

University of Illinois

**Annual Financial Report
Auxiliary Facilities System**

**Year Ended June 30, 2007 with
Comparative Totals for 2006**

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From the Vice President/Chief Financial Officer, Comptroller

UNIVERSITY OF ILLINOIS
Chicago • Springfield • Urbana-Champaign

Office of Vice President/Chief Financial Officer, Comptroller
349 Henry Administration Building
506 South Wright Street
Urbana, IL 61801

February 8, 2008

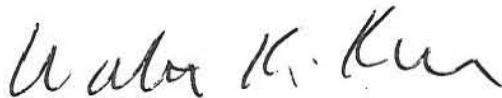
Holders of University of Illinois
Auxiliary Facilities System Revenue Bonds
and
The Board of Trustees
University of Illinois

I am pleased to transmit the Annual Financial Report of the University of Illinois Auxiliary Facilities System for the fiscal year ended June 30, 2007. This report supplements the financial statements of the University of Illinois presented in the Annual Financial Report.

The 2007 financial statements and accompanying notes appearing on pages 6 through 19 have been audited by Clifton Gunderson LLP, Independent Certified Public Accountants, as special assistants to the Auditor General of the State of Illinois, whose report on the financial statements and applicable notes appears on pages 4 and 5. The remainder of this report, which is unaudited, was compiled by the University and consists of ancillary data concerning operations.

Clifton Gunderson LLP will also prepare a report for the year ended June 30, 2007, containing special data requested by the Auditor General and another report covering their audit of the compliance of the University with applicable state and federal laws and regulations for the year ended June 30, 2007. These reports, which include some data related to the Auxiliary Facilities System, are not contained herein and are primarily for the use of the Auditor General and state and federal agencies.

Respectfully submitted,



Walter K. Knorr,
Vice President/Chief Financial Officer,
Comptroller

Independent Auditor's Report



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

As Special Assistant Auditors for the Auditor General, we have audited the accompanying statement of net assets of the University of Illinois Auxiliary Facilities System (System), as of June 30, 2007, and the related statements of revenues, expenses, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the System's 2006 financial statements and, in our report dated October 4, 2006 we expressed an unqualified opinion on those financial statements.

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

The accompanying financial statements were prepared for the purpose of complying with the requirements of the indenture for the System's Revenue Bonds, as described in Note 1, and are not intended to be a complete presentation of the University of Illinois' assets, liabilities, revenues, and expenses.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the System as of June 30, 2007, and its changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the System failed to comply with the terms, covenants, provisions, or conditions of the Resolutions of the Board of Trustees of the University of Illinois which provided for the issuance of the outstanding University of Illinois Auxiliary Facilities System Revenue Bonds insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 8, 2008 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report, which has been issued under separate cover, is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information, as listed in the table of contents, is presented for purposes 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 express no opinion on it.

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

Clifton Henderson LLP

Peoria, Illinois
February 8, 2008

**Statement of Net Assets as of June 30, 2007
with Comparative Totals for 2006**

	<u>2007</u>	<u>2006</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 156,134,131	\$ 140,510,887
Cash and cash equivalents, restricted	193,907,925	3,931,406
Investments	17,269,080	
Investments, restricted		76,927,868
Accrued investment income	1,363,962	1,389,963
Trade receivables, net of allowance of \$1,600,788	7,278,385	6,238,488
Inventories	7,631,742	7,410,232
Prepaid expenses and deferred charges	740,172	460,527
Total current assets	<u>384,325,397</u>	<u>236,869,371</u>
Noncurrent assets:		
Investments, restricted	14,632,453	26,426,898
Land	18,900,667	17,400,667
Buildings, net of accumulated depreciation	495,312,889	478,579,420
Improvements, net of accumulated depreciation	15,197,887	9,875,234
Equipment, net of accumulated depreciation	3,622,625	5,092,233
Construction in progress	202,263,896	64,735,444
Prepaid expenses and deferred charges	6,272,800	4,334,058
Total noncurrent assets	<u>756,203,217</u>	<u>606,443,954</u>
Total assets	<u>\$ 1,140,528,614</u>	<u>\$ 843,313,325</u>
Liabilities:		
Current liabilities:		
Accounts payable	\$ 47,573,171	\$ 32,895,666
Accrued liabilities	2,953,358	2,772,624
Accrued interest	9,273,736	6,180,698
Deferred revenue	5,488,399	5,389,048
Long term liabilities - current portion	28,568,135	25,314,298
Total current liabilities	<u>93,856,799</u>	<u>72,552,334</u>
Noncurrent liabilities		
Accrued compensated absences	5,195,034	5,291,281
Notes payable to the University	8,154,325	3,022,937
Bonds and leaseholds payable	930,056,447	670,897,359
Total noncurrent liabilities	<u>943,405,806</u>	<u>679,211,577</u>
Total liabilities	<u>1,037,262,605</u>	<u>751,763,911</u>
Net assets:		
Invested in capital assets, net of related debt	8,083,973	(1,536,013)
Restricted -		
Expendable for debt service	16,295,147	16,303,928
Unrestricted	78,886,889	76,781,499
Total net assets	<u>103,266,009</u>	<u>91,549,414</u>
Total liabilities and net assets	<u>\$ 1,140,528,614</u>	<u>\$ 843,313,325</u>

See accompanying notes to financial statements.

Statement of Revenues, Expenses and Changes in Net Assets
Year Ended June 30, 2007 with Comparative Totals for 2006

	<u>2007</u>	<u>2006</u>
Operating revenues:		
Room and board, net of waivers of \$2,008,309	\$ 99,578,997	\$ 89,328,103
Merchandise and food sales	30,363,584	30,495,719
Student service fees	72,757,970	65,422,911
Public events and recreation fees	6,965,832	6,823,780
Parking charges	20,757,225	18,510,838
Rental and lease income	8,160,478	5,922,765
Vending income	1,391,168	1,486,412
Other operating revenue	6,042,956	9,045,308
Total operating revenues	<u>246,018,210</u>	<u>227,035,836</u>
Operating expenses:		
Salaries and wages	69,115,347	63,552,923
Merchandise and food for resale	29,562,597	28,554,600
Repair and maintenance	2,966,493	2,174,619
Professional and other contractual services	35,707,418	40,196,469
Utilities	19,957,870	23,886,593
Supplies	11,856,831	11,819,662
Noncapitalized equipment and equipment rentals	2,282,931	1,998,963
Administrative services	12,730,093	11,769,218
Other operating expense	3,774,639	5,299,814
Depreciation and amortization	16,583,382	16,601,204
Payments on behalf of the Facility	15,636,889	13,974,097
Total operating expenses	<u>220,174,490</u>	<u>219,828,162</u>
Operating income	<u>25,843,720</u>	<u>7,207,674</u>
Nonoperating revenues (expenses):		
Payments on behalf of the Facility	15,636,889	13,974,097
Investment income (net of related expenses)	19,820,602	8,292,467
Interest on capital asset-related debt	(45,707,369)	(38,116,746)
Amortization of issuance costs	(252,524)	(199,192)
Loss on disposal of capital assets	(1,428,249)	(286,951)
Other nonoperating revenues	735,879	5,036,663
Other nonoperating expenses	(2,932,353)	(1,718,251)
Net nonoperating expenses	<u>(14,127,125)</u>	<u>(13,017,913)</u>
Increase (Decrease) in net assets	<u>11,716,595</u>	<u>(5,810,239)</u>
Net assets, beginning of year	<u>91,549,414</u>	<u>97,359,653</u>
Net assets, end of year	<u>\$ 103,266,009</u>	<u>\$ 91,549,414</u>

See accompanying notes to financial statements.

Statement of Cash Flows
Year Ended June 30, 2007 with Comparative Totals for 2006

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities:		
Room and board	\$ 99,693,763	\$ 89,222,255
Merchandise and food sales	30,142,288	30,496,874
Student service fees	72,146,734	65,424,527
Public events and recreation fees	6,904,279	6,822,972
Parking charges	20,662,475	18,513,147
Rental and lease income	8,124,907	5,922,765
Vending income	1,382,869	1,486,585
Other sources	6,020,347	9,045,309
Payments to employees and benefits	(69,038,093)	(63,552,923)
Payments to suppliers	(118,623,027)	(127,432,479)
Net cash provided by operating activities	57,416,542	35,949,032
Cash flows from noncapital financing activities:		
Other, net	(1,821,805)	1,508,454
Net cash (used) provided by noncapital financing activities	(1,821,805)	1,508,454
Cash flows from capital and related financing activities:		
Proceeds from issuance of bonds	330,170,903	67,305,000
Purchase of capital assets	(156,678,088)	(59,644,046)
Principal paid on bonds and capital leases	(78,199,449)	(19,052,630)
Repayment of notes payable to the University	(1,532,425)	(1,034,951)
Interest paid on bonds and notes payable	(32,389,001)	(27,460,108)
Payments of bond issuance costs	(2,666,750)	(694,204)
Net cash provided (used) by capital and related financing activities	58,705,190	(40,580,939)
Cash flows from investing activities:		
Interest and dividends on investments, net	19,548,042	9,038,616
Proceeds from sales and maturities of investments	106,707,553	315,044,256
Purchase of investments	(34,955,759)	(266,043,666)
Net cash provided by investing activities	91,299,836	58,039,206
Net increase in cash and cash equivalents	205,599,763	54,915,753
Cash and cash equivalents, beginning of year	144,442,293	89,526,540
Cash and cash equivalents, end of year	\$ 350,042,056	\$ 144,442,293

Statement of Cash Flows
Year Ended June 30, 2007 with Comparative Totals for 2006 (cont)

	<u>2007</u>	<u>2006</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 25,843,720	\$ 7,207,674
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	16,583,382	16,601,204
On-behalf payment of fringe benefits	15,636,889	13,974,097
Changes in assets and liabilities:		
Accounts receivable (net)	(1,039,897)	(107,175)
Inventories	(221,510)	(612,595)
Prepaid expenses and deferred charges	(226,315)	(71,397)
Accounts payable	656,435	(1,168,223)
Accrued liabilities	84,488	119,675
Deferred revenue	99,350	5,772
Net cash provided by operating activities	<u>\$ 57,416,542</u>	<u>\$ 35,949,032</u>
Noncash investing, capital, and financing activities:		
On-behalf payment of fringe benefits	\$ 15,636,889	\$ 13,974,097
Capital asset acquired through capital lease	129,325	113,981
Capital assets acquisition via notes payable to the University	6,009,602	1,738,846
Capital assets in accounts payable	42,858,110	28,837,039
Capital appreciation on bonds payable	10,762,938	10,662,982
Net interest capitalized	676,184	1,262,814
Other capital asset adjustments	112,326	191,913
Loss on disposal of capital assets	(1,428,249)	(286,951)

See accompanying notes to financial statements.

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizational Background and Basis of Presentation

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

These financial statements have been prepared to satisfy the requirements of the System's Revenue Bonds master indenture. The financial balances and activities of the System, included in these financial statements, are included in the University's financial statements. The financial statements of the System are prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The System is not a separate legal entity and therefore has not presented management's discussion and analysis.

The financial statements include prior year comparative information, which has been derived from the System's 2006 financial statements. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the System's financial statements for the year ended June 30, 2006.

Certain items in the June 30, 2006 financial statements have been reclassified to correspond to the June 30, 2007 presentation.

The System's resources are classified into net asset categories and reported in the Statement of Net Assets. These categories are defined as (a) Invested in capital assets, net of related debt - capital assets net of accumulated depreciation and outstanding debt balances (b) Restricted nonexpendable - assets restricted by externally imposed stipulations (c) Restricted expendable - assets subject to externally imposed restrictions that can be fulfilled by actions of the System pursuant to those stipulations or that expire by the passage of time and (d) Unrestricted - assets not subject to externally imposed stipulations but may be designated for specific purposes by action of management or the Board of Trustees.

Significant Accounting Policies

The System prepared its financial statements as a Business Type Activity, as defined by GASB Statement No. 35, using the economic resources measurement focus and the accrual basis of accounting. Business Type Activities are those financed in whole or in part by fees charged to external parties for goods and services.

The Statement of Revenues, Expenses, and Changes in Net Assets classifies the System's fiscal year activity as operating and nonoperating. Operating revenues generally result from exchange transactions such as payments received for providing goods and services. The majority of the System's expenses are exchange transactions which GASB defines as operating expenses for financial statement presentation.

Certain revenue sources that the System relies on for operations including state appropriations and investment income are defined by GASB Statement No. 35 as nonoperating. In addition, transactions related to capital and financing activities are components of nonoperating revenues.

Housing charges billed or received in advance are deferred and recognized as revenue during the period of occupancy. Student service fees for the summer academic term are deferred and recognized as revenue over the summer semester.

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the System reported payments made by the State on behalf of the System for contributions to State group insurance and retirement programs for System employees of \$15,636,889 for the year ended June 30, 2007. On behalf payments are classified as nonoperating revenues and the corresponding expenses are reported in payments on behalf of the System as operating expenses.

The System first applies restricted net assets when an expense or outlay is incurred for purposes for which both restricted and unrestricted net assets are available.

The Statement of Cash Flows details the change in the cash and cash equivalents balance for the fiscal year. Cash and all liquid investments with original maturities of ninety days or less are defined as cash and cash equivalents.

Inventories are stated at the lower of cost or market with cost determined as follows:

Books and other merchandise for resale - principally the retail inventory method

Food - average cost method

Other inventories - principally the first-in, first-out method.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the System follows all applicable GASB pronouncements. In addition, the System follows all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The System has elected not to apply FASB pronouncements issued after November 30, 1989.

NOTE 2 - CASH AND CASH EQUIVALENTS

The System has cash and certain investments which are pooled with other University funds 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 and time deposits, are stated at fair value as determined by quoted market price. Income is distributed based upon average quarterly balances invested in the pool. It is not feasible to separately categorize the System's claim on cash and pooled investments by level of custodial credit risk assumed.

The System classifies repurchase agreements as cash equivalents. Illinois Statutes require a third party custodian to perfect the University's security interest under repurchase agreements. The University follows industry standards and requires that securities underlying repurchase agreements must have a fair value of at least 102% of the cost of the repurchase agreement. At June 30, 2007, the system had repurchase agreements of \$249,842,523. The market value of securities underlying these repurchase agreements was \$264,361,000 at June 30, 2007.

NOTE 3 - INVESTMENTS

Illinois Statutes govern the investment policies of the University. Allowable investments under these policies include:

- Obligations of the U.S. Treasury, other federal agencies, and instrumentalities
- Bank and savings and loan time deposits
- Corporate bonds and stocks
- Commercial paper
- Repurchase agreements
- Mutual funds

Additionally, the University has investments in real estate and farm properties that are carried at cost, or when donated, at the fair value at the date of donation. All other investments are carried at their fair value, as determined by quoted market prices when available, and otherwise by generally accepted valuation principles. Investment income and the change in fair value of investments are recognized in the fund which owned such investments.

Illinois Statutes require a third party custodian to perfect the University's security interest under repurchase agreements. The University follows industry standards and requires that securities underlying repurchase agreements must have a fair value of at least 102% of the cost of the repurchase agreement. At June 30, 2007, the system had repurchase agreements of \$249,842,523. The market value of securities underlying these repurchase agreements was \$264,361,000 at June 30, 2007.

Nearly all of the University's investments are managed by external professional investment managers, who have full discretion to manage their portfolios subject to investment policy and manager guidelines established by the University, and in the case of mutual funds and other commingled vehicles, in accordance with the applicable prospectus.

The Board develops University policy on investments and delegates the execution of those policies to its administrative agents. The University follows the State of Illinois Uniform Management of Institutional Funds Act when investing its endowment and operating funds. The State of Illinois Public Funds Investment Act provides the context and framework for plant fund investments. The following details the carrying value of the System's investments as of June 30, 2007:

U.S. Government Securities	\$ 27,560,015
Commercial Paper	12,237,474
Repurchase Agreement	249,842,523
U.S. Treasury Put	4,345,000
Sub Total	293,985,012
Mutual Funds - Money Market	29,970,175
Consolidated Group Investment Pool	4,993,003
Total	\$ 328,948,190

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The University employs multiple investment managers, of which each has specific maturity assignments related to the operating funds. The funds are structured with different layers of liquidity. Funds expected to be used within one year are invested in money market instruments. Core operating funds are invested in longer maturity investments. Core operating funds investment manager's performance benchmarks are Lehman Brothers 1-3 year Government Credit Bond Index and the Lehman Brothers Intermediate Aggregate Bond Index. The University's manager guidelines provide that the average weighted duration of the portfolio, including option positions, not vary from that of their respective performance benchmarks by more than +/-20 percent. The System's investments and maturities at June 30, 2007 are illustrated below:

	Maturities				Total
	Less than 1	1 - 5	6 - 10	Greater than 10	
U.S. Government Securities	\$ 17,272,562	\$ 997,188	\$ 9,290,265	\$	\$ 27,560,015
Commercial Paper	12,237,474				12,237,474
Repurchase Agreements	249,842,523				249,842,523
U.S. Treasury Put				4,345,000	4,345,000
Total	\$ 279,352,559	\$ 997,188	\$ 9,290,265	\$ 4,345,000	\$ 293,985,012

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University's policy requires that operating funds be invested in fixed income securities and money market instruments. Fixed income securities shall be rated investment grade or better by one or more nationally recognized statistical rating organizations. Securities not covered by the investment grade standard are allowed if, in the manager's judgment, those instruments are of comparable credit quality. Securities which fall below the stated minimum credit requirements subsequent to initial purchase may be held at the manager's discretion. It is expected that the average credit quality of the operating funds will not fall below Standard & Poor's AA- or equivalent. At June 30, 2007 all of the System's investments carried a AAA quality rating.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the University will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Exposure to custodial credit risk relates to investment securities that are held by someone other than the University and are not registered in the University's name. The University investment policy does not limit the value of investments that may be held by an outside party. At June 30, 2007, the System's investments and deposits have no custodial credit risk exposure.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the University's investment in a single issuer. The University's policy provides that the total operating funds portfolio will be broadly diversified across securities in a manner that is consistent with fiduciary standards of diversification. This diversification is achieved by employing multiple investment managers and imposing maximum position limits for each manager. The University's manager guidelines for operating investments provide that non-U.S. government obligations (other national governments) may not exceed 10% per issuer and private mortgage-backed and asset-backed securities may not exceed 10% per issuer (unless collateral is credit independent of the issuer and the security's credit enhancement is generated internally, in which case the limit is 25% per issuer). Obligations with other issuers, other than the U.S. government, U.S. agencies, or U.S. government sponsored corporations and agencies, may not exceed 5%. As of June 30, 2007, not more than 5% of the University's total investments were invested in securities of any one issuer, excluding securities issued or guaranteed by the U.S. government, mutual funds, and external investment pools or other pooled investments.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The University's operating fund investments generally are not exposed to foreign currency risk. At June 30, 2007, the System was not exposed to foreign currency risk.

Securities Lending: To enhance the return on investment, the Board of Trustees of the University has authorized participation in a securities lending program. Through its custodian bank, the University loans securities to independent third parties. Such loans are secured by collateral consisting of cash, cash equivalents or U.S. Government securities and irrevocable bank letters of credit in an amount not less than 102% of the fair value of the securities loaned. Any collateral securities cannot be pledged or sold by the University unless the borrower defaults. The University receives interest and dividends during the loan period as well as a fee from the custodian. At June 30, 2007, the University has no credit risk exposure to borrowers because the amounts the University owes the borrowers exceed the amounts the borrowers owe the University. As of June 30, 2007, \$136,983,060 of the investments reported on the University's Statement of Net Assets was on loan, secured by collateral with a fair value of \$140,888,505. The System does not participate in security lending transactions.

NOTE 4 - CAPITAL ASSETS

Capital assets are carried at the System's cost or fair value at the date of a gift. System interest is charged to expense as incurred except for interest related to borrowings used for construction projects which is capitalized net of interest earned on construction funds borrowed. Net interest capitalized during fiscal year 2007 amounted to a net increase in construction costs of \$676,184. University policy requires the System to capitalize all land and collection purchases, equipment at \$5,000, buildings and improvements at \$100,000, and infrastructure at \$1,000,000. Depreciation of the capital assets is calculated on a straight-line basis over the estimated useful lives (three to fifty years) of the respective assets. The buildings are located on land primarily owned by the University for which there is no charge to the System other than for maintenance.

Capital asset activity for the year ended June 30, 2007 is summarized as follows:

Capital Assets for the System

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Nondepreciable Capital Assets:					
Land	\$ 17,400,667	\$ 1,500,000	\$	\$	\$ 18,900,667
Construction in progress	64,735,444	175,469,510		(37,941,058)	202,263,896
Total nondepreciable capital assets	82,136,111	176,969,510		(37,941,058)	221,164,563
Depreciable Capital Assets:					
Buildings	669,475,333			31,570,361	701,045,694
Improvements	34,675,293			6,370,697	41,045,990
Equipment	12,573,059	657,087	2,006,975		11,223,171
Total depreciable capital assets	716,723,685	657,087	2,006,975	37,941,058	753,314,855
Less accumulated depreciation					
Buildings	190,895,913	14,836,892			205,732,805
Improvements	24,800,059	1,048,044			25,848,103
Equipment	7,480,826	698,446	578,726		7,600,546
Total accumulated depreciation	223,176,798	16,583,382	578,726		239,181,454
Total net depreciable capital assets	493,546,887	(15,926,295)	1,428,249	37,941,058	514,133,401
TOTAL	\$ 575,682,998	\$ 161,043,215	\$ 1,428,249	\$	\$ 735,297,964

NOTE 5 - BONDS PAYABLE

On October 5, 2006 the University issued Auxiliary Facilities System Revenue Bonds Series 2006 in the amount of \$318,155,000. Series 2006 Bonds were issued to fund various improvements to the System, provide for the refunding of portions of the outstanding System Bonds, Series 1996 and Series 2001B, to pay debt service during construction, and to pay all costs incidental to the issuance of the Bonds.

Bonds payable activity for the year ended June 30, 2007 was as follows:

Series	Yield on Outstanding Debt	Maturity Dates	Bonds Payable				
			Beginning Balance	New Debt	Principal Paid/Debt Refunded	Ending Balance	Current Portion
1979	3.00%	2007-2018	\$ 840,000	\$ -	\$ 60,000	\$ 780,000	\$ 60,000
1991	5.95% - 7.35%	2007-2021	206,800,000	-	3,870,000	202,930,000	3,855,000
1993	5.70% - 5.95%	2007-2009	33,435,000	-	11,145,000	22,290,000	11,150,000
1996	4.00% - 5.60%	2007-2017	2,970,000	-	2,135,000	835,000	195,000
1999A	5.10% - 5.20%	2007-2010	7,040,000	-	1,845,000	5,195,000	1,565,000
1999A	6.05% - 6.33%	2015-2030	39,820,000	-	-	39,820,000	-
1999B	7.41% - 7.56%	2007-2015	5,705,000	-	305,000	5,400,000	430,000
2000	5.50%	2007-2010	545,000	-	95,000	450,000	120,000
2001A	4.00% - 5.50%	2007-2030	105,810,000	-	1,950,000	103,860,000	2,035,000
2001B	5.20% - 5.25%	2007-2032	91,935,000	-	52,210,000	39,725,000	630,000
2001C	5.08% - 7.00%	2007-2021	16,090,000	-	1,165,000	14,925,000	1,215,000
2003A	2.00% - 5.50%	2007-2034	64,075,000	-	1,130,000	62,945,000	1,155,000
2005A	4.625% - 5.50%	2007-2031	163,905,000	-	2,260,000	161,645,000	3,265,000
2005B	variable	2007-2035	67,305,000	-	-	67,305,000	290,000
2006	4.00% - 5.00%	2007-2036	-	318,155,000	-	318,155,000	1,160,000
			<u>\$ 806,275,000</u>	<u>\$ 318,155,000</u>	<u>\$ 78,170,000</u>	1,046,260,000	27,125,000
Unaccrued Appreciation						(109,966,471)	(458,227)
						936,293,529	26,666,773
Unamortized Debt Premium						34,597,513	1,258,102
Unamortized Deferred Loss on Refunding						(13,798,207)	(732,517)
Total Bonds Payable						<u>\$ 957,092,835</u>	<u>\$ 27,192,358</u>

Capital appreciation bonds (Series 1991, 1993, and 1999A) of \$265,040,000 outstanding at June 30, 2007 do not require current interest payments and have a net unappreciated value of \$155,073,500. The System records the annual increase in the principal amount of these bonds as interest expense and accretion on bonds payable.

Costs associated with the issuance of the Series 1991, 1993, 1996, 1999A, 1999B, 2000, 2001A, 2001B, 2001C, 2003A, 2005A, 2005B, and 2006 Bonds have been recorded as a prepaid expense and are being amortized over the life of the related bond issue.

Certain bonds of the System (Series 1991, Series 1993, and Series 1996 Bonds) have debt service reserve requirements. The Maximum Annual Net Debt Service for those bonds, as defined, is \$15,134,913.

None of the System's bonds constitute obligations of the State of Illinois, but are payable solely by the Board from net revenues of the System, student tuition and fees, and Retirement of Indebtedness funds.

The resolutions authorizing the University of Illinois Auxiliary Facilities System Revenue Bonds provide for the establishment of separate funds as follows: Current Unrestricted Fund, Unexpended Fund, Repair and Replacement Reserve, Equipment Reserve, Bond and Interest Sinking Fund, Debt Service Reserve, and Development Reserve. All System revenues, including student tuition and fees as provided for by the Bond Resolutions, are to be deposited in the Current Unrestricted Fund and used to pay

necessary operation and maintenance expenses of the System. The Bond Resolutions also require transfers to funds as follows:

Unexpended Fund - amounts, as determined by the Board, not needed to complete construction and renovation projects specified in the Bond Resolutions are required to be transferred from the Unexpended Fund to the Bond and Interest Sinking Fund.

Repair and Replacement Reserve - an amount calculated as specified in the Bond Resolutions to provide for the cost of unusual maintenance and repairs.

Equipment Reserve - an amount approved by the Board for the acquisition of movable equipment to be installed in the facilities constituting the System. The reserve may not exceed 20% of the book value of the movable equipment of the System. Additions of \$3,874,925 were made to the Equipment Reserve during the year ended June 30, 2007. Expenditures of \$1,083,975 were made to replace movable equipment during the year ended June 30, 2007. The fund balance of the Equipment Reserve was \$1,971,297 at June 30, 2007.

Bond and Interest Sinking Fund and Debt Service Reserve - amounts are transferred into the Bond and Interest Sinking Fund sufficient to pay principal and interest as it becomes due on the outstanding bonds and amounts to fund a Debt Service Reserve at least equal to the Maximum Annual Net Debt Service, as defined. At June 30, 2007 the Debt Service Reserve was funded in excess of the Maximum Annual Net Debt Service. If at any time the Debt Service Reserve is less than the Maximum Annual Net Debt Service, the System is required to restore the Debt Service Reserve to the Maximum Annual Net Debt Service by the end of the next fiscal year.

Development Reserve - an amount approved by The Board of Trustees of the University of Illinois (Board) for System development. No transfers were authorized by the Board during the year ended June 30, 2007, and there was no balance in the reserve at June 30, 2007.

The System made all required transfers for the year ended June 30, 2007.

After fulfillment of the provisions described above, the surplus, if any, remaining in the Current Unrestricted Fund may be used (a) to redeem bonds of the System which are subject to early redemption, (b) to purchase any outstanding bonds for cancellation, or (c) to advance refund any bonds outstanding.

Advance Refunded Bonds

The System has defeased bonds through advance refunding in prior years and, accordingly, they are not reflected in the accompanying financial statements. The amount of bonds which have been advance refunded as of June 30, 2007 are as follows:

Advance Refunded Bonds	
Series	Outstanding at June 30, 2007
1978-M	\$ 35,030,000
1999A	85,300,000
2000	10,785,000
2001B	55,315,000
Total Advance Refunded Bonds	<u>\$ 186,430,000</u>

Debt Service Requirements and Security

Future debt service requirements for the Series 1979, 1991, 1993, 1996, 1999A, 1999B, 2000, 2001A, 2001B, 2001C, 2003A, 2005A, 2005B, and 2006 Bonds are as follows:

Debt Service Requirements		
	Principal	Interest
2008	\$ 27,125,000	\$ 38,816,094
2009	28,580,000	38,149,867
2010	29,190,000	37,469,600
2011	30,255,000	36,800,335
2012	31,375,000	36,098,722
2013-2017	176,130,000	167,533,248
2018-2022	209,470,000	141,037,210
2023-2027	181,830,000	101,249,421
2028-2032	209,345,000	54,439,338
2033-2037	122,960,000	11,760,323
Total Debt Service	\$ 1,046,260,000	\$ 663,354,158
Unaccreted Appreciation	(109,966,471)	
Unamortized Debt Premium	34,597,513	
Unamortized Deferred Loss on Refunding	(13,798,207)	
Total Bonds Payable	\$ 957,092,835	

NOTE 6 - LEASEHOLDS PAYABLE

Leaseholds payable activity for the year ended June 30, 2007 consists of the following:

Leaseholds Payable				
Beginning Balance	Additions	Deductions	Ending Balance	Current Portion
\$99,417	\$129,325	\$29,449	\$199,293	\$43,323

Capital lease obligations have maturity dates from 2008 through 2012 and have interest rates ranging from 4.3% to 5%. As of June 30, 2007, future minimum lease payments are as follows:

	Principal	Interest
2008	\$ 43,323	\$ 8,443
2009	45,415	6,351
2010	47,609	4,157
2011	44,842	1,875
2012	18,104	311
Total minimum payments	\$ 199,293	\$ 21,137

NOTE 7 - RELATED PARTY TRANSACTIONS

The University charged the System administrative and other service charges totaling \$12,730,093 in 2007, based upon the gross expenditures and debt service transfers of various operations of the System. These charges represent a portion of estimated administrative and other service costs incurred by the University in support of the System.

The System includes certain athletic facilities and office space utilized by the Division of Intercollegiate Athletics. Student fees provide the primary funding for the operation of these athletic facilities and office space. The Division of Intercollegiate Athletics transferred funds to the System of \$2,030,892 in 2007, to fund the operations not covered by student fees.

At June 30, 2007, the System had borrowings of \$9,486,779 under multiple internal financing notes with the University for construction of System facilities. The notes have varying repayment terms and interest rates.

	Notes Payable					
	Maturity Date	Beginning Balance	New Debt	Principal Paid/Debt Refunded	Ending Balance	Current Portion
Payable to the University -	2008-2012	\$4,268,575	\$6,750,629	\$1,532,425	\$9,486,779	\$1,332,454

Future Debt Service requirements for the outstanding loans as of June 30, 2007 is as follows:

Notes Payable to the University		
Debt Service Requirements		
	Principal	Interest
2008	\$ 1,332,454	\$ 490,398
2009	1,343,634	428,384
2010	1,381,162	366,356
2011	1,394,374	302,658
2012	1,139,966	238,587
2013-2017	2,895,189	426,200
TOTAL	\$ 9,486,779	\$ 2,252,583

NOTE 8 - RETIREMENT AND POSTEMPLOYMENT BENEFITS

Substantially all employees of the System participate in the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined-benefit pension plan. The University contributes to the plan with a special funding situation whereby the State of Illinois makes substantially all actuarially determined required contributions on behalf of the participating employers. The University contributions include payments for System employees covered under the plan.

SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of the State universities, certain affiliated organizations, and certain other State educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the State's financial reports as a pension trust fund. SURS is governed by Section 5/15, Chapter 40, of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to SURS, 1901 Fox Drive, Champaign, IL 61820 or by calling 1-800-275-7877.

Eligible employees must participate upon initial employment. Employees are ineligible to participate if (a) employed after having attained age 68; (b) employed less than 50% of full-time; or (c) employed less than full-time and attending classes with an employer. Of those University employees ineligible to participate, the majority are students at the University.

Plan members are required to contribute 8.0% of their annual covered salary and substantially all employer contributions are made by the State of Illinois on behalf of the individual employers at an actuarially determined rate. The current rate is 10.61% of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly. The University's contributions to SURS for the years ended June 30, 2007, 2006, and 2005 were \$138,499,000, \$101,570,000, and \$145,752,000, respectively, equal to the required contributions for each year.

In addition to providing pension benefits, the State provides certain health, dental and life insurance benefits to annuitants who are former State employees. This includes annuitants of the System. Substantially all State employees, including the employees of the System, may become eligible for postemployment benefits if they eventually become annuitants. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits for annuitants under age 60 are equal to their annual salary at the time of retirement; life insurance benefits for annuitants age 60 and older are limited to \$5,000 per annuitant.

Currently the State does not segregate payments made to annuitants from those made to current employees for health, dental and life insurance benefits. These costs are funded by the State and are not an obligation of the System or the University.

NOTE 9 - CONSTRUCTION AND COMMITMENTS

At June 30, 2007, the System had commitments on various construction projects and contracts for repairs and renovation of auxiliary facilities of \$114,800,000. These projects will be funded from the proceeds of the Series 1999B, 2001B, 2001C, 2003A, 2005A, 2005B and 2006 Bonds Unexpended Fund and the Repair and Replacement Reserve.

This information is an integral part of the accompanying financial statements.

Schedule of Insurance in Force as of July 1, 2007 (unaudited)

Property	Insurance Valuation			Total
	Buildings	Contents	Business Interruption	
Urbana Campus				
Allen Hall	\$ 20,584,664	\$ 1,336,900	\$ ---(1)---	\$ 21,921,564
Busey-Evans Residence Halls	20,907,866	1,496,200	2,048,420	24,452,486
Central Food Stores	9,200,836	3,335,600	2,618,700	15,155,136
Florida Avenue Residence Hall	42,408,399	4,599,800	7,097,800	54,105,999
Fourth Street Residence Halls	15,014,872	979,900	668,400	16,663,172
Goodwin-Green Street Apartments	22,902,184	649,100	1,082,200	24,633,484
Graduate Student Residence	28,880,030	1,017,500	1,067,500	30,965,030
Gregory Drive Residence Halls	46,045,275	4,914,800	8,200,900	59,160,975
Illinois Street Residence Hall	38,053,801	4,280,300	6,561,500	48,895,601
Lincoln Avenue Residence Hall	33,741,684	3,083,300	4,172,200	40,997,184
Orchard Apartments - Phase IV	11,159,619	299,000	---(2)---	11,458,619
Orchard Downs Apartments	32,497,288	2,966,800	1,059,100	36,523,188
Orchard Place Apartments	7,666,503	658,300	4,392,200	12,717,003
Peabody Drive Residence Halls	42,908,864	4,930,600	8,014,500	55,853,964
Pennsylvania Avenue Residence Halls	34,251,467	4,013,200	3,931,200	42,195,867
Post Office and Snack Bar	3,259,280	1,283,600	464,500	5,007,380
Stuart Pratt Sherman Hall	20,480,080	914,000	1,279,900	22,673,980
Taft and Van Doren Residence Halls	9,590,794	883,300	1,047,700	11,521,794
Admissions and Records Building	3,726,349			3,726,349
Assembly Hall	49,350,494	2,200,000	5,000,000	56,550,494
Atkins Tennis Facility	4,940,689	200,000	400,000	5,540,689
Baseball Stadium	3,262,746	115,000		3,377,746
Bielfeldt Athletic Administration Building	6,214,820	1,663,444		7,878,264
Campus Bookstore	15,915,526	5,500,000	4,000,000	25,415,526
Ice Rink Arena	10,820,214	450,000	2,000,000	13,270,214
Illini Union Building	70,248,203	7,700,000	6,000,000	83,948,203
Illini Union Warehouse	1,257,245	890,000	125,000	2,272,245
Intramural Physical Education Building	42,436,987	1,000,000	3,000,000	46,436,987
Irwin Academic Services Center	2,120,785	100,000		2,220,785
Irwin Indoor Football Facility	13,724,100	100,000	1,500,000	15,324,100
McKinley Hospital and Health Center Addition	25,917,941	3,000,000	5,000,000	33,917,941
Memorial Stadium	81,691,266	3,865,000	5,000,000	90,556,266
Satellite Recreation Facility	39,982,075	750,000	1,000,000	41,732,075
Student Services Arcade Building	8,077,670	500,000		8,577,670
Student Services Building	8,777,348	547,400		9,324,748
Ubben Basketball Complex	6,027,487	500,000		6,527,487
Krannert Center Parking	7,175,862		500,000	7,675,862
North Campus Parking Structure	21,543,152		1,000,000	22,543,152
Parking Structure, Lot C10	5,143,658		1,000,000	6,143,658
Parking Structure, Lot C7	4,941,946		1,000,000	5,941,946
Parking Structure, Lot F29	14,725,862		1,000,000	15,725,862
Ashton Woods Apartments	11,521,129	173,800	1,100,000	12,794,929
Total Urbana Campus	\$ 899,097,060	\$ 70,896,844	\$ 92,331,720	\$ 1,062,325,624

	Insurance Valuation			Total
	Buildings	Contents	Business Interruption	
Chicago Campus				
Residence Hall for Men	\$ 21,017,013	\$ 1,571,614	\$ 810,243	\$ 23,398,870
Women's Residence Hall	11,223,140	386,548	531,306	12,140,994
Single Student Residence Hall - Health Sciences Center	29,429,392	1,748,503	2,523,707	33,701,602
South Campus Student Residence Phase I	42,737,444	1,868,476	1,131,200	45,737,120
South Campus Student Residence Phase II	27,751,112	1,353,091	808,000	29,912,203
Student Residence & Commons	38,505,388	4,216,076	2,508,948	45,230,412
Chilled Water Facility	788,504	11,000,000	1,000,000	12,788,504
Flames Athletic Center	12,751,149		3,000,000	15,751,149
Pavilion	24,341,373	1,121,208	2,213,779	27,676,360
Satellite Union	850,393	246,655	1,000,000	2,097,048
Student Services Building	25,147,465	2,953,820	878,405	28,979,690
Union Building - Health Sciences Center	27,071,136	5,816,703	5,000,000	37,887,839
University Center	75,120,157	18,307,244	6,641,887	100,069,288
Recreation Center East	36,797,562			36,797,562
Parking Structure - Health Sciences Center	13,953,758	70,842	570,891	14,595,491
Parking Structure - South Campus	24,006,618	410,000	2,000,000	26,416,618
Parking Structure - University Center	10,547,900	55,162	2,000,000	12,603,062
Parking Structure #2 - University Center	12,372,662	92,934	2,000,000	14,465,596
Parking Structure - Wood & Taylor	27,825,300	59,795	1,000,000	28,885,095
Adaptive Reuse 2A Bldg 672	3,796,250			3,796,250
Total Chicago Campus	466,033,716	51,278,671	35,618,366	552,930,753
Springfield Campus				
Homer L. Butler Housing Commons	654,951	44,466		699,417
Student Apartments	14,314,841	897,120	1,144,692	16,356,653
Student Life Building	2,792,415	178,311	500,000	3,470,726
Pennyroyal Crt. Townhouse Apts.	3,122,726	164,700	285,117	3,572,543
Marigold Crt. Townhouse Apts.	5,698,424	350,000	288,576	6,337,000
Vachel Lindsay Dr. Townhouse Apts.	4,836,003	350,000	276,552	5,462,555
Lincoln Residence Hall	10,859,508	460,400	974,835	12,294,743
Total Springfield Campus	42,278,868	2,444,997	3,469,772	48,193,637
Total (3)	\$ 1,407,409,644	\$ 124,620,512	\$ 131,419,858	\$ 1,663,450,014
Total amount of insurance (4)				\$ 1,663,450,014

(1) Included with Lincoln Avenue Residence Hall.

(2) Included with Orchard Place Apartments.

(3) The buildings are valued at replacement costs, which are predicated on the Engineering News Record (ENR) building replacement cost index and insurer recommendations. This value approximates the replacement value at June 30, 2007. The contents are also valued at replacement value.

(4) An insurance policy was issued by Lexington Insurance for the policy period July 1, 2007 through June 30, 2008 that covers a maximum of 1 billion dollars.

Occupancy Report for Fiscal Year 2007 (unaudited)

	Normal Capacity ⁽¹⁾	Average Occupancy ⁽²⁾	Percent of Occupancy
Urbana-Champaign Campus:			
Residence Halls -			
Busey-Evans Halls	398	389	97.74%
Lincoln-Allen Residence Halls	1,163	1,140	98.02%
Fourth Street Halls	275	265	96.36%
Taft and Van Doren Halls	406	392	96.55%
Gregory Drive Residence Halls	1,404	1,417	100.93%
Daniels Hall Units #1 and #2	259	241	93.05%
Peabody Drive Residence Halls	1,405	1,414	100.64%
Pennsylvania Avenue Residence Halls	1,040	976	93.85%
Illinois Street Residence Halls	1,198	1,190	99.33%
Sherman Hall	455	428	94.07%
Florida Avenue Residence Halls	1,265	1,226	96.92%
Total Residence Halls	9,268	9,078	97.95%
Student-Staff Apartments -			
Goodwin-Green Street Apartments	200	182	91.00%
Orchard Downs Apartments	752	607	80.72%
Total Apartments	952	789	82.88%
Chicago Campus:			
Residence Halls -			
Student Residence Hall	245	225	91.84%
Polk Street Residence	125	120	96.00%
Single Student Residence	570	560	98.25%
Student Residence and Commons	1,332	1,308	98.20%
Thomas Beckham Hall	443	438	98.87%
Marie Robinson Hall	349	340	97.42%
Total Residence Halls	3,064	2,991	97.62%
Springfield Campus:			
Apartments -			
Single Units	400	394	98.50%
Family Units	32	32	100.00%
Total Apartments	432	426	98.61%
Residence Hall -			
Lincoln	218	212	97.25%
Total Residence Halls	218	212	97.25%

⁽¹⁾ Number of rentable spaces

⁽²⁾ Calculated on annual occupancy of the available rentable spaces

Supplemental Information
University Enrollment Data as of October 2006 (unaudited)

	Undergraduate			Graduate & Professional			Total Enrollment
	Chicago ⁽¹⁾	Springfield	Urbana - Champaign	Chicago ⁽²⁾	Springfield	Urbana - Champaign	
Headcount							
Fall -							
2002	16,543	1,999	28,243	10,129	1,658	10,010	68,582
2003	16,012	2,052	28,589	10,198	1,588	10,275	68,714
2004	15,448	1,965	29,287	8,959	1,419	10,258	67,336
2005	15,148	2,005	30,453	9,205	1,373	10,141	68,325
2006	14,999	1,987	30,935	9,201	1,375	10,312	68,809

Full-time Equivalent⁽³⁾

Fall -							
2002	14,990	1,416	28,343	10,533	836	11,755	67,873
2003	14,602	1,481	28,795	10,583	788	12,034	68,283
2004	14,389	1,536	29,544	9,367	772	11,679	67,287
2005	14,212	1,603	30,991	9,611	815	11,485	68,717
2006	14,171	1,610	31,404	9,606	811	11,752	69,354

Note: Excludes the following Fall 2006 off-campus enrollments by campus:

UIS - excludes 771 off-campus undergraduate and 628 graduate students. Fall 2006 total enrollment counts are 4,761 up from 4,517 in Fall 2005.

UIUC - excludes 95 students enrolled at the Illini Center (94 Executive MBA and IMS Accountancy-Tax), and 1,396 Guided Individual Study and Extramural students.

UIC - Excludes 444 off-campus students.

¹⁾ Excludes Residents.

²⁾ Students enrolled in post-professional Dentistry programs are classified as professional students.

³⁾ Based on Illinois Board of Higher Education definition of full-time equivalency. Undergraduate student full-time equivalent is computed as the total number of fall term, semester credit hours divided by 15.

Graduate and Professional student full-time equivalent is computed as the total number of semester credit hours divided by 12.

The calculation includes imputed credit hours for students enrolled in coursework for zero credit.

Rental Rates for Residence Halls and Student-Staff Apartments (unaudited)

	<u>2006-07</u> <u>Rates</u>
Urbana-Champaign Campus	
Residence Halls (room and board for the academic year)	
Singles	\$ 8,248
Doubles	<u>7,216</u>
Triples	<u>6,812</u>
Quadruples	<u>6,524</u>
Rates are \$100 more for comparable space in air conditioned halls	
Residence halls (room only for academic year)	
Singles	
Daniels Hall	<u>5,076-5,290</u>
Sherman Hall	<u>4,024</u>
Doubles	
Daniels Hall (large)	<u>4,630</u>
Sherman Hall	<u>3,850</u>
Apartments (monthly rates, heat included)	
Student Rate	
Sleeping	<u>497</u>
Zero Bedroom	<u>582</u>
One Bedroom	<u>690</u>
Staff Rate	
Sleeping	<u>525</u>
Zero Bedroom	<u>610</u>
One Bedroom	<u>729</u>
Orchard Place, Orchard Downs and Orchard Downs Addition Apartments (monthly rates - per unit)	
One Bedroom (Furnished)	<u>576</u>
Two Bedroom (Furnished)	<u>645</u>
Two Bedroom (Unfurnished)	<u>515</u>

Rental Rates for Residence Halls and Student-Staff Apartments (unaudited) - continued

	<u>2006-07</u> <u>Rates</u>
Chicago Campus - Health Sciences Center	
Residence Halls	
(room only for the academic year)	
Singles	
Student Residence Hall	\$ 5,664
Student Residence Hall and Commons	6,004
Doubles	
Student Residence Hall	5,016
Polk Street Residence Hall	5,372
Student Residence Hall and Commons	5,270
Apartments - (SSR)	
(monthly rates - per unit)	
Two Person Apartment	1,436
Three Person Apartment	2,112
Four Person Apartment	2,848
Two Person Suite	1,228
Three Person Suite	1,842
Apartments - (South Campus)	
(monthly rates - per unit)	
One Person Apartment	922
Two Person Apartment	1,560
Four Person Apartment	3,064
Springfield Campus	
Apartments - Family	
(unit only for the academic year)	
One Bedroom (Furnished)	\$ 5,285
Two Bedroom (Furnished)	6,760
One Bedroom (Unfurnished)	4,800
Two Bedroom (Unfurnished)	6,115
Apartments - Other	
(per person for the academic year)	
Two Bedroom - Four Person	1,975
Four Bedroom - Four Person	3,400
Four Bedroom - Four Person - Townhouse	3,920
Residence Hall	
Lincoln	4,995

*Average of 2 rates for renovated units.