REUSE PHASES	5,845,312
SOUTH CAMPUS PARKING STRUCTURE	15,677,598
STUDENT RESIDENCE PHASE II	1,532,335
REC CENTER EAST	2,131,671
REC CENTER WEST	2,803,207
GENERAL CAMPUS LAND PREP/IMPROVEMENTS	2,864,319
CHICAGO SOFTWARE	2,072,130
CHICAGO FABRICATED EQUIPMENT	4,289,037
OTHER PROJECTS - UNDER \$500,000	3,052,080
	<u>100,990,703</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2004 (CONT'D)

Additions to Construction in Progress in 2004 (cont'd):

Urbana-Champaign:

SIEBEL CENTER FOR COMPUTER SCIENCE (0563)	\$ 14,549,528
NATIONAL CENTER FOR SUPERCOMPUTING APPLICATIONS	7,513,081
POST-GENOMICS INSTITUTE	5,417,246
LIBRARY REMOTE STORAGE WAREHOUSE	4,401,712
SUBSONIC AERODYNAMIC LAB (WAREHOUSE I)	738,150
BEEF SHEEP FACILITY - SERIES 2003 COP	715,764
DIGITAL COMPUTER LAB	661,549
ALUMNI CENTER	982,951
MICROELECTRONICS	582,739
ELECTRICAL DISTRIBUTION DEVELOPMENT	995,242
CAMPUS WIDE CHILLER	(1,890,285)
WILLARD AIRPORT	1,235,143
IMPE ADDITION	7,214,860
MCKINLEY HEALTH CENTER	3,996,044
CAMPUS RECREATION CENTER EAST ADDITION	9,828,040
CAMPUS FLOOD CONTROL	1,112,959
EAST CAMPUS STEAM	765,394
UI INTEGRATE SOFTWARE	7,154,184
SPONSORED PROJECT FABRICATION	1,206,213
NORTH CAMPUS PARKING DECK	13,694,662
OTHER PROJECTS - UNDER \$500,000	3,418,963
	<u>84,294,139</u>

Springfield:

TOWNHOUSES PHASE II	2,809,645
CLASSROOM OFFICE BUILDING	20,980,137
	<u>23,789,782</u>

Total additions to Construction in Progress	<u>\$ 209,074,624</u>
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UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2004

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2004 (CONT'D)

Transfers to/(from) for construction in progress:

Chicago:

RESEARCH OFFICE BUILDING	(1,004,465)
IMAGING FACILITY	(8,787,971)
STUDENT RESIDENCE PHASE II	(39,777,717)
ELECTRICAL DISTRIBUTION SER 2001A COP	3,057,666
CHILLED WATER SERIES 2001B COP	10,077,302
STEAM PLANT EXPANSION SER 2001A COP	2,038,442
SOUTH CAMPUS LAND PREP AND IMPROV	37,239,684
CHILLED WATER PROJECT	1,798,103
EASTSIDE ART SITE PROJECT	109,400
ADA EAST & WEST RENOVATIONS	1,229,879
	<u>5,980,323</u>

Urbana-Champaign:

EXPANDED CHILD DEVELOPMENT LABORATORY	(4,281,641)
SIEBEL CENTER FOR COMPUTER SCIENCE	(63,988,440)
ENTERPRISE WORKS @ IL	(7,773,634)
SUBSONIC AERODYNAMIC LAB	(1,296,733)
CAMPUS WIDE CENTRAL CHILLED WATER SYSTEM	11,073,724
ABOTT EXPANSION SERIES 2001A COP	60,664,244
ELECTRICAL DISTRIBUTION SERIES 2001A COP	7,064,686
CHILLED WATER SERIES 2001B COP	45,294,375
AIRPORT IMPROVEMENTS	3,789,247
BEEF/SHEEP SER 2003 COP	11,084,509
RESEARCH PONDS	2,467,944
CAMPUS FLOOD CONTROL	8,709,352
	<u>72,807,633</u> [1]

Springfield:

TOWNHOUSES PHASE II	<u>(9,629,576)</u>
Total transfers to/(from) construction in progress	<u>\$ 69,158,380</u>

Net change to Construction in Progress \$ 278,233,004

[1] includes transfer of FY03 in-process balances

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>	<u>Increase (decrease)</u>
ALL FUNDS			
Accounts payable	\$ 130,290,820	\$ 128,029,436	\$ 2,261,384
Accrued payroll	96,813,759	116,372,272	(19,558,513)
Accrued interest	14,447,610	14,401,242	46,368
Accrued compensated absences:			
Vacation	90,443,817	92,291,996	(1,848,179)
Sick-leave	<u>81,089,513</u>	<u>100,232,056</u>	<u>(19,142,543)</u>
Total compensated absences	<u>171,533,330</u>	<u>192,524,052</u>	<u>(20,990,722)</u>
Accrued self-insurance	<u>98,038,792</u>	<u>90,960,651</u>	<u>7,078,141</u>
Total accounts payable and accrued liabilities	<u><u>\$ 511,124,311</u></u>	<u><u>\$ 542,287,653</u></u>	<u><u>\$ (31,163,342)</u></u>

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

	Accrued Vacation Pay	Accrued Sick Pay	Total
2004	\$ 90,443,817	\$ 81,089,513	\$ 171,533,330
2003	92,291,996	100,232,056	192,524,052
2002	91,782,138	107,381,345	199,163,483
2001	84,650,349	110,096,329	194,746,678
2000	79,278,265	116,817,407	196,095,672
1999	71,511,180	122,571,606	194,082,786
1998	75,099,842	120,304,964	195,404,806
1997	70,816,730	114,888,021	185,704,751
1996	67,180,368	104,696,890	171,877,258
1995	60,751,462	88,264,050	149,015,512

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
DEFERRED REVENUE AND STUDENT DEPOSITS
JUNE 30, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
Deferred revenue and student deposits		
Deferred General Revenue Fund appropriations	\$ 70,876	\$ 52,266
Deferred tuition	22,607,377	19,619,641
Student deposits	392,651	403,072
Auxiliary enterprises under indenture	5,763,294	5,133,741
Auxiliary enterprises not under indenture	3,369,181	2,345,417
Departmental activities	10,496,582	10,872,919
Storerooms and other services	(1,324,155)	(585,256)
US grants & contracts	11,673,423	13,804,201
Private grants & contracts	53,756,697	43,682,396
State of Ill grants & contracts	16,739,594	11,358,020
Unexpended Plant	6,038,801	6,440
Other	198,427	123,655
	<u> </u>	<u> </u>
Total deferred revenue and student deposits	<u><u>\$ 129,782,748</u></u>	<u><u>\$ 106,816,512</u></u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
YEAR ENDED JUNE 30, 2004

	Balance at July 1, 2003	Bonds Issued	Principal Reductions	Accretion on Bonds	Balance at June 30, 2004
University of Illinois Auxiliary Facilities					
System Revenue Bonds:					
Series 1979 UIS HUD Bonds	\$ 1,020,000	\$ -	\$ 60,000	\$ -	\$ 960,000
Series 1991	102,118,987	-	3,915,000	7,487,288	105,691,275
Series 1993	27,758,632	-	610,000	1,534,160	28,682,792
Series 1996	51,490,000	-	1,710,000	-	49,780,000
Series 1999A	36,223,151	-	1,905,000	778,403	35,096,554
Series 1999B	6,000,000	-	-	-	6,000,000
Series 2000	11,485,000	-	30,000	-	11,455,000
Series 2001A	106,030,000	-	-	-	106,030,000
Series 2001B	129,465,000	-	10,880,000	-	118,585,000
Series 2001C	18,925,000	-	845,000	-	18,080,000
Series 2003A	65,870,000	-	115,000	-	65,755,000
Total Auxiliary Facilities System	<u>556,385,770</u>	<u>-</u>	<u>20,070,000</u>	<u>9,799,851</u>	<u>546,115,621</u>
UIC South Campus Development					
Revenue Bonds:					
Series 1999	49,365,000	-	-	-	49,365,000
Series 2000	23,295,000	-	760,000	-	22,535,000
Series 2003	-	10,000,000	-	-	10,000,000
Total UIC South Campus Development	<u>72,660,000</u>	<u>10,000,000</u>	<u>760,000</u>	<u>-</u>	<u>81,900,000</u>
Willard Airport Revenue Bonds:					
Series 1997	1,390,000	-	205,000	-	1,185,000
University of Illinois Health Services					
Facilities System Revenue Bonds:					
Series 1997A	44,720,000	-	925,000	-	43,795,000
Series 1997B	23,300,000	-	600,000	-	22,700,000
Total Health Services Facilities System	<u>68,020,000</u>	<u>-</u>	<u>1,525,000</u>	<u>-</u>	<u>66,495,000</u>
Total bonds payable	<u>\$ 698,455,770</u>	<u>\$ 10,000,000</u>	<u>\$ 22,560,000</u>	<u>\$ 9,799,851</u>	<u>\$ 695,695,621</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2004 AND 2003

University of Illinois Auxiliary Facilities System

Series 1991 Bonds –

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

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

Series 1993 Bonds –

On June 29, 1993, the Series 1993 Bonds were issued in the principal amount of \$45,926,969. The Series 1993 Bonds consist of current interest bonds (\$31,305,000) and capital appreciation bonds (\$14,621,969). The current interest bonds bear interest at rates ranging from 3.5% to 5.875% per annum, payable semi-annually, commencing October 1, 1993 and mature annually October 1, 1995 through 2005, semi-annually April 1, 2006 through April 1, 2009 and annually October 1, 2009 through 2021. The capital appreciation bonds do not require current interest payments. They mature semi-annually, commencing October 1, 2006 through April 1, 2009, at amounts sufficient to produce yields ranging from 5.7% to 5.95%. The University records the annual increase in the principal amount of the bonds as capital appreciation on bonds payable.

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

Series 1996 Bonds –

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2004 AND 2003

University of Illinois Auxiliary Facilities System (continued)

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

Series 1999A Bonds –

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

Series 1999B Bonds –

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

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

Series 2000 Bonds-

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

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2004 AND 2003

University of Illinois Auxiliary Facilities System (continued)

Series 2001B and Series 2001C

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

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

Series 2001A

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

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

Series 2003A

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

Proceeds from the sale of the Series 2003A Bonds are being used to fund various additions and improvements to the System, pay debt service during construction, and pay all costs incidental to the issuance of the bonds.

Willard Airport

Series 1997 Bonds –

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2004 AND 2003

Willard Airport (continued)

Proceeds from the sale of the Series 1997 Bonds were used (a) to fund the full retirement of the Series 1987 Bonds, and (b) to pay certain expenses relating to the issuance of the Series 1997 Bonds.

University of Illinois Health Services Facilities System

Series 1997A Bonds –

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

Series 1997B Bonds –

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

Proceeds from the sale of the Series 1997A and 1997B Bonds are being used (a) to pay or reimburse the Board for the cost of acquiring, construction and equipping a new ambulatory care facility on the campus of the University of Illinois at Chicago and a medical office building in Rockford, Illinois, as a part of the Health Services Facilities System of the University; (b) to pay a portion of the interest on the Series 1997A and Series 1997B Bonds; and (c) to pay costs incidental to the issuance of the Series 1997A and 1997B Bonds.

University of Illinois UIC South Campus Development Project

Series 1999 –

On January 12, 2000, the Series 1999 Bonds were issued in the principal amount of \$49,365,000. The Series 1999 Bonds are current interest bonds which bear interest at rates ranging from 5.75% to 6.25%, per annum, payable semi-annually, commencing July 15, 2000. The bonds mature annually, commencing January 15, 2013 through January 15, 2022.

Series 2000 –

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

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES

BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2004 AND 2003

University of Illinois UIC South Campus Development Project (continued)

Series 2003 –

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

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

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 amount of bonds which have been defeased as of June 30, 2004 are seen in this table:

Advance Refunded Bonds (in thousands)	
Series	Outstanding at June 30, 2004
1964	\$ 170
1978-M	43,865
1978-N	7,395
1999A	73,460
TOTAL ADVANCE REFUNDED BONDS	<u>\$ 124,890</u>

Accrued Interest

Accrued interest on outstanding bonds payable at June 30, 2004 and June 30, 2003 is as follows:

	<u>2004</u>	<u>2003</u>
University of Illinois Auxiliary		
Facilities System Revenue Bonds	\$5,313,854	\$5,235,215
Willard Airport Revenue Bonds	14,703	17,163
University of Illinois Health Services		
Facilities System Revenue Bonds	652,273	663,321
University of Illinois UIC South		
Campus Development Revenue Bonds	<u>2,319,268</u>	<u>2,148,044</u>
Total accrued interest	<u>\$8,300,098</u>	<u>\$8,063,743</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
LEASEHOLDS PAYABLE AND OTHER OBLIGATIONS
JUNE 30, 2004

Lessor	Balance at July 1, 2003	Increase in Leaseholds and Other Obligations	Principal Payments	Cancellations and Adjustments	Balance at June 30, 2004
Leaseholds payable:					
Certificates of Participation -					
Series 1997 Utility Infrastructure	\$ 32,200,001	\$ -	\$ (3,885,000)	\$ -	\$ 28,315,001
Series 1999 Utility Infrastructure	71,759,998	-	(3,665,000)	(68,094,998)	-
Series 2001 UI Integrate	107,850,000	-	-	-	107,850,000
Series 2001A Utility Infrastructure	74,080,000	-	-	(74,080,000)	-
Series 2001B Utility Infrastructure	56,900,000	-	-	(56,900,000)	-
Series 2003 South Farm Projects	25,200,000	-	-	-	25,200,000
Series 2003 UI Integrate	-	31,700,000	-	-	31,700,000
Series 2003 Utility Infrastructure	-	69,050,000	-	-	69,050,000
Series 2004 Utility Infrastructure	-	143,665,000	-	-	143,665,000
Allied Capital Inc.	1,985	-	-	-	1,985
G E Capital	1,622,608	-	(515,198)	(61,951)	1,045,459
Canon	113,746	-	(33,325)	(16,579)	63,842
Diagnostic Products	46,857	-	(14,897)	-	31,960
Ethicon-Johnson & Johnson	22,857	-	(835)	(8,312)	13,710
Illinois Medical District Commission	-	37,096,000	(465,700)	-	36,630,300
Key Municipal Finance	-	10,756,446	(513,745)	-	10,242,701
Koch Financial Corp.	1,784,350	942,296	(1,307,175)	6,868	1,426,339
PE Biosystems	47,299	-	-	(47,299)	-
State University Retirement System	1,210,000	-	-	(1,210,000)	-
Suntrust Leasing Corporation	-	1,489,027	-	-	1,489,027
University of Illinois Foundation	84,860	-	-	-	84,860
Xerox Corporation	508,600	-	(142,449)	24,500	390,651
Other	109,144	-	(26,831)	(2,222)	80,091
Total leaseholds payable	373,542,305	294,698,769	(10,570,155)	(200,389,993)	457,280,926
Other obligations:					
Natural Gas Contract	9,480,000	-	(3,160,000)	-	6,320,000
Environmental Remediation Liabilities	6,781,000	-	-	(380,500)	6,400,500
Total other obligations	16,261,000	-	(3,160,000)	(380,500)	12,720,500
Total leaseholds payable and other obligations	\$ 389,803,305	\$ 294,698,769	\$ (13,730,155)	\$ (200,770,493)	\$ 470,001,426

On January 6, 2004 and March 5, 2004, the University issued Certificates of Participation Utility Infrastructure Series 2003 and 2004 in the amount of \$69,050,000 and \$143,665,000, respectively. The Series 2003 Certificates were issued to fund the cost of advance refunding all of the outstanding Series 1999 Certificates and to fund the costs of issuing the Certificates. The Series 2004 Certificates were issued to fund the cost of the advance refunding of all outstanding Series 2001A and 2001B Certificates and to fund the costs of issuing the Certificates. The refundings resulted in combined savings of \$7,600,000 over the life of the issue at a present value of approximately \$6,154,000.

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION

ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2004

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, 2004, are compared and analyzed by accounting entity, as defined by the University.

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

The individual entities are described as follows:

I. **Auxiliary Enterprises Under Indenture**

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

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

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION

ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2004

- II. Auxiliary Enterprises Not Under Indenture
- A. Student/Staff Programs and Services - Administration and operation of programs and services for students, faculty and staff, including counseling, testing, student government activities and the Beckwith Living Center.
- III. Storerooms and Service Departments
- A. Communication and Computing Services - Activities that provide University-wide services, primarily to University departments, for data processing, telecommunications and computing services.
- B. Plant and Service Operations - Activities for distribution of costs associated with services rendered to internal operations on a University-wide basis including storeroom operations, physical plant, mail service, advance insurance billings to units, printing, duplication and activities used for collection and redistribution of costs.
- IV. Departmental Activities
- A. Instructional Course Activities - Credit bearing instructional activities provided primarily as a public service for private businesses, community organizations and governmental units.
- B. Professional Development Activities - Non-credit bearing instructional activities including conferences, workshops, seminars and continuing education courses provided primarily as a public service.
- C. Unique Instructional Programs - Unique student and staff programs such as flight training, field trips, summer and abroad programs and other activities of a similar nature.
- D. Agricultural Operations - Agricultural activities in direct support of the instructional, research and public service functions of the University administered by the College of Agricultural, Consumer and Environmental Sciences.
- E. Commercial Operations Not Under Indenture - Facilities and costs of services with a significant emphasis on users outside the University community, including services of the steam plant operations and the technical research park.
- F. Commercial Operations Under Indenture - Operation of the University of Illinois Willard Airport Facility at Urbana and the South Campus Development Project at Chicago with a significant emphasis on users outside the University community.

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION

ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2004

IV. Departmental Activities (continued)

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

Auxiliary enterprises receive revenues from the following sources:

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

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

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION

ENTITY DESCRIPTIONS,
AUXILIARY FACILITIES SYSTEM BONDS, AND
SPECIAL BONDS
YEAR ENDED JUNE 30, 2004

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

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

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
AUXILIARY ENTERPRISES UNDER INDENTURE
YEAR ENDED JUNE 30, 2004

Assets

Current assets:

Cash and cash equivalents	\$ 74,461,227
Investments	40,187,031
Investments, restricted	58,012,853
Accrued investment income	1,292,202
Receivables, net of allowance	7,012,035
Inventories	7,589,589
Prepaid expenses and deferred charges	<u>792,345</u>
 Total current assets	 <u>189,347,282</u>

Noncurrent assets:

Investments, restricted	22,797,824
Capital assets, net of accumulated depreciation	477,026,301
Prepaid expenses and deferred charges	<u>3,596,764</u>
 Total noncurrent assets	 <u>503,420,889</u>

Total assets

\$ 692,768,171

Liabilities:

Current liabilities:

Accounts payable and accrued liabilities	\$ 30,169,508
Deferred revenue and refundable deposits	5,763,294
Long term liabilities, current portion	<u>22,113,023</u>
 Total current liabilities	 <u>58,045,825</u>

Noncurrent liabilities:

Accrued compensated absences	5,988,754
Notes payable to the University	2,665,705
Bonds Payable	<u>526,058,197</u>
 Total noncurrent liabilities	 <u>534,712,656</u>

Total liabilities

592,758,481

Net assets:

Invested in capital assets, net of related debt	4,431,257
Restricted -	
Expendable for debt service	22,114,902
Unrestricted	<u>73,463,531</u>

Total Net Assets

100,009,690

Total liabilities and net assets

\$ 692,768,171

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
AUXILIARY ENTERPRISES UNDER INDENTURE
YEAR ENDED JUNE 30, 2004

Operating revenues:	
Room and board, net	\$ 80,577,086
Merchandise and food sales	28,520,802
Student service fees	53,870,647
Public events and recreation fees	8,275,554
Parking	16,239,157
Rental and lease income	7,200,793
Vending income	1,100,239
Other sources	12,700,187
	<hr/>
Total operating revenues	208,484,465
Operating expenses:	
Salaries and wages	59,686,986
Merchandise and food for resale	28,251,021
Repairs and maintenance	17,392,463
Professional and other contractual services	22,297,447
Utilities	15,402,653
Supplies	9,571,822
Equipment rental	730,925
Administrative services	8,937,720
Other operating expense	5,139,215
Depreciation and amortization	11,622,717
Payments on behalf of the Facility	42,193,816
	<hr/>
Total operating expenses	221,226,785
	<hr/>
Operating loss	(12,742,320)
Nonoperating revenues (expenses):	
Payments on behalf of the Facility	42,193,816
Investment income (net of related expenses)	4,518,774
Interest on capital asset related debt	(32,120,480)
Amortization of issuance costs	(169,519)
Loss on disposal of capital assets	(621,049)
Other nonoperating revenues	1,341,617
Other nonoperating expenses	(1,138,375)
	<hr/>
Net nonoperating revenues	14,004,784
	<hr/>
Increase in net assets	1,262,464
	<hr/>
Net assets, beginning of year	98,747,226
	<hr/>
Net assets, end of year	\$ 100,009,690
	<hr/> <hr/>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
AUXILIARY ENTERPRISES NOT UNDER INDENTURE
STUDENT/STAFF PROGRAMS AND SERVICES
JUNE 30, 2004

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,365,545	\$ 4,469,107	\$ 307,866
Accounts receivable and accrued investment income	1,476,170	1,570,935	45,130
Inventories	254,325	290,212	197
Prepaid expenses and deferred charges	20,753	220,115	911
Total current assets	7,116,793	6,550,369	354,104
Noncurrent assets:			
Capital assets net of accumulated depreciation	1,606,937	1,021,974	120,693
Total assets	\$ 8,723,730	\$ 7,572,343	\$ 474,797
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,733,566	\$ 781,672	\$ 51,866
Deferred revenue	1,574,110	1,733,403	61,667
Long term liabilities, current portion	54,538	55,230	2,043
Total current liabilities	3,362,214	2,570,305	115,576
Noncurrent liabilities:			
Accrued compensated absences	551,445	558,439	20,662
Total liabilities	3,913,659	3,128,744	136,238
Net assets			
Invested in capital assets, net of related debt	1,606,937	598,206	120,693
Restricted	223,698		
Unrestricted	2,979,436	3,845,393	217,866
Total net assets	4,810,071	4,443,599	338,559
Total liabilities and net assets	\$ 8,723,730	\$ 7,572,343	\$ 474,797

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, 2004

	Urbana	Chicago	Springfield
Operating revenues:			
Room and board	\$ 217,349	\$	\$
Merchandise and food sales	128,109		7,985
Student service fees	16,141,821	14,295,823	675,396
Public events and recreation fees	424,060	6,195	14,025
Parking	2,594	72,663	
Rental and lease income	777,475	2,925	1,105
Vending income	381	3,462	
Insurance Premiums		8,515,034	357,880
Other sources	6,815,399	6,176,573	226,296
	<u>24,507,188</u>	<u>29,072,675</u>	<u>1,282,687</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	6,028,310	3,856,029	507,644
Merchandise and food for resale	255,504	4,291,824	(197)
Repairs and maintenance	27,863	22,750	13,020
Professional and other contractual services	16,858,441	13,809,854	632,082
Utilities	18,719	7	
Supplies	1,244,185	1,668,963	152,574
Equipment rental	788,120	93,683	37,378
Administrative services	91,239	379,721	237
Other operating expense	1,009,951	4,316,973	145,609
Payments on behalf of the entity	3,898,387	3,383,505	73,554
Depreciation and amortization	167,740	280,047	24,346
	<u>30,388,459</u>	<u>32,103,356</u>	<u>1,586,247</u>
Total operating expenses			
Operating income (loss)	<u>(5,881,271)</u>	<u>(3,030,681)</u>	<u>(303,560)</u>
Nonoperating revenues (expenses):			
Payments on behalf of the entity	3,898,387	3,383,505	73,554
Investment income (net of related expenses)	123,422	166,931	27,011
Interest on capital asset related debt		(30,922)	
	<u>4,021,809</u>	<u>3,519,514</u>	<u>100,565</u>
Net nonoperating revenues			
Increase (decrease) in net assets	(1,859,462)	488,833	(202,995)
Net assets, beginning of year	<u>6,669,533</u>	<u>3,954,766</u>	<u>541,554</u>
Net assets, end of year	<u>\$ 4,810,071</u>	<u>\$ 4,443,599</u>	<u>\$ 338,559</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES
JUNE 30, 2004

	<u>All Campuses</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 27,008,650
Accounts receivable and accrued investment income	321,844
Inventories	668,525
Prepaid expenses and deferred charges	2,841,461
Total current assets	30,840,480
Noncurrent assets:	
Prepaid expenses	1,069,946
Capital assets, net of accumulated depreciation	135,371,622
Total noncurrent assets	136,441,568
Total assets	\$ 167,282,048
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 4,944,145
Long term liabilities, current portion	11,517,292
Total current liabilities	16,461,437
Noncurrent liabilities:	
Certificates of Participation	135,911,029
Accrued compensated absences	1,149,317
Total noncurrent liabilities	137,060,346
Total liabilities	153,521,783
 Net assets	
Invested in capital assets, net of related debt	(10,867,928)
Restricted	11,362,195
Unrestricted	13,265,998
Total net assets	13,760,265
Total liabilities and net assets	\$ 167,282,048

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES
YEAR ENDED JUNE 30, 2004

	All Campuses
Operating revenues:	
Merchandise and food sales	\$ 883,889
Rental and lease income	172,974
Vending income	820
Other services performed and goods provided	58,018,900
Total operating revenues	59,076,583
Operating expenses:	
Salaries and wages	21,153,981
Merchandise and food for resale	3,988,538
Repairs and maintenance	1,505,621
Professional and other contractual services	11,499,273
Utilities	14,468,896
Supplies	2,564,217
Equipment rental	438,245
Administrative services	30,000
Other operating expense	499,533
Payments on behalf of the entity	16,746,338
Depreciation and amortization	12,213,121
Total operating expenses	85,107,763
Operating loss	(26,031,180)
Nonoperating revenues (expenses):	
Payments on behalf of the entity	16,746,338
Investment income (net of related expenses)	346,205
Interest on capital asset related indebtedness	(6,415,483)
Loss on disposal of capital assets	(620,145)
Other nonoperating revenues	602,588
Net nonoperating expenses	10,659,503
Decrease in net assets	(15,371,677)
Net assets, beginning of year	29,131,942
Net assets, end of year	\$ 13,760,265

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICE OPERATIONS
JUNE 30, 2004

	<u>All Campuses</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 17,835,887
Investments	2,953,113
Accounts receivable and accrued investment income	7,304,486
Inventories	8,010,602
Prepaid expenses and deferred charges	3,290,694
Total current assets	39,394,782
Noncurrent assets:	
Capital assets, net of accumulated depreciation	266,850,180
Total assets	\$ 306,244,962
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 24,920,004
Long term liabilities, current portion	15,471,682
Total current liabilities	40,391,686
Noncurrent liabilities:	
Leaseholds payable and other obligations	222,176,502
Accrued compensated absences	17,435,152
Total noncurrent liabilities	239,611,654
Total liabilities	280,003,340
 Net assets	
Invested in capital assets, net of related debt	37,494,561
Restricted	1,165,608
Unrestricted	(12,418,547)
Total net assets	26,241,622
Total liabilities and net assets	\$ 306,244,962

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICE OPERATIONS
YEAR ENDED JUNE 30, 2004

	All Campuses
Operating revenues:	
Merchandise and food sales	\$ 34,229,273
Student service fees	10,152
Rental and lease income	360,557
Other services performed and goods provided	409,658,400
	444,258,382
Total operating revenues	
Operating expenses:	
Salaries and wages	151,028,182
Merchandise and food for resale	84,108,756
Repairs and maintenance	21,711,595
Professional and other contractual services	56,983,481
Utilities	84,054,788
Supplies	18,196,151
Equipment rental	3,053,828
Administrative services	156,867
Other operating expense	4,566,527
Payments on behalf of the entity	105,164,436
Depreciation and amortization	9,426,753
	538,451,364
Total operating expenses	
Operating income	(94,192,982)
Nonoperating revenues (expenses):	
Payments on behalf of the entity	105,164,436
Investment income (net of related expenses)	51,100
Interest on capital asset related indebtedness	(9,886,125)
Other nonoperating revenues	2,771,807
Other nonoperating expenses	(2,298,441)
	95,802,777
Net nonoperating revenues	
Increase in net assets	1,609,795
Net assets, beginning of year	24,631,827
Net assets, end of year	\$ 26,241,622

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITY
JUNE 30, 2004

	<u>Urbana</u>	<u>Chicago</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,339,142	\$ 579,670
Accounts receivable and accrued investment income	337,413	75,283
	<u>2,676,555</u>	<u>654,953</u>
Total current assets		
Noncurrent assets:		
Capital assets, net of accumulated depreciation	2,708,956	31,480
	<u>2,708,956</u>	<u>31,480</u>
Total assets	<u>\$ 5,385,511</u>	<u>\$ 686,433</u>
 Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 183,009	\$ 81,817
Deferred revenue	570,791	289,592
Long term liabilities, current portion	1,716	2,428
	<u>755,516</u>	<u>373,837</u>
Total current liabilities		
Noncurrent liabilities:		
Accrued compensated absences	17,357	24,552
	<u>17,357</u>	<u>24,552</u>
Total liabilities	<u>772,873</u>	<u>398,389</u>
 Net assets		
Invested in capital assets, net of related debt	2,708,956	31,480
Unrestricted	1,903,682	256,564
	<u>4,612,638</u>	<u>288,044</u>
Total net assets	<u>4,612,638</u>	<u>288,044</u>
Total liabilities and net assets	<u>\$ 5,385,511</u>	<u>\$ 686,433</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITY
YEAR ENDED JUNE 30, 2004

	<u>Urbana</u>	<u>Chicago</u>
Operating revenues:		
Tuition and Fee income	\$ 1,782,980	\$
Merchandise and food sales	42,247	
Student service fees	272,117	
Public events and recreation fees	67,395	
Other sources	<u>2,087,399</u>	<u>2,123,951</u>
Total operating revenues	<u>4,252,138</u>	<u>2,123,951</u>
Operating expenses:		
Salaries and wages	1,008,421	1,016,635
Merchandise and food for resale		
Repairs and maintenance	3,264	991
Professional and other contractual services	1,184,408	974,554
Utilities		3,496
Supplies	202,012	283,317
Equipment rental	64,278	10,295
Administrative services	243,390	
Other operating expense	1,594,060	35,391
Depreciation and amortization	<u>89,741</u>	<u>4,860</u>
Total operating expenses	<u>4,389,574</u>	<u>2,329,539</u>
Operating loss	<u>(137,436)</u>	<u>(205,588)</u>
Nonoperating revenues:		
Investment income (net of related expenses)	<u>61,695</u>	<u>15,104</u>
Decrease in net assets	(75,741)	(190,484)
Net assets, beginning of year	<u>4,688,379</u>	<u>478,528</u>
Net assets, end of year	<u>\$ 4,612,638</u>	<u>\$ 288,044</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES
JUNE 30, 2004

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,270,272	\$ 3,665,274	\$ 8,074
Accounts receivable and accrued investment income	296,779	228,024	16,457
Inventories	15,064	42,330	
Prepaid expenses and deferred charges		7,266	
Total current assets	<u>2,582,115</u>	<u>3,942,894</u>	<u>24,531</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	116,371	435,471	27,936
Total assets	<u>\$ 2,698,486</u>	<u>\$ 4,378,365</u>	<u>\$ 52,467</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 363,203	\$ 436,508	\$ 4,270
Deferred revenue	470,122	2,348,843	
Long term liabilities, current portion	31,250	24,531	127
Total current liabilities	<u>864,575</u>	<u>2,809,882</u>	<u>4,397</u>
Noncurrent liabilities:			
Accrued compensated absences	315,972	248,032	1,279
Total liabilities	<u>1,180,547</u>	<u>3,057,914</u>	<u>5,676</u>
Net assets			
Invested in capital assets, net of related debt	116,371	435,471	27,936
Unrestricted	1,401,568	884,980	18,855
Total net assets	<u>1,517,939</u>	<u>1,320,451</u>	<u>46,791</u>
Total liabilities and net assets	<u>\$ 2,698,486</u>	<u>\$ 4,378,365</u>	<u>\$ 52,467</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES
YEAR ENDED JUNE 30, 2004

	Urbana	Chicago	Springfield
Operating revenues:			
Tuition and fee income	\$ 9,427	\$ 249,995	\$
Room and board	76		
Merchandise and food sales	26,314	24,980	350
Student service fees	821	35	
Public events and recreation fees	42,563	(2,444)	
Parking	344		
Rental and lease income	25,265	51,656	155,522
Insurance premiums		9,943	
Hospital/Medical services income	3,059	870,838	
Other sources	10,341,979	9,194,378	94,986
Total operating revenues	10,449,848	10,399,381	250,858
Operating expenses:			
Salaries and wages	4,629,630	4,833,630	89,361
Merchandise and food for resale	(544)	1,300	
Repairs and maintenance	72,944	53,395	
Professional and other contractual services	3,318,197	2,313,744	191,148
Utilities	47,909	3,102	
Supplies	872,676	1,456,498	9,535
Equipment rental	488,394	334,403	351
Administrative services	374,087		
Other operating expense	664,312	1,314,943	1,935
Depreciation and amortization	36,636	108,094	4,746
Total operating expenses	10,504,241	10,419,109	297,076
Operating loss	(54,393)	(19,728)	(46,218)
Nonoperating revenues:			
Investment income (net of related expenses)	38,897	13,680	821
Decrease in net assets	(15,496)	(6,048)	(45,397)
Net assets, beginning of year	1,533,435	1,326,499	92,188
Net assets, end of year	\$ 1,517,939	\$ 1,320,451	\$ 46,791

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS
JUNE 30, 2004

	<u>Urbana</u>	<u>Chicago</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,105,794	\$ 83,141
Accounts receivable and accrued investment income	955,696	33,686
	<u> </u>	<u> </u>
Total assets	\$ 3,061,490	\$ 116,827
	<u> </u>	<u> </u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 583,958	\$ 100,672
Deferred revenue	1,615,242	
Long term liabilities, current portion	5,646	1,454
	<u> </u>	<u> </u>
Total current liabilities	2,204,846	102,126
	<u> </u>	<u> </u>
Noncurrent liabilities:		
Accrued compensated absences	87,421	14,703
	<u> </u>	<u> </u>
Total liabilities	2,292,267	116,829
	<u> </u>	<u> </u>
Net assets		
Unrestricted	769,223	(2)
	<u> </u>	<u> </u>
Total liabilities and net assets	\$ 3,061,490	\$ 116,827
	<u> </u>	<u> </u>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS
YEAR ENDED JUNE 30, 2004

	Urbana	Chicago
Operating revenues:		
Tuition and fee income	\$	\$ 11,748
Room and board	2,049,613	(500)
Merchandise and food sales	23,913	
Student service fees		169,700
Rental and lease income	10,516	
Other sources	5,714,937	305,336
Total operating revenues	7,798,979	486,284
Operating expenses:		
Salaries and wages	1,448,515	194,550
Merchandise and food for resale	10	
Repairs and maintenance	553,795	286
Professional and other contractual services	4,281,704	181,457
Utilities	693	
Supplies	747,970	22,517
Equipment rental	36,111	4,787
Other operating expense	481,708	112,904
Total operating expenses	7,550,506	516,501
Operating income (loss)	248,473	(30,217)
Nonoperating revenues (expenses):		
Investment income (net of related expenses)	34,040	(39)
Increase (decrease) in net assets	282,513	(30,256)
Net assets, beginning of year	486,710	30,254
Net assets, end of year	\$ 769,223	\$ (2)

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS
JUNE 30, 2004

	Urbana
Assets	
Current assets:	
Cash and cash equivalents	\$ 3,040,105
Accounts receivable and accrued investment income	91,735
Inventories	481,590
Total current assets	3,613,430
Noncurrent assets:	
Capital assets, net of accumulated depreciation	6,837,255
Total assets	\$ 10,450,685
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 384,003
Deferred revenue	350,101
Long term liabilities, current portion	13,106
Total current liabilities	747,210
Noncurrent liabilities:	
Accrued compensated absences	132,520
Total liabilities	879,730
 Net assets	
Invested in capital assets, net of related debt	6,837,255
Restricted	469,144
Unrestricted	2,264,556
Total net assets	9,570,955
Total liabilities and net assets	\$ 10,450,685

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS
YEAR ENDED JUNE 30, 2004

	Urbana
Operating revenues:	
Room and board	\$ 2,805
Merchandise and food sales	208,405
Student service fees	14,638
Public events and recreation fees	1,250
Parking	14,183
Rental and lease income	150,031
Farm Sales	4,068,175
Other sources	5,417,595
	9,877,082
Operating expenses:	
Salaries and wages	2,238,393
Merchandise and food for resale	237,074
Repairs and maintenance	209,905
Professional and other contractual services	1,919,645
Utilities	61,508
Supplies	3,433,477
Equipment rental	280,920
Administrative services	37,200
Other operating expense	462,743
Depreciation and amortization	494,819
	9,375,684
Operating income	501,398
Nonoperating revenues:	
Investment income (net of related expenses)	22,379
	22,379
Increase in net assets	523,777
Net assets, beginning of year	9,047,178
Net assets, end of year	\$ 9,570,955

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE
JUNE 30, 2004

	Chicago
Assets	
Current assets:	
Cash and cash equivalents	\$ 43,308
Accounts receivable and accrued investment income	824,735
Total current assets	868,043
Noncurrent assets:	
Capital assets, net of accumulated depreciation	8,305,658
Total assets	\$ 9,173,701
Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 28,140
Long term liabilities, current portion	526,902
Total current liabilities	555,042
Noncurrent liabilities:	
Internal payable	2,506,888
Accrued compensated absences	15,153
Total liabilities	3,077,083
Net assets	
Invested in capital assets, net of related debt	8,305,658
Unrestricted	(2,209,040)
Total net assets	6,096,618
Total liabilities and net assets	\$ 9,173,701

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE
YEAR ENDED JUNE 30, 2004

	Chicago
Operating revenues:	
Rental and lease income	\$ 147,666
Other sources	5,558,862
Total operating revenues	5,706,528
Operating expenses:	
Salaries and wages	96,046
Repairs and maintenance	159,233
Professional and other contractual services	277,409
Utilities	4,600,714
Supplies	280
Equipment rental	(61,865)
Administrative services	144,642
Other operating expense	101,193
Depreciation and amortization	355,484
Total operating expenses	5,673,136
Operating income	33,392
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	9,503
Interest on capital asset related debt	(168,102)
Net nonoperating expenses	(158,599)
Decrease in net assets	(125,207)
Net assets, beginning of year	6,221,825
Net assets, end of year	\$ 6,096,618

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE
JUNE 30, 2004

	Urbana
Assets:	
Current assets	
Cash and cash equivalents	\$ 972,063
Cash and cash equivalents, restricted	174,435
Investments	743,100
Investments, restricted	41,717
Accrued investment income	2,327
Accounts receivable	50,170
Prepaid expenses	4,522
	1,988,334
Total current assets	
Noncurrent assets	
Investments, restricted	270,000
Land	3,073,119
Buildings, net of accumulated depreciation	9,700,746
Improvements, net of accumulated depreciation	17,754,655
Equipment, net of accumulated depreciation	676,048
Prepaid expenses	18,087
	31,492,655
Total noncurrent assets	
	\$ 33,480,989
Liabilities:	
Current liabilities	
Accounts payable	\$ 12,791
Accrued liabilities	124,393
Accrued interest	14,703
Deferred revenue	746,963
Long term liabilities - current portion	219,969
	1,118,819
Total current liabilities	
Noncurrent liabilities	
Bonds payable	967,652
	2,086,471
Total liabilities	
Net assets:	
Invested in capital assets, net of related debt	30,039,557
Restricted -	
Expendable for capital projects	216,152
Expendable for debt service	270,201
Unrestricted	868,608
	31,394,518
Total net assets	
	\$ 33,480,989

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE
YEAR ENDED JUNE 30, 2004

	Urbana
Operating revenues:	
Rental and lease income	\$ 1,339,942
Parking operations	469,731
Farm sales	150,000
Other operating revenue	181,994
Total operating revenues	2,141,667
Operating expenses:	
Salaries and wages	1,495,715
Professional and other contractual services	71,275
Utilities	242,467
Supplies	181,041
Other operating expense	555,866
Depreciation	1,566,429
Payments on behalf of the Facility	305,361
Total operating expenses	4,418,154
Operating loss	(2,276,487)
Nonoperating revenues (expenses):	
State appropriations	438,707
Payments on behalf of the Facility	305,361
Investment income (net of related expenses)	26,656
Interest on capital asset-related debt	(66,887)
Net increase in the fair value of investments	29,855
Other nonoperating expenses	(5,109)
Net nonoperating revenues	728,583
Capital federal grants	1,284,954
Decrease in net assets	(262,950)
Net assets, beginning of year	31,657,468
Net assets, end of year	\$ 31,394,518

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS
JUNE 30, 2004

	Chicago
Assets	
Current assets:	
Cash and cash equivalents	\$ 23,915,417
Accounts receivable and accrued investment income	71,157,491
Inventories	4,771,182
Prepaid expenses and deferred charges	9,244,952
Total current assets	109,089,042
Noncurrent assets:	
Restricted cash and investments	1,246,820
Prepaid expenses	698,419
Capital assets, net of accumulated depreciation	176,424,080
Total noncurrent assets	178,369,319
Total assets	\$ 287,458,361
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 36,669,931
Long term liabilities, current portion	6,049,899
Total current liabilities	42,719,830
Noncurrent liabilities:	
Long term debt, net of current portion	79,354,735
Accrued compensated absences, net of current portion	19,704,613
Total noncurrent liabilities	99,059,348
Total liabilities	141,779,178
 Net assets	
Invested in capital assets, net of related debt	99,645,226
Restricted	1,246,820
Unrestricted	44,787,137
Total net assets	145,679,183
Total liabilities and net assets	\$ 287,458,361

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS
YEAR ENDED JUNE 30, 2004

	Chicago
Operating revenues:	
Net patient service revenues	\$ 326,502,545
Payments on behalf of the System - hospital and other medical activities	180,343,869
Fee for services - state appropriation	47,868,867
Other revenues	10,088,211
Total operating revenues	564,803,492
Operating expenses:	
Salaries and wages	191,600,422
Fringe benefits	173,739,515
Supplies and general expenses	145,859,946
Provision for bad debts	25,362,374
Administrative services	11,750,824
Depreciation and amortization	14,047,990
Total operating expenses	562,361,071
Operating income	2,442,421
Nonoperating revenue	
Payments on behalf of the System - supplies and annual expenses	5,021,020
Income before other nonoperating revenues	7,463,441
Other nonoperating revenue (expenses)	
Interest payments on capital debt	(3,145,537)
Investment income	320,341
Loss on disposal of plant assets	(375,616)
Net other nonoperating expenses	(3,200,812)
Increase in net assets	4,262,629
Net assets, beginning of the year	141,416,554
Net assets, end of the year	\$ 145,679,183

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
PUBLIC SERVICE AND ACADEMIC SUPPORT ACTIVITIES
JUNE 30, 2004

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 13,828,643	\$ (3,467,579)	\$ 115,618
Accounts receivable and accrued investment income	1,127,430	6,532,491	7,557
Inventories	993,239	1,135,156	5,000
Prepaid expenses and deferred charges		5,340	
Total current assets	<u>15,949,312</u>	<u>4,205,408</u>	<u>128,175</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>13,222,969</u>	<u>27,946,014</u>	<u>3,077</u>
Total assets	<u>\$ 29,172,281</u>	<u>\$ 32,151,422</u>	<u>\$ 131,252</u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,107,043	\$ 2,170,429	\$ 20,965
Deferred revenue	689,766	136,815	72,119
Long term liabilities, current portion	<u>62,958</u>	<u>123,279</u>	<u>1,917</u>
Total current liabilities	<u>1,859,767</u>	<u>2,430,523</u>	<u>95,001</u>
Noncurrent liabilities:			
Internal payable		27,647	
Accrued compensated absences	<u>636,576</u>	<u>1,246,483</u>	<u>19,387</u>
Total liabilities	<u>2,496,343</u>	<u>3,704,653</u>	<u>114,388</u>
Net assets			
Invested in capital assets, net of related debt	13,222,969	27,842,999	3,077
Restricted	894,187		
Unrestricted	<u>12,558,782</u>	<u>603,770</u>	<u>13,787</u>
Total net assets	<u>26,675,938</u>	<u>28,446,769</u>	<u>16,864</u>
Total liabilities and net assets	<u>\$ 29,172,281</u>	<u>\$ 32,151,422</u>	<u>\$ 131,252</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
PUBLIC SERVICE AND ACADEMIC SUPPORT ACTIVITIES
YEAR ENDED JUNE 30, 2004

	Urbana	Chicago	Springfield
Operating revenues:			
Tuition and fee income	\$	\$ 56,088	\$
Room and board	499,934		
Merchandise and food sales	2,581,380	63,886	88,750
Student service fees	149,071	385,391	
Hospital and medical services income	12,360,512	30,463,613	
Farm Sales	86,376		
Public events and recreation fees	27,630	54,139	545
Parking	6	69,149	
Rental and lease income	941,307	7,375	4,699
Other sources	20,786,602	19,219,033	403,777
Total operating revenues	<u>37,432,818</u>	<u>50,318,674</u>	<u>497,771</u>
Operating expenses:			
Salaries and wages	15,286,616	27,833,917	181,947
Merchandise and food for resale	1,077,957	12,472,821	(5,000)
Repairs and maintenance	466,703	299,927	2,460
Professional and other contractual services	8,203,703	6,571,946	161,328
Utilities	114,040	115,130	
Supplies	6,871,040	3,236,607	110,369
Equipment rental	1,233,437	771,291	10,728
Administrative services	62,688	6,547	
Other operating expense	1,203,185	3,873,466	26,588
Depreciation and amortization	1,990,871	1,210,534	879
Total operating expenses	<u>36,510,240</u>	<u>56,392,186</u>	<u>489,299</u>
Operating income (loss)	<u>922,578</u>	<u>(6,073,512)</u>	<u>8,472</u>
Nonoperating revenues:			
Investment income (net of related expenses)	158,327	81	1,976
Increase (decrease) in net assets	1,080,905	(6,073,431)	10,448
Net assets, beginning of year	<u>25,595,033</u>	<u>34,520,200</u>	<u>6,416</u>
Net assets, end of year	<u>\$ 26,675,938</u>	<u>\$ 28,446,769</u>	<u>\$ 16,864</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS
JUNE 30, 2004

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,648,278	\$ (82,703)	\$ (121,735)
Accounts receivable and accrued investment income	63,573	252	25,555
Inventories	95,959	200	5,308
Prepaid expenses and deferred charges	388		1,209
Total current assets	<u>2,808,198</u>	<u>(82,251)</u>	<u>(89,663)</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	514,738	50,146	13,696
Total assets	<u><u>\$ 3,322,936</u></u>	<u><u>\$ (32,105)</u></u>	<u><u>\$ (75,967)</u></u>
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,772,849	\$ 131,590	\$ 23,890
Deferred revenue	3,913,662		39,529
Long term liabilities, current portion	98,122	13,955	1,807
Total current liabilities	<u>5,784,633</u>	<u>145,545</u>	<u>65,226</u>
Noncurrent liabilities:			
Accrued compensated absences	992,125	141,103	18,275
Total liabilities	<u>6,776,758</u>	<u>286,648</u>	<u>83,501</u>
Net assets			
Invested in capital assets, net of related debt	(470,592)	50,146	13,696
Restricted	83,552		
Unrestricted	(3,066,782)	(368,899)	(173,164)
Total net assets	<u>(3,453,822)</u>	<u>(318,753)</u>	<u>(159,468)</u>
Total liabilities and net assets	<u><u>\$ 3,322,936</u></u>	<u><u>\$ (32,105)</u></u>	<u><u>\$ (75,967)</u></u>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS
YEAR ENDED JUNE 30, 2004

	Urbana	Chicago	Springfield
Operating revenues:			
Merchandise and food sales	\$ 1,404,647	\$ 425	\$ 4,419
Student service fees	700	4,792,384	584,405
Public events and recreation fees	28,078,223	992,616	40,697
Parking	8,625		
Rental and lease income	1,025		
Vending income	3,637	185,000	
Other sources	3,659,995	563,130	27,266
Total operating revenues	33,156,852	6,533,555	656,787
Operating expenses:			
Salaries and wages	13,335,248	2,510,458	259,845
Merchandise and food for resale	418,020		474
Repairs and maintenance	227,587	17,971	2,191
Professional and other contractual services	7,330,527	1,183,440	140,387
Utilities	332,948		
Supplies	2,340,819	654,917	130,966
Equipment rental	2,957,888	296,311	86,721
Administrative services	423,908	205,227	
Other operating expense	4,109,198	1,972,266	98,016
Depreciation and amortization	22,614	9,762	2,726
Total operating expenses	31,498,757	6,850,352	721,326
Operating income (loss)	1,658,095	(316,797)	(64,539)
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	18,044	5,250	
Gifts	200,000		
Interest on capital asset related debt	(26,695)		
Other nonoperating expenses	(69)		
Net nonoperating revenues	191,280	5,250	-
Increase (decrease) in net assets	1,849,375	(311,547)	(64,539)
Net assets, beginning of year	(5,303,197)	(7,206)	(94,929)
Net assets, end of year	\$ (3,453,822)	\$ (318,753)	\$ (159,468)

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATION
SELECTED PLANT FUND DATA
AUXILIARY ENTERPRISES UNDER INDENTURE
JUNE 30, 2004

	<u>All campuses</u>
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 1,367,552,947
Parking lots and improvements - at historical cost	\$ 33,008,614
Equipment - at historical cost	\$ 10,054,919
Bond resolution limitation on repair and replacement reserve	
5% of replacement cost of facilities	\$ 68,377,647
10% of historical cost of parking lots	3,300,861
20% of historical cost of equipment	2,010,984
Total reserve limitation	73,689,492
Repair and replacement reserve	42,238,599
Total margin of compliance	\$ 31,450,893

See accompanying notes to selected plant fund data.

CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
AUXILIARY ENTERPRISES NOT UNDER INDENTURE
JUNE 30, 2004

	Student/Staff Programs and Services		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 2,233,207	\$ -	\$ -
Improvements - at historical cost	\$ -	\$ 698,666	\$ -
Equipment - at historical cost	\$ 1,264,722	\$ 1,479,107	\$ 557,999
Guidelines limitation on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 111,660	\$ -	\$ -
5% of historical cost of improvements	-	34,933	-
20% of historical cost of equipment	252,944	295,822	111,600
Total reserve limitation	364,604	330,755	111,600
Repair and replacement reserve	223,698	-	-
Total margin of compliance	\$ 140,906	\$ 330,755	\$ 111,600

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, 2004

**Communication and
Computing Services**
All Campuses

Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 10,799,190
Improvements - at historical cost	\$ 10,500,000
Equipment - at historical cost	\$ 159,926,886
Guidelines limitation on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 539,960
5% of historical cost of improvements	525,000
20% of historical cost of equipment	31,985,377
Total reserve limitation	33,050,337
Repair and replacement reserve	-
Total margin of compliance	\$ 33,050,337

Plant and Service Operations
All Campuses

Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 36,609,213
Improvements - at historical cost	\$ 137,564,900
Equipment - at historical cost	\$ 50,472,993
Guidelines limitation on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 1,830,461
5% of historical cost of improvements	6,878,245
20% of historical cost of equipment	10,094,599
Total reserve limitation	18,803,305
Repair and replacement reserve	1,165,608
Total margin of compliance	\$ 17,637,697

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2004

	Instructional Course Activity	
	Urbana	Chicago
Capital assets:		
Facilities - at replacement cost (unaudited)	\$ 12,227,012	\$ -
Equipment - at historical cost	<u>\$ 299,043</u>	<u>\$ 142,548</u>
Guidelines limitation on repair and replacement reserves for entities		
5% of replacement cost of facilities	\$ 611,351	\$ -
20% of historical cost of equipment	59,809	28,510
Total reserve limitation	<u>671,160</u>	<u>28,510</u>
Repair and replacement reserve	<u>939,856</u>	<u>-</u>
Total margin of compliance	<u>\$ (268,696)</u>	<u>\$ 28,510</u>

	Professional Development Activities		
	Urbana	Chicago	Springfield
Capital assets:			
Equipment - at historical cost	\$ 622,231	\$ 1,576,821	\$ 117,250
Guidelines limitation on repair and replacement reserves for entities			
20% of historical cost of equipment	\$ 124,446	\$ 315,364	\$ 23,450
Total reserve limitation	<u>124,446</u>	<u>315,364</u>	<u>23,450</u>
Repair and replacement reserve	<u>-</u>	<u>-</u>	<u>-</u>
Total margin of compliance	<u>\$ 124,446</u>	<u>\$ 315,364</u>	<u>\$ 23,450</u>

	Agricultural Operations
	Urbana
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 40,421,475
Improvements - at historical cost	<u>\$ 473,425</u>
Equipment - at historical cost	<u>\$ 4,491,695</u>
Guidelines limitation on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 2,021,074
5% of historical cost of improvements	23,671
20% of historical cost of equipment	898,339
Total reserve limitation	<u>2,943,084</u>
Repair and replacement reserve	<u>-</u>
Total margin of compliance	<u>\$ 2,943,084</u>

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2004

Commercial Operations
Not Under Indenture
Chicago

Capital assets:

Facilities - at replacement cost (unaudited)	\$ 12,118,710
Improvements - at historical cost	<u>\$ 21,241,650</u>

Guidelines limitation on repair and replacement reserves for entities

5% of replacement cost of facilities	\$ 605,936
5% of historical cost of improvements	<u>1,062,083</u>
Total reserve limitation	1,668,019

Repair and replacement reserve

-

Total margin of compliance

\$ 1,668,019

Commercial Operations
Under Indenture
Urbana

Capital assets:

Facilities - at replacement cost (unaudited)	\$ 20,446,149
Improvements - at historical cost	<u>\$ 36,014,522</u>
Equipment - at historical cost	<u>\$ 2,404,839</u>

Guidelines limitation on repair and replacement reserves for entities

5% of replacement cost of facilities	\$ 1,022,307
5% of historical cost of improvements	1,800,726
20% of historical cost of equipment	<u>480,968</u>
Total reserve limitation	3,304,001

Repair and replacement reserve

316,504

Total margin of compliance

\$ 2,987,497

Hospital and Clinics
Chicago

Capital assets:

Facilities - at replacement cost (unaudited)	\$ 260,669,938
Equipment - at historical cost	<u>\$ 128,880,042</u>

Guidelines limitation on repair and replacement reserves for entities

5% of replacement cost of facilities	\$ 13,033,497
20% of historical cost of equipment	<u>25,776,008</u>
Total reserve limitation	38,809,505

Repair and replacement reserve

802,015

Total margin of compliance

\$ 38,007,490

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2004

Public Service and Academic Support Activities

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 52,510,723	\$ 134,308,140	\$ -
Improvements - at historical cost	\$ 633,636	\$ -	\$ -
Equipment - at historical cost	\$ 14,020,848	\$ 4,411,660	\$ 3,077
Guidelines limitation on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 2,625,536	\$ 6,715,407	\$ -
5% of historical cost of improvements	31,682	-	-
20% of historical cost of equipment	2,804,170	882,332	615
Total reserve limitation	5,461,388	7,597,739	615
Repair and replacement reserve	899,221	-	-
Total margin of compliance	\$ 4,562,167	\$ 7,597,739	\$ 615

Intercollegiate Athletics

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 390,856	\$ -	\$ -
Improvements - at historical cost	\$ 8,001	\$ -	\$ -
Equipment - at historical cost	\$ 207,089	\$ 166,073	\$ 27,264
Guidelines limitation on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 19,543	\$ -	\$ -
5% of historical cost of improvements	400	-	-
20% of historical cost of equipment	41,418	33,215	5,453
Total reserve limitation	61,361	33,215	5,453
Repair and replacement reserve	121,164	-	-
Total margin of compliance	\$ (59,803)	\$ 33,215	\$ 5,453

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS

NOTES TO SELECTED PLANT FUND DATA
JUNE 30, 2004

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, 2004

1. Current Available Funds	All campuses
Add:	
Cash (excludes repair and replacement reserve)	\$ 32,222,628
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 32,222,628

2. Working Capital Allowance	
Add:	
Highest month's expenditures	\$ 20,269,099
Encumbrances and current liabilities paid in lapse period	6,134,647
Deferred income	4,590,558
Refundable deposits	1,172,736
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	339,089
Working Capital Allowance	B \$ 32,506,129

3. Current Excess Funds	
Deduct B from A and enter here	C \$ (283,501)

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 \$ (31,450,893)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (31,734,394)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES - ENTITY 3100
JUNE 30, 2004

1. Current Available Funds

		All campuses
Add:		
Cash (excludes repair and replacement reserve)	\$	27,008,650
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A	\$ 27,008,650

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$	7,343,751
Encumbrances and current liabilities paid in lapse period		3,188,653
Deferred income		
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		194,500
Working Capital Allowance	B	\$ 10,726,904

3. Current Excess Funds

Deduct B from A and enter here	C	\$ 16,281,746
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	\$ (33,050,337)
---	---	-----------------

Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund		\$ (16,768,591)
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UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICE OPERATIONS - ENTITY 3110
JUNE 30, 2004

1. Current Available Funds

		All campuses
Add:		
Cash (excludes repair and replacement reserve)	\$	16,670,279
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A	\$ 16,670,279

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$	61,541,212
Encumbrances and current liabilities paid in lapse period		30,739,922
Deferred income		-
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		1,361,094
Working Capital Allowance	B	\$ 93,642,228

3. Current Excess Funds

Deduct B from A and enter here	C	\$ (76,971,949)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	\$ (17,637,697)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund		\$ (94,609,646)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITIES - ENTITY 3400
JUNE 30, 2004

1. Current Available Funds

	Urbana	Chicago
Add:		
Cash (excludes repair and replacement reserve)	\$ 1,399,286	\$ 579,670
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items	-	-
Interfund receivables		
Total Current Available Funds A	\$ 1,399,286	\$ 579,670

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$ 914,507	\$ 356,502
Encumbrances and current liabilities paid in lapse period	183,008	81,817
Deferred income	570,791	289,192
Refundable deposits		400
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts	70	887
Working Capital Allowance B	\$ 1,668,376	\$ 728,798

3. Current Excess Funds

Deduct B from A and enter here C	\$ (269,090)	\$ (149,128)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here D	\$ 268,696	\$ (28,510)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (394)	\$ (120,618)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES - ENTITY 3410
JUNE 30, 2004

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash (excludes repair and replacement reserve)	\$ 2,270,272	\$ 3,665,274	\$ 8,074
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds A	\$ 2,270,272	\$ 3,665,274	\$ 8,074

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 1,849,827	\$ 1,498,081	\$ 56,319
Encumbrances and current liabilities paid in lapse period	363,203	367,221	4,270
Deferred income	469,542	2,348,843	
Refundable deposits	580		
Allowance for restoring inventory to normal level			
Allowance for sick leave/vacation payouts	7,802	42,631	
Working Capital Allowance B	\$ 2,690,954	\$ 4,256,776	\$ 60,589

3. Current Excess Funds

Deduct B from A and enter here C	\$ (420,682)	\$ (591,502)	\$ (52,515)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here D	\$ (124,446)	\$ (315,364)	\$ (23,450)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (545,128)	\$ (906,866)	\$ (75,965)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS - ENTITY 3420
JUNE 30, 2004

1. Current Available Funds

	Urbana	Chicago
Add:		
Cash (excludes repair and replacement reserve)	\$ 2,105,794	\$ 83,141
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds A	\$ 2,105,794	\$ 83,141

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$	\$
Encumbrances and current liabilities paid in lapse period	617,358	109,699
Deferred income	1,615,242	-
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts	5,506	
Working Capital Allowance B	\$ 2,238,106	\$ 109,699

3. Current Excess Funds

Deduct B from A and enter here C	\$ (132,312)	\$ (26,558)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here D	\$ -	\$ -
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (132,312)	\$ (26,558)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS - ENTITY 3430
JUNE 30, 2004

1. Current Available Funds

		Urbana
Add:		
Cash (excludes repair and replacement reserve)		\$ 3,040,105
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A	\$ 3,040,105

2. Working Capital Allowance

Add:		
Highest month's expenditures		\$ 1,161,654
Encumbrances and current liabilities paid in lapse period		372,588
Deferred income		350,101
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		5,926
Working Capital Allowance	B	\$ 1,890,269

3. Current Excess Funds

Deduct B from A and enter here	C	\$ 1,149,836
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	\$ (2,943,084)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund		\$ (1,793,248)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE - ENTITY 3600
JUNE 30, 2004

1. Current Available Funds

		Chicago
Add:		
Cash (excludes repair and replacement reserve)	\$	43,308
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A	\$ 43,308

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$	1,369,878
Encumbrances and current liabilities paid in lapse period		30,838
Deferred income		-
Refundable deposits		-
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		
Working Capital Allowance	B	\$ 1,400,716

3. Current Excess Funds

Deduct B from A and enter here	C	\$ (1,357,408)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	\$ (1,668,019)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund		\$ (3,025,427)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE - ENTITY 3610
JUNE 30, 2004

1. Current Available Funds

		Urbana
Add:		
Cash (excludes repair and replacement reserve)	\$	829,994
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A	\$ 829,994

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$	312,080
Encumbrances and current liabilities paid in lapse period		50,870
Deferred income		746,963
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		541
Working Capital Allowance	B	\$ 1,110,454

3. Current Excess Funds

Deduct B from A and enter here	C	\$ (280,460)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	\$ (2,987,497)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund		\$ (3,267,957)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS - ENTITY 3500
JUNE 30, 2004

1. Current Available Funds

		Chicago
Add:		
Cash (excludes repair and replacement reserve)	\$	23,113,402
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A	\$ 23,113,402

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$	35,480,464
Encumbrances and current liabilities paid in lapse period		35,637,236
Deferred income		
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts		781,776
Working Capital Allowance	B	\$ 71,899,476

3. Current Excess Funds

Deduct B from A and enter here	C	\$ (48,786,074)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	\$ (38,007,490)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund		\$ (86,793,564)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
PUBLIC SERVICE AND ACADEMIC SUPPORT ACTIVITIES - ENTITY 3440
JUNE 30, 2004

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash (excludes repair and replacement reserve)	\$ 12,929,422	\$ (3,467,579)	\$ 115,618
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds A	\$ 12,929,422	\$ (3,467,579)	\$ 115,618

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 6,293,525	\$ 7,064,264	\$ 59,893
Encumbrances and current liabilities paid in lapse period	1,170,000	2,095,061	20,965
Deferred income	682,896	136,843	72,119
Refundable deposits	6,870	(28)	
Allowance for restoring inventory to normal level	906,762		
Allowance for sick leave/vacation payouts	142,421	306,932	
Working Capital Allowance B	\$ 9,202,474	\$ 9,603,072	\$ 152,977

3. Current Excess Funds

Deduct B from A and enter here C	\$ 3,726,948	\$ (13,070,651)	\$ (37,359)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here D	\$ (4,562,167)	\$ (7,597,739)	\$ (615)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (835,219)	\$ (20,668,390)	\$ (37,974)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS - ENTITY 3450
JUNE 30, 2004

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash (excludes repair and replacement reserve)	\$ 2,527,114	\$ (82,703)	\$ (121,735)
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds A	\$ 2,527,114	\$ (82,703)	\$ (121,735)

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 4,965,957	\$ 1,065,554	\$ 131,759
Encumbrances and current liabilities paid in lapse period	749,908	131,590	23,889
Deferred income	3,913,662		39,529
Refundable deposits			
Allowance for restoring inventory to normal level			
Allowance for sick leave/vacation payouts	232,517	3,276	
Working Capital Allowance B	\$ 9,862,044	\$ 1,200,420	\$ 195,177

3. Current Excess Funds

Deduct B from A and enter here C	\$ (7,334,930)	\$ (1,283,123)	\$ (316,912)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here D	\$ 59,803	\$ (33,215)	\$ (5,453)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (7,275,127)	\$ (1,316,338)	\$ (322,365)

UNIVERSITY OF ILLINOIS
ANALYSIS OF INDIRECT COST REIMBURSEMENTS
STATEMENT OF SOURCES AND APPLICATIONS OF
INDIRECT COST REIMBURSEMENTS
YEAR ENDED JUNE 30, 2004

Balance, July 1, 2003		\$ 74,194,758
Sources		
Private Gifts, Grants and Contracts	13,562,001	
United States Government Grants and Contracts	131,851,147	
State of Illinois Grants and Contracts	4,891,277	
Medical Service Plan	1,313,799	
Auxiliary Administrative Allowances	9,408,917	
Other Administrative Allowances	28,370,006	
Investment income	62,367	
Net decrease in the fair value of investments	<u>(93,796)</u>	
Total Additions		189,365,718
Applications		
Educational and General		
Instruction	526	
Research	64,162,157	
Public Service	2,093,679	
Academic Support	24,289,079	
Student Services	1,536,493	
Institutional Support	36,456,821	
Operation and Maintenance of Plant	40,710,998	
Student Aid	<u>3,042,857</u>	
Total Deductions		<u>172,292,610</u>
Balance at June 30, 2004		<u><u>\$ 91,267,866</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 carry-forward.

UNIVERSITY OF ILLINOIS
ANALYSIS OF INDIRECT COST REIMBURSEMENTS
CALCULATION SHEET FOR INDIRECT COST CARRY-FORWARD
JUNE 30, 2004

1. Cash and Equivalents Balance

Add:

Cash	\$ 58,834,605
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	

\$ 58,834,605

2. Allocated Reimbursements

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

\$ 282,033,478 ; enter 30% of this amount	\$ 84,610,043
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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

--

4. Encumbrances and Current Liabilities Paid in the Lapse Period

Enter the amount of:

Current Liabilities	4,534,106
Encumbrances	7,020,482
Total	\$ 11,554,588

5. Indirect Cost Carry-forward

a. Enter the total items 2, 3 and 4	96,164,631
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b. Subtract from item 1	(37,330,026)
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If a positive number results, enter here and remit for deposit in the Income Fund	\$ N/A
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UNIVERSITY OF ILLINOIS
RATIO OF FEDERAL TO NONFEDERAL EXPENDITURES
YEAR ENDED JUNE 30, 2004

	<u>Amount</u>	<u>Percent</u>
Federal funds	\$ 593,629,646	15.39%
Nonfederal funds	<u>3,262,646,354</u>	<u>84.61%</u>
	<u>\$ 3,856,276,000</u>	<u>100.00%</u>

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

UNIVERSITY OF ILLINOIS
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM
YEAR ENDED JUNE 30, 2004

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

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

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

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

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

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

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

UNIVERSITY OF ILLINOIS
EMPLOYMENT AND COST STATISTICS
FALL TERMS FISCAL 2004 AND 2003
(UNAUDITED)

University employment statistics

	Fall Term Fiscal 2004				Fall Term Fiscal 2003			
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
<u>Headcount</u>								
Faculty	3,200	2,856	274	6,330	3,092	2,795	274	6,161
Academic Professionals	3,790	3,642	197	7,629	3,807	3,522	193	7,522
Support Staff	5,031	5,565	293	10,889	5,213	5,661	302	11,176
Other	6,240	3,581	208	10,029	6,229	3,573	195	9,997
	<u>18,261</u>	<u>15,644</u>	<u>972</u>	<u>34,877</u>	<u>18,341</u>	<u>15,551</u>	<u>964</u>	<u>34,856</u>
<u>Full-time equivalency</u>								
Faculty	2,966	2,361	210	5,537	2,865	2,292	201	5,358
Academic Professionals	3,653	3,475	186	7,314	3,693	3,368	183	7,244
Support Staff	4,929	5,394	289	10,612	5,096	5,488	297	10,881
Other	3,317	2,091	115	5,523	2,715	2,056	107	4,878
	<u>14,865</u>	<u>13,321</u>	<u>800</u>	<u>28,986</u>	<u>14,369</u>	<u>13,204</u>	<u>788</u>	<u>28,361</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, 2004 AND 2003
(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, 2004 and June 30, 2003, 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, 2004:						
Total costs (1)	\$ 197,403,173	\$ 203,690,894	\$ 90,855,224	\$ 96,930,287	\$ 17,702,853	\$ 10,935,169
Student credit hours	870,459	317,789	447,909	165,220	61,129	30,424
Full-time equivalent students (2)	29,015	13,241	14,930	6,884	2,038	1,268
Cost per student credit hour	\$ 227	\$ 641	\$ 203	\$ 587	\$ 290	\$ 359
Cost per full-time equivalent student	\$ 6,803	\$ 15,383	\$ 6,085	\$ 14,080	\$ 8,686	\$ 8,624

	Urbana-Champaign		Chicago		Springfield	
	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate
For the year ended June 30, 2003:						
Total costs (1)	\$ 193,744,263	\$ 190,894,520	\$ 91,585,659	\$ 96,410,104	\$ 16,918,038	\$ 10,651,471
Student credit hours	856,054	315,022	463,478	172,173	57,847	30,542
Full-time equivalent students (2)	28,535	13,126	15,449	7,174	1,928	1,273
Cost per student credit hour	\$ 226	\$ 606	\$ 198	\$ 560	\$ 292	\$ 349
Cost per full-time equivalent student	\$ 6,790	\$ 14,543	\$ 5,928	\$ 13,439	\$ 8,774	\$ 8,367

Cost per student credit hour and full-time equivalent student - continued

- (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.

Daytime classroom utilization

**Classroom Utilization
FY2004**

	<u>UIC*</u>	<u>UIS*</u>	<u>UIUC**</u>
<u>Fall 2003 Semester</u>			
Daytime			
Classrooms	54.0%	66.0%	55.6%
Laboratories	39.0%	40.8%	37.5%
Evening			
Classrooms	18.2%	57.6%	4.5%
Laboratories	6.0%	43.8%	7.0%
<u>Spring 2004 Semester</u>			
Daytime			
Classrooms	51.0%	63.5%	n/a
Laboratories	36.0%	40.7%	n/a
Evening			
Classrooms	19.2%	54.1%	n/a
Laboratories	8.0%	40.3%	n/a

Different campuses use different bases of computation:

* UIC and UIS use workspace hours available divided by hours used

** UIUC uses rooms available divided by rooms in use; it only tracks Fall Semester statistics and does not include any walk-in labs.

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2004
(UNAUDITED)

The following statistics are from the *State of Illinois Board of Higher Education 2004 Data Book on Illinois Higher Education*, Fall Enrollment Survey.

Enrollment Statistics

The total headcount enrollment for Fall 2003 by class level was as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Undergraduate				
Freshman	4,658	7,709	152	12,519
Sophomore	2,745	5,662	302	8,709
Junior	3,428	6,834	1,070	11,332
Senior	5,112	8,025	862	13,999
Unclassified	69	996	183	1,248
Total Undergraduate	<u>16,012</u>	<u>29,226</u>	<u>2,569</u>	<u>47,807</u>
Graduate				
Professional	2,322	1,065		3,387
Graduate	6,867	9,688	1,689	18,244
Unclassified	563	479	316	1,358
Total Graduate	<u>9,752</u>	<u>11,232</u>	<u>2,005</u>	<u>22,989</u>
Total	<u><u>25,764</u></u>	<u><u>40,458</u></u>	<u><u>4,574</u></u>	<u><u>70,796</u></u>

The total headcount enrollment for Fall 2003 by gender and by level of instruction were as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Gender				
Men	11,409	21,540	1,812	34,761
Women	14,355	18,918	2,762	36,035
Total	<u><u>25,764</u></u>	<u><u>40,458</u></u>	<u><u>4,574</u></u>	<u><u>70,796</u></u>

Level of instruction

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Full-time	20,748	36,879	1,939	59,566
Part-time	5,016	3,579	2,635	11,230
Total	<u><u>25,764</u></u>	<u><u>40,458</u></u>	<u><u>4,574</u></u>	<u><u>70,796</u></u>

The median age of students enrolled by level of instruction for Fall 2003 were as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>
Average age			
Undergraduate	21.3	20.6	25.5
Graduate	28.4	27.4	32.2
Combined	23.4	21.4	28.8

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2004
(UNAUDITED)

Degrees Conferred

The following statistics are from the *State of Illinois Board of Higher Education 2004 Data Book on Illinois Higher Education*, Fall Enrollment Survey.

The number of degrees conferred for the year ended June 30, 2003 was as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Degrees				
Baccalaureate	3,261	6,973	607	10,841
Masters	1,808	2,714	381	4,903
First Professional	496	301	-	797
Doctorate	225	617	-	842
Total	<u>5,790</u>	<u>10,605</u>	<u>988</u>	<u>17,383</u>

UIUC also had 14 Aviation Certificates.

Staff Statistics

The following statistics are from the *State of Illinois Board of Higher Education 2004 Data Book on Illinois Higher Education*, Association of American University Professors Faculty Compensation Survey, Fall 2004

The average salary of full-time faculty for the year ended June 30, 2004 was as follows:

	<u>Chicago</u>	<u>Urbana*</u>	<u>Springfield</u>	<u>Combined</u>
Average salary of full-time faculty	\$ 80,646	\$ 86,203	\$ 59,640	\$ 82,984

The percent of tenured full-time faculty for the year ended June 30, 2004 was as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Combined</u>
Percent of tenured full-time faculty	68.9%	69.8%	64.0%	69.1%

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2004
(UNAUDITED)

Tuition Rates

The following tuition rates are from the State of Illinois Board of Higher Education 2004 Data Book on Illinois Higher Education, Institutional Characteristics Survey (IC), Integrated Postsecondary Education Data System (IPEDS).

The general base rate tuition and required fees for full-time, in-state undergraduate and graduate students entering after May 2003 for the 2003-2004 academic year was as follows (excluding refundable fees):

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>
Undergraduate			
Lower Division	\$ 6,958	\$ 7,010	\$ 4,310
Upper Division	\$ 6,958	\$ 7,010	\$ 4,310
Graduate	\$ 7,708	\$ 7,756	\$ 3,968

The tuition and required fees for a full-time student entering after May 2003 for the 2003-2004 academic year in the first-professional programs was as follows (excluding refundable fees):

	<u>Chicago</u>	<u>Urbana</u>
First-professional programs		
Medicine	\$ 22,832	
Dentistry	\$ 17,258	
Pharmacy	\$ 12,842	
Other (Physical Therapy)	\$ 11,774	
Law		\$ 14,566
Veterinary Medicine		\$ 13,488

UNIVERSITY OF ILLINOIS
ILLINOIS FIRST PROJECTS
FISCAL YEAR 2004
(Unaudited)

Appropriation Code/ Project Number	Description	Award Amount	Expenditures
Appropriated to the Capital Development Board for the benefit of the Board of Higher Education:		\$ -	\$ -
		-	-
		-	-
		-	-
	Total Illinois First Projects	<u>\$ -</u>	<u>\$ -</u>

(No Illinois First Projects for FY 04)

UNIVERSITY OF ILLINOIS
EMERGENCY PURCHASES
YEAR ENDED June 30, 2004
(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2004.

Vendor	Description	Amount
Accelrys, Inc.	Accelrys software system, which is the only suite to address both life sciences and materials science applications through a unified interface.	\$ 75,600.00
Triplos, Inc.	Triplos software suite performs QSAR calculations with COMFA, essential to small molecule drug discovery research.	100,000.00
Dan Jarboe	Services for harvesting and storing hay produced on the Department of Animal Sciences South Farms.	22,719.61
F.H. Paschen/S.N. Nielsen, Inc.	Extension of job order contract completion to allow the requirements of the business/financial management and construction contract document systems to be integrated into a new job order contract.	551,272.59
ADCO Services Inc.	Disposal of radioactive animal carcasses that had been kept in frozen storage pending the restoration of the University's incinerator.	106,448.00
Livingston County Livestock	Cattle purchased for research by auction.	32,387.06
Livingston County Livestock	Cattle purchased for research.	31,214.70
Livingston County Livestock, Inc.	Cattle purchased for research by auction.	36,791.75
Greenville Livestock Inc.	Cattle purchased for research.	49,235.00
Advance Commodities	Purchase of fresh and frozen meat products to feed students in Housing Residence Halls.	42,515.00
Jenner and Block	Legal advice regarding HB 3412 and SB 702, which went into effect during the fall 2003 legislative veto session.	25,000.00
Business Objects Americas	Discounted quote for upgrading existing Business Object NT software licenses to UNIX licenses.	499,315.81
EMC Corporation	Storagescope software and custom implementation services, including travel expenses and future maintenance.	84,000.00
Columbus Marriott Northwest	Hotel accommodations and catering services for the men's basketball team while playing at the NCAA tournament in Columbus, Ohio.	44,849.17
Hilton Atlanta	Hotel accommodations and catering services for the men's basketball team while playing at the NCAA tournament in Atlanta, Georgia.	44,615.43
OptiMems Technologies	Denton e-beam evaporator system for processing of optical structures research.	82,000.00
Bid-Service LLC	Electron Beam Evaporator for use in research of infrared device fabrication.	55,450.00
Bandwidth9	Molecular Beam Epitaxy system, which is a significant savings from the new purchase price.	230,000.00
Bio Cleaning Services of America	Disposal of infectious waste via incineration with a new firm, due to previous firm losing required permits.	46,270.00

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2004

In accordance with an Office of the Auditor General, July 25, 2000, memorandum entitled "*Matters Regarding University Audits*" ("Memorandum"), certain supplemental data is required to be reported for University audits. The table below cross-references the memorandum requirements (indicated by number and letter paragraph references) to the University financial statements and audit reports for the year ended June 30, 2004, where such special data is found.

Compliance Findings

- 13(a) At June 30, 2004, no findings of noncompliance with *University Guidelines* were noted. The University's calculation sheets for current excess funds are presented in this report on page numbers 74 through 86.

Indirect Cost Reimbursements

- 13(b) A statement of the sources and applications of indirect cost reimbursements is included in this report on page number 87.
- 13(c) The University's calculation sheet for indirect cost carry-forward is included in this report on page number 88.

Tuition Charges and Fees

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

Auxiliary Enterprises, Activities and Accounting Entities

- 13(e) Identification of each specific accounting entity and descriptions of the sources of revenue and purpose of each are presented in this report on pages 37 through 40.
- 13(f) Entity financial statements are presented on pages 41 through 66 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, 2004, the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2004 the Annual Financial Report of the Willard Airport Facility for the year ended June 30, 2004, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2004.
- 13(g) The University's calculation sheets for current excess funds are presented in this report on pages 74 through 86.
- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the Annual Financial Report of the University of Illinois Auxiliary Facilities System on page 10.

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2004

Auxiliary Enterprises, Activities and Accounting Entities (Continued)

- 13(i) Statements of receipts and disbursements, and related definitions, for funds required by bond indentures are presented on pages 7 through 9 and pages 13 through 15 of the Annual Financial Report of the University of Illinois Auxiliary Facilities System.
- 13(j) Statements with respect to compliance with the fund accounting covenants of the Resolutions of the Board of Trustees of the University of Illinois, which provided for the issuance of revenue bonds, are included in the respective Independent Auditor's Report included in the Annual Financial Report of the University of Illinois Auxiliary Facilities System, the Annual Financial Report of the Willard Airport Facility, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2004.
- 13(k) At June 30, 2004, no non-instructional facilities reserves (development reserves) have been established by the University.

University-Related Organizations

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

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

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

Payments by the UROs to the University for services provided by the University and payments by the University to UROs for services provided by the UROs are disclosed in this report on pages 102 and 103 and on indicated pages of the following reports for the year ended June 30, 2004:

University of Illinois Annual Financial Report	Page 34
Annual Financial Statements of the University of Illinois Foundation	Pages 17 and 18
Annual Financial Statements of the University of Illinois Alumni Association	Pages 13 and 14
Annual Financial Statements of Wolcott, Wood And Taylor, Inc.	Page 24

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2004

University-Related Organizations (Continued)

Annual Financial Statements of Prairieland Energy, Inc.	Page 24
Annual Financial Statements of Illinois Ventures, LLC	Page 26
Annual Financial Statements of University Of Illinois Research Park, LLC	Page 24

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

- 13(o) At June 30, 2004, there are no unreimbursed subsidies to the UROs from University or appropriated funds.
- 13(p) Debt financing by UROs at June 30, 2004 is disclosed in the Annual Financial Statements of the University of Illinois Foundation on page 21.

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 12 and 13 and in the Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2004, on pages 37 and 38.
- 13(r) A statement describing the methodology used to allocate income from investments of pooled funds is included in this report on page 12.
- 13(s) Costs per full time equivalent student are presented in this report on page 92.
- 13(t) Acquisitions of land in excess of \$250,000 by the University and its UROs during the year ended June 30, 2004 that were not funded by a separate appropriation specifically identifying the particular acquisitions are presented in this report on pages 20 and 102 as Analysis of Significant Account Balances – Capital Assets and Schedule of Funds Provided by the University of Illinois Foundation.
- 13(u) On December 1, 2003, the University issued Certificates of Participation (COP), UI-Integrate Project, Series 2003 in the principal amount of \$31,700,000. Proceeds from the issuance of the 2003 COP are being used to fund the completion of the acquisition, development and implementation of administrative information systems to integrate and support the operations of the University. On January 6, 2004 and March 5, 2004 the University issued Certificates of Participation, Utility Infrastructure Series 2003 and 2004 in the principal amounts of \$69,050,000 and \$143,665,000, respectively. Proceeds from the issuance of the 2003 and 2004 COPs were used to advance refund previously issued utility COPs. The refundings resulted in combined savings of \$7,600,000 over the life of the issues.

**UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS**

**SCHEDULE OF FUNDS PROVIDED BY THE UNIVERSITY OF ILLINOIS FOUNDATION
YEARS ENDED JUNE 30, 2004 and 2003**

During fiscal years 2004 and 2003, the University engaged the Foundation, under contract, to provide fund-raising and other services. In accordance with the contract agreement, the University provided \$ 2,127,998 cash and \$3,680,206 budget allocation in 2004 and \$2,194,748 cash and \$3,598,663 budget allocation in 2003, and an additional \$569,000 and \$582,000 of services in 2004 and 2003, 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 nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation provided to the University during each fiscal year:

	2004	2003
Unrestricted funds	\$ 303,248	\$ 308,055
Restricted only as to campus, college or department and generally available for ongoing university operations:		
Provided to a particular campus	963,019	1,238,338
Provided to a particular college	7,238,233	9,304,096
Provided to a particular department	15,826,243	40,678,369
Provided for the Intercollegiate Athletics	5,319,544	5,092,085
Subtotal	29,650,287	56,620,943
Restricted by donor:		
Provided for student support	17,258,526	15,410,798
Provided for certain instructional, research and public service programs	22,092,811	19,860,631
Provided for physical facilities additions or improvements	32,714,842	12,239,485
Provided for other restricted purposes	20,882,246	19,460,892
Total funds provided by the Foundation to the University	\$ 122,598,712	\$ 123,592,749

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. The University of Illinois Foundation received the following gifts of real estate during fiscal year 2004:

<u>Date</u>	<u>Value</u>	<u>Property and Description</u>
7/11/2003	\$ 268,000	1/3 interest in 77.87 acres of farmland in Champaign County, Illinois
10/1/2003	\$ 449,700	288.75 acres of farmland in Fulton County, Illinois
12/5/2003	\$ 1,071,400	Property located at Rum Point Block, 33B, Parcel 9 in Cayman Islands
12/11/2003	\$ 762,216	317.59 acres of farmland in Montgomery County, Illinois
12/15/2003	\$ 550,000	Property located at 4419 Cambria Avenue in Garret Park, Maryland
1/8/2004	\$ 2,150,000	Property located at 350 Houbolt Rd in Joliet, Illinois
6/7/2004	\$ 672,000	224.2 acres of farmland in Hancock County, Illinois

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

SCHEDULE OF FUNDS PROVIDED BY THE UNIVERSITY TO THE UNIVERSITY OF ILLINOIS ALUMNI ASSOCIATION
YEARS ENDED JUNE 30, 2004 and 2003

In accordance with an annual agreement between the University and the Alumni Association, the University paid \$3,360,600 and \$3,661,800 of which \$2,233,600 and \$2,197,154 represent employee salaries to the Alumni Association for the years ended June 30, 2004 and 2003, 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, 2004 and 2003, the Alumni Association expended the following amounts in the performance of those functions:

	<u>2004</u>	<u>2003</u>
Communications	\$ 665,600	\$ 811,000
Information services	621,200	705,200
Membership promotion	253,100	257,900
Alumni outreach programs	1,127,600	1,159,000
General and operating expenses	<u>693,100</u>	<u>728,700</u>
Total expenditures	<u><u>\$ 3,360,600</u></u>	<u><u>\$ 3,661,800</u></u>

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE AND GRADUATE TUITION AND FEE WAIVERS
2003 - 2004 SCHOOL YEAR
(UNAUDITED)
(In Thousands of Dollars)

	<u>Undergraduate</u>			<u>Graduate</u>		
	<u>Tuition Waivers</u>	<u>Fee Waivers</u>	<u>Total Waivers</u>	<u>Tuition Waivers</u>	<u>Fee Waivers</u>	<u>Total Waivers</u>
Urbana	\$ 12,789	\$ 229	\$ 13,018	\$ 96,606	\$ 2,579	\$ 99,185
Chicago	\$ 3,335	\$ 107	\$ 3,442	\$ 45,790	\$ 2,495	\$ 48,285
Springfield	\$ 295	\$ 8	\$ 303	\$ 641	\$ 42	\$ 683
Total	<u>\$ 16,419</u>	<u>\$ 344</u>	<u>\$ 16,763</u>	<u>\$ 143,037</u>	<u>\$ 5,116</u>	<u>\$ 148,153</u>

The amount of fiscal 2004 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
2003 - 2004 SCHOOL YEAR
(UNAUDITED)

Type	Urbana-Champaign		Chicago		Springfield	
	Number of Recipients	Value of Waivers (in thousands of dollars)	Number of Recipients	Value of Waivers (in thousands of dollars)	Number of Recipients	Value of Waivers (in thousands of dollars)
Mandatory Waivers						
Teacher Special Education	70	\$ 458.1	3	\$ 15.2		
General Assembly	510	2,949.7	83	358.1	7	26.4
ROTC	130	595.1	50	191.0		
DCFS	21	158.1	10	49.8	1	2.2
Children of Employees	672	1,822.2	150	300.9	24	29.4
Honorary Scholarships	241	1,345.4	15	72.6	17	53.6
Adjustments (1)			(1)			
Subtotal	1,644	7,328.6	310	987.6	49	111.6
Discretionary Waivers						
Faculty / Administrators	37	50.5	30	107.6	6	8.1
Civil Service	42	83.2	53	159.3	44	69.6
Interinstitutional / Related Agencies	4	7.0			4	3.3
Retired University Employees	1	1.0				
Academic / Other Talent	658	1,536.4	327	910.5	4	5.6
Athletic	126	600.4	136	882.2	22	75.0
Foreign Exchange Students	285	1,341.1	21	162.1		
Out-of-State Students	4	43.1			3	13.0
Student Need - Financial Aid	1,099	1,299.0	91	179.6	26	16.6
Student Need - Special Programs	50	19.2	25	53.1		
Cooperating Professionals	5	4.6				
Other Assistantships	125	702.8				
Contract/Training Grants	3	0.6				
Fellowships	3	0.3				
Adjustments (1)	(37)		(2)		(5)	
Subtotal	2,405	5,689.2	681	2,454.4	104	191.2
Total Waivers	4,049	\$ 13,017.8	991	\$ 3,442.0	153	\$ 302.8

(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
2003 - 2004 SCHOOL YEAR
(UNAUDITED)

Type	Urbana-Champaign		Chicago		Springfield	
	Number of Recipients	Value of Waivers (in thousands of dollars)	Number of Recipients	Value of Waivers (in thousands of dollars)	Number of Recipients	Value of Waivers (in thousands of dollars)
Mandatory Waivers						
Teacher Special Education	1	\$ 2.5	6	\$ 25.1		
General Assembly	29	334.0	78	1,482.8	1	\$ 1.4
ROTC	1	2.1				
DCFS	1	1.7				
Senior Citizens	0	0.0				
Children of Employees	0	0.0				
Honorary Scholarships	31	281.0	32	628.6	8	9.0
Subtotal	63	621.3	116	2,136.5	9	10.4
Discretionary Waivers						
Faculty / Administrators	260	883.6	600	3,527.1	66	87.9
Civil Service	34	106.3	70	323.9	25	30.5
Interinstitutional / Related Agencies	31	86.3	18	23.3	8	8.5
Retired University Employees	2	5.8	5	7.6	1	0.6
Academic / Other Talent	184	1,517.0	64	1,971.5	14	43.5
Athletic						
Foreign Exchange Students	28	184.1	8	91.2		
Out-of-State Students	24	223.6				
Foreign Students						
Student Need - Financial Aid					30	16.3
Student Need - Special Programs						
Cooperating Professionals	134	311.1	65	134.7	19	9.3
Research Assistants						
Other Assistantships	6,296	81,907.1	3,091	35,149.7	117	476.2
Contracts/Training Grants	116	1,440.0				
Other:						
Fellowships	871	11,898.8	577	4,919.5		
Adjustments (1)	(343)		(150)		(2)	
Subtotal	7,637	98,563.7	4,348	46,148.5	278	672.8
Total Waivers	7,700	\$ 99,185.0	4,464	\$ 48,285.0	287	\$ 683.2

(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.