

UNIVERSITY OF ILLINOIS

Supplementary Financial Information and
Special Data Requirements

Year Ended June 30, 2018

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

UNIVERSITY OF ILLINOIS
 Supplementary Financial Information and
 Special Data Requirements
 Year Ended June 30, 2018

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Supplementary Financial Information and
Special Data Requirements
Year Ended June 30, 2018

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Related Reports Published under Separate Covers

The University of Illinois Annual Financial Report for the year ended June 30, 2018

The University of Illinois Auxiliary Facilities System Annual Financial Report for the year ended June 30, 2018

The University of Illinois Health Services Facilities System Annual Financial Report for the year ended June 30, 2018

Compliance Examination Report (In accordance with the Single Audit Act and applicable Federal regulations) for the year ended June 30, 2018, including findings, recommendations, and University responses

The University of Illinois: Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The University of Illinois Auxiliary Facilities System: Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The University of Illinois Health Services Facilities System: Independent Auditors' Reports on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*



Independent Auditors' Report on Supplementary Information for State Compliance Purposes

The Honorable Frank J. Mautino
Auditor General of the State of Illinois
and
The Board of Trustees
University of Illinois:

As Special Assistant Auditors for the Auditor General of the State of Illinois, we have audited the financial statements of the business-type activities and the aggregate discretely presented component units (University Related Organizations) of the University of Illinois (University), a component unit of the State of Illinois, as of and for the year ended June 30, 2018 and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 19, 2018, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component units. Additionally, our report includes a reference to the adoption of a new accounting pronouncement. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the University's basic financial statements. We have not performed any procedures with respect to the audited basic financial statements subsequent to December 19, 2018.

The accompanying supplementary information in Schedules 1 through 5 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information in Schedules 1 through 5 has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements, or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information in Schedules 1 through 5, on which we express no opinion, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We have also previously audited the basic financial statements of the University as of and for the year ended June 30, 2017, and we expressed unmodified opinions on those basic financial statements. The accompanying supplementary information in Schedules 1 through 5 related to the University's 2017 basic financial statements was subjected to auditing procedures applied in the audits of those basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements from which it has been derived.

The accompanying Analysis of Operations section is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of the Illinois Auditor General, the Illinois General Assembly, the Illinois Legislative Audit Commission, the Illinois Governor, University management, the Board of Trustees of the University, and others within the University who have previously received the basic financial statements of the University as of and for the year ended June 30, 2018, and our unmodified opinions thereon, for use in evaluating those basic financial statements and is not intended to be and should not be used for any other purpose.

SIGNED ORIGINAL ON FILE

Peoria, Illinois
February 20, 2019

UNIVERSITY OF ILLINOIS

Schedule of Appropriations, Expenditures, and Lapsed Balances

Sixteen months ended October 31, 2018

Schedule 1

	<u>Appropriations</u>	<u>Vouchered expenditures for the year ended June 30, 2018</u>	<u>Vouchered expenditures for the four months ended October 31, 2018</u>	<u>Total expenditures for the sixteen months ended October 31, 2018</u>	<u>Balances lapsed October 31, 2018</u>	<u>Balances reappropriated July 1, 2018</u>
General Revenue Fund						
UI Hospital	\$ 39,588,800	\$ 19,588,800	\$ 20,000,000	\$ 39,588,800	\$ -	\$ -
State Scientific Survey	14,803,100	13,829,935	973,165	14,803,100	-	-
Total General Revenue Fund	\$ 54,391,900	\$ 33,418,735	\$ 20,973,165	\$ 54,391,900	\$ -	\$ -
Educational Assistance Fund:						
Hispanic Center for Excellence	\$ 660,600	\$ 457,263	\$ 203,337	\$ 660,600	\$ -	\$ -
Dixon Springs	271,200	271,200	-	271,200	-	-
Dentistry	289,000	285,527	3,473	289,000	-	-
Personal Services	456,620,900	456,479,190	141,710	456,620,900	-	-
Awards and Grants	5,329,100	5,329,100	-	5,329,100	-	-
Contractual Services	32,550,800	32,550,800	-	32,550,800	-	-
Health Insurance	21,899,800	21,899,800	-	21,899,800	-	-
Medicare/Social Security Contribution	8,566,200	8,566,200	-	8,566,200	-	-
Public Policy Institute	1,032,100	825,514	206,586	1,032,100	-	-
Labor and Employment Relations Degree Programs	641,600	641,600	-	641,600	-	-
Labor and Employment Relations Certificate Programs	752,700	724,985	27,715	752,700	-	-
Total Educational Assistance Fund	\$ 528,614,000	\$ 528,031,179	\$ 582,821	\$ 528,614,000	\$ -	\$ -
Fire Prevention Fund	\$ 4,338,700	\$ 3,939,242	\$ 399,458	\$ 4,338,700	\$ -	\$ -
State College and University Trust Fund	250,000	178,360	8,265	186,625	63,375	-
Hazardous Waste Research Fund	500,000	371,249	128,751	500,000	-	-
Emergency Public Health Fund	200,000	126,639	73,361	200,000	-	-
Used Tire Management Fund	200,000	192,824	7,176	200,000	-	-
General Professions Dedicated Fund	500,000	484,543	15,457	500,000	-	-
GRAND TOTAL, ALL FUNDS	\$ 588,994,600	\$ 566,742,771	\$ 22,188,454	\$ 588,931,225	\$ 63,375	\$ -

Note 1: 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 PA100-0021.

Note 2: Expenditure amounts are vouchers approved for payment by the University and submitted to the State Comptroller for reimbursement/payment.

See accompanying independent auditors' report.

UNIVERSITY OF ILLINOIS

Comparative Schedule of Appropriations, Expenditures, and Lapsed Balances
Budget years of fiscal 2018 and 2017

	PA100-0021	Schedule 2 PA099-0524 & PA100-0021
	<u>2018</u>	<u>2017</u>
General Revenue Fund:		
Appropriations	\$ 54,391,900	212,137,600
Expenditures:		
UI Hospital	39,588,800	—
Dixon Springs	—	301,300
Dentistry	—	321,100
Personal Services	—	184,612,500
State Scientific Survey	14,803,100	7,750,300
Commodities	—	651,762
Contractual Services	—	17,353,838
Public Policy Institute	—	1,146,800
Total Expenditures	<u>54,391,900</u>	<u>212,137,600</u>
Lapsed Balance	\$ <u>—</u>	<u>—</u>
Educational Assistance Fund:		
Appropriations	\$ 528,614,000	438,212,300
Expenditures:		
Hispanic Center for Excellence	660,600	750,900
UI Hospital	—	20,177,300
Dixon Springs	271,200	—
Dentistry	289,000	—
State Scientific Survey	—	8,697,600
Personal Services	456,620,900	368,633,600
Awards and Grants	5,329,100	—
Contractual Services	32,550,800	—
Health Insurance	21,899,800	37,339,800
Medicare	8,566,200	1,218,800
Public Policy Institute	1,032,100	—
Labor and Employment Relations Degree Programs	641,600	641,600
Labor and Employment Relations Certificate Programs	752,700	752,700
Total Expenditures	<u>528,614,000</u>	<u>438,212,300</u>
Lapsed Balance	\$ <u>—</u>	<u>—</u>
Fire Prevention Fund:		
Appropriations	\$ 4,338,700	3,816,200
Expenditures	<u>4,338,700</u>	<u>3,816,200</u>
Lapsed Balance	\$ <u>—</u>	<u>—</u>
State College and University Trust Fund:		
Appropriations	\$ 250,000	250,000
Expenditures	<u>186,625</u>	<u>181,275</u>
Lapsed Balance	\$ <u>63,375</u>	<u>68,725</u>

See accompanying independent auditors' report.

(Continued)

UNIVERSITY OF ILLINOIS
 Comparative Schedule of Appropriations, Expenditures, and Lapsed Balances
 Budget years of fiscal 2018 and 2017

Schedule 2

	<u>PA100-0021</u>	<u>PA99-0524 & PA100-0021</u>
	<u>2018</u>	<u>2017</u>
Hazardous Waste Research Fund:		
Appropriations	\$ 500,000	500,000
Expenditures	<u>500,000</u>	<u>500,000</u>
Lapsed Balance	<u>\$ —</u>	<u>—</u>
Emergency Public Health Fund:		
Appropriations	\$ 200,000	200,000
Expenditures	<u>200,000</u>	<u>200,000</u>
Lapsed Balance	<u>\$ —</u>	<u>—</u>
Used Tire Management Fund:		
Appropriations	\$ 200,000	200,000
Expenditures	<u>200,000</u>	<u>200,000</u>
Lapsed Balance	<u>\$ —</u>	<u>—</u>
General Professions Dedicated Fund:		
Appropriations	\$ 500,000	500,000
Expenditures	<u>500,000</u>	<u>500,000</u>
Lapsed Balance	<u>\$ —</u>	<u>—</u>
Grand totals, all funds:		
Appropriations	\$ 588,994,600	655,816,100
Expenditures	588,931,225	655,747,375
Reappropriated balances	<u>—</u>	<u>—</u>
Lapsed Balances	<u>\$ 63,375</u>	<u>68,725</u>

See accompanying independent auditors' report.

UNIVERSITY OF ILLINOIS

Schedule of Changes in State Property

Capital Assets & Equipment over \$500 and less than \$5000

Year ended June 30, 2018

Schedule 3

	Beginning balance	Additions	Retirements	Transfers	Ending balance
Nondepreciable capital assets:					
Land	\$ 136,472,036	1,903,933	(1,800)	—	138,374,169
Construction in progress	280,143,606	180,029,157	—	(193,139,989)	267,032,774
Building improvements	7,203,127	—	(143,210)	—	7,059,917
Inexhaustible collections	23,460,061	675,675	(15,039)	—	24,120,697
Equipment (greater than \$499 less than \$5,000)	362,063,283	30,386,311	(23,628,220)	—	368,821,374
Total nondepreciable capital assets	<u>809,342,113</u>	<u>212,995,076</u>	<u>(23,788,269)</u>	<u>(193,139,989)</u>	<u>805,408,931</u>
Depreciable capital assets:					
Buildings	4,471,641,831	—	(492,491)	175,736,414	4,646,885,754
Improvements and infrastructure	730,772,426	—	—	7,016,582	737,789,008
Equipment (equal or greater than \$5,000)	1,260,797,080	63,887,651	(37,928,909)	2,542,634	1,289,298,456
Exhaustible collections	654,830,609	21,255,642	(17,526,159)	—	658,560,092
Software	188,552,867	—	—	7,844,359	196,397,226
Subtotal	<u>7,306,594,813</u>	<u>85,143,293</u>	<u>(55,947,559)</u>	<u>193,139,989</u>	<u>7,528,930,536</u>
Less accumulated depreciation	<u>3,995,370,071</u>	<u>255,005,035</u>	<u>(53,209,747)</u>	<u>—</u>	<u>4,197,165,359</u>
Total net depreciable capital assets	<u>3,311,224,742</u>	<u>(169,861,742)</u>	<u>(2,737,812)</u>	<u>193,139,989</u>	<u>3,331,765,177</u>
Total capital assets	<u>\$ 4,120,566,855</u>	<u>43,133,334</u>	<u>(26,526,081)</u>	<u>—</u>	<u>4,137,174,108</u>

Amounts reconcile to the property records submitted to the Illinois Office of the Comptroller. This summary schedule was prepared using State property records required by the Illinois Administrative Code (Code). The capitalization policy in the Code is different than the capitalization policy established by the University for financial reporting in accordance with generally accepted accounting principles.

See accompanying independent auditors' report.

UNIVERSITY OF ILLINOIS

Comparative Schedule of Cash and Cash Equivalents,
Investments, and Accrued Investment Income
June 30, 2018 and 2017

Schedule 4

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

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

The fair value of endowed real estate and farm properties are determined by a periodic appraisal of the property by a certified real estate appraiser.

At June 30, 2018, all bank deposits of the University were covered by federal depository insurance or by collateral held by an agent in the Entity's name. The carrying value of the cash deposits were \$(1,891,000) and \$5,068,000 at June 30, 2018 and 2017, respectively. The carrying value of the University's investment balances, including pooled investments, at June 30, 2018 and 2017 was held as follows (in thousands):

	<u>2018</u>	<u>2017</u>
U.S. Treasury bonds and bills	\$ 357,067	272,697
U.S. government agencies	141,624	107,971
Commercial paper	18,000	31,960
Corporate bonds	826,070	679,909
Bond funds	79,599	137,834
Nongovernment mortgage-backed and asset-backed securities	360,116	318,675
International government bonds and governmental agencies	9,658	10,998
Municipal bonds	23,285	14,529
Money market funds	829,497	456,264
Illinois Public Treasurer's Investment Pool	2,665	2,885
Equities	27,029	57,464
Equity funds	363,860	321,742
Hedge funds	45,995	46,680
Private equity	45,698	38,865
Real estate and farm properties	138,295	138,900
Total	<u>\$ 3,268,458</u>	<u>2,637,373</u>

See accompanying independent auditors' report.

UNIVERSITY OF ILLINOIS

Comparative Schedule of Cash and Cash Equivalents,
Investments, and Accrued Investment Income
June 30, 2018 and 2017

Schedule 4

Refer to the Notes to Financial Statements in the University of Illinois Annual Financial Report for the year ended June 30, 2018, for categorization of investments according to interest rate risk and credit risk assumed by the University at June 30, 2018.

The University accounts for investment income on the accrual basis. Investment income for non-pooled investments, including gains and losses resulting from the sale or other disposition of investments, is recognized in the fund that owns the investments, except for income derived from investments of the Endowment and Similar Funds, which is recognized in the funds to which such income is restricted. Income from pooled investments is distributed to individual University funds quarterly based upon average monthly balances invested in the pool. Accrued investment income, by fund, at June 30, 2018 and 2017 was as follows (in thousands):

	<u>2018</u>	<u>2017</u>
Current funds:		
Unrestricted	\$ 5,829	3,806
Restricted	793	291
Loan funds	50	37
Plant funds	1,711	1,679
	<u>\$ 8,383</u>	<u>5,813</u>

See accompanying independent auditors' report.

UNIVERSITY OF ILLINOIS

Schedules of Federal Expenditures, Nonfederal Expenses, and New Loans
Year ended June 30, 2018

(in thousands)

Schedule 5

Schedule A – Federal financial component:

Total federal expenditures reported on SEFA schedule	\$	<u>1,299,496</u>
Total Schedule A	\$	<u><u>1,299,496</u></u>

Schedule B – Total financial component:

Total operating expenses (from financial statements)	\$	6,311,865
Total nonoperating expenses		65,038
Total new loans made		474,570
Amount of federal loan balances at beginning of the year		45,010
Other noncash federal award expenditures		<u>9,218</u>
Total Schedule B	\$	<u><u>6,905,701</u></u>

	<u>Amount</u>	<u>Percentage</u>
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Schedule C:

Total Schedule A	\$	<u>1,299,496</u>	<u>18.8%</u>
Total nonfederal expenses		<u>5,606,205</u>	<u>81.2%</u>
Total Schedule C	\$	<u><u>6,905,701</u></u>	<u><u>100.0%</u></u>

These schedules are used to determine the Agency’s single audit costs in accordance with Uniform Guidance.

See accompanying independent auditors’ report.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS
 Analysis of Revenues, Expenses, and
 Changes in Net Position – Business-Type Activities
 Years ended June 30, 2018 and 2017

(Unaudited)
 (In thousands)

	2018	2017	Increase (decrease)
Operating revenues:			
Student tuition and fees, net	\$ 1,193,322	1,168,498	(b) 24,824
Federal appropriations	21,309	18,264	3,045
Federal grants and contracts	652,271	672,091	(19,820)
State of Illinois grants and contracts	64,942	71,347	(6,405)
Private and other governmental agency grants and contracts	143,041	146,724	(3,683)
Educational activities	338,287	309,371	28,916
Auxiliary enterprises, net	416,319	409,484	6,835
Hospital and other medical activities, net	784,909	749,504	35,405
Medical service plan	256,117	261,072	(4,955)
Independent operations	11,533	10,729	804
Interest and service charges on student loans	1,904	1,853	51
Total operating revenues	3,883,954	3,818,937	(b) 65,017
Operating expenses:			
Instruction	1,583,388	1,492,069	(b) 91,319
Research	756,032	788,526	(b) (32,494)
Public service	477,291	481,976	(4,685)
Academic support	613,615	570,787	(b) 42,828
Student services	235,675	217,887	(b) 17,788
Institutional support	307,669	308,934	(b) (1,265)
Operation and maintenance of plant	330,762	309,313	(b) 21,449
Scholarships and fellowships	289,134	275,955	(b) 13,179
Auxiliary enterprises	406,300	402,930	3,370
Hospital and medical activities	1,044,824	992,956	51,868
Independent operations	12,170	9,754	2,416
Depreciation	255,005	262,534	(7,529)
Total operating expenses	6,311,865	6,113,621	(b) 198,244
Operating loss	(2,427,911)	(2,294,684)	(b) (133,227)
Nonoperating revenues (expenses):			
State appropriations	888,361	355,792	532,569
Transfer of state appropriations to the Illinois DHFS Hospital Services Fund	(20,000)	(20,177)	177
Private gifts	193,680	190,183	3,497
Grants, nonoperating	244,332	110,561	133,771
On behalf payments for fringe benefits	1,710,488	1,611,444	99,044
Net investment income	58,082	36,376	21,706
Net increase (decrease) in the fair value of investments	7,704	50,713	(43,009)
Interest expense	(65,038)	(65,734)	696
Loss on disposal/impairment of capital assets	(2,755)	(1,990)	(765)
Other nonoperating revenues, net	29,096	55,293	(26,197)
Net nonoperating revenue	3,043,950	2,322,461	721,489
Income before other revenues	616,039	27,777	588,262
Capital state appropriations	12,858	13,622	(764)
Capital gifts and grants	5,239	4,979	260
Private gifts for endowment purposes	4,197	6,327	(2,130)
Increase in net position	638,333	52,705	585,628
Net position, beginning of year, adjusted (a)	2,774,932	(a) 4,321,881	(1,546,949)
Net position, end of year	\$ 3,413,265	4,374,586	(961,321)

(a) Beginning of year net position for fiscal year 2018 was adjusted due to adoption of a new accounting standard, GASB Standard No. 75.

Net position, beginning of year as previously reported	\$ 4,374,586
Cumulative effect of change in accounting principle	(1,599,654)
Net position, beginning of year, adjusted	\$ 2,774,932

(b) Certain items were reclassified to correspond to the June 30, 2018 presentation.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Revenues, Expenses, and Changes in Net Position – Business-Type Activities

Significant Revenue, Expense, and Changes in Net Position Variances

Years ended June 30, 2018 and 2017

(Unaudited)

Consistent with prior years, all variances greater than \$30 million and more than 10% variance from fiscal year 2017, are discussed below. Refer to the Analysis of Revenues, Expenses, and Changes in Net Position – Business Type Activities on page 10 for the actual dollar changes.

Explanations of significant variances:

- *State appropriations (nonoperating revenues)* – This increase was due to fiscal year 2017 having a partial stop gap budget to help fund University operations, while fiscal year 2018 had a full budget and additional funding for fiscal year 2017 expenditures that was not appropriated to the University until fiscal year 2018. In accordance with GASB standards, the additional funding was recognized in the fiscal year that it was appropriated.
- *Grants, nonoperating (nonoperating revenues)* – This increase was due to an increase in State of Illinois Monetary Award Program grants. The appropriations for these grants didn't occur until fiscal year 2018.
- *Net increase in the fair value of investments (nonoperating revenues)* – This decrease was due to the change in unrealized gain/loss of investments during fiscal year 2018. Due to market conditions for long-term debt securities and equity securities, the University experienced a huge increase in unrealized gains in its endowment pool investments during fiscal year 2017 and a moderate increase during fiscal year 2018.

**UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS**

State Appropriations –
Significant Lapse Period Expenditures
Four months ended October 31, 2018

(Unaudited)

	Total expenditures for the sixteen months ended October 31, 2018	Vouchered expenditures for the four months ended October 31, 2018	%
GRF - UI Hospital	39,588,800	20,000,000	51%

The above represents all appropriations with lapse period expenditures: (1) greater than \$250,000 and (2) greater than 20% of total expenditures for the sixteen months ended October 31, 2018.

The intergovernmental agreement between the University of Illinois and the Illinois Department of Healthcare and Family Services which outlines medical services by the University of Illinois Hospital in support of Illinois medical programs was not signed until late June 28, 2018. As a result, disbursement vouchers pursuant to this agreement had to be processed during the lapse period.

UNIVERSITY OF ILLINOIS

ANALYSIS OF OPERATIONS

Analysis of Assets, Deferred Outflows of Resources, Liabilities,
Deferred Inflow of Resources and Net Position – Business-Type Activities

Years ended June 30, 2018 and 2017

(Unaudited)

(In thousands)

	<u>2018</u>	<u>2017</u>	<u>Increase (decrease)</u>	% Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current Assets:				
Cash and cash equivalents	776,265	340,287	435,978	128.1%
Cash and cash equivalents, restricted	63,114	140,055	(76,941)	-54.9%
Investments	200,575	239,673	(39,098)	-16.3%
Investments, restricted	63,177	95,415	(32,238)	-33.8%
Accrued investment income	8,383	5,813	2,570	44.2%
Accounts receivable, net of allow for uncollect	535,375	539,233	(3,858)	-0.7%
Appropriation receivable from State of Illinois	45,181	714	44,467	6227.9%
Notes receivable, net of allowance for uncollectible	10,651	9,744	907	9.3%
Accrued interest on notes receivable	3,784	4,127	(343)	-8.3%
Inventories	28,537	32,017	(3,480)	-10.9%
Prepaid expenses and deposits	45,562	35,132	10,430	29.7%
Due from related organizations	4,108	4,123	(15)	-0.4%
Total Current Assets	<u>1,784,712</u>	<u>1,446,333</u>	<u>338,379</u>	
Noncurrent Assets:				
Investments	1,485,849	1,167,690	318,159	27.2%
Investments, Restricted	677,587	659,321	18,266	2.8%
Notes receivable, net of allowance	44,569	49,178	(4,609)	-9.4%
Capital assets, net of accumulated depreciation	3,761,293	3,751,300	9,993	0.3%
Irrevocable trusts held by others	18,874	21,741	(2,867)	-13.2%
Other Assets	4,145	5,848	(1,703)	-29.1%
Total Noncurrent Assets	<u>5,992,317</u>	<u>5,655,078</u>	<u>337,239</u>	
Deferred outflows of resources	<u>99,704</u>	<u>76,876</u>	<u>22,828</u>	29.7%
Total Assets and Deferred Outflows of Resources	<u>7,876,733</u>	<u>7,178,287</u>	<u>698,446</u>	
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	458,780	380,616	78,164	20.5%
Accrued payroll	159,464	156,216	3,248	2.1%
Accrued compensated absences, current portion	19,631	18,682	949	5.1%
Accrued self-insurance, current portion	41,484	45,097	(3,613)	-8.0%
Unearned revenue and student deposits	174,410	165,189	9,221	5.6%
Accrued interest payable	14,795	15,461	(666)	-4.3%
Bonds payable, current portion	56,028	54,358	1,670	3.1%
Leaseholds payable and other obligations, current	44,067	41,356	2,711	6.6%
Assets held for others	38,051	37,135	916	2.5%
Total Current Liabilities	<u>1,006,710</u>	<u>914,110</u>	<u>92,600</u>	
Noncurrent Liabilities:				
Bonds payable	1,171,945	1,230,972	(59,027)	-4.8%
Leaseholds payable and other obligations	239,727	252,656	(12,929)	-5.1%
Accrued compensated absences	187,047	184,214	2,833	1.5%
Accrued self-insurance	193,564	194,388	(824)	-0.4%
OPEB liability	1,314,760	—	1,314,760	100.0%
Derivative instrument - swap liability	3,176	5,620	(2,444)	-43.5%
Total Noncurrent Liabilities	<u>3,110,219</u>	<u>1,867,850</u>	<u>1,242,369</u>	
Deferred inflow of resources	<u>346,539</u>	<u>21,741</u>	<u>324,798</u>	1493.9%
Total liabilities and deferred inflow of resources	<u>4,463,468</u>	<u>2,803,701</u>	<u>1,659,767</u>	
NET POSITION				
Net Position:				
Net investment in capital assets	2,386,445	2,297,463	88,982	3.9%
Nonexpendable restricted	116,654	111,302	5,352	4.8%
Expendable restricted	646,545	881,148	(234,603)	-26.6%
Unrestricted	263,621	1,084,673	(821,052)	-75.7%
Total net position	<u>3,413,265</u>	<u>4,374,586</u>	<u>(961,321)</u>	
Total Liabilities, deferred inflow of resources, and net position	<u>7,876,733</u>	<u>7,178,287</u>	<u>698,446</u>	

(Continued)

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflow of Resources and Net Position
– Business-Type Activities

Significant Statement of Net Position Variances

Years ended June 30, 2018 and 2017

(Unaudited)

All variances greater than \$30 million and more than 10% variance from fiscal year 2017, are discussed below. Refer to the Analysis of Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position – Business Type Activities on page 13 for the actual dollar changes.

Explanations of significant variances:

- *Cash and cash equivalents (assets)* – The increase in the current year was due to having increased appropriations from the State of Illinois compared to the prior 3 fiscal years.
- *Cash and cash equivalents, restricted (assets)* – The decrease in the current year is due to the reduction in restricted net position for expendable funds.
- *Investments (current assets)* – A healthy cash reserve position allowed the University to invest in more long-term securities in fiscal year 2018.
- *Investments, restricted (current assets)* – A healthy cash reserve position allowed the University to invest in more long-term securities in fiscal year 2018.
- *Appropriation receivable from State of Illinois (current assets)* – There was more appropriations in fiscal year 2018, as such, there was more receivables.
- *Investments (noncurrent assets)* – This increase in the current year was due to the University receiving substantially more appropriations in fiscal year 2018 than in fiscal year 2017.
- *Accounts payable and accrued liabilities (current liabilities)* – This increase in the current year was due to more pending investment purchases payable due to more cash and investments being transacted.
- *OPEB liability (noncurrent liabilities)* – Establishment of this liability was due to the implementation of GASB 75.
- *Deferred inflow of resources* – Establishment of this deferred inflow of resource was due to the implementation of GASB 75.
- *Expendable restricted (net position)* – Change from prior year is due to the establishment of a liability and restatement of prior year net position due to the implementation of GASB 75.
- *Unrestricted (net position)* – Change from prior year is due to the establishment of a liability and restatement of prior year net position due to the implementation of GASB 75.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Accounts and Notes Receivable
June 30, 2018 and 2017

(Unaudited)

	2018	2017
Accounts receivable:		
Current unrestricted funds:		
Student tuition and other charges	\$ 48,119,685	47,913,029
Other unrestricted funds	41,145,243	18,363,687
Entity activities:		
Auxiliary enterprises	17,590,431	16,624,961
Hospital and clinics	384,063,847	432,277,858
Other departmental activities	60,265,166	54,180,670
Total accounts receivable	551,184,372	569,360,205
Allowance for doubtful accounts:		
Student tuition and other charges	(20,371,647)	(20,841,344)
Other unrestricted funds	(380,295)	(1,684,473)
Auxiliary enterprises	(6,090,991)	(6,291,757)
Hospital and clinics	(211,733,750)	(268,181,669)
Other departmental activities	(15,539,273)	(13,906,745)
Total allowance for doubtful accounts	(254,115,956)	(310,905,988)
Current unrestricted funds accounts receivable, net	297,068,416	258,454,217
Current restricted funds:		
Medical Service Plans	94,020,107	94,252,178
Grants, contracts, and gifts	167,118,443	201,431,457
Federal appropriations	5,737,551	5,305,729
Total accounts receivable	266,876,101	300,989,364
Allowance for doubtful accounts:		
Medical Service Plans	(30,831,324)	(24,823,669)
Grants, contracts, and gifts	(2,530,382)	(2,870,618)
Current restricted funds accounts receivable, net	233,514,395	273,295,077
Plant funds, net	4,791,968	7,483,256
Total accounts receivable, net	535,374,779	539,232,550
Notes receivable:		
Loan funds:		
Urbana campus	32,397,743	32,100,110
Chicago campus	25,738,737	30,039,173
Springfield campus	146,271	178,659
Total notes receivable	58,282,751	62,317,942
Allowance for doubtful notes:		
Urbana campus	(1,984,176)	(1,947,012)
Chicago campus	(1,074,470)	(1,443,058)
Springfield campus	(4,037)	(5,708)
Total allowance for doubtful accounts	(3,062,683)	(3,395,778)
Total notes receivable, net	55,220,068	58,922,164
Total accounts and notes receivable, net	\$ 590,594,847	598,154,714

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Accounts and Notes Receivable
Student Tuition and Other Charges Receivable:
June 30, 2018 and 2017
(Unaudited)

June 30, 2018				
	Total	Urbana Campus	Chicago Campus	Springfield Campus
Student tuition and other charges receivable:				
Current–30 days	\$ 15,204,269	7,061,148	7,364,896	778,225
31–90 days	900,909	636,855	251,098	12,956
Over 90 days	<u>32,014,507</u>	<u>10,510,319</u>	<u>17,674,100</u>	<u>3,830,088</u>
Total student tuition and other charges receivable	48,119,685	18,208,322	25,290,094	4,621,269
Allowance for doubtful accounts	<u>(20,371,647)</u>	<u>(6,769,848)</u>	<u>(11,246,953)</u>	<u>(2,354,846)</u>
Student tuition and other charges receivable, net	<u>\$ 27,748,038</u>	<u>11,438,474</u>	<u>14,043,141</u>	<u>2,266,423</u>
June 30, 2017				
	Total	Urbana Campus	Chicago Campus	Springfield Campus
Student tuition and other charges receivable:				
Current–30 days	\$ 11,985,217	6,387,471	4,738,083	859,663
31–90 days	1,072,817	631,885	403,608	37,324
Over 90 days	<u>34,854,995</u>	<u>11,806,285</u>	<u>18,946,054</u>	<u>4,102,656</u>
Total student tuition and other charges receivable	47,913,029	18,825,641	24,087,745	4,999,643
Allowance for doubtful accounts	<u>(20,841,344)</u>	<u>(6,945,030)</u>	<u>(11,519,615)</u>	<u>(2,376,699)</u>
Student tuition and other charges receivable, net	<u>\$ 27,071,685</u>	<u>11,880,611</u>	<u>12,568,130</u>	<u>2,622,944</u>

These receivables relate to unpaid student tuition and other miscellaneous charges.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Accounts and Notes Receivable
Health Services Facilities System – Accounts Receivables

June 30, 2018 and 2017

(in thousands)

(Unaudited)

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>2018</u>	<u>2017</u>
Active accounts:		
Patient receivables	\$ 276,022	253,600
Less bad debt allowance	(113,920)	(98,640)
Net patient receivables	<u>\$ 162,102</u>	<u>154,960</u>
Bad debt allowance – as a percent of patient receivables	41.27%	38.90%
Days revenue in net patient receivables	82	84
Write-offs of uncollectible accounts, net of recoveries	\$ 82,736	21,182
As a percent of gross revenue	3.30%	0.89%
Provision for bad debts	\$ 26,308	40,594
As a percent of gross revenue	1.05%	1.70%
Aging:		
0–30 days (including in-house)	44.75%	41.97%
31–90 days	13.18	14.42
91–180 days	12.92	14.05
Over 180 days	29.15	29.56
	<u>100.00%</u>	<u>100.00%</u>
Inactive accounts:		
Patient receivables	\$ 94,080	166,534
Less bad debt allowance	(94,080)	(166,534)
Net patient receivables	<u>\$ —</u>	<u>—</u>
Health Services Facilities System Receivables:		
Active patient receivables	\$ 276,022	253,600
Inactive patient receivables	94,080	166,534
Other receivables	13,158	11,274
Due from related organizations	804	870
Total Health Services Facilities System receivables	<u>\$ 384,064</u>	<u>432,278</u>
Allowance for doubtful accounts:		
Active patient receivables	\$ (113,920)	(98,640)
Inactive patient receivables	(94,080)	(166,534)
Other receivables	(3,734)	(3,008)
Total Health Services Facilities System allowance for doubtful accounts	<u>\$ (211,734)</u>	<u>(268,182)</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Accounts and Notes Receivables
Grants, Contracts, and Gifts Receivables, Net

June 30, 2018 and 2017

(Unaudited)

		June 30, 2018				
		Total	Urbana Campus	Chicago Campus	Springfield Campus	University Administration
Grants, contracts, and gifts:						
U.S. government grants and contracts	\$	90,070,957	57,486,060	31,691,582	71,683	821,632
Private gifts, grants, and contracts		24,516,098	11,994,058	12,522,040	—	—
State of Illinois grants and contracts		50,311,622	38,285,764	10,102,039	1,578,324	345,495
Total grants, contracts, and gifts receivable, net		<u>\$ 164,898,677</u>	<u>107,765,882</u>	<u>54,315,661</u>	<u>1,650,007</u>	<u>1,167,127</u>
		June 30, 2017				
		Total	Urbana Campus	Chicago Campus	Springfield Campus	University Administration
Grants, contracts, and gifts:						
U.S. government grants and contracts	\$	106,889,202	69,202,551	35,432,170	169,564	2,084,917
Private gifts, grants, and contracts		31,411,777	20,146,363	11,100,369	165,045	—
State of Illinois grants and contracts		60,259,860	47,022,091	10,962,619	2,248,220	26,930
Total grants, contracts, and gifts receivable, net		<u>\$ 198,560,839</u>	<u>136,371,005</u>	<u>57,495,158</u>	<u>2,582,829</u>	<u>2,111,847</u>

These accounts primarily consist of receivables for work performed under grant and contract activity. They are shown net of related allowances.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Accounts and Notes Receivables
Notes Receivable – Loan Funds

June 30, 2018 and 2017

(Unaudited)

	2018	2017
Urbana campus:		
Age:		
Not in repayment status/current billing	\$ 27,126,817	26,788,267
Under 120 days	886,749	845,199
Over 120 days	4,384,177	4,466,644
	32,397,743	32,100,110
Allowance for doubtful notes	(1,984,176)	(1,947,012)
Total – Urbana campus	30,413,567	30,153,098
Chicago campus:		
Age:		
Not in repayment status/current billing	20,809,862	24,055,657
Under 120 days	1,292,931	1,423,994
Over 120 days	3,635,944	4,559,522
	25,738,737	30,039,173
Allowance for doubtful notes	(1,074,470)	(1,443,058)
Total – Chicago campus	24,664,267	28,596,115
Springfield campus:		
Age:		
Not in repayment status/current billing	108,352	130,568
Under 120 days	8,686	17,335
Over 120 days	29,233	30,756
	146,271	178,659
Allowance for doubtful notes	(4,037)	(5,708)
Total – Springfield campus	142,234	172,951
All campuses:		
Age:		
Not in repayment status/current billing	48,045,031	50,974,492
Under 120 days	2,188,366	2,286,528
Over 120 days	8,049,354	9,056,922
	58,282,751	62,317,942
Allowance for doubtful notes	(3,062,683)	(3,395,778)
Total – all campuses	\$ 55,220,068	58,922,164

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS
 Analysis of Bonds Payable
 Year ended June 30, 2018
 (Unaudited)

	<u>Balance at June 30, 2017</u>	<u>Bonds issued</u>	<u>Principal reductions</u>	<u>Accretion on bonds</u>	<u>Balance at June 30, 2018</u>
University of Illinois Auxiliary Facilities					
System Revenue Bonds:					
Series 1991	\$ 55,513,256	—	16,270,000	3,856,315	43,099,571
Series 1999A	24,042,527	—	1,705,000	1,506,804	23,844,331
Series 2001A	32,510,000	—	2,000,000	—	30,510,000
Series 2001B	4,360,000	—	2,015,000	—	2,345,000
Series 2003A	38,285,000	—	1,850,000	—	36,435,000
Series 2005A	42,405,000	—	—	—	42,405,000
Series 2008	17,085,000	—	515,000	—	16,570,000
Series 2009A	1,730,000	—	850,000	—	880,000
Series 2010A	50,845,000	—	1,295,000	—	49,550,000
Series 2011A	76,065,000	—	1,400,000	—	74,665,000
Series 2011B	4,365,000	—	1,210,000	—	3,155,000
Series 2011C	64,665,000	—	75,000	—	64,590,000
Series 2013A	208,940,000	—	6,165,000	—	202,775,000
Series 2014A	159,985,000	—	—	—	159,985,000
Series 2014B	12,580,000	—	2,365,000	—	10,215,000
Series 2014C	37,000,000	—	3,000,000	—	34,000,000
Series 2015A	96,555,000	—	7,335,000	—	89,220,000
Series 2016A	125,350,000	—	570,000	—	124,780,000
Series 2016B	20,630,000	—	380,000	—	20,250,000
Total Auxiliary Facilities System	<u>1,072,910,783</u>	<u>—</u>	<u>49,000,000</u>	<u>5,363,119</u>	<u>1,029,273,902</u>
UIC South Campus Development					
Revenue Bonds:					
Series 2003	4,140,000	—	615,000	—	3,525,000
Series 2008	31,990,000	—	5,610,000	—	26,380,000
Total UIC South Campus Development	<u>36,130,000</u>	<u>—</u>	<u>6,225,000</u>	<u>—</u>	<u>29,905,000</u>
University of Illinois Health Services					
Facilities System Revenue Bonds:					
Series 1997B	12,400,000	—	1,000,000	—	11,400,000
Series 2008	29,060,000	—	2,485,000	—	26,575,000
Series 2013	70,785,000	—	—	—	70,785,000
Total Health Services Facilities System	<u>112,245,000</u>	<u>—</u>	<u>3,485,000</u>	<u>—</u>	<u>108,760,000</u>
Total bonds payable	<u>\$ 1,221,285,783</u>	<u>—</u>	<u>58,710,000</u>	<u>5,363,119</u>	<u>1,167,938,902</u>

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Bonds Payable

June 30, 2018

(Unaudited)

(1) Advance Refunded Bonds

	Outstanding at June 30, 2018
University of Illinois Auxiliary Facilities System, Series 2009A	\$ 76,305,000

(2) Accrued Interest

Accrued interest on outstanding bonds payable at June 30, 2018 is as follows:

	Outstanding at June 30, 2018
University of Illinois Auxiliary Facilities System Revenue Bonds	\$ 10,734,737
University of Illinois Health Services Facilities System Revenue Bonds	1,140,445
University of Illinois UIC South Campus Development Revenue Bonds	152,645
	\$ 12,027,827

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Bonds Payable

June 30, 2018

(Unaudited)

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 consisted of current interest bonds (\$29,640,000) and capital appreciation bonds (\$47,747,579). The current interest bonds were retired during fiscal year 2002 utilizing funds from the sale of the Series 2001B and 2001C Bonds. The capital appreciation bonds do not require current interest payments. They 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 to (a) finance certain additions to the System; (b) finance remodeling, repair, and improvement of certain existing facilities of the System; (c) 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) pay all costs incidental to the issuance of the Series 1991 Bonds.

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 consisted of current interest bonds (\$100,730,000) and capital appreciation bonds (\$9,909,381). A portion of the current interest bonds were refunded during fiscal year 2005 and the remaining balance matured annually April 1, 2006 through April 1, 2010. The portion of the current interest bonds was refunded utilizing funds from the sale of the Series 2005A Bonds. The capital appreciation bonds do not require current interest payments. They mature annually April 1, 2015 through 2030 at amounts sufficient to produce yields ranging from 6.17% to 6.33%. The University records the annual increase in the principal amount of the bonds as interest expense and accretion on bonds payable.

Series 2001A

On August 30, 2001, the Series 2001A Bonds were issued in the principal amount of \$106,030,000. Series 2001A Bonds are current interest bonds which bear interest at rates ranging from 4.00% to 5.50% per annum, payable semiannually commencing April 1, 2002, and mature annually April 1, 2006 through 2024. A portion of the Series 2001A Bonds were refunded during fiscal year 2012 utilizing funds from the sale of the Series 2011C Bonds.

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

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Bonds Payable

June 30, 2018

(Unaudited)

Series 2001B

On July 26, 2001, the Series 2001B were issued in the principal amount of \$135,630,000. Series 2001B Bonds are current interest bonds which bear interest at rates ranging from 4.00% to 5.50% per annum, payable semiannually commencing April 1, 2002, and mature annually April 1, 2003 through 2019. A portion of the Series 2001B Bonds were refunded during fiscal year 2005 utilizing funds from the sale of the Series 2005A Bonds, in fiscal year 2007 utilizing funds from the sale of the Series 2006 Bonds, and in fiscal year 2012 utilizing funds from the sale of the Series 2011A and Series 2011C Bonds.

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

Series 2003A

On June 5, 2003, the Series 2003A Bonds were issued in the principal amount of \$65,870,000. Series 2003A Bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.50% per annum, payable semiannually commencing October 1, 2003, and mature annually April 1, 2004 through 2034. A portion of the Series 2003A Bonds were refunded during fiscal years 2012 and 2013 utilizing funds from the sale of the Series 2011C Bonds and Series 2013A Bonds, respectively.

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

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 semiannually commencing October 1, 2005, and mature annually April 1, 2007 through 2023. A portion of the Series 2005A Bonds were refunded during fiscal years 2013 utilizing funds from the sale of the Series 2013A Bonds and during fiscal year 2015 utilizing funds from the sale of Series 2015A Bonds.

Proceeds from the sale of the Series 2005A Bonds were 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 2008

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

Proceeds from the sale of the Series 2008 Bonds were used to pay for various improvements and additions to the System, to pay debt service during construction, and to pay all costs incidental to the issuance of the Series 2008 Bonds.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Bonds Payable

June 30, 2018

(Unaudited)

Series 2009A

On March 19, 2009, the Series 2009A Bonds were issued in the principal amount of \$84,100,000. Series 2009A Bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.75% per annum, payable semiannually commencing October 1, 2009, and mature annually April 1, 2010 through 2019. A portion of the Series 2009A Bonds were refunded during fiscal year 2015 utilizing funds from the sale of the Series 2015A Bonds.

Proceeds from the sale of the Series 2009A Bonds were used to fund various improvements to the System; to provide for the refunding of certain outstanding variable rate bonds, Series 2005B; and to pay all costs incidental to the issuance of the bonds.

Series 2010A

On July 21, 2010, the Series 2010A Bonds were issued in the principal amount of \$56,675,000. Series 2010A Bonds are current interest bonds which bear interest at rates ranging from 4.00% to 5.25% per annum, payable semiannually commencing October 1, 2010, and mature annually April 1, 2012 through 2030.

Proceeds from the sale of the Series 2010A Bonds were used to fund various improvements to the System, pay debt service during construction, and to pay costs of issuing the Series 2010A Bonds.

Series 2011A and Series 2011B

On July 7, 2011, the Series 2011A and Series 2011B Bonds were issued in the principal amount of \$81,970,000 and \$10,875,000, respectively. Series 2011A Bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.50% per annum, payable semiannually commencing October 1, 2011, and mature annually April 1, 2012 thru 2041. Series 2011B Bonds are current interest bonds which bear interest at rates ranging from 1.347% to 4.517% per annum, payable semiannually commencing October 1, 2011, and mature annually April 1, 2012 thru 2021.

Proceeds from the sale of the Series 2011A and Series 2011B Bonds were used to pay for various improvements and additions to the System, currently refund certain outstanding obligations of the Board (Series 2001B and Series 2001C), pay certain capitalized interest on the Series 2011A and Series 2011B Bonds, and to pay all costs incidental to the issuance of the Series 2011A and Series 2011B Bonds.

Series 2011C

On January 12, 2012, the Series 2011C Bonds were issued in the principal amount of \$71,900,000. Series 2011C Bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.00% per annum, payable semiannually commencing April 1, 2012, and mature annually April 1, 2013 thru 2032.

Proceeds from the sale of the Series 2011C Bonds were used to refund certain outstanding obligations of the Board (Series 2001A, 2001B, and 2003A) and pay costs incidental to the issuance of the Series 2011C Bonds.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Bonds Payable

June 30, 2018

(Unaudited)

Series 2013A

On May 15, 2013, the Series 2013A Bonds were issued in the principal amount of \$212,540,000. Series 2013A Bonds are current interest bonds which bear interest at rates ranging from 3.00% to 5.00% per annum, payable semiannually commencing October 1, 2013, and mature annually April 1, 2014 through 2032.

Proceeds from the sale of the Series 2013A Bonds were used to refund certain outstanding obligations of the Board (Series 2003A, 2005A, and 2006) and pay costs of issuing the Series 2013A Bonds.

Series 2014A and Series 2014B

On February 19, 2014, the Series 2014A and Series 2014B Bonds were issued in the principal amount of \$159,985,000 and \$17,845,000, respectively. Series 2014A Bonds are current interest bonds which bear interest at 5.00% per annum, payable semiannually commencing April 1, 2014, and mature annually April 1, 2024 thru 2044. Series 2014B Bonds are current interest bonds which bear interest at rates ranging from 0.862% to 3.926% per annum, payable semiannually commencing April 1, 2014, and mature annually April 1, 2016 thru 2023.

Proceeds of the Series 2014AB Bonds are being used, together with other lawfully available funds including the proceeds of the Taxable Series 2014C Bonds, to (i) pay a part of the costs of various improvements and additions to the System, and (ii) pay costs of issuing the Series 2014AB Bonds.

Series 2014C

On February 19, 2014, the Series 2014C Bonds were issued in the principal amount of \$50,000,000. Series 2014C Bonds are variable rate bonds bearing a weekly rate originally estimated at 3.60% per annum over the life of the bonds. Interest is payable monthly commencing March 2014. Certain bonds matured on August 3, 2015, May 2, 2016, April 1, 2017 and April, 2018, and the remaining bonds begin maturing annually April 1, 2039 through 2044.

The proceeds of the Series 2014C Bonds, are being used, together with other lawfully available funds including the proceeds of the Series 2014A and Series 2014B Bonds to (i) pay a part of the costs of various improvements and additions to the System and (ii) pay costs of issuing the Series 2014C Bonds.

Series 2015A

On February 11, 2015, the Series 2015A Bonds were issued in the principal amount of \$109,340,000. Series 2015A Bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.00% per annum, payable semiannually commencing October 1, 2015, and mature annually April 1, 2016 thru 2038.

Proceeds from the sale of the Series 2015A Bonds were being used to refund portions of the outstanding System bonds (Series 2005A and 2009A) and pay costs of issuing the Series 2015A Bonds.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Bonds Payable

June 30, 2018

(Unaudited)

Series 2016A

On February 24, 2016, the Series 2016A Bonds were issued in the principal amount of \$129,025,000. Series 2016A Bonds are current interest bonds which bear interest at rates ranging from 4.00% to 5.00% per annum, payable semiannually commencing April 1, 2016, and mature annually April 1, 2017 thru 2036.

Proceeds from the sale of the Series 2016A Bonds are being used to refund portions of the outstanding System bonds (Series 2006) and pay costs of issuing the Series 2016A Bonds.

Series 2016B

On April 20, 2016, the Series 2016B Bonds were issued in the principal amount of \$20,630,000. Series 2016B Bonds are current interest bonds which bear interest at rates ranging from 3.00% to 5.00% per annum, payable semiannually commencing October 1, 2016, and mature annually April 1, 2018 thru 2046.

Proceeds from the sale of the Series 2016A Bonds are being used, together with other lawfully available funds to (i) construct a new student union at the University of Illinois Springfield, and (ii) pay certain interest on the Series 2016B Bonds and (iii) pay costs of issuing the Series 2016B Bonds.

University of Illinois UIC South Campus Development Project

Series 2003 Bonds

On August 28, 2003, the Series 2003 Bonds were issued in the principal amount of \$10,000,000. The Series 2003 bonds are current interest bonds which bear interest at rates ranging from 2.00% to 5.25% per annum, payable semiannually, commencing January 15, 2004. The bonds mature annually, commencing January 15, 2006 through 2023.

Proceeds from the sale of the Series 2003 Bonds were used to (a) provide a portion of the funding for the University of Illinois South Campus Development Project; and (b) pay costs incidental to the issuance of the Series 2003 Bonds.

Series 2008 Bonds

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

Proceeds from the sale of the Series 2008 Bonds were used to refund the entire outstanding principal amount of the Series 2006A Bonds and to pay costs incidental to the issuance of the Series 2008 Bonds.

UNIVERSITY OF ILLINOIS
ANALYSIS OF OPERATIONS

Analysis of Bonds Payable

June 30, 2018

(Unaudited)

University of Illinois Health Services Facilities System

Series 1997B Bonds

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

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

Series 2008 Bonds

On June 26, 2008, the Series 2008 Bonds were issued in the principal amount of \$41,215,000. The Series 2008 Bonds are variable rate bonds bearing interest at a weekly rate. Interest is payable monthly commencing July 2008. The bonds mature annually October 1, 2011 through 2026. The Series 2007 interest rate swap agreement was transferred to the Series 2008 Bonds on July 28, 2008, in the notional amount of \$40,875,000.

Proceeds from the issuance of these bonds were used to fund the redemption of the \$40,875,000 outstanding principal amount of the Series 2007 Bonds, and to pay all costs incidental to the issuance of the Series 2008 Bonds.

Series 2013 Bonds

On September 5, 2013, the Series 2013 Bonds were issued in the principal amount of \$70,785,000. The Series 2013 bonds are current interest bonds which bear interest at rates ranging from 5.00% to 6.25% per annum, payable semiannually, commencing April 1, 2014. The bonds mature annually October 1, 2027 through 2042.

Proceeds from the sale of the Series 2013 Bonds are being used to finance the costs of certain construction, renovation and equipment purchases for the Health Services Facilities System and to pay costs incidental to the issuance of the Series 2013 Bonds.

UNIVERSITY OF ILLINOIS
 Analysis of University Income Fund
 Comparative Schedule of University Income Fund Revenues and Expenditures
 Budget years of fiscal 2018 and 2017
 (Unaudited)

	2018	2017
University Income Fund:		
Revenues:		
Net student tuition and other charges	\$ 1,218,823,137	1,177,923,332
Other sources	30,689,770	20,593,317
Total Revenues	1,249,512,907	1,198,516,649
Provision for bad debts	(5,593,795)	(6,271,961)
Net Revenues	1,243,919,112	1,192,244,688
Add (deduct) net change in:		
Cash	1,501,027	(142,178)
Accounts receivable	(676,353)	231,146
Prepaid charges	(191,457)	(74,956)
Accrued investment income	(861,129)	(349,254)
Unearned revenue	2,474,594	(1,050,455)
Accounts payable	(2,899)	280
Net Change in Assets & Liabilities	2,243,783	(1,385,417)
Fiscal Year Receipts	1,246,162,895	1,190,859,271
Expenditures:		
Unemployment compensation	344,203	322,283
Permanent improvements	745,114	186,637
Personal services	641,768,930	749,764,526
Awards and grants	156,998,753	154,793,411
Travel	4,651,734	4,472,299
Commodities	12,121,454	11,661,188
Contractual services	106,237,155	206,975,028
Equipment	24,765,070	38,130,250
Telecommunications	8,882,901	8,831,437
Operation of automotive equipment	888,021	973,372
Workers' compensation	5,491,739	6,378,757
Health Insurance	2,993,400	12,446,600
Medicare	10,026,146	17,992,111
Other Fringe Benefits	5,067,387	4,605,463
Transfers for capital projects	176,434,689	5,670,788
Transfers for debt payments	303,694	263,908
Total Expenditures	1,157,720,390	1,223,468,058
Increase (Decrease) in Fund Balance	88,442,505	(32,608,787)
Fund balance at beginning of budget fiscal year	206,550,477	37,203
Prior year adjustments made after final report was completed	(113,173)	(7,264)
Beginning balance as adjusted	206,437,304	29,939
Unadjusted fund balance at end of budget fiscal year	294,879,809	(32,578,848)
Fiscal 2016 expenditures charged to fiscal 2017 appropriation	—	239,129,325
Adjusted fund balance at end of budget fiscal year	\$ 294,879,809	206,550,477
Budget	\$ 1,242,384,500	1,213,239,300
Fund balance as percentage of budget	23.73%	17.02%

UNIVERSITY OF ILLINOIS

ANALYSIS OF OPERATIONS

Analysis of University Income Fund

Comparative Schedule of University Income Fund Revenues and Expenditures

Budget years of fiscal 2018 and 2017

(Unaudited)

Net student tuition increased by approximately \$40.9 million from fiscal year 2017 to fiscal year 2018. 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). With the tuition guarantee, rates for continuing undergraduates do not change. In addition, the four-year guaranteed rate set for first-time resident undergraduate students in FY 2018 were not increased at all three campuses. However, there were increases to the non-resident and international undergraduate tuition rates at the University of Illinois-Urbana-Champaign (UIUC) and one increase to a differential rate at University of Illinois-Chicago (UIC). General graduate tuition increased 1.8%, only at UIUC. There were increases to existing differentials in several graduate and professional programs at UIC and UIUC. The campuses also experienced variations in enrollments, the student payer mix, carryover and technical adjustments in fiscal year 2017.

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. With the exception of audit expense paid centrally, all investment income was distributed back to the campuses for recurring obligations.

As noted above, in addition to the tuition and fee increases, annual changes in enrollment, the student payer mix and carryover balances can have an impact on the funding available from this fund source.

Income Fund expenditures decreased by approximately \$65.7 million (a 5.37% decrease). Restoration of state funding at the end of fiscal year 2017 and stable funding in fiscal year 2018 coupled with cost containment efforts during the impasse resulted in the University of Illinois charging less expenditures to Income Fund than compared to fiscal year 2017.

UNIVERSITY OF ILLINOIS

Entity Financial Statements and Related Information

Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2018

(Unaudited)

The revenues, expenses, 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, 2018, are compared and analyzed by accounting entity, as defined by the University.

The entities 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, due to certain eliminations between various entities.

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 1999A, Series 2001A, Series 2001B, Series 2003A, Series 2005A, Series 2008, Series 2009A, Series 2010A, Series 2011A, Series 2011B, Series 2011C, Series 2013A, Series 2014A, Series 2014B, Series 2014C, Series 2015A, Series 2016A, and Series 2016B (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 State Farm Center, the Activities and Recreation Center, Ice Rink Arena, and Memorial Stadium at the Urbana-Champaign campus; the Pavilion and Ice Rink at the Chicago campus; and the Gymnasium and the Recreation and Athletic Center at the Springfield campus.

II. Auxiliary Enterprises Not Under Indenture

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

B. *Unique Instructional Programs* – Unique student and staff programs such as field trips and other activities of a similar nature.

UNIVERSITY OF ILLINOIS

Entity Financial Statements and Related Information

Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2018

(Unaudited)

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* – Noncredit-bearing instructional activities including conferences, workshops, seminars, and continuing education courses provided primarily as a public service.
- C. *Agricultural Operations* – Agricultural activities that pertain to the practice of agriculture in direct support of the instructional, research, and public service functions of the University administered by the College of Agricultural, Consumer, and Environmental Sciences. Activities that pertain to academic and theoretical research and topics are recorded in other entities as appropriate.
- D. *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 the technical research park, and airport operations.
- E. *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, public service, and healthcare functions of the University.
- F. *Public Service, Academic Support, Healthcare and Economic Development Activities* – Activities in direct support of the primary academic, public service, healthcare, 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, healthcare, and economic development functions of the University.

UNIVERSITY OF ILLINOIS

Entity Financial Statements and Related Information

Entity Descriptions, Auxiliary Facilities System Bonds, and Special Bonds

Year ended June 30, 2018

(Unaudited)

- G. *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
- 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, 2018

(Unaudited)

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

UNIVERSITY OF ILLINOIS
Statement of Net Position
Auxiliary Enterprises Under Indenture
June 30, 2018
(Unaudited)

	<u>All campuses</u>
Assets:	
Current assets:	
Claim on cash and on pooled investments	\$ 194,243,727
Cash and cash equivalents	450,313
Cash and cash equivalents, restricted	8,778,638
Investments	4,967,600
Accrued investment income	609,646
Accounts receivable, net of allowance	8,320,643
Inventories	6,559,099
Prepaid expenses	572,971
Total current assets	<u>224,502,637</u>
Noncurrent assets:	
Cash and cash equivalents, restricted	3,682,160
Investments, restricted	17,901,046
Capital assets, net of accumulated depreciation	1,120,802,995
Total noncurrent assets	<u>1,142,386,201</u>
Deferred outflow of resources	<u>21,043,048</u>
Total assets and deferred outflow of resources	<u>\$ 1,387,931,886</u>
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 36,131,797
Accrued compensated absences, current portion	533,627
Unearned revenue	7,766,882
Notes payable to the University, current portion	11,501,021
Bonds and leaseholds payable, current portion	45,931,755
Total current liabilities	<u>101,865,082</u>
Noncurrent liabilities:	
Accrued compensated absences	5,765,812
Notes payable to the University	6,295,325
Bonds and leaseholds payable	1,043,008,360
Total noncurrent liabilities	<u>1,055,069,497</u>
Total liabilities	<u>1,156,934,579</u>
Net position:	
Net investment in capital assets	60,179,763
Restricted:	
Expendable for debt service	27,460,845
Unrestricted	143,356,699
Total net position	<u>230,997,307</u>
Total liabilities and net position	<u>\$ 1,387,931,886</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Auxiliary Enterprises Under Indenture

Year ended June 30, 2018

(Unaudited)

	<u>All campuses</u>
Operating revenues:	
Room and board, net of waivers	\$ 148,324,521
Merchandise and retail food sales	35,717,857
Student service fees	100,781,393
Public events and recreation fees	7,947,086
Parking income	27,425,057
Rental and lease income	30,266,166
Printing and vending income	3,847,359
Other operating revenue	9,630,192
Total operating revenues	<u>363,939,631</u>
Operating expenses:	
Salaries and wages	92,282,514
Merchandise and food for resale	33,405,488
Repairs and maintenance	7,854,723
Professional and other contractual services	45,563,674
Utilities	35,043,578
Supplies	12,949,178
Noncapitalized renovations and equipment	21,518,812
Administrative services	16,625,219
Other operating expense	5,596,388
Depreciation	43,128,096
On behalf payments for fringe benefits	67,138,574
Total operating expenses	<u>381,106,244</u>
Operating loss	<u>(17,166,613)</u>
Nonoperating revenues (expenses):	
On behalf payments for fringe benefits	67,138,574
Investment income (net of related expenses)	2,472,427
Interest on capital asset related debt	(50,198,491)
Loss on disposal of capital assets	(4,151)
Other nonoperating expenses, net	872,786
Total nonoperating revenues, net	<u>20,281,145</u>
Increase in net position	3,114,532
Net position, beginning of year	<u>227,882,775</u>
Net position, end of year	<u>\$ 230,997,307</u>

UNIVERSITY OF ILLINOIS
Statement of Net Position
Auxiliary Enterprises Not Under Indenture
Student/Staff Programs and Services
June 30, 2018
(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 34,738,941	16,005,916	1,458,502
Accounts receivable and accrued investment income	1,351,229	1,901,417	116,422
Inventories	75,434	—	26,527
Prepaid expenses	2,156,068	381,949	14,955
Total current assets	<u>38,321,672</u>	<u>18,289,282</u>	<u>1,616,406</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>3,267,457</u>	<u>136,976</u>	<u>373,613</u>
Total assets	<u>\$ 41,589,129</u>	<u>18,426,258</u>	<u>1,990,019</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 15,206,798	343,795	166,444
Unearned revenue	3,417,700	3,276,640	143,175
Accrued compensated absences, current portion	<u>72,205</u>	<u>49,318</u>	<u>10,844</u>
Total current liabilities	18,696,703	3,669,753	320,463
Noncurrent liabilities:			
Accrued compensated absences	<u>687,844</u>	<u>469,817</u>	<u>103,299</u>
Total liabilities	<u>19,384,547</u>	<u>4,139,570</u>	<u>423,762</u>
Net position:			
Net investment in capital assets	3,267,457	136,976	373,613
Unrestricted	<u>18,937,125</u>	<u>14,149,712</u>	<u>1,192,644</u>
Total net position	<u>22,204,582</u>	<u>14,286,688</u>	<u>1,566,257</u>
Total liabilities and net position	<u>\$ 41,589,129</u>	<u>18,426,258</u>	<u>1,990,019</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Auxiliary Enterprises Not Under Indenture

Student/Staff Programs and Services

Year ended June 30, 2018

(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Student program fees	\$ 62,880,892	38,865,386	3,357,507
Merchandise and food sales	739,141	2,324	3,256
Public events and recreation fees	343,575	16,108	5,764
Rental and lease income	165,225	—	—
Parking income	—	26,232	—
Vending income	—	1,213	—
Other operating revenue	7,480,044	2,573,181	719,578
Total operating revenues	<u>71,608,877</u>	<u>41,484,444</u>	<u>4,086,105</u>
Operating expenses:			
Salaries and wages	12,083,924	6,758,135	1,510,445
Merchandise and food for resale	432,507	8,711,785	18,192
Repairs and maintenance	189,301	87,465	22,968
Professional and other contractual services	39,069,135	13,015,470	1,803,133
Utilities	308,711	56,997	12,265
Supplies	1,696,854	966,101	519,016
Noncapitalized renovations and equipment	6,104,223	113,254	49,371
Administrative services	1,150,758	398,647	17,863
Other operating expense	6,788,115	9,421,819	234,778
Depreciation and amortization	348,732	66,704	39,291
Total operating expenses	<u>68,172,260</u>	<u>39,596,377</u>	<u>4,227,322</u>
Operating income (loss)	<u>3,436,617</u>	<u>1,888,067</u>	<u>(141,217)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	422,703	411,409	6,075
Other nonoperating expenses, net	(235,589)	—	—
Total nonoperating revenues, net	<u>187,114</u>	<u>411,409</u>	<u>6,075</u>
Increase (decrease) in net position	3,623,731	2,299,476	(135,142)
Net position, beginning of year	<u>18,580,851</u>	<u>11,987,212</u>	<u>1,701,399</u>
Net position, end of year	\$ <u>22,204,582</u>	<u>14,286,688</u>	<u>1,566,257</u>

UNIVERSITY OF ILLINOIS
Statement of Net Position
Auxiliary Enterprises Not Under Indenture
Unique Instructional Programs
June 30, 2018
(Unaudited)

	Urbana
Assets:	
Current assets:	
Cash and cash equivalents	\$ 55,230
Accounts receivable	18,605
Other assets	8,113
Total assets	\$ 81,948
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 26,042
Total liabilities	26,042
Net position:	
Unrestricted	55,906
Total net position	55,906
Total liabilities and net position	\$ 81,948

UNIVERSITY OF ILLINOIS
Statement of Revenues, Expenses, and Changes in Net Position
Auxiliary Enterprises Not Under Indenture
Unique Instructional Programs
Year ended June 30, 2018
(Unaudited)

	Urbana
Operating revenues:	
Student program fees	\$ 170,391
Other operating revenue	89,767
Total operating revenues	260,158
Operating expenses:	
Salaries and wages	17,263
Professional and other contractual services	51,896
Supplies	4,179
Noncapitalized renovations and equipment	25,487
Administrative expenses	33
Other operating expense	117,666
Depreciation	879
Total operating expenses	217,403
Operating income	42,755
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	452
Other nonoperating expenses, net	(38,116)
Total nonoperating expenses, net	(37,664)
Increase in net position	5,091
Net position, beginning of year	50,815
Net position, end of year	\$ 55,906

UNIVERSITY OF ILLINOIS
Statement of Net Position
Storerooms and Service Departments
Communication and Computing Services
June 30, 2018
(Unaudited)

	All campuses
Assets:	
Current assets:	
Cash and cash equivalents	\$ 21,458,504
Accounts receivable	85,271
Inventories	1,180,996
Prepaid expenses	2,413,395
Total current assets	25,138,166
Noncurrent assets:	
Capital assets, net of accumulated depreciation	13,284,816
Total noncurrent assets	13,284,816
Total assets	\$ 38,422,982
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 3,807,998
Accrued compensated absences, current portion	354,899
Leaseholds payable and other obligations, current portion	76,641
Total current liabilities	4,239,538
Noncurrent liabilities:	
Accrued compensated absences	3,380,880
Leaseholds payable and other obligations	95,801
Total noncurrent liabilities	3,476,681
Total liabilities	7,716,219
Net position:	
Net investment in capital assets	13,112,374
Unrestricted	17,594,389
Total net position	30,706,763
Total liabilities and net position	\$ 38,422,982

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Storerooms and Service Departments

Communication and Computing Services

Year ended June 30, 2018

(Unaudited)

	All campuses
Operating revenues:	
General computing and technology services	\$ 54,908,384
Academic Computing and Communication Center services	8,792,831
Merchandise and food sales	3,774,156
Administrative Information Technology Services training and assistance	821,386
Business Information Systems services	12,643
Rental and lease income	198,434
Other sources	2,750
Total operating revenues	68,510,584
Operating expenses:	
Salaries and wages	27,351,245
Merchandise and food for resale	4,922,477
Repairs and maintenance	2,279,005
Professional and other contractual services	19,481,311
Utilities	7,710,856
Supplies	2,564,688
Noncapitalized renovations and equipment	189,833
Other operating expense	232,103
Depreciation and amortization	4,477,521
Total operating expenses	69,209,039
Operating loss	(698,455)
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	1,310,951
Interest on capital asset related debt	76,641
Loss on disposal of capital assets	(6,747)
Other nonoperating revenues, net	313,028
Total nonoperating revenues, net	1,693,873
Increase in net position	995,418
Net position, beginning of year	29,711,345
Net position, end of year	\$ 30,706,763

UNIVERSITY OF ILLINOIS
Statement of Net Position
Storerooms and Service Departments
Plant and Services Operations
June 30, 2018
(Unaudited)

	All campuses
Assets:	
Current assets:	
Cash and cash equivalents	\$ 72,218,060
Investments	2,666
Accounts receivable and accrued investment income	1,169,871
Inventories	5,933,316
Prepaid expenses	2,614,758
Other assets	2,000,000
Total current assets	83,938,671
Noncurrent assets:	
Leasehold receivable	960,309
Capital assets, net of accumulated depreciation	154,062,278
Total noncurrent assets	155,022,587
Deferred outflow of resources	1,142,532
Total assets	\$ 240,103,790
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 39,702,056
Unearned revenue	24,590
Accrued compensated absences, current portion	1,856,868
Leaseholds payable and other obligations, current portion	28,426,216
Total current liabilities	70,009,730
Noncurrent liabilities:	
Leaseholds payable and other obligations	81,697,911
Accrued compensated absences	17,689,111
Total noncurrent liabilities	99,387,022
Total liabilities	169,396,752
Net position:	
Net investment in capital assets	46,122,353
Restricted	227,670
Unrestricted	24,357,015
Total net position	70,707,038
Total liabilities and net position	\$ 240,103,790

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Storerooms and Service Departments

Plant and Services Operations

Year ended June 30, 2018

(Unaudited)

	All campuses
Operating revenues:	
Plant operations and related services	\$ 298,034,775
Utility services	218,157,019
Lab and pharmacy services	55,250,835
Merchandise and food sales	11,848,813
Other sources	7,926,222
Total operating revenues	591,217,664
Operating expenses:	
Salaries and wages	221,993,656
Merchandise and food for resale	135,621,998
Repairs and maintenance	44,805,247
Professional and other contractual services	124,420,666
Utilities	6,752,986
Supplies	16,545,764
Noncapitalized renovations and equipment	9,646,357
Administrative services	3,220,637
Other operating expense	5,492,823
Depreciation and amortization	20,127,994
Total operating expenses	588,628,128
Operating income	2,589,536
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	8,208,249
Interest on capital asset related debt	(4,040,650)
Other nonoperating expenses, net	1,250,365
Total nonoperating revenues, net	5,417,964
Increase in net position	8,007,500
Net position, beginning of year	62,699,538
Net position, end of year	\$ 70,707,038

UNIVERSITY OF ILLINOIS
Statement of Revenues, Expenses, and Changes in Net Position
Departmental Activities
Instructional Course Activities
Year ended June 30, 2018
(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 83,448	602,971	17,856
Accounts receivable and accrued investment income	1,067	18,477	13,911
Prepaid expenses	—	15	498
Total current assets	<u>84,515</u>	<u>621,463</u>	<u>32,265</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	<u>2,321,511</u>	<u>89,961</u>	<u>—</u>
Total assets	<u>\$ 2,406,026</u>	<u>711,424</u>	<u>32,265</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 86	54,090	4,237
Unearned revenue	—	168,618	48,218
Accrued compensated absences, current portion	—	2,381	—
Total current liabilities	<u>86</u>	<u>225,089</u>	<u>52,455</u>
Noncurrent liabilities:			
Accrued compensated absences	<u>—</u>	<u>22,678</u>	<u>—</u>
Total liabilities	<u>86</u>	<u>247,767</u>	<u>52,455</u>
Net position:			
Net investment in capital assets	2,321,511	89,961	—
Unrestricted	<u>84,429</u>	<u>373,696</u>	<u>(20,190)</u>
Total net position	<u>2,405,940</u>	<u>463,657</u>	<u>(20,190)</u>
Total liabilities and net position	<u>\$ 2,406,026</u>	<u>711,424</u>	<u>32,265</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Instructional Course Activities

Year ended June 30, 2018

(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Student program fees	\$ 113,241	972,165	100,052
Professional and contractual services	36,492	—	—
Total operating revenues	<u>149,733</u>	<u>972,165</u>	<u>100,052</u>
Operating expenses:			
Salaries and wages	105,521	167,885	109,707
Repairs and maintenance	—	1,478	—
Professional and other contractual services	—	77,635	10,550
Utilities	10	33,791	—
Supplies	1,034	356,536	—
Noncapitalized renovations and equipment	—	22,393	—
Administrative services	14	287	—
Other operating expense	90	70,702	—
Depreciation and amortization	104,991	36,346	—
Total operating expenses	<u>211,660</u>	<u>767,053</u>	<u>120,257</u>
Operating (loss) income	<u>(61,927)</u>	<u>205,112</u>	<u>(20,205)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	356	17,911	15
Other nonoperating expenses, net	<u>(6,215)</u>	<u>(3,420,899)</u>	<u>—</u>
Total nonoperating revenues (expenses), net	<u>(5,859)</u>	<u>(3,402,988)</u>	<u>15</u>
Decrease in net position	<u>(67,786)</u>	<u>(3,197,876)</u>	<u>(20,190)</u>
Net position, beginning of year	<u>2,473,726</u>	<u>3,661,533</u>	<u>—</u>
Net position, end of year	\$ <u><u>2,405,940</u></u>	<u><u>463,657</u></u>	<u><u>(20,190)</u></u>

UNIVERSITY OF ILLINOIS
Statement of Net Position
Departmental Activities
Professional Development Activities
June 30, 2018
(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 8,892,240	2,947,111	—
Accounts receivable and accrued investment income	766,200	127,640	41,784
Inventories	13,469	25	—
Prepaid expenses	75,044	33,916	2,603
Total current assets	<u>9,746,953</u>	<u>3,108,692</u>	<u>44,387</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	7,811,734	340,853	2,879
Total noncurrent assets	<u>7,811,734</u>	<u>340,853</u>	<u>2,879</u>
Deferred outflow of resources	225,694	—	—
Total assets	<u>\$ 17,784,381</u>	<u>3,449,545</u>	<u>47,266</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 884,123	305,311	260,086
Unearned revenue	1,359,328	258,224	31,050
Accrued compensated absences, current portion	22,769	27,386	1,035
Leaseholds payable and other obligations, current portion	454,256	—	—
Total current liabilities	<u>2,720,476</u>	<u>590,921</u>	<u>292,171</u>
Noncurrent liabilities:			
Accrued compensated absences	216,901	260,892	9,855
Leaseholds payable and other obligations	4,873,274	—	—
Total noncurrent liabilities	<u>5,090,175</u>	<u>260,892</u>	<u>9,855</u>
Total liabilities	<u>7,810,651</u>	<u>851,813</u>	<u>302,026</u>
Net position:			
Net investment in capital assets	2,709,898	340,853	2,879
Unrestricted	7,263,832	2,256,879	(257,639)
Total net position	<u>9,973,730</u>	<u>2,597,732</u>	<u>(254,760)</u>
Total liabilities and net position	<u>\$ 17,784,381</u>	<u>3,449,545</u>	<u>47,266</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Professional Development Activities

Year ended June 30, 2018

(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Professional development conferences and workshops	\$ 16,154,843	6,343,455	192,754
Student program fees	11,705	—	—
Rental and lease income	20,450	2,828	57,522
Public events and recreation fees	501,232	—	—
Other sources	16,718	—	18,160
Total operating revenues	<u>16,704,948</u>	<u>6,346,283</u>	<u>268,436</u>
Operating expenses:			
Salaries and wages	6,347,753	3,085,224	287,191
Merchandise and food for resale	—	11,765	—
Repairs and maintenance	22,704	45,678	—
Professional and other contractual services	4,698,551	1,392,357	77,745
Utilities	122,198	25,220	1,705
Supplies	1,457,730	365,928	1,920
Noncapitalized renovations and equipment	900,495	477,505	44,587
Administrative services	274,653	87	—
Other operating expense	823,162	550,383	—
Depreciation and amortization	556,249	72,563	3,576
Total operating expenses	<u>15,203,495</u>	<u>6,026,710</u>	<u>416,724</u>
Operating income (loss)	<u>1,501,453</u>	<u>319,573</u>	<u>(148,288)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	69,347	33,575	—
Interest on capital asset related debt	(229,911)	—	—
Other nonoperating expenses, net	(72,812)	(118,667)	(396)
Total nonoperating expenses, net	<u>(233,376)</u>	<u>(85,092)</u>	<u>(396)</u>
Increase (decrease) in net position	1,268,077	234,481	(148,684)
Net position, beginning of year	<u>8,705,653</u>	<u>2,363,251</u>	<u>(106,076)</u>
Net position, end of year	\$ <u><u>9,973,730</u></u>	<u><u>2,597,732</u></u>	<u><u>(254,760)</u></u>

UNIVERSITY OF ILLINOIS

Statement of Net Position

Departmental Activities

Agricultural Operations

June 30, 2018

(Unaudited)

Urbana

Assets:

Current assets:

Cash and cash equivalents	\$	5,385,629
Accounts receivable and accrued investment income		98,814
Inventories		247,251
Prepaid expenses		37,871
Total current assets		<u>5,769,565</u>

Noncurrent assets:

Capital assets, net of accumulated depreciation		<u>6,640,057</u>
Total assets	\$	<u><u>12,409,622</u></u>

Liabilities:

Current liabilities:

Accounts payable and accrued liabilities	\$	855,447
Unearned revenue		431,221
Leaseholds payable, current portion		34,851
Accrued compensated absences, current portion		22,400
Total current liabilities		<u>1,343,919</u>

Noncurrent liabilities:

Leaseholds payable		111,193
Accrued compensated absences		213,391
Total noncurrent liabilities		<u>324,584</u>
Total liabilities		<u>1,668,503</u>

Net position:

Net investment in capital assets		6,494,013
Unrestricted		<u>4,247,106</u>
Total net position		<u>10,741,119</u>
Total liabilities and net position	\$	<u><u>12,409,622</u></u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Agricultural Operations

Year ended June 30, 2018

(Unaudited)

	Urbana
Operating revenues:	
Farm sales	\$ 5,528,222
Crop sciences programs	2,110,700
Cooperative Extension services	1,601,783
Animal sciences programs	1,776,921
4H activities	734,812
Rental and lease income	245,889
Food science and human nutrition programs	250,294
Information technology and commercial services	207,396
Agricultural and biological engineering activities	288,645
Merchandise and food sales	167,501
Natural resources and environment sciences	22,235
Other sources	154,508
Total operating revenues	13,088,906
Operating expenses:	
Salaries and wages	3,319,720
Merchandise and food for resale	401,362
Repairs and maintenance	248,924
Professional and other contractual services	2,046,066
Utilities	166,738
Supplies	4,751,983
Noncapitalized renovations and equipment	219,263
Administrative services	223,578
Other operating expense	404,850
Depreciation and amortization	866,270
Total operating expenses	12,648,754
Operating income	440,152
Nonoperating revenues (expenses):	
Investment income (net of related expenses)	38,991
Interest on capital asset related debt	(1,419)
Other nonoperating expenses, net	(334,930)
Total nonoperating expenses, net	(297,358)
Increase in net position	142,794
Net position, beginning of year	10,598,325
Net position, end of year	\$ 10,741,119

UNIVERSITY OF ILLINOIS
Statement of Net Position
Departmental Activities
Commercial Operations Not Under Indenture
June 30, 2018
(Unaudited)

	Urbana	Chicago
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,135,098	1,713,963
Accounts receivable, accrued investment income and other	667,271	829,737
Total current assets	2,802,369	2,543,700
Noncurrent assets:		
Capital assets, net of accumulated depreciation	35,692,111	4,426,157
Total assets	\$ 38,494,480	6,969,857
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 88,670	731
Accrued compensated absences, current portion	7,939	—
Unearned revenue	—	75,582
Internal payable	18,696	—
Total current liabilities	115,305	76,313
Noncurrent liabilities:		
Accrued compensated absences	111,155	—
Internal payable, noncurrent	75,626	—
Total noncurrent liabilities	186,781	—
Total liabilities	302,086	76,313
Net position:		
Net investment in capital assets	35,562,260	4,426,157
Unrestricted	2,630,134	2,467,387
Total net position	38,192,394	6,893,544
Total liabilities and net position	\$ 38,494,480	6,969,857

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Commercial Operations Not Under Indenture

Year ended June 30, 2018

(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>
Operating revenues:		
Utilities provided to outside parties	\$ 2,575,574	4,205,543
Rental and lease income	1,395,826	772,955
Vending income	757,973	—
Parking	656,111	—
Farm sales	228,000	—
Other sources	37,775	1,079,754
Total operating revenues	<u>5,651,259</u>	<u>6,058,252</u>
Operating expenses:		
Salaries and wages	1,251,797	7,450
Repairs and maintenance	42,492	812,961
Professional and other contractual services	609,963	1,251,544
Utilities	2,772,444	4,183,929
Supplies	238,243	738,330
Noncapitalized renovations and equipment	90,988	26,941
Administrative services	—	128,808
Other operating expense	23,579	723,068
Depreciation and amortization	2,184,700	261,470
Total operating expenses	<u>7,214,206</u>	<u>8,134,501</u>
Operating loss	<u>(1,562,947)</u>	<u>(2,076,249)</u>
Nonoperating revenues (expenses):		
Investment income (net of related expenses)	21,589	39,930
Interest on capital asset related debt	(3,882)	—
Capital grants	3,529,606	—
Total nonoperating revenues, net	<u>3,547,313</u>	<u>39,930</u>
Increase (decrease) in net position	1,984,366	(2,036,319)
Net position, beginning of year	<u>36,208,028</u>	<u>8,929,863</u>
Net position, end of year	<u>\$ 38,192,394</u>	<u>6,893,544</u>

UNIVERSITY OF ILLINOIS

Statement of Net Position

Departmental Activities

Hospital and Clinics

June 30, 2018

(Unaudited)

	Chicago
Assets and deferred outflow of resources:	
Current assets:	
Claim on cash and on pooled investments	\$ 226,745,816
Restricted claim on cash and on pooled investments	1,102,400
Restricted cash and cash equivalents	38,045
Accrued investment income	801,777
Patient receivables, net	162,101,942
Receivable from the State of Illinois	39,588,800
Other receivables	10,233,948
Inventories	6,247,287
Prepaid expenses, deposits, and other assets	2,450,673
Total current assets	449,310,688
Noncurrent assets:	
Restricted claim on cash and on pooled investments	21,758,266
Restricted cash and cash equivalents	38,268
Restricted investments	5,504,215
Capital assets net of accumulated depreciation	203,372,257
Total noncurrent assets	230,673,006
Deferred outflow of resources	3,291,265
Total assets and deferred outflow of resources	\$ 683,274,959
Liabilities:	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 156,415,311
Long-term liabilities, current portion	5,974,779
Total current liabilities	162,390,090
Noncurrent liabilities:	
Long-term debt, net of current portion	105,612,770
Accrued compensated absences, net of current portion	24,366,519
Derivative instrument – swap liability	1,868,697
Total noncurrent liabilities	131,847,986
Total liabilities	294,238,076
Net position:	
Net investment in capital assets	101,825,277
Restricted	19,574,473
Unrestricted	267,637,133
Total net position	389,036,883
Total liabilities and net position	\$ 683,274,959

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Hospital and Clinics

Year ended June 30, 2018

(Unaudited)

	Chicago
Operating revenues:	
Net patient service revenues	\$ 721,081,781
Revenues recognized on behalf of the System	28,018,039
Other revenues	42,198,886
Total operating revenues	791,298,706
Operating expenses:	
Salaries and wages	332,524,265
Fringe benefits	323,092,114
Supplies and general expenses	393,141,666
Administrative services	13,056,116
Depreciation and amortization	21,498,679
Total operating expenses	1,083,312,840
Operating loss	(292,014,134)
Nonoperating revenue (expenses):	
On behalf for fringe benefits	316,872,252
State appropriations	57,595,400
Transfer of State appropriations to the Illinois DHFS Hospital Services Fund	(20,000,000)
Interest on capital asset related debt	(4,365,815)
Investment income	2,878,330
Loss on disposal of capital assets	(59,105)
Other nonoperating revenues, net	437,544
Total nonoperating revenues, net	353,358,606
Increase in net position	61,344,472
Net position, beginning of year	327,692,411
Net position, end of the year	\$ 389,036,883

UNIVERSITY OF ILLINOIS

Statement of Net Position

Departmental Activities

Public Service, Academic Support, Healthcare, and Economic Development Activities

June 30, 2018

(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 27,488,501	25,410,502	962,540
Accounts receivable and accrued investment income	3,319,431	32,897,036	133,885
Inventories	1,797,501	6,427,753	469
Prepaid expenses	802,679	324,026	8,873
Total current assets	<u>33,408,112</u>	<u>65,059,317</u>	<u>1,105,767</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation	13,056,878	21,974,608	209,315
Total assets	<u>\$ 46,464,990</u>	<u>87,033,925</u>	<u>1,315,082</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 4,097,288	8,409,025	245,384
Unearned revenue	2,854,054	2,040,456	280,401
Internal payable, current portion	523,879	—	—
Leaseholds payable, current portion	14,677	50,660	—
Accrued compensated absences, current portion	113,248	495,543	2,100
Total current liabilities	<u>7,603,146</u>	<u>10,995,684</u>	<u>527,885</u>
Noncurrent liabilities:			
Internal payable	2,206,895	—	—
Leaseholds payable	6,378	—	—
Accrued compensated absences	1,078,841	4,720,695	20,001
Total noncurrent liabilities	<u>3,292,114</u>	<u>4,720,695</u>	<u>20,001</u>
Total liabilities	<u>10,895,260</u>	<u>15,716,379</u>	<u>547,886</u>
Net position:			
Net investment in capital assets	13,035,823	21,923,948	209,315
Unrestricted	22,533,907	49,393,598	557,881
Total net position	<u>35,569,730</u>	<u>71,317,546</u>	<u>767,196</u>
Total liabilities and net position	<u>\$ 46,464,990</u>	<u>87,033,925</u>	<u>1,315,082</u>

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Public Service, Academic Support, Healthcare, and Economic Development Activities

Year ended June 30, 2018

(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Health and medical services income	\$ 24,294,276	153,228,868	—
Public services income	23,840,510	1,709,068	97,401
Academic support activities income	6,324,989	151,040	—
Student program fees	443,782	295,186	—
Merchandise and food sales	624,795	25,451	16,888
Rental and lease income	1,411,116	119,589	512,240
Public events and recreation fees	1,894,482	45,285	1,099,533
Farm sales	54,207	—	—
Economic development services	66,112	—	—
Parking	—	—	20,587
Other sources	2,635,440	1,008,159	—
	<u>61,589,709</u>	<u>156,582,646</u>	<u>1,746,649</u>
Total operating revenues			
Operating expenses:			
Salaries and wages	21,521,480	70,201,994	393,911
Merchandise and food for resale	1,183,764	26,228,259	—
Repairs and maintenance	863,929	491,747	41,003
Professional and other contractual services	17,686,249	34,228,389	1,146,589
Utilities	868,912	1,456,270	18,504
Supplies	7,961,432	5,308,929	49,130
Noncapitalized renovations and equipment	2,705,394	639,038	83,572
Administrative services	304,841	1,427,886	—
Other operating expense	856,665	2,156,638	15,156
Depreciation and amortization	1,689,028	1,131,193	33,958
	<u>55,641,694</u>	<u>143,270,343</u>	<u>1,781,823</u>
Total operating expenses			
Operating income (loss)	<u>5,948,015</u>	<u>13,312,303</u>	<u>(35,174)</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	219,169	426,429	997
Interest on debt	(112,627)	(1,142)	—
Other nonoperating revenues (expenses), net	174,728	(42,110)	(109,517)
	<u>281,270</u>	<u>383,177</u>	<u>(108,520)</u>
Total nonoperating revenues (expenses), net			
Increase (decrease) in net position	6,229,285	13,695,480	(143,694)
Net position, beginning of year	<u>29,340,445</u>	<u>57,622,066</u>	<u>910,890</u>
Net position, end of year	<u>\$ 35,569,730</u>	<u>71,317,546</u>	<u>767,196</u>

UNIVERSITY OF ILLINOIS

Statement of Net Position

Departmental Activities

Intercollegiate Athletics

June 30, 2018

(Unaudited)

	Urbana	Chicago	Springfield
Assets:			
Current assets:			
Cash and cash equivalents	\$ 13,200,967	—	88,021
Accounts receivable and accrued investment income	4,211,598	613,308	24,781
Inventories	17,351	—	403
Prepaid expenses	411,110	—	—
Total current assets	17,841,026	613,308	113,205
Noncurrent assets:			
Capital assets, net of accumulated depreciation	3,884,798	1,327,846	12,013
Total assets	\$ 21,725,824	1,941,154	125,218
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 6,049,070	655,202	34,976
Unearned revenue	4,797,230	—	41,269
Accrued compensated absences, current portion	178,108	62,839	747
Internal payable, current portion	—	147,760	—
Total current liabilities	11,024,408	865,801	76,992
Noncurrent liabilities:			
Accrued compensated absences	1,696,708	598,626	7,119
Total noncurrent liabilities	1,696,708	598,626	7,119
Total liabilities	12,721,116	1,464,427	84,111
Net position:			
Net investment in capital assets	3,884,798	1,180,086	12,013
Unrestricted	5,119,910	(703,359)	29,094
Total net position	9,004,708	476,727	41,107
Total liabilities and net position	\$ 21,725,824	1,941,154	125,218

UNIVERSITY OF ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Position

Departmental Activities

Intercollegiate Athletics

Year ended June 30, 2018

(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Operating revenues:			
Public events and recreation fees	\$ 67,240,507	2,490,925	226,677
Student program fees	—	8,077,651	1,069,154
Merchandise and food sales	19,410	—	15,199
Rental and lease income	131,828	—	500
Parking	9,947	—	—
Other sources	8,224,824	228,263	11,044
Total operating revenues	<u>75,626,516</u>	<u>10,796,839</u>	<u>1,322,574</u>
Operating expenses:			
Salaries and wages	35,985,262	5,488,397	331,619
Merchandise and food for resale	56,077	—	10,700
Repairs and maintenance	382,290	4,795	1,593
Professional and other contractual services	12,866,199	2,578,788	347,048
Utilities	2,327,263	61,433	3,439
Supplies	4,571,745	764,111	143,091
Noncapitalized renovations and equipment	1,995,896	432,158	108,472
Administrative services	803,600	321,649	881
Other operating expense	9,973,574	885,425	258,152
Depreciation and amortization	520,666	143,695	1,741
Total operating expenses	<u>69,482,572</u>	<u>10,680,451</u>	<u>1,206,736</u>
Operating income	<u>6,143,944</u>	<u>116,388</u>	<u>115,838</u>
Nonoperating revenues (expenses):			
Investment income (net of related expenses)	67,491	—	141
Interest on capital asset related debt	—	(7,757)	—
Other nonoperating revenues, net	128,228	—	—
Total nonoperating revenues (expenses), net	<u>195,719</u>	<u>(7,757)</u>	<u>141</u>
Increase in net position	6,339,663	108,631	115,979
Net position, beginning of year	<u>2,665,045</u>	<u>368,096</u>	<u>(74,872)</u>
Net position, end of year	<u>\$ 9,004,708</u>	<u>476,727</u>	<u>41,107</u>

UNIVERSITY OF ILLINOIS
 Current Excess Funds Calculations
 Selected Plant Fund Data
 Auxiliary Enterprises Under Indenture
 June 30, 2018
 (Unaudited)

	All campuses
Capital assets:	
Facilities – at replacement cost	\$ 3,247,327,642
Parking lots and improvements – at historical cost	58,882,796
Equipment – at historical cost	49,204,539
Bond resolution limitations on repair and replacement reserve:	
5% of replacement cost of facilities	\$ 162,366,382
5% of historical cost of parking lots and improvements	2,944,140
20% of historical cost of equipment	9,840,908
Total reserve limitation	175,151,430
Repair and replacement reserve	132,234,392
Total margin of compliance	\$ 42,917,038

UNIVERSITY OF ILLINOIS
Current Excess Funds Calculations
Selected Plant Fund Data
Auxiliary Enterprises Not Under Indenture
June 30, 2018
(Unaudited)

	Student/staff programs and services		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities – at replacement cost	\$ 1,066,512	29,674	3,958,263
Improvements – at historical cost	—	—	—
Parking lots – at historical cost	—	698,666	—
Equipment – at historical cost	6,342,561	2,372,313	1,986,537
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities	\$ 53,326	1,484	197,913
5% of historical cost of improvements	—	—	—
10% of historical cost of parking lots	—	69,867	—
20% of historical cost of equipment	1,268,512	474,463	397,307
Total reserve limitation	1,321,838	545,814	595,220
Repair and replacement reserve	188,115	—	—
Total margin of compliance	\$ 1,133,723	545,814	595,220

	Unique instructional programs	
	Urbana	Chicago
Capital assets:		
Facilities – at replacement cost	\$ —	—
Improvements – at historical cost	—	—
Equipment – at historical cost	55,246	8,936
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities	\$ —	—
5% of historical cost of improvements	—	—
20% of historical cost of equipment	11,049	1,787
Total reserve limitation	11,049	1,787
Repair and replacement reserve	—	—
Total margin of compliance	\$ 11,049	1,787

UNIVERSITY OF ILLINOIS
 Current Excess Funds Calculations
 Selected Plant Fund Data
 Storerooms and Service Departments
 June 30, 2018
 (Unaudited)

	Communication and computing services
	<u>All campuses</u>
Capital assets:	
Facilities – at replacement cost	\$ 21,959,534
Improvements – at historical cost	10,500,000
Equipment – at historical cost	209,414,568
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities	\$ 1,097,977
5% of historical cost of improvements	525,000
20% of historical cost of equipment	41,882,914
Total reserve limitation	43,505,891
Repair and replacement reserve	8,552,179
Total margin of compliance	<u>\$ 34,953,712</u>
	 Plant and service operations
	<u>All campuses</u>
Capital assets:	
Facilities – at replacement cost	\$ 63,474,571
Improvements – at historical cost	304,216,300
Equipment – at historical cost	115,075,812
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities	\$ 3,173,729
5% of historical cost of improvements	15,210,815
20% of historical cost of equipment	23,015,162
Total reserve limitation	41,399,706
Repair and replacement reserve	31,397,012
Total margin of compliance	<u>\$ 10,002,694</u>

UNIVERSITY OF ILLINOIS
Current Excess Funds Calculations
Selected Plant Fund Data
Departmental Activities
June 30, 2018
(Unaudited)

	Instructional course activities	
	Urbana	Chicago
Capital assets:		
Facilities – at replacement cost	\$ 26,117,369	—
Equipment – at historical cost	5,837,691	739,356
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities	\$ 1,305,868	—
20% of historical cost of equipment	1,167,538	147,871
Total reserve limitation	2,473,406	147,871
Repair and replacement reserve	23,749	—
Total margin of compliance	<u>\$ 2,449,657</u>	<u>147,871</u>

	Professional development activities		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities – at replacement cost	\$ 10,420,782	—	—
Improvements – at historical cost	138,115	—	—
Equipment – at historical cost	7,359,326	2,053,867	84,308
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities	\$ 521,039	—	—
5% of historical cost of improvements	6,906	—	—
20% of historical cost of equipment	1,471,865	410,773	16,862
Total reserve limitation	1,999,810	410,773	16,862
Repair and replacement reserve	1,320,646	—	—
Total margin of compliance	<u>\$ 679,164</u>	<u>410,773</u>	<u>16,862</u>

UNIVERSITY OF ILLINOIS
 Current Excess Funds Calculations
 Selected Plant Fund Data
 Departmental Activities
 June 30, 2018
 (Unaudited)

	<u>Agricultural operations</u>	
	<u>Urbana</u>	
Capital assets:		
Facilities – at replacement cost	\$ 57,262,445	
Improvements – at historical cost	473,425	
Equipment – at historical cost	11,538,760	
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities	\$ 2,863,122	
5% of historical cost of improvements	23,671	
20% of historical cost of equipment	<u>2,307,752</u>	
Total reserve limitation	5,194,545	
Repair and replacement reserve	<u>385,598</u>	
Total margin of compliance	<u><u>\$ 4,808,947</u></u>	
	<u>Commercial operations not under indenture</u>	
	<u>Urbana</u>	<u>Chicago</u>
Capital assets:		
Facilities – at replacement cost	\$ 36,814,046	19,716,942
Improvements – at historical cost	64,110,441	21,241,650
Equipment – at historical cost	3,864,070	77,543
Guidelines limitations on repair and replacement reserves for entities:		
5% of replacement cost of facilities	\$ 1,840,702	985,847
5% of historical cost of improvements	3,205,522	1,062,083
20% of historical cost of equipment	<u>772,814</u>	<u>15,509</u>
Total reserve limitation	5,819,038	2,063,439
Repair and replacement reserve	<u>17,947</u>	—
Total margin of compliance	<u><u>\$ 5,801,091</u></u>	<u><u>2,063,439</u></u>

UNIVERSITY OF ILLINOIS
 Current Excess Funds Calculations
 Selected Plant Fund Data
 Departmental Activities
 June 30, 2018
 (Unaudited)

	Hospital and clinics
	Chicago
Capital assets:	
Facilities – at replacement cost	\$ 518,688,406
Equipment – at historical cost	233,165,994
Guidelines limitations on repair and replacement reserves for entities:	
5% of replacement cost of facilities	\$ 25,934,420
20% of historical cost of equipment	46,633,199
Total reserve limitation	72,567,619
Repair and replacement reserve	29,575,260
Total margin of compliance	\$ 42,992,359

UNIVERSITY OF ILLINOIS
Current Excess Funds Calculations
Selected Plant Fund Data
Departmental Activities
June 30, 2018
(Unaudited)

	Public service, academic support, healthcare, and economic development activities		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities – at replacement cost	\$ 237,981,793	202,590,872	—
Improvements – at historical cost	760,159	—	—
Equipment – at historical cost	20,794,508	14,243,366	530,996
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities	\$ 11,899,090	10,129,544	—
5% of historical cost of improvements	38,008	—	—
20% of historical cost of equipment	4,158,902	2,848,673	106,199
Total reserve limitation	16,096,000	12,978,217	106,199
Repair and replacement reserve	2,069,483	—	108,663
Total margin of compliance	\$ 14,026,517	12,978,217	(2,464)

	Intercollegiate athletics		
	Urbana	Chicago	Springfield
Capital assets:			
Facilities – at replacement cost	\$ 4,353,816	—	—
Improvements – at historical cost	8,001	2,409,202	—
Equipment – at historical cost	10,947,352	1,050,512	87,180
Guidelines limitations on repair and replacement reserves for entities:			
5% of replacement cost of facilities	\$ 217,691	—	—
5% of historical cost of improvements	400	120,460	—
20% of historical cost of equipment	2,189,470	210,102	17,436
Total reserve limitation	2,407,561	330,562	17,436
Repair and replacement reserve	135,238	—	—
Total margin of compliance	\$ 2,272,323	330,562	17,436

UNIVERSITY OF ILLINOIS
Current Excess Funds Calculations
Notes to Selected Plant Fund Data
June 30, 2018
(Unaudited)

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 Statement No. 35, all reserve activity associated with an entity has been included in the financial statement for that entity.

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Auxiliary Enterprises Under Indenture
 Auxiliary Facilities System
 June 30, 2018
 (Unaudited)

		<u>All campuses</u>
1. Current available funds:		
Add:		
Cash (excludes repair and replacement reserve)	\$	38,409,454
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>38,409,454</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		43,898,720
Encumbrances and current liabilities paid in lapse period		7,791,498
Deferred income		3,026,095
Refundable deposits		1,430,473
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		533,627
Working capital allowance	B	<u>56,680,413</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(18,270,959)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity.		
Enter the amount to be offset, if any, here	D	<u>(42,917,038)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(61,187,997)</u></u>

UNIVERSITY OF ILLINOIS
Calculation Sheet for Current Excess Funds
Auxiliary Enterprises Not Under Indenture
Student/Staff Programs and Services – Entity 3200
June 30, 2018
(Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash (excludes repair and replacement reserve)	\$ 34,440,465	16,005,917	1,458,502
Cash equivalents:			
Bank deposits	—	—	—
Marketable securities	—	—	—
Certificates of deposit	—	—	—
Repurchase agreements	—	—	—
Other cash equivalent items	—	—	—
Interfund receivables	—	—	—
Total current available funds	A 34,440,465	16,005,917	1,458,502
2. Working capital allowance:			
Add:			
Highest month's expenditures	21,876,271	14,259,109	1,392,327
Encumbrances and current liabilities paid in lapse period	15,130,009	343,795	166,444
Deferred income	2,682,064	2,044,846	34,669
Refundable deposits	362,786	1,000	27,006
Allowance for restoring inventory to normal level	—	—	—
Allowance for sick leave/vacation payouts	132,787	105,427	12,113
Working capital allowance	B 40,183,917	16,754,177	1,632,559
3. Current excess funds:			
Deduct B from A and enter here	C (5,743,452)	(748,260)	(174,057)
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 (1,133,723)	(545,814)	(595,220)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ (6,877,175)	(1,294,074)	(769,277)

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Auxiliary Enterprises Not Under Indenture

Unique Instructional Programs – Entity 3420

June 30, 2018

(Unaudited)

		Urbana
1. Current available funds:		
Add:		
Cash	\$	55,230
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	55,230
2. Working capital allowance:		
Add:		
Highest month's expenditures		—
Encumbrances and current liabilities paid in lapse period		26,042
Deferred income		—
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		—
Working capital allowance	B	26,042
3. Current excess funds:		
Deduct B from A and enter here	C	29,188
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	—
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	29,188

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Storerooms and Service Departments

Communication and Computing Services – Entity 3100

June 30, 2018

(Unaudited)

	<u>All campuses</u>	
1. Current available funds:		
Add:		
Cash	\$	12,892,570
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>12,892,570</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		18,958,822
Encumbrances and current liabilities paid in lapse period		3,807,997
Deferred income		—
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		270,018
Working capital allowance	B	<u>23,036,837</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(10,144,267)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(34,953,712)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(45,097,979)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Storerooms and Service Departments
 Plant and Service Operations – Entity 3110
 June 30, 2018
 (Unaudited)

		<u>All campuses</u>
1. Current available funds:		
Add:		
Cash	\$	32,783,314
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>32,783,314</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		122,629,880
Encumbrances and current liabilities paid in lapse period		36,236,764
Deferred income		21,239
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		1,236,971
Working capital allowance	B	<u>160,124,854</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>(127,341,540)</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(10,002,694)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(137,344,234)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Instructional Course Activities – Entity 3400
 June 30, 2018
 (Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash (excludes repair and replacement reserve)	\$ 59,699	602,971	17,856
Cash equivalents:			
Bank deposits	—	—	—
Marketable securities	—	—	—
Certificates of deposit	—	—	—
Repurchase agreements	—	—	—
Other cash equivalent items	—	—	—
Interfund receivables	—	—	—
Total current available funds	A <u>59,699</u>	<u>602,971</u>	<u>17,856</u>
2. Working capital allowance:			
Add:			
Highest month's expenditures	25,576	655,380	19,166
Encumbrances and current liabilities paid in lapse period	86	54,090	4,238
Deferred income	—	—	34,307
Refundable deposits	—	168,618	—
Allowance for restoring inventory to normal level	—	—	—
Allowance for sick leave/vacation payouts	—	33,312	—
Working capital allowance	B <u>25,662</u>	<u>911,400</u>	<u>57,711</u>
3. Current excess funds:			
Deduct B from A and enter here	C <u>34,037</u>	<u>(308,429)</u>	<u>(39,855)</u>
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(2,449,657)</u>	<u>(147,871)</u>	<u>—</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(2,415,620)</u></u>	<u><u>(456,300)</u></u>	<u><u>(39,855)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Professional Development Activities – Entity 3410
 June 30, 2018
 (Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash (excludes repair and replacement reserve)	\$ 7,485,337	2,947,111	(252,227)
Cash equivalents:			
Bank deposits	—	—	—
Marketable securities	—	—	—
Certificates of deposit	—	—	—
Repurchase agreements	—	—	—
Other cash equivalent items	—	—	—
Interfund receivables	—	—	—
Total current available funds	A <u>7,485,337</u>	<u>2,947,111</u>	<u>(252,227)</u>
2. Working capital allowance			
Add:			
Highest month's expenditures	3,968,973	2,262,522	105,458
Encumbrances and current liabilities paid in lapse period	797,894	305,312	7,859
Deferred income	1,297,109	239,358	31,050
Refundable deposits	47,515	—	—
Allowance for restoring inventory to normal level	—	—	—
Allowance for sick leave/vacation payouts	28,790	20,743	3,795
Working capital allowance	B <u>6,140,281</u>	<u>2,827,935</u>	<u>148,162</u>
3. Current excess funds:			
Deduct B from A and enter here	C <u>1,345,056</u>	<u>119,176</u>	<u>(400,389)</u>
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(679,164)</u>	<u>(410,773)</u>	<u>(16,862)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>665,892</u></u>	<u><u>(291,597)</u></u>	<u><u>(417,251)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Agricultural Operations – Entity 3430
 June 30, 2018
 (Unaudited)

		<u>Urbana</u>
1. Current available funds:		
Add:		
Cash	\$	4,982,885
Cash equivalents:		
Bank deposits		—
Marketable securities		17,146
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		—
Total current available funds	A	<u>5,000,031</u>
2. Working capital allowance:		
Add:		
Highest month's expenditures		2,400,428
Encumbrances and current liabilities paid in lapse period		855,447
Deferred income		431,221
Refundable deposits		—
Allowance for restoring inventory to normal level		—
Allowance for sick leave/vacation payouts		25,537
Working capital allowance	B	<u>3,712,633</u>
3. Current excess funds:		
Deduct B from A and enter here	C	<u>1,287,398</u>
4. Calculation of income fund remittance:		
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(4,808,947)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund		<u>\$ (3,521,549)</u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Departmental Activities

Commercial Operations Not Under Indenture – Entity 3600

June 30, 2018

(Unaudited)

		<u>Urbana</u>	<u>Chicago</u>
1. Current available funds:			
Add:			
Cash	\$	1,744,043	1,713,964
Cash equivalents:			
Bank deposits		—	—
Marketable securities		—	—
Certificates of deposit		—	—
Repurchase agreements		—	—
Other cash equivalent items		—	—
Interfund receivables		—	—
Total current available funds	A	<u>1,744,043</u>	<u>1,713,964</u>
2. Working capital allowance:			
Add:			
Highest month's expenditures		894,837	2,572,133
Encumbrances and current liabilities paid in lapse period		88,670	731
Deferred income		—	—
Refundable deposits		—	75,582
Allowance for restoring inventory to normal level		—	—
Allowance for sick leave/vacation payouts		3,787	—
Working capital allowance	B	<u>987,294</u>	<u>2,648,446</u>
3. Current excess funds:			
Deduct B from A and enter here	C	<u>756,749</u>	<u>(934,482)</u>
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(5,801,091)</u>	<u>(2,063,439)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(5,044,342)</u></u>	<u><u>(2,997,921)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Hospital and Clinics – Entity 3500
 June 30, 2018
 (Unaudited)

	<u>Chicago</u>
1. Current available funds:	
Add:	
Cash	\$ 195,164,322
Cash equivalents:	
Bank deposits	—
Marketable securities	—
Certificates of deposit	—
Repurchase agreements	—
Other cash equivalent items	—
Interfund receivables	—
Total current available funds	A <u>195,164,322</u>
2. Working capital allowance:	
Add:	
Highest month's expenditures	95,475,782
Encumbrances and current liabilities paid in lapse period	131,348,118
Deferred income	—
Refundable deposits	—
Allowance for restoring inventory to normal level	—
Allowance for sick leave/vacation payouts	2,137,664
Working capital allowance	B <u>228,961,564</u>
3. Current excess funds:	
Deduct B from A and enter here	C <u>(33,797,242)</u>
4. Calculation of income fund remittance:	
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D <u>(42,992,359)</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ <u><u>(76,789,601)</u></u>

UNIVERSITY OF ILLINOIS

Calculation Sheet for Current Excess Funds

Departmental Activities

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

June 30, 2018

(Unaudited)

		<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:				
Add:				
Cash (excludes repair and replacement reserve)	\$	24,629,288	25,276,166	808,036
Cash equivalents:				
Bank deposits		—	—	—
Marketable securities		—	—	—
Certificates of deposit		—	—	—
Repurchase agreements		—	—	—
Other cash equivalent items		—	—	—
Interfund receivables		—	—	—
Total current available funds	A	<u>24,629,288</u>	<u>25,276,166</u>	<u>808,036</u>
2. Working capital allowance:				
Add:				
Highest month's expenditures		11,856,928	22,167,713	413,877
Encumbrances and current liabilities paid in lapse period		3,005,072	8,409,025	199,543
Deferred income		1,517,013	83,035	268,093
Refundable deposits		345,864	(50)	(765)
Allowance for restoring inventory to normal level		—	—	—
Allowance for sick leave/vacation payouts		121,931	432,299	64
Working capital allowance	B	<u>16,846,808</u>	<u>31,092,022</u>	<u>880,812</u>
3. Current excess funds:				
Deduct B from A and enter here	C	<u>7,782,480</u>	<u>(5,815,856)</u>	<u>(72,776)</u>
4. Calculation of income fund remittance:				
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D	<u>(14,026,517)</u>	<u>(12,978,217)</u>	<u>2,464</u>
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$	<u><u>(6,244,037)</u></u>	<u><u>(18,794,073)</u></u>	<u><u>(70,312)</u></u>

UNIVERSITY OF ILLINOIS
 Calculation Sheet for Current Excess Funds
 Departmental Activities
 Intercollegiate Athletics – Entity 3450
 June 30, 2018
 (Unaudited)

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
1. Current available funds:			
Add:			
Cash	\$ 12,545,181	(223,015)	88,021
Cash equivalents:			
Bank deposits	—	—	—
Marketable securities	—	—	—
Certificates of deposit	—	—	—
Repurchase agreements	—	—	—
Other cash equivalent items	—	—	—
Interfund receivables	—	—	—
Total current available funds	A 12,545,181	(223,015)	88,021
2. Working capital allowance:			
Add:			
Highest month's expenditures	15,904,130	2,162,998	562,166
Encumbrances and current liabilities paid in lapse period	6,027,317	432,188	34,976
Deferred income	2,827,972	—	11,840
Refundable deposits	—	—	—
Allowance for restoring inventory to normal level	—	—	—
Allowance for sick leave/vacation payouts	181,990	861	3,002
Working capital allowance	B 24,941,409	2,596,047	611,984
3. Current excess funds:			
Deduct B from A and enter here	C (12,396,228)	(2,819,062)	(523,963)
4. Calculation of income fund remittance:			
An entity may offset excess capital or current funds within the entity. Enter the amount to be offset, if any, here	D (2,272,323)	(330,562)	(17,436)
Enter the algebraic sum of C and D and remit the amount due, if any, for deposit in the income fund	\$ (14,668,551)	(3,149,624)	(541,399)

UNIVERSITY OF ILLINOIS
 Analysis of Indirect Cost Reimbursements
 Schedule of Sources and Applications of
 Indirect Cost Reimbursements
 Year ended June 30, 2018
 (Unaudited)

Balance, July 1, 2017	\$ 158,349,407
Sources:	
Private gifts, grants, and contracts	34,446,022
Federal grants and contracts	170,971,639
State of Illinois grants and contracts	76,290,289
Medical service plan	5,032,492
Auxiliary administrative allowances	17,730,571
Other administrative allowances	35,496,874
	339,967,887
Total additions	
Applications:	
Educational and general:	
Instruction	(93,034)
Research	(94,269,365)
Public service	(7,176,331)
Academic support	(80,324,223)
Student services	(2,072,917)
Institutional support	(72,095,742)
Operation and maintenance of plant	(54,051,556)
Student aid	(5,542,826)
	(315,625,994)
Total deductions	
Balance at June 30, 2018	\$ <u><u>182,691,300</u></u>

Note : Above information is prepared on an accrual basis.

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

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

UNIVERSITY OF ILLINOIS
 Analysis of Indirect Cost Reimbursements
 Calculation Sheet for Indirect Cost Carryforward

June 30, 2018

(Unaudited)

1. Cash and equivalents balance:		
Add:		
Cash		\$ 150,965,239
Cash equivalents:		
Bank deposits		—
Marketable securities		—
Certificates of deposit		—
Repurchase agreements		—
Other cash equivalent items		—
Interfund receivables		6,144
		<u>150,971,383</u>
2. Allocated reimbursements:		
Enter the total indirect cost reimbursements allocated for expenditure for the fiscal year completed:		
\$470,229,514; enter 30% of this amount		<u>141,068,854</u>
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		<u>—</u>
4. Encumbrances and current liabilities paid in the lapse period:		
Enter the amount of:		
Current liabilities		12,237,001
Encumbrances		3,192,736
Total		<u>15,429,737</u>
5. Indirect cost carryforward:		
a. Enter the total items 2, 3, and 4		<u>156,498,591</u>
b. Subtract from item 1		<u>(5,527,208)</u>
If a positive number results, enter here and remit for deposit in the income fund		<u>\$ N/A</u>

UNIVERSITY OF ILLINOIS

University Functions and Planning Program

Year ended June 30, 2018

(Unaudited)

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

The Urbana-Champaign institution 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 institution of the University.

The Chicago institution 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 institution is responsible for addressing public affairs within the framework of a liberal arts curriculum through its firsthand access to state government and public service through special courses, projects, and internship opportunities.

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

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

UNIVERSITY OF ILLINOIS

Employment and Cost Statistics

Fall terms fiscal 2018 and 2017

(Unaudited)

	Fall term fiscal 2018				Fall term fiscal 2017			
	Urbana	Chicago	Springfield	Total	Urbana	Chicago	Springfield	Total
University employment statistics:								
Headcount:								
Faculty	3,347	3,353	348	7,048	3,417	3,329	349	7,095
Academic professionals	4,632	2,704	235	7,571	4,568	2,704	244	7,516
Support staff	4,422	6,929	313	11,664	4,470	6,783	319	11,572
Other	5,962	3,277	230	9,469	5,954	3,319	222	9,495
	<u>18,363</u>	<u>16,263</u>	<u>1,126</u>	<u>35,752</u>	<u>18,409</u>	<u>16,135</u>	<u>1,134</u>	<u>35,678</u>
Full-time equivalency:								
Faculty	3,085	2,685	261	6,031	3,120	2,647	264	6,031
Academic professionals	4,583	2,731	228	7,542	4,518	2,696	234	7,448
Support staff	4,364	6,646	311	11,321	4,410	6,501	317	11,228
Other	2,664	2,002	126	4,792	2,666	2,011	121	4,798
	<u>14,696</u>	<u>14,064</u>	<u>926</u>	<u>29,686</u>	<u>14,714</u>	<u>13,855</u>	<u>936</u>	<u>29,505</u>

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

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

- (1) Employees with full-time contracts are counted as one full-time equivalent.
- (2) Part-time employees are multiplied by the number of months worked and then divided by 12 to arrive at their full-time equivalency.

UNIVERSITY OF ILLINOIS
Employment and Cost Statistics
Years ended June 30, 2018 and 2017
(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, 2018 and 2017, using the formula prescribed by the Illinois Board of Higher Education. All credit hours and instructional operating costs paid from state appropriated funds are included (except costs related to the College of Medicine and Dentistry at the Health Sciences Center).

	<u>Urbana-Champaign</u>		<u>Chicago</u>		<u>Springfield</u>	
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>
For the year ended June 30, 2018:						
Total costs (1)	\$ 396,038,524	283,838,154	181,074,281	158,939,056	29,664,917	19,028,959
Student credit hours	1,057,632	396,176	547,238	202,806	68,886	36,018
Full-time equivalent students (2)	35,254	16,507	18,241	8,450	2,296	1,501
Cost per student credit hour	\$ 374	716	331	784	431	528
Cost per full-time equivalent student	11,234	17,195	9,927	18,809	12,919	12,680

	<u>Urbana-Champaign</u>		<u>Chicago</u>		<u>Springfield</u>	
	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Undergraduate</u>	<u>Graduate</u>
For the year ended June 30, 2017:						
Total costs (1)	\$ 347,999,257	249,408,733	178,838,505	156,976,590	28,726,568	18,427,042
Student credit hours	1,054,468	371,329	508,688	207,030	72,709	42,713
Full-time equivalent students (2)	35,149	15,472	16,956	8,626	2,424	1,780
Cost per student credit hour	\$ 330	672	352	758	395	431
Cost per full-time equivalent student	9,901	16,120	10,547	18,198	11,853	10,354

- (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 workers' 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.

Fiscal year 2017 amounts have changed due to the amounts being estimated in the prior year as the amounts are not final when the report is released. As such, the current year 2017 amounts are final and the 2018 are estimated.

UNIVERSITY OF ILLINOIS
 Service Efforts and Accomplishments
 Fiscal year 2018
 (Unaudited)

The following statistics are from the *State of Illinois Board of Higher Education 2017 Data Book on Illinois Higher Education, Fall Enrollment Survey*.

Enrollment statistics:

The total headcount enrollment for Fall 2017 by class level was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Undergraduate:				
Freshman	8,299	5,086	393	13,778
Sophomore	6,333	3,595	335	10,263
Junior	8,197	4,557	770	13,524
Senior	10,055	5,868	1,335	17,258
Unclassified	1,071	342	99	1,512
Total undergraduate	<u>33,955</u>	<u>19,448</u>	<u>2,932</u>	<u>56,335</u>
Graduate:				
Professional	1,018	3,103	—	4,121
Graduate	12,681	7,470	1,872	22,023
Unclassified	562	518	152	1,232
Total graduate	<u>14,261</u>	<u>11,091</u>	<u>2,024</u>	<u>27,376</u>
Total	<u><u>48,216</u></u>	<u><u>30,539</u></u>	<u><u>4,956</u></u>	<u><u>83,711</u></u>

The total headcount enrollment for Fall 2017 by gender and by level of instruction were as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Gender:				
Men	26,153	14,383	2,527	43,063
Women	22,063	16,156	2,429	40,648
Total	<u>48,216</u>	<u>30,539</u>	<u>4,956</u>	<u>83,711</u>
Level of instruction:				
Full-time	42,850	25,927	2,558	71,335
Part-time	5,366	4,612	2,398	12,376
Total	<u>48,216</u>	<u>30,539</u>	<u>4,956</u>	<u>83,711</u>

The median age of students enrolled by level of instruction for Fall 2017 was not available for this report.

UNIVERSITY OF ILLINOIS

Service Efforts and Accomplishments

Fiscal year 2018

(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, 2018 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Total</u>
Degrees:				
Certificate	—	—	—	—
Baccalaureate	8,133	4,073	715	12,921
Postbaccalaureate certificates	—	22	22	44
Masters	3,802	2,349	805	6,956
Post-Master's certificates	11	38	3	52
Doctorate (Research)	816	349	2	1,167
Doctorate (Professional Practice)	276	726	—	1,002
Total	<u>13,038</u>	<u>7,557</u>	<u>1,547</u>	<u>22,142</u>

Staff statistics:

The following statistics are from the Survey of Salaries of Full-Time Instructional Faculty, 2017–2018 IPEDS.

The average salary of full-time faculty for the year ended June 30, 2018 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Combined</u>
Average salary of full-time faculty	\$ 110,614	103,184	73,830	105,864

The percent of tenured full-time faculty for the year ended June 30, 2018 was as follows:

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>	<u>Combined</u>
Percent of tenured full-time faculty	56.15%	40.76%	55.50%	50.22%

Notes:

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

UNIVERSITY OF ILLINOIS
 Service Efforts and Accomplishments
 Fiscal year 2018
 (Unaudited)

Tuition and required fees rates:

The following tuition and required fee rates are as approved by the Board of Trustees and reported to the Illinois Board of Higher Education.

The general four-year guaranteed base rate tuition and required fees for full-time, in-state undergraduates, and general full-time base rate tuition and required fees for in-state graduate students entering after Fall 2017 for the 2017–2018 academic year were as follows (excluding refundable fees and health insurance):

	<u>Urbana</u>	<u>Chicago</u>	<u>Springfield</u>
Undergraduate	\$ 15,074	13,704	11,613
Graduate	15,526	14,600	10,596

The tuition and required fees for a full-time student entering Fall 2017 for the 2017–2018 academic year in the first-professional programs were as follows (excluding refundable fees and health insurance):

	<u>Urbana</u>	<u>Chicago</u>
First-professional programs:		
Medicine	\$ —	39,490
Dentistry	—	36,504
Pharmacy	—	28,040
Physical therapy	—	20,036
Occupational Therapy	—	19,542
Nursing Practice	—	25,816
Law	38,123	—
Veterinary medicine	30,408	—
Doctor of Audiology	16,326	—

UNIVERSITY OF ILLINOIS

Emergency Purchases

Year ended June 30, 2018

(Unaudited)

The University reported the following emergency purchases to the Office of the Auditor General during fiscal year 2018:

Vendor	Description	Amount
GE Healthcare Bio-Sciences Corp	This emergency purchase is for the Delta Vision OMX (SR) super-resolution, which combines multiple components of super-resolution techniques within a single piece of equipment.	\$ 821,273
Biomet Inc	This emergency purchase is for reconstructive implants that are patented and proprietary for orthopedic surgeries with conditions involving the musculoskeletal system.	234,587
Intuitive Surgical, Inc.	This emergency purchase was due to water damage that occurred to one part of a three-part robotic system.	408,000
Felmley-Dickerson Co.	This emergency purchase is to fix the masonry failures of Ashton Woods Apartments to protect against a threat to public safety, patron safety and minimize disruption for the students who reside there.	545,700
Locum Tenens, Inc.	This emergency purchase was for temporary physicians for the Department of Pediatrics to bridge the gap of physicians until a new solicitation is issued, evaluated and awarded or a sufficient number of physicians can be recruited.	306,896
PNC Banke of Pittsburgh, PA	This emergency purchase was for a BioTek Cytation 5 Monochromator Imaging System.	99,450

UNIVERSITY OF ILLINOIS

University Bookstore Information

Fiscal year 2018

(Unaudited)

<u>University</u>	<u>University of Illinois (U of I)</u>	<u>U of I at Chicago (UIC)</u>	<u>U of I – Springfield (UIS)</u>
Contracted/rents to students/University operated	University operated	University operated	Contracted
Contractor	N/A	N/A	Follett Higher Education Group, Inc.
Contract term	N/A	N/A	fiscal year 2014 – 9/1/2008–6/30/2018
Amount of gross sales for bookstore for FY 17	\$ 12,377,192	5,862,792	745,180
Amount to be paid to bookstore for FY 17 (if any) from University	N/A	N/A	N/A
Commissions	N/A	N/A	\$ 60,359
Commission terms	N/A	N/A	Follett to pay UIS – an Annual amount equal to the sum of: a) 8.10% of all gross revenue up to \$1,000,000 b) 9.60% of any part of gross revenue over \$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	None	Barnes & Noble

UNIVERSITY OF ILLINOIS

Special Data Requirements for University Audits

Year ended June 30, 2018

(Unaudited)

In accordance with an Office of the Auditor General, July 25, 2000 memorandum entitled *Matters Regarding University Audits* (Memorandum), certain supplemental data is required to be reported by the University. The table below cross-references the memorandum requirements (indicated by number and letter paragraph references) to the University financial statements and audit reports for the year ended June 30, 2018, where such special data is found.

Compliance Findings

- 13(a) At June 30, 2018, State Compliance Findings were reported on pages 39 through 49 within the Compliance Examination report. One of these findings specifically related to the *University Guidelines*; see finding 2018-018. The University's calculation sheets for current excess funds are presented in this report on pages 66 through 77.

Indirect Cost Reimbursements

- 13(b) A schedule of the sources and applications of indirect cost reimbursements is included in this report on page 78.
- 13(c) The University's calculation sheet for indirect cost carryforward is included in this report on page 79.

Tuition Charges and Fees

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

Auxiliary Enterprises, Activities, and Accounting Entities

- 13(e) Identification of each specific accounting entity and descriptions of the sources of revenue and purpose of each are presented in this report on pages 30 through 33.
- 13(f) Entity financial statements are presented on pages 34 through 57 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, 2018, the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2018, and the Annual Financial Report of the University of Illinois Health Services Facilities System for the year ended June 30, 2018.
- 13(g) The University's calculation sheets for current excess funds are presented in this report on pages 66 through 77.
- 13(h) Support received by auxiliary enterprises from State appropriated funds for retirement and group insurance benefits is disclosed in the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2018 on page 12.
- 13(i) Statements of receipts and disbursements and related definitions, for funds required by bond indentures are presented on pages 6 through 8 and page 19 of the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the year ended June 30, 2018.
- 13(j) At June 30, 2018, no Compliance Findings were reported regarding the fund accounting covenants of the Resolutions of the Board of Trustees of the University of Illinois, which provided for the issuance of revenue bonds.

UNIVERSITY OF ILLINOIS

Special Data Requirements for University Audits

Year ended June 30, 2018

(Unaudited)

- 13(k) At June 30, 2018, no noninstructional facilities reserves (development reserves) have been established by the University.

University-Related Organizations

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

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

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

Payments by the UROs to the University for services provided by the University and payments by the University to UROs for services provided by the UROs for the year ended June 30, 2018 are disclosed in this report on pages 91 and 92.

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

- 13(o) At June 30, 2018, the University identified that there were no unreimbursed subsidies to the UROs from University or appropriated funds.
- 13(p) Debt financing by UROs at June 30, 2018 is disclosed in the Annual Financial Statements of the University of Illinois Foundation on pages 23 and 24.

Other Topics

- 13(q) Schedules of cash and investments held by the University are presented in the comparative schedule of cash and cash equivalents, investments, and accrued investment income section of this report on pages 7 and 8 and in the notes to financial statements in the University of Illinois Annual Financial Report for the year ended June 30, 2018 on pages 26 through 31.
- 13(r) A statement describing the methodology used to allocate income from investments of pooled funds is included in this report on page 8.
- 13(s) Costs per full-time equivalent student are presented in this report on page 82.

UNIVERSITY OF ILLINOIS

Special Data Requirements for University Audits

Year ended June 30, 2018

(Unaudited)

- 13(t) Acquisitions of land in excess of \$250,000 by the University and its UROs during the year ended June 30, 2018 that were not funded by a separate appropriation specifically identifying the particular acquisitions are presented in this report, if applicable, on pages 6 and 91 as Schedule of Changes in State Property and Schedule of Funds Provided by the University of Illinois Foundation.
- 13(u) During the year ended June 30, 2018, the University did not issue any certificates of participation.

UNIVERSITY OF ILLINOIS

Analysis of Operations

Schedule of Funds Provided by the University of Illinois Foundation

Years ended June 30, 2018 and 2017

(Unaudited)

During fiscal years 2018 and 2017, the University engaged the University of Illinois Foundation (Foundation), under contract, to provide fundraising and other services. In accordance with the contract agreement, the University provided \$1,735,710 cash and \$8,005,381 budget allocation in 2018 and \$418,572 cash and \$8,619,949 budget allocation in 2017, and an additional \$558,000 and \$594,000 of services in 2018 and 2017, respectively, to the Foundation. As required by contract, the Foundation provided the University certain funds considered unrestricted for purposes of the computations outlined in *University Guidelines*. In addition, the Foundation provided the University with nonqualifying restricted funds. Presented below is a summary of all funds that the Foundation provided to the University during each fiscal year:

	<u>2018</u>	<u>2017</u>
Unrestricted funds	\$ 129,039	84,753
Restricted only as to campus, college, or department, and generally available for ongoing university operations:		
Provided to a particular campus	689,206	678,844
Provided to a particular unit	<u>62,834,391</u>	<u>61,959,172</u>
Subtotal	63,652,636	62,722,769
Restricted by donor:		
Provided for student support	30,924,191	28,178,468
Provided for faculty support	13,825,493	12,003,528
Provided for certain instructional, research, and public service programs	65,629,598	55,273,670
Provided for physical facilities additions or improvements	33,165,267	37,317,098
Provided for other restricted purposes	<u>1,215,736</u>	<u>1,170,496</u>
Total funds provided by the Foundation to the University	<u>\$ 208,412,921</u>	<u>196,666,029</u>

University Guidelines require that the University report annually the purchase or acceptance of gifts of real estate by a URO in excess of \$250,000. During fiscal year 2018, the Foundation received the following gifts and made the following purchases of real estate:

<u>Date</u>	<u>Value (\$)</u>	<u>Property and description</u>
9/19/2017	\$540,000	70 acres of farmland in Clinton Co IL
1/4/2018	\$1,528,264	109 acres of farmland in Champaign Co IL
1/16/2018	\$1,706,738	Partial interest in 1,736 acres of farmland in Moultrie Co IL

UNIVERSITY OF ILLINOIS

Analysis of Operations

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

Years ended June 30, 2018 and 2017

(Unaudited)

In accordance with an annual agreement between the University and the Alumni Alliance, the University paid \$2,586,300 and \$2,720,300 of which \$763,600 and \$873,600 represent employee salaries to the Alumni Alliance for the years ended June 30, 2018 and 2017, respectively. In return, the Alumni Alliance 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, 2018 and 2017, the Alumni Alliance expended the following amounts in the performance of those functions:

	<u>2018</u>	<u>2017</u>
Communications	\$ 444,100	261,200
Information services	534,700	439,000
Alumni outreach programs	148,200	202,700
General and operating expenses	<u>1,459,300</u>	<u>1,817,400</u>
Total expenditures	<u>\$ 2,586,300</u>	<u>2,720,300</u>

UNIVERSITY OF ILLINOIS

Schedule of Undergraduate and Graduate Tuition and Fee Waivers

2017–2018 School Year

(Unaudited)

(In thousands)

	Undergraduate			Graduate		
	Tuition waivers	Fee waivers	Total waivers	Tuition waivers	Fee waivers	Total waivers
Urbana	\$ 36,206	1,668	37,874	185,348	11,406	196,754
Chicago	9,171	298	9,469	70,179	8,185	78,364
Springfield	2,380	172	2,552	2,284	188	2,472
Total	\$ <u>47,757</u>	<u>2,138</u>	<u>49,895</u>	<u>257,811</u>	<u>19,779</u>	<u>277,590</u>

The amount of fiscal year 2018 tuition waivers reported above are based on data provided from the Office of Planning and Budgeting.

(Continued)

UNIVERSITY OF ILLINOIS
Schedule of Undergraduate Tuition and Fee Waivers
2017–2018 School Year
(Unaudited)

	University of Illinois at Urbana-Champaign			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	79	\$ 971	79	\$ 309
Reserve Officers' Training Corps (ROTC)	129	1,381	3	1
Department of Children and Family Services (DCFS)	33	341	33	120
Children of employees	673	4,705	—	—
Honorary scholarships	255	3,550	—	—
Veterans grants and scholarships**	157	1,894	56	158
Adjustments (1)	(2)	1	—	—
Subtotal	<u>1,324</u>	<u>12,843</u>	<u>171</u>	<u>588</u>
Discretionary waivers:				
Faculty/administrators	17	49	—	—
Civil service	34	170	2	3
Academic/other talent	1,029	5,882	345	238
Athletic	—	—	—	—
Foreign exchange students	586	10,404	586	837
Foreign students	9	95	—	—
Student need – financial aid	1,555	6,732	—	—
Interinstitutional/related agencies	2	16	—	—
Retired University employees	4	17	4	2
Adjustments (1)	(35)	(2)	—	—
Subtotal	<u>3,201</u>	<u>23,363</u>	<u>937</u>	<u>1,080</u>
Adjustments (1)	(28)	—	—	—
Total	<u><u>4,497</u></u>	<u><u>\$ 36,206</u></u>	<u><u>1,108</u></u>	<u><u>\$ 1,668</u></u>

* Unduplicated

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

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

(Continued)

UNIVERSITY OF ILLINOIS
Schedule of Undergraduate Tuition and Fee Waivers
2017–2018 School Year
(Unaudited)

	University of Illinois at Chicago			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	1	\$ 11	1	\$ 3
Reserve Officers' Training Corps (ROTC)	68	634	—	—
Department of Children and Family Services (DCFS)	20	232	20	56
Children of employees	195	1,048	—	—
Honorary scholarships	25	279	—	—
Veterans grants and scholarships**	170	1,573	64	168
Adjustments (1)	(3)	(1)	—	(1)
Subtotal	<u>476</u>	<u>3,776</u>	<u>85</u>	<u>226</u>
Discretionary waivers:				
Faculty/administrators	3	12	3	5
Civil service	37	160	37	64
Academic/other talent	471	2,611	—	—
Athletic	168	2,118	—	—
Gender equity in intercollegiate athletics	49	313	—	—
Student need – financial aid	51	80	—	—
Student need – special programs	43	96	—	—
Retired University employees	1	6	1	3
Adjustments (1)	(29)	(1)	—	—
Subtotal	<u>794</u>	<u>5,395</u>	<u>41</u>	<u>72</u>
Adjustments (1)	(2)	—	—	—
Total	<u><u>1,268</u></u>	<u><u>\$ 9,171</u></u>	<u><u>126</u></u>	<u><u>\$ 298</u></u>

* Unduplicated

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

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

(Continued)

UNIVERSITY OF ILLINOIS
Schedule of Undergraduate Tuition and Fee Waivers
2017–2018 School Year
(Unaudited)

	University of Illinois – Springfield			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Department of Children and Family Services (DCFS)	11	\$ 98	—	\$ —
Children of employees	36	147	—	—
Honorary scholarships	59	480	—	—
Veterans grants and scholarships**	152	784	120	87
Subtotal	<u>258</u>	<u>1,509</u>	<u>120</u>	<u>87</u>
Discretionary waivers:				
Faculty/administrators	4	20	5	5
Civil service	55	201	56	36
Academic/other talent	8	58	—	—
Athletic	39	180	—	—
Gender equity in intercollegiate athletics	20	100	—	—
Foreign exchange students	15	143	15	18
Student need – financial aid	65	97	—	—
Interinstitutional/related agencies	16	53	1	1
Adjustments (1)	16	18	16	24
Subtotal	<u>238</u>	<u>870</u>	<u>93</u>	<u>84</u>
Adjustments (1)	<u>(4)</u>	<u>1</u>	<u>—</u>	<u>1</u>
Total	<u>492</u>	<u>\$ 2,380</u>	<u>213</u>	<u>\$ 172</u>

* Unduplicated

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

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

(Continued)

UNIVERSITY OF ILLINOIS
Schedule of Graduate Tuition and Fee Waivers
2017–2018 School Year
(Unaudited)

	University of Illinois at Urbana-Champaign			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	3	\$ 49	3	\$ 15
ROTC	1	6	—	—
Department of Children and Family Services (DCFS)	—	—	—	—
Honorary scholarships	36	413	—	—
Veterans grants and scholarships**	130	1,181	29	90
Teacher of the year	—	—	—	—
Subtotal	<u>170</u>	<u>1,649</u>	<u>32</u>	<u>105</u>
Discretionary waivers:				
Faculty/administrators	369	2,566	—	—
Civil service	99	485	—	—
Academic/other talent	165	1,734	358	278
Foreign exchange students	35	817	35	46
Cooperating professionals	188	954	66	21
Research assistants	3,145	75,904	3,012	4,372
Teaching assistants	2,634	53,064	2,630	3,506
Other assistants	1,707	19,972	1,660	1,412
Interinstitutional/related agencies	50	432	6	2
Retired University employees	6	30	3	2
Contract/training grants	80	2,006	79	51
Fellowship/traineeship	1,080	25,736	1,124	1,611
Adjustments (1)	(2,055)	(1)	(2,123)	—
Subtotal	<u>7,503</u>	<u>183,699</u>	<u>6,850</u>	<u>11,301</u>
Adjustments (1)	3	—	—	—
Total	<u><u>7,676</u></u>	<u><u>\$ 185,348</u></u>	<u><u>6,882</u></u>	<u><u>\$ 11,406</u></u>

* Unduplicated

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

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

(Continued)

UNIVERSITY OF ILLINOIS
Schedule of Graduate Tuition and Fee Waivers
2017–2018 School Year
(Unaudited)

	University of Illinois at Chicago			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Teacher special education	13	\$ 80	13	\$ 26
ROTC	1	12	—	—
Senior citizen	2	11	—	—
Honorary scholarships	17	486	—	—
Veterans grants and scholarships**	105	1,422	84	191
Adjustments (1)	—	—	—	1
Subtotal	<u>138</u>	<u>2,011</u>	<u>97</u>	<u>218</u>
Discretionary waivers:				
Faculty/administrators	369	3,015	266	665
Civil service	293	2,617	293	565
Academic/other talent	832	16,342	706	921
Cooperating professionals	34	145	34	13
Research assistants	953	13,541	953	1,772
Teaching assistants	1,459	22,242	1,459	2,770
Other assistants	552	9,652	1,204	1,077
Retired University employees	7	56	7	13
Fellowship/traineeship	9	558	57	172
Adjustments (1)	(497)	—	(1,039)	—
Subtotal	<u>4,011</u>	<u>68,168</u>	<u>3,940</u>	<u>7,968</u>
Adjustments (1)	2	—	—	(1)
Total	<u><u>4,151</u></u>	<u><u>\$ 70,179</u></u>	<u><u>4,037</u></u>	<u><u>\$ 8,185</u></u>

* Unduplicated

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

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

(Continued)

UNIVERSITY OF ILLINOIS
Schedule of Graduate Tuition and Fee Waivers
2017–2018 School Year
(Unaudited)

	University of Illinois – Springfield			
	Tuition waived		Fees waived	
	Number of recipients *	Value of waivers (In thousands)	Number of recipients *	Value of waivers (In thousands)
Mandatory waivers:				
Honorary scholarships	15	\$ 67	—	\$ —
Veterans grants and scholarships**	88	327	75	31
Adjustments (1)	—	1	—	—
Subtotal	<u>103</u>	<u>395</u>	<u>75</u>	<u>31</u>
Discretionary waivers:				
Faculty/administrators	122	418	124	57
Civil service	90	352	89	49
Cooperating professionals	3	6	3	—
Research assistants	8	53	8	6
Teaching assistants	6	52	6	5
Other assistants	138	905	50	38
Interinstitutional/related agencies	24	95	3	1
Retired University employees	1	9	1	1
Adjustments (1)	—	—	(3)	1
Subtotal	<u>392</u>	<u>1,890</u>	<u>281</u>	<u>158</u>
Adjustments (1)	—	(1)	—	(1)
Total	<u><u>495</u></u>	<u><u>\$ 2,284</u></u>	<u><u>356</u></u>	<u><u>\$ 188</u></u>

* Unduplicated

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

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

UNIVERSITY OF ILLINOIS

Budget Impasse Disclosures

Years ended June 30, 2018

(Unaudited)

Article 998 of Public Act 100-0021 authorized the University of Illinois to pay its unpaid Fiscal Year 2017 and Fiscal Year 2018 costs using either the University of Illinois Fiscal Year 2017 or Fiscal Year 2018 appropriations. The following chart shows how the University of Illinois paid its prior year costs using state appropriations:

FISCAL YEAR 2017 VOUCHERS

Fund #	Fund Name	Paid From Fiscal Year 2017 Appropriations		Paid from Fiscal Year 2018 Appropriations	
		Number	Dollar Value	Number	Dollar Value
001	General Revenue Fund	115	\$ 212,137,600	-	\$ -
007	Education Assistance Fund	3,065	174,123,121	-	-
022	General Professions Dedicated Fund	2	500,000	-	-
417	St. College and University Trust	8	181,275	-	-
047	Fire Prevention Fund	521	3,816,200	-	-
840	Hazardous Waste Research Fund	80	500,000	-	-
240	Emergency Public Health Fund	42	200,000	-	-
294	Used Tire Management Fund	48	200,000	-	-
		3,881	\$ 391,658,196	-	\$ -

UNIVERSITY OF ILLINOIS

Alternative Financing in lieu of Appropriations and Programs to Address Untimely Payments to Vendors

Year ended June 30, 2018

(Unaudited)

Transactions Involving the Illinois Finance Authority

The University and its vendors did not participate in alternative financing in lieu of enacted appropriations involving the Illinois Finance Authority during Fiscal Year 2018.

Transactions Involving the Vendor Payment Program and Vendor Support Initiative Program

None of the University's vendors participated in the Vendor Payment Program (VPP) or the Vendor Support Initiative Program (VSI) during Fiscal Year 2017 and Fiscal Year 2018.

UNIVERSITY OF ILLINOIS

Interest Costs on Fiscal Year 2018 Invoices

Year ended June 30, 2018

(Unaudited)

Prompt Payment Interest Costs

The University did not incur any prompt payment interest due to vendors under the State Prompt Payment Act (Act) (30 ILCS 540). The University's vendors were paid within 90 days or paid from funds and accounts that are ineligible for prompt payment interest due to vendors under the Act.