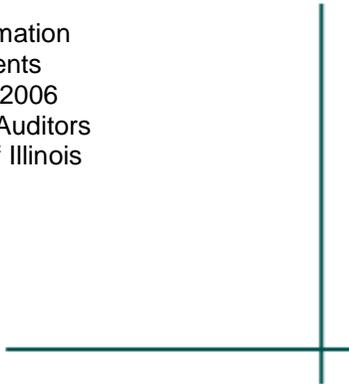




UNIVERSITY OF ILLINOIS

Supplementary Financial Information
and Special Data Requirements
For the Year Ended June 30, 2006
Performed as Special Assistant Auditors
for the Auditor General, State of Illinois



**Clifton
Gunderson LLP**
Certified Public Accountants & Consultants

UNIVERSITY OF ILLINOIS
SUPPLEMENTARY FINANCIAL INFORMATION AND SPECIAL DATA REQUIREMENTS
FOR THE YEAR ENDED JUNE 30, 2006
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UNIVERSITY OF ILLINOIS
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RELATED REPORTS PUBLISHED UNDER SEPARATE COVERS

University of Illinois Reports

- The University of Illinois Annual Financial Report for the year ended June 30, 2006.
- The Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2006 .
- The Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2006.
- The Annual Financial Report of the Willard Airport Facility for the year ended June 30, 2006.
- The State and Federal Compliance Report in accordance with the Single Audit Act and OMB Circular A-133 for the year ended June 30, 2006, including findings, recommendations, and University responses.

University of Illinois Foundation Reports

- The Annual Financial Statements of the University of Illinois Foundation for the year ended June 30, 2006.
- Compliance Examination for the two years ended June 30, 2006.

University of Illinois Alumni Association Reports

- The Annual Financial Statements of the University of Illinois Alumni Association for the year ended June 30, 2006.
- Compliance Examination for the two years ended June 30, 2006.

Wolcott, Wood and Taylor, Inc. Reports

- The Annual Financial Statements of Wolcott, Wood and Taylor, Inc. for the year ended June 30, 2006
- Compliance Examination for the two years ended June 30, 2006.

PrairieLand Energy, Inc. Reports

- The Annual Financial Statements of PrairieLand Energy, Inc. for the year ended June 30, 2006
- Compliance Examination for the two years ended June 30, 2006.

Illinois Ventures, LLC. and its Subsidiary Reports

- The Annual Financial Statements of Illinois Ventures, LLC for the year ended June 30, 2006
- Compliance Examination for the two years ended June 30, 2006.

University of Illinois Research Park, LLC. Reports

- The Annual Financial Statements of University of Illinois Research Park, LLC for the year ended June 30, 2006
- Compliance Examination for the two years ended June 30, 2006.

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

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

As Special Assistant Auditors for the Auditor General, we have audited the basic financial statements of the University of Illinois (University) as of and for the year ended June 30, 2006, and have issued our report thereon dated October 4, 2006. These financial statements and the supplementary information referred to below are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

Our audit was made for the purpose of forming an opinion on the basic financial statements of the University taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements of the University of Illinois. Such information for the year ended June 30, 2006, 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, 2006 taken as a whole.

The supplementary information for the years ended June 30, 2005, 2004 and 2003 has been derived from financial statements audited previously and, in our reports dated September 28, 2005, October 15, 2004, and September 16, 2003 respectively, we expressed unqualified opinions on such information in relation to the University's basic financial statements taken as a whole. The supplementary information for the years ended June 30, 1996 through 2002 has been derived from financial statements audited by other auditors, whose reports thereon expressed unqualified opinions on such information in relation to the University's basic financial statements for those years ended taken as a whole.

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

Clifton Gunderson LLP

Peoria, Illinois
October 4, 2006

UNIVERSITY OF ILLINOIS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	Appropriations (net after transfers)	Vouchered expenditures for the year ended June 30, 2006	Vouchered expenditures for the two months ended August 31, 2006	Total expenditures for the fourteen months ended August 31, 2006	Balances lapsed August 31, 2006	Balances reappropriated August 31, 2006
General Revenue Fund :						
Appropriation						
Expenditures						
Permanent improvements	\$ 750,000	\$ 750,000	\$	\$ 750,000	\$	\$ -
Personal services	598,363,000	598,198,337	164,663	598,363,000		-
Awards and grants	5,957,500	5,957,500		5,957,500		-
Travel	249,700	249,700		249,700		-
Commodities	2,518,600	2,518,600		2,518,600		-
Contractual services	39,649,600	39,649,600		39,649,600		-
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	5,817,600	5,414,451	403,147	5,817,598	2	-
Health Insurance	24,893,200	24,893,200		24,893,200		-
Medicare	8,937,100	8,937,100		8,937,100		-
CHANCE Program	1,000,000	820,842	179,158	1,000,000		-
Total General Revenue Fund	\$ 697,901,100	\$ 697,154,130	\$ 746,968	\$ 697,901,098	\$ 2	\$
Fire Prevention Fund	\$ 1,998,500	\$ 1,884,805	\$ 113,695	\$ 1,998,500	\$	\$
State College and University Trust Fund	\$ 250,000	\$ 181,177	\$ 31,100	\$ 212,277	\$ 37,723	\$

UNIVERSITY OF ILLINOIS
SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
FOURTEEN MONTHS ENDED AUGUST 31, 2006

	Appropriations (net after transfers)	Vouchered expenditures for the year ended June 30, 2006	Vouchered expenditures for the two months ended August 31, 2006	Total expenditures for the fourteen months ended August 31, 2006	Balances lapsed August 31, 2006	Balances reappropriated August 31, 2006
Capital Development Bond Fund:						
WILL-TV digitalization infrastructure	\$ 756,041	\$ 332,176	\$	\$ 332,176	\$	\$ 423,865
College of Medicine education and research facility	3,770,084	3,770,084		3,770,084		-
Classroom and office construction at UIS	1,124,427	947,804		947,804		176,623
Space needs for DNR survey	9,410,452	4,491,675		4,491,675		4,918,777
Total Capital Development Bond Fund	\$ 15,061,004	\$ 9,541,739	\$	\$ 9,541,739	\$	\$ 5,519,265
Grand Totals, All Funds	\$ 715,210,604	\$ 708,761,851	\$ 891,763	\$ 709,653,614	\$ 37,725	\$ 5,519,265

Note: The data contained in the schedule was taken from the University's records which have been reconciled to the records of the State Comptroller. All appropriations were authorized by Public Act 094-0015.

UNIVERSITY OF ILLINOIS
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
BUDGET YEARS OF FISCAL 2006 AND 2005

	<u>PA 94-0015</u>	<u>PA 93-0842</u>
	<u>2006</u>	<u>2005</u>
General Revenue Fund:		
Appropriations	<u>\$ 697,901,100</u>	<u>\$ 698,451,100</u>
Expenditures		
Permanent improvements	750,000	750,000
Personal services	598,363,000	611,035,700
Awards and grants	5,957,500	5,782,500
Travel	249,700	249,700
Commodities	2,518,600	2,518,600
Contractual services	39,649,600	27,151,900
Equipment	511,000	511,000
Telecommunications	5,016,800	5,016,800
Operation of automotive equipment	967,000	967,000
Worker's compensation	3,270,000	3,270,000
Hospital and medical services and appliances	5,817,598	5,817,600
Health Insurance	24,893,200	24,893,200
Early Outreach Program	-	250,000
Medicare	8,937,100	8,937,100
Mental Health Rate Study	-	292,804
CHANCE Program	1,000,000	1,000,000
	<u>697,901,098</u>	<u>698,443,904</u>
Lapsed Balance	<u>\$ 2</u>	<u>\$ 7,196</u>
Fire Prevention Fund:		
Appropriations	<u>\$ 1,998,500</u>	<u>\$ 1,744,600</u>
Expenditures	<u>1,998,500</u>	<u>1,744,600</u>
Lapsed balances	<u>\$ -</u>	<u>\$ -</u>
State College and University Trust Fund		
Appropriations	<u>\$ 250,000</u>	<u>\$ 250,000</u>
Expenditures	<u>212,277</u>	<u>250,000</u>
Lapsed balances	<u>\$ 37,723</u>	<u>\$ -</u>

UNIVERSITY OF ILLINOIS
COMPARATIVE SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND LAPSED BALANCES
BUDGET YEARS OF FISCAL 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Capital Development Bond Fund:		
Appropriations	\$ 15,061,004	\$ 37,828,403
Expenditures		
WILL-TV digitalization infrastructure	332,176	746,493
College of Medicine Education and Research Facility	3,770,084	10,789,786
Classroom and Office Construction at UIS	947,804	7,240,153
Space needs for DNR survey	4,491,675	3,990,968
Total expenditures	<u>9,541,739</u>	<u>22,767,400</u>
Reappropriated balances	<u>5,519,265</u>	<u>15,061,002</u>
Lapsed balances	<u>\$ -</u>	<u>\$ 1</u>
Grand Totals, All Funds:		
Appropriations	\$ 715,210,604	\$ 738,274,103
Expenditures	709,653,614	723,205,904
Reappropriated balances	<u>5,519,265</u>	<u>15,061,002</u>
Lapsed balances	<u>\$ 37,725</u>	<u>\$ 7,197</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF STATE APPROPRIATIONS
SIGNIFICANT LAPSE PERIOD EXPENDITURES
TWO MONTHS ENDED AUGUST 31, 2006

Total expenditures for the fourteen months ended August 31, 2006	Vouchered expenditures for the two months ended August 31, 2006	%
-------------------------------------------------------------------------------------	------------------------------------------------------------------------------------	----------

-- None --

The above represents all appropriations with lapse period expenditures greater than \$250,000 and 20% of total expenditures for the fourteen months ended August 31, 2006.

UNIVERSITY OF ILLINOIS
ANALYSIS OF UNIVERSITY INCOME FUND
COMPARATIVE SCHEDULE OF UNIVERSITY INCOME FUND REVENUES AND EXPENDITURES
BUDGET YEARS OF FISCAL 2006 AND 2005

University Income Fund	2006	2005
Revenues		
Net student tuition and fees	\$ 469,403,005	\$ 423,747,843
Other sources	9,495,502	8,033,784
	<u>478,898,507</u>	<u>431,781,627</u>
Provision for bad debts	(1,576,369)	(1,986,571)
Net revenues	<u>477,322,138</u>	<u>429,795,056</u>
Add (deduct) net change in:		
Cash	107,749	9,474,605
Accounts receivable	2,970,195	(1,518,449)
Deferred charges	(883,706)	(544,795)
Accrued investment income	1,038,567	(736,802)
Deferred income	1,796,404	(295,599)
Accounts payable	(2,549)	(1,488)
	<u>5,026,660</u>	<u>6,377,472</u>
Fiscal year deposits	<u>482,348,798</u>	<u>436,172,528</u>
Expenditures		
Audit expense	243,399	309,905
Unemployment compensation	389,878	452,820
Permanent improvements	1,697,336	3,001,535
Student loan matching	-	52,415
Personal services	295,154,256	239,686,340
Awards and grants	30,619,530	23,634,168
Travel	3,354,669	3,121,819
Commodities	15,608,465	14,669,223
Contractual services	106,947,063	115,476,886
Equipment	17,791,298	25,860,885
Telecommunications	2,614,843	3,759,426
Operation of automotive equipment	204,870	427,439
Worker's compensation	1,332,174	565,998
Medicare	2,596,680	1,728,773
Total expenditures	<u>478,554,461</u>	<u>432,747,632</u>
Increase (decrease) in fund balance	<u>3,794,337</u>	<u>3,424,896</u>
Fund balance at beginning of budget fiscal year	2,394,164	(1,590,899)
Beginning balance adjustment¹		<u>560,167</u>
Beginning balance as adjusted	<u>2,394,164</u>	<u>(1,030,732)</u>
Fund balance at end of budget fiscal year	<u>\$ 6,188,501</u>	<u>\$ 2,394,164</u>
Budget	<u>\$ 486,348,200</u>	<u>\$ 453,680,000</u>
Fund balance as percentage of budget	<u>1.27%</u>	<u>0.53%</u>

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF UNIVERSITY INCOME FUND
COMPARATIVE SCHEDULE OF UNIVERSITY INCOME FUND REVENUES AND EXPENDITURES
BUDGET YEARS OF FISCAL 2006 AND 2005

Net student tuition and fees increased by approximately \$45.6 million from fiscal year 2005 to fiscal year 2006. General tuition programs for continuing undergraduates increased approximately 7.0% at UIC and UIUC and 6% at UIS for fiscal year 2006. Graduate and professional tuition increased approximately 7% at UIC and UIUC and 9% at UIS. Fiscal year 2005 was the beginning of the University of Illinois Guaranteed Tuition plan, which sets an entering undergraduate student's tuition for four years (undergraduate rates would remain unchanged for four years). The initial implementation of this program included a frontload of approximately 8%. The four-year rate set for fiscal year 2006 for first-time enrollments increased approximately 9% at UIC and UIUC and 8% at UIS. Fiscal year 2006 was also the first year of the phase in of a \$250 dollar surcharge at UIS for both undergraduate and graduate students. In addition, undergraduate tuition differentials were increased for Engineering at UIUC and Engineering and Nursing at UIC. During fiscal year 2006 new differentials were implemented and there were increases to existing differentials in several graduate and professional programs at UIC and UIUC. The campuses also experienced stronger than expected enrollments, carryover and technical adjustments in fiscal year 2006.

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 \$3.1 million and \$1.9 million in fiscal years 2006 and 2005 respectively for institutional system development and institutional utility costs. A substantial portion of the investment funds are committed for recurring obligations.

UNIVERSITY OF ILLINOIS
ANALYSIS OF
REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2006 AND 2005

	2006	2005	Increase (decrease)
OPERATING REVENUES:			
Student tuition and fees, net	\$ 554,856	\$ 507,137	\$ 47,719
Fee for services - state appropriation	44,626	46,117	(1,491)
Federal appropriations	15,805	16,819	(1,014)
Federal grants and contracts	601,846	608,403	(6,557)
State of Illinois grants and contracts	59,944	62,710	(2,766)
Private gifts, grants, and contracts	108,159	89,615	18,544
Educational activities	197,089	181,118	15,971
Auxiliary enterprises, net	282,321	264,660	17,661
Hospital and other medical activities, net	408,406	379,815	28,591
Medical service plan	141,336	138,624	2,712
Independent operations	11,786	8,744	3,042
Interest and service charges on student loans	2,913	759	2,154
On behalf - hospital and other medical activities	61,221	60,635	586
Total operating revenues	2,490,308	2,365,156	125,152
OPERATING EXPENSES:			
Instruction	666,200	677,813	(11,613)
Research	556,874	557,058	(184)
Public service	300,990	277,626	23,364
Academic support	218,043	206,894	11,149
Student services	82,656	79,616	3,040
Institutional support	150,572	163,770	(13,198)
Operation and maintenance of plant	229,038	199,183	29,855
Scholarships and fellow ships	185,155	175,166	9,989
Auxiliary enterprises	229,935	207,825	22,110
Hospital and medical activities	406,466	394,122	12,344
Independent operations	9,639	9,215	424
Depreciation	185,105	175,978	9,127
On behalf payments for fringe benefits	327,927	347,232	(19,305)
Total operating expenses	3,548,600	3,471,498	77,102
Operating (Loss)	(1,058,292)	(1,106,342)	48,050
NONOPERATING REVENUES (EXPENSES):			
State appropriations	655,521	653,913	1,608
Private gifts	116,111	120,844	(4,733)
On behalf payments for fringe benefits	286,706	286,597	(19,891)
Net investment income	38,992	35,077	3,915
Net increase in the fair value of investments	3,200	11,593	(8,393)
Interest on capital asset related debt	(61,657)	(59,068)	(2,589)
Loss on disposals of capital assets	(1,063)	(3,933)	2,870
Other nonoperating revenues	35,575	10,167	25,408
Net nonoperating revenues (expenses)	1,053,385	1,055,190	(1,805)
Income (loss) before other revenues, expenses, gains, and losses	(4,907)	(51,152)	46,245
Capital state appropriations	53,961	65,994	(12,033)
Capital gifts and grants	11,639	26,445	(14,806)
Private gifts for endowment purposes	208	1,256	(1,048)
INCREASE IN NET ASSETS	60,901	42,543	18,358
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	2,309,084	2,266,541	42,543
NET ASSETS, END OF YEAR	\$ 2,369,985	\$ 2,309,084	\$ 60,901

UNIVERSITY OF ILLINOIS
ANALYSIS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS
SIGNIFICANT REVENUE, EXPENSE, AND OTHER CHANGES IN NET ASSETS VARIANCES
YEARS ENDED JUNE 30, 2006 AND 2005

Consistent with prior years, all variances greater than \$30 million, and more than a 10 percent variance from fiscal year 2006 are discussed below. Refer to the Analysis of Revenues, Expenses and Other Changes in Net Assets on page 9 for the actual dollar changes.

Explanations of significant variances:

There were no variances considered significant for fiscal year 2006.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CASH AND CASH EQUIVALENTS,
INVESTMENTS, AND ACCRUED INVESTMENT INCOME
JUNE 30, 2006 AND 2005

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

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

At June 30, 2006, the University did not have deposits that exceeded the federally insured amount and the value of the underlying collateral at Busey Bank.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CASH AND CASH EQUIVALENTS,
INVESTMENTS, AND ACCRUED INVESTMENT INCOME
JUNE 30, 2006 AND 2005

The University's investment balances, including pooled investments, but excluding real estate and farm properties, at June 30, 2006 and 2005 were held as follows:

	<u>2006</u> Carrying Amount	<u>2005</u> Carrying Amount
Certificates of Participation	\$ 846,299	\$ 402,000
U.S. Treasury Put	4,345,000	4,345,000
U.S. Government Securities	307,354,891	299,625,720
Repurchase Agreements	37,600,000	
Commercial Paper	71,490,450	44,817,732
Corporate Bonds	205,508,371	181,804,615
Corporate Stock	59,416,054	61,675,433
Mutual Funds - Bonds	62,195,903	60,227,495
Mutual Funds - Stocks	115,458,834	111,463,645
Mutual Funds - Money Market	246,752,648	168,797,047
Mutual Funds - Real Estate	137,584	314,785
Illinois Fund	1,198,414	48,822,144
	<u>\$ 1,112,304,448</u>	<u>\$ 982,295,616</u>

Refer to Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2006, for categorization of investments according to interest rate risk and credit risk assumed by the University at June 30, 2006.

Investments of the endowment and similar funds also include real estate and farm properties which are carried at cost or, if donated, at the appraised value as of the date received. Investments in real estate and farm properties amounted to \$13,467,620 and \$13,490,677 at June 30, 2006 and 2005, respectively.

The University accounts for investment income on the accrual basis. Investment income for non-pooled investments, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund which owns the investments, except for income derived from investments of the Endowment and Similar Funds, which is recognized in the funds to which such income is restricted. Income from pooled investments is distributed to individual University funds quarterly based upon average monthly balances invested in the pool. Accrued investment income, by fund, at June 30, 2006 and 2005 was as follows:

	<u>2006</u>	<u>2005</u>
Current Funds		
Unrestricted	\$ 3,015,351	\$ 2,658,160
Restricted	94,074	101,343
Loan Funds	79,936	80,181
Plant Funds	<u>2,038,134</u>	<u>1,216,003</u>
Total	<u>\$ 5,227,495</u>	<u>\$ 4,055,687</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
JUNE 30, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Accounts receivable		
Current Unrestricted Funds:		
Student tuition	\$ 23,838,631	\$ 25,808,746
Other unrestricted	11,725,922	15,326,508
Entity activities:		
Auxiliary enterprises	11,303,608	7,961,580
Hospital and clinics	308,218,068	285,113,296
Other departmental activities	14,573,627	15,463,924
Total accounts receivable	<u>369,659,856</u>	<u>349,674,054</u>
Allow ance for doubtful accounts:		
Hospital and clinics	(227,375,861)	(205,344,072)
Other departmental activities	(2,326,855)	(3,137,668)
Student tuition and fees	(6,258,576)	(5,258,496)
Other unrestricted funds	(6,807,983)	(8,590,325)
Auxiliary enterprises	(2,052,603)	(930,704)
Total allow ance for doubtful accounts	<u>(244,821,878)</u>	<u>(223,261,265)</u>
Current Unrestricted Funds accounts receivable, net	<u>124,837,978</u>	<u>126,412,789</u>
Current Restricted Funds:		
Medical Service Plan	64,541,262	52,786,096
Grants, contracts and gifts	163,184,983	153,077,449
Federal appropriations	469,964	3,993,372
Endow ment farms	35,928	770,680
Total accounts receivable	<u>228,232,137</u>	<u>210,627,597</u>
Allow ance for doubtful accounts:		
Medical Service Plan	(26,968,929)	(24,539,548)
Current Restricted Funds accounts receivable, net	<u>201,263,208</u>	<u>186,088,049</u>
Plant Funds	<u>146,908</u>	<u>136,208</u>
Total accounts receivable, net	<u>326,248,094</u>	<u>312,637,046</u>
Notes receivable		
Loan Funds:		
Urbana campus	25,933,752	23,693,366
Chicago campus	32,257,072	34,492,675
Springfield campus	225,103	237,676
Total notes receivable	<u>58,415,927</u>	<u>58,423,717</u>
Allow ance for doubtful notes:		
Urbana campus	(1,155,102)	(3,334,298)
Chicago campus	(1,103,438)	(1,061,783)
Springfield campus	(8,867)	(28,097)
Total allow ance for doubtful accounts	<u>(2,267,407)</u>	<u>(4,424,178)</u>
Total notes receivable, net	<u>56,148,520</u>	<u>53,999,539</u>
Total accounts and notes receivable, net	<u>\$ 382,396,614</u>	<u>\$ 366,636,585</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
STUDENT TUITION RECEIVABLE
JUNE 30, 2006 AND 2005

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

	June 30, 2005			
	<u>Total</u>	<u>Urbana Campus</u>	<u>Chicago Campus</u>	<u>Springfield Campus</u>
Student tuition receivable				
Current - 30 days	\$ 11,153,837	\$ 4,713,545	\$ 5,663,504	\$ 776,788
31 - 90 days	1,709,630	722,479	868,087	119,064
Over 90 days	<u>12,945,279</u>	<u>5,470,598</u>	<u>6,573,132</u>	<u>901,549</u>
Total student tuition receivable	25,808,746	10,906,622	13,104,723	1,797,401
Allow ance for doubtful accounts	<u>(5,258,496)</u>	<u>(947,440)</u>	<u>(3,920,378)</u>	<u>(390,678)</u>
Student tuition receivable, net	<u>\$ 20,550,250</u>	<u>\$ 9,959,182</u>	<u>\$ 9,184,345</u>	<u>\$ 1,406,723</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, 2006 AND 2005
(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>2006</u>	<u>2005</u>
<u>Active Accounts</u>		
Patient receivables	\$ 105,952	\$ 124,712
Less bad debt allowance	(36,488)	(52,485)
Net patient receivables	<u>\$ 69,464</u>	<u>\$ 72,227</u>
Bad debt allowance -		
As a percent of patient receivables	<u>34.44%</u>	<u>42.08%</u>
Days revenue in net patient receivables	<u>64</u>	<u>72</u>
Write-offs of uncollectible accounts, net of recoveries	\$ 4,132	\$ 8,921
As a percent of gross revenue	<u>0.37%</u>	<u>0.90%</u>
Provision for bad debts	\$ 26,694	\$ 32,875
As a percent of gross revenue	<u>2.41%</u>	<u>3.35%</u>
Aging:		
0-30 days (including in-house)	62.34%	51.60%
31-90 days	11.42%	15.10%
91-180 days	8.66%	12.50%
Over 180 days	17.58%	20.80%
	<u>100.00%</u>	<u>100.00%</u>
<u>Inactive Accounts</u>		
Patient receivables	\$ 183,723	\$ 146,436
Less bad debt allowance	(183,723)	(146,436)
Net patient receivables	<u>\$ -</u>	<u>\$ -</u>
<u>Health Services Facilities System Receivables</u>		
	<u>2006</u>	<u>2005</u>
Active patient receivables	\$ 105,952	\$ 124,712
Inactive patient receivables	183,723	146,436
Other receivables	18,543	13,681
Due from related organizations	<u>284</u>	<u>284</u>
Total Health Services Facilities System receivables	<u>\$ 308,218</u>	<u>\$ 285,113</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS AND NOTES RECEIVABLE
GRANTS, CONTRACTS AND GIFTS
JUNE 30, 2006 AND 2005

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

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

	June 30, 2005				
	<u>Total</u>	<u>University Administration</u>	<u>Urbana Campus</u>	<u>Chicago Campus</u>	<u>Springfield Campus</u>
Grants, contracts and gifts					
United States government grants and contracts	\$ 97,867,047	\$ 283,984	\$ 55,288,085	\$ 42,059,766	\$ 235,212
Private gifts, grants and contracts	27,650,034	403,775	13,382,289	13,773,973	89,997
State of Illinois grants and contracts	27,560,368	500,921	12,589,759	13,570,009	899,679
Total grants, contracts and gifts	<u>\$ 153,077,449</u>	<u>\$ 1,188,680</u>	<u>\$ 81,260,133</u>	<u>\$ 69,403,748</u>	<u>\$ 1,224,888</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, 2006 AND 2005

	<u>June 30,</u>	
	<u>2006</u>	<u>2005</u>
<u>Urbana campus</u>		
<u>Age</u>		
Not in repayment status/current billing	\$ 23,121,729	\$ 22,450,263
Under 120 days	778,684	71,781
Over 120 days	<u>2,033,339</u>	<u>1,171,322</u>
	25,933,752	23,693,366
Allowance for doubtful notes	<u>(1,155,102)</u>	<u>(3,334,298)</u>
Total - Urbana campus	<u>24,778,650</u>	<u>20,359,068</u>
<u>Chicago campus</u>		
<u>Age</u>		
Not in repayment status/current billing	28,336,460	30,898,753
Under 120 days	1,290,851	1,359,177
Over 120 days	<u>2,629,761</u>	<u>2,234,745</u>
	32,257,072	34,492,675
Allowance for doubtful notes	<u>(1,103,438)</u>	<u>(1,061,783)</u>
Total - Chicago campus	<u>31,153,634</u>	<u>33,430,892</u>
<u>Springfield campus</u>		
<u>Age</u>		
Not in repayment status/current billing	190,978	214,676
Under 120 days	9,027	1,000
Over 120 days	<u>25,098</u>	<u>22,000</u>
	225,103	237,676
Allowance for doubtful notes	<u>(8,867)</u>	<u>(28,097)</u>
Total - Springfield campus	<u>216,236</u>	<u>209,579</u>
<u>All campuses</u>		
<u>Age</u>		
Not in repayment status/current billing	51,649,167	53,563,692
Under 120 days	2,078,562	1,431,958
Over 120 days	<u>4,688,198</u>	<u>3,428,067</u>
	58,415,927	58,423,717
Allowance for doubtful notes	<u>(2,267,407)</u>	<u>(4,424,178)</u>
Total - All campuses	<u>\$ 56,148,520</u>	<u>\$ 53,999,539</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, 2006

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 119,631,874	\$ 9,007,443	\$ (6,787,612)	\$ -	\$ 121,851,705
Construction in progress	230,728,826	197,758,420		(165,512,862)	262,974,384
Inexhaustible collections	13,681,228	337,720			14,018,948
Total nondepreciable capital assets	364,041,928	207,103,583	(6,787,612)	(165,512,862)	398,845,037
Depreciable Capital Assets:					
Buildings	2,486,513,761		(637,077)	152,530,627	2,638,407,311
Improvements and infrastructure	539,077,802			12,982,235	552,060,037
Equipment	909,464,272	66,898,428	(40,694,353)		935,668,347
Software	145,416,634	2,073,006			147,489,640
Library materials	382,739,926	22,546,614			405,286,540
Subtotal	4,463,212,395	91,518,048	(41,331,430)	165,512,862	4,678,911,875
Less accumulated depreciation	1,959,873,752	185,104,515	(37,210,766)		2,107,767,501
Total net depreciable capital assets	2,503,338,643	(93,586,467)	(4,120,664)	165,512,862	2,571,144,374
Total Capital Assets	\$ 2,867,380,571	\$ 113,517,116	\$ (10,908,276)	\$ -	\$ 2,969,989,411

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR CHANGES TO LAND FY2006

CHICAGO:

Laflin Warehouse Parcel 115-135 S Sangamon St	\$ 1,983,275
South Campus Land East of Halsted St. (Bought and sold land valued at \$6,787,612 during year)	-
Chicago major changes to land	1,983,275

OTHER (Changes less than \$500,000):	236,556
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TOTAL CHANGES TO LAND	\$ 2,219,831
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MAJOR BUILDING CHANGES, INCLUDING TRANSFERS FROM CONSTRUCTION IN PROGRESS FY2006

Deductions from Buildings in 2006:

CHICAGO:

Sangamon Street Building - 115 S Sangamon	\$ (637,077)
Total deductions from buildings	(637,077)

Transfers to/from buildings in 2006:

CHICAGO:

Science and Engineering Laboratories	524,099
Library of Health Science	1,139,003
Neuropsychiatric Institute	745,615
Laflin Warehouse	1,135,526
Art and Design Hall	869,568
College of Medicene Research Facility	1,207,211
Express Grill Bldg 677A	620,469
Robinson Hall	415,729
Beckham Hall	2,231,654
Adaptive Reuse 2A Bldg 673	6,960,207
Adaptive Reuse 3 Bldg 674	8,001,929
UIC Sports & Fitness Center	672,749
South Campus Parking Structure	(4,599,542)
Recreation Center East	35,639,145
University of Illinois at Chicago Hospital	815,735
Marshfield Building	1,081,105
Chicago transfers to/from buildings	57,460,202

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR BUILDING CHANGES, INCLUDING TRANSFERS FROM CONSTRUCTION IN PROGRESS FY2006 (CONT'D)

Transfers to/from buildings in 2006: (cont'd)

URBANA-CHAMPAIGN:

Music Building	816,527
Noyes Lab	4,852,731
Mechanical Engineering Lab	1,693,025
Freer Hall	967,309
Law Building	1,494,663
Senior Design Facility	1,475,407
I Building	1,426,895
Christopher Hall	6,859,687
NCSA Building	25,372,234
S F Bunkers	885,838
S F Cow Pens #1	1,659,219
S F Cow Pens #2	1,659,219
S F Calving	4,306,480
S F Heifer/Bull Barn #1	1,485,478
S F Heifer/Bull Barn #2	1,485,158
S F Group Feeder Barn #1	1,485,093
S F Group Feeder Barn #2	1,485,093
S F Isolation/Judging	1,409,719
S F Individual Feeding Barn #1	1,484,767
S F Individual Feeding Barn #2	1,484,782
S F Metabolism Building	765,959
S F Office	633,715
Water Survey Building	4,446,236
Alumni Center	15,384,966
Asian House	1,274,264
Illini Union	554,885
	<hr/>
Urbana-Champaign transfers to/from buildings	86,849,349

SPRINGFIELD:

Classroom and Office Building	851,767
	<hr/>

OTHER (Changes less than \$500,000):

UIC	1,332,413
UIUC	6,036,896
	<hr/>

Total transfers to/from buildings	152,530,627
	<hr/>

TOTAL CHANGES TO BUILDINGS	<u>\$ 151,893,550</u>
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UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR CHANGES TO IMPROVEMENTS OTHER THAN BUILDINGS FY2006

Transfers to/from improvements other than buildings in 2006:

CHICAGO:

East Rec Facility Utilities	\$ 2,485,935
West Side HVAC (Ser 2005B)	1,000,000
	3,485,935
Chicago transfers to/from improvements other than buildings	3,485,935

URBANA-CHAMPAIGN:

S F Waste Management	1,655,081
East Central Campus Steam	3,123,040
Electrical Distribution	1,945,825
E 12 & Stock Pavilion Parking	641,771
Willard Airport Improvements	2,130,583
	9,496,300
Urbana-Champaign transfers to/from improvements other than buildings	9,496,300

TOTAL CHANGES TO IMPROVEMENTS OTHER THAN BUILDINGS	\$ 12,982,235
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MAJOR CHANGES TO EQUIPMENT FY2006

Additions in 2006 by category

CHICAGO:

Hospital	\$ 19,512,627
Auxiliaries -	
Housing and Food Service	26,430
Student Activities Facilities	89,759
Parking	16,515
Other - Chicago Campus	20,021,614
	39,666,945
Chicago additions	39,666,945

URBANA-CHAMPAIGN:

Willard Airport	12,000
Auxiliaries -	
Housing and Food Service	156,882
Student Activities Facilities	307,303
Parking	6,551
Other - Urbana-Champaign Campus	35,797,707
	36,280,443
Urbana additions	36,280,443

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR CHANGES TO EQUIPMENT FY2006 (CONT'D)

Additions in 2006 by category (cont'd)

SPRINGFIELD:

Auxiliaries -	
Housing and Food Service	25,847
Student Activities Facilities	(15,664)
Parking	18,563
Other - Springfield Campus	<u>1,360,208</u>
Springfield additions	<u>1,388,954</u>

UNIVERSITY ADMINISTRATION:

Other - University Administration	<u>14,519,426</u>
Total additions to equipment	<u>91,855,768</u>

Equipment trade-ins, disposals and adjustments by category FY2006

CHICAGO:

Hospital	(1,534,663)
Auxiliaries -	
Housing and Food Service	(104,177)
Student Activities Facilities	(506,597)
Parking	-
Other - Chicago Campus	<u>(6,433,434)</u>
Chicago trade-ins, disposals and adjustments	<u>(8,578,871)</u>

URBANA-CHAMPAIGN:

Willard Airport	(9,045)
Auxiliaries -	
Housing and Food Service	(269,446)
Student Activities Facilities	(24,725)
Parking	(96,336)
Other - Urbana-Champaign Campus	<u>(26,029,982)</u>
Urbana-Champaign trade-ins, disposals and adjustments	<u>(26,429,534)</u>

SPRINGFIELD:

Auxiliaries -	
Housing and Food Service	(34,480)
Student Activities Facilities	12,177
Parking	-
Other - Springfield Campus	<u>(1,535,365)</u>
Springfield trade-ins, disposals and adjustments	<u>(1,557,668)</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR CHANGES TO EQUIPMENT FY2006 (CONT'D)

Equipment trade-ins, disposals and adjustments by category FY2006 (cont'd)

UNIVERSITY ADMINISTRATION:

Other - University Administration	(4,128,280)
Total equipment trade-ins, disposals and adjustments	(40,694,353)
TOTAL CHANGES TO EQUIPMENT	\$ 51,161,415

SUMMARY OF EQUIPMENT TRADE-INS, DISPOSALS AND ADJUSTMENTS BY CAMPUS FY2006

Trade-ins:

Chicago	\$ (1,767,149)
Urbana-Champaign	(2,842,476)
Springfield	(689,195)
	(5,298,820)

Disposals:

Chicago	(6,736,721)
Urbana-Champaign	(27,833,730)
Springfield	(825,082)
	(35,395,533)

Total equipment trade-ins, disposals and adjustments	\$ (40,694,353)
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MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2006

Additions in 2006:

CHICAGO:

Chicago Contr So Campus	\$ 821,721
Adaptive Reuse Phases	6,927,809
SC ST W/IN Prow Nontax	2,917,981
SC Infrastructure Nontax	1,693,410
SC Infrastructure Phase IX	1,684,196
Chemical Sci Bldg	539,248
Hospital Revolving	1,120,602
COM Research Facility	1,207,211
South Campus Parking Structure	977,469
South Campus - 1315 S. Halsted	1,863,741
SC Mixed Use Development	27,423,524
AFS Ad Re Misc Non tax	533,998
Illinois Rooms	2,496,109
Beckham Hall	590,479

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2006 (CONT'D)

Additions (cont'd)

CHICAGO: (cont'd)

Rec Center East	16,651,948
Campus Rec West	864,552
Student Res Hall	3,843,059
Cat 6 Hospital Network	796,530
UIH Data Center	1,119,415
Lafin Warehouse	1,126,726
Gallery 400	869,568
AHS Plant Construction	503,475
West Campus CHW Project	1,371,034
East Rec Fac Util	2,318,198
West Side HVAC	1,000,000
Chicago Land Acquisition	(6,787,612)
Chicago Software	3,573,929
	<hr/>
Chicago additions to construction in progress	78,048,320
	<hr/>

URBANA-CHAMPAIGN:

National Center for Supercomputing Applications	1,499,713
Post-Genomics Institute	29,875,419
I Building	1,426,895
Water Survey Building	2,110,887
MEL Nano 4th Floor	1,096,486
Law Building	1,397,196
Irwin Acad SVCS Cntr	735,806
Alumni Center	7,423,878
McKinley Health Center	1,283,723
Indoor Golf Facility	1,680,628
Campus Rec IMPE II	9,243,605
Hsg LifeSafeCd 2000 - FireAlrm Ph3	943,331
Noyes Lab	4,852,731
MEB Cemms Clean Room	1,246,633
Senior Design Fac	1,177,221
Roger Adams Lab Kennis/Pack Lab	2,385,064
DCL Cites Remodel	1,762,428
CITIES	3,768,937
RAL Hartwig - Baranger	2,179,567
Memorial Stad Phased Develop	1,889,683
Champ Housing Redev Ph1	1,374,589
Freer Hall	899,443
Music Bldg	595,909
Business Instructional Facility	5,680,217
Christopher Hall	3,430,550

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2006 (CONT'D)

Additions (cont'd)

URBANA-CHAMPAIGN: (cont'd)

Microelectronics	10,434,049
Indirect Cost Recovery	1,323,470
Beef Sheep Facility-Series 2003 COP	9,922,467
South Farm Project Ser 2003 COP	(10,241,443)
Sponsored Project Fabrication	649,699
	102,048,781
Urbana-Champaign additions to construction in progress	102,048,781

SPRINGFIELD:

Classroom Office Building	851,767
Student Recreation Center	914,996
	1,766,763
Springfield additions to construction in progress	1,766,763

OTHER (Changes less than \$500,000):

	15,894,556
	15,894,556
Total additions to construction in progress	197,758,420

Transfers to/from construction in progress:

CHICAGO:

Adaptive Reuse 3 Bldg 674	(8,001,929)
Robinson Hall	(817,349)
Beckham Hall	(2,231,654)
Adaptive Reuse 2A Bldg 673	(7,203,430)
COM Research Fac	(1,207,211)
South Campus Parking Structure	(596,092)
South Campus	5,195,635
Rec Center East	(35,639,145)
Campus Rec West	(864,552)
Remod Finance & Patient Accts	(1,081,105)
UIH Data Center	(815,735)
Lafin Warehouse	(1,135,526)
Gallery 400	(869,568)
Wet Env Res Lab	(524,099)
1st Floor NPI	(745,615)
Compact Shelving	(1,139,003)
East Rec Fac Util	(2,485,935)
West Side HVAC	(1,000,000)
	(61,162,313)
Chicago transfers to/from construction in progress	(61,162,313)

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
CAPITAL ASSETS
JUNE 30, 2006

MAJOR CHANGES TO CONSTRUCTION IN PROGRESS FY2006 (CONT'D)

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

URBANA-CHAMPAIGN:

Freer Hall	(967,309)
Music Building	(816,527)
Asian House	(1,274,264)
Christopher Hall	(6,859,687)
I Building	(1,426,895)
Water Survey Building	(4,446,236)
NCSA	(25,372,234)
MEL Nano 4th Floor	(1,693,025)
Law Building	(1,494,663)
South Farm Bunkers	(885,838)
South Farm Cow Pens	(1,659,219)
South Farm Cow Pens #2	(1,659,219)
South Farm Calving	(4,306,480)
South Farm Heifer/Bull Barn	(1,485,478)
South Farm Heifer/Bull Barn	(1,485,158)
South Farm Group Feeder Barn #1	(1,485,093)
South Farm Group Feeder Barn #2	(1,485,093)
South Farm Isolation/Judging	(1,409,719)
South Farm Feeding Barn 1	(1,484,767)
South Farm Feeding Barn 2	(1,484,782)
South Farm Metabolism Building	(765,959)
South Farm Office	(633,715)
Alumni Center	(15,384,966)
IU Sportwell Center	(554,885)
Noyes Lab	(4,852,731)
Senior Design Fac	(1,475,407)
East Campus Steam	(3,123,040)
South Farm Waste Management	(1,655,081)
Electrical Distribution Development	(1,945,825)
Stock Pavilion Parking Construction	(641,771)
Willard Airport	(2,130,583)

Urbana-Champaign transfers to/from construction in progress (96,345,649)

SPRINGFIELD:

Classroom Office Building (851,767)

OTHER (Changes less than \$500,000): (7,153,133)

Total transfers to/from construction in progress (165,512,862)

TOTAL CHANGES TO CONSTRUCTION IN PROGRESS \$ 32,245,558

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
ACCOUNTS PAYABLE AND ACCRUED LIABILITIES
JUNE 30, 2006 AND 2005

	2006	2005	Increase (decrease)
ALL FUNDS			
Accounts payable	\$ 144,472,098	\$ 134,997,387	\$ 9,474,711
Accrued payroll	115,607,642	104,840,048	10,767,594
Accrued interest	13,648,130	15,262,334	(1,614,204)
Accrued compensated absences:			
Vacation	122,653,572	115,467,685	7,185,887
Sick-leave	84,653,590	90,607,349	¹ (5,953,759)
Total compensated absences	207,307,162	206,075,034	1,232,128
Accrued self-insurance	142,214,064	130,976,004	11,238,060
Total accounts payable and accrued liabilities	\$ 623,249,096	\$ 592,150,807	\$ 31,098,289

¹ University management reviewed and revised its calculation of the liability arising from accrued compensated absences to more accurately estimate expected payouts to employees upon termination.

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

	Accrued Vacation Pay	Accrued Sick Pay	Total
2006	\$ 122,653,572	\$ 84,653,590	\$ 207,307,162
2005	115,467,685	90,607,349	¹ 206,075,035
2004	90,443,817	92,926,513	¹ 183,370,331
2003	92,291,996	100,232,056	192,524,052
2002	91,782,138	107,381,345	199,163,483
2001	84,650,349	110,096,329	194,746,678
2000	79,278,265	116,817,407	196,095,672
1999	71,511,180	122,571,606	194,082,786
1998	75,099,842	120,304,964	195,404,806
1997	70,816,730	114,888,021	185,704,751

¹ University management reviewed and revised its calculation of accrued compensated absences 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, 2006 AND 2005

	<u>2006</u>	<u>2005</u>
Deferred revenue and student deposits		
Deferred General Revenue Fund appropriations	\$ 345,365	\$ 382,965
Deferred tuition	24,108,181	22,311,777
Student deposits	762,015	408,990
Auxiliary enterprises under indenture	5,389,048	5,383,276
Auxiliary enterprises not under indenture	4,624,968	3,813,426
Departmental activities	11,369,291	8,614,008
Storerooms and other services	409,813	847,257
US grants & contracts	11,970,870	11,066,355
Private grants & contracts	57,611,495	59,221,475
State of Ill grants & contracts	23,184,144	19,412,033
Unexpended Plant	1,500,000	6,440
Other	-	103,437
	<hr/>	<hr/>
Total deferred revenue and student deposits	<u>\$ 141,275,190</u>	<u>\$ 131,571,439</u>

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

	Balance at July 1, 2005	Bonds Issued	Principal Reductions	Accretion on Bonds	Balance at June 30, 2006
University of Illinois Auxiliary Facilities					
System Revenue Bonds:					
Series 1979 UIS HUD Bonds	\$ 900,000	\$	\$ 60,000	\$	\$ 840,000
Series 1991	109,550,740		3,890,000	8,061,870	113,722,610
Series 1993	29,662,607		535,000	1,720,816	30,848,423
Series 1996	3,145,000		175,000		2,970,000
Series 1999A	21,059,263		145,000	880,295	21,794,558
Series 1999B	5,900,000		195,000		5,705,000
Series 2000	620,000		75,000		545,000
Series 2001A	106,030,000		220,000		105,810,000
Series 2001B	103,530,000		11,595,000		91,935,000
Series 2001C	17,135,000		1,045,000		16,090,000
Series 2003A	65,150,000		1,075,000		64,075,000
Series 2005A	163,905,000				163,905,000
Series 2005B	-	67,305,000			67,305,000
Total Auxiliary Facilities System	<u>626,587,610</u>	<u>67,305,000</u>	<u>19,010,000</u>	<u>10,662,981</u>	<u>685,545,591</u>
UIC South Campus Development					
Revenue Bonds:					
Series 1999	49,365,000		49,365,000		-
Series 2000	19,965,000		2,760,000		17,205,000
Series 2003	10,000,000		415,000		9,585,000
Series 2006A	-	53,700,000			53,700,000
Total UIC South Campus Development	<u>79,330,000</u>	<u>53,700,000</u>	<u>52,540,000</u>	<u>-</u>	<u>80,490,000</u>
Willard Airport Revenue Bonds:					
Series 1997	<u>970,000</u>		<u>225,000</u>		<u>745,000</u>
University of Illinois Health Services					
Facilities System Revenue Bonds:					
Series 1997A	42,800,000		1,070,000		41,730,000
Series 1997B	22,100,000		600,000		21,500,000
Total Health Services Facilities System	<u>64,900,000</u>	<u>-</u>	<u>1,670,000</u>	<u>-</u>	<u>63,230,000</u>
Total bonds payable	<u>\$ 771,787,610</u>	<u>\$ 121,005,000</u>	<u>\$ 73,445,000</u>	<u>\$ 10,662,981</u>	<u>\$ 830,010,591</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2006 AND 2005

University of Illinois Auxiliary Facilities System

Series 1991 Bonds –

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

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

Series 1993 Bonds –

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

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

Series 1996 Bonds –

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2006 AND 2005

University of Illinois Auxiliary Facilities System (cont'd)

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

Series 1999A Bonds –

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

Series 1999B Bonds –

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

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

Series 2000 Bonds-

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

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2006 AND 2005

University of Illinois Auxiliary Facilities System (cont'd)

Series 2001A

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

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

Series 2001B and Series 2001C

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

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

Series 2003A

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

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

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.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2006 AND 2005

University of Illinois Auxiliary Facilities System (cont'd)

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.

Series 2005B

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

Proceeds from the sale of the Series 2005B Bonds are being used to fund various additions and improvements to the System, to pay debt service during construction and to pay all costs incidental to the issuance of the bonds.

Willard Airport

Series 1997 Bonds –

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

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

University of Illinois Health Services Facilities System

Series 1997A Bonds –

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

Series 1997B Bonds –

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

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2006 AND 2005

University of Illinois UIC South Campus Development Project

Series 1999 Bonds –

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

Series 2000 Bonds –

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

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

Series 2003 Bonds –

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

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

Series 2006A Bonds –

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

Proceed from the sale of the Series 2006A Bonds are being used 1) to refund in advance of maturity and defease all of the outstanding principal amount of the Series 1999 bonds and 2) to pay costs incidental to the issuance of the Series 2006A Bonds.

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
BONDS PAYABLE AND ACCRUED INTEREST
JUNE 30, 2006 AND 2005

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, 2006 are seen in this table:

ADVANCE REFUNDED BONDS
(in thousands)

Series	Outstanding at June 30, 2006
1978-M	\$ 40,735
1996	43,110
1999	49,365
1999A	85,300
2000	10,785
2001B	3,625
TOTAL	<u>\$ 232,920</u>

Accrued Interest

Accrued interest on outstanding bonds payable at June 30, 2006 and June 30, 2005 is as follows:

	<u>2006</u>	<u>2005</u>
University of Illinois Auxiliary Facilities System Revenue Bonds	\$ 6,180,698	\$ 6,215,924
Willard Airport Revenue Bonds	9,313	12,069
University of Illinois Health Services Facilities System Revenue Bonds	670,963	663,774
University of Illinois UIC South Campus Development Revenue Bonds	<u>841,645</u>	<u>2,229,511</u>
Total accrued interest	<u>\$ 7,702,619</u>	<u>\$ 9,121,278</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF SIGNIFICANT ACCOUNT BALANCES
LEASEHOLDS PAYABLE AND OTHER OBLIGATIONS
JUNE 30, 2006

Lessor	Balance at July 1, 2005	Increase in Leaseholds and Other Obligations	Principal Payments	Cancellations and Adjustments	Balance at June 30, 2006
Leaseholds payable:					
Certificates of Participation -					
Series 1997 Utility Infrastructure	\$ 24,220,000	\$	\$ (4,320,000)	\$	\$ 19,900,000
Series 2001 UI Integrate	97,335,000		(11,050,000)		86,285,000
Series 2003 South Farm Projects	24,250,000		(970,000)		23,280,000
Series 2003 UI Integrate	31,700,000				31,700,000
Series 2003 Utility Infrastructure	65,715,000		(4,165,000)		61,550,000
Series 2004 Utility Infrastructure	143,665,000		(915,000)		142,750,000
Series 2005 College of Medicine	20,590,000		(685,000)		19,905,000
Series 2006 Academic Facilities		81,930,000			81,930,000
Canon	4,138		(2,772)	(1,366)	-
Carlyle		4,095,589	(276,054)		3,819,535
Cerner				1,315,268	1,315,268
CNH Capital		73,863	(15,715)		58,148
Diagnostic Products	16,427		(16,427)		-
Ethicon-Johnson & Johnson	4,127		(4,127)		-
G E Capital	502,789		(492,324)	(5,218)	5,247
G E Healthcare		113,981	(16,632)		97,349
Illinois Medical District Commission	35,839,600		(805,700)		35,033,900
Key Municipal Finance	9,544,451	166,836	(1,834,259)		7,877,028
Koch Financial Corp.	99,639		(60,016)	49,274	88,897
Suntrust Leasing Corporation	5,978,409	2,359,133	(1,411,525)	(154,050)	6,771,967
University of Illinois Foundation	84,860			1	84,861
Xerox Corporation	287,031	53,921	(137,596)	(22,286)	181,070
Other	49,529	93,608	(84,465)	(7,123)	51,549
Total leaseholds payable	<u>459,886,000</u>	<u>88,886,931</u>	<u>(27,262,612)</u>	<u>1,174,500</u>	<u>522,684,819</u>
Other obligations:					
Environmental Remediation Liabilities	<u>7,141,127</u>			<u>(2,417,677)</u>	<u>4,723,450</u>
Total other obligations	<u>7,141,127</u>	<u>-</u>	<u>-</u>	<u>(2,417,677)</u>	<u>4,723,450</u>
Total leaseholds payable and other obligations	<u>\$ 467,027,127</u>	<u>\$ 88,886,931</u>	<u>\$ (27,262,612)</u>	<u>\$ (1,243,177)</u>	<u>\$ 527,408,269</u>

On June 6, 2006, the University issued Certificates of Participation Academic Facilities Projects Series 2006A in the amount of \$81,930,000. The Series 2006A Certificates were issued to finance the construction of a business instructional facility on the Urbana campus and to finance various improvements to buildings on the University's three campuses.

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2006

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, 2006, are compared and analyzed by accounting entity, as defined by the University.

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

The individual entities are described as follows:

I. Auxiliary Enterprises Under Indenture

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

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

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2006

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

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS
YEAR ENDED JUNE 30, 2006

IV. Departmental Activities (continued)

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

Auxiliary enterprises receive revenues from the following sources:

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

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

Departmental activities receive revenues from operations.

UNIVERSITY OF ILLINOIS
ENTITY FINANCIAL STATEMENTS AND RELATED INFORMATION
ENTITY DESCRIPTIONS,
AUXILIARY FACILITIES SYSTEM BONDS, AND
SPECIAL BONDS
YEAR ENDED JUNE 30, 2006

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

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

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
AUXILIARY ENTERPRISES NOT UNDER INDENTURE
STUDENT/STAFF PROGRAMS AND SERVICES
JUNE 30, 2006

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 5,830,058	\$ 4,343,983	\$ 638,353
Accounts receivable and accrued investment income	766,070	2,179,140	131,731
Inventories	138,453	202,951	1,543
Prepaid expenses and deferred charges	37,823	137,815	1,865
Total current assets	6,772,404	6,863,889	773,492
Noncurrent assets:			
Capital assets net of accumulated depreciation	1,370,402	112,785	652,314
Total assets	\$ 8,142,806	\$ 6,976,674	\$ 1,425,806
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 660,191	\$ 253,467	\$ 384,900
Deferred revenue	1,781,618	2,728,764	114,586
Long term liabilities, current portion	39,898	36,535	5,845
Total current liabilities	2,481,707	3,018,766	505,331
Noncurrent liabilities:			
Accrued compensated absences	458,827	420,152	67,216
Total liabilities	2,940,534	3,438,918	572,547
Net assets			
Invested in capital assets, net of related debt	1,370,402	112,785	652,314
Restricted	230,553		
Unrestricted	3,601,317	3,424,971	200,945
Total net assets	5,202,272	3,537,756	853,259
Total liabilities and net assets	\$ 8,142,806	\$ 6,976,674	\$ 1,425,806

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, 2006

	Urbana	Chicago	Springfield
Operating revenues:			
Room and board	\$ 387,794	\$ 1,200	\$
Merchandise and food sales	389,078	21,931,111	13,157
Student service fees			1,595,223
Public events and recreation fees	19,695,221		14,288
Parking	522,578	107,112	
Rental and lease income	398,428	742	4,900
Vending income	2,930	3,054	
Other sources	5,888,434	3,732,697	596,839
Total operating revenues	27,284,463	25,775,916	2,224,407
Operating expenses:			
Salaries and wages	6,350,150	4,401,407	889,704
Merchandise and food for resale	521,846	5,869,364	(3,287)
Repairs and maintenance	18,753	73,587	3,339
Professional and other contractual services	14,897,395	9,684,816	957,272
Utilities	121,370	73,971	4,995
Supplies	1,203,164	1,080,845	216,909
Equipment rental	3,698,784	29,787	28,488
Administrative services	198,321	429,882	19,540
Other operating expense	2,309,909	4,269,787	155,420
Depreciation and amortization	168,427	14,887	30,295
Total operating expenses	29,488,119	25,928,333	2,302,675
Operating loss	(2,203,656)	(152,417)	(78,268)
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	199,494	207,857	8,838
Increase (decrease) in net assets	(2,004,162)	55,440	(69,430)
Net assets, beginning of year	7,206,434	3,482,316	922,689
Net assets, end of year	\$ 5,202,272	\$ 3,537,756	\$ 853,259

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES
JUNE 30, 2006

	All Campuses
Assets	
Current assets:	
Cash and cash equivalents	\$ 12,350,784
Accounts receivable and accrued investment income	230,906
Inventories	928,992
Prepaid expenses and deferred charges	2,150
Total current assets	13,512,832
Noncurrent assets:	
Prepaid expenses	836,174
Capital assets net of accumulated depreciation	111,239,409
Total noncurrent assets	112,075,583
Total assets	\$ 125,588,415
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 4,562,021
Long term liabilities, current portion	15,485,225
Total current liabilities	20,047,246
Noncurrent liabilities:	
Accrued compensated absences	2,600,116
Certificates of Participation	108,482,527
Total noncurrent liabilities	111,082,643
Total liabilities	131,129,889
 Net assets	
Invested in capital assets, net of related debt	(11,892,169)
Restricted	(3,326,137)
Unrestricted	9,676,832
Total net assets	(5,541,474)
Total liabilities and net assets	\$ 125,588,415

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES
YEAR ENDED JUNE 30, 2006

	All Campuses
Operating revenues:	
Merchandise and food sales	\$ 1,390,011
Rental and lease income	91,851
Vending income	26,235
CITES computing and telecommunication services	30,849,759
Academic Computing and Communication Center services	11,000,160
UI Integrate services	12,474,726
Business Information Systems services	1,557,906
Administrative Information Technology Services (AITS) training and assistance	1,364,115
Coordinated Science Lab services	508,093
Various web development services	171,900
LAN support provided by Continuing Education Administration	162,000
Other communication and computing services	2,812,394
	62,409,150
Operating expenses:	
Salaries and wages	20,676,859
Merchandise and food for resale	2,194,463
Repairs and maintenance	2,025,005
Professional and other contractual services	12,352,132
Utilities	11,365,948
Supplies	1,470,402
Administrative services	390
Other operating expense	666,465
Depreciation and amortization	17,210,652
	67,962,316
Operating loss	(5,553,166)
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	2,459,864
Interest on capital asset related indebtedness	(6,067,066)
Loss on disposal of capital assets	(451,694)
	(4,058,896)
Decrease in net assets	(9,612,062)
Net assets, beginning of year	4,070,588
Net assets, end of year	\$ (5,541,474)

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICES OPERATIONS
JUNE 30, 2006

Assets	All Campuses
Current assets:	
Cash and cash equivalents	\$ 2,175,041
Investments	3,575,181
Accounts receivable and accrued investment income	15,653,105
Inventories	7,164,265
Prepaid expenses and deferred charges	80,765
Total current assets	28,648,357
Noncurrent assets:	
Capital assets net of accumulated depreciation	251,299,905
Total assets	\$ 279,948,262
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	32,695,908
Long term liabilities, current portion	9,315,272
Total current liabilities	42,011,180
Noncurrent liabilities:	
Leaseholds payable and other obligations	206,550,529
Accrued compensated absences	14,016,738
Total noncurrent liabilities	220,567,267
Total liabilities	262,578,447
 Net assets	
Invested in capital assets, net of related debt	35,434,104
Unrestricted	(18,064,289)
Total net assets	17,369,815
Total liabilities and net assets	\$ 279,948,262

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICES OPERATIONS
YEAR ENDED JUNE 30, 2006

	All Campuses
Operating revenues:	
Merchandise and food sales	\$ 29,416,731
Utility charges	169,186,761
Physical plant maintenance services	265,861,068
Fuel charges	58,645,445
Student service fees	300,000
Rental and lease income	444,489
Other sources	6,639,331
	530,493,825
Operating expenses:	
Salaries and wages	148,640,412
Merchandise and food for resale	111,812,756
Repairs and maintenance	33,613,386
Professional and other contractual services	50,671,335
Utilities	125,219,603
Equipment rental	1,839,418
Supplies	23,218,695
Other operating expense	7,997,651
Depreciation and amortization	14,842,128
	517,855,384
Operating income	12,638,441
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	5,061,360
Interest on capital asset related indebtedness	(10,367,378)
Other nonoperating expenses, net	(2,804,369)
	(8,110,387)
Increase in net assets	4,528,054
Net assets, beginning of year	12,841,761
Net assets, end of year	\$ 17,369,815

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITIES
JUNE 30, 2006

	<u>Urbana</u>	<u>Chicago</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,944,456	\$ 656,123
Accounts receivable and accrued investment income	127,339	26,045
Inventories	3,336	
	<u>2,075,131</u>	<u>682,168</u>
Total current assets		
Noncurrent assets:		
Capital assets net of accumulated depreciation	2,674,317	21,760
	<u>2,674,317</u>	<u>21,760</u>
Total assets	<u>\$ 4,749,448</u>	<u>\$ 703,928</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 63,151	\$ 46,890
Deferred revenue	543,220	266,201
Long term liabilities, current portion	3,828	9,161
	<u>610,199</u>	<u>322,252</u>
Total current liabilities		
Noncurrent liabilities:		
Accrued compensated absences	44,018	105,353
	<u>44,018</u>	<u>105,353</u>
Total liabilities	<u>654,217</u>	<u>427,605</u>
Net assets		
Invested in capital assets, net of related debt	2,674,317	21,760
Restricted	921,913	
Unrestricted	499,001	254,563
	<u>4,095,231</u>	<u>276,323</u>
Total net assets		
	<u>4,095,231</u>	<u>276,323</u>
Total liabilities and net assets	<u>\$ 4,749,448</u>	<u>\$ 703,928</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITIES
YEAR ENDED JUNE 30, 2006

	<u>Urbana</u>	<u>Chicago</u>
Operating revenues:		
Tuition and Fee income	\$ 1,014,541	\$
Merchandise and food sales	39,615	
Student service fees	266,878	
Other sources	1,997,602	2,430,175
	<u>3,318,636</u>	<u>2,430,175</u>
Total operating revenues		
Operating expenses:		
Salaries and wages	1,068,268	1,203,839
Repairs and maintenance	514	2,035
Professional and other contractual services	943,356	602,474
Utilities	4,954	8,993
Supplies	221,730	343,371
Equipment rental	86,045	5,873
Administrative services	192,868	428
Other operating expense	1,653,884	47,006
Depreciation and amortization	181,192	(792)
	<u>4,352,811</u>	<u>2,213,227</u>
Total operating expenses		
Operating income (loss)	<u>(1,034,175)</u>	<u>216,948</u>
Nonoperating revenues:		
Investment income (net of related expenses)	47,310	23,490
	<u>47,310</u>	<u>23,490</u>
Increase (decrease) in net assets	(986,865)	240,438
Net assets, beginning of year	<u>5,082,096</u>	<u>35,885</u>
Net assets, end of year	<u>\$ 4,095,231</u>	<u>\$ 276,323</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES
JUNE 30, 2006

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,807,117	\$ 2,355,639	\$ (5,067)
Accounts receivable and accrued investment income	550,702	64,045	54,814
Inventories	5,994	20,395	
Prepaid expenses and deferred charges	19,386	44	
Total current assets	3,383,199	2,440,123	49,747
Noncurrent assets:			
Capital assets net of accumulated depreciation	201,202	261,444	20,290
Total assets	\$ 3,584,401	\$ 2,701,567	\$ 70,037
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 300,932	\$ 329,569	\$ 5,703
Deferred revenue	858,231	978,659	
Long term liabilities, current portion	16,293	33,073	523
Total current liabilities	1,175,456	1,341,301	6,226
Noncurrent liabilities:			
Accrued compensated absences	187,369	380,338	6,015
Total liabilities	1,362,825	1,721,639	12,241
Net assets			
Invested in capital assets, net of related debt	201,202	261,444	20,290
Unrestricted	2,020,374	718,484	37,506
Total net assets	2,221,576	979,928	57,796
Total liabilities and net assets	\$ 3,584,401	\$ 2,701,567	\$ 70,037

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES
YEAR ENDED JUNE 30, 2006

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Professional development conferences and workshops	\$ 9,547,127	\$ 8,126,392	\$ 102,848
Tuition and fee income	18,657	450	-
Merchandise and food sales	33,597	4,587	14,890
Student service fees	6,000		5,000
Public events and recreation fees	51,252		
Parking	920	4,056	
Rental and lease income	3,645	64,401	183,667
Other sources	1,110,396	1,327,720	22,818
	<u>10,771,594</u>	<u>9,527,606</u>	<u>329,223</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	4,953,451	5,937,237	28,608
Merchandise and food for resale	11,966		
Repairs and maintenance	27,603	32,706	
Professional and other contractual services	2,077,285	2,040,454	225,491
Utilities	123,546	143,090	
Supplies	848,305	1,336,016	25,827
Equipment rental	761,382	224,838	52
Administrative services	588,113	51	
Other operating expense	314,144	601,568	8,280
Depreciation and amortization	35,185	81,648	3,422
	<u>9,740,980</u>	<u>10,397,608</u>	<u>291,680</u>
Total operating expenses			
Operating income (loss)	<u>1,030,614</u>	<u>(870,002)</u>	<u>37,543</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	52,402	58,924	
Other nonoperating expenses	(188,152)		
	<u>(135,750)</u>	<u>58,924</u>	<u>-</u>
Total nonoperating revenues (expenses)			
Increase (decrease) in net assets	894,864	(811,078)	37,543
Net assets, beginning of year	<u>1,326,712</u>	<u>1,791,006</u>	<u>20,253</u>
Net assets, end of year	<u>\$ 2,221,576</u>	<u>\$ 979,928</u>	<u>\$ 57,796</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS
JUNE 30, 2006

	Urbana	Chicago
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,276,208	\$ 314,434
Accounts receivable and accrued investment income	601,979	50,332
	\$ 2,878,187	\$ 364,766
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 434,070	\$ 190,899
Deferred revenue	1,286,651	192,782
Long term liabilities, current portion	8,567	
	1,729,288	383,681
Total current liabilities		
Noncurrent liabilities:		
Accrued compensated absences	98,521	
	1,827,809	383,681
Net assets		
Unrestricted	1,050,378	(18,915)
	1,050,378	(18,915)
Total liabilities and net assets	\$ 2,878,187	\$ 364,766

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS
YEAR ENDED JUNE 30, 2006

	Urbana	Chicago
Operating revenues:		
Program services	\$ 9,187,188	\$ 463,304
Tuition and fee income	2,658,800	53,969
Merchandise and food sales	11,726	
Student service fees	31,469	65,825
Rental and lease income	3,863	
Other sources		9,000
	<hr/>	<hr/>
Total operating revenues	11,893,046	592,098
	<hr/>	<hr/>
Operating expenses:		
Salaries and wages	1,829,470	212,102
Merchandise and food for resale	1,435	
Repairs and maintenance	440,368	
Professional and other contractual services	6,751,881	(41,666)
Utilities	13,624	1,270
Supplies	880,496	56,022
Equipment rental	36,467	37,264
Administrative expenses	3,342	
Other operating expense	722,225	164,615
	<hr/>	<hr/>
Total operating expenses	10,679,308	429,607
	<hr/>	<hr/>
Operating income	1,213,738	162,491
	<hr/>	<hr/>
Nonoperating revenues (expenses):		
Other nonoperating expense	(400,000)	
Investment income (net of related expenses)	40,943	339
	<hr/>	<hr/>
Total nonoperating (expenses)	(359,057)	339
	<hr/>	<hr/>
Increase in net assets	854,681	162,830
	<hr/>	<hr/>
Net assets, beginning of year	195,697	(181,745)
	<hr/>	<hr/>
Net assets, end of year	\$ 1,050,378	\$ (18,915)
	<hr/> <hr/>	<hr/> <hr/>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS
JUNE 30, 2006

	Urbana
Assets	
Current assets:	
Cash and cash equivalents	\$ 5,068,832
Accounts receivable and accrued investment income	62,759
Inventories	366,653
Total current assets	5,498,244
Noncurrent assets:	
Capital assets net of accumulated depreciation	6,634,627
Total assets	\$ 12,132,871
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 449,691
Leasehold Payables	98,331
Deferred revenue	491,005
Accrued compensated absences, current portion	14,750
Total current liabilities	1,053,777
Noncurrent liabilities:	
Accrued compensated absences	169,621
Total liabilities	1,223,398
 Net assets	
Invested in capital assets, net of related debt	6,536,296
Unrestricted	4,373,177
Total net assets	10,909,473
Total liabilities and net assets	\$ 12,132,871

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS
YEAR ENDED JUNE 30, 2006

	Urbana
Operating revenues:	
Room and board	\$ 17,669
Merchandise and food sales	276,974
Student service fees	10,059
Rental and lease income	325,527
Farm sales	4,604,387
Ag law school workshops	1,831,406
4H activities	779,958
Agriculture related information technology and commercial services	485,439
Animal sciences programs	333,886
Agricultural and biological engineering workshops and conferences	293,968
Crop sciences programs	1,358,748
Natural resources and environmental sciences programs	663,494
Food science and human nutrition programs	146,200
Other sources	365,504
	11,493,219
Operating expenses:	
Salaries and wages	2,698,731
Merchandise and food for resale	212,171
Repairs and maintenance	270,782
Professional and other contractual services	2,073,161
Utilities	151,723
Supplies	4,427,368
Equipment rental	277,647
Administrative services	335,115
Other operating expense	419,395
Depreciation and amortization	391,033
	11,257,126
Operating income	236,093
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	51,297
Interest on capital asset related debt	(6,371)
	44,926
Increase in net assets	281,019
Net assets, beginning of year	10,628,454
Net assets, end of year	\$ 10,909,473

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE
JUNE 30, 2006

	Chicago
Assets	
Current assets:	
Cash and cash equivalents	\$ 661,317
Accounts receivable and accrued investment income	862,791
Total current assets	1,524,108
Noncurrent assets:	
Capital assets net of accumulated depreciation	8,629,030
Total assets	\$ 10,153,138
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 27,716
Long term liabilities, current portion	787
Total current liabilities	28,503
Noncurrent liabilities:	
Internal payable	1,909,491
Accrued compensated absences	3,148
Total noncurrent liabilities	1,912,639
Total liabilities	1,941,142
 Net assets	
Invested in capital assets, net of related debt	6,719,539
Unrestricted	1,492,457
Total net assets	8,211,996
Total liabilities and net assets	\$ 10,153,138

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE
YEAR ENDED JUNE 30, 2006

	Chicago
Operating revenues:	
Rental and lease income	\$ 323,028
Utilities provided to outside parties	8,890,128
Other sources	315,942
Total operating revenues	9,529,098
Operating expenses:	
Salaries and wages	43,539
Repairs and maintenance	162,080
Professional and other contractual services	593,875
Utilities	6,789,532
Supplies	23,644
Administrative services	209,414
Depreciation and amortization	399,486
Total operating expenses	8,221,570
Operating income	1,307,528
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	7,323
Interest on capital asset related debt	(112,817)
Net nonoperating revenues (expenses)	(105,494)
Increase in net assets	1,202,034
Net assets, beginning of year	7,009,962
Net assets, end of year	\$ 8,211,996

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE
JUNE 30, 2006

	Urbana
Assets:	
Current assets	
Cash and cash equivalents	\$ 747,339
Cash and cash equivalents, restricted	43,607
Investments	3,674
Investments, restricted	835,160
Accrued investment income	4,675
Accounts receivable	55,879
Prepaid expenses	4,522
Total current assets	1,694,856
Noncurrent assets	
Investments, restricted	270,000
Capital assets, net of accumulated depreciation	31,269,009
Prepaid expenses	9,044
Total noncurrent assets	31,548,053
Total assets	\$ 33,242,909
Liabilities:	
Current liabilities	
Accounts payable	\$ 6,425
Accrued liabilities	181,323
Accrued interest	9,313
Deferred revenue	740,524
Long term liabilities - current portion	249,263
Total current liabilities	1,186,848
Noncurrent liabilities	
Bonds payable	508,826
Total liabilities	1,695,674
Net assets:	
Invested in capital assets, net of related debt	30,524,486
Restricted -	
Expendable for capital projects	138,243
Expendable for debt service	270,000
Unrestricted	614,506
Total net assets	31,547,235
Total liabilities and net assets	\$ 33,242,909

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE
YEAR ENDED JUNE 30, 2006

	Urbana
Operating revenues:	
Rental and lease income	\$ 1,656,918
Parking operations	624,284
Farm sales	175,000
Other operating revenue	83,022
	2,539,224
Operating expenses:	
Salaries and wages	1,395,838
Professional and other contractual services	203,121
Utilities	303,730
Supplies	230,267
Other operating expense	527,545
Depreciation	1,727,143
Payments on behalf of the Facility	109,567
	4,497,211
	(1,957,987)
Operating loss	
Nonoperating revenues (expenses):	
State appropriations	424,399
Payments on behalf of the Facility	109,567
Investment income (net of related expenses)	51,737
Interest on capital asset-related debt	(45,519)
Net increase in the fair value of investments	5,442
Other nonoperating expenses	(19,959)
	525,667
Net nonoperating revenues (expenses)	525,667
Capital federal grants	664,424
	(767,896)
Decrease in net assets	
Net assets, beginning of year	32,315,131
Net assets, end of year	\$ 31,547,235

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS
JUNE 30, 2006

	Chicago
Assets	
Current assets:	
Cash and cash equivalents	\$ 44,367,127
Accounts receivable and accrued investment income	80,863,153
Inventories	5,379,146
Prepaid expenses and deferred charges	4,982,374
Total current assets	135,591,800
Noncurrent assets:	
Cash and investments	2,436,356
Prepaid expenses	631,930
Capital assets net of accumulated depreciation	181,513,445
Total noncurrent assets	184,581,731
Total assets	\$ 320,173,531
 Liabilities	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 55,803,547
Long term liabilities, current portion	7,481,739
Total current liabilities	63,285,286
Noncurrent liabilities:	
Long term debt, net of current portion	77,742,197
Accrued compensated absences	19,536,010
Total noncurrent liabilities	97,278,207
Total liabilities	160,563,493
 Net assets	
Invested in capital assets, net of related debt	101,996,917
Restricted	2,436,356
Unrestricted	55,176,765
Total net assets	159,610,038
Total liabilities and net assets	\$ 320,173,531

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS
YEAR ENDED JUNE 30, 2006

	Chicago
Operating revenues:	
Net patient service revenues	\$ 393,100,217
Payments on behalf of the System - hospital and other medical activities	79,431,630
Fee for services - state appropriation	44,626,228
Other revenues	15,306,224
Total operating revenues	532,464,299
Operating expenses:	
Salaries and wages	230,119,951
Fringe benefits	64,956,318
Supplies and general expenses	171,636,865
Provision for bad debts	26,694,008
Administrative services	10,996,823
Depreciation and amortization	19,073,100
Total operating expenses	523,477,065
Operating income	8,987,234
Nonoperating revenue (expenses)	
Interest payments on capital debt	(3,840,397)
Investment income	1,137,818
Loss on disposal of plant assets	(255,381)
Other nonoperating expense	(468,967)
Net nonoperating revenues (expenses)	(3,426,927)
Increase in net assets	5,560,307
Net assets, beginning of the year, as restated¹	154,049,731
Net assets, end of the year	\$ 159,610,038

¹ During fiscal year 2006, the System reevaluated its clinical software agreement with Cerner and the related accounting treatment. As a result, the System retroactively reclassified portions of previous payments and recorded a capital lease liability. The net effect of the change in accounting treatment was to decrease net assets at June 30, 2005 by \$1,716,274.

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
PUBLIC SERVICE, ACADEMIC SUPPORT, AND ECONOMIC DEVELOPMENT ACTIVITIES
JUNE 30, 2006

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ 8,581,056	\$ (1,059,829)	\$ (1,028,653)
Accounts receivable and accrued investment income	1,546,467	8,187,056	12,368
Inventories	1,360,945	1,778,002	12,540
Prepaid expenses and deferred charges	140,120	6,261	
Total current assets	11,628,588	8,911,490	(1,003,745)
Noncurrent assets:			
Capital assets net of accumulated depreciation	14,906,585	25,670,993	15,420
Total assets	\$ 26,535,173	\$ 34,582,483	\$ (988,325)
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,298,888	\$ 2,821,710	\$ 26,461
Deferred revenue	1,288,489	553,755	53,087
Leaseholds payable	52,825	301,216	
Long term liabilities, current portion	98,859	235,128	667
Total current liabilities	2,739,061	3,911,809	80,215
Noncurrent liabilities:			
Internal payable			40,000
Accrued compensated absences	1,136,878	2,703,966	7,675
Total noncurrent liabilities	1,136,878	2,703,966	47,675
Total liabilities	3,875,939	6,615,775	127,890
Net assets			
Invested in capital assets, net of related debt	14,853,760	25,369,777	15,420
Restricted	2,670		
Unrestricted	7,802,804	2,596,931	(1,131,635)
Total net assets	22,659,234	27,966,708	(1,116,215)
Total liabilities and net assets	\$ 26,535,173	\$ 34,582,483	\$ (988,325)

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, 2006

	Urbana	Chicago	Springfield
Operating revenues:			
Tuition and fee income	\$ 8,749	\$ 35,341	\$
Room and board	594,686		
Merchandise and food sales	2,742,923	123,948	78,472
Student service fees	153,573	214,822	
Farm Sales	132,402		
Public events and recreation fees	(381,507)	46,530	350,190
Parking	170	12,104	
Rental and lease income	670,005	34,342	195,513
Medical services income	12,837,056	54,917,700	
Public services income	9,555,404	14,761,490	755,988
Academic support activities income	5,781,296	127,249	153,201
Other sources	702,583	1,791,182	
	<u>32,797,340</u>	<u>72,064,708</u>	<u>1,533,364</u>
Operating expenses:			
Salaries and wages	19,023,307	28,915,814	449,874
Merchandise and food for resale	805,875	16,560,128	(1,019)
Repairs and maintenance	273,048	733,864	1,177
Professional and other contractual services	7,515,902	15,856,611	824,179
Utilities	463,385	538,920	18,163
Supplies	6,246,952	2,754,637	126,089
Equipment rental	1,003,045	528,373	14,510
Administrative services	74,034	2,283	
Other operating expense	615,552	(116,269)	12,125
Depreciation and amortization	688,950	1,319,768	5,497
	<u>36,710,050</u>	<u>67,094,129</u>	<u>1,450,595</u>
Operating income (loss)	<u>(3,912,710)</u>	<u>4,970,579</u>	<u>82,769</u>
Nonoperating revenues (expenses):			
Interest on capital related debt	(3,073)	(5,319)	
Other nonoperating revenues	598,606		
Other nonoperating expenses	(457,534)		(1,013,924)
Investment income (net of related expenses)	379,391	169	58
Net nonoperating revenues (expenses)	<u>517,390</u>	<u>(5,150)</u>	<u>(1,013,866)</u>
Increase (decrease) in net assets	<u>(3,395,320)</u>	<u>4,965,429</u>	<u>(931,097)</u>
Net assets, beginning of year	<u>26,054,554</u>	<u>23,001,279</u>	<u>(185,118)</u>
Net assets, end of year	<u>\$ 22,659,234</u>	<u>\$ 27,966,708</u>	<u>\$ (1,116,215)</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS
JUNE 30, 2006

	Urbana	Chicago	Springfield
Assets			
Current assets:			
Cash and cash equivalents	\$ (107,529)	\$ (1,745,440)	\$ (26,232)
Accounts receivable and accrued investment income	10,155	115,561	43,224
Inventories	75,581		6,537
Prepaid expenses and deferred charges	146,470		1,527
Total current assets	124,677	(1,629,879)	25,056
Noncurrent assets:			
Capital assets net of accumulated depreciation	3,147,421	32,156	8,965
Total assets	\$ 3,272,098	\$ (1,597,723)	\$ 34,021
Liabilities			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,844,116	\$ 191,473	\$ 14,869
Deferred revenue	4,816,733		40,477
Long term liabilities, current portion	22,296		
Total current liabilities	6,683,145	191,473	55,346
Noncurrent liabilities:			
Accrued compensated absences	1,401,578	520,697	26,523
Total liabilities	8,084,723	712,170	81,869
Net assets			
Invested in capital assets, net of related debt	3,125,125	32,156	8,965
Restricted			
Unrestricted	(7,937,750)	(2,342,049)	(56,813)
Total net assets	(4,812,625)	(2,309,893)	(47,848)
Total liabilities and net assets	\$ 3,272,098	\$ (1,597,723)	\$ 34,021

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS
YEAR ENDED JUNE 30, 2006

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Merchandise and food sales	\$	\$	\$ 2,838
Student service fees		5,253,735	731,230
Public events and recreation fees	27,705,569	1,656,509	33,522
Parking	11,572		
Rental and lease income	7,579		
Vending income		750,000	
Other sources	4,345,383	375,529	14,099
	<u>32,070,103</u>	<u>8,035,773</u>	<u>781,689</u>
Operating expenses:			
Salaries and wages	15,515,039	3,419,198	271,916
Merchandise and food for resale	330,079		3,318
Repairs and maintenance	347,952	1,976	240
Professional and other contractual services	6,310,654	1,354,765	113,597
Utilities	695,341	82,079	4,860
Supplies	2,414,086	575,138	48,317
Equipment rental	1,852,619	185,331	65,641
Administrative services	-	228,463	2,112
Other operating expense	4,186,033	1,997,458	272,306
Depreciation and amortization	208,379	9,378	2,373
	<u>31,860,182</u>	<u>7,853,786</u>	<u>784,680</u>
Operating income (loss)	<u>209,921</u>	<u>181,987</u>	<u>(2,991)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	(33,743)	4,297	185
Interest on capital asset related debt	(1,489)		
Other nonoperating expenses	(2,240)	(2,357,662)	
	<u>(37,472)</u>	<u>(2,353,365)</u>	<u>185</u>
Net nonoperating revenues (expenses)	<u>(37,472)</u>	<u>(2,353,365)</u>	<u>185</u>
Increase (decrease) in net assets	172,449	(2,171,378)	(2,806)
Net assets, beginning of year	<u>(4,985,074)</u>	<u>(138,515)</u>	<u>(45,042)</u>
Net assets, end of year	<u>\$ (4,812,625)</u>	<u>\$ (2,309,893)</u>	<u>\$ (47,848)</u>

UNIVERSITY OF ILLINOIS
STATEMENT OF NET ASSETS
AUXILIARY ENTERPRISES UNDER INDENTURE
JUNE 30, 2006

Assets

Current assets:	
Cash and cash equivalents	\$ 83,655,192
Investments	56,855,695
Investments, restricted	80,859,274
Accrued investment income	1,389,963
Receivables, net of allowance	6,238,488
Inventories	7,410,232
Prepaid expenses and deferred charges	460,527
	<hr/>
Total current assets	236,869,371
Noncurrent assets:	
Investments, restricted	26,426,898
Capital assets, net of accumulated depreciation	575,682,998
Prepaid expenses and deferred charges	4,334,058
	<hr/>
Total noncurrent assets	606,443,954
Total assets	\$ 843,313,325

Liabilities:

Current liabilities:	
Accounts payable and accrued liabilities	\$ 41,848,988
Deferred revenue	5,389,048
Long term liabilities, current portion	25,314,298
	<hr/>
Total current liabilities	72,552,334
Noncurrent liabilities:	
Accrued compensated absences	5,291,281
Notes payable to the University	3,022,937
Bonds Payable	670,897,359
	<hr/>
Total noncurrent liabilities	679,211,577
Total liabilities	751,763,911

Net assets:

Invested in capital assets, net of related debt	(1,536,013)
Restricted -	
Expendable for debt service	16,303,928
Unrestricted	76,781,499
	<hr/>
Total Net Assets	91,549,414
Total liabilities and net assets	\$ 843,313,325

UNIVERSITY OF ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
AUXILIARY ENTERPRISES UNDER INDENTURE
YEAR ENDED JUNE 30, 2006

Operating revenues:	
Room and board	\$ 89,328,103
Merchandise and food sales	30,495,719
Student service fees	65,422,911
Public events and recreation fees	6,823,780
Parking	18,510,838
Rental and lease income	5,922,765
Vending income	1,486,412
Other sources	9,045,308
	<hr/>
Total operating revenues	227,035,836
Operating expenses:	
Salaries and wages	63,552,923
Merchandise and food for resale	28,554,600
Repairs and maintenance	2,174,619
Professional and other contractual services	40,196,469
Utilities	23,886,593
Supplies	11,819,662
Equipment rental	1,998,963
Administrative services	11,769,218
Other operating expense	5,299,814
Depreciation and amortization	16,601,204
Payments on behalf of the Facility	13,974,097
	<hr/>
Total operating expenses	219,828,162
Operating income	<hr/> 7,207,674
Nonoperating revenues (expenses):	
Payments on behalf of the Facility	13,974,097
Investment income (net of related expenses)	8,292,467
Interest on capital asset related debt	(38,116,746)
Amortization of issuance costs	(199,192)
Loss on disposal of capital assets	(286,951)
Other nonoperating revenues	5,036,663
Other nonoperating expenses	(1,718,251)
	<hr/>
Net nonoperating revenues (expenses)	(13,017,913)
Decrease in net assets	(5,810,239)
Net assets, beginning of year	<hr/> 97,359,653
Net assets, end of year	<hr/> \$ 91,549,414

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
AUXILIARY ENTERPRISES NOT UNDER INDENTURE
JUNE 30, 2006

	Student/Staff Programs and Services		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 2,832,545	\$ -	\$ 2,860,854
Improvements - at historical cost	\$ -	\$ 698,666	\$ -
Equipment - at historical cost	\$ 1,542,527	\$ 1,553,528	\$ 489,076
Guidelines limitations on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 141,627	\$ -	\$ 143,043
5% of historical cost of improvements	-	34,933	-
20% of historical cost of equipment	308,505	310,706	97,815
Total reserve limitation	450,132	345,639	240,858
Repair and replacement reserve	230,553	-	-
Total margin of compliance	\$ 219,579	\$ 345,639	\$ 240,858

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, 2006

	<u>Communication and Computing Services</u> <u>All Campuses</u>
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 11,684,733
Improvements - at historical cost	\$ 10,500,000
Equipment - at historical cost	\$ 172,529,769
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 584,237
5% of historical cost of improvements	525,000
20% of historical cost of equipment	34,505,954
Total reserve limitation	35,615,191
Repair and replacement reserve	-
Total margin of compliance	\$ 35,615,191

	<u>Plant and Service Operations</u> <u>All Campuses</u>
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 41,735,010
Improvements - at historical cost	\$ 281,622,541
Equipment - at historical cost	\$ 51,556,951
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 2,086,751
5% of historical cost of improvements	14,081,127
20% of historical cost of equipment	10,311,390
Total reserve limitation	26,479,268
Repair and replacement reserve	914,636
Total margin of compliance	\$ 25,564,632

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2006

	Instructional Course Activities	
	Urbana	Chicago
Capital assets:		
Facilities - at replacement cost (unaudited)	\$ 18,659,209	\$
Equipment - at historical cost	\$ 6,800,558	\$ 166,086
Guidelines limitations on repair and replacement reserves for entities		
5% of replacement cost of facilities	\$ 932,960	\$ -
20% of historical cost of equipment	1,360,112	33,217.28
Total reserve limitation	2,293,072	33,217
Repair and replacement reserve	921,913	-
Total margin of compliance	\$ 1,371,159	\$ 33,217

	Professional Development Activities		
	Urbana	Chicago	Springfield
Capital assets:			
Equipment - at historical cost	\$ 1,031,127	\$ 1,673,004	\$ 85,041
Guidelines limitations on repair and replacement reserves for entities			
20% of historical cost of equipment	\$ 206,225	\$ 334,601	\$ 17,008
Total reserve limitation	206,225	334,601	17,008
Repair and replacement reserve	-	-	-
Total margin of compliance	\$ 206,225	\$ 334,601	\$ 17,008

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2006

	<u>Agricultural Operations</u> <u>Urbana</u>
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 43,736,068
Improvements - at historical cost	\$ 473,425
Equipment - at historical cost	\$ 5,351,389
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 2,186,803
5% of historical cost of improvements	23,671
20% of historical cost of equipment	1,070,278
Total reserve limitation	3,280,752
Repair and replacement reserve	-
Total margin of compliance	\$ 3,280,752

	<u>Commercial Operations</u> <u>Not Under Indenture</u> <u>Chicago</u>
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 14,250,520
Improvements - at historical cost	\$ 21,241,650
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 712,526
5% of historical cost of improvements	1,062,083
Total reserve limitation	1,774,609
Repair and replacement reserve	-
Total margin of compliance	\$ 1,774,609

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2006

	Commercial Operations
	Under Indenture
	Urbana
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 25,944,784
Improvements - at historical cost	\$ 38,678,106
Equipment - at historical cost	\$ 2,545,684
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 1,297,239
5% of historical cost of improvements	1,933,905
20% of historical cost of equipment	509,137
Total reserve limitation	3,740,281
Repair and replacement reserve	255,454
Total margin of compliance	\$ 3,484,827
	Hospital and Clinics
	Chicago
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 287,065,507
Equipment - at historical cost	\$ 152,473,325
Guidelines limitations on repair and replacement reserves for entities	
5% of replacement cost of facilities	\$ 14,353,275
20% of historical cost of equipment	30,494,665
Total reserve limitation	44,847,940
Repair and replacement reserve	2,334,851
Total margin of compliance	\$ 42,513,089

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
SELECTED PLANT FUND DATA
DEPARTMENTAL ACTIVITIES
JUNE 30, 2006

	Public Service, Academic Support and Economic Development Activities		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 171,896,077	\$ 142,657,843	\$ -
Improvements - at historical cost	\$ 633,636	\$ -	\$ -
Equipment - at historical cost	\$ 5,266,058	\$ 6,181,740	\$ 58,915
Guidelines limitations on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 8,594,804	\$ 7,132,892	\$ -
5% of historical cost of improvements	31,682	0	-
20% of historical cost of equipment	1,053,212	1,236,348	11,783
Total reserve limitation	9,679,698	8,369,240	11,783
Repair and replacement reserve	1,238,037	-	-
Total margin of compliance	\$ 8,441,661	\$ 8,369,240	\$ 11,783

	Intercollegiate Athletics		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities - at replacement cost (unaudited)	\$ 422,906	\$ -	\$ -
Improvements - at historical cost	\$ 8,001	\$ -	\$ -
Equipment - at historical cost	\$ 1,828,217	\$ 200,014	\$ 45,597
Guidelines limitations on repair and replacement reserves for entities			
5% of replacement cost of facilities	\$ 21,145	\$ -	\$ -
5% of historical cost of improvements	400	-	-
20% of historical cost of equipment	365,643	40,003	9,119
Total reserve limitation	387,188	40,003	9,119
Repair and replacement reserve	-	-	-
Total margin of compliance	\$ 387,188	\$ 40,003	\$ 9,119

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATION
SELECTED PLANT FUND DATA
AUXILIARY ENTERPRISES UNDER INDENTURE
JUNE 30, 2006

	All campuses
Capital assets:	
Facilities - at replacement cost (unaudited)	\$ 1,625,137,519
Parking lots and improvements - at historical cost	\$ 34,675,293
Equipment - at historical cost	\$ 18,029,956
Bond resolution limitations on	
repair and replacement reserve	
5% of replacement cost of facilities	\$ 81,256,876
10% of historical cost of parking lots	3,467,529
20% of historical cost of equipment	3,605,991
Total reserve limitation	88,330,396
Repair and replacement reserve	45,396,528
Total margin of compliance	\$ 42,933,868

See accompanying notes to selected plant fund data.

UNIVERSITY OF ILLINOIS
CURRENT EXCESS FUNDS CALCULATIONS
NOTES TO SELECTED PLANT FUND DATA
JUNE 30, 2006

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 NOT UNDER INDENTURE
STUDENT/STAFF PROGRAMS AND SERVICES - ENTITY 3200
JUNE 30, 2006

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash	\$ 5,599,505	\$ 4,343,983	\$ 638,353
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds A	\$ 5,599,505	\$ 4,343,983	\$ 638,353

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 6,556,558	\$ 4,801,810	\$ 462,375
Encumbrances and current liabilities paid in lapse period	660,192	253,467	384,901
Deferred income	1,319,579	1,895,807	
Refundable deposits	40,593	146,283	45,308
Allow ance for restoring inventory to normal level			
Allow ance for sick leave/vacation payouts	53,080	72,695	5,502
Working Capital Allow ance B	\$ 8,630,002	\$ 7,170,062	\$ 898,086

3. Current Excess Funds

Deduct B from A and enter here	C \$ (3,030,497)	\$ (2,826,079)	\$ (259,733)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds w ithin the entity. Enter the amount to be offset, if any, here	D \$ (219,579)	\$ (345,639)	\$ (240,858)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (3,250,076)	\$ (3,171,718)	\$ (500,591)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
STOREROOMS AND SERVICE DEPARTMENTS
COMMUNICATION AND COMPUTING SERVICES - ENTITY 3100
JUNE 30, 2006

1. Current Available Funds	All campuses
Add:	
Cash	\$ 14,153,457
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 14,153,457

2. Working Capital Allowance	
Add:	
Highest month's expenditures	\$ 6,431,240
Encumbrances and current liabilities paid in lapse period	2,812,462
Deferred income	
Refundable deposits	
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	270,923
Working Capital Allowance	B \$ 9,514,625

3. Current Excess Funds	
Deduct B from A and enter here	C \$ 4,638,832

4. Calculation of Income Fund Remittance	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (35,615,191)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (30,976,359)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
STOREROOMS AND SERVICE DEPARTMENTS
PLANT AND SERVICE OPERATIONS - ENTITY 3110
JUNE 30, 2006

1. Current Available Funds	All Campuses
Add:	
Cash	\$ 1,260,405
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 1,260,405

2. Working Capital Allowance	
Add:	
Highest month's expenditures	\$ 57,948,316
Encumbrances and current liabilities paid in lapse period	27,480,732
Deferred income	15,825
Refundable deposits	
Allow ance for restoring inventory to normal level	
Allow ance for sick leave/vacation payouts	995,474
Working Capital Allow ance	B \$ 86,440,347

3. Current Excess Funds	
Deduct B from A and enter here	C \$ (85,179,942)

4. Calculation of Income Fund Remittance	
An entity may offset excess capital or current funds w ithin the entity. Enter the amount to be offset, if any, here	D \$ (25,564,632)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (110,744,574)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
INSTRUCTIONAL COURSE ACTIVITIES - ENTITY 3400
JUNE 30, 2006

1. Current Available Funds

	Urbana	Chicago
Add:		
Cash	\$ 1,022,543	\$ 656,123
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A \$ 1,022,543	\$ 656,123

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$ 727,172	\$ 424,202
Encumbrances and current liabilities paid in lapse period	63,151	46,890
Deferred income	166,353	265,801
Refundable deposits	261,525	400
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts	8,764	
Working Capital Allowance	B \$ 1,226,965	\$ 737,293

3. Current Excess Funds

Deduct B from A and enter here	C \$ (204,422)	\$ (81,170)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (1,371,159)	\$ (33,217)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (1,575,581)	\$ (114,387)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
PROFESSIONAL DEVELOPMENT ACTIVITIES - ENTITY 3410
JUNE 30, 2006

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash	\$ 2,807,117	\$ 2,355,639	\$ (5,067)
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds	A \$ 2,807,117	\$ 2,355,639	\$ (5,067)

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 1,534,107	\$ 1,334,516	\$ 68,047
Encumbrances and current liabilities paid in lapse period	300,932	329,569	5,703
Deferred income	857,031	1,085,395	
Refundable deposits	1,200	(106,736)	
Allow ance for restoring inventory to normal level			
Allow ance for sick leave/vacation payouts	65,301	58,509	478
Working Capital Allow ance	B \$ 2,758,571	\$ 2,701,253	\$ 74,228

3. Current Excess Funds

Deduct B from A and enter here	C \$ 48,546	\$ (345,614)	\$ (79,295)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds w ithin the entity. Enter the amount to be offset, if any, here	D \$ (206,225)	\$ (334,601)	\$ (17,008)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (157,679)	\$ (680,215)	\$ (96,303)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
UNIQUE INSTRUCTIONAL PROGRAMS - ENTITY 3420
JUNE 30, 2006

1. Current Available Funds

	Urbana	Chicago
Add:		
Cash	\$ 2,276,208	\$ 314,434
Cash Equivalents		
Bank Deposits		
Marketable Securities		
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		
Total Current Available Funds	A \$ 2,276,208	\$ 314,434

2. Working Capital Allowance

Add:		
Highest month's expenditures	\$ 2,120,711	\$ 199,590
Encumbrances and current liabilities paid in lapse period	434,070	190,899
Deferred income	1,286,651	192,782
Refundable deposits		
Allowance for restoring inventory to normal level		
Allowance for sick leave/vacation payouts	57,470	
Working Capital Allowance	B \$ 3,898,902	\$ 583,271

3. Current Excess Funds

Deduct B from A and enter here	C \$ (1,622,694)	\$ (268,837)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$	\$
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Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (1,622,694)	\$ (268,837)
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UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
AGRICULTURAL OPERATIONS - ENTITY 3430
JUNE 30, 2006

1. Current Available Funds

	Urbana
Add:	
Cash	\$ 4,599,688
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 4,599,688

2. Working Capital Allowance

Add:	
Highest month's expenditures	\$ 1,256,448
Encumbrances and current liabilities paid in lapse period	449,691
Deferred income	491,005
Refundable deposits	
Allow ance for restoring inventory to normal level	
Allow ance for sick leave/vacation payouts	1,255
Working Capital Allow ance	B \$ 2,198,399

3. Current Excess Funds

Deduct B from A and enter here	C \$ 2,401,289
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds w ithin the entity. Enter the amount to be offset, if any, here	D \$ (3,280,752)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (879,463)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS NOT UNDER INDENTURE - ENTITY 3600
JUNE 30, 2006

1. Current Available Funds

	Chicago
Add:	
Cash	\$ 661,317
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 661,317

2. Working Capital Allowance

Add:	
Highest month's expenditures	\$ 1,870,086
Encumbrances and current liabilities paid in lapse period	27,716
Deferred income	
Refundable deposits	
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	
Working Capital Allowance	B \$ 1,897,802

3. Current Excess Funds

Deduct B from A and enter here	C \$ (1,236,485)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here

D \$ (1,774,609)

Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund

\$ (3,011,094)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
COMMERCIAL OPERATIONS UNDER INDENTURE - ENTITY 3610
JUNE 30, 2006

1. Current Available Funds

	Urbana
Add:	
Cash	\$ 285,974
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 285,974

2. Working Capital Allowance

Add:	
Highest month's expenditures	\$ 313,310
Encumbrances and current liabilities paid in lapse period	49,102
Deferred income	
Refundable deposits	
Allowance for restoring inventory to normal level	
Allowance for sick leave/vacation payouts	13,960
Working Capital Allowance	B \$ 376,372

3. Current Excess Funds

Deduct B from A and enter here	C \$ (90,398)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (3,484,827)
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Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (3,575,225)
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UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
HOSPITAL AND CLINICS - ENTITY 3500
JUNE 30, 2006

1. Current Available Funds

	Chicago
Add:	
Cash	\$ 39,315,094
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 39,315,094

2. Working Capital Allowance

Add:	
Highest month's expenditures	\$ 59,003,016
Encumbrances and current liabilities paid in lapse period	55,512,950
Deferred income	
Refundable deposits	
Allow ance for restoring inventory to normal level	
Allow ance for sick leave/vacation payouts	1,042,067
Working Capital Allow ance	B \$ 115,558,033

3. Current Excess Funds

Deduct B from A and enter here	C \$ (76,242,939)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds w ithin the entity. Enter the amount to be offset, if any, here	D \$ (42,513,089)
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Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (118,756,028)
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UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
PUBLIC SERVICE, ACADEMIC SUPPORT AND ECONOMIC DEVELOPMENT ACTIVITIES - ENTITY 3440
JUNE 30, 2006

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash	\$ 7,339,112	\$ (833,610)	\$ (1,028,653)
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds	A \$ 7,339,112	\$ (833,610)	\$ (1,028,653)

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 4,780,174	\$ 7,076,898	\$ 267,988
Encumbrances and current liabilities paid in lapse period	1,297,651	2,729,529	26,461
Deferred income	1,189,126	531,755	46,245
Refundable deposits		22,000	
Allow ance for restoring inventory to normal level			
Allow ance for sick leave/vacation payouts	90,005	155,662	14,708
Working Capital Allow ance	B \$ 7,356,956	\$ 10,515,844	\$ 355,402

3. Current Excess Funds

Deduct B from A and enter here	C \$ (17,844)	\$ (11,349,454)	\$ (1,384,055)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D \$ (8,441,661)	\$ (8,369,240)	\$ 0
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (8,459,505)	\$ (19,718,694)	\$ (1,384,055)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
DEPARTMENTAL ACTIVITIES
INTERCOLLEGIATE ATHLETICS - ENTITY 3450
JUNE 30, 2006

1. Current Available Funds

	Urbana	Chicago	Springfield
Add:			
Cash	\$ 1,214,818	\$ 47,222	\$ (26,233)
Cash Equivalents			
Bank Deposits			
Marketable Securities			
Certificates of Deposit			
Repurchase Agreements			
Other cash equivalent items			
Interfund receivables			
Total Current Available Funds	A \$ 1,214,818	\$ 47,222	\$ (26,233)

2. Working Capital Allowance

Add:			
Highest month's expenditures	\$ 3,452,944	\$ 1,127,661	\$ 243,877
Encumbrances and current liabilities paid in lapse period	1,087,431	146,194	12,563
Deferred income	4,816,733		
Refundable deposits			
Allow ance for restoring inventory to normal level			
Allow ance for sick leave/vacation payouts	75,601	16,017	
Working Capital Allow ance	B \$ 9,432,709	\$ 1,289,872	\$ 256,440

3. Current Excess Funds

Deduct B from A and enter here	C \$ (8,217,891)	\$ (1,242,650)	\$ (282,673)
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4. Calculation of Income Fund Remittance

An entity may offset excess capital or current funds w ithin the entity. Enter the amount to be offset, if any, here	D \$ (387,188)	\$ (40,003)	\$ 0
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (8,605,079)	\$ (1,282,653)	\$ (282,673)

UNIVERSITY OF ILLINOIS
CALCULATION SHEET FOR CURRENT EXCESS FUNDS
AUXILIARY ENTERPRISES UNDER INDENTURE
AUXILIARY FACILITIES SYSTEM
JUNE 30, 2006

1. Current Available Funds	All campuses
Add:	
Cash	\$ 22,652,205
Cash Equivalents	
Bank Deposits	
Marketable Securities	
Certificates of Deposit	
Repurchase Agreements	
Other cash equivalent items	
Interfund receivables	
Total Current Available Funds	A \$ 22,652,205

2. Working Capital Allowance	
Add:	
Highest month's expenditures	\$ 23,422,069
Encumbrances and current liabilities paid in lapse period	6,361,249
Deferred income	2,865,055
Refundable deposits	1,113,922
Allow ance for restoring inventory to normal level	
Allow ance for sick leave/vacation payouts	604,831
Working Capital Allow ance	B \$ 34,367,126

3. Current Excess Funds	
Deduct B from A and enter here	C \$ (11,714,921)

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 \$ (42,933,868)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the Income Fund	\$ (54,648,789)

UNIVERSITY OF ILLINOIS
ANALYSIS OF INDIRECT COST REIMBURSEMENTS
STATEMENT OF SOURCES AND APPLICATIONS OF
INDIRECT COST REIMBURSEMENTS
YEAR ENDED JUNE 30, 2006

Balance, July 1, 2005, restated¹		\$ 88,568,920
Sources		
Private Gifts, Grants and Contracts	17,697,652	
United States Government Grants and Contracts	144,350,997	
State of Illinois Grants and Contracts	5,755,144	
Medical Service Plan	1,384,824	
Auxiliary Administrative Allowances	12,253,261	
Other Administrative Allowances	20,343,747	
Investment income	1,508,032	
	203,293,657	
Total Additions		203,293,657
Applications		
Educational and General		
Instruction	251	
Research	64,831,948	
Public Service	6,624,373	
Academic Support	52,508,571	
Student Services	554,389	
Institutional Support	46,596,501	
Operation and Maintenance of Plant	48,134,924	
Student Aid	2,022,158	
	221,273,115	
Total Deductions		221,273,115
Balance at June 30, 2006		\$ 70,589,462

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.

¹The balance as of June 30, 2005 was restated due to the change in the fair market value of the University's investment in University Related Organizations not being reflected in the above schedule for fiscal years 2004 and 2005. The change in fair market value for these investments was \$500,093 in FY04 and \$1,272,540 in FY05.

UNIVERSITY OF ILLINOIS
ANALYSIS OF INDIRECT COST REIMBURSEMENTS
CALCULATION SHEET FOR INDIRECT COST CARRY-FORWARD
JUNE 30, 2006

1. Cash and Equivalents Balance

Add:		
Cash	\$ 41,233,526	
Cash Equivalents		
Bank Deposits		
Marketable Securities	5,154,902	
Certificates of Deposit		
Repurchase Agreements		
Other cash equivalent items		
Interfund receivables		\$ 46,388,428

2. Allocated Reimbursements

Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:	
\$ 219,694,000 ; enter 30% of this amount	\$ 65,908,200

3. Unallocated Reimbursements

Enter the lesser of the actual unallocated indirect cost expenditure for the year completed OR 10% of total indirect cost allocations for the year completed	0
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4. Encumbrances and Current Liabilities Paid in the Lapse Period

Enter the amount of:	
Current Liabilities	9,230,934
Encumbrances	15,528,415
Total	\$ 24,759,349

5. Indirect Cost Carry-forward

a. Enter the total items 2, 3 and 4	90,667,549
b. Subtract from item 1	(44,279,121)
If a positive number results, enter here and remit for deposit in the Income Fund	\$ N/A

UNIVERSITY OF ILLINOIS
RATIO OF FEDERAL TO NONFEDERAL EXPENDITURES
YEAR ENDED JUNE 30, 2006

	<u>Amount</u>	<u>Percent</u>
Federal funds	\$ 611,987,723	100.00%
Nonfederal funds		0.00%
	<u>\$ 611,987,723</u>	<u>100.00%</u>

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

UNIVERSITY OF ILLINOIS
UNIVERSITY FUNCTIONS AND PLANNING PROGRAM
YEAR ENDED JUNE 30, 2006

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

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

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

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

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

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

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

UNIVERSITY OF ILLINOIS
EMPLOYMENT AND COST STATISTICS
FALL TERMS FISCAL 2006 AND 2005
(Unaudited)

University employment statistics

	Fall Term Fiscal 2006				Fall Term Fiscal 2005			
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
<u>Headcount</u>								
Faculty	3,341	2,958	316	6,615	3,179	3,048	301	6,528
Academic Professionals	4,134	3,931	214	8,279	4,030	3,530	167	7,727
Support Staff	5,006	5,531	304	10,841	5,116	5,405	269	10,790
Other	6,218	3,623	259	10,100	6,081	3,704	239	10,024
	18,699	16,043	1,093	35,835	18,406	15,687	976	35,069
<u>Full-time equivalency</u>								
Faculty	3,051	2,439	242	5,732	2,934	2,417	226	5,577
Academic Professionals	4,020	3,758	202	7,980	3,940	3,475	158	7,573
Support Staff	4,899	5,361	301	10,561	5,006	5,239	266	10,511
Other	2,741	2,080	140	4,961	2,635	2,135	130	4,900
	14,711	13,638	885	29,234	14,515	13,266	780	28,561

"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, 2006 AND 2005
(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, 2006 and June 30, 2005, using the formula prescribed by the Illinois Board of Higher Education. All credit hours and instructional operating costs paid from state appropriated funds are included (except costs related to the College of Medicine and Dentistry at the Health Sciences Center).

	Urbana-Champaign		Chicago		Springfield	
	Undergraduate	Graduate	Undergraduate	Graduate	Undergraduate	Graduate
For the year ended June 30, 2006:						
Total costs (1)	\$ 259,530,738	\$ 204,443,270	\$ 107,639,041	\$ 112,178,304	\$ 19,909,265	\$ 10,914,359
Student credit hours	886,588	296,622	433,254	165,147	61,100	29,505
Full-time equivalent students (2)	29,553	12,539	14,442	6,881	2,037	1,229
Cost per student credit hour	\$ 293	\$ 689	\$ 248	\$ 679	\$ 326	\$ 370
Cost per full-time equivalent student	\$ 8,782	\$ 16,305	\$ 7,453	\$ 16,302	\$ 9,774	\$ 8,881
For the year ended June 30, 2005:						
Total costs (1)	\$ 206,422,002	\$ 206,830,054	\$ 98,136,166	\$ 99,736,377	\$ 18,223,473	\$ 11,186,575
Student credit hours	889,226	309,511	437,220	168,506	61,100	29,505
Full-time equivalent students (2)	29,641	12,896	14,574	7,021	2,037	1,229
Cost per student credit hour	\$ 232	\$ 668	\$ 224	\$ 592	\$ 298	\$ 379
Cost per full-time equivalent student	\$ 6,964	\$ 16,038	\$ 6,734	\$ 14,205	\$ 8,946	\$ 9,102

(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 2006
(Unaudited)

The following statistics are from the *State of Illinois Board of Higher Education 2005 Data Book on Illinois Higher Education*, Fall Enrollment Survey.

Enrollment Statistics

The total headcount enrollment for Fall 2005 by class level was as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Undergraduate				
Freshman	4,074	8,577	247	12,898
Sophomore	2,599	6,377	260	9,236
Junior	3,420	7,043	816	11,279
Senior	4,936	8,254	1,123	14,313
Unclassified	121	658	188	967
Total Undergraduate	<u>15,150</u>	<u>30,909</u>	<u>2,634</u>	<u>48,693</u>
Graduate				
Professional	2,258	1,029		3,287
Graduate	6,498	9,465	1,619	17,582
Unclassified	906	535	264	1,705
Total Graduate	<u>9,662</u>	<u>11,029</u>	<u>1,883</u>	<u>22,574</u>
Total	<u>24,812</u>	<u>41,938</u>	<u>4,517</u>	<u>71,267</u>

The total headcount enrollment for Fall 2005 by gender and by level of instruction were as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Gender				
Men	11,073	22,314	1,844	35,231
Women	13,739	19,624	2,673	36,036
Total	<u>24,812</u>	<u>41,938</u>	<u>4,517</u>	<u>71,267</u>
Level of instruction				
Full-time	20,214	38,631	2,043	60,888
Part-time	4,598	3,307	2,474	10,379
Total	<u>24,812</u>	<u>41,938</u>	<u>4,517</u>	<u>71,267</u>

The median age of students enrolled by level of instruction for Fall 2005 were as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>
Median age			
Undergraduate	21.4	20.2	25.4
Graduate	28.4	27.3	30.0
Combined	23.5	21.0	27.8

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2006
(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, 2006 was as follows:

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Total</u>
Degrees				
Baccalaureate	3,184	6,732	676	10,592
Masters	1,765	2,555	461	4,781
First Professional	521	689		1,210
Doctorate	311	309	2	622
Total	<u>5,781</u>	<u>10,285</u>	<u>1,139</u>	<u>17,205</u>

Counts exclude Bachelor's level second majors, 252 at UIC, and 357 UIUC

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

UIC Professional counts include 25 First-Professional Certificates.

UIS Baccalaureate counts include 2 Post-Baccalaureate Certificates.

UIS Masters degree counts include 10 Post-Masters Certificates.

Staff Statistics

The following statistics are from the Survey of Salaries of Full-Time Instructional Faculty, 2005-2006 IPEDS.

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

	<u>Chicago</u>	<u>Urbana*</u>	<u>Springfield</u>	<u>Combined</u>
Average salary of full-time faculty	\$ 77,192	\$ 85,831	\$ 59,477	\$ 81,604

* Excludes University Administration

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

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>	<u>Combined</u>
Percent of tenured full-time faculty	48.8%	58.1%	48.0%	53.6%

UNIVERSITY OF ILLINOIS
SERVICE EFFORTS AND ACCOMPLISHMENTS
FISCAL YEAR 2006
(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 May 2004 for the 2005-06 academic year were as follows (excluding refundable fees):

	<u>Chicago</u>	<u>Urbana</u>	<u>Springfield</u>
Undergraduate	\$ 8,498	\$ 8,634 *	\$ 5,957
Graduate	\$ 8,832	\$ 8,878 *	\$ 5,300

The tuition and required fees for a full-time student entering after May 2004 for the 2005-2006 academic year in the first-professional programs were as follows (excluding refundable fees):

	<u>Chicago</u>	<u>Urbana</u>
First-professional programs		
Medicine**	\$ 26,426	
Dentistry	\$ 21,380	
Pharmacy	\$ 14,766	
Other (Physical Therapy)***	\$ 13,528	
Law *		\$ 17,488
Veterinary Medicine*		\$ 15,958

*Excludes refundable fees.

**Excludes a disability insurance fee of \$58.20.

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

UNIVERSITY OF ILLINOIS
ILLINOIS FIRST PROJECTS
FISCAL YEAR 2006
(Unaudited)

Appropriation Code/ Project Number	Award Amount	Expenditures
Appropriated to the Capital Development Board for the benefit of the Board of Higher Education:		
No amount appropriated for FY06	_____	_____
Total Illinois First Projects	<u>\$ -</u>	<u>\$ -</u>

UNIVERSITY OF ILLINOIS
EMERGENCY PURCHASES
YEAR ENDED JUNE 30, 2006
(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2006.

Vendor	Description	Amount
Whiteside Chevrolet Olds, Inc.	The Illinois State Geological Survey required a Chevrolet Suburban to perform its research mission. The University issued a sealed bid whereby no acceptable bid was received that met specifications. The University was in danger of losing funds, therefore a fax bid was issued to expedite the process.	34,600.00
Dion Durrell and Associates	Based on information received from the Actuary contracted to perform actuarial services for various self-insurance programs, the University could anticipate up to a 50% increase in program costs. Due to the substantial increase and in order to substantiate these figures before submission to the insurance underwriters, a second actuarial opinion was necessary within a three week schedule.	45,674.00
West Side Realty Corporation	Urgent need to extend the existing lease agreement for a four-month period to obtain approval from the BOT.	80,000.00
James River Technical	To purchase thirty eight memory cards to upgrade graphics computer system at a discount while special price reduction was available	199,960.00
ServiceMaster Disaster Services	To repair water damage due to a cap on a sprinkler rupturing at the College of Medicine building located in Rockford, IL	132,888.94
Horizontal Systems, Inc.	Drilling services for data gathering by the Illinois State Geological Survey	69,000.00
Hotel Accommodations	Hotel accomodations and catering services for the UIUC's men's basketball team while playing in the NCAA tournament in San Diego, CA.	67,961.78

UNIVERSITY OF ILLINOIS
UNIVERSITY BOOKSTORE INFORMATION
FISCAL YEAR 2006
(Unaudited)

	University of Illinois	U of I at Chicago	U of I -Springfield
University	(U of I)	(UIC)	(UIS)
Contracted/Rents to students/University operated	University operated	University Operated	Contracted
Contractor	N/A	N/A	Follett Higher Education Group, Inc
Contract Term	N/A	N/A	4/1/05 - 3/31/10 * renewable for 5 add'l 12 month periods
Amount of Gross Sales for bookstore for FY 05	\$11,128,885	\$9,350,108	\$1,328,566 (contract term 4/1/04-3/31/05)
Amount to be Paid to bookstore for FY 05 (if any) from University	N/A	N/A	N/A
Commissions	N/A	N/A	\$116,214
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, 2006

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, 2006, where such special data is found.

Compliance Findings

- 13(a) At June 30, 2006, no findings of noncompliance with *University Guidelines* were noted. The University's calculation sheets for current excess funds are presented in this report on page numbers 76 through 88.

Indirect Cost Reimbursements

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

Tuition Charges and Fees

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

Auxiliary Enterprises, Activities and Accounting Entities

- 13(e) Identification of each specific accounting entity and descriptions of the sources of revenue and purpose of each are presented in this report on pages 38 through 41.
- 13(f) Entity financial statements are presented on pages 42 through 67 of this report. The entity financial statements should be read in conjunction with the University of Illinois Annual Financial Report for the year ended June 30, 2006, the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2006, the Annual Financial Report of the Willard Airport Facility for the year ended June 30, 2006, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2006.
- 13(g) The University's calculation sheets for current excess funds are presented in this report on pages 76 through 88.
- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the Annual Financial Report of the University of Illinois Auxiliary Facilities System on page 10.

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2006

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

- 13(i) Statements of receipts and disbursements, and related definitions, for funds required by bond indentures are presented on pages 7 through 9 and page 14 and 15 of the Annual Financial Report of the University of Illinois Auxiliary Facilities System.
- 13(j) Statements with respect to compliance with the fund accounting covenants of the Resolutions of the Board of Trustees of the University of Illinois, which provided for the issuance of revenue bonds, are included in the respective Independent Auditor's Report included in the Annual Financial Report of the University of Illinois Auxiliary Facilities System, the Annual Financial Report of the Willard Airport Facility, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2006.
- 13(k) At June 30, 2006, no non-instructional facilities reserves (development reserves) have been established by the University.

University-Related Organizations

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

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

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

Payments by the UROs to the University for services provided by the University and payments by the University to UROs for services provided by the UROs are disclosed in this report on pages 104 and 105 and on indicated pages of the following reports for the year ended June 30, 2006:

University of Illinois Annual Financial Report	Page 28
Annual Financial Statements of the University of Illinois Foundation	Pages 17 and 18
Annual Financial Statements of the University of Illinois Alumni Association	Page 14 and 15
Annual Financial Statements of Wolcott, Wood and Taylor, Inc.	Page 18

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2006

University-Related Organizations (cont'd)

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

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

- 13(o) At June 30, 2006, there are no unreimbursed subsidies to the UROs from University or appropriated funds other than an amount the Illinois Research Park, LLC failed to pay to the University which was owed at June 30, 2005 within the next year.

A memorandum of understanding has been produced between Illinois Research Park, LLC and the University to fund the debt by June 30, 2007.

- 13(p) Debt financing by UROs at June 30, 2006 is disclosed in the Annual Financial Statements of the University of Illinois Foundation on page 23.

Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in the Analysis of Significant Account Balances section of this report on pages 11 and 12 and in the Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2006, on pages 33 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 11.

- 13(s) Costs per full time equivalent student are presented in this report on page 94.

- 13(t) Acquisitions of land in excess of \$250,000 by the University and its UROs during the year ended June 30, 2006 that were not funded by a separate appropriation specifically identifying the particular acquisitions are presented in this report on pages 19 and 104 as Analysis of Significant Account Balances – Capital Assets and Schedule of Funds Provided by the University of Illinois Foundation.

- 13(u) On February 2, 2006 the University issued UIC South Campus Development Project Revenue Bonds Series 2006A in the amount of \$53,700,000 to refund in advance of maturity and defease all of the \$49,365,000 outstanding principal amount of the UIC South Campus Development Project Revenue Bonds Series 1999 and to pay costs incidental to the issuance of the Series 2006A bonds. The refunding resulted in savings of \$5,500,000 over the life of the issue at a present value of approximately \$4,950,000. The difference between the reacquisition price and the net carrying amount of the old debt, loss on refunding, was \$4,189,000. This loss 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.

UNIVERSITY OF ILLINOIS
SPECIAL DATA REQUIREMENTS FOR UNIVERSITY AUDITS
YEAR ENDED JUNE 30, 2006

Other Topics (cont'd)

- 13(v) On August 10, 2005 the University issued Auxiliary Facilities System Revenue Bonds Series 2005B in the amount of \$67,305,000. Series 2005B Bonds were issued 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.
- 13(w) On June 6, 2006 the University issued Certificates of Participation (Academic Facilities Projects) Series 2006A in the amount of \$81,930,000. The Series 2006A Certificates were issued to acquire, construct and install, and equip a business instructional facility on the Urbana Campus and to finance various improvements to buildings on the University's three campuses.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS
SCHEDULE OF FUNDS PROVIDED BY THE UNIVERSITY OF ILLINOIS FOUNDATION
YEARS ENDED JUNE 30, 2006 and 2005

During fiscal years 2006 and 2005, the University engaged the Foundation, under contract, to provide fund-raising and other services. In accordance with the contract agreement, the University provided \$4,263,912 cash and \$4,378,025 Budget allocation in 2006 and \$3,130,274 cash and \$4,194,803 budget allocation in 2005, and an additional \$330,000 and \$310,000 of services in 2006 and 2005, respectively, to the Foundation. As required by contract, the Foundation provided the University certain funds considered unrestricted for purposes of the computations outlined in *University Guidelines*. In addition, the Foundation provided the University nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation provided to the University during each fiscal year:

	2006	2005
Unrestricted funds	\$ 425,673	\$ 381,555
Restricted only as to campus, college or department and generally available for ongoing university operations:		
Provided to a particular campus	1,199,725	1,073,153
Provided to a particular college	10,575,494	8,474,007
Provided to a particular department	18,796,985	22,742,668
Provided for the Intercollegiate Athletics	7,242,635	6,790,712
Subtotal	38,240,512	39,462,095
Restricted by donor:		
Provided for student support	15,665,865	15,385,276
Provided for certain instructional, research and public service programs	28,543,284	25,558,551
Provided for physical facilities additions or improvements	19,699,620	18,048,660
Provided for other restricted purposes	25,129,268	24,066,148
Total funds provided by the Foundation to the University	\$ 127,278,549	\$ 122,520,730

University Guidelines require that the University report annually the purchase or acceptance of gifts of real estate by a University Related Organization (URO) in excess of \$250,000. The University of Illinois Foundation received the following gifts and made the following purchases of real estate during fiscal year 2006:

	<u>Date</u>	<u>Value</u>	<u>Property and Description</u>
gift	10/12/2005	\$ 347,600	Farmland located in Mercer County, IL
gift	12/19/2005	\$ 703,000	Farmland located in Macon County, IL
gift	6/1/2006	\$ 2,380,000	Property located at 14 E 11th St in New York, NY

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS
SCHEDULE OF FUNDS PROVIDED BY THE UNIVERSITY TO THE UNIVERSITY OF ILLINOIS ALUMNI ASSOCIATION
YEARS ENDED JUNE 30, 2006 and 2005

In accordance with an annual agreement between the University and the Alumni Association, the University paid \$3,942,900 and \$3,515,100 of which \$2,408,500 and \$2,364,100 represent employee salaries to the Alumni Association for the years ended June 30, 2006 and 2005, 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, 2006 and 2005, the Alumni Association expended the following amounts in the performance of those functions:

	<u>2006</u>	<u>2005</u>
Communications	\$ 445,600	\$ 596,700
Information services	891,700	760,800
Membership promotion	283,000	249,800
Alumni outreach programs	1,341,800	1,166,900
General and operating expenses	<u>980,800</u>	<u>740,900</u>
Total expenditures	<u>\$ 3,942,900</u>	<u>\$ 3,515,100</u>

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE AND GRADUATE TUITION AND FEE WAIVERS
2005 - 2006 SCHOOL YEAR
(Unaudited)
(in thousands)

	<u>Undergraduate</u>			<u>Graduate</u>		
	<u>Tuition Waivers</u>	<u>Fee Waivers</u>	<u>Total Waivers</u>	<u>Tuition Waivers</u>	<u>Fee Waivers</u>	<u>Total Waivers</u>
Urbana	\$ 19,950.3	\$ 377.3	\$ 20,327.6	\$ 121,701.0	\$ 3,329.2	\$ 125,030.2
Chicago	\$ 5,113.7	\$ 345.3	\$ 5,459.0	\$ 58,913.6	\$ 2,828.6	\$ 61,742.2
Springfield	\$ 635.1	\$ 11.5	\$ 646.6	\$ 1,466.9	\$ 74.2	\$ 1,541.1
Total	<u>\$ 25,699.1</u>	<u>\$ 734.1</u>	<u>\$ 26,433.2</u>	<u>\$ 182,081.5</u>	<u>\$ 6,232.0</u>	<u>\$ 188,313.5</u>

The amount of fiscal 2006 tuition w aivers reported above are based on data provided from the Office of Planning and Budgeting.

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE TUITION AND FEE WAIVERS
2005 - 2006 SCHOOL YEAR
(Unaudited)

University of Illinois at Urbana-Champaign
(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<u>MANDATORY WAIVERS</u>				
<u>(SUBTOTAL)</u>	2,029	\$ 10,550.7	352	\$ 186.9
Teacher Special Education	78	512.7	78	123.0
General Assembly	545	4,109.5		
ROTC	122	704.5		
DCFS	23	129.5	15	17.6
Children of Employees	762	2,665.7		
Honorary Scholarships	242	1,759.2		
Veterans Grants & Scholarships**	264	669.6	263	46.3
Adjustments (1)	(7)		(4)	
<u>DISCRETIONARY WAIVERS</u>				
<u>(SUBTOTAL)</u>	2,226	9,399.6	598	190.4
Faculty/Administrators	45	95.8	46	28.9
Civil Service	39	75.2	39	20.3
Academic/Other Talent	639	1,712.8	109	10.8
Athletic	144	849.3		
Foreign Exchange Students	302	3,886.1	282	68.4
Out-of-State Students	4	42.2		
Foreign Students	17	109.0		
Student Need-Financial Aid	886	1,852.8		
Student Need-Special Programs	47	22.7		
Cooperating Professionals	6	17.6	6	3.6
Research Assistants	4	13.2	4	0.7
Teaching Assistants	5	36.9	3	1.1
Other Assistants	70	534.0	69	21.8
Interinstitutional/Related Agencies	10	24.0	10	7.6
Retired University Employees	2	8.5	2	1.9
Other - Hurricane Katrina	31	119.5	31	25.3
Adjustments (1)	(25)		(3)	
 TOTAL	4,255	\$ 19,950.3	950	\$ 377.3

* Unduplicated

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

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

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

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE TUITION AND FEE WAIVERS
2005 - 2006 SCHOOL YEAR
(Unaudited)

University of Illinois at Chicago

(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<u>MANDATORY WAIVERS</u>				
<u>(SUBTOTAL)</u>	738	\$ 2,209.0	407	\$ 262.2
Teacher Special Education	4	26.2	4	4.1
General Assembly	107	631.0		
ROTC	50	238.3		
DCFS	8	46.4	8	10.4
Children of Employees	157	431.9		
Honorary Scholarships	17	92.2		
Veterans Grants & Scholarships**	395	743.0	395	247.7
<u>DISCRETIONARY WAIVERS</u>				
<u>(SUBTOTAL)</u>	692	2,904.7	83	83.1
Faculty/Administrators	25	82.7	25	25.6
Civil Service	45	115.5	45	48.0
Academic/Other Talent	340	1,199.5		
Athletic	136	1,103.6		
Foreign Exchange Students	9	72.9	9	7.0
Out-of-State Students				
Student Need-Financial Aid	105	274.6		
Student Need-Special Programs	28	47.8		
Cooperating Professionals	2	4.6	2	0.9
Retired University Employees	2	3.5	2	1.6
Adjustments (1)				
 TOTAL	1,430	\$ 5,113.7	490	\$ 345.3

* Unduplicated

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

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

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

UNIVERSITY OF ILLINOIS
SCHEDULE OF UNDERGRADUATE TUITION AND FEE WAIVERS
2005 - 2006 SCHOOL YEAR
(Unaudited)

University of Illinois at Springfield
(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<u>MANDATORY WAIVERS</u>				
<u>(SUBTOTAL)</u>	248	\$ 371.6	-	\$ -
General Assembly	10	42.4		
DCFS	1	1.3		
Children of Employees	31	44.1		
Honorary Scholarships	21	84.7		
Veterans Grants & Scholarships**	185	199.1		
<u>DISCRETIONARY WAIVERS</u>				
<u>(SUBTOTAL)</u>	183	263.5	36	11.5
Faculty/Administrators	8	9.9	8	1.4
Civil Service	25	49.0	25	8.9
Academic/Other Talent	11	29.1		
Athletic	17	50.0		
Gender Equity in				
Intercollegiate Athletics	9	25.0		
Foreign Exchange Students				
Out-of-State Students	1	4.0		
Student Need-Financial Aid	99	68.3		
Student Need-Special Programs	3	6.7	3	1.2
Cooperating Professionals	1	0.4		
Interinstitutional/Related Agencies	11	21.1		
Adjustments (1)	(2)			
<u>TOTAL</u>	431	\$ 635.1	36	\$ 11.5

* Unduplicated

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

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

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

UNIVERSITY OF ILLINOIS
SCHEDULE OF GRADUATE TUITION AND FEE WAIVERS
2005 - 2006 SCHOOL YEAR
(Unaudited)

University of Illinois at Urbana-Champaign

(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<u>MANDATORY WAIVERS</u>				
<u>(SUBTOTAL)</u>	172	\$ 1,120.0	99	\$ 121.2
Teacher Special Education	4	12.7	3	3.1
General Assembly	30	425.2		
Honorary Scholarships	42	419.9		
Veterans Grants & Scholarships**	96	262.2	96	118.1
<u>DISCRETIONARY WAIVERS</u>				
<u>(SUBTOTAL)</u>	7,864	120,581.0	7,734	3,208.0
Faculty/Administrators	378	1,507.6	384	299.0
Civil Service	74	206.0	75	45.6
Academic/Other Talent	224	2,258.6	205	54.2
Athletic	3	19.5		
Foreign Exchange Students	33	501.8	31	8.7
Out-of-State Students	19	205.1		
Student Need-Financial Aid				
Cooperating Professionals	224	555.2	228	103.4
Research Assistants	2,936	48,601.5	2,884	1,061.8
Teaching Assistants	3,043	35,576.8	2,436	856.2
Other Assistants	1,968	13,703.0	1,745	361.3
Interinstitutional/Related Agencies	38	183.4	38	21.8
Retired University Employees	4	30.1	5	4.1
Contract/Training Grants	118	1,708.2	118	44.4
Fellowship/Traineeship	985	15,464.0	980	337.9
Hurricane Katrina	11	60.2	11	9.6
Adjustments (1)	(2,194)		(1,406)	
<u>TOTAL</u>	<u>8,036</u>	<u>\$ 121,701.0</u>	<u>7,833</u>	<u>\$ 3,329.2</u>

* Unduplicated

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

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

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

UNIVERSITY OF ILLINOIS
SCHEDULE OF GRADUATE TUITION AND FEE WAIVERS
2005 - 2006 SCHOOL YEAR
(Unaudited)

University of Illinois at Chicago

(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<u>MANDATORY WAIVERS</u>				
<u>(SUBTOTAL)</u>	227	\$ 2,350.7	135	\$ 99.2
Teacher Special Education	9	45.6	9	12.8
General Assembly	72	1,689.0		
Honorary Scholarships	20	278.0		
Veterans Grants & Scholarships	126	338.1	126	86.4
<u>DISCRETIONARY WAIVERS</u>				
<u>(SUBTOTAL)</u>	4,298	56,562.9	4,170	2,729.4
Faculty/Administrators	573	3,629.9	549	618.0
Civil Service	66	240.1	63	62.6
Academic/Other Talent	91	2,956.5		
Foreign Exchange Students	7	44.3	9	5.2
Cooperating Professionals	63	140.1	52	41.1
Research Assistants	1,257	16,043.6	1,252	733.0
Teaching Assistants	1,034	14,219.1	1,014	581.7
Other Assistants	746	12,416.4	802	434.2
Interinstitutional/Related Agencies	2	6.9		
Retired University Employees	2	12.1	1	1.4
Grad College Waivers and Fellowships	599	6,853.9	526	252.2
Adjustments (1)	(142)		(98)	
TOTAL	4,525	\$ 58,913.6	4,305	\$ 2,828.6

* Unduplicated

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

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

UNIVERSITY OF ILLINOIS
SCHEDULE OF GRADUATE TUITION AND FEE WAIVERS
2005 - 2006 SCHOOL YEAR
(Unaudited)

University of Illinois at Springfield
(in thousands)

	Tuition Waived		Fees Waived	
	Number of Recipients *	Value of Waivers	Number of Recipients *	Value of Waivers
<u>MANDATORY WAIVERS</u>				
<u>(SUBTOTAL)</u>	69	\$ 68.4	-	\$ -
Teacher Special Education				
General Assembly	2	1.6		
Honorary Scholarships	7	17.1		
Veterans Grants & Scholarships**	60	49.7		
<u>DISCRETIONARY WAIVERS</u>				
<u>(SUBTOTAL)</u>	405	1,398.5	204	74.2
Faculty/Administrators	69	126.3	68	24.5
Civil Service	19	28.2	22	7.6
Academic/Other Talent	10	46.3		
Out-of-State Students	3	3.9		
Student Need-Financial Aid	69	53.9		
Student Need-Special Programs	1	3.0	1	
Cooperating Professionals	20	14.7		
Research Assistants	15	52.5	15	5.4
Teaching Assistants	22	143.0	22	8.5
Other Assistants	163	904.7	78	27.6
Interinstitutional/Related Agencies	16	20.7		
Retired University Employees	2	1.3	2	0.6
Adjustments (1)	(4)		(4)	
 TOTAL	474	\$ 1,466.9	204	\$ 74.2

* Unduplicated

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

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

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