

**UNIVERSITY OF ILLINOIS**

Supplementary Financial Information and  
Special Data Requirements

For the Year Ended June 30, 2009

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, 2009

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### Related Reports Published under Separate Covers

The University of Illinois Annual Financial Report for the year ended June 30, 2009.

The Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2009.

The Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2009.

**UNIVERSITY OF ILLINOIS**

Supplementary Financial Information and Special Data Requirements

For the Year Ended June 30, 2009

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Compliance Examination Report (In accordance with the Single Audit Act and OMB Circular A-133) for the year ended June 30, 2009, including findings, recommendations, and University responses.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.



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

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the University of Illinois (University), a component unit of the State of Illinois, as of and for the year ended June 30, 2009, and have issued our report thereon dated February 26, 2010. Our audit report was modified to include a reference to other auditors.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the University. Such information for the year ended June 30, 2009, 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, 2009, taken as a whole.

The University's financial statements for the year ended June 30, 2008 were audited by other auditors whose report thereon dated December 30, 2008 expressed unqualified opinions on the respective financial statements of the business-type activities and aggregate discretely presented component units. In a separately issued report dated February 10, 2009 on the 2008 supplementary information, the other auditors stated that, in their opinion, such information, except for that portion marked "unaudited", on which they expressed no opinion, was fairly stated in all material respects in relation to the basic financial statements for the year ended June 30, 2008, taken as a whole. The accompanying supplementary information for the years ended June 30, 2000 through 2007 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

**KPMG LLP**

February 26, 2010

**UNIVERSITY OF ILLINOIS**

Schedule of Appropriations, Expenditures, and Lapsed Balances

Fourteen months ended August 31, 2009

	<b>Appropriations (net after transfers)</b>	<b>Vouchered expenditures for the year ended June 30, 2009</b>	<b>Vouchered expenditures for the two months ended August 31, 2009</b>	<b>Total expenditures for the fourteen months ended August 31, 2009</b>	<b>Rescission totals for approp year Year 2009</b>	<b>Balances lapsed August 31, 2009</b>	<b>Balances reappropriated August 31, 2009</b>
General Revenue Fund :							
Appropriation							
Expenditures:							
Hispanic Center Excellence	\$ 800,000	579,015	27,801	606,816	193,184	—	—
Dixon Springs	350,000	342,037	7,963	350,000	—	—	—
Dentistry	350,000	350,000	—	350,000	—	—	—
Personal services	641,354,200	628,461,106	211,994	628,673,100	12,681,100	—	—
Awards and grants	6,057,500	6,057,500	—	6,057,500	—	—	—
Travel	249,700	249,700	—	249,700	—	—	—
Commodities	2,518,600	2,518,600	—	2,518,600	—	—	—
Contractual services	39,794,600	33,890,207	673,635	34,563,842	5,230,758	—	—
Equipment	511,000	511,000	—	511,000	—	—	—
Telecommunications	5,016,800	5,016,800	—	5,016,800	—	—	—
Operation of automotive equipment	967,000	967,000	—	967,000	—	—	—
Worker's compensation	3,270,000	3,270,000	—	3,270,000	—	—	—
Hospital and Medical Services and Appliances	5,300,000	4,391,255	814,248	5,205,503	94,497	—	—
Health Insurance	24,893,200	24,893,200	—	24,893,200	—	—	—
Medicare	9,737,100	9,737,100	—	9,737,100	—	—	—
Chance program	1,000,000	948,912	51,088	1,000,000	—	—	—
Public Policy Institute	1,250,000	539,647	324,399	864,046	385,954	—	—
Total General Revenue Fund	<u>743,419,700</u>	<u>722,723,079</u>	<u>2,111,128</u>	<u>724,834,207</u>	<u>18,585,493</u>	<u>—</u>	<u>—</u>
Fire Prevention Fund	2,445,500	2,370,056	75,444	2,445,500	—	—	—
State College and University Trust Fund	250,000	177,400	—	177,400	—	72,600	—
Toxic Pollution Prevention Fund	89,700	—	—	—	—	89,700	—
Hazardous Waste Research Fund	472,100	176,138	67,600	243,738	—	228,362	—
Emergency Public Health Fund	200,000	188,634	11,366	200,000	—	—	—
Used Tire Management Fund	200,000	182,828	17,172	200,000	—	—	—
General Professions Dedicated Fund	1,000,000	947,861	52,139	1,000,000	—	—	—
Capital Development Bond Fund:							
WILL-TV Digitalization Infrastructure	134,917	134,917	—	134,917	—	—	—
Classroom and Office Construction at UIS	1	1	—	1	—	—	—
Space Needs for DNR	4,386,034	412,335	—	412,335	—	—	3,973,699
Total Capital Development Bond Fund	<u>4,520,952</u>	<u>547,253</u>	<u>—</u>	<u>547,253</u>	<u>—</u>	<u>—</u>	<u>3,973,699</u>
Grand totals, all funds	\$ <u>752,597,952</u>	<u>727,313,249</u>	<u>2,334,849</u>	<u>729,648,098</u>	<u>18,585,493</u>	<u>390,662</u>	<u>3,973,699</u>

Note: The data contained in the schedule was taken from the University's records, which have been reconciled to the records of the State Comptroller. All appropriations were authorized by Public Act 95-0734.

**UNIVERSITY OF ILLINOIS**

Comparative Schedule of Appropriations, Expenditures, and Lapsed Balances

Budget years of Fiscal 2009 and 2008

	<u>PA 95-0734</u>	<u>PA 95-0348</u>
	<u>2009</u>	<u>2008</u>
General Revenue Fund:		
Appropriations	\$ 743,419,700	722,256,500
Expenditures:		
Hispanic Center Excellence	606,816	400,000
Dixon Springs	350,000	350,000
Dentistry	350,000	—
Permanent improvements	—	750,000
Personal services	628,673,100	621,441,000
Awards and grants	6,057,500	6,057,500
Travel	249,700	249,700
Commodities	2,518,600	2,518,600
Contractual services	34,563,842	39,794,600
Equipment	511,000	511,000
Telecommunications	5,016,800	5,016,800
Operation of automotive equipment	967,000	967,000
Workers' compensation	3,270,000	3,270,000
Hospital and Medical Services and Appliances	5,205,503	5,299,999
Health Insurance	24,893,200	24,893,200
Medicare	9,737,100	9,737,100
Chance program	1,000,000	1,000,000
Public Policy Institute	864,046	—
Total expenditures	<u>724,834,207</u>	<u>722,256,499</u>
Rescission total	<u>18,585,493</u>	<u>—</u>
Lapsed balances	\$ <u>—</u>	<u>1</u>
Fire Prevention Fund:		
Appropriations	\$ 2,445,500	3,508,000
Expenditures	<u>2,445,500</u>	<u>3,508,000</u>
Lapsed balances	\$ <u>—</u>	<u>—</u>
State College and University Trust Fund:		
Appropriations	\$ 250,000	250,000
Expenditures	<u>177,400</u>	<u>170,600</u>
Lapsed balance	\$ <u>72,600</u>	<u>79,400</u>
Capital Development Bond Fund:		
Appropriations	\$ 4,520,952	4,860,192
Expenditures:		
WILL-TV digitalization infrastructure	134,917	145,285
Classroom and Office Construction at UIS	1	33,427
Space needs for DNR	<u>412,335</u>	<u>160,528</u>
Total expenditures	<u>547,253</u>	<u>339,240</u>
Reappropriated balances	\$ <u>3,973,699</u>	<u>4,520,952</u>
Lapsed balances	\$ <u>—</u>	<u>—</u>
Toxic Pollution Prevention Fund:		
Appropriations	\$ 89,700	—
Expenditures	<u>—</u>	<u>—</u>
Lapsed balance	\$ <u>89,700</u>	<u>—</u>

(Continued)

**UNIVERSITY OF ILLINOIS**  
 Comparative Schedule of Appropriations, Expenditures, and Lapsed Balances  
 Budget years of Fiscal 2009 and 2008

	<u>PA 95-0734</u>	<u>PA 95-0348</u>
	<u>2009</u>	<u>2008</u>
<b>Hazardous Waste Research Fund:</b>		
Appropriations	\$ 472,100	—
Expenditures	<u>243,738</u>	<u>—</u>
Lapsed balance	<u>\$ 228,362</u>	<u>—</u>
<b>Emergency Public Health Fund:</b>		
Appropriations	\$ 200,000	—
Expenditures	<u>200,000</u>	<u>—</u>
Lapsed balance	<u>\$ —</u>	<u>—</u>
<b>Used Tire Management Fund:</b>		
Appropriations	\$ 200,000	—
Expenditures	<u>200,000</u>	<u>—</u>
Lapsed balance	<u>\$ —</u>	<u>—</u>
<b>General Professions Dedicated Fund:</b>		
Appropriations	\$ 1,000,000	—
Expenditures	<u>1,000,000</u>	<u>—</u>
Lapsed balance	<u>\$ —</u>	<u>—</u>
<b>Grand totals, all funds:</b>		
Appropriations	\$ 752,597,952	730,874,692
Expenditures	729,648,098	726,274,339
Rescission totals	18,585,493	—
Reappropriated balances	<u>3,973,699</u>	<u>4,520,952</u>
Lapsed balances	<u>\$ 390,662</u>	<u>79,401</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of State Appropriations –  
 Significant Lapse Period Expenditures  
 Two months ended August 31, 2009

	<b>Total expenditures for the fourteen months ended August 31, 2009</b>	<b>Vouchered expenditures for the two months ended August 31, 2009</b>	<b>Percentage</b>
Public Policy Institute	\$ 864,046	324,399	37.5%

The budget for the Public Policy Institute was not approved and received until late August. Since the Public Policy Institute was newly established in FY09, personnel needed to be hired, and the related payroll appointments were not finalized until November 2008. Personnel subsequently planned programs to start in spring of 2009. The combination of the delay in receiving the approved budget, getting personnel hired, and then getting a spending plan established caused a delay in overall spending of this appropriation.

The above represents all appropriations with lapse period expenditures: (1) greater than \$250,000 and (2) greater than 20% of total expenditures for the fourteen months ended August 31, 2009.

**UNIVERSITY OF ILLINOIS**

Analysis of University Income Fund

Comparative Schedule of University Income Fund Revenues and Expenditures

Budget years of fiscal 2009 and 2008

	<u>2009</u>	<u>2008</u>
University Income Fund:		
Revenues:		
Net student tuition and fees	\$ 651,451,720	566,410,431
Other sources	12,582,028	7,164,104
	<u>664,033,748</u>	<u>573,574,535</u>
Provision for bad debts	(1,897,885)	(2,510,629)
Net revenues	<u>662,135,863</u>	<u>571,063,906</u>
Add (deduct) net change in:		
Cash	92,436	(94,998)
Accounts receivable	(1,827,078)	(678,837)
Deferred charges	(796,142)	(1,969,864)
Accrued investment income	13,549,190	5,523,052
Deferred income	4,191,107	7,138,634
Accounts payable	(522)	2,368
	<u>15,208,991</u>	<u>9,920,355</u>
Fiscal year deposits	<u>677,344,854</u>	<u>580,984,261</u>
Expenditures:		
Audit expense	323,699	309,668
Unemployment compensation	494,704	321,984
Permanent improvements	13,083,717	9,193,232
Personal services	375,435,406	348,291,023
Awards and grants	45,838,424	40,502,532
Travel	4,063,985	4,576,960
Commodities	6,477,871	39,759,232
Contractual services	176,935,739	112,199,069
Equipment	31,359,349	26,794,104
Telecommunications	1,457,392	1,940,193
Operation of automotive equipment	314,866	175,982
Workers' compensation	2,851,198	982,830
Medicare	4,837,378	3,721,611
Total expenditures	<u>663,473,728</u>	<u>588,768,420</u>
Increase (decrease) in fund balance	<u>13,871,126</u>	<u>(7,784,159)</u>
Fund balance at beginning of budget fiscal year	(622,072)	7,162,087
FY08 adjustments made after FY08 report was completed	(839)	—
Beginning balance as adjusted	<u>(622,911)</u>	<u>7,162,087</u>
Fund balance at end of budget fiscal year	\$ <u>13,248,215</u>	<u>(622,072)</u>
Budget	\$ <u>671,275,600</u>	<u>599,152,200</u>
Fund balance as percentage of budget	<u>1.97%</u>	<u>(0.10)%</u>

## UNIVERSITY OF ILLINOIS

### Analysis of University Income Fund

#### Comparative Schedule of University Income Fund Revenues and Expenditures

#### Budget years of fiscal 2009 and 2008

Net student tuition and fees increased by approximately \$85.0 million from fiscal year 2008 to fiscal year 2009. General tuition programs for continuing undergraduates increased by approximately 9.5% at all three campuses. Fiscal year 2005 was the beginning of the University of Illinois Guaranteed Tuition plan, which sets an entering undergraduate student's tuition for four years (undergraduate rates would remain unchanged for four years). The four-year rate set for fiscal year 2009 for first-time enrollments increased by approximately 9.5% at all three campuses. Graduate and professional tuition increased by approximately 7.0% at the University of Illinois at Urbana-Champaign (UIUC) and 9.5% at the University of Illinois at Chicago (UIC) and the University of Illinois at Springfield (UIS). In addition to the general increases, in FY2006 UIS implemented a programmatic differential to be phased in over a four-year period that impacts undergraduate students entering in FY2009, all graduate students and those continuing undergraduate students not in an existing guaranteed tuition co-hort. Undergraduate tuition differentials were also increased and a new differential at UIUC was implemented with a multi-year phase in. There were increases to existing differentials in several graduate and professional programs at UIC and UIUC and an additional programmatic differential was implemented at UIUC. The campuses also experienced variations in enrollments, the student payer mix, carryover, and technical adjustments in fiscal year 2009. In addition to normal technical adjustments, in FY2009, the State Surveys were transferred to the University of Illinois (University) via the income fund, a \$15.8 million dollar transfer.

The Income Fund cash balance earns investment income as a participant in the University's consolidated group of investments. These earnings are allocated and distributed to the participating funds at the end of each quarter based on the fund's average cash balance. The University expended \$5.1 million and \$6.7 million in fiscal years 2009 and 2008, respectively, for institutional system development and institutional utility costs. A substantial portion of the investment funds are committed for recurring obligations.

Income Fund expenditures, excluding the State Survey transfer, increased by approximately \$58.9 million (a 10% increase over fiscal year 2008). Including the Survey Transfer, the Income Fund expenditures increased by approximately \$74.7 million (a 12.7% increase) over fiscal year 2008. As noted above, in addition to the tuition and fee increases, annual changes in enrollment, the student payer mix, and carryover balances can have an impact on the spending available from this fund source.

**UNIVERSITY OF ILLINOIS**  
 Analysis of Revenues, Expenses, and  
 Changes in Net Assets – Business-Type Activities  
 Years ended June 30, 2009 and 2008  
 (In thousands)

	<b>2009</b>	<b>2008</b>	<b>Increase (decrease)</b>
Operating revenues:			
Student tuition and fees, net	\$ 743,286	662,464	80,822
Medical fees for services – state appropriation	45,982	45,523	459
Federal appropriations	16,909	20,276	(3,367)
Federal grants and contracts	572,598	553,261 (a)	19,337
State of Illinois, grants, and contracts	79,499	94,651	(15,152)
Private gifts, grants, and contracts	137,071	126,386	10,685
Educational activities	253,203	234,549	18,654
Auxiliary enterprises, net	348,134	330,309	17,825
Hospital and other medical activities, net	481,943	463,209	18,734
Medical service plan	189,444	185,499	3,945
Independent operations	15,012	10,924	4,088
Interest and service charges on student loans	1,160	1,494	(334)
Total operating revenues	2,884,241	2,728,545 (a)	155,696
Operating expenses:			
Instruction	961,305	933,157 (a)	28,148
Research	630,127	591,412 (a)	38,715
Public service	383,429	367,450 (a)	15,979
Academic support	303,742	294,286 (a)	9,456
Student services	123,328	117,317 (a)	6,011
Institutional support	229,737	219,756 (a)	9,981
Operation and maintenance of plant	274,373	268,624 (a)	5,749
Scholarships and fellowships	200,038	199,259 (a)	779
Auxiliary enterprises	306,967	283,259 (a)	23,708
Hospital and medical activities	578,858	554,186 (a)	24,672
Independent operations	13,806	10,103 (a)	3,703
Depreciation	203,477	199,609	3,868
Total operating expenses	4,209,187	4,038,418 (a)	170,769
Operating loss	(1,324,946)	(1,309,873) (a)	(15,073)
Nonoperating revenues (expenses):			
State appropriations	699,038	680,503	18,535
Private gifts	141,315	129,948	11,367
Federal grants, nonoperating	39,347	33,928 (a)	5,419
On behalf payments for fringe benefits	486,022	441,480 (a)	44,542
Net investment income	24,836	66,682	(41,846)
Net decrease in the fair value of investments	(54,547)	(60,508)	5,961
Interest expense	(73,460)	(68,091)	(5,369)
Loss on sale/disposals of capital assets	(4,871)	(3,552)	(1,319)
Other nonoperating revenues, net	38,780	20,329	18,451
Net nonoperating revenues (expenses)	1,296,460	1,240,719 (a)	55,741
Loss before other revenues	(28,486)	(69,154)	40,668
Capital state appropriations	3,203	5,981	(2,778)
Capital gifts and grants	8,442	2,412	6,030
Private gifts for endowment purposes	1,905	254	1,651
Decrease in net assets	(14,936)	(60,507)	45,571
Net assets, beginning of year, restated (b)	2,372,694 (b)	2,415,856	(43,162)
Net assets, end of year	\$ 2,357,758	2,355,349	2,409

(a) Items have been reclassified to correspond with the 2009 presentation.

(b) Beginning of year net assets for fiscal year 2009 were restated due to adoption of new accounting standard and a change in accounting for University-Related Organizations.

Net assets, beginning of year as previously reported	\$ 2,355,349
Cumulative effect of accounting change	17,345
Net assets, beginning of year, restated	\$ 2,372,694

## UNIVERSITY OF ILLINOIS

### Analysis of Revenues, Expenses, and Changes in Net Assets Significant Revenue, Expense, and Changes in Net Assets Variances Years ended June 30, 2009 and 2008

Consistent with prior years, all variances greater than \$30 million, and more than 10% variance from fiscal year 2008 are discussed below. Refer to the Analysis of Revenues, Expenses, and Other Changes in Net Assets on page 8 for the actual dollar changes.

Explanations of significant variances:

- *Student tuition and fees, net (Operating revenues)* – This increase is primarily due to an increase in tuition rates for the 2008-2009 school year and an increase in deferred maintenance fees due to the fact that it was charged to more students than in prior years.
- *On behalf payments for fringe benefits (Nonoperating Revenues)* – This increase in on behalf payments is due to adjustments per Central Management Services and State Universities Retirement System calculations.
- *Net investment income (Nonoperating Revenues)* – This decrease was due to undesirable market conditions in fiscal year 2009 that caused decreases in dividends and interest received from investments along with more realized losses on the investments sold.

## UNIVERSITY OF ILLINOIS

### Analysis of Significant Account Balances

#### Cash and Cash Equivalents, Investments, and Accrued Investment Income

June 30, 2009 and 2008

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

Nonpooled investments are reported at fair value, as determined by quoted market price. Investment income, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund that owns the investments, except for income derived from investments of the Endowment and Similar Funds, which is recognized in the funds to which such income is restricted.

At June 30, 2009, the University did not have deposits that exceeded the federally insured amount and the value of the underlying collateral held by an agent in the University's name. The University's investment balances, including pooled investments, but excluding real estate and farm properties, at June 30, 2009 and 2008 were held as follows (in thousands):

	<b>2009</b>	<b>2008</b>
	<b>carrying</b>	<b>carrying</b>
	<b>amount</b>	<b>amount</b>
U.S. treasury put	\$ 4,345	4,345
U.S. treasury bonds and bills	81,161	122,965
U.S. government agencies	212,421	207,900
Commercial paper	1,999	72,577
Corporate bonds	87,215	104,097
Bond mutual funds	48,820	61,776
Non government mortgage-backed securities	40,569	65,005
Non-U.S. government bonds	3,294	3,511
Money market funds	413,929	413,820
Illinois Public Teachers Investment Pool	1,957	2,628
U.S. equities	18,306	20,046
International equities	24,441	37,186
U.S. equity mutual funds	83,898	110,578
Limited partnerships	10,339	9,801
Repurchase agreements	38,427	140,398
Certificates of deposits	400	400
Preferred stock	294	880
Real estate	—	1
Total	\$ 1,071,815	1,377,914

**UNIVERSITY OF ILLINOIS**

Analysis of Significant Account Balances

Cash and Cash Equivalents, Investments, and Accrued Investment Income

June 30, 2009 and 2008

Refer to Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2009, for categorization of investments according to interest rate risk and credit risk assumed by the University at June 30, 2009.

Additionally, the University has real estate and farm properties held as investments by permanent and term endowments reported at fair value of \$40,510,000 as of June 30, 2009. The fair value of the real estate and farm properties is determined by a periodic appraisal of the property by a certified real estate appraiser. The University also has real estate and farm properties held as investments by quasi-endowments reported at \$8,172,000, which are carried at cost, or when donated, at the fair value at the date of donation.

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 that owns the investments, except for income derived from investments of the Endowment and Similar Funds, which is recognized in the funds to which such income is restricted. Income from pooled investments is distributed to individual University funds quarterly based upon average monthly balances invested in the pool. Accrued investment income, by fund, at June 30, 2009 and 2008 was as follows:

	<u>2009</u>	<u>2008</u>
Current funds:		
Unrestricted	\$ 1,708,997	2,123,209
Restricted	107,877	128,935
Loan funds	24,653	33,838
Plant funds	<u>1,294,725</u>	<u>2,753,116</u>
	<u>\$ 3,136,252</u>	<u>5,039,098</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Accounts and Notes Receivable  
 June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Accounts receivable:		
Current unrestricted funds:		
Student tuition	\$ 28,058,534	25,648,989
Other unrestricted	10,011,700	9,881,904
Entity activities:		
Auxiliary enterprises	15,327,114	13,542,051
Hospital and clinics	330,512,916	305,789,685
Other departmental activities	60,384,149	47,918,571
Total accounts receivable	<u>444,294,413</u>	<u>402,781,200</u>
Allowance for doubtful accounts:		
Hospital and clinics	(250,081,318)	(230,454,904)
Other departmental activities	(10,666,172)	(5,040,694)
Student tuition	(7,548,526)	(6,966,059)
Other unrestricted funds	(4,791,793)	(4,957,460)
Auxiliary enterprises	(4,017,989)	(3,178,443)
Total allowance for doubtful accounts	<u>(277,105,798)</u>	<u>(250,597,560)</u>
Current unrestricted funds accounts receivable, net	<u>167,188,615</u>	<u>152,183,640</u>
Current restricted funds:		
Medical Service Plan	74,262,440	68,230,026
Grants, contracts, and gifts	137,315,631	172,789,317
Federal appropriations	1,657,013	2,141,721
Total accounts receivable	<u>213,235,084</u>	<u>243,161,064</u>
Allowance for doubtful accounts:		
Medical Service Plan	(26,905,091)	(27,385,807)
Grants, contracts, and gifts	(1,524,584)	—
Current restricted funds accounts receivable, net	<u>184,805,409</u>	<u>215,775,257</u>
Plant Funds	<u>3,805,232</u>	<u>499,644</u>
Total accounts receivable, net	<u>355,799,256</u>	<u>368,458,541</u>
Notes receivable:		
Loan Funds:		
Urbana campus	28,081,220	28,273,098
Chicago campus	36,114,558	37,188,140
Springfield campus	209,811	210,279
Total notes receivable	<u>64,405,589</u>	<u>65,671,517</u>
Allowance for doubtful notes:		
Urbana campus	(1,385,004)	(1,596,149)
Chicago campus	(1,404,261)	(1,274,627)
Springfield campus	(10,331)	(6,186)
Total allowance for doubtful accounts	<u>(2,799,596)</u>	<u>(2,876,962)</u>
Total notes receivable, net	<u>61,605,993</u>	<u>62,794,555</u>
Total accounts and notes receivable, net	<u>\$ 417,405,249</u>	<u>431,253,096</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Accounts and Notes Receivable  
 Student Tuition Receivable  
 June 30, 2009 and 2008

		<b>June 30, 2009</b>				
		<b>Total</b>	<b>Urbana Campus</b>	<b>Chicago Campus</b>	<b>Springfield Campus</b>	<b>Global Campus</b>
Student tuition receivable:						
Current – 30 days	\$	10,668,222	5,182,901	4,640,645	748,964	95,712
31 – 90 days		739,829	459,961	235,712	43,477	679
Over 90 days		16,650,483	6,974,118	7,888,938	1,787,427	—
Total student tuition receivable		28,058,534	12,616,980	12,765,295	2,579,868	96,391
Allowance for doubtful accounts		(7,548,526)	(2,869,040)	(3,887,561)	(787,306)	(4,619)
Student tuition receivable, net	\$	<u>20,510,008</u>	<u>9,747,940</u>	<u>8,877,734</u>	<u>1,792,562</u>	<u>91,772</u>
		<b>June 30, 2008</b>				
		<b>Total</b>	<b>Urbana Campus</b>	<b>Chicago Campus</b>	<b>Springfield Campus</b>	<b>Global Campus</b>
Student tuition receivable:						
Current – 30 days	\$	9,706,086	4,682,765	4,376,753	639,579	6,989
31 – 90 days		675,062	415,576	222,308	37,128	50
Over 90 days		15,267,841	6,301,135	7,440,330	1,526,376	—
Total student tuition receivable		25,648,989	11,399,476	12,039,391	2,203,083	7,039
Allowance for doubtful accounts		(6,966,059)	(2,134,685)	(4,247,023)	(584,326)	(25)
Student tuition receivable, net	\$	<u>18,682,930</u>	<u>9,264,791</u>	<u>7,792,368</u>	<u>1,618,757</u>	<u>7,014</u>

These receivables relate to unpaid student tuition.

**UNIVERSITY OF ILLINOIS**

Analysis of Significant Account Balances

Accounts and Notes Receivable

Health Services Facilities System – Patient Receivables

June 30, 2009 and 2008

(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>2009</u>	<u>2008</u>
Active accounts:		
Patient receivables	\$ 110,727	102,817
Less bad debt allowance	(39,864)	(37,264)
Net patient receivables	<u>\$ 70,863</u>	<u>65,553</u>
Bad debt allowance – as a percent of patient receivables	36.00%	36.24%
Days revenue in net patient receivables	\$ 56	54
Write-offs of uncollectible accounts, net of recoveries	8,954	2,750
As a percent of gross revenue	0.63%	0.20%
Provision for bad debts	\$ 27,260	25,062
As a percent of gross revenue	1.91%	1.93%
Aging:		
0 – 30 days (including in-house)	57.13%	65.06%
31 – 90 days	16.23	12.86
91 – 180 days	10.86	8.73
Over 180 days	15.78	13.35
	<u>100.00%</u>	<u>100.00%</u>
Inactive accounts:		
Patient receivables	\$ 210,218	193,191
Less bad debt allowance	(210,218)	(193,191)
Net patient receivables	<u>\$ —</u>	<u>—</u>
Health Services Facilities System Receivables gross:		
Active patient receivables	\$ 110,727	102,817
Inactive patient receivables	210,218	193,191
Other receivables	8,696	8,767
Due from related organizations	872	1,015
Total Health Services Facilities System receivables gross	<u>\$ 330,513</u>	<u>305,790</u>

**UNIVERSITY OF ILLINOIS**

Analysis of Significant Account Balances

Accounts and Notes Receivable

Grants, Contracts and Gifts

June 30, 2009 and 2008

<b>June 30, 2009</b>						
	<b>Total</b>	<b>Urbana Campus</b>	<b>Chicago Campus</b>	<b>Springfield Campus</b>	<b>Global Campus</b>	<b>University Administration</b>
Grants, contracts, and gifts:						
United States government grants and contracts	\$ 75,618,092	46,968,004	28,227,026	101,077	11,826	310,159
Private gifts, grants, and contracts	28,968,401	18,973,895	9,948,670	45,836	—	—
State of Illinois grants and contracts	31,204,554	13,103,289	16,042,307	1,728,160	24,420	306,378
Total grants, contracts, and gifts, net	<u>\$ 135,791,047</u>	<u>79,045,188</u>	<u>54,218,003</u>	<u>1,875,073</u>	<u>36,246</u>	<u>616,537</u>
<b>June 30, 2008</b>						
	<b>Total</b>	<b>Urbana Campus</b>	<b>Chicago Campus</b>	<b>Springfield Campus</b>	<b>Global Campus</b>	<b>University Administration</b>
Grants, contracts, and gifts:						
United States government grants and contracts	\$ 99,473,715	58,880,990	40,227,620	53,608	6,659	304,838
Private gifts, grants, and contracts	37,819,765	22,265,984	15,471,290	43,539	—	38,952
State of Illinois grants, and contracts	35,495,837	16,201,395	17,550,804	1,038,825	22,826	681,987
Total grants, contracts, and gifts	<u>\$ 172,789,317</u>	<u>97,348,369</u>	<u>73,249,714</u>	<u>1,135,972</u>	<u>29,485</u>	<u>1,025,777</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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Urbana campus:		
Age:		
Not in repayment status/current billing	\$ 23,305,979	23,776,736
Under 120 days	1,298,514	1,043,098
Over 120 days	<u>3,476,727</u>	<u>3,453,264</u>
	28,081,220	28,273,098
Allowance for doubtful notes	<u>(1,385,004)</u>	<u>(1,596,149)</u>
Total – Urbana campus	<u>26,696,216</u>	<u>26,676,949</u>
Chicago campus:		
Age:		
Not in repayment status/current billing	29,972,465	31,533,333
Under 120 days	1,922,451	1,519,288
Over 120 days	<u>4,219,642</u>	<u>4,135,519</u>
	36,114,558	37,188,140
Allowance for doubtful notes	<u>(1,404,261)</u>	<u>(1,274,627)</u>
Total – Chicago campus	<u>34,710,297</u>	<u>35,913,513</u>
Springfield campus:		
Age:		
Not in repayment status/current billing	136,601	157,871
Under 120 days	35,457	23,014
Over 120 days	<u>37,753</u>	<u>29,394</u>
	209,811	210,279
Allowance for doubtful notes	<u>(10,331)</u>	<u>(6,186)</u>
Total – Springfield campus	<u>199,480</u>	<u>204,093</u>
All campuses:		
Age:		
Not in repayment status/current billing	53,415,045	55,467,940
Under 120 days	3,256,422	2,585,400
Over 120 days	<u>7,734,122</u>	<u>7,618,177</u>
	64,405,589	65,671,517
Allowance for doubtful notes	<u>(2,799,596)</u>	<u>(2,876,962)</u>
Total – all campuses	\$ <u>61,605,993</u>	<u>62,794,555</u>

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

**UNIVERSITY OF ILLINOIS**

Analysis of Significant Account Balances

Capital assets

June 30, 2009

	<u>Beginning balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers (internal and from Other State Agencies)</u>	<u>Ending balance</u>
Nondepreciable capital assets::					
Land	\$ 126,300,369	2,283,708	—	4,109,524	132,693,601
Construction in progress	333,711,084	188,208,920	—	(348,448,201)	173,471,803
Inexhaustible collections	<u>15,473,918</u>	<u>563,156</u>	<u>(47,770)</u>	<u>—</u>	<u>15,989,304</u>
Total nondepreciable capital assets	<u>475,485,371</u>	<u>191,055,784</u>	<u>(47,770)</u>	<u>(344,338,677)</u>	<u>322,154,708</u>
Depreciable capital assets:					
Buildings	2,976,870,637	—	(494,300)	321,587,679	3,297,964,016
Improvements and infrastructure	626,859,057	—	—	30,157,381	657,016,438
Equipment	968,125,072	68,924,038	(60,003,612)	9,976,582	987,022,080
Software	155,129,866	6,922,792	—	—	162,052,658
Exhaustible collections	<u>451,007,332</u>	<u>24,376,020</u>	<u>(528,710)</u>	<u>—</u>	<u>474,854,642</u>
Subtotal	5,177,991,964	100,222,850	(61,026,622)	361,721,642	5,578,909,834
Less accumulated depreciation	<u>2,413,322,145</u>	<u>203,477,075</u>	<u>(56,203,320)</u>	<u>11,913,432</u>	<u>2,572,509,332</u>
Total net depreciable capital assets	<u>2,764,669,819</u>	<u>(103,254,225)</u>	<u>(4,823,302)</u>	<u>349,808,210</u>	<u>3,006,400,502</u>
Total capital assets	\$ <u><u>3,240,155,190</u></u>	<u><u>87,801,559</u></u>	<u><u>(4,871,072)</u></u>	<u><u>5,469,533</u></u>	<u><u>3,328,555,210</u></u>

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

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major changes to land FY2009:

Additions to/deductions from land in 2009:

Chicago:

3135 Old Jacksonville Rd, Springfield	\$ 1,660,943
Other (changes less than \$500,000):	<u>337,402</u>
Total changes to land – Chicago	<u>1,998,345</u>

Urbana-Champaign:

TR2008 Kane Co Dept Natural Resources	<u>3,700,000</u>
OTHER (changes less than \$500,000):	<u>694,887</u>
Total changes to Land – Urbana-Champaign	<u>4,394,887</u>
Total additions to/deductions from land	<u>6,393,232</u>
Total changes to land FY2009	<u>\$ 6,393,232</u>

Major building changes, including transfers from construction in progress FY2009

Deductions from buildings in 2009:

Chicago – School of Public Health Building	<u>\$ (494,300)</u>
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Transfers to/from buildings in 2009:

Urbana-Champaign:

Allerton Visitor’s Center	955,621
Atkins Tennis Center	3,625,056
Beckman Institute	705,396
Bielfeldt Athletic Administration	1,057,331
Burrill Hall	982,198
Business Instructional Building	56,623,319
Conference Center	10,522,221
Digital Computer Laboratory	1,326,650
Eichelberger Field Buildings	800,888
Freer Hall	1,593,349
Gregory Hall	1,251,140
II Natural History Forbes Station	658,194
II Natural History Kaskaskia Station	708,685
II Water Survey Peoria	2,087,382
Intramural-Physical Education	45,676,568
Law Building	752,356
Lincoln Avenue Residence	1,074,276
Loomis Laboratory	836,164
Materials Science & Engineering	1,321,537
McKinley Health Center	1,877,867
Memorial Stadium	119,942,913
Morrill Hall	540,356
Natural History Build	559,735
Newmark Civil Engineering	911,231
Noyes Laboratory	811,055
Oak St Library Facility	4,373,147
Physical Plant Services Building	660,727
Psychology Laboratory	3,294,391
Social Work Lease Space Build-out	3,419,014
The Irwin Academic Services Building	3,865,348
Transportation Building	876,729
Undergraduate Library	3,504,778
Willard Airport New T-Hanger	<u>529,107</u>

Urbana-Champaign major transfers to/from buildings	<u>277,724,729</u>
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Other (transfers less than \$500,000)	<u>3,419,332</u>
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Total transfers to/from buildings – Urbana-Champaign	<u>281,144,061</u>
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**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major building changes, including transfers from construction in progress FY2009 (cont'd)

Transfers to/from buildings in 2009 (cont'd):

Chicago:

Clinical Sciences North	\$	1,052,771
DSCC Springfield Building		2,757,211
Grant Hall		6,187,246
Mile Square Health Center		600,000
Outpatient Care Center		878,667
Science and Engineering Laboratory West		6,132,026
South Campus Building #665		1,866,777
South Campus Building #667		1,865,472
UIC College of Medicine		1,134,765
UIC Medical Center		947,656

Chicago major transfers to/from buildings		23,422,591
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Other (transfers less than \$500,000)		1,377,986
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Total transfers to/from buildings – Chicago		24,800,577
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Springfield:

Founders Hall		16,210,484
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Springfield major transfers to/from buildings		16,210,484
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Other (transfers less than \$500,000)		(567,443)
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Total transfers to/from buildings – Springfield		15,643,041
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Total transfers to/from buildings		321,587,679
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Total changes to buildings FY2009		\$ 321,093,379
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**UNIVERSITY OF ILLINOIS**

Analysis of Significant Account Balances

Capital Assets

June 30, 2009

Major changes to improvements and infrastructure FY2009

Transfers to/from improvements and infrastructure in FY2009:

Urbana-Champaign:

Atkins Tennis Center	\$ 955,787
Campus Chiller	10,727,584
Conference Center Landscaping	153,229
Eichelberger Field	1,094,936
Field Turf Install At Stadium Terrace	1,658,900
Grading, Sodding And Tree Planting	292,658
Housing Division Common Areas Improvements	795,603
Energy Bioscience Research Farm	329,064
Memorials, Statues, Fountains, etc.	238,865
South Farm Waste Management	15,527
Will FM and TV Transmission Tower	461,465
Willard Airport Improvements	1,652,637
Willard Airport Runways	<u>421,065</u>

Total transfers to/from improvements and infrastructure –  
Urbana-Champaign

18,797,320

Chicago:

Chilled Water	5,800,391
Outdoor Recreation Facility	169,500
Parking Facilities	1,683,590
South Campus Infrastructure	1,297,379
Sports Lighting South Campus	1,198,704
UIC Baseball Field Turf	<u>1,210,497</u>

Total transfers to/from improvements and infrastructure – Chicago

11,360,061

Total transfers to/from improvements and infrastructure

30,157,381

Total changes to improvements and infrastructure FY2009

\$ 30,157,381

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major changes to equipment FY2009:

Additions/internal transfers in 2009 by category:

Urbana-Champaign:	
Willard airport	\$ 102,878
Auxiliaries	987,388
Other self supporting	9,686,696
General campus	<u>40,600,531</u>
Total additions/transfers – Urbana-Champaign	<u>51,377,493</u>
Chicago:	
Hospital	12,659,896
Auxiliaries	183,766
Other self supporting	3,846,882
General campus	<u>6,768,137</u>
Total additions/transfers – Chicago	<u>23,458,681</u>
Springfield:	
Auxiliaries	168,103
Other self supporting	78,732
General campus	<u>482,780</u>
Total additions/transfers – Springfield	<u>729,615</u>
Global campus:	
Other self supporting	8,595
General campus	<u>8,060</u>
Total additions/transfers – global campus	<u>16,655</u>
University administration:	
Other self supporting	(40,035)
General campus	<u>3,358,211</u>
Total additions/transfers – university administration	<u>3,318,176</u>
Total additions/transfers to equipment	<u>78,900,620</u>

Equipment trade-ins, disposals, and adjustments by category FY2009:

Urbana-Champaign:	
Willard airport	—
Auxiliaries	(1,055,919)
Other self supporting	(4,278,484)
General campus	<u>(37,604,133)</u>
Total trade-ins, disposals, and adjustments – Urbana-Champaign	<u>(42,938,536)</u>
Chicago:	
Hospital	(3,351,166)
Auxiliaries	(58,021)
Other self supporting	(1,411,434)
General campus	<u>(9,528,946)</u>
Total trade-ins, disposals, and adjustments – Chicago	<u>(14,349,567)</u>
Springfield:	
Auxiliaries	(32,505)
Other self supporting	(34,052)
General campus	<u>(43,994)</u>
Total trade-ins, disposals, and adjustments – Springfield	<u>(110,551)</u>
Global campus:	
Other self supporting	—
General campus	<u>(7,668)</u>
Total trade-ins, disposals, and adjustments – University administration	<u>(7,668)</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major changes to equipment FY2009 (cont'd):

Equipment trade-ins, disposals, and adjustments by category FY2009 (cont'd):

University administration:

Other self supporting	(153,786)
General campus	<u>(2,443,504)</u>
Total trade-ins, disposals, and adjustments – university administration	<u>(2,597,290)</u>
Total trade-ins, disposals, and adjustments to equipment	<u>(60,003,612)</u>
Total changes to equipment	<u>\$ 18,897,008</u>

Summary of equipment trade-ins, disposals, and adjustments by campus FY2009:

Trade-ins:

Urbana-Champaign	\$ (21,030,160)
Chicago	(1,415,408)
Springfield	<u>(32,505)</u>
	<u>(22,478,073)</u>

Disposals:

Urbana-Champaign	(24,513,334)
Chicago	(12,934,159)
Springfield	<u>(78,046)</u>
	<u>(37,525,539)</u>

Total equipment trade-ins, disposals, and adjustment FY2009	<u>\$ (60,003,612)</u>
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Major changes to software FY2009:

Additions/internal transfers in 2009 by category:

Urbana-Champaign – Other self supporting	\$ 4,678,094
Total additions/transfers to software – Urbana-Champaign	<u>4,678,094</u>
Chicago – Hospital	<u>2,244,698</u>
Total additions/transfers to software – Chicago	<u>2,244,698</u>
Total additions/transfers to software	<u>6,922,792</u>
Total changes to software FY2009	<u>\$ 6,922,792</u>

Major changes to exhaustible collections FY2009:

Additions/internal transfers in 2009 by category:

Urbana-Champaign – General campus	\$ 14,584,965
Total additions/transfers to exhaustible collections – Urbana-Champaign	<u>14,584,965</u>
Chicago – General campus	<u>8,810,988</u>
Total additions/transfers to exhaustible collections – Chicago	<u>8,810,988</u>
Springfield – General campus	<u>980,067</u>
Total additions/transfers to exhaustible collections – Springfield	<u>980,067</u>
Total additions/transfers to exhaustible collections	<u>24,376,020</u>

Summary of exhaustible collections trade-ins, disposals, and adjustments by campus FY2009:

Urbana-Champaign – General campus	<u>(361,480)</u>
Total trade-ins, disposal, and adjustments – Urbana-Champaign	<u>(361,480)</u>
Chicago – General campus	<u>(167,230)</u>
Total trade-ins, disposal, and adjustments – Chicago	<u>(167,230)</u>
Total Trade-ins, disposals, and adjustments to exhaustible collections	<u>(528,710)</u>
Total changes to exhaustible collections FY2009	<u>\$ 23,847,310</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major changes to inexhaustible collections FY2009:

Additions/internal transfers in 2009 by category:

Urbana-Champaign – General campus	\$ <u>503,935</u>
Total additions/transfers to inexhaustible collections – Urbana-Champaign	<u>503,935</u>
Chicago – General campus	<u>31,455</u>
Total additions/transfers to inexhaustible collections – Chicago	<u>31,455</u>
Springfield – General campus	<u>27,766</u>
Total additions/transfers to inexhaustible collections – Springfield	<u>27,766</u>
Total additions/transfers to inexhaustible collections	563,156

Summary of exhaustible collections trade-ins, disposals, and adjustments by campus FY2009:

Urbana-Champaign:

General campus	<u>(47,770)</u>
Total trade-ins, disposal, and adjustments – Urbana-Champaign	<u>(47,770)</u>
Total trade-ins, disposals, and adjustments to inexhaustible collections	<u>(47,770)</u>
Total changes to inexhaustible collections FY2009	<u>\$ 515,386</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major changes to construction in progress FY2009:

Additions in 2009:

Urbana-Champaign:

Allerton Dining Hall	\$ 855,107
Atkins Tennis Center	2,181,174
Beckman Institute	639,902
Bevier Hall	828,928
Blue Waters Super Computer	14,722,789
Business Instructional Facility	9,206,503
Carr Hall	2,046,943
Chicago Circle Center	1,357,456
CITES Network Upgrade	2,662,673
Conference Center	1,257,956
Digital Computer Laboratory	612,845
Fire Svc Inst CL/OFC	1,099,409
Foreign Languages Building	741,940
Freer Hall, Louise	1,172,249
Gregory Hall	663,487
Ikenberry Commons-Res	40,208,940
Intramural Physical Education Building	1,611,653
Library Warehouse	2,557,568
Library Sixth Stack	616,834
Lincoln Hall	886,453
Materials Science & Engineering Building	939,898
Memorial Stadium	24,832,272
Natural History Survey Building	755,074
NCSA Petascale	25,596,740
Newmark Civil Engineering	840,730
Noyes Laboratory of Chemistry	591,166
Oak Street Chiller Plant & Distribution System	1,925,625
Psychology Laboratory	976,027
Roger Adams Laboratory	1,678,063
Saunders Hall	1,227,900
School of Social Work	3,195,951
Scott Hall	588,335
Willard Airport Runway	1,989,562

Urbana-Champaign major additions to construction in progress	151,068,152
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Other (additions less than \$500,000)	6,613,629
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Total additions to construction in progress – Urbana-Champaign	157,681,781
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Chicago:

DSCC State Regional Office	2,757,211
ISPI Building	500,683
Lincoln Hall	8,266,963
Rockford Col Of Med-East Building	4,568,138
Rockford Col Of Med-North Building	879,065
South Campus bldg #665	511,961
South Campus bldg #667	1,535,884
South Campus Parking Structure	642,819
Student Residence And Commons	1,610,988
Stukel Tower	1,708,682
Tech 2000	967,929
UIC Forum	1,391,189
University Of Illinois at Chicago Hospital	2,476,011

Chicago major additions to construction in progress	27,817,523
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Other (additions less than \$500,000)	974,061
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Total additions to construction in progress – Chicago	28,791,584
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**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major changes to construction in progress FY2009 (cont'd):

Additions in 2009 (cont'd):

Springfield:

Student Residence Hall	\$ <u>2,302,998</u>
Springfield major additions to construction in progress	2,302,998
Other (additions less than \$500,000)	<u>(567,443)</u>
Total additions to construction in progress – Springfield	<u>1,735,555</u>
Total additions to construction in progress	<u>188,208,920</u>

Transfers to/from construction in progress in 2009:

Urbana-Champaign:

Allerton Dining Hall	(955,621)
Atkins Tennis Center	(6,476,667)
Beckman Institute	(694,464)
Bielfield Athletic Administration Bldg	(1,057,331)
Burrill Hall	(982,198)
Business Instructional Facility	(56,623,319)
Campus Chiller	(4,004,851)
Chilled Water Extension – Lincoln Hall And Newman Center	(1,369,214)
Cites Network Upgrade	(2,267,768)
Conference Center	(10,522,221)
Digital Computer Laboratory	(1,326,650)
Field Turf Installation At Stadium Terrace And First Street	(1,658,900)
Freer Hall, Louise	(1,593,349)
Gregory Hall	(1,251,140)
Intramural Physical Education Building	(45,676,568)
Law Building	(752,356)
Library Remote Storage Warehouse	(4,373,147)
Library Sixth Stack	(3,504,778)
Lincoln Ave Residence Hall	(1,074,276)
Loomis Laboratory Of Physics	(836,164)
Materials Science & Engineering Building	(1,321,537)
McKinley Health Center	(1,877,867)
Memorial Stadium	(120,181,777)
Morrill Hall, Justin Smith	(540,356)
Newmark Civil Engineering	(911,231)
Noyes Laboratory Of Chemistry	(591,166)
Parking Champaign Housing	(795,603)
PGI Chilled Water	(5,353,519)
Physical Plant Service Bldg	(550,278)
Psychology Laboratory	(3,294,392)
School Of Social Work	(3,419,014)
South Farms	(609,094)
The Irwin Academic Services Center	(3,865,348)
Transportation Building	(876,730)
Willard Airport New T-Hanger	(529,107)
Willard Airport Runways	<u>(2,273,098)</u>
Urbana-Champaign major transfers to/from construction in progress	(293,991,099)
Other (transfers less than \$500,000)	<u>(2,316,021)</u>
Total transfers to/from construction in progress – Urbana-Champaign	<u>(296,307,120)</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Capital Assets  
 June 30, 2009

Major changes to construction in progress FY2009 (cont'd):

Transfers to/from construction in progress in 2009 (cont'd):

Chicago:

Clinical Sciences Bldg	\$ (1,052,771)
College Of Medicine	(1,134,765)
DSCC State Regional Office	(2,757,211)
East Campus Chilled Water Project	(3,744,486)
Grant Hall	(6,187,246)
ISPI Building	(3,177,432)
Mile Square Health Center	(600,000)
Outpatient Care Center	(878,667)
Rockford Col Of Med-East Building	1,415,468
Roosevelt & Wood Parking	(1,683,590)
South Campus bldg #665	(511,961)
South Campus bldg #667	(1,535,884)
South Campus Chilled & High Temperature Hot Water Line	(2,055,905)
South Campus Parking Structure	(1,400,536)
Stukel Tower	(1,708,682)
The School Of Public	(2,954,593)
UIC Athletic Lighting	(1,198,705)
UIC Athletic Turf	(1,750,460)
UIC Forum	(1,391,188)
University of Illinois at Chicago Hospital	<u>(731,983)</u>

Chicago major transfers to/from construction in progress (35,040,597)

Other (transfers less than \$500,000) (1,457,443)

Total transfers to/from construction in progress – Chicago (36,498,040)

Springfield:

Student Residence Hall (16,210,484)

Springfield major transfers to/from construction in progress (16,210,484)

Other (transfers less than \$500,000) 567,443

Total transfers to/from construction in progress – Springfield (15,643,041)

Total transfers to/from construction in progress (348,448,201)

Total changes to construction in progress FY2009 \$ (160,239,281)

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Accounts Payable and Accrued Liabilities  
 June 30, 2009 and 2008

	<b>2009</b>	<b>2008</b>	<b>Increase (decrease)</b>
All funds:			
Accounts payable	\$ 257,216,030	271,804,442	(14,588,412)
Accrued payroll	137,286,518	132,452,744	4,833,774
Accrued interest	17,683,061	17,248,237	434,824
Accrued compensated absences:			
Vacation	143,532,929	135,304,812	8,228,117
Sick-leave	74,001,733	78,003,438	(4,001,705)
Total compensated absences	217,534,662	213,308,250	4,226,412
Accrued self-insurance	181,827,483	177,168,674	4,658,809
Total accounts payable and accrued liabilities	\$ 811,547,754	811,982,347	(434,593)

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Accounts Payable and Accrued Liabilities  
 Accrued Compensated Absences  
 June 30 for the last ten years

	<b>Accrued Vacation Pay</b>	<b>Accrued Sick Pay</b>	<b>Total</b>
2009	\$ 143,532,929	\$ 74,001,733	\$ 217,534,662
2008	135,304,812	78,003,438	213,308,250
2007	127,407,585	81,773,448	209,181,033
2006	122,653,572	84,653,590	207,307,162
2005	115,467,685	90,607,349	<sup>1</sup> 206,075,034
2004	90,443,817	92,926,513	<sup>1</sup> 183,370,330
2003	92,291,996	100,232,056	192,524,052
2002	91,782,138	107,381,345	199,163,483
2001	84,650,349	110,096,329	194,746,678
2000	79,278,265	116,817,407	196,095,672
1999	71,511,180	122,571,606	194,082,786

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

**UNIVERSITY OF ILLINOIS**  
**Analysis of Significant Account Balances**  
**Deferred Revenue and Student Deposits**  
**June 30, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Deferred revenue and student deposits:		
Deferred General Revenue Fund appropriations	\$ 935,760	749,614
Deferred tuition	35,153,373	30,962,265
Student deposits	1,438,307	962,156
Auxiliary enterprises under indenture	7,174,533	6,406,600
Auxiliary enterprises not under indenture	5,980,209	4,946,233
Departmental activities	13,581,307	15,519,635
Storerooms and other services	1,474,435	2,050,242
US grants and contracts	11,611,329	13,413,380
Private grants and contracts	55,472,782	58,810,965
State of Illinois grants and contracts	10,314,339	20,544,140
Unexpended Plant	2,599,850	1,723,611
Other	385,278	432,531
Total deferred revenue and student deposits	<u>\$ 146,121,502</u>	<u>156,521,372</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Bonds Payable and Accrued Interest  
 Year ended June 30, 2009

	<b>Balance at July 1, 2008</b>	<b>Bonds issued</b>	<b>Principal reductions</b>	<b>Accretion on bonds</b>	<b>Balance at June 30, 2009</b>
University of Illinois Auxiliary Facilities					
System Revenue Bonds:					
Series 1979 UIS HUD Bonds	\$ 720,000	—	60,000	—	660,000
Series 1991	123,102,983	—	3,835,000	9,092,587	128,360,570
Series 1993	10,876,029	—	11,140,000	263,971	—
Series 1996	640,000	—	205,000	—	435,000
Series 1999A	20,316,210	—	1,720,000	1,058,749	19,654,959
Series 1999B	4,970,000	—	560,000	—	4,410,000
Series 2000	330,000	—	150,000	—	180,000
Series 2001A	101,825,000	—	2,150,000	—	99,675,000
Series 2001B	39,095,000	—	1,020,000	—	38,075,000
Series 2001C	13,710,000	—	970,000	—	12,740,000
Series 2003A	61,790,000	—	1,210,000	—	60,580,000
Series 2005A	158,380,000	—	3,425,000	—	154,955,000
Series 2005B	67,015,000	—	67,015,000	—	—
Series 2006	316,995,000	—	1,835,000	—	315,160,000
Series 2008	20,800,000	—	315,000	—	20,485,000
Series 2009A	—	84,100,000	—	—	84,100,000
Total Auxiliary Facilities System	<u>940,565,222</u>	<u>84,100,000</u>	<u>95,610,000</u>	<u>10,415,307</u>	<u>939,470,529</u>
UIC South Campus Development Revenue Bonds:					
Series 2000	12,610,000	—	2,265,000	—	10,345,000
Series 2003	8,735,000	—	445,000	—	8,290,000
Series 2006A	53,700,000	—	53,700,000	—	—
Series 2008	—	54,245,000	—	—	54,245,000
Total UIC South Campus Development	<u>75,045,000</u>	<u>54,245,000</u>	<u>56,410,000</u>	<u>—</u>	<u>72,880,000</u>
Willard Airport Revenue Bonds:					
Series 1997	260,000	—	260,000	—	—
University of Illinois Health Services Facilities					
System Revenue Bonds:					
Series 1997B	20,100,000	—	700,000	—	19,400,000
Series 2007	40,875,000	—	40,875,000	—	—
Series 2008	41,215,000	—	—	—	41,215,000
Total Health Services Facilities System	<u>102,190,000</u>	<u>—</u>	<u>41,575,000</u>	<u>—</u>	<u>60,615,000</u>
Total bonds payable	<u>\$ 1,118,060,222</u>	<u>138,345,000</u>	<u>193,855,000</u>	<u>10,415,307</u>	<u>1,072,965,529</u>

## UNIVERSITY OF ILLINOIS

### Analysis of Significant Account Balances

#### Bonds Payable and Accrued Interest

June 30, 2009 and 2008

#### **University of Illinois Auxiliary Facilities System**

##### ***Series 1979 UIS HUD Bonds***

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

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

##### ***Series 1991 Bonds***

On June 13, 1991, the Series 1991 Bonds were issued in the principal amount of \$77,387,579. The Series 1991 Bonds consist of current interest bonds (\$29,640,000) and capital appreciation bonds (\$47,747,579). The current interest bonds were retired during 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 consisted of current interest bonds (\$31,305,000) and capital appreciation bonds (\$14,621,969). The current interest bonds bore interest at rates ranging from 3.5% to 5.875% per annum, payable semi-annually, commencing October 1, 1993 and matured annually October 1, 1995 through 2005. A portion of the current interest bonds were refunded during FY2002 utilizing funds from the sale of the Series 2001A Bonds. The capital appreciation bonds did not require current interest payments. They matured 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 recorded the annual increase in the principal amount of the bonds as interest expense and accretion on bonds payable.

Proceeds from the sale of the Series 1993 Bonds were used (a) to advance refund a portion of the Series 1986 Bonds due April 1, 2006 through April 1, 2009; (b) to finance various additions, improvements, and renovations to the System; (c) to fund the Debt Service Reserve in an amount equal to the difference between the Maximum Annual Net Debt Reserve and the balance in such account at the time of delivery of the Series 1993 Bonds; and

## UNIVERSITY OF ILLINOIS

### Analysis of Significant Account Balances

#### Bonds Payable and Accrued Interest

June 30, 2009 and 2008

(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, had been recorded as a prepaid expense and were amortized over the life of the bond issue.

#### ***Series 1996 Bonds***

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

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

#### ***Series 1999A Bonds***

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

#### ***Series 1999B Bonds***

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

Proceeds from the sale of the Series 1999A and 1999B Bonds were used (a) to finance various additions, improvements, and renovations to the System; (b) to pay a portion of the interest on the Series 1999A and 1999B Bonds during construction; and (c) to pay all costs incidental to the issuance of the Series 1999A and 1999B Bonds. These issuance costs, in the amount of \$1,933,819, have been recorded as a prepaid expense and 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, 2009 and 2008

***Series 2000 Bonds***

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

Proceeds from the sale of the Series 2000 Bonds were used to (a) pay (or reimburse the University) for constructing a new student housing facility and food service improvements at the University's Springfield campus; (b) pay the interest on the Series 2000 Bonds through April 1, 2002; and (c) pay costs incidental to the issuance of the Series 2000 bonds. The issuance costs, in the amount of \$125,000, have been recorded as a prepaid expense and 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 were used to advance refund portions of various outstanding Auxiliary Facilities System bond issues. The refunding resulted in a reduction in debt service of approximately \$7,900,000 and an economic gain of approximately \$8,169,000. The difference between the reacquisition price and the net carrying amount of the old debt, loss on refunding, is deferred and amortized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

***Series 2001B and Series 2001C***

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

Proceeds from the sale of the Series 2001B and Series 2001C Bonds were used to (a) fund the current refunding of various outstanding issues, (b) fund various additions and improvements to the System, (c) pay the interest on the Series 2001B and Series 2001C Bonds during construction, and (d) pay costs incidental to the issuance of the Series 2001B and Series 2001C bonds. The issuance costs for Series 2001B and Series 2001C, 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.

## UNIVERSITY OF ILLINOIS

### Analysis of Significant Account Balances

#### Bonds Payable and Accrued Interest

June 30, 2009 and 2008

##### *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 were used to fund various additions and improvements to the System, pay debt service during construction, and pay all costs incidental to the issuance of the bonds. These issuance costs, in the amount of \$594,592, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

##### *Series 2005A*

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

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

##### *Series 2005B*

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

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

##### *Series 2006*

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

Proceeds from the sale of the Series 2006 Bonds are being used to fund various improvements to the System, provide for the refunding of portions of the outstanding System bonds, Series 1996 and Series 2001B, to pay debt service during construction and to pay all costs incidental to the issuance of the bonds. These issuance costs, in the amount of \$2,666,750, have been recorded as a prepaid expense and 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, 2009 and 2008

#### *Series 2008*

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

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

#### *Series 2009A*

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

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

### **Willard Airport**

#### *Series 1997 Bonds*

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

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

### **University of Illinois Health Services Facilities System**

#### *Series 1997B Bonds*

On May 8, 1997, the Series 1997B Bonds were issued in the principal amount of \$25,000,000. The Series 1997B Bonds are variable rate bonds bearing interest at a weekly rate estimated to average 4% per annum over the life of the bonds. Interest is payable monthly commencing June 1, 1997. The bonds mature annually, commencing October 1, 2000 through October 1, 2026.

## UNIVERSITY OF ILLINOIS

### Analysis of Significant Account Balances

#### Bonds Payable and Accrued Interest

June 30, 2009 and 2008

Proceeds from the sale of the Series 1997B Bonds were 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 1997B Bonds; and (c) to pay costs incidental to the issuance of the Series 1997B Bonds. These issuance costs, in the amount of \$964,525, have been recorded as a prepaid expense and will be amortized over the life of the bond issues.

#### *Series 2007 Bonds*

On July 19, 2007, the Series 2007 Bonds were issued in the principal amount of \$40,875,000. The Series 2007 Bonds were variable rate bonds bearing interest at a weekly rate. Interest was payable monthly commencing August 2007. As a means to lower its borrowing costs, when compared against fixed rate bonds at the time of issuance, the University entered into an interest rate swap. The intention of the swap was to effectively change the University's variable interest rate on the Bonds to a synthetic fixed rate of 3.534%. The bonds matured annually, commencing October 1, 2011 through October 1, 2026. The Series 2007 Bonds were redeemed by proceeds from the Series 2008 Bonds on July 28, 2008.

Proceeds from the issuance of these Bonds funded the redemption of the outstanding Health Services Facilities System Revenue Bonds Series 1997A Bonds, and paid all costs incidental to the issuance of the Series 2007 Bonds.

#### *Series 2008 Bonds*

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

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

### **University of Illinois UIC South Campus Development Project**

#### *Series 2000 Bonds*

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

Proceeds from the sale of the Series 1999 and 2000 Bonds were used (a) to provide a portion of the funding for the University of Illinois South Campus Development Project, an integrated academic, residential, recreational, and commercial development; and (b) to pay costs incidental to the issuance of the Series 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, 2009 and 2008

***Series 2003 Bonds***

On August 1, 2003, the Series 2003 Bonds were issued in the principal amount of \$10,000,000. The Series 2003 bonds are current interest bonds, which bear interest at rates ranging from 2.00% to 5.25% per annum, payable semi-annually, commencing January 15, 2004. The bonds mature annually, commencing January 15, 2004 through January 15, 2023.

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

***Series 2006A Bonds***

On February 2, 2006, the Series 2006A Bonds were issued in the principal amount of \$53,700,000. Series 2006A Bonds were variable rate bonds bearing interest at a weekly rate estimated to average 3.51% per annum over the life of the bonds. Interest was payable monthly commencing March 2006. The Series 2006A Bonds were redeemed by Series 2008 Bonds on July 16, 2008.

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

***Series 2008 Bonds***

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

Proceeds from the sale of the Series 2008 Bonds were used to refund all of outstanding principal amount of the Series 2006A bonds and to pay costs incidental to the issuance of the Series 2008 Bonds. These issuance costs, in the amount of \$545,000 have been recorded as a prepaid expense and 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, 2009 and 2008

**Advance Refunded Bonds**

The University has defeased bonds through advance refunding in prior years and, accordingly, they are not reflected in the financial statements. The bonds which have been defeased as of June 30, 2009 are seen in the following table (rounded to the nearest thousand):

	<b><u>Outstanding at June 30, 2009</u></b>
Series:	
1999	\$ 49,365
1999A	85,300
2000	10,785
2001B	<u>55,315</u>
Total	<u>\$ 200,765</u>

**Accrued Interest**

Accrued interest on outstanding bonds payable at June 30, 2009 and June 30, 2008 is as follows:

	<b><u>2009</u></b>	<b><u>2008</u></b>
University of Illinois Auxiliary Facilities System Revenue Bonds	\$ 10,007,475	9,041,929
Willard Airport Revenue Bonds	—	3,250
University of Illinois Health Services Facilities System Revenue Bonds	125,363	272,683
University of Illinois UIC South Campus Development Revenue Bonds	<u>721,599</u>	<u>938,355</u>
Total accrued interest	<u>\$ 10,854,437</u>	<u>10,256,217</u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Significant Account Balances  
 Leaseholds Payable and Other Obligations  
 June 30, 2009

Lesser	Balance at July 1, 2008	Increase in leaseholds and other obligations	Principal payments	Cancellations and adjustments	Balance at June 30, 2009
Leaseholds payable:					
Certificates of participation:					
Series 2001 UI Integrate	\$ 16,625,000	—	8,085,000	—	8,540,000
Series 2003 South Farm Projects	21,270,000	—	1,040,000	—	20,230,000
Series 2003 UI Integrate	31,700,000	—	—	—	31,700,000
Series 2003 Utility Infrastructure	52,625,000	—	4,795,000	—	47,830,000
Series 2004 Utility Infrastructure	140,800,000	—	1,035,000	—	139,765,000
Series 2005 College of Medicine	18,510,000	—	735,000	—	17,775,000
Series 2006 Academic Facilities	75,950,000	—	2,740,000	—	73,210,000
Series 2007A	72,725,000	—	130,000	—	72,595,000
Series 2007B	45,645,000	—	—	—	45,645,000
Series 2007C	31,340,000	—	31,340,000	—	—
Series 2007D	81,500,000	—	81,500,000	—	—
Series 2009A	—	38,230,000	—	—	38,230,000
Series 2009B	—	75,000,000	—	—	75,000,000
Carlyle	2,854,676	—	430,918	—	2,423,758
Cerner	473,572	—	473,572	—	—
CNH Capital	34,369	—	12,420	—	21,949
Eltekon Capital	9,248,879	549,623	1,523,523	(199,105)	8,075,874
G E Healthcare	59,420	—	22,135	—	37,285
JAMSAB	—	53,366	34,841	—	18,525
Key Government Finance	1,417,768	45,000	1,343,558	—	119,210
Key Municipal Finance	4,195,891	—	1,450,746	—	2,745,145
Koch Financial Corp.	—	—	—	—	—
Siemens Medical	54,938	—	14,790	—	40,148
Suntrust Leasing Corporation	4,271,958	—	1,369,509	—	2,902,449
Stryker Sales Corp	—	82,263	20,566	—	61,697
Illinois Medical District Commission	33,362,500	—	870,700	—	32,491,800
Xerox Corporation	—	—	—	—	—
Other	28,128	41,569	13,915	—	55,782
Total leaseholds payable	<u>644,692,099</u>	<u>114,001,821</u>	<u>138,981,193</u>	<u>(199,105)</u>	<u>619,513,622</u>
Other obligations:					
Environmental Remediation Liabilities	5,441,000	47,803	5,017,000	—	471,803
Total other obligations	<u>5,441,000</u>	<u>47,803</u>	<u>5,017,000</u>	<u>—</u>	<u>471,803</u>
Total leaseholds payable and other obligations	<u>\$ 650,133,099</u>	<u>114,049,624</u>	<u>143,998,193</u>	<u>(199,105)</u>	<u>619,985,425</u>

# UNIVERSITY OF ILLINOIS

## Entity Financial Statements and Related Information

### Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2009

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, 2009, 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 1996, Series 1999A, Series 1999B, Series 2000, Series 2001A, Series 2001B, Series 2001C, Series 2003A, Series 2005A, Series 2006, Series 2007A, Series 2007B, and Series 2008 (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 Activities and Recreation Center, Ice Rink Arena, and Memorial Stadium at the Urbana-Champaign campus; the Pavilion and Ice Rink at the Chicago campus; and the Gymnasium and the Recreation and Athletic Center at the Springfield campus.

#### II. Auxiliary Enterprises Not Under Indenture

A. *Student/Staff Programs and Services* – Administration and operation of programs and services for students, faculty, and staff, including counseling, testing, student government activities, and the Beckwith Living Center.

#### III. Storerooms and Service Departments

A. *Communication and Computing Services* – Activities that provide University-wide services, primarily to University departments, for data processing, telecommunications, and computing services.

## UNIVERSITY OF ILLINOIS

### Entity Financial Statements and Related Information

#### Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2009

- B. *Plant and Service Operations* – Activities for distribution of costs associated with services rendered to internal operations on a University-wide basis including storeroom operations, physical plant, mail service, advance insurance billings to units, printing, duplication, and activities used for collection and redistribution of costs.

#### IV. Departmental Activities

- A. *Instructional Course Activities* – Credit-bearing instructional activities provided primarily as a public service for private businesses, community organizations, and governmental units.
- B. *Professional Development Activities* – Noncredit-bearing instructional activities including conferences, workshops, seminars, and continuing education courses provided primarily as a public service.
- C. *Unique Instructional Programs* – Unique student and staff programs such as flight training, field trips, summer and abroad programs, and other activities of a similar nature.
- D. *Agricultural Operations* – Agricultural activities in direct support of the instructional, research, and public service functions of the University administered by the College of Agricultural, Consumer, and Environmental Sciences.
- E. *Commercial Operations Not Under Indenture* – Facilities and costs of services with a significant emphasis on users outside the University community, including services of the steam plant operations and the technical research park.
- F. *Commercial Operations Under Indenture* – Operation of the University of Illinois Willard Airport Facility at Urbana with a significant emphasis on users outside the University community. Due to the payoff of the Facility's bonded indebtedness in fiscal year 2009, these operations were not under indenture after April 1, 2009.
- G. *Hospital and Clinics* – Administration and operation of patient care facilities, primarily the University of Illinois Hospital and Clinics, which are in direct support of the instructional, research, and public service functions of the University.
- H. *Public Service, Economic Development, and Academic Support Activities* – Activities in direct support of the primary academic, service, and economic development missions of the University, including laboratory and testing centers and services, publication and design services, technology incubation and economic development services, and facilities, which are in direct support of the instructional, research, public service, and economic development functions of the University.
- I. *Intercollegiate Athletics* – Administration and operation of intercollegiate athletic activities and programs administered by the Department of Intercollegiate Athletics, including summer camps, golf course, tennis center, and the various athletic programs.

# UNIVERSITY OF ILLINOIS

## Entity Financial Statements and Related Information

### Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2009

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, 2009

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

<b>Special Bonds (Separate Reports for I)</b>	<b>Urbana</b>	<b>Chicago</b>	<b>Springfield</b>	<b>Global Campus</b>
I. Health Services Facilities System		X		

**UNIVERSITY OF ILLINOIS**  
Statement of Net Assets  
Auxiliary Enterprises Under Indenture  
June 30, 2009

Assets:

Current assets:

Cash and cash equivalents	\$ 110,269,577
Cash and cash equivalents, restricted	38,269,881
Investments	9,009,425
Accrued investment income	432,623
Accounts receivable, net of allowance	8,287,425
Inventories	7,907,381
Prepaid expenses and deferred charges	566,333
	<u>174,742,645</u>

Noncurrent assets:

Investments, restricted	14,764,709
Capital assets, net of accumulated depreciation	941,070,870
Prepaid expenses and deferred charges	6,038,606
	<u>961,874,185</u>
Total noncurrent assets	<u>961,874,185</u>
Total assets	<u><u>\$ 1,136,616,830</u></u>

Liabilities:

Current liabilities:

Accounts payable and accrued liabilities	\$ 41,359,236
Accrued compensated absences, current portion	629,176
Deferred revenue	7,174,533
Notes payable to the University, current portion	3,137,092
Bonds and leaseholds payable, current portion	29,699,441
	<u>81,999,478</u>

Noncurrent liabilities:

Accrued compensated absences	5,841,012
Notes payable to the University	12,387,147
Bonds and leaseholds payable	931,232,181
	<u>949,460,340</u>
Total noncurrent liabilities	<u>949,460,340</u>
Total liabilities	<u><u>1,031,459,818</u></u>

Net assets:

Invested in capital assets, net of related debt	2,854,854
Restricted:	
Expendable for debt service	22,340,612
Unrestricted	79,961,546
	<u>105,157,012</u>
Total net assets	<u>105,157,012</u>
Total liabilities and net assets	<u><u>\$ 1,136,616,830</u></u>

## UNIVERSITY OF ILLINOIS

### Statement of Revenues, Expenses, and Changes in Net Assets

#### Auxiliary Enterprises Under Indenture

Year ended June 30, 2009

Operating revenues:	
Room and board	\$ 116,367,807
Merchandise and food sales	32,034,691
Student service fees	82,522,186
Public events and recreation fees	7,628,246
Parking income	21,893,092
Rental and lease income	17,769,580
Vending income	1,296,914
Other operating revenue	10,485,042
Total operating revenues	289,997,558
Operating expenses:	
Salaries and wages	82,336,187
Merchandise and food for resale	32,968,192
Repairs and maintenance	3,070,837
Professional and other contractual services	37,441,274
Utilities	25,945,477
Supplies	15,213,498
Noncapitalized equipment and equipment rental	1,878,523
Administrative services	14,073,226
Other operating expense	12,554,148
Depreciation and amortization	24,845,142
On behalf payments for fringe benefits	20,369,977
Total operating expenses	270,696,481
Operating income	19,301,077
Nonoperating revenues (expenses):	
On behalf payments for fringe benefits	20,369,977
Investment income (net of related expenses)	4,911,137
Interest on capital asset related debt	(45,627,849)
Amortization of issuance costs	(283,848)
Loss on disposal of capital assets	(422,389)
Other nonoperating expenses, net	(975,968)
Total nonoperating revenues (expenses), net	(22,028,940)
Decrease in net assets	(2,727,863)
Net assets, beginning of year	107,884,875
Net assets, end of year	\$ 105,157,012

**UNIVERSITY OF ILLINOIS**  
Statement of Net Assets  
Auxiliary Enterprises Not Under Indenture  
Student/Staff Programs and Services  
June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 9,201,363	3,568,377	427,915
Accounts receivable and accrued investment income	800,243	2,115,534	133,485
Inventories	83,267	402,683	1,379
	<u>1,469,687</u>	<u>257,899</u>	<u>—</u>
Total current assets	<u>11,554,560</u>	<u>6,344,493</u>	<u>562,779</u>
<b>Noncurrent assets:</b>			
Capital assets net of accumulated depreciation	1,484,372	113,867	616,249
Total assets	<u>\$ 13,038,932</u>	<u>6,458,360</u>	<u>1,179,028</u>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 1,355,939	382,195	83,449
Deferred revenue	2,261,363	3,581,176	137,670
Accrued compensated absences, current portion	41,361	45,908	6,089
Leaseholds payable, current portion	—	92,484	—
Total current liabilities	<u>3,658,663</u>	<u>4,101,763</u>	<u>227,208</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences	475,649	527,945	70,029
Leaseholds payable	—	106,498	—
Total noncurrent liabilities	<u>475,649</u>	<u>634,443</u>	<u>70,029</u>
Total liabilities	<u>4,134,312</u>	<u>4,736,206</u>	<u>297,237</u>
<b>Net assets:</b>			
Invested in capital assets, net of related debt	1,484,372	(85,115)	616,249
Unrestricted	7,420,248	1,807,269	265,542
Total net assets	<u>8,904,620</u>	<u>1,722,154</u>	<u>881,791</u>
Total liabilities and net assets	<u>\$ 13,038,932</u>	<u>6,458,360</u>	<u>1,179,028</u>

**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, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Room and board	\$ 545,154	—	—
Merchandise and food sales	378,514	12,875	3,702
Student service fees	26,900,005	28,024,697	1,855,956
Public events and recreation fees	450,448	—	9,466
Parking	4,255	109,233	—
Rental and lease income	1,241,824	4,861	—
Vending income	10,871	2,739	—
Other sources	5,290,833	6,335,967	575,999
	<u>34,821,904</u>	<u>34,490,372</u>	<u>2,445,123</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	7,131,142	5,383,626	1,099,996
Merchandise and food for resale	506,921	7,397,209	1,214
Repairs and maintenance	24,887	119,483	6,792
Professional and other contractual services	18,964,225	11,402,598	761,814
Utilities	122,476	81,774	4,811
Supplies	861,724	2,046,767	303,243
Equipment rental	3,492,015	230,150	16,196
Administrative services	188,935	522,767	15,181
Other operating expense	1,871,029	8,569,680	167,561
Depreciation and amortization	116,587	12,839	37,974
	<u>33,279,941</u>	<u>35,766,893</u>	<u>2,414,782</u>
Total operating expenses			
Operating income (loss)	<u>1,541,963</u>	<u>(1,276,521)</u>	<u>30,341</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	(263,903)	61,936	11,794
Interest on capital asset related debt	—	(8,452)	—
Other nonoperating revenue	—	(254,938)	548
	<u>—</u>	<u>(254,938)</u>	<u>548</u>
Total nonoperating revenues (expenses), net	<u>(263,903)</u>	<u>(201,454)</u>	<u>12,342</u>
Increase (decrease) in net assets	1,278,060	(1,477,975)	42,683
Net assets, beginning of year	<u>7,626,560</u>	<u>3,200,129</u>	<u>839,108</u>
Net assets, end of year	\$ <u><u>8,904,620</u></u>	<u><u>1,722,154</u></u>	<u><u>881,791</u></u>

**UNIVERSITY OF ILLINOIS**  
Statement of Net Assets  
Storerooms and Service Departments  
Communication and Computing Services  
June 30, 2009

	<u>All campuses</u>
<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 8,776,415
Investments	894
Accounts receivable and accrued investment income	202,073
Inventories	1,643,999
Prepaid expenses and deferred charges	225,788
Total current assets	<u>10,849,169</u>
<b>Noncurrent assets:</b>	
Prepaid expenses	347,069
Capital assets net of accumulated depreciation	76,166,301
Total noncurrent assets	<u>76,513,370</u>
Total assets	<u>\$ 87,362,539</u>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	\$ 3,052,679
Accrued compensated absences, current portion	298,841
Leaseholds payable and other obligations, current portion	15,324,121
Total current liabilities	<u>18,675,641</u>
<b>Noncurrent liabilities:</b>	
Accrued compensated absences	3,436,666
Leaseholds payable and other obligations	74,830,345
Total noncurrent liabilities	<u>78,267,011</u>
Total liabilities	<u>96,942,652</u>
<b>Net assets (deficits):</b>	
Invested in capital assets, net of related debt	(13,988,165)
Unrestricted	4,408,052
Total net assets	<u>(9,580,113)</u>
Total liabilities and net assets	<u>\$ 87,362,539</u>

# UNIVERSITY OF ILLINOIS

## Statement of Revenues, Expenses, and Changes in Net Assets

### Storerooms and Service Departments

### Communication and Computing Services

Year ended June 30, 2009

	<u>All campuses</u>
Operating revenues:	
Merchandise and food sales	\$ 2,189,680
Rental and lease income	143,702
Global Campus	4,841,387
CITES computing and telecommunication services	39,167,916
Academic Computing and Communication Center services	10,412,353
UI Integrate services	14,289,000
Business Information Systems services	1,114,978
Administrative Information Technology Services (AITS) training and assistance	958,358
Total operating revenues	<u>73,117,374</u>
Operating expenses:	
Salaries and wages	26,087,563
Merchandise and food for resale	3,148,752
Repairs and maintenance	2,031,051
Professional and other contractual services	1,223,767
Utilities	10,918,444
Supplies	2,371,883
Equipment rental	694,283
Other operating expense	695,850
Depreciation and amortization	16,544,768
Total operating expenses	<u>63,716,361</u>
Operating loss	<u>9,401,013</u>
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	3,133,735
Interest on capital asset related indebtedness	(1,181,187)
Loss on disposal of capital assets	(112,717)
Other nonoperating expenses, net	(8,215,071)
Total nonoperating revenues (expenses), net	<u>(6,375,240)</u>
Increase in net assets	3,025,773
Net deficits, beginning of year	<u>(12,605,886)</u>
Net deficits, end of year	<u>\$ (9,580,113)</u>

**UNIVERSITY OF ILLINOIS**  
Statement of Net Assets  
Storerooms and Service Departments  
Plant and Services Operations  
June 30, 2009

	<u>All campuses</u>
<b>Assets:</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 15,634,184
Investments	3,146,706
Accounts receivable and accrued investment income	28,201,379
Inventories	8,831,301
Prepaid expenses and deferred charges	2,724,008
Other assets	2,000,000
Total current assets	<u>60,537,578</u>
<b>Noncurrent assets:</b>	
Prepaid expenses, noncurrent	1,146,930
Capital assets net of accumulated depreciation	219,359,106
Total current assets	<u>220,506,036</u>
Total assets	<u>\$ 281,043,614</u>
<b>Liabilities:</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued liabilities	\$ 53,483,958
Deferred Revenue	1,474,435
Accrued compensated absences, current portion	1,423,333
Leaseholds payable and other obligations, current portion	137,335,700
Total current liabilities	<u>193,717,426</u>
<b>Noncurrent liabilities:</b>	
Leaseholds payable and other obligations	62,264,874
Accrued compensated absences	16,368,335
Total noncurrent liabilities	<u>78,633,209</u>
Total liabilities	<u>272,350,635</u>
<b>Net assets (deficits):</b>	
Invested in capital assets, net of related debt	19,758,532
Restricted	37,347
Unrestricted	(11,102,900)
Total net assets	<u>8,692,979</u>
Total liabilities and net assets	<u>\$ 281,043,614</u>

# UNIVERSITY OF ILLINOIS

## Statement of Revenues, Expenses, and Changes in Net Assets

### Storerooms and Service Departments

#### Plant and Services Operations

Year ended June 30, 2009

	<u>All campuses</u>
Operating revenues:	
Merchandise and food sales	\$ 29,928,590
Student service fees	19,780
Rental and lease income	921,843
Vending income	207,091
Farm product sales	852,246
Utility services	137,500,189
Fuel sales	57,844,176
Plant operations and related services	396,769,185
Lab and pharmacy services	48,422,264
Other sources	4,091,516
Total operating revenues	<u>676,556,880</u>
Operating expenses:	
Salaries and wages	189,629,492
Merchandise and food for resale	115,417,911
Repairs and maintenance	43,381,117
Professional and other contractual services	107,815,637
Utilities	170,617,398
Supplies	35,411,079
Equipment rental	3,917,268
Administrative services	750,556
Other operating expense	6,490,157
Depreciation and amortization	15,602,133
Total operating expenses	<u>689,032,748</u>
Operating loss	<u>(12,475,868)</u>
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	5,745,862
Interest on capital asset related indebtedness	(7,048,176)
Other nonoperating expenses, net	(1,882,236)
Total nonoperating revenues (expenses), net	<u>(3,184,550)</u>
Decrease in net assets	(15,660,418)
Net assets, beginning of year	<u>24,353,397</u>
Net assets, end of year	<u>\$ 8,692,979</u>

**UNIVERSITY OF ILLINOIS**

Statement of Net Assets

Departmental Activities

Instructional Course Activities

June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>
<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 2,152,158	953,455
Accounts receivable and accrued investment income	219,275	22,457
Inventories	756	—
Deferred Charges	4,017	429
<b>Total current assets</b>	<u>2,376,206</u>	<u>976,341</u>
<b>Noncurrent assets:</b>		
Capital assets net of accumulated depreciation	3,223,260	242,522
<b>Total assets</b>	<u>\$ 5,599,466</u>	<u>1,218,863</u>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 112,774	70,623
Deferred revenue	551,598	729,633
Accrued compensated absences, current portion	4,278	5,916
<b>Total current liabilities</b>	<u>668,650</u>	<u>806,172</u>
<b>Noncurrent liabilities:</b>		
Accrued compensated absences	49,199	68,031
<b>Total liabilities</b>	<u>717,849</u>	<u>874,203</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt	3,223,260	242,522
Unrestricted	1,658,357	102,138
<b>Total net assets</b>	<u>4,881,617</u>	<u>344,660</u>
<b>Total liabilities and net assets</b>	<u>\$ 5,599,466</u>	<u>1,218,863</u>

**UNIVERSITY OF ILLINOIS**

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Instructional Course Activities

Year ended June 30, 2009

	<b>Urbana</b>	<b>Chicago</b>
Operating revenues:		
Tuition and fee income	\$ 414,532	—
Student service fees	271,051	—
Other sources	2,617,061	3,230,843
Total operating revenues	3,302,644	3,230,843
Operating expenses:		
Salaries and wages	1,209,379	1,236,999
Repairs and maintenance	6,568	34,903
Professional and other contractual services	661,928	1,691,462
Utilities	6,872	18,122
Supplies	301,123	332,365
Equipment rental	54,634	28,094
Administrative services	95,830	668
Other operating expense	989,465	76,199
Depreciation and amortization	143,005	27,627
Total operating expenses	3,468,804	3,446,439
Operating loss	(166,160)	(215,596)
Nonoperating revenues:		
Investment income (net of related expenses)	(17,495)	(41,211)
Other nonoperating revenue	957,680	247,878
Total nonoperating revenues (expenses), net	940,185	206,667
Increase (decrease) in net assets	774,025	(8,929)
Net assets, beginning of year	4,107,592	353,589
Net assets, end of year	\$ 4,881,617	344,660

**UNIVERSITY OF ILLINOIS**  
Statement of Net Assets  
Departmental Activities  
Professional Development Activities  
June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Global</u>
<b>Assets:</b>				
Current assets:				
Cash and cash equivalents	\$ 11,730,804	2,542,949	123,748	177,037
Accounts receivable and accrued investment income	571,697	286,261	43,417	6,347
Inventories	36	106	500	—
Prepaid expenses and deferred charges	30,945	51,729	—	—
Total current assets	<u>12,333,482</u>	<u>2,881,045</u>	<u>167,665</u>	<u>183,384</u>
Noncurrent assets:				
Prepaid expenses, non current	40,851	—	—	—
Capital assets net of accumulated depreciation	2,153,491	184,881	6,559	3,419
Total assets	<u>\$ 14,527,824</u>	<u>3,065,926</u>	<u>174,224</u>	<u>186,803</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 1,423,447	361,320	16,364	45,409
Deferred revenue	959,933	761,626	14,348	—
Accrued compensated absences, current portion	15,539	26,788	668	—
Leaseholds payable and other obligations	15,454	—	—	—
Total current liabilities	<u>2,414,373</u>	<u>1,149,734</u>	<u>31,380</u>	<u>45,409</u>
Noncurrent liabilities:				
Accrued compensated absences	178,700	308,059	7,677	—
Leaseholds payable and other obligations	7,976,578	—	—	—
Total liabilities	<u>10,569,651</u>	<u>1,457,793</u>	<u>39,057</u>	<u>45,409</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	822,642	184,881	6,559	3,419
Restricted	271,945	—	—	—
Unrestricted	2,863,586	1,423,252	128,608	137,975
Total net assets	<u>3,958,173</u>	<u>1,608,133</u>	<u>135,167</u>	<u>141,394</u>
Total liabilities and net assets	<u>\$ 14,527,824</u>	<u>3,065,926</u>	<u>174,224</u>	<u>186,803</u>

**UNIVERSITY OF ILLINOIS**

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Professional Development Activities

Year ended June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Global</u>
Operating revenues:				
Professional development conferences and workshops	\$ 9,286,801	9,156,661	279,241	294,462
Tuition and fee income	45,587	—	—	—
Public events and recreation fees	23,145	—	—	6,699
Rental and lease income	1,758	46,044	158,558	52,178
Total operating revenues	<u>9,357,291</u>	<u>9,202,705</u>	<u>437,799</u>	<u>353,339</u>
Operating expenses:				
Salaries and wages	4,088,114	5,221,173	64,038	162,601
Merchandise and food for resale	5,928	—	—	—
Repairs and maintenance	19,643	6,785	—	404
Professional and other contractual services	2,183,329	1,911,558	244,971	66,826
Utilities	103,226	142,675	9	13,057
Supplies	504,286	514,772	20,410	26,106
Equipment rental	826,360	594,702	9,229	2,618
Administrative services	195,137	63	—	—
Other operating expense	732,035	410,837	15,244	10,832
Depreciation and amortization	85,731	59,707	576	2,279
Total operating expenses	<u>8,743,789</u>	<u>8,862,272</u>	<u>354,477</u>	<u>284,723</u>
Operating income	<u>613,502</u>	<u>340,433</u>	<u>83,322</u>	<u>68,616</u>
Nonoperating revenues (expenses):				
Investment income (net of related expenses)	(1,800)	33,792	—	—
Interest on capital asset related debt	(177,562)	—	—	—
Other nonoperating revenues	378,453	12,911	—	—
Total nonoperating revenues (expenses), net	<u>199,091</u>	<u>46,703</u>	<u>—</u>	<u>—</u>
Increase in net assets	812,593	387,136	83,322	68,616
Net assets, beginning of year	3,145,580	1,220,997	51,845	72,778
Net assets, end of year	\$ <u>3,958,173</u>	<u>1,608,133</u>	<u>135,167</u>	<u>141,394</u>

**UNIVERSITY OF ILLINOIS**

Statement of Net Assets

Departmental Activities

Unique Instructional Programs

June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 2,228,107	207,899	—
Accounts receivable and accrued investment income	738,966	124,345	—
Deferred charges	7,545	32	—
Total assets	<u>\$ 2,974,618</u>	<u>332,276</u>	<u>—</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 569,597	53,637	—
Deferred revenue	949,323	163,383	—
Accrued compensated absences, current portion	9,748	—	—
Total current liabilities	<u>1,528,668</u>	<u>217,020</u>	<u>—</u>
Noncurrent liabilities:			
Accrued compensated absences	112,107	—	—
Total liabilities	<u>1,640,775</u>	<u>217,020</u>	<u>—</u>
Net assets:			
Unrestricted	<u>1,333,843</u>	<u>115,256</u>	<u>—</u>
Total net assets	<u>1,333,843</u>	<u>115,256</u>	<u>—</u>
Total liabilities and net assets	<u>\$ 2,974,618</u>	<u>332,276</u>	<u>—</u>

**UNIVERSITY OF ILLINOIS**

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Unique Instructional Programs

Year ended June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Tuition and fee income	\$ 2,223,858	—	—
Student service fees	201,080	340,959	—
Rental and lease income	10,635	—	—
Program services	11,261,611	598,076	—
Other revenue	885	—	—
Total operating revenues	<u>13,698,069</u>	<u>939,035</u>	<u>—</u>
Operating expenses:			
Salaries and wages	1,879,581	333,973	—
Repairs and maintenance	4,059	—	—
Professional and other contractual services	8,281,292	118,099	—
Utilities	22,418	5,269	—
Supplies	1,140,382	159,959	—
Equipment rental	134,652	59,468	—
Administrative expenses	6,976	—	—
Other operating expense	1,632,453	95,743	—
Depreciation	1,813	—	—
Total operating expenses	<u>13,103,626</u>	<u>772,511</u>	<u>—</u>
Operating income (loss)	<u>594,443</u>	<u>166,524</u>	<u>—</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	(25,869)	(8,706)	—
Other nonoperating expenses	(341,742)	—	(616)
Total nonoperating revenues (expenses), net	<u>(367,611)</u>	<u>(8,706)</u>	<u>(616)</u>
Increase in net assets	226,832	157,818	(616)
Net assets (deficit), beginning of year	<u>1,107,011</u>	<u>(42,562)</u>	<u>616</u>
Net assets, end of year	\$ <u><u>1,333,843</u></u>	<u><u>115,256</u></u>	<u><u>—</u></u>

**UNIVERSITY OF ILLINOIS**

Statement of Net Assets

Departmental Activities

Agricultural Operations

June 30, 2009

**Urbana**

Assets:

Current assets:

Cash and cash equivalents	\$ 7,556,790
Accounts receivable and accrued investment income	263,489
Inventories	121,419
Prepaid expenses and deferred charges	41,384
Total current assets	<u>7,983,082</u>

Noncurrent assets:

Capital assets net of accumulated depreciation	<u>8,143,092</u>
Total assets	<u>\$ 16,126,174</u>

Liabilities:

Current liabilities:

Accounts payable and accrued liabilities	\$ 924,983
Leaseholds payable, current portion	57,823
Deferred revenue	410,713
Accrued compensated absences, current portion	27,685
Total current liabilities	<u>1,421,204</u>

Noncurrent liabilities:

Leaseholds payable	43,085
Accrued compensated absences	318,380
Total liabilities	<u>1,782,669</u>

Net assets:

Invested in capital assets, net of related debt	8,042,184
Unrestricted	6,301,321
Total net assets	<u>14,343,505</u>
Total liabilities and net assets	<u>\$ 16,126,174</u>

## UNIVERSITY OF ILLINOIS

### Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Agricultural Operations

Year ended June 30, 2009

#### Urbana

Operating revenues:		
Merchandise and food sales	\$	215,871
Ag Law Tax School workshops		1,845,946
4H activities		325,339
Information technology and commercial services		463,291
Animal sciences programs		596,857
Agricultural and biological engineering activities		608,787
Crop sciences programs		1,707,364
Natural resources and environment sciences		305,624
Food science and human nutrition programs		248,623
Cooperative Extension services		5,376,358
Rental and lease income		482,654
Farm sales		5,487,488
Other sources		439,891
Total operating revenues		18,104,093
Operating expenses:		
Salaries and wages		5,664,242
Merchandise and food for resale		324,267
Repairs and maintenance		268,716
Professional and other contractual services		3,324,065
Utilities		128,379
Supplies		4,785,505
Equipment rental		512,763
Administrative services		531,612
Other operating expense		550,891
Depreciation and amortization		735,806
Total operating expenses		16,826,246
Operating income		1,277,847
Nonoperating revenues (expenses):		
Investment income (net of related expenses)		(117,331)
Interest on capital asset related debt		(2,339)
Other nonoperating revenue		696,749
Total nonoperating revenues (expenses), net		577,079
Increase in net assets		1,854,926
Net assets, beginning of year		12,488,579
Net assets, end of year	\$	14,343,505

**UNIVERSITY OF ILLINOIS**  
Statement of Net Assets  
Departmental Activities  
Commercial Operations Not Under Indenture  
June 30, 2009

	<b>Urbana</b>	<b>Chicago</b>
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ (714)	1,162,460
Accounts receivable and accrued investment income	90	788,193
Total current assets	(624)	1,950,653
Noncurrent assets:		
Capital assets net of accumulated depreciation	—	7,430,575
Total assets	\$ (624)	9,381,228
<b>Liabilities</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ —	—
Accrued compensated absences, current portion	—	—
Total current liabilities	—	—
Noncurrent liabilities:		
Internal payable	—	—
Accrued compensated absences	—	—
Total liabilities	—	—
<b>Net assets (deficits):</b>		
Invested in capital assets, net of related debt	—	7,430,575
Unrestricted	(624)	1,950,653
Total net assets (deficits)	(624)	9,381,228
Total liabilities and net assets (deficits)	\$ (624)	9,381,228

**UNIVERSITY OF ILLINOIS**

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Commercial Operations Not Under Indenture

Year ended June 30, 2009

	<b>Urbana</b>	<b>Chicago</b>
Operating revenues:		
Rental and lease income	\$ —	1,898,214
Utilities provided to outside parties	2,154,647	8,572,320
Other sources	—	8,322
Total operating revenues	2,154,647	10,478,856
Operating expenses:		
Salaries and wages		121,555
Repairs and maintenance	—	698,243
Professional and other contractual services	—	8,578,468
Utilities	2,144,463	
Supplies	—	
Administrative services	—	262,552
Other operating expense	—	1,668
Depreciation and amortization	—	399,485
Total operating expenses	2,144,463	10,061,971
Operating income	10,184	416,885
Nonoperating revenues (expenses):		
Investment income (net of related expenses)	(1,671)	19,454
Interest on capital asset related debt	—	(30,751)
Total nonoperating revenues (expenses), net	(1,671)	(11,297)
Increase in net assets	8,513	405,588
Net assets (deficits), beginning of year	(9,137)	8,975,640
Net assets (deficits), end of year	\$ (624)	9,381,228

**UNIVERSITY OF ILLINOIS**  
Statement of Net Assets  
Departmental Activities  
Commercial Operations Under Indenture  
June 30, 2009

**Urbana**

<b>Assets:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$	637,960
Cash and cash equivalents, restricted		1,251,725
Accrued investment income		644
Accounts receivable		64,888
Prepaid expenses		101
Total current assets		<u>1,955,318</u>
<b>Noncurrent assets:</b>		
Capital assets, net of accumulated depreciation		<u>32,993,653</u>
Total noncurrent assets		<u>32,993,653</u>
Total assets	\$	<u><u>34,948,971</u></u>
<b>Liabilities:</b>		
<b>Current liabilities:</b>		
Accounts payable	\$	18,447
Accrued liabilities		152,085
Long-term liabilities – current portion		43,590
Total current liabilities		<u>214,122</u>
<b>Noncurrent liabilities:</b>		
Deferred revenue		740,524
Internal payable		430,844
Total noncurrent liabilities		<u>1,171,368</u>
Total liabilities		<u>1,385,490</u>
<b>Net assets:</b>		
Invested in capital assets, net of related debt		32,519,219
<b>Restricted:</b>		
Expendable for capital projects		511,201
Unrestricted		533,061
Total net assets		<u>33,563,481</u>
Total liabilities and net assets	\$	<u><u>34,948,971</u></u>

# UNIVERSITY OF ILLINOIS

## Statement of Revenues, Expenses, and Changes in Net Assets

### Departmental Activities

#### Commercial Operations Under Indenture

Year ended June 30, 2009

#### Urbana

Operating revenues:	
Rental and lease income	\$ 1,689,877
Parking operations	476,530
Farm sales	190,000
Other operating revenue	22,777
Total operating revenues	<u>2,379,184</u>
Operating expenses:	
Salaries and wages	1,167,334
Fringe benefits	256,311
Professional and other contractual services	256,413
Utilities	332,201
Supplies	32,409
Other operating expense	98,326
Depreciation	2,135,118
Payments on behalf of the Facility	128,940
Total operating expenses	<u>4,407,052</u>
Operating loss	<u>(2,027,868)</u>
Nonoperating revenues (expenses):	
State appropriations	446,270
Payments on behalf of the Facility	128,940
Investment income (net of related expenses)	(12,744)
Interest on capital asset-related debt	(28,600)
Other nonoperating expenses	(21,305)
Total nonoperating revenues (expenses), net	<u>512,561</u>
Capital federal grants	<u>2,064,694</u>
Increase in net assets	549,387
Net assets, beginning of year	<u>33,014,094</u>
Net assets, end of year	<u>\$ 33,563,481</u>

UNIVERSITY OF ILLINOIS

Statement of Net Assets

Departmental Activities

Hospital and Clinics

June 30, 2009

Chicago

Assets:

Current assets:

Cash and cash equivalents	\$ 83,513,666
Cash and cash equivalents, restricted	125,363
Accrued investment income	196,121
Patient receivables, net and other receivables	80,431,598
Receivable from State of Illinois General Revenue Fund	6,362,556
Inventories	5,375,542
Prepaid expenses, deposits, and other assets	3,667,785
Total current assets	<u>179,672,631</u>

Noncurrent assets:

Restricted cash and investments	2,488,418
Prepaid expenses	3,827,591
Capital assets net of accumulated depreciation	159,059,404
Total noncurrent assets	<u>165,375,413</u>

Total assets \$ 345,048,044

Liabilities:

Current liabilities:

Accounts payable and accrued liabilities	\$ 74,645,732
Long-term liabilities, current portion	6,827,393
Total current liabilities	<u>81,473,125</u>

Noncurrent liabilities:

Long term debt, net of current portion	69,523,425
Accrued compensated absences	22,570,390
Total noncurrent liabilities	<u>92,093,815</u>

Total liabilities 173,566,940

Net assets:

Invested in capital assets, net of related debt	91,205,869
Restricted	2,488,418
Unrestricted	77,786,817
Total net assets	<u>171,481,104</u>
Total liabilities and net assets	\$ <u><u>345,048,044</u></u>

**UNIVERSITY OF ILLINOIS**

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Hospital and Clinics

Year ended June 30, 2009

Chicago

Operating revenues:		
Net patient service revenues		\$ 433,647,355
Fee for services – state appropriation		45,982,377
Other revenues		41,832,691
Total operating revenues		<u>521,462,423</u>
Operating expenses:		
Salaries and wages		264,787,436
Fringe benefits		95,276,545
Supplies and general expenses		205,656,429
Administrative services		12,858,661
Depreciation and amortization		21,087,198
Total operating expenses		<u>599,666,269</u>
Operating loss		<u>(78,203,846)</u>
Nonoperating revenue (expenses):		
On behalf payments for fringe benefits		90,161,942
Interest on capital asset related debt		(2,574,410)
Investment income (loss)		(1,293,255)
Loss on disposal of capital assets		(328,572)
Other nonoperating expense, net		(60,725)
Total nonoperating revenues (expenses), net		<u>85,904,980</u>
Increase in net assets		7,701,134
Net assets, beginning of the year		<u>163,779,970</u>
Net assets, end of the year		<u>\$ 171,481,104</u>

**UNIVERSITY OF ILLINOIS**

Statement of Net Assets

Departmental Activities

Public Service, Academic Support, and Economic Development Activities

June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 4,263,811	5,609,165	—
Accounts receivable and accrued investment income	2,625,225	13,735,441	61,697
Inventories	2,493,758	3,171,168	19,959
Prepaid expenses and deferred charges	90,570	426,735	17,274
Total current assets	<u>9,473,364</u>	<u>22,942,509</u>	<u>98,930</u>
Noncurrent assets:			
Capital assets net of accumulated depreciation	14,888,319	28,097,381	2,174
Total assets	<u>\$ 24,361,683</u>	<u>51,039,890</u>	<u>101,104</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,523,705	10,522,119	646,167
Deferred revenue	730,705	1,023,334	48,252
Internal payable, current portion	—	69,481	5,000
Leaseholds payable, current portion	372,252	41,306	—
Accrued compensated absences, current portion	69,495	313,380	919
Total current liabilities	<u>2,696,157</u>	<u>11,969,620</u>	<u>700,338</u>
Noncurrent liabilities:			
Internal payable	—	652,631	20,000
Leaseholds payable	672,966	—	—
Accrued compensated absences	799,189	3,603,874	10,564
Total noncurrent liabilities	<u>1,472,155</u>	<u>4,256,505</u>	<u>30,564</u>
Total liabilities	<u>4,168,312</u>	<u>16,226,125</u>	<u>730,902</u>
<b>Net assets (deficits):</b>			
Invested in capital assets, net of related debt	13,843,101	27,333,963	2,174
Unrestricted	6,350,270	7,479,802	(631,972)
Total net assets (deficits)	<u>20,193,371</u>	<u>34,813,765</u>	<u>(629,798)</u>
Total liabilities and net assets	<u>\$ 24,361,683</u>	<u>51,039,890</u>	<u>101,104</u>

**UNIVERSITY OF ILLINOIS**  
Statement of Revenues, Expenses, and Changes in Net Assets  
Departmental Activities  
Public Service, Academic Support, and Economic Development Activities  
Year ended June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Tuition and fee income	\$ 24,115	—	—
Room and board	498,931	—	—
Merchandise and food sales	1,296,040	131,085	18,052
Student service fees	1,956,815	256,370	5,427
Academic support activities income	5,882,013	183,660	—
Economic development services	70,837	—	—
Hospital and medical services income	11,624,457	51,664,086	—
Farm Sales	87,243	—	—
Public events and recreation fees	629,851	31,831	602,401
Public services income	15,365,612	43,371,802	925,969
Parking	2,801	6,091	—
Rental and lease income	865,697	3,665	211,772
Vending Income	39,369	1,024	—
Other sources	1,239,533	902,197	—
Total operating revenues	<u>39,583,314</u>	<u>96,551,811</u>	<u>1,763,621</u>
Operating expenses:			
Salaries and wages	16,192,082	34,774,276	376,531
Merchandise and food for resale	61,082	23,299,442	(17)
Repairs and maintenance	386,158	324,425	125
Professional and other contractual services	14,061,870	23,340,120	1,029,954
Utilities	671,706	781,861	21,211
Supplies	5,511,506	4,073,563	86,774
Equipment rental	828,759	708,514	29,895
Administrative services	221	149,977	—
Other operating expense	722,044	2,727,639	41,809
Depreciation and amortization	1,318,771	2,427,724	3,976
Total operating expenses	<u>39,754,199</u>	<u>92,607,541</u>	<u>1,590,258</u>
Operating income (loss)	<u>(170,885)</u>	<u>3,944,270</u>	<u>173,363</u>
Nonoperating revenues (expenses):			
Interest on capital related debt	(40,970)	(44,628)	—
Other nonoperating revenues	329,605	1,428,778	5,000
Other nonoperating expenses	(40,329)	—	—
Investment income (net of related expenses)	(31,669)	(282,743)	—
Total nonoperating revenues (expenses), net	<u>216,637</u>	<u>1,101,407</u>	<u>5,000</u>
Increase in net assets	45,752	5,045,677	178,363
Net assets (deficits), beginning of year	<u>20,147,619</u>	<u>29,768,088</u>	<u>(808,161)</u>
Net assets (deficits), end of year	<u>\$ 20,193,371</u>	<u>34,813,765</u>	<u>(629,798)</u>

**UNIVERSITY OF ILLINOIS**

Statement of Net Assets

Departmental Activities

Intercollegiate Athletics

June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 8,300,543	164,085	—
Accounts receivable and accrued investment income	1,671,099	113,063	35,275
Inventories	86,313	—	1,066
Prepaid expenses and deferred charges	74,147	777	—
Total current assets	<u>10,132,102</u>	<u>277,925</u>	<u>36,341</u>
Noncurrent assets:			
Capital assets net of accumulated depreciation	<u>5,163,718</u>	<u>2,425,823</u>	<u>4,948</u>
Total assets	<u>\$ 15,295,820</u>	<u>2,703,748</u>	<u>41,289</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 2,572,954	302,230	189,485
Deferred revenue	7,205,128	—	33,331
Accrued compensated absences, current portion	136,873	52,822	2,452
Internal financing payable, current portion	—	208,404	—
Total current liabilities	<u>9,914,955</u>	<u>563,456</u>	<u>225,268</u>
Noncurrent liabilities:			
Internal financing payable	—	2,360,702	—
Accrued compensated absences	<u>1,574,045</u>	<u>607,451</u>	<u>28,197</u>
Total noncurrent liabilities	<u>1,574,045</u>	<u>2,968,153</u>	<u>28,197</u>
Total liabilities	<u>11,489,000</u>	<u>3,531,609</u>	<u>253,465</u>
<b>Net assets (deficits):</b>			
Invested in capital assets, net of related debt	5,163,718	(143,283)	4,948
Unrestricted	<u>(1,356,898)</u>	<u>(684,578)</u>	<u>(217,124)</u>
Total net assets (deficits)	<u>3,806,820</u>	<u>(827,861)</u>	<u>(212,176)</u>
Total liabilities and net assets	<u>\$ 15,295,820</u>	<u>2,703,748</u>	<u>41,289</u>

**UNIVERSITY OF ILLINOIS**

Statement of Revenues, Expenses, and Changes in Net Assets

Departmental Activities

Intercollegiate Athletics

Year ended June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Merchandise and food sales	\$ 1,195,360	—	—
Student service fees	—	5,559,583	849,791
Public events and recreation fees	41,232,792	1,968,046	66,629
Parking	9,907	—	—
Rental and lease income	24,900	—	—
Vending income	—	—	—
Other sources	5,470,288	291,817	9,138
Total operating revenues	<u>47,933,247</u>	<u>7,819,446</u>	<u>925,558</u>
Operating expenses:			
Salaries and wages	20,538,769	4,005,525	388,123
Merchandise and food for resale	455,021	—	14,764
Repairs and maintenance	145,625	—	365
Professional and other contractual services	12,584,654	1,346,106	134,800
Utilities	1,023,644	67,171	3,854
Supplies	2,904,499	637,591	59,896
Equipment rental	2,056,587	217,521	32,363
Administrative services	461,600	219,369	143
Other operating expense	5,046,500	1,173,449	457,252
Depreciation and amortization	573,778	73,351	1,203
Total operating expenses	<u>45,790,677</u>	<u>7,740,083</u>	<u>1,092,763</u>
Operating income (loss)	<u>2,142,570</u>	<u>79,363</u>	<u>(167,205)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	(274,991)	2,037	5
Interest on capital asset related debt	—	(134,567)	—
Other nonoperating revenues (expenses), net	(309,531)	46,102	—
Total nonoperating revenues (expenses), net	<u>(584,522)</u>	<u>(86,428)</u>	<u>5</u>
Increase (decrease) in net assets	1,558,048	(7,065)	(167,200)
Net assets (deficits), beginning of year	<u>2,248,772</u>	<u>(820,796)</u>	<u>(44,976)</u>
Net assets (deficits), end of year	<u>\$ 3,806,820</u>	<u>(827,861)</u>	<u>(212,176)</u>

**UNIVERSITY OF ILLINOIS**  
 Current Excess Funds Calculations  
 Selected Plant Fund Data  
 Auxiliary Enterprises Under Indenture  
 June 30, 2009

	<u><b>All campuses</b></u>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 2,187,044,766
Parking lots and improvements – at historical cost	49,249,976
Equipment – at historical cost	<u>32,101,740</u>
Bond resolution limitations on repair and replacement reserve:	
5% of replacement cost of facilities	\$ 109,352,238
5% of historical cost of parking lots and improvements	2,462,499
20% of historical cost of equipment	<u>6,420,348</u>
Total reserve limitation	118,235,085
Repair and replacement reserve	<u>46,981,838</u>
Total margin of compliance	<u>\$ 71,253,247</u>

See accompanying notes to selected plant fund data.

**UNIVERSITY OF ILLINOIS**  
 Current Excess Funds Calculations  
 Selected Plant Fund Data  
 Auxiliary Enterprises Not Under Indenture  
 June 30, 2009

	<b>Student/staff programs and services</b>		
	<b>Urbana</b>	<b>Chicago</b>	<b>Springfield</b>
Capital assets:			
Facilities – at replacement cost (unaudited)	\$ 3,375,035	—	3,144,851
Improvements – at historical cost	—	—	—
Parking Lots – at historical cost	—	698,666	—
Equipment – at historical cost	1,964,473	1,143,702	939,889
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities	\$ 168,752	—	157,243
5% of historical cost of improvements	—	—	—
10% of historical cost of parking lots	—	69,867	—
20% of historical cost of equipment	392,895	228,740	187,978
Total reserve limitation	561,647	298,607	345,221
Repair and replacement reserve	222,665	—	—
Total margin of compliance	\$ 338,982	298,607	345,221

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, 2009

	<b>Communication and computing services</b>
	<b><u>All campuses</u></b>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 17,437,074
Improvements – at historical cost	10,500,000
Equipment – at historical cost	<u>175,072,300</u>
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities	\$ 871,854
5% of historical cost of improvements	525,000
20% of historical cost of equipment	<u>35,014,460</u>
Total reserve limitation	36,411,314
Repair and replacement reserve	<u>—</u>
Total margin of compliance	<u>\$ 36,411,314</u>
	<b><u>Plant and service operations</u></b>
	<b><u>All campuses</u></b>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 45,875,142
Improvements – at historical cost	281,088,274
Equipment – at historical cost	<u>62,874,416</u>
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities	\$ 2,293,757
5% of historical cost of improvements	14,054,414
20% of historical cost of equipment	<u>12,574,883</u>
Total reserve limitation	28,923,054
Repair and replacement reserve	<u>3,050,452</u>
Total margin of compliance	<u>\$ 25,872,602</u>

See accompanying notes to selected plant fund data.

**UNIVERSITY OF ILLINOIS**

Current Excess Funds Calculations

Selected Plant Fund Data

Departmental Activities

June 30, 2009

	<b>Instructional course activities</b>	
	<b>Urbana</b>	<b>Chicago</b>
Capital assets:		
Facilities – at replacement cost (unaudited)	\$ 20,628,276	—
Equipment – at historical cost	<u>6,662,209</u>	<u>585,378</u>
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities	\$ 1,031,414	—
20% of historical cost of equipment	<u>1,332,442</u>	<u>117,076</u>
Total reserve limitation	2,363,856	117,076
Repair and replacement reserve	<u>718,648</u>	—
Total margin of compliance	<u>\$ 1,645,208</u>	<u>117,076</u>

	<b>Professional development activities</b>			
	<b>Urbana</b>	<b>Chicago</b>	<b>Springfield</b>	<b>Global</b>
Capital assets:				
Facilities – at replacement cost (unaudited)	\$ 233,579	—	—	—
Equipment – at historical cost	<u>2,485,354</u>	<u>2,031,292</u>	<u>73,595</u>	<u>59,578</u>
Guidelines limitations on repair and replacement reserves for entities:				
5% of replacement cost of facilities	\$ 11,679	—	—	—
20% of historical cost of equipment	<u>497,071</u>	<u>406,258</u>	<u>14,719</u>	<u>11,916</u>
Total reserve limitation	508,750	406,258	14,719	11,916
Repair and replacement reserve	<u>157,700</u>	—	—	—
Total margin of compliance	<u>\$ 351,050</u>	<u>406,258</u>	<u>14,719</u>	<u>11,916</u>

See accompanying notes to selected plant fund data.

**UNIVERSITY OF ILLINOIS**  
 Current Excess Funds Calculations  
 Selected Plant Fund Data  
 Departmental Activities  
 June 30, 2009

	<b>Agricultural operations</b>
	<b>Urbana</b>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 45,753,003
Improvements – at historical cost	473,425
Equipment – at historical cost	7,058,094
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities	\$ 2,287,650
5% of historical cost of improvements	23,671
20% of historical cost of equipment	1,411,619
Total reserve limitation	3,722,940
Repair and replacement reserve	—
Total margin of compliance	\$ 3,722,940
	<b>Commercial operations not under indenture</b>
	<b>Chicago</b>
Capital assets:	
Facilities – at replacement cost (unaudited)	\$ 15,664,178
Improvements – at historical cost	21,241,650
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities	\$ 783,209
5% of historical cost of improvements	1,062,083
Total reserve limitation	1,845,292
Repair and replacement reserve	—
Total margin of compliance	\$ 1,845,292

See accompanying notes to selected plant fund data.

**UNIVERSITY OF ILLINOIS**  
 Current Excess Funds Calculations  
 Selected Plant Fund Data  
 Departmental Activities  
 June 30, 2009

		<b>Commercial operations Under Indenture</b>
		<b>Urbana</b>
Capital assets:		
Facilities – at replacement cost (unaudited)	\$	29,247,022
Improvements – at historical cost		45,572,022
Equipment – at historical cost		3,128,812
		<hr/> <hr/>
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities	\$	1,462,351
5% of historical cost of improvements		2,278,601
20% of historical cost of equipment		625,762
		<hr/>
Total reserve limitation		4,366,714
Repair and replacement reserve		<hr/> 216,347
Total margin of compliance	\$	<hr/> <hr/> 4,150,367
		<b>Hospital and Clinics</b>
		<hr/> <b>Chicago</b> <hr/>
Capital assets:		
Facilities – at replacement cost (unaudited)	\$	321,583,123
Equipment – at historical cost		190,619,451
		<hr/> <hr/>
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities	\$	16,079,156
20% of historical cost of equipment		38,123,890
		<hr/>
Total reserve limitation		54,203,046
Repair and replacement reserve		<hr/> 2,587,240
Total margin of compliance	\$	<hr/> <hr/> 51,615,806

See accompanying notes to selected plant fund data.

**UNIVERSITY OF ILLINOIS**  
 Current Excess Funds Calculations  
 Selected Plant Fund Data  
 Departmental Activities  
 June 30, 2009

	<b>Public service, academic support, and economic development activities</b>		
	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities – at replacement cost (unaudited)	\$ 188,948,249	160,267,670	—
Improvements – at historical cost	633,636	—	—
Equipment – at historical cost	<u>9,863,978</u>	<u>8,009,096</u>	<u>77,366</u>
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities	\$ 9,447,412	8,013,384	—
5% of historical cost of improvements	31,682	—	—
20% of historical cost of equipment	<u>1,972,796</u>	<u>1,601,819</u>	<u>15,473</u>
Total reserve limitation	11,451,890	9,615,203	15,473
Repair and replacement reserve	<u>569,358</u>	—	—
Total margin of compliance	<u>\$ 10,882,532</u>	<u>9,615,203</u>	<u>15,473</u>
	<b>Intercollegiate athletics</b>		
	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Capital assets:			
Facilities – at replacement cost (unaudited)	\$ 2,783,100	—	—
Improvements – at historical cost	8,001	2,409,202	—
Equipment – at historical cost	<u>8,339,401</u>	<u>515,403</u>	<u>51,938</u>
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities	\$ 139,155	—	—
5% of historical cost of improvements	400	120,460	—
20% of historical cost of equipment	<u>1,667,880</u>	<u>103,081</u>	<u>10,388</u>
Total reserve limitation	1,807,435	223,541	10,388
Repair and replacement reserve	<u>—</u>	—	—
Total margin of compliance	<u>\$ 1,807,435</u>	<u>223,541</u>	<u>10,388</u>

See accompanying notes to selected plant fund data.

**UNIVERSITY OF ILLINOIS**  
Current Excess Funds Calculations  
Notes to Selected Plant Fund Data  
June 30, 2009

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, 2009

		<u>All campuses</u>
1. Current available funds:		
Add:		
Cash (excludes repair and replacement reserve)	\$	23,324,477
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>23,324,477</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		31,487,024
Encumbrances and current liabilities paid in lapse period		5,648,106
Deferred income		4,287,428
Refundable deposits		1,603,208
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		570,796
Working capital allowance	B	<u>43,596,562</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(20,272,085)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(71,253,247)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		\$ <u><u>(91,525,332)</u></u>

**UNIVERSITY OF ILLINOIS**

Calculation Sheet for Current Excess Funds

Auxiliary Enterprises not under Indenture

Student/Staff Programs and Services – Entity 3200

June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash (excludes repair and replacement reserve)	\$ 8,978,698	3,543,377	427,915
Cash equivalents:			
Bank deposits	—	—	—
Marketable securities	—	—	—
Certificates of deposit	—	—	—
Repurchase agreements	—	—	—
Other cash equivalent items	—	—	—
Interfund receivables	—	—	—
Total current available funds	A <u>8,978,698</u>	<u>3,543,377</u>	<u>427,915</u>
2. Working capital allowance:			
Add:			
Highest month's expenditures	8,848,690	7,564,100	346,331
Encumbrances and current liabilities paid in lapse period	1,355,939	382,195	83,450
Deferred income	1,747,832	2,774,462	9,607
Refundable deposits	75,413	193,336	43,477
Allowance for restoring inventory to normal level	—	—	—
Allowance for sick leave/vacation payouts	59,525	36,749	9,814
Working capital allowance	B <u>12,087,399</u>	<u>10,950,842</u>	<u>492,679</u>
3. Current excess funds:			
Deduct B from A and enter here	C <u>(3,108,701)</u>	<u>(7,407,465)</u>	<u>(64,764)</u>
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(338,982)</u>	<u>(298,607)</u>	<u>(345,221)</u>
Enter the algebraic sum of c and d and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(3,447,683)</u></u>	<u><u>(7,706,072)</u></u>	<u><u>(409,985)</u></u>

**UNIVERSITY OF ILLINOIS**

Calculation Sheet for Current Excess Funds

Storerooms and Service Departments

Communication and Computing Services – Entity 3100

June 30, 2009

	<u>All campuses</u>
1. Current available funds:	
Add:	
Cash	\$ 8,218,256
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>8,218,256</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	8,389,959
Encumbrances and current liabilities paid in lapse period	2,544,174
Deferred income	—
Refundable deposits	—
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	288,540
Working capital allowance	B <u>11,222,673</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>(3,004,417)</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(36,411,314)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(39,415,731)</u></u>

**UNIVERSITY OF ILLINOIS**  
 Calculation Sheet for Current Excess Funds  
 Storerooms and Service Departments  
 Plant and Service Operations – Entity 3110  
 June 30, 2009

		<u>All campuses</u>
1. Current available funds:		
Add:		
Cash	\$	12,411,111
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>12,411,111</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		82,628,658
Encumbrances and current liabilities paid in lapse period		49,758,778
Deferred income		1,408,169
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		1,215,565
Working capital allowance	B	<u>135,011,170</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(122,600,059)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(25,872,602)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ (148,472,661)</u>

**UNIVERSITY OF ILLINOIS**

Calculation Sheet for Current Excess Funds

Departmental Activities

Instructional Course Activities – Entity 3400

June 30, 2009

	<u><b>Urbana</b></u>	<u><b>Chicago</b></u>
1. Current available funds:		
Add:		
Cash (excludes repair and replacement reserve)	\$ 1,425,030	953,455
Cash equivalents:		
Bank deposits	—	—
Marketable securities	—	—
Certificates of deposit	—	—
Repurchase agreements	—	—
Other cash equivalent items	—	—
Interfund receivables	—	—
Total current available funds	A <u>1,425,030</u>	<u>953,455</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures	437,637	818,032
Encumbrances and current liabilities paid in lapse period	104,294	70,623
Deferred income	229,724	729,633
Refundable deposits	175,500	
Allowance for restoring inventory to normal level	—	—
Allowance for sick leave/vacation payouts	218	13,166
Working capital allowance	B <u>947,373</u>	<u>1,631,454</u>
3. Current excess funds:		
Deduct B from A and enter here	C <u>477,657</u>	<u>(677,999)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(1,645,208)</u>	<u>(117,076)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(1,167,551)</u></u>	<u><u>(795,075)</u></u>

**UNIVERSITY OF ILLINOIS**  
 Calculation Sheet for Current Excess Funds  
 Departmental Activities  
 Professional Development Activities – Entity 3410  
 June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Global Campus</u>
1. Current available funds:				
Add:				
Cash (excludes repair and replacement reserve)	\$ 3,025,753	2,542,948	123,748	177,037
Cash equivalents:				
Bank deposits	—	—	—	—
Marketable securities	—	—	—	—
Certificates of deposit	—	—	—	—
Repurchase agreements	—	—	—	—
Other cash equivalent items	—	—	—	—
Interfund receivables	—	—	—	—
Total current available funds	A <u>3,025,753</u>	<u>2,542,948</u>	<u>123,748</u>	<u>177,037</u>
2. Working capital allowance				
Add:				
Highest month's expenditures	971,958	975,800	61,098	67,608
Encumbrances and current liabilities paid in lapse period	620,526	388,148	17,239	47,011
Deferred income	958,333	712,876	14,348	—
Refundable deposits	1,600	48,750	—	—
Allowance for restoring inventory to normal level	—	—	—	—
Allowance for sick leave/vacation payouts	26,669	26,000	—	30,356
Working capital allowance	B <u>2,579,086</u>	<u>2,151,574</u>	<u>92,685</u>	<u>144,975</u>
3. Current excess funds:				
Deduct B from A and enter here	C <u>446,667</u>	<u>391,374</u>	<u>31,063</u>	<u>32,062</u>
4. Calculation of income fund remittance:				
An entity may offset excess capital or current funds within the entity. enter the amount to be offset, if any, here	D <u>(351,050)</u>	<u>(406,258)</u>	<u>(14,719)</u>	<u>(11,916)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u>95,617</u>	<u>(14,884)</u>	<u>16,344</u>	<u>20,146</u>

**UNIVERSITY OF ILLINOIS**  
 Calculation Sheet for Current Excess Funds  
 Departmental Activities  
 Unique Instructional Programs – Entity 3420  
 June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>
1. Current available funds:		
Add:		
Cash	\$ 2,228,107	207,899
Cash equivalents:		
Bank deposits	—	—
Marketable securities	—	—
Certificates of deposit	—	—
Repurchase agreements	—	—
Other cash equivalent items	—	—
Interfund receivables	—	—
Total current available funds	A <u>2,228,107</u>	<u>207,899</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		
Encumbrances and current liabilities paid in lapse period	639,659	53,637
Deferred income	949,323	163,383
Refundable deposits	—	—
Allowance for restoring inventory to normal level	—	—
Allowance for sick leave/vacation payouts	13,556	—
Working capital allowance	B <u>1,602,538</u>	<u>217,020</u>
3. Current excess funds:		
Deduct B from A and enter here	C <u>625,569</u>	<u>(9,121)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>—</u>	<u>—</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>625,569</u></u>	<u><u>(9,121)</u></u>

**UNIVERSITY OF ILLINOIS**

Calculation Sheet for Current Excess Funds

Departmental Activities

Agricultural Operations – Entity 3430

June 30, 2009

	<u><b>Urbana</b></u>
1. Current available funds:	
Add:	
Cash	\$ 7,981,851
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>7,981,851</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	1,953,174
Encumbrances and current liabilities paid in lapse period	999,545
Deferred income	410,713
Refundable deposits	—
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	22,124
Working capital allowance	B <u>3,385,556</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>4,596,295</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(3,722,940)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>873,355</u></u>

**UNIVERSITY OF ILLINOIS**  
 Calculation Sheet for Current Excess Funds  
 Departmental Activities  
 Commercial Operations not under Indenture – Entity 3600  
 June 30, 2009

	<b>Urbana</b>	<b>Chicago</b>
1. Current available funds:		
Add:		
Cash	\$ (714)	1,162,460
Cash equivalents:		
Bank deposits	—	—
Marketable securities	—	—
Certificates of deposit	—	—
Repurchase agreements	—	—
Other cash equivalent items	—	—
Interfund receivables	—	—
Total current available funds	A (714)	1,162,460
2. Working capital allowance:		
Add:		
Highest month's expenditures	2,144,463	2,458,395
Encumbrances and current liabilities paid in lapse period	—	—
Deferred income	—	—
Refundable deposits	—	—
Allowance for restoring inventory to normal level	—	—
Allowance for sick leave/vacation payouts	—	—
Working capital allowance	B 2,144,463	2,458,395
3. Current excess funds:		
Deduct B from A and enter here	C (2,145,177)	(1,295,935)
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 —	(1,845,292)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ (2,145,177)	(3,141,227)

**UNIVERSITY OF ILLINOIS**

Calculation Sheet for Current Excess Funds

Departmental Activities

Commercial Operations Under Indenture – Entity 3610

June 30, 2009

	<u>Urbana</u>
1. Current available funds:	
Add:	
Cash	\$ 339,139
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>339,139</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	228,834
Encumbrances and current liabilities paid in lapse period	55,674
Deferred income	—
Refundable deposits	—
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	7,869
Working capital allowance	B <u>292,377</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>46,762</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(4,150,367)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(4,103,605)</u></u>

**UNIVERSITY OF ILLINOIS**

Calculation Sheet for Current Excess Funds

Departmental Activities

Hospital and Clinics – Entity 3500

June 30, 2009

	<u>Chicago</u>
1. Current available funds:	
Add:	
Cash	\$ 80,896,932
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>80,896,932</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	55,096,881
Encumbrances and current liabilities paid in lapse period	73,594,833
Deferred income	—
Refundable deposits	—
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	1,407,929
Working capital allowance	B <u>130,099,643</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>(49,202,711)</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(51,615,806)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(100,818,517)</u></u>

**UNIVERSITY OF ILLINOIS**

Calculation Sheet for Current Excess Funds

Departmental Activities

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

June 30, 2009

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash (excludes repair and replacement reserve)	\$ 3,694,453	5,609,164	(487,215)
Cash equivalents:			
Bank deposits	—	—	—
Marketable securities	—	—	—
Certificates of deposit	—	—	—
Repurchase agreements	—	—	—
Other cash equivalent items	—	—	—
Interfund receivables	—	—	—
Total current available funds	A <u>3,694,453</u>	<u>5,609,164</u>	<u>(487,215)</u>
2. Working capital allowance:			
Add:			
Highest month's expenditures	4,715,291	11,595,946	234,065
Encumbrances and current liabilities paid in lapse period	1,523,705	10,522,119	158,951
Deferred income	637,575	370,133	83,948
Refundable deposits	5,225	—	(35,695)
Allowance for restoring inventory to normal level	—	—	—
Allowance for sick leave/vacation payouts	53,426	186,007	328
Working capital allowance	B <u>6,935,222</u>	<u>22,674,205</u>	<u>441,597</u>
3. Current excess funds:			
Deduct B from A and enter here	C <u>(3,240,769)</u>	<u>(17,065,041)</u>	<u>(928,812)</u>
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(10,882,532)</u>	<u>(9,615,203)</u>	<u>(15,473)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u>(14,123,301)</u>	<u>(26,680,244)</u>	<u>(944,285)</u>

**UNIVERSITY OF ILLINOIS**  
 Calculation Sheet for Current Excess Funds  
 Departmental Activities  
 Intercollegiate Athletics – Entity 3450  
 June 30, 2009

		<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:				
Add:				
Cash	\$	8,610,577	164,085	(164,156)
Cash equivalents:				
Bank deposits		—	—	—
Marketable securities		—	—	—
Certificates of deposit		—	—	—
Repurchase agreements		—	—	—
Other cash equivalent items		—	—	—
Interfund receivables		—	—	—
Total current available funds	A	<u>8,610,577</u>	<u>164,085</u>	<u>(164,156)</u>
2. Working capital allowance:				
Add:				
Highest month's expenditures		5,966,823	1,708,009	424,339
Encumbrances and current liabilities paid in lapse period		2,551,249	302,229	25,330
Deferred income		7,205,128	—	—
Refundable deposits		—	—	—
Allowance for restoring inventory to normal level		—	—	—
Allowance for sick leave/vacation payouts		154,627	42,318	2,381
Working capital allowance	B	<u>15,877,827</u>	<u>2,052,556</u>	<u>452,050</u>
3. Current excess funds:				
Deduct B from A and enter here	C	<u>(7,267,250)</u>	<u>(1,888,471)</u>	<u>(616,206)</u>
4. Calculation of income fund remittance:				
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(1,807,435)</u>	<u>(223,541)</u>	<u>(10,388)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(9,074,685)</u></u>	<u><u>(2,112,012)</u></u>	<u><u>(626,594)</u></u>

**UNIVERSITY OF ILLINOIS**  
 Analysis of Indirect Cost Reimbursements  
 Statement of Sources and Applications of  
 Indirect Cost Reimbursements  
 Year ended June 30, 2009

Balance, July 1, 2008	\$ 27,435,007
Sources:	
Private Gifts, Grants and Contracts	25,676,908
United States Government Grants and Contracts	140,901,098
State of Illinois Grants and Contracts	7,439,590
Medical Service Plan	2,028,615
Auxiliary Administrative Allowances	14,556,709
Other Administrative Allowances	23,091,875
Investment income	(51,473)
Total Additions	213,643,322
Applications:	
Educational and general:	
Instruction	(1,715)
Research	(61,124,834)
Public Service	(2,750,464)
Academic Support	(31,017,588)
Student Services	(1,758,915)
Institutional Support	(48,786,789)
Operation and Maintenance of Plant	(20,603,217)
Student Aid	(5,209,009)
Prior period adjustment	(9,580,533)
Total deductions	(180,833,064)
Balance at June 30, 2009	\$ 60,245,265

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, 2009

1. Cash and equivalents balance:		
Add:		
Cash	\$	38,515,289
Cash equivalents:		
Bank deposits		—
Marketable securities		(67,225)
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
		38,448,064
2. Allocated reimbursements:		
Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:		
\$225,132,000 ; enter 30% of this amount		67,539,600
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		11,622,239
Encumbrances		18,037,749
		29,659,988
5. Indirect cost carry-forward:		
a. Enter the total items 2, 3 and 4		97,199,588
b. Subtract from item 1		(58,751,524)
If a positive number results, enter here and remit for deposit in the income fund	\$	N/A

**UNIVERSITY OF ILLINOIS**

Schedules of Federal Expenditures, Nonfederal Expenses, and New Loans

Year ended June 30, 2009

(Expressed in thousands)

Schedule A – Federal financial component:

Total federal expenditures reported on SEFA schedule	\$	643,927
Total new loans made not included on SEFA schedule		391,259
Amount of federal loan balances at beginning of the year (not included on the SEFA schedule and continued compliance is required)		51,652
Other noncash federal award expenditures		<u>9,446</u>
	\$	<u><u>1,096,284</u></u>

Schedule B – Total financial component:

Total operating expenses (from financial statements)	\$	4,209,187
Total nonoperating expenses (from financial statements)		73,460
Total new loans made		391,259
Amount of federal loan balances at beginning of the year		51,652
Other noncash federal award expenditures		<u>9,446</u>
Total Schedule B	\$	<u><u>4,735,004</u></u>

	<u>Amount</u>	<u>Percentage</u>
Schedule C:		
Total Schedule A	\$ 1,096,284	23.2%
Total nonfederal expenses	<u>3,638,720</u>	<u>76.8%</u>
Total Schedule B	\$ <u><u>4,735,004</u></u>	<u><u>100.0%</u></u>

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

## UNIVERSITY OF ILLINOIS

### University Functions and Planning Program

Year ended June 30, 2009

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

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

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

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

Each campus has developed planning procedures for maintenance and expansion of existing programs as well as development of new programs. All proposals, for academic programs 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**  
CeaseFire Program Audit Follow-Up  
Year ended June 30, 2009

In August 2007, the Auditor General, State of Illinois, (Auditor General) released a program audit of **Funding Provided by or through the State of Illinois to the Chicago Project for Violence Prevention for the CeaseFire Program**. The audit contained 6 recommendations to the University of Illinois-Chicago (University) and Chicago Project for Violence Prevention (Chicago Project). The program audit examined funding for the Chicago Project for the period FY04-FY06. In FY07, the CeaseFire Program again received State funding from the Department of Corrections (DOC). The Governor vetoed FY08 funding for CeaseFire from the State budget.

In FY09, DOC was appropriated **\$6.25 million** for CeaseFire. The funds were for named communities in the appropriations bill. While the State budget was effective in July 2008, a grant agreement between the University and DOC was not executed until December 2008.

An examination of Comptroller payment information by the Illinois Office of the Auditor General in FY09 showed that only **\$1.97 million** (32%) of the total appropriation **had been disbursed** to the University to be used on CeaseFire. Chicago Project officials, in mid August 2009, submitted additional documentation totaling **\$2.41 million** for CeaseFire activities to DOC for reimbursement. DOC officials have indicated that the amount would be submitted to the Court of Claims.

During the current examination of the University, the Illinois Office of the Auditor General tested documentation to determine the University and Chicago Project's progress in implementing the recommendations. They found that 4 recommendations had been implemented, 1 was partially implemented, and 1 was not repeated. The result of our testing is summarized below:

***Recommendation 1 – Governing Bodies***

*The Chicago Project should ensure that the Board of Directors has adequate membership support and attendance at scheduled meetings. Additionally, the Chicago Project should take the necessary steps to ensure that the Director's Council meets for its mandated meetings. Finally, the Chicago Project should take steps to improve the attendance and membership of the Steering Committee meetings.*

Chicago Project officials reported that projects at the University have no governance other than the University's Board of Trustees. As such, the Chicago Project Board of Directors voted on January 27, 2009, to dissolve and terminate its existence. The Chicago Project Steering Committee and Director's Council also disbanded.

Due to the discontinuance of the Chicago Project's governing bodies, this recommendation is **Not Repeated**.

***Recommendation 2 – Violations of Department of Corrections Funding Agreements***

*Chicago Project officials should only distribute funding to communities named in the funding agreement and should keep adequate documentation to show that funds were distributed to communities in the amounts contractually provided.*

An examination of Chicago Project documentation submitted for reimbursement to DOC in mid-August 2009 by the Illinois Office of the Auditor General showed only University disbursements to communities named in the State appropriations bill. Additionally, none of the amounts disbursed to community partners exceeded the amount in the amended contract between DOC and the University of Illinois.

**UNIVERSITY OF ILLINOIS**  
CeaseFire Program Audit Follow-Up  
Year ended June 30, 2009

Since the disbursements made by the Chicago Project complied with the funding agreement, this recommendation is **Implemented and Not Repeated**.

***Recommendation 4 – Department of Commerce and Economic Opportunity Funding Uses***

*The University of Illinois should only charge expenditures to State grants up to the level of the grant and maintain a system that allows for the identification of where any transfers are moved.*

Chicago Project officials reported that procedures have been established to have staff monitor the spending of State funds to ensure that expenses do not exceed the level of funding. The monitoring includes monthly reconciliations and actual budget variance reporting. Documentation showed that the University did not charge more than the budgeted amounts for State grants from DOC and the Illinois Violence Prevention Authority.

Due to the changes made by the Chicago Project and the University, this recommendation is **Implemented and Not Repeated**.

***Recommendation 5 – Untimely Execution of Subcontract Agreements***

*The University of Illinois should ensure that subcontract agreements for the CeaseFire program are executed in a timely manner. Additionally, the Chicago Project should not allow community partners to initiate work on CeaseFire activities until a properly executed contract is in place.*

Chicago Project officials reported that negotiations with community partners began before the contract with DOC was finalized on December 15, 2008. The subcontracts were not executed until after that time. Further, the officials indicated that the start date for the community partner subcontracts was delayed until funds were received from the State (early March 2009).

The Illinois Office of the Auditor General analyzed the reimbursement documentation submitted by community partners compared to the execution date for the subcontracts to determine whether any activities were paid prior to the execution date authorized by the contract and the University. They found instances where the Chicago Project allowed four community partners to initiate work and submit billings prior to the execution of the subcontract, which was paid with monies from the DOC grant. The questioned amount totaled only \$5,077 out of \$4.38 million.

Due to the small questioned amount, this recommendation is **Implemented and Not Repeated**.

***Recommendation 6 – Subcontractor Hiring of Outreach Workers***

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

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

## UNIVERSITY OF ILLINOIS

### CeaseFire Program Audit Follow-Up

Year ended June 30, 2009

The Illinois Office of the Auditor General's examination of subcontractor agreements found that while community partners had made progress in this area since the management audit, there is still work to be done. A comparison analysis of payments to community partners against the three-worker criteria in the DOC contract found that 9 of the 20 community partners failed at some time to fulfill this required number of outreach workers.

Due to instances of non-compliance, this recommendation is **Partially Implemented**.

#### ***Recommendation 8 – Monitoring of Expense Reimbursements***

*The Chicago Project for Violence Prevention should develop formal procedures for the review of subcontractor expenses. Additionally, staff should develop formal amendments when changes are made to a contract agreement. Finally, staff should be more diligent in enforcing the payment provisions of the subcontracts.*

Chicago Project officials provided documented procedures for the review of subcontractor invoices. The Illinois Office of the Auditor General's review of the FY09 subcontractor requests for reimbursements showed evidence of review by Chicago Project staff, including the denial of certain expenses submitted by the subcontractors.

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

**UNIVERSITY OF ILLINOIS**

Employment and Cost Statistics

Fall terms fiscal 2009 and 2008

(Unaudited)

	Fall term fiscal 2009				Fall term fiscal 2008			
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
University employment statistics:								
Headcount:								
Faculty	\$ 3,461	3,019	336	6,816	3,391	3,037	331	6,759
Academic professionals	4,705	4,017	268	8,990	4,793	4,120	258	9,171
Support staff	4,929	5,323	316	10,568	5,073	5,531	317	10,921
Other	6,269	3,469	270	10,008	6,295	3,557	251	10,103
	<u>\$ 19,364</u>	<u>15,828</u>	<u>1,190</u>	<u>36,382</u>	<u>19,552</u>	<u>16,245</u>	<u>1,157</u>	<u>36,954</u>
Full-time equivalency:								
Faculty	\$ 3,152	2,377	251	5,780	3,080	2,399	249	5,728
Academic professionals	4,608	3,915	259	8,782	4,689	4,090	252	9,031
Support staff	4,837	5,166	311	10,314	4,973	5,362	312	10,647
Other	2,756	2,045	145	4,946	2,747	2,117	135	4,999
	<u>\$ 15,353</u>	<u>13,503</u>	<u>966</u>	<u>29,822</u>	<u>15,489</u>	<u>13,968</u>	<u>948</u>	<u>30,405</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, 2009 and 2008

(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, 2009 and June 30, 2008, 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).

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

	<u>Urbana-Champaign</u>		<u>Chicago</u>		<u>Springfield</u>	
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>
For the year ended June 30, 2008:						
Total costs (1)	\$ 292,287,714	216,798,059	125,268,747	116,244,355	25,824,072	14,088,439
Student credit hours	938,977	298,835	451,399	172,775	67,921	30,855
Full-time equivalent students (2)	31,299	12,451	15,047	7,199	2,264	1,286
Cost per student credit hour	\$ 311	725	278	673	380	457
Cost per full-time equivalent student	9,339	17,412	8,325	16,147	11,406	10,955

- (1) Total costs are calculated using Illinois Board of Higher Education requirements as follows: total state appropriated costs less organized research, public service, student financial aid, appropriations for the State Universities Retirement System, appropriations for workmen's compensation, auxiliary enterprises, hospital and independent operations.
- (2) Undergraduate full-time equivalent student is computed as the total number of semester credit hours divided by 30. Graduate and professional full-time equivalent student is computed as the total number of semester credit hours divided by 24.

**UNIVERSITY OF ILLINOIS**  
 Service Efforts and Accomplishments  
 Fiscal year 2009  
 (Unaudited)

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

Enrollment statistics:

The total headcount enrollment for Fall 2008 by class level was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Undergraduate:				
Freshman	8,242	4,184	420	12,846
Sophomore	6,428	2,894	308	9,630
Junior	7,297	3,575	778	11,650
Senior	8,846	4,923	1,292	15,061
Unclassified	604	89	91	784
Total undergraduate	<u>31,417</u>	<u>15,665</u>	<u>2,889</u>	<u>49,971</u>
Graduate:				
Professional	1,032	2,328	—	3,360
Graduate	10,142	6,976	1,610	18,728
Unclassified	655	866	212	1,733
Total graduate	<u>11,829</u>	<u>10,170</u>	<u>1,822</u>	<u>23,821</u>
Total	<u><u>43,246</u></u>	<u><u>25,835</u></u>	<u><u>4,711</u></u>	<u><u>73,792</u></u>

The total headcount enrollment for Fall 2008 by gender and by level of instruction were as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Gender:				
Men	22,974	11,549	2,085	36,608
Women	20,272	14,286	2,626	37,184
Total	<u><u>43,246</u></u>	<u><u>25,835</u></u>	<u><u>4,711</u></u>	<u><u>73,792</u></u>
Level of instruction:				
Full-time	39,595	21,316	2,256	63,167
Part-time	3,651	4,519	2,455	10,625
Total	<u><u>43,246</u></u>	<u><u>25,835</u></u>	<u><u>4,711</u></u>	<u><u>73,792</u></u>

The median age of students enrolled by level of instruction for Fall 2008 were as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Median age:			
Undergraduate	21.2	20.3	24.0
Graduate	28.3	27.5	30.5
Combined	23.4	21.1	26.8

**UNIVERSITY OF ILLINOIS**  
 Service Efforts and Accomplishments  
 Fiscal year 2009  
 (Unaudited)

Degrees conferred:

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

The number of degrees conferred for the year ended June 30, 2009 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Degrees:				
Baccalaureate	7,399	3,382	634	11,415
Masters	2,688	1,906	558	5,152
Doctorate (Research)	780	292	6	1,078
Doctorate (Professional Practice)	301	559	—	860
Total	<u>11,168</u>	<u>6,139</u>	<u>1,198</u>	<u>18,505</u>

UIC Baccalaureate counts include 3 Postbaccalaureate Certificates.

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

UIC Professional counts include 29 First-Professional Certificates.

UIS Baccalaureate counts include 16 Postbaccalaureate Certificates.

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

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

UIUC also had 11 Aviation Certificates not counted above.

Staff statistics:

The following statistics are from the Survey of Salaries of Full-Time Instructional Faculty, 2008 – 2009 IPEDS.

The average salary of full-time faculty for the year ended June 30, 2009 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Combined</u>
Average salary of full-time faculty	\$ 93,713	83,501	60,437	88,397

The percent of tenured full-time faculty for the year ended June 30, 2009 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Combined</u>
Percent of tenured full-time faculty	60.62%	53.43%	41.58%	57.12%

Notes

1. All data are for full-time instructional faculty, which excludes faculty whose responsibilities are primarily research or public service.
2. Chicago figures exclude all Colleges of Medicine and the University Hospital. Urbana figures exclude Cooperative Extension staff. University Administration staff are excluded from all campus and combined figures.

**UNIVERSITY OF ILLINOIS**  
 Service Efforts and Accomplishments  
 Fiscal year 2009  
 (Unaudited)

Tuition and required fees rates:

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

The general 4-year guaranteed base rate tuition and required fees for full-time, in-state undergraduates, and general full-time base rate tuition and required fees for in-state graduate students entering after Fall 2008 for the 2008-09 academic year were as follows (excluding refundable fees at Urbana):

	<u>Urbana*</u>	<u>Chicago*</u>	<u>Springfield*</u>
Undergraduate	\$ 11,716	\$ 12,106	\$ 9,069
Graduate	\$ 12,116	\$ 11,988	\$ 7,944

\* The tuition and fee rates listed for Chicago and Urbana include rates for students enrolled for 12 or more semester hours per term. Springfield rates are for 30 semester credit hours for undergraduate students and 24 semester credit hours for graduate students. Springfield lists the following tuition and fee rates on the IPEDS IC survey: undergraduate \$7,522 (12 semester hours per term), and graduate \$6,354 (9 semester hours per term).

The tuition and required fees for a full-time student entering fall 2008 for the 2008-2009 academic year in the first-professional programs were as follows (excluding refundable fees at Urbana):

	<u>Urbana</u>	<u>Chicago</u>
First-professional programs:		
Medicine		\$ 30,308
Dentistry		\$ 29,172
Pharmacy		\$ 20,174
Physical Therapy		\$ 15,750
Law	\$ 31,168	
Veterinary medicine	\$ 21,468	

**UNIVERSITY OF ILLINOIS**

Illinois First Projects

Fiscal year 2009

(Unaudited)

<u>Appropriation code/project number</u>	<u>Award amount</u>	<u>Expenditures</u>
Appropriated to the Capital Development Board for the benefit of the Board of Higher Education: No amount appropriated for FY09	\$ —	—
Total Illinois First Projects	\$ —	—

**UNIVERSITY OF ILLINOIS**

Emergency Purchases

Year ended June 30, 2009

(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2009:

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Dovebid, Inc.	The Department requires special tools for research and instruction. The Department became aware of an auction and the opportunity to save considerable funds.	\$ 41,812.79
C.L. Doucette, Inc.	This service is required to supply labor and material to repair the sprinkler system over the escalators that were damaged during the fire on January 19, 2008 at the College of Pharmacy Building.	50,400.00
Shimadzu Scientific Corp.	This emergency purchase is due to the fire at the College of Pharmacy and is necessary to restore research productivity and resume progress on a number of key research projects that have halted due to the fire.	151,500.00
J-MAC Associates Ltd.	This emergency purchase is required due to the fire at the College of Pharmacy Building. The emergency service provided labor and material to replace and/or repair ceiling tiles, ceiling grids, drywall, windows, walls, and construct barriers as requested.	262,850.00
Advanced Beverage Solution	This emergency expenditure is for soft drink equipment for the Division of Intercollegiate Athletics for students, faculty, staff, and visitors to the University Memorial Stadium. The RFP evaluation process took longer than expected.	144,767.12
A D Johnson	This emergency expenditure is for plaques, donor signage for halls, classrooms, study halls, and a donor wall for the Business Instructional Facility to be designed, completed, and installed.	392,500.00
McLean County Fair Association	The University of Illinois Extension conducts the McLean County 4-H Fair annually at the McLean County Fairgrounds. Immediate action is needed to prevent serious disruption of University services.	90,706.00

**UNIVERSITY OF ILLINOIS**

Emergency Purchases

Year ended June 30, 2009

(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2009:

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
Agilent Technologies	This emergency purchase is required due to the fire at the College of Pharmacy Research Building. This equipment will be used to replace equipment that was damaged during the fire.	\$ 127,497.50
Agilent Technologies	This emergency purchase is required due to the fire at the College of Pharmacy Research Building. This equipment will be used to replace equipment that was damaged during the fire.	199,945.11
Waters Corporation	This emergency purchase is required due to the fire at the College of Pharmacy Research Building. This equipment will be used to replace equipment that was damaged during the fire.	420,228.40
Michael Reese Hospital	This emergency purchase is required because the equipment is used ophthalmology equipment, which Michael Reese Hospital is selling on a first come, first serve basis. The purchase of these items will result in a savings of approximately 60%.	80,000.00
Patient Equipment Rebuild	The University of Illinois Facilities and Services sent a lift crane for repairs. The actual repairs were over the estimated cost to allow the crane to be placed back into service.	48,303.14
Oswald and Associates, Inc.	The international airline tickets to Barcelona, Spain are available for a limited time and by definition is a spot market purchase.	59,400.00
Bill Walsh Inc./Coronet Toyota	The Department of Illinois State Geological Survey has purchased one 2007 Toyota Highlander.	33,500.00
Lionheart Critical Power	This emergency repair service of a diesel fuel powered emergency generator housed in the University's West Campus Central Cooling Plant used to provide critical backup electrical power to life safety systems.	40,377.00
J.S.R Enterprises	The excavation and repair of the underground fire pump standpipe experienced multiple ruptures during a fire pump test in the Behavioral Sciences Building.	65,600.00
Cochlear Americas Corp.	This emergency purchase is required to provide hearing ability to patients following tumor removal. This is the only device approved by the FDA.	99,900.00
AT&T DataComm	This emergency purchase is required due to the fire at the College of Pharmacy Research Building. These Cisco switches will be used to replace switches that were damaged during the fire.	184,369.93
Anza Incorporated	This emergency expenditure is for a used stereolithography system. This is the only known piece of equipment available that can be used for this application.	60,000.00

**UNIVERSITY OF ILLINOIS**

Emergency Purchases

Year ended June 30, 2009

(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2009.

<b>Vendor</b>	<b>Description</b>	<b>Amount</b>
Anchor Mechanical, Inc.	This is for emergency service that is required due to the failure of the heating system of the Molecular Biology Research Building. This service provided 24/7 coverage to emergency repairs of the heating coils.	\$ 145,830.00
Ontrack Data Recovery, Inc.	This emergency service that is required for recovery of computer data due to a fire at the College of Pharmacy.	100,401.18
Gehrke Technology Group	This is for emergency service that is required due to the failure of the heating system of the Molecular Biology Research Building.	43,857.00
Shimadzu Scientific Corp.	This repair service will provide on-site service, repair and re-certification of Shimadzu Scientific analytical instruments that were damaged during the fire at the Pharmacy Research Building.	40,200.00
Kroeschell, Inc.	This emergency service is required due to the fire at the College of Pharmacy. This service will provide labor and material necessary for the restoration of two laboratories and two adjacent offices.	48,161.75
Wyatt Technology Corporation	This emergency purchase is required due to the fire at the College of Pharmacy Research Building.	34,838.42
J-MAC Associated Ltd.	This emergency is due to the fire at the College of Pharmacy. This service will replace/repair the chemical fume hood alarms in the College of Pharmacy.	74,195.00
J-MAC Associated Ltd.	This emergency is due to the failure of the heating system of the Molecular Biology Research Building. This service will replace/repair the chemical fume hood alarms.	130,868.79
Kroeschell, Inc.	The emergency service was required due to the failure of the heating system at the Molecular Biology Research Building.	243,000.00
Kroeschell, Inc.	This emergency repair of a heating system located at the University of Illinois at Chicago Douglas Hall Building.	97,636.00
Johnson Controls	Delays on this repair of a compressor would risk the ability to meet campus cooling needs.	166,240.00
Archer Daniels Midland	The Department of Animal Sciences required corn gluten to feed cattle. The corn gluten is being purchased on the spot market.	50,339.02
Fifth Alder Associates LP	This emergency expenditure is for hotel accommodations and catering services for the University of Illinois at Urbana-Champaign men's basketball team while playing in the NCAA tournament.	41,396.04

**UNIVERSITY OF ILLINOIS**  
 University Bookstore Information  
 Fiscal year 2009  
 (Unaudited)

<u>University</u>	<u>University of Illinois (U of I)</u>	<u>U of I at Chicago (UIC)</u>	<u>U of I – Springfield (UIS)</u>
Contracted/Rents to students/University operated	University operated	University operated	Contracted
Contractor	N/A	N/A	Follett Higher Education Group, Inc
Contract term	N/A	N/A	4/1/05 – 3/31/10 * renewable for 5 add'l 12 month periods
Amount of gross sales for bookstore for FY 08	\$ 11,341,277	10,936,988	1,471,243
Amount to be paid to bookstore for FY 08 (if any) from university	N/A	N/A	N/A
Commissions	N/A	N/A	\$ 128,571
Commission terms	N/A	N/A	Follett to pay UIS – an annual amount equal to the sum of: 1) 8.50% of all Gross Revenue up to \$1,000,000, plus 2) 9.50% of any part of Gross Revenue over \$1,000,000  * paid monthly 20 days after the end of the month
Given exclusive rights	No	No	Yes
Competition “Other” nearby/on campus Bookstores	T.I.S College Bookstore Follett Bookstore	Chicago Textbooks, Inc	Barnes & Noble

## UNIVERSITY OF ILLINOIS

### Special Data Requirements for University Audits

Year ended June 30, 2009

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, 2009 where such special data is found.

#### **Compliance Findings**

- 13(a) At June 30, 2009 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 78 through 90.

#### **Indirect Cost Reimbursements**

- 13(b) A statement of the sources and applications of indirect cost reimbursements is included in this report on page number 91.
- 13(c) The University’s calculation sheet for indirect cost carry-forward is included in this report on page number 92.

#### **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 40 through 43.
- 13(f) Entity financial statements are presented on pages 44 through 69 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, 2009, the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2009 and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2009.
- 13(g) The University’s calculation sheets for current excess funds are presented in this report on pages 78 through 90.
- 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 12.
- 13(i) Statements of receipts and disbursements, and related definitions, for funds required by bond indentures are presented on pages 7 through 9 and page 17 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

## UNIVERSITY OF ILLINOIS

### Special Data Requirements for University Audits

Year ended June 30, 2009

the University of Illinois Auxiliary Facilities System and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2009.

- 13(k) At June 30, 2009, no noninstructional facilities reserves (development reserves) have been established by the University.

#### University-Related Organizations

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

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

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

Payments by the UROs to the University for services provided by the University and payments by the University to UROs for services provided by the UROs for the year ended June 30, 2009 are disclosed in this report on pages 110 and 111.

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

- 13(o) At June 30, 2009, there are no unreimbursed subsidies to the UROs from University or appropriated funds.
- 13(p) Debt financing by UROs at June 30, 2009 is disclosed in the Annual Financial Statements of the University of Illinois on page 43.

#### Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in the Analysis of Significant Account Balances section of this report on pages 10 and 11 and in the Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2009 on pages 32 through 36.
- 13(r) A statement describing the methodology used to allocate income from investments of pooled funds is included in this report on page 10.
- 13(s) Costs per full time equivalent student are presented in this report on page 99.
- 13(t) Acquisitions of land in excess of \$250,000 by the University and its UROs during the year ended June 30, 2009 that were not funded by a separate appropriation specifically identifying the particular acquisitions are presented in this report, if applicable, on pages 18 and 110 as Analysis of Significant Account Balances – Capital Assets and Schedule of Funds Provided by the University of Illinois Foundation.

**UNIVERSITY OF ILLINOIS**

Special Data Requirements for University Audits

Year ended June 30, 2009

- 13(u) During fiscal year 2009, the University issued Certificates of Participation Series 2009A and 2009B. The Certificates were issued to refund the Series 2007C and Series 2007D Certificates. A portion of the proceeds from each of the Series 2009 Certificates was used to pay costs incidental to issuing the certificates.

**UNIVERSITY OF ILLINOIS**

Analysis of Operations

Schedule of Funds Provided by the University of Illinois Foundation

Years ended June 30, 2009 and 2008

During fiscal years 2009 and 2008, the University engaged the Foundation, under contract, to provide fund-raising and other services. In accordance with the contract agreement, the University provided \$1,092,618 cash and \$7,401,382 Budget allocation in 2009 and \$1,432,417 cash and \$7,449,325 Budget allocation in 2008, and an additional \$375,000 and \$297,000 of services in 2009 and 2008, respectively, to the Foundation. As required by contract, the Foundation provided the University certain funds considered unrestricted for purposes of the computations outlined in University Guidelines. In addition, the Foundation provided the University with nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation provided to the University during each fiscal year:

	<u>2009</u>	<u>2008</u>
Unrestricted funds	\$ 535,583	459,279
Restricted only as to campus, college, or department, and generally available for ongoing university operations:		
Provided to a particular campus	1,269,094	1,185,608
Provided to a particular college	12,985,520	13,916,829
Provided to a particular department	24,638,564	22,898,647
Provided for the Intercollegiate Athletics	<u>9,438,638</u>	<u>9,593,934</u>
Subtotal	48,867,399	48,054,297
Restricted by donor:		
Provided for student support	21,183,313	17,840,693
Provided for certain instructional, research, and public service programs	26,327,065	27,303,428
Provided for physical facilities additions or improvements	20,987,348	10,430,702
Provided for other restricted purposes	<u>34,831,984</u>	<u>33,236,961</u>
Total funds provided by the Foundation to the University	<u>\$ 152,197,109</u>	<u>136,866,081</u>

*University Guidelines* require that the University report annually the purchase or acceptance of gifts of real estate by a University-Related Organization (URO) in excess of \$250,000. During fiscal year 2009, the University of Illinois Foundation received the following gifts and made the following purchases of real estate (unaudited):

<u>Date</u>	<u>Value (\$)</u>	<u>Property and description</u>
7/24/2008	605,519	Property located at 908 W. Nevada Ave, Urbana, IL (Purchase)
9/19/2008	2,200,000	Property located at 750 N. Prospect Ave, Park Ridge, IL (Gift)
12/22/2008	460,000	Property located at 49835 Lago Drive La Quinta, CA (Gift)
5/1/2009	2,340,160	430 acres of bluff property near Alton, IL (Gift)

**UNIVERSITY OF ILLINOIS**

Analysis of Operations

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

Years ended June 30, 2009 and 2008

In accordance with an annual agreement between the University and the Alumni Association, the University paid \$4,858,400 and \$4,981,900 of which \$2,664,600 and \$2,697,700 represent employee salaries to the Alumni Association for the years ended June 30, 2009 and 2008, 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, 2009 and 2008, the Alumni Association expended the following amounts in the performance of those functions:

	<b>2009</b>	<b>2008</b>
Communications	\$ 684,200	703,800
Information services	859,100	897,500
Membership promotion	277,400	301,500
Alumni outreach programs	1,411,900	1,415,000
General and operating expenses	1,625,800	1,664,100
Total expenditures	<u>\$ 4,858,400</u>	<u>4,981,900</u>

**UNIVERSITY OF ILLINOIS**

Schedule of Undergraduate and Graduate Tuition and Fee Waivers

2008 – 2009 School Year

(Unaudited)

(In thousands)

	<b>Undergraduate</b>			<b>Graduate</b>		
	<b>Tuition waivers</b>	<b>Fee waivers</b>	<b>Total waivers</b>	<b>Tuition waivers</b>	<b>Fee waivers</b>	<b>Total waivers</b>
Urbana	\$ 26,079	918	26,997	141,672	9,269	150,941
Chicago	7,283	509	7,792	64,588	6,017	70,605
Springfield	1,413	27	1,440	1,744	123	1,867
<b>Total</b>	<b>\$ 34,775</b>	<b>1,454</b>	<b>36,229</b>	<b>208,004</b>	<b>15,409</b>	<b>223,413</b>

The amount of fiscal 2009 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  
2008 – 2009 School Year  
(Unaudited)

	<b>University of Illinois at Urbana-Champaign</b>			
	<b>Tuition waived</b>		<b>Fees waived</b>	
	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)
Mandatory waivers				
(Subtotal)	1,864	\$ 12,677	243	\$ 329
Teacher special education	54	444	54	100
General assembly	579	5,272	—	—
ROTC	102	700	—	—
DCFS	31	177	31	76
Children of employees	722	3,255	—	—
Senior Citizens				
Honorary scholarships	240	2,006	—	—
Veterans grants and scholarships**	191	823	158	153
Adjustments (1)	(55)	—	—	—
Discretionary waivers				
(Subtotal)	2,631	13,402	733	589
Faculty/administrators	38	99	38	32
Civil service	30	91	31	31
Academic/other talent	612	2,263	136	47
Athletic	139	1,021	—	—
Gender equity in intercollegiate athletics	—	—	—	—
Foreign exchange students	396	5,562	396	395
Out-of-state students	—	—	—	—
Foreign students	20	100	—	—
Student need – financial aid	1,281	2,984	—	—
Student need – special programs	38	19	—	—
Cooperating professionals	1	3	1	1
Research assistants	—	—	—	—
Teaching assistants	123	989	119	61
Other assistants	42	251	43	16
Interinstitutional/related agencies	7	12	7	4
Retired university employees	1	6	1	2
Children of deceased employees	—	—	—	—
Contract/training grants	1	2	1	—
Adjustments (1)	(98)	—	(40)	—
Total	4,495	\$ 26,079	976	\$ 918

\* Unduplicated

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

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

**UNIVERSITY OF ILLINOIS**  
Schedule of Undergraduate Tuition and Fee Waivers  
2008 – 2009 School Year  
(Unaudited)

	<b>University of Illinois at Chicago</b>			
	<b>Tuition waived</b>		<b>Fees waived</b>	
	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)
Mandatory waivers				
(Subtotal)	609	\$ 3,751	226	\$ 421
Teacher special education	2	16	2	4
General assembly	114	809	—	—
ROTC	70	482	—	—
DCFS	11	76	11	22
Children of employees	175	609	—	—
Senior Citizens	—	—	—	—
Honorary scholarships	24	179	—	—
Veterans grants and scholarships**	213	1,580	213	395
Discretionary waivers				
(Subtotal)	688	3,532	58	88
Faculty/administrators	12	48	12	20
Civil service	42	139	41	62
Academic/other talent	373	1,506	—	—
Athletic	122	1,340	—	—
Student need – financial aid	102	405	—	—
Student need – special programs	38	69	—	—
Cooperating professionals	2	5	2	2
Research assistants	1	10	1	1
Other assistants	1	4	1	1
Retired university employees	1	6	1	2
Adjustments (1)	(6)	—	—	—
Total	1,297	\$ 7,283	284	\$ 509

\* Unduplicated

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

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**UNIVERSITY OF ILLINOIS**  
Schedule of Undergraduate Tuition and Fee Waivers  
2008 – 2009 School Year  
(Unaudited)

	<b>University of Illinois – Springfield</b>			
	<b>Tuition waived</b>		<b>Fees waived</b>	
	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)
Mandatory waivers				
(Subtotal)	330	\$ 914	—	\$ —
General assembly	16	82	—	—
DCFS	3	23	—	—
Children of employees	45	118	—	—
Senior citizens	—	—	—	—
Honorary scholarships	50	258	—	—
Veterans grants and scholarships**	216	433	—	—
Discretionary waivers				
(Subtotal)	209	499	43	27
Faculty/administrators	7	24	7	3
Civil service	34	90	34	22
Academic/other talent	30	130	—	—
Athletic	37	125	—	—
Gender equity in intercollegiate athletics	6	25	—	—
Student need – financial aid	87	74	—	—
Student need – special programs	—	—	—	—
Interinstitutional/related agencies	12	25	—	—
Retired university employees	2	6	2	2
Adjustments (1)	(6)	—	—	—
Total	539	\$ 1,413	43	\$ 27

\* Unduplicated

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**UNIVERSITY OF ILLINOIS**  
Schedule of Graduate Tuition and Fee Waivers  
2008 – 2009 School Year  
(Unaudited)

	<b>University of Illinois at Urbana-Champaign</b>			
	<b>Tuition waived</b>		<b>Fees waived</b>	
	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)	<b>Number of recipients *</b>	<b>Value of waivers</b> (In thousands)
Mandatory waivers				
(Subtotal)	185	\$ 1,672	87	\$ 67
Teacher special education	2	15	1	3
General assembly	11	157	—	—
DCFS	1	10	1	3
Honorary scholarships	30	355	—	—
Veterans grants and scholarships**	142	1,135	85	61
Adjustments (1)	(1)	—	—	—
Discretionary waivers				
(Subtotal)	7,790	140,000	7,789	9,202
Faculty/administrators	440	2,734	463	653
Civil service	71	238	73	67
Academic/other talent	184	1,668	242	167
Athletic	—	—	—	—
Foreign exchange students	34	508	38	42
Out-of-state students	—	—	—	—
Cooperating professionals	217	822	214	221
Research assistants	2,516	50,703	2,505	2,720
Teaching assistants	1,520	22,250	1,517	1,521
Other assistants	2,337	36,199	2,322	2,261
Interinstitutional/related agencies	42	217	47	45
Retired university employees	2	9	2	3
Contract/training grants	120	2,107	120	59
Fellowship/traineeship	1,236	22,545	1,306	1,443
Adjustments (1)	(929)	—	(1,060)	—
Total	7,975	\$ 141,672	7,876	\$ 9,269

\* Unduplicated

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**UNIVERSITY OF ILLINOIS**  
Schedule of Graduate Tuition and Fee Waivers  
2008 – 2009 School Year  
(Unaudited)

	<b>University of Illinois at Chicago</b>			
	<b>Tuition waived</b>		<b>Fees waived</b>	
	<b>Number of recipients *</b>	<b>Value of waivers</b>	<b>Number of recipients *</b>	<b>Value of waivers</b>
		(In thousands)		(In thousands)
Mandatory waivers				
(Subtotal)	215	\$ 3,924	84	\$ 180
Teacher special education	3	19	3	7
General assembly	114	2,978	—	—
Senior citizen	1	1	—	—
Honorary scholarships	16	234	—	—
Veterans grants and scholarships	81	692	81	173
Discretionary waivers				
(Subtotal)	4,227	60,664	4,042	5,837
Faculty/administrators	668	4,860	624	1,056
Civil service	72	544	65	122
Academic/other talent	105	3,543	—	—
Athletic	1	29	—	—
Cooperating professionals	60	167	30	70
Research assistants	962	13,233	983	1,351
Teaching assistants	969	14,422	1,012	1,397
Other assistants	901	13,746	1,043	1,141
Interinstitutional/related agencies	1	2	—	—
Retired university employees	2	11	2	4
Fellowship/traineeship	703	10,107	659	696
Adjustments (1)	(217)	—	(376)	—
Total	4,442	\$ 64,588	4,126	\$ 6,017

\* Unduplicated

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**UNIVERSITY OF ILLINOIS**  
Schedule of Graduate Tuition and Fee Waivers  
2008 – 2009 School Year  
(Unaudited)

	<b>University of Illinois – Springfield</b>			
	<b>Tuition waived</b>		<b>Fees waived</b>	
	<b>Number of recipients *</b>	<b>Value of waivers</b>	<b>Number of recipients *</b>	<b>Value of waivers</b>
		(In thousands)		(In thousands)
Mandatory waivers				
(Subtotal)	121	\$ 226	—	\$ —
Teacher special education				
General assembly	2	3	—	—
Senior citizens	—	—	—	—
Honorary scholarships	9	43	—	—
Veterans grants and scholarships**	110	180	—	—
Discretionary waivers				
(Subtotal)	443	1,518	261	123
Faculty/administrators	116	261	116	56
Civil service	24	64	23	15
Academic/other talent	11	55	—	—
Gender equity in intercollegiate athletics	—	—	—	—
Out-of-state students	4	14	—	—
Student need – financial aid	93	97	—	—
Student need – special programs	1	1	—	—
Cooperating professionals	19	31	19	9
Research assistants	12	81	12	5
Teaching assistants	18	109	18	9
Other assistants	132	779	69	27
Interinstitutional/related agencies	12	25	3	1
Retired university employees	1	1	1	1
Adjustments (1)	—	—	—	—
Total	564	\$ 1,744	261	\$ 123

\* Unduplicated

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