State of Illinois

Southern Illinois University

Housing and Auxiliary Facilities System

Report of the Treasurer

For the Year Ended

June 30, 2017

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY
HOUSING and AUXILIARY FACILITIES SYSTEM
ANNUAL FINANCIAL REPORT
For The Year Ended June 30, 2017

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Southern Illinois University
Senior Vice President for Financial & Administrative Affairs and Board Treasurer
Stone Center - Mail Code 6801 / 1400 Douglas Drive / Carbondale, Illinois 62901

February 28, 2018

TO THE BONDHOLDERS AND THE BOARD OF TRUSTEES
OF SOUTHERN ILLINOIS UNIVERSITY

I am pleased to submit the annual Treasurer's Report to the Bondholders for the Southern Illinois University Housing and Auxiliary Facilities System for the fiscal year ended June 30, 2017.

The system continues to exceed, by a significant percentage, the 120% debt service coverage requirement as outlined in the bond resolution. A calculation for this coverage requirement is included in the Treasurer's Comments to the financial statements.

I hope you find this financial report informative, and I invite your inquiries on any matter related to the bonds or the report.

Respectfully submitted,

SIGNED ORIGINAL ON FILE

Duane Stucky
Board Treasurer

DS/sjp

Carbondale P: 618.536.3475 F: 618.536.3404
Carbondale / Edwardsville / Springfield / Alton / East St. Louis

TREASURER'S COMMENTS (UNAUDITED)

SOUTHERN ILLINOIS UNIVERSITY HOUSING AND AUXILIARY FACILITIES SYSTEM

I. SOUTHERN ILLINOIS UNIVERSITY REVENUE BOND OPERATIONS

FACILITIES

The facilities included in the Southern Illinois University Housing and Auxiliary Facilities System (the "System") were acquired in fifteen phases. The first phase coincided with the creation of the System and the Advanced Refunding of 1978 which consolidated the facilities, the operations and the debt of five separate bond indentures, into one entity, the System. These facilities include residence halls and apartment complexes on the Carbondale and Edwardsville campuses which provide student housing; the student unions known as the Student Center at Carbondale and the University Center at Edwardsville; eight buildings leased to national organizations of fraternities and sororities for student housing; two buildings which are designated as housing for professional students; and seven buildings used by the University for administrative and student service purposes. The buildings and equipment of this phase were constructed or improved through the issuance of bonds totaling $72,391,000. Additional improvements of this phase, consisting of an energy conservation project, have been constructed through the issuance of Revenue Bond Series 2000A in the amount of $6,525,000.

The second phase expanded the System to include the Student Recreation Center, the Northwest Annex and the Child Care Center at the Carbondale campus, and the Student Fitness Center and Woodland Hall at the Edwardsville campus. The recreation center additions were acquired through the issuance of the Southern Illinois University Housing and Auxiliary Facilities System Revenue Project and Refunding Bonds Series 1992A (the "Series 1992A Bonds") in the amount of $13,465,000 while the other projects were acquired through the issuance of the Revenue Bond Series 1993A (the "Series 1993A Bonds") in the amount of $16,670,506. These facilities include a dormitory, an apartment complex and office space of 29,100 net square feet for academic, administrative and student service purposes; a student recreation center (including an existing facility and a fitness center addition) at Carbondale; a fitness center addition at Edwardsville; and a child care center.

The third phase expanded the System to include a new residence hall, Prairie Hall, on the Edwardsville campus. Prairie Hall consists of approximately 120,000 square feet and is designed to provide housing for approximately 500 students. The third phase also expanded the System to include traffic and parking operations on the Edwardsville campus. Renovation and expansion of Cougar Village Apartments on the Edwardsville campus were also included in this phase. These facilities and operations were constructed or improved through the issuance of bonds totaling $38,096,284.

The fourth phase expanded the System to include a new residence hall, Bluff Hall, on the Edwardsville campus. The residence hall consists of approximately 120,000 square feet and is designed to provide housing for approximately 500 students. This phase also includes expansion and renovations of the University Center food service facilities. The funds for construction and improvements were provided through the issuance of bonds totaling $21,001,900.

The fifth phase expanded the System to include a new softball complex on the Carbondale campus and a complete replacement of the turf at McAndrew Stadium on the Carbondale campus. This phase also includes improvements to the University Center on the Edwardsville campus. The funds for construction and improvements were provided through the issuance of bonds totaling $19,555,000.

The sixth phase expanded the System to include a new Student Health Center building addition on the Carbondale campus. The new facility consists of an approximately 40,000 square foot, two-story addition to the Student Recreation Center. The funds for construction were provided through the issuance of bonds totaling $8,635,000.

The seventh phase expanded the System to include University Hall on the Carbondale campus. The facility is a four-floor brick residence hall that sits on 5.43 acres of property which is located at the southeast corner of Wall and Park streets. The purchase was funded by the renewals and replacements account.

The eighth phase expanded the System to include Wall and Grand Apartments on the Carbondale campus. The residence hall consists of approximately 169,000 gross square feet and is designed to provide apartment-style living quarters for 400 on-campus students. This phase also includes the installation of automatic sprinkler systems in Schneider Hall, Mae Smith Hall and Neely Hall on the Carbondale campus as well as modification of the HVAC systems and humidity controls in Prairie Hall, Bluff Hall and Woodland Hall on the Edwardsville campus. The funds for construction and improvements were provided through the issuance of bonds totaling $40,390,000.

The ninth phase expanded the System to include a new residence hall, Evergreen Hall, and adjacent parking lot for the Edwardsville campus; and various safety/security enhancements of the System, student center renovation and the purchase of a student information system for the Carbondale campus. The funds for construction and improvements were provided through the issuance of bonds totaling $56,585,000.

The tenth phase expanded the System to include a new Student Success Center and an expansion to the Student Fitness Center on the Edwardsville campus. This phase also includes the installation of automatic sprinkler systems in Thompson Point and University Hall and the installation of security cameras and an electronic access control system at all exterior entries to Thompson Point on the Carbondale campus. The funds for construction and improvements were provided through the issuance of bonds totaling $30,105,000.

The eleventh phase expanded the System to include a new football stadium on the Carbondale campus. This phase also includes the renovation of the SIU Arena and the construction of a new addition thereto on the Carbondale campus. The funds for construction and renovation were provided through the issuance of bonds totaling $53,735,000.

The twelfth phase expanded the System to add the housing facilities at Evergreen Terrace on the Carbondale campus.

The thirteenth phase expanded the System to include a new Student Services Building on the Carbondale campus. The funds for construction and equipping of were provided through the issuance of bonds totaling $28,140,000.

The fourteenth phase expanded the System to include improvements to the Student Recreation Center and demolition of student residence halls, Allen, Boomer and Wright, commonly referred to as the Triads, on the Carbondale campus. The funds for improvements and demolition were provided through the issuance of bonds totaling $8,190,000.

The fifteenth phase expanded the System to include improvements to parking and installation of new light poles and pay by space equipment at Edwardsville. This phase also includes an expansion to the Student Fitness Center weight room on the Edwardsville campus. Another part of this phase is the renovation of the Baseball Stadium on the Carbondale campus. The funds for construction and improvements were provided through the issuance of bonds totaling $8,205,000.

II. ENROLLMENTS AT SOUTHERN ILLINOIS UNIVERSITY

The University reports the following enrollments, by campus:

	Head Count*	Full-Time Equivalency**
Carbondale Campus (semester basis)		
Fall semester 2016	15,987	13,666
Fall semester 2015	17,292	14,779
Edwardsville Campus (semester basis)		
Fall semester 2016	14,142	11,870
Fall semester 2015	14,265	11,985

*Head count includes all full and part-time students (including those enrolled in extension courses) whether living on or off campus.
**Full-time equivalency is based on 15 credits for undergraduate students and 12 credits for graduate students.

III. HISTORICAL OCCUPANCY OF SYSTEM FACILITIES

The occupancy charges and rates below are based on the typical fall/spring school year (9 months) except for Evergreen Terrace information which based on 12 months.

	Range of Occupancy Charges for 2017	Occupancy Rates				
		2017	2016	2015	2014	2013
Southern Hills Apartments (C)		-- --	-- --	-- --	69.4%	68.6%
Evergreen Terrace (C)						
302 Apartments	$3,752 - $8,808	80.3%	84.1%	80.3%	87.4%	86.7%
Thompson Point (C)						
1,246 Persons	$10,186 - $13,634	79.1%	91.6%	96.3%	95.6%	93.7%
Towers (C)						
2,278 Persons	$10,186 - $13,634	66.0%	83.8%	96.1%	94.1%	87.7%
University Hall (C)						
327 Persons	$5,936 - $13,634	38.7%	64.5%	93.3%	91.7%	72.9%
Wall & Grand (C)						
396 Persons (Bldg I,II & III)	$6,224 - $7,558	97.1%	97.2%	97.8%	95.0%	96.3%
Cougar Village (E)						
496 Apartments	$4,420 - $14,350	89.1%	90.0%	95.0%	93.3%	93.7%
Woodland Hall (E)						
257 Rooms	$9,180 - $16,280	85.3%	94.0%	95.7%	89.0%	93.4%
Prairie Hall (E)						
260 Rooms	$9,180 - $16,280	81.2%	93.4%	96.1%	89.9%	93.4%
Bluff Hall (E)						
260 Rooms	$9,180 - $16,280	86.1%	94.6%	97.0%	92.5%	94.7%
Evergreen Hall (E)						
131 Apartments	$6,180 - $11,550	96.9%	97.2%	98.1%	98.1%	97.5%

(C) Carbondale Campus, (E) Edwardsville Campus

Southern Hills was closed in FY15.

IV. DEBT SERVICE COVERAGES

The bond resolution requires that debt service coverage (net revenues plus pledged retained tuition) be at least 120% of the maximum annual debt service. The debt service coverage is calculated at the end of the year using cash basis data obtained from the Statement of Cash Flows. Debt service coverage for the System as defined by the bond resolution and based on net revenues has been calculated as follows:

	Year ended June 30,	
	2017	2016
Receipts:		
Revenue Account:		
Operating Receipts	$ 102,297,327	$ 113,341,386
Revenue Bond Fees	1,365,028	1,584,531
Retirement of Indebtedness – Investment Income	109,498	125,866
Total Receipts	103,771,853	115,051,783
Disbursements:		
Operation and Maintenance Account	73,316,153	77,786,239
Net Revenues	30,455,700	37,265,544
Plus: Pledged Retained Tuition	28,477,085	28,477,085
Total Available for Debt Service	$ 58,932,785	$ 65,742,629
Maximum Annual Debt Service	$ 28,477,085	$ 28,477,085
Coverage Ratio Based on Net Revenues	107%	131%
Coverage Ratio as Defined in the Bond Resolution	207%	231%

V. RETIREMENT OF INDEBTEDNESS

The net position is restricted for the following purposes:

	June 30,	
	2017	2016
Bond and Interest Sinking Fund Account	$ 6,907,449	$ 6,404,792
Debt Service Reserve Account	8,250,001	8,250,001
	$ 15,157,450	$ 14,654,793

VI. RENEWALS AND REPLACEMENTS

The bond resolution requires the Treasurer to transfer annually to Renewals and Replacements from the funds remaining in unrestricted net position, the sum of 10% of the maximum annual net debt service requirement or such portion thereof as is available for transfer. The maximum amount which may be accumulated in said account shall not exceed 5% of the replacement cost of the facilities constituting the System, plus 20% of the book value of the movable equipment within the System, plus either 10% of the historical cost of the parking lots or 100% of the estimated cost of resurfacing any one existing parking lot which is part of the System.

Additions during the year included transfers from unrestricted net position of $4,430,113 ($7,973,796 in 2016) and investment income of $192,129 in 2017 and $174,861 in 2016. Expenditures charged to the reserve amounted to $6,063,876 in 2017 and $6,288,776 in 2016. The net position of Renewals and Replacements consisted of the following:

	June 30,	
	2017	2016
Pooled Cash and Investments	$ 31,029,300	$ 32,241,538
Accrued Interest Receivable	24,824	16,253
Accounts Payable	(2,274,934)	(2,036,967)
	$ 28,779,190	$ 30,220,824

VII. SCHEDULE OF BONDS PAYABLE OUTSTANDING

A Schedule of Bonds Payable Outstanding is shown as supplementary information and lists the amount of Housing and Auxiliary Facilities System Revenue Project and Refunding Bonds and Revenue Bonds Series 2015B, 2015A, 2012B, 2012A, 2009A, 2008A, 2006A, 1999A, 1997A and 1993A issued and outstanding as of June 30, 2017.

VIII. RESTRICTED NET POSITION – EXPENDABLE

Restricted net position as of June 30 are comprised of the following:

	2017	2016
Retirement of indebtedness	$ 15,157,450	$ 14,654,793
Renewals and replacements	28,779,190	30,220,824
Unexpended	-	2,043
	$ 43,936,640	$ 44,877,660

Southern Illinois University
Board of Trustees and
Officers of Administration
Fiscal Year 2017

BOARD OF TRUSTEES OF SOUTHERN ILLINOIS UNIVERSITY

OFFICERS OF SOUTHERN ILLINOIS UNIVERSITY

OFFICERS OF ADMINISTRATION, SOUTHERN ILLINOIS UNIVERSITY CARBONDALE

OFFICERS OF ADMINISTRATION, SOUTHERN ILLINOIS UNIVERSITY EDWARDSVILLE

FINANCIAL STATEMENT REPORT

SUMMARY

The audit of the accompanying basic financial statements of the Southern Illinois University Housing and Auxiliary Facilities System was conducted by CliftonLarsonAllen LLP.

Based on their audit, the auditors expressed an unmodified opinion on the System's basic financial statements.

Exit Conference

An exit conference was waived in correspondence from Kim Labonte, Executive Director of Internal Audit on February 23, 2018.

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Honorable Frank J. Mautino
Auditor General, State of Illinois
and
Board of Trustees
Southern Illinois University

Report on the Financial Statements

As Special Assistant Auditors for the Auditor General, we have audited the accompanying financial statements of the business-type activities of the Southern Illinois University Housing and Auxiliary Facilities System ("the System") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities for the System as of June 30, 2017, and the changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1A, the financial statements of the System are intended to present the financial position, the changes in financial position, and cash flows of only that portion of the business-type activities of Southern Illinois University that is attributable to the transactions of the System. They do not purport to, and do not, present fairly the financial position of Southern Illinois University as of June 30, 2017, and its change in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of the Housing and Auxiliary Facilities System's Proportionate Share of the Net Pension Liability and the Schedule of Contributions on page 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The accompanying Schedule of Bonds Payable Outstanding is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Bonds Payable Outstanding 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. Such information 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 Schedule of Bonds Payable Outstanding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Treasurer's Comments on pages 2-4 have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

In connection with our audit, nothing came to our attention that caused us to believe that the System was not in compliance with any of the fund accounting covenants of the Resolutions of the Board of Trustees of Southern Illinois University, which provided for the issuance of the Southern Illinois University Housing and Auxiliary Facilities System Revenue Bonds Series 2015B, Revenue Bonds Series 2015A, Revenue Bonds Series 2012B1, Revenue Bonds Series 2012B2, Revenue Bonds Series 2012A, Revenue Bonds Series 2009A, Revenue Bonds Series 2008A, Revenue Bonds Series 2006A, Revenue Bonds Series 2004A, Revenue Bonds Series 1999A, Revenue Bonds Series 1997A, and Revenue Bonds Series 1993A adopted July 16, 2015, March 19, 2015, November 8, 2012, November 8, 2012, December 8, 2011, April 2, 2009, April 10, 2008, March 9, 2006, October 14, 2004, May 13, 1999, July 10, 1997, and May 13, 1993, respectively, insofar as they related to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the System's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the Resolution of the Board of Trustees of Southern Illinois University, insofar as they relate to accounting matters.

Restricted Use Relating to the Other Matter

The purpose of the communication related to compliance with the aforementioned Resolution of the Board of Trustees of Southern Illinois University described in the Other Matters paragraph is intended solely to describe the scope of our testing of compliance and the results of that testing. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's compliance. Accordingly, this communication is not suitable for any other purpose.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report under separate cover dated February 28, 2018, 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 solely 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 effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

SIGNED ORIGINAL ON FILE

CliftonLarsonAllen LLP

Peoria, Illinois
February 28, 2018

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
STATEMENT OF NET POSITION
June 30, 2017

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
CURRENT ASSETS:	
Pooled cash and investments	$ 26,696,526
Pooled cash and investments, restricted	31,032,580
Short term investments, restricted	12,008,220
Accounts receivable, net	3,034,443
Accrued interest receivable	78,149
Merchandise for resale	1,264,251
Prepaid expenses and other assets	145,174
TOTAL CURRENT ASSETS	74,259,343
NONCURRENT ASSETS:	
Long term investments, restricted	4,303,722
Prepaid expenses and other assets	684,419
Capital assets, not depreciated	8,776,464
Capital assets, net of depreciation	254,762,060
TOTAL NONCURRENT ASSETS	268,526,665
DEFERRED OUTFLOWS OF RESOURCES	2,372,946
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	345,158,954
LIABILITIES	
CURRENT LIABILITIES:	
Accounts payable	2,679,238
Accrued interest payable	1,969,271
Accrued payroll	491,963
Accrued compensated absences	202,831
Housing deposits	95,670
Unearned revenue	2,165,909
Revenue bonds payable	20,986,415
TOTAL CURRENT LIABILITIES	28,591,297
NONCURRENT LIABILITIES:	
Accrued compensated absences	1,806,860
Housing deposits	116,930
Revenue bonds payable	204,662,706
TOTAL NONCURRENT LIABILITIES	206,586,496
TOTAL LIABILITIES	235,177,793
NET POSITION	
Net investment in capital assets	40,262,349
Restricted for:	
Expendable	
Capital projects and debt service	43,936,640
Unrestricted	25,782,172
TOTAL NET POSITION	$ 109,981,161

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended June 30, 2017

REVENUES	
OPERATING REVENUES:	
Residence halls and apartments	$ 52,698,383
University student centers	
Sales and services	16,055,218
Student fees	8,042,339
Student recreation and fitness centers	
Sales and services	1,060,921
Student fees	5,519,947
Child care center	1,023,679
Student health center	8,393,381
Student services building	2,258,156
Traffic and parking	2,739,765
Student success center	1,639,503
Revenue bond fees	1,365,028
TOTAL OPERATING REVENUES	100,796,320
EXPENSES	
OPERATING EXPENSES:	
Salaries and wages	56,067,559
Merchandise for resale	8,786,420
Utilities	7,904,609
Maintenance and repairs	11,090,997
Administrative	13,658,596
Other	5,534,481
Depreciation	14,727,580
TOTAL OPERATING EXPENSES	117,770,242
OPERATING LOSS	(16,973,922)
NONOPERATING REVENUES (EXPENSES)	
Investment income	414,801
Gifts and contributions	1,002,755
Payments on-behalf of the system	25,538,305
Interest on capital asset-related debt	(7,745,961)
Accretion on bonds payable	(3,214,389)
Other nonoperating revenue	4,767,016
NET NONOPERATING REVENUES	20,762,527
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	3,788,605
OTHER REVENUES, EXPENSES, GAINS OR LOSSES	
Capital assets retired	(176,308)
Additions to plant facilities from other sources	244,010
TOTAL OTHER REVENUES, EXPENSES, GAINS OR LOSSES	67,702
INCREASE IN NET POSITION	3,856,307
NET POSITION	
Net position at beginning of year	106,124,854
NET POSITION AT END OF YEAR	$ 109,981,161

The accompanying notes are an integral part of this statement.

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
STATEMENT OF CASH FLOWS
Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Residence halls and apartments	$ 49,340,328
University student centers	
Sales and services	16,378,617
Student fees	8,017,031
Student recreation and fitness centers	
Sales and services	1,058,999
Student fees	5,516,669
Child care center	1,023,679
Student health center	7,773,732
Student services building	2,889,580
Traffic and parking	2,922,056
Student success center	1,640,144
Revenue bond fees	1,365,028
Payments to employees	(28,347,775)
Payments for utilities	(7,818,893)
Payments to suppliers	(38,818,562)
NET CASH PROVIDED BY OPERATING ACTIVITIES	22,940,633
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Gifts for other than capital purposes	2,796
Other nonoperating revenue	3,701,935
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	3,704,731
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Purchases of capital assets	(4,159,595)
Principal paid on capital debt	(18,045,000)
Interest paid on capital debt	(8,321,847)
Other	2,065,080
NET CASH USED IN CAPITAL FINANCING ACTIVITIES	(28,461,362)
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from sales and maturities of investments	30,603,731
Investment income	404,799
Purchase of investments	(31,161,327)
NET CASH USED IN INVESTING ACTIVITIES	(152,797)
NET INCREASE (DECREASE) IN CASH	(1,968,795)
POOLED CASH AND INVESTMENTS - BEGINNING OF THE YEAR	59,697,901
POOLED CASH AND INVESTMENTS - END OF THE YEAR	$ 57,729,106
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating loss	$ (16,973,922)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	14,727,580
Payments on-behalf of the system	25,538,305
Change in assets and liabilities:	
Receivables, net	847,073
Merchandise for resale	(72,594)
Prepaid expenses and other assets	25,376
Accounts payable	(688,615)
Accrued payroll	(173,820)
Accrued compensated absences	(106,384)
Housing deposits	(18,400)
Unearned revenue	(163,966)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 22,940,633
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Payments on-behalf of the system	$ 25,538,305
Capital assets in accounts payable	2,121,874
Accretion on bonds payable	3,214,389
Other capital asset adjustments	26,408
Loss on disposal of capital assets	276,346

The accompanying notes are an integral part of this statement.

1. Significant Accounting Policies

(A) Basis of Presentation

These financial statements include all financial activities over which the Southern Illinois University Housing and Auxiliary Facilities System (the "System") exercises direct responsibility. The System combines the operations of the individual housing units, the student centers, the student recreation center, the student fitness center, the Carbondale child care center, the Carbondale student health center, the Carbondale student information system, the Carbondale softball field, the Carbondale football stadium, the Carbondale SIU Arena, the Carbondale Student Services Building, Edwardsville traffic and parking and the Edwardsville student success center into one operation. The Revenue Bonds of 2015B, 2015A, 2012B, 2012A, 2009A, 2008A, 2006A, 1999A, 1997A and 1993A (the "Bonds") are secured in part by the revenues from these operations. The financial statements reflect the combined operations of the System as of and for the year ended June 30, 2017. The individual facilities included in the System are as follows:

Carbondale Campus
- Southern Hills Apartments
- Greek Row
- Thompson Point
- Towers
- University Hall
- Northwest Annex
- Student Center
- Student Recreation Center
- Child Care Center
- Softball Field
- Student Health Center
- Wall and Grand Apartments
- Student Information System
- Football Stadium
- SIU Arena Renovations
- Evergreen Terrace
- Student Services Building
- Baseball Stadium

Edwardsville Campus
- University Center
- Cougar Village
- Student Fitness Center
- Woodland Hall
- Prairie Hall
- Traffic and Parking
- Bluff Hall
- Evergreen Hall
- Student Success Center

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 System is not a separate legal entity.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB), including Statement No. 35, *Basic Financial Statements – and Management's Discussion and Analysis – for Public Colleges and Universities*. Additionally, effective July 1, 2001, the System adopted GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments : Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures*. The System now follows the business-type activity reporting requirements of GASB Statements No. 35, 37 and 38 that provide a comprehensive, entity-wide perspective of the System's financial activities and replaces the fund group presentations previously required. Effective July 1, 2004, the System adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The objective of this statement is to update the custodial credit risk disclosure requirements and to establish more comprehensive disclosure requirements addressing the common risks of deposits and investments. Effective July 1, 2007, the System adopted GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. The System has disclosed pledged revenues in Note 6 to the financial statements. Effective July 1, 2012, the System adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in a statement of financial position. Incorporating GASB Statement No. 63 in the System's 2013 financial statements had no effect on beginning net position. Effective July 1, 2013, the System adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Incorporating GASB Statement No. 65 in the System's 2014 financial statements resulted in the presentation of the deferred loss on refunding, previously reported as a reduction of revenue bonds payable, as a deferred outflow on the Statement of Net Position. It also resulted in the expensing of the unamortized non-insurance components of the bond issuance costs, which were previously reported as prepaid expenses. Effective July 1, 2014, the System adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which addresses the accounting and financial reporting by state and local governments for pensions. Effective July 1, 2015, the System adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which addresses accounting and financial reporting issues related to fair value measurements and requires governments to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan net position of the State Universities Retirement System (SURS) and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities. Additional information required by GASB No. 68 is provided in Note 8

For financial reporting purposes, the System is considered a special-purpose government engaged only in business-type activities. Accordingly, the System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting applicable to state colleges and universities. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation to pay has been incurred.

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; the 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.

(B) Merchandise For Resale

Merchandise for resale includes inventories which are stated at the lower of cost or market. Cost is determined principally by the average cost method or the first-in, first-out method, depending on the type of inventory. The Student Center University Bookstore on the Carbondale campus has been leased to Follett Higher Education Group Inc. since May 8, 2001.

(C) Buildings, Improvements and Equipment

Buildings, improvements and equipment are recorded at cost less accumulated depreciation. The buildings are located on land owned by the University except for the Northwest Annex, University Hall and Greek Row which were purchased in part by the System. There is no charge to the System for the use of the land other than for grounds maintenance. The System's capitalization policy for capital assets is as follows: buildings with an acquisition cost of $100,000 or greater, site or building improvements of $25,000 or greater, and equipment items $5,000 or greater.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings, 15 years for site or building improvements, 5 years for vehicles and electronic data processing equipment, and 7 years for other equipment. Land is not depreciated. The "following-month" prorate convention is used, in which no depreciation is recorded in the month of acquisition and an entire month of depreciation is recorded in the month of disposition.

(D) Classification of Revenues and Expenses

The System has classified its revenues and expenses as either operating or nonoperating. Operating revenues and expenses include activities that have characteristics of exchange transactions, such as sales and services of auxiliary enterprises. Nonoperating revenues and expenses include activities that have characteristics of nonexchange transactions, such as gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities that Use Proprietary Fund Accounting*, and GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. Other nonoperating revenues and expenses include transactions relating to capital and financing activities, noncapital financing activities, and investing activities. The System first applies restricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

(E) Pooled Cash and Investments

Pooled cash and investments include the System's portion of the University's internal investments pool as described in Note 2.

(F) Investments

Investments are reported at fair value. The investments, which consist of U.S. Treasury notes, are held in the University's name by its agent.

(G) Allowance for Uncollectibles

The System provides allowances for uncollectible accounts based upon management's best estimate of uncollectible accounts at the statement of net position date, considering type, age, collection history of receivables, and any other factors as considered appropriate. The System's accounts receivable balance is reported net of allowance of $10,097,462 at June 30, 2017.

(H) Revenue Bond Fee

Transfers from other University funds of the revenue bond fee are based upon the amount budgeted. Fees in the amount of $54,025 in 2017 have been collected in excess of the budgetary transfer and are available for future budgetary transfers.

(I) Bond Insurance Issuance Costs

The bond insurance issuance costs are included in prepaid expenses and other assets and are amortized on a straight line basis over the life of the bonds.

(J) On-Behalf Payments

In accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*, the System reported on-behalf payments made by agencies of the State of Illinois for health care and retirement. These costs are reflected in an equal amount in both the nonoperating revenues and salaries and wages of the System. On behalf payments for the year ended June 30, 2017 amounted to $11,790,665 for health care costs, $13,619,241 for retirement costs, and $128,399 for social security and medicare. Payments for retirement costs were made to the State Universities Retirement System.

(K) Classification of Net Position

Net position represents the difference between System assets and deferred outflows and liabilities and deferred inflows and is divided into three major categories. The first category, net investment in capital assets, represents the System's equity in property, plant and equipment. The next asset category is restricted net position. Expendable restricted net position is available for expenditure by the System, but must be spent for purposes as determined by donors or other external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position, which represents balances from operational activities that have not been restricted by parties external to the System and are available for use by the System. The System first applies restricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

(L) Compensated Absences

Accrued compensated absences for University personnel are charged to current funds based on earned, but unused vacation and sick leave days including the University's share of Social Security and Medicare taxes.

2. Pooled Cash and Investments

It is University policy to invest funds in a manner which will provide investment returns and security consistent with good business practices, while meeting the daily cash flow demands of the University and conforming to all statutes governing the investments of funds. Funds are invested in accordance with the provisions of the Illinois Compiled Statutes, Chapter 30, Sections 235/0.01 – 235/8, the *Public Funds Investment Act*; the policies of the Board; and covenants provided from the University's bond and certificate of participation issuance activities. The University's Investment Policy authorizes the University to invest in securities of the United States of America, its agencies, and its instrumentalities; interest bearing savings accounts, certificates of deposit, interest bearing time deposits, and other direct obligations of any bank defined in the Illinois Banking Act; certain short term obligations of U.S. corporations rated in the highest rating classifications by at least two standard rating services provided such obligations do not mature in longer than 270 days from the time of purchase and the issuing entity has at least $500 million in assets (limited to 33 percent of the portfolio); money market mutual funds provided they are comprised of only U.S. Treasuries, agencies and instrumentalities; Public Treasurer's Investment Pool-State Treasurer's Office; repurchase agreements of Government securities; and other specifically defined repurchase agreements.

The three basic objectives of the University's investment policy are safety of invested funds; maintenance of sufficient liquidity to meet cash flow needs; and attainment of the maximum investment returns possible consistent with the first two objectives. The University ensures the safety of its invested funds by limiting credit and interest rate risks. The University's portfolio is structured to ensure that cash is available to meet anticipated demands. Additionally, since all possible cash demands cannot be anticipated, the portfolio consists largely of securities with active secondary or resale markets. The investment returns on the University's portfolio is a priority after the safety and liquidity objectives have been met. Investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

The University has pooled certain cash and investments for the purpose of securing a greater return on investment and providing a more equitable distribution of investment return. Pooled investments, which consist principally of government securities, are stated at market. Income is distributed quarterly based upon average balances invested in the pool over the prior 13 week period. There are no investments in foreign currency. It is not feasible to separately determine the System's bank balance at June 30, 2017 due to the pooling of the University's cash and investments.

Credit risk: Credit risk is the risk of loss due to the failure of the security issuer or backer to meet promised interest or principal payments on required dates. Credit risk is mitigated by limiting investments to those specified in the *Illinois Public Funds Investment Act*; which prohibits investment in corporate bonds with maturity dates longer than 270 days from the date of purchase; pre-qualifying the financial institutions which are utilized; and diversifying the investment portfolio so that the failure of any one issuer or backer will not place an undue financial burden on the University. U.S. Treasuries are federal government securities that do not require the disclosure of credit risk. The U.S. agencies investments typically include the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation and the Federal Home Loan Bank, all of which carry a rating in the AA category or higher. The Public Treasurer's Investment Pool is rated AAAm.

Concentration of credit risk: The University's investment policy states that the portfolio should consist of a mix of various types of securities, issues and maturities. While the fund's asset allocation strategy provides diversification by fixed income sector, each portfolio within the sector is also broadly diversified by security type, issue and maturity.

Custodial credit risk: Custodial credit risk is the risk that when, in the event a financial institution or counterparty fails, the University would not be able to recover value of deposits, investments or collateral securities that are in the possession of an outside party. All of the University's investments are held in the University's name and are not subject to creditors of the custodial institution.

Interest rate risk: Interest rate risk is the risk that the market value of portfolio securities will fall or rise due to changes in general interest rates. Interest rate risk is mitigated by maintaining significant balances in cash equivalent and other short maturity investments and by establishing an asset allocation policy that is consistent with the expected cash flows of the University. The internally managed portfolio is managed in accordance with covenants provided from the University's debt issuance activities. The externally managed portfolio is typically allocated with a minimum of $40 million held in cash equivalents, $0 to $160 million in a short term portfolio, and $65 to $125 million held in the intermediate-term portfolio. However, circumstances may occur that cause the allocations to temporarily fall outside the prescribed ranges.

Foreign currency risk: The University does not hold any foreign investments.

Interest rate risk is disclosed below using the segmented time distribution method. As of June 30, 2017, the System has the following cash and investment balances:

		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less than 1**	**1-5**	**6-10**	**More than 10**
U.S. Treasuries	$ 16,311,942	$ 12,008,220	$ 4,303,722	$ -	$ -
Total Investments	16,311,942	$ 12,008,220	$ 4,303,722	$ -	$ -
Cash and Equivalents					
The Illinois Funds	20,402,595				
Cash and Equivalents	37,326,511				
Total Cash & Equivalents	57,729,106				
Total Cash & Investments	$ 74,041,048				

Fair value measurements: The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The System categorizes fair values according to the hierarchy established by generally accepted accounting principles. The hierarchy, based on the valuation inputs used to measure fair values, consists of the following three levels of measurement inputs:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets
Level 2: Other than quoted prices that are observable for an asset or liability, directly or indirectly
Level 3: Unobservable inputs for an asset or liability

The System uses Level 1 inputs to measure the fair value of all investments held. The fair values, derived from current quoted market prices for identical assets, are provided by both the System's external investment managers as well as the custodian bank.

3. Investments and Investment Income

Southern Illinois University has adopted the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. This statement establishes accounting and reporting standards for certain investments and securities and establishes disclosure requirements for most investments held by governmental entities. It requires that investments be recorded at fair (market) value and that unrealized gains and losses be recorded in income. The fair value is determined to be the amount at which financial instruments could be exchanged in a current transaction between willing parties, usually quoted market prices. GASB Statement No. 31 permits 2a7-like pools to be reported at amortized cost. The investment with the Public Treasurer's Investment Pool (The Illinois Funds) operates as a 2a7-like pool and is reported at amortized cost, which is the same value as the pool shares. State statutes require the Illinois Funds to comply with the *Illinois Public Funds Investment Act* (30 ILCS 235). Also, certain money market investments having a remaining maturity of one year or less at time of purchase and nonnegotiable certificates of deposit with redemption terms that do not consider market rates are carried at amortized cost.

The calculation of realized gains is independent of the calculation of the net increase in the fair value of investments. Realized gains and losses on investments that had been held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year. Investment income net of realized and unrealized gains and losses on investments for the year ended June 30, 2017 is reflected below.

	2017
Interest earnings	$ 467,330
Realized gain on investments	-
Unrealized gain (loss) on investments	(52,529)
Net investment income	$ 414,801

4. Capital Assets

Capital asset activity for the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	$ 605,395	$ -	$ -	$ -	$ 605,395
Construction in progress	6,562,532	4,693,017	32,235	(3,052,245)	8,171,069
Total capital assets not being depreciated	7,167,927	4,693,017	32,235	(3,052,245)	8,776,464
Capital assets being depreciated:					
Buildings	470,115,361	32,585	-	2,842,204	472,990,150
Improvements	17,776,664	-	-	210,041	17,986,705
Equipment	16,683,160	534,900	2,164,872	-	15,053,188
Total capital assets being depreciated	504,575,185	567,485	2,164,872	3,052,245	506,030,043
Less accumulated depreciation for:					
Buildings	215,635,205	12,792,719	(100)	-	228,428,024
Improvements	9,591,663	691,144	(228,091)	-	10,510,898
Equipment	13,234,296	1,243,717	2,148,952	-	12,329,061
Total accumulated depreciation	238,461,164	14,727,580	1,920,761	-	251,267,983
Total capital assets being depreciated, net	266,114,021	(14,160,095)	244,111	3,052,245	254,762,060
Capital assets, net	$ 273,281,948	$ (9,467,078)	$ 276,346	$ -	$ 263,538,524

The System incurred interest expense of $10,960,350 during 2017 including $0 of capitalized interest.

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds payable	$241,218,541	$3,214,389	$18,783,809	$225,649,121	$20,986,415
Compensated absences	2,116,075	32,742	139,126	2,009,691	202,831
Housing deposits	231,000	149,559	167,959	212,600	95,670
Total long-term liabilities	$243,565,616	$3,396,690	$19,090,894	$227,871,412	$21,367.872

6. Revenue Bonds Payable

On July 16, 2015, the Board adopted the "Seventeenth Supplemental System Revenue Bond Resolution" which amended and supplemented the Original Resolution of August 29, 1984, the First Supplemental Resolution of November 13, 1986, the Second Supplemental Resolution of February 13, 1992, the Third Supplemental Resolution of May 13, 1993, the Fourth Supplemental Resolution of September 12, 1996, the Fifth Supplemental Resolution of July 10, 1997, the Sixth Supplemental Resolution of May 13, 1999, the Seventh Supplemental Resolution of May 11, 2000, the Eighth Supplemental Bond Resolution of July 12, 2001, as amended and restated on December 11, 2003, the Ninth Supplemental Resolution of December 12, 2002, the Tenth Supplemental Resolution of October 14, 2004, the Eleventh Supplemental Bond Resolution of March 9, 2006, as amended and restated on May 2, 2006 and November 9, 2006, the Twelfth Supplemental Bond Resolution of April 10, 2008, the Thirteenth Supplemental System Revenue Bond Resolution of April 2, 2009, the Fourteenth Supplemental System Revenue Bond Resolution of December 8, 2011, the Fifteenth Supplemental System Revenue Bond Resolution of November 8, 2012, and the Sixteenth Supplemental System Revenue Bond Resolution of March 19, 2015. The outstanding bond issues related to the respective bond resolutions of the System are as follows:

(A) Series 2015B Bonds

These bonds were authorized by the Board under the Seventeenth Supplemental Bond Resolution dated July 16, 2015 and were issued as current interest bonds in the original amount of $20,735,000. The bonds were sold on August 13, 2015 at a premium of $2,503,381. The bonds mature at varying amounts from 2016 to 2031 with interest rates ranging from 3.00 to 5.00 percent. Proceeds will be used to refund a portion of the Series 2006A current interest bonds. The advance refunding, which was undertaken by the Board to effect a cost savings, resulted in a net decrease in debt service payments of $16,292,964. The financing resulted in an economic gain of $3,417,083 and an accounting loss of $452,331. As of June 30, 2017, these bonds mature in 2031 and were outstanding in the amount of $21,986,975.

(B) Series 2015A Bonds

These bonds were authorized by the Board under the Sixteenth Supplemental Bond Resolution dated March 19, 2015 and were issued as current interest bonds in the original amount of $8,205,000. The bonds were issued at par with an interest rate of 2.85 percent. Proceeds will be used for the reconstruction of parking lots including installation of new light poles and pay-by-space equipment on the Edwardsville campus; an expansion of the Student Fitness Center on the Edwardsville campus; and renovation of the Baseball Stadium on the Carbondale Campus. As of June 30, 2017, these bonds mature in 2030 and were outstanding in the amount of $7,305,000.

(C) Series 2012B Bonds

These bonds were authorized by the Board under the Fifteenth Supplemental Bond Resolution dated November 8, 2012, and were issued in two series. Series 2012B-1 were issued as tax-exempt, current interest bonds in the original amount of $39,335,000 and Series 2012B-2 were issued as taxable Qualified Energy Conservation bonds in the original amount of $5,365,000. The bonds were sold on December 19, 2012 at a premium of $6,245,917 with interest rates ranging from 1.00 to 5.00 percent. The Series 2012B-1 bonds were issued for the purpose of refunding the Series 2003A and a portion of the Series 2004A current interest bonds; and demolition of student residence halls, Allen, Boomer and Wright, commonly referred to as the Triads, on the Carbondale campus. The Series 2012B-2 bonds were issued for financing improvements of the Student Recreation Center. The advance refundings, which were undertaken by the Board to effect cost savings, resulted in a net decrease in debt service payments of $6,293,473. The financing resulted in an economic gain of $4,829,291 and an accounting loss of $2,216,389. As of June 30, 2017, these bonds mature in 2035 and were outstanding in the amount of $43,850,176.

(D) Series 2012A Bonds

These bonds were authorized by the Board under the Fourteenth Supplemental Bond Resolution dated December 8, 2011 and were issued as current interest bonds in the original amount of $29,805,000. The bonds were sold on January 11, 2012 at a premium of $273,628 with interest rates ranging from 2.05 to 4.38 percent. Proceeds will be used for the construction and equipping of a Student Services Building on the Carbondale Campus and refund a portion of the Series 2001A current interest bonds. Debt service reserve funds of $1,592,622 were released and used to pay a portion of Series 2001A debt service. The current refunding, which was undertaken by the Board to effect a cost savings, resulted in a net decrease in debt service payments of $1,939,053 of which $1,592,622 represents application of the debt service reserve released funds. The financing resulted in an economic gain of $233,957 and an accounting loss of $9,103. As of June 30, 2017, these bonds mature in 2032 and were outstanding in the amount of $22,868,812.

(E) Series 2009A Bonds

These bonds were authorized by the Board under the Thirteenth Supplemental Bond Resolution dated April 2, 2009 and were issued as taxable Build America Bonds in the original amount of $53,735,000. The bonds were issued as current interest bonds on May 15, 2009 at a premium of $226,028 with interest rates ranging from 2.50 to 6.20 percent. Proceeds will be used for the construction and equipping of a new football stadium on the Carbondale campus, including the relocation of certain tennis courts and playing fields from the project site and the renovation and equipping of the SIU Arena and the construction of a new addition thereto on the Carbondale Campus. As of June 30, 2017, these bonds mature in 2030 and were outstanding in the amount of $38,833,536.

(F) Series 2008A Bonds

These bonds were authorized by the Board under the Twelfth Supplemental Bond Resolution dated April 10, 2008 and were issued as current interest bonds in the original amount of $30,105,000. The bonds were sold on May 8, 2008 at a premium of $1,359,732 with interest rates ranging from 3.00 to 5.50 percent and were issued to finance the construction and equipping of a Student Success Center on the Edwardsville campus; the construction and equipping of an expansion to the Student Fitness Center on the Edwardsville campus; and the installation of sprinklers and other safety/security enhancements to housing on the Carbondale campus. As of June 30, 2017, these bonds mature in 2028 and were outstanding in the amount of $21,704,626.

(G) Series 2006A Bonds

These bonds were authorized by the Board under the Eleventh Supplemental Bond Resolution dated March 9, 2006, as amended and restated on May 2, 2006 and November 9, 2006, and were issued as current interest bonds in the original amount of $69,715,000. The bonds were sold on May 24, 2006 at a premium of $3,155,475 with interest rates ranging from 4.00 to 5.25 percent. The bonds were issued for the purpose of refunding a portion of the Series 1997A, 2000A and 2001A current interest bonds; financing the construction of a student residence hall with an adjoining parking lot for the Edwardsville campus; construction of an additional 350 space parking lot for the Edwardsville campus; funding various safety/security enhancements and other replacements to, and renovations of, the facilities of the System on the Carbondale campus; and purchasing and implementing a student information system for the Carbondale campus. As of June 30, 2017, these bonds mature in 2021 and were outstanding in the amount of $15,235,736.

(H) Series 1999A Bonds

These bonds were authorized by the Board under the Sixth Supplemental Bond Resolution dated May 13, 1999 and were issued as capital appreciation bonds in the original amount of $21,001,900. The bonds were issued at a premium of $53,851 with interest rates ranging from 4.10 to 5.55 percent. The capital appreciation bonds are non-interest bearing and will accrete the interest factor as additional bonds payable over the term of the bonds. These bonds were issued to finance the construction of a residence hall and renovations of the University Center food service facilities. All projects financed by the Series 1999A bonds are associated with the Edwardsville campus. The bonds mature in 2029. As of June 30, 2017, after accreting the capital appreciation, these bonds were outstanding in the amount of $47,416,647.

(I) Series 1997A Bonds

These bonds were authorized by the Board under the Fifth Supplemental Bond Resolution dated July 10, 1997 and were issued as current interest bonds and capital appreciation bonds in the original amounts of $8,575,000 and $29,521,284, respectively. The current interest bonds were issued at a nominal discount while the capital appreciation bonds were issued at par with interest rates ranging from 4.20 to

5.50 percent. The capital appreciation bonds are non-interest bearing and will accrete the interest factor as additional bonds payable over the term of the bonds. These bonds were issued to finance the construction of Prairie Hall, a residence hall, renovations of existing housing and food service facilities, and construction and improvement to the parking facilities. All projects financed by the Series 1997A bonds are associated with the Edwardsville campus. On March 9, 2006, as amended and restated on May 2, 2006 and November 9, 2006, the Board authorized the advance refunding of a portion of the current interest bonds of the Series 1997A. Bonds in the amount of $2,915,000 were advance refunded. The bonds mature in 2018. As of June 30, 2017, after accreting the capital appreciation, the remaining bonds were outstanding in the amount of $2,578,462.

(J) Series 1993A Bonds

These bonds were authorized by the Board under the Third Supplemental Bond Resolution dated May 13, 1993 and were issued as current interest bonds and capital appreciation bonds in the original amounts of $8,010,000 and $8,660,506, respectively. The current interest bonds were issued at a nominal discount while the capital appreciation bonds were issued at par with interest rates ranging from 6.05 to 6.20 percent. The capital appreciation bonds are non-interest bearing and will accrete the interest factor as additional bonds payable over the term of the bonds. These bonds were issued to finance the acquisition of the Northwest Annex, an existing facility, and the construction of the Child Care Center at the Carbondale campus and the construction of Woodland Hall at the Edwardsville campus. On December 12, 2002, the Board authorized the current refunding of the current interest bond portion of the Series 1993A Bonds. The bonds were called and redeemed in full on April 1, 2003. The bonds mature in 2018. As of June 30, 2017, after accreting the capital appreciation, the remaining capital appreciation bonds were outstanding in the amount of $3,869,151.

These bonds, which are payable through 2035, do not constitute a debt of the State of Illinois or the individual members, officers or agents of the Board of Trustees of the University but, together with interest thereon, are payable from and secured by a pledge of and lien on (i) the net revenues of the System, (ii) pledged tuition in an amount not to exceed maximum annual debt service (subject to prior payment of operating and maintenance expenses of the System), (iii) the Bond and Interest Sinking Fund account, and (iv) the Repair and Replacement Reserve account. Unrefunded bonds issued in 2001 and prior are additionally secured by the Debt Service Reserve. Total principal and interest remaining on the debt is $297,993,580 with annual requirements ranging from $2,013,460 to $28,477,085. For the current year, principal and interest paid was $26,366,847, and the total revenues pledged were $58,932,785. For fiscal year 2017, the total revenue pledged represents 100 percent of the net revenues of the System and 19 percent of net tuition revenue received. Although net tuition is pledged, it is not expected to be needed to meet debt service requirements.

The bond resolution requires that debt service coverage on a cash basis be at least 120 percent of the maximum annual debt service. For the year ended June 30, 2017, the maximum annual debt service was $28,477,085 and the coverage was 207 percent. The bond resolution also requires the Treasurer to transfer annually to Renewals and Replacements from the funds remaining in unrestricted net position the sum of 10 percent of the maximum annual net debt service requirement or such portion thereof as is available for transfer. The net position of Renewals and Replacements was $28,779,190 at June 30, 2017.

All of the refunded bonds are considered to be defeased and, accordingly, have been accounted for as if they were retired. As of June 30, 2017, there were no outstanding balances of refunded bonds.

Revenue bond debt service requirements to maturity are as follows as of June 30, 2017:

Year Ending June 30,	Principal	Interest	Total
2018	20,600,000	7,877,085	28,477,085
2019	17,415,000	7,310,895	24,725,895
2020	17,975,000	6,744,447	24,719,447
2021	18,380,000	6,153,650	24,533,650
2022	16,455,000	5,570,335	22,025,335
2023 – 2027	85,615,000	19,890,755	105,505,755
2028 – 2032	49,960,000	6,638,232	56,598,232
2033 – 2035	10,300,000	1,108,180	11,408,180
Total Payments	$ 236,700,000	$ 61,293,580	$ 297,993,580
Less Unaccreted Appreciation	(20,106,967)		
Total Payable	216,593,033		
Unamortized debt premium	9,056,088		
Total Bonds Payable	$ 225,649,121		

7. Related Party Transactions

Expenditures to maintain the University Housing Office and Auxiliary Fiscal Reports Office are allocated by the University to the various related operations, including those of the System, on the basis of gross revenues generated by each.

In addition, seven of the buildings on Greek Row, a portion of the Northwest Annex (29,100 net sq. ft.), one room of the Lentz Hall dining facilities at Thompson Point, and the Student Services Building are leased by the University from the System on a year-to-year basis and are used for a variety of academic, administrative, and student service purposes. The lease rentals ($923,430 in 2017) are inclusive of the debt service requirements, insurance, administrative overhead and grounds maintenance costs. In addition, the University pays all operating and building maintenance costs for the leased properties.

Expenditures capitalized in 2017 include $244,010 paid for by other University funds.

8. Retirement Benefits

General Information about the Pension Plan

Plan Description: Substantially all employees of the University contribute to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of 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 accessing the website at www.SURS.org.

Benefits Provided: A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2016 can be found in the SURS' comprehensive annual financial report (CAFR) Notes to the Financial Statements.

Contributions: The State of Illinois is primarily responsible for funding SURS on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of SURS to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2017 respectively was 12.53% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8.0% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Net Pension Liability: The net pension liability (NPL) was measured as of June 30, 2016. At June 30, 2016, SURS reported an NPL of $25,965,271,744.

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability to be recognized for the University is $0. The proportionate share of the State's net pension liability associated with the University is $2,412,381,441 or 9.29%. This amount is not recognized in the financial statements. The net pension liability was measured as of June 30, 2016, and the total pension used to calculate the net pension liability was determined based on the June 30, 2015 actuarial valuation rolled forward. The basis of allocation used in the proportionate share of net pension liability is the actual reported pensionable contributions made to SURS during fiscal year 2016.

Pension Expense: At June 30, 2016, SURS reported a collective net pension expense of $2,566,164,865.

Employer Proportionate Share of Pension Expense: The University's proportionate share of collective pension expense is recognized as on-behalf revenue and matching expense in the financial statements. The basis allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal year 2016. As a result, the University recognized on-behalf revenue and pension expense of $238,417,243 for the fiscal year ended June 30, 2017. The System recognized on-behalf revenue and pension expense of $13,619,241 for the fiscal year ended June 30, 2017.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: Deferred outflows of resources are the consumption of net position by SURS that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Sources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 14,215,882	$ 2,298,574
Changes in assumption	655,463,758	0
Net difference between projected and actual earnings on pension plan investments	$ 795,528,330	0
Total	$ 1,465,207,970	$ 2,298,574

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2017	$ 539,536,680
2018	275,426,885
2019	401,520,624
2020	246,425,207
2021	-
Thereafter	-
Total	$1,462,909,396

Employer Deferral of Fiscal Year 2017 Pension Expense

The University paid $2,591,913 in federal, trust or grant contributions for the fiscal year ended June 30, 2017. These contributions were made subsequent to the pension liability measurement date of June 30, 2016 and are recognized as Deferred Outflows of Resources as of June 30, 2017.

Assumptions and Other Inputs

Actuarial assumptions: The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period June 30, 2010-2014. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2000 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2016, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	6.95%
Global Equity	8%	6.78%
Fixed Income	19%	1.17%
Treasury-Inflation Protected Securities	4%	1.41%
Emerging Market Debt	3%	4.44%
Real Estate-REITS	4%	5.75%
Direct Real Estate-REITS	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	4.00%
Opportunity Fund	1%	6.54%
Total	100%	5.09%
Inflation		2.75%
Expected Arithmetic Return		**7.84%**

Discount Rate: A single discount rate of 7.010% was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.250% and a municipal bond rate of 2.85% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the SURS' funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the SURS's Net Pension Liability to Changes in the Discount Rate: Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.01%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 6.01%	Current Single Discount Rate Assumption 7.01%	1% Increase 8.01%
$31,348,831,631	$25,965,271,744	$21,502,421,700

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at www.SURS.org.

9. Post-Employment Benefits

In addition to providing the above pension benefits, the State provides health, dental, vision and life insurance benefits for retirees and their dependents in a program administered by the Department of Central Management Services. This includes annuitants of the System. Substantially all State employees, including the System's employees, may become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored plans. Health, dental and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. The health, dental, and vision benefits provided to and contribution amounts required from annuitants are the result of collective bargaining between the State and various unions that represent the State's and System's employees. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefit becomes $5,000.

The State pays the System's portion of employer costs for the benefits provided. The total costs of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents. A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services may be obtained by writing to the Department of Central Management Services, 401 South Spring Street, Springfield, Illinois, 62706.

10. Insurance

The University is exposed to various risks of loss relative to general liability, professional liability, and certain group coverage of student health and life benefits. The University minimizes its exposure through a combination of risk reduction and self-insurance programs, as well as primary and excess insurance coverage with commercial carriers. No significant reductions in insurance have occurred and the amount of settlements have not exceeded insurance coverage.

The general and professional liability self-insurance fund provides for comprehensive general and professional liability coverage. The University also purchases excess insurance coverage with commercial carriers for claims that may result in catastrophic losses. The University makes contributions to the general and professional liability self-insurance fund based on yearly actuarial analysis. The actuarial analysis for 2017 included a 2% discount rate for self-insurance liabilities.

11. Contingencies and commitments

From time to time, the University is a defendant in lawsuits which relate to the System. In the opinion of the University's legal counsel and its administrative officers, any ultimate liability which could result from such litigation would not have a material effect on the System's financial position.

The System has active construction projects as of June 30, 2017 and $461,330 has been committed to the completion of these projects.

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

Schedule of the Housing and Auxiliary Facilities System's Proportionate Share of the Net Pension Liability

	FY2014	FY2015	FY2016	FY2017
(a) Proportion Percentage of the Collective Pension Liability	0%	0%	0%	
(b) Proportion Amount of the Collective Net Pension Liability	$0	$0	$0	
(c) Portion of Non-employer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	124,839,334	79,948,499	133,163,456	
Total (b) + (c)	124,839,334	79,948,499	133,163,456	
Employer DB Covered Payroll	20,716,406	12,148,563	18,521,644	
Proportion of Collective Net Pension Liability associated With Employer as a percentage of covered payroll	602.61%	658.09%	718.96%	
SURS Plan Net Position as a Percentage of Total Pension Liability	44.39%	42.37%	39.57%	

Schedule of Contributions

	FY2014	FY2015	FY2016	FY2017
Federal, Trust, Grant and Other contribution	0	0	0	0
Contribution in relation to required contribution	0	0	0	0
Contribution deficiency (excess)	0	0	0	0
Employer Covered payroll	20,883,340	12,355,307	18,816,453	18,667,379
Contributions as a percentage of covered payroll	0%	0%	0%	0%

Changes of benefit terms. There were no benefit changes recognized in the Total Pension Liability as of June 30, 2016.

Changes of assumptions. In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- Mortality rates. Change from the RP 2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tales with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- Salary increase. Change assumption to service-based rates, ranging from 3.75% to 15% based on years of service, with underlying wage inflation of 3.75%.
- Normal retirement rates. Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- Early retirement rates. Change to a slight increase to the rates at ages 55 and 56.
- Turnover rates. Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

*Note: The System implemented GASB No. 68 in fiscal year 2015. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
SCHEDULE OF BONDS PAYABLE OUTSTANDING
June 30, 2017

		REVENUE BONDS SERIES 1993A		
	TOTAL	Principal Amount	Accreted Value at Maturity	Interest Rate
Interest Bearing Bonds:				
Serial Bonds maturing as follows:				
2018	12,350,000	- ----	- ----	- -----
2019	11,745,000	- ----	- ----	- -----
2020	12,195,000	- ----	- ----	- -----
2021	12,430,000	- ----	- ----	- -----
2022	10,455,000	- ----	- ----	- -----
2023	10,735,000	- ----	- ----	- -----
2024	10,880,000	- ----	- ----	- -----
2025	11,460,000	- ----	- ----	- -----
2026	8,310,000	- ----	- ----	- -----
2027	6,090,000	- ----	- ----	- -----
2028	4,060,000	- ----	- ----	- -----
2029	3,890,000	- ----	- ----	- -----
2030	4,255,000	- ----	- ----	- -----
2031	2,210,000	- ----	- ----	- -----
2032	1,940,000	- ----	- ----	- -----
2033	- ----	- ----	- ----	- -----
2034	- ----	- ----	- ----	- -----
2035	- ----	- ----	- ----	- -----
Term Bonds maturing as follows:				
2018	- ----	- ----	- ----	- -----
2019	- ----	- ----	- ----	- -----
2020	- ----	- ----	- ----	- -----
2021	- ----	- ----	- ----	- -----
2022	- ----	- ----	- ----	- -----
2023	- ----	- ----	- ----	- -----
2024	- ----	- ----	- ----	- -----
2025	- ----	- ----	- ----	- -----
2026	3,165,000	- ----	- ----	- -----
2027	4,875,000	- ----	- ----	- -----
2028	7,395,000	- ----	- ----	- -----
2029	6,000,000	- ----	- ----	- -----
2030	5,070,000	- ----	- ----	- -----
2031	1,435,000	- ----	- ----	- -----
2032	1,505,000	- ----	- ----	- -----
2033	1,580,000	- ----	- ----	- -----
2034	1,645,000	- ----	- ----	- -----
2035	1,710,000	- ----	- ----	- -----
Qualified Energy Conservation Bonds maturing as follows				
2035	5,365,000	- ----	- ----	- -----
Total Interest Bearing Bonds	162,750,000	-		
Capital Appreciation Bonds maturing as follows:				
2018	7,897,606	3,869,151	4,050,000	6.200%
2019	5,156,604	- ----	- ----	- -----
2020	4,977,609	- ----	- ----	- -----
2021	4,851,166	- ----	- ----	- -----
2022	4,630,608	- ----	- ----	- -----
2023	4,382,340	- ----	- ----	- -----
2024	4,146,672	- ----	- ----	- -----
2025	3,925,884	- ----	- ----	- -----
2026	3,713,652	- ----	- ----	- -----
2027	3,574,173	- ----	- ----	- -----
2028	3,383,560	- ----	- ----	- -----
2029	3,203,159	- ----	- ----	- -----
Total Capital Appreciation Bonds	53,843,033	3,869,151		
Total	$ 216,593,033	$ 3,869,151		

**Approximate yield to maturity.
This schedule of bonds payable outstanding does not reflect unamortized debt premium

REVENUE BONDS SERIES 1997A			REVENUE BONDS SERIES 1999A			REVENUE BONDS SERIES 2006A	
Principal Amount	Accreted Value at Maturity	Interest Rate	Principal Amount	Accreted Value at Maturity	Interest Rate	Principal Amount	Interest Rate
-	-	-	-	-	-	3,495,000	5.250%
-	-	-	-	-	-	3,640,000	5.250%
-	-	-	-	-	-	3,835,000	5.250%
-	-	-	-	-	-	3,465,000	5.250%
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
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-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-			-			14,435,000	
2,578,462	2,690,000	5.740%	1,449,993	1,510,000	5.480%	-	-
-	-	-	5,156,604	5,670,000	5.490%	-	-
-	-	-	4,977,609	5,780,000	5.500%	-	-
-	-	-	4,851,166	5,950,000	5.510%	-	-
-	-	-	4,630,608	6,000,000	5.520%	-	-
-	-	-	4,382,340	6,000,000	5.530%	-	-
-	-	-	4,146,672	6,000,000	5.540%	-	-
-	-	-	3,925,884	6,000,000	5.540%	-	-
-	-	-	3,713,652	6,000,000	5.550%	-	-
-	-	-	3,574,173	6,100,000	5.550%	-	-
-	-	-	3,383,560	6,100,000	5.550%	-	-
-	-	-	3,203,159	6,100,000	5.550%	-	-
2,578,462			47,395,420			-	
$ 2,578,462			$ 47,395,420			$ 14,435,000	

SOUTHERN ILLINOIS UNIVERSITY
HOUSING AND AUXILIARY FACILITIES SYSTEM
SCHEDULE OF BONDS PAYABLE OUTSTANDING
June 30, 2017

	REVENUE BONDS SERIES 2008A		REVENUE BONDS SERIES 2009A	
	Principal Amount	Interest Rate	Principal Amount	Interest Rate
Interest Bearing Bonds:				
Serial Bonds maturing as follows:				
2018	1,635,000	5.000%	2,385,000	5.000%
2019	1,785,000	5.250%	2,460,000	5.300%
2020	1,900,000	5.250%	2,545,000	5.250%
2021	2,055,000	4.000%	2,635,000	5.450%
2022	2,175,000	5.500%	2,725,000	5.600%
2023	2,285,000	5.500%	2,825,000	5.750%
2024	1,690,000	4.250%	2,930,000	5.900%
2025	1,770,000	4.500%	3,045,000	6.000%
2026	1,815,000	4.500%	- ----	- -----
2027	1,890,000	4.500%	- ----	- -----
2028	1,970,000	4.500%	- ----	- -----
2029	- ----	- -----	- ----	- -----
2030	- ----	- -----	- ----	- -----
2031	- ----	- -----	- ----	- -----
2032	- ----	- -----	- ----	- -----
2033	- ----	- -----	- ----	- -----
2034	- ----	- -----	- ----	- -----
2035	- ----	- -----	- ----	- -----
Term Bonds maturing as follows:				
2018	- ----	- -----	- ----	- -----
2019	- ----	- -----	- ----	- -----
2020	- ----	- -----	- ----	- -----
2021	- ----	- -----	- ----	- -----
2022	- ----	- -----	- ----	- -----
2023	- ----	- -----	- ----	- -----
2024	- ----	- -----	- ----	- -----
2025	- ----	- -----	- ----	- -----
2026	- ----	- -----	3,165,000	6.200%
2027	- ----	- -----	3,290,000	6.200%
2028	- ----	- -----	3,425,000	6.200%
2029	- ----	- -----	3,560,000	6.200%
2030	- ----	- -----	3,705,000	6.200%
2031	- ----	- -----	- ----	- -----
2032	- ----	- -----	- ----	- -----
2033	- ----	- -----	- ----	- -----
2034	- ----	- -----	- ----	- -----
2035	- ----	- -----	- ----	- -----
Qualified Energy Conservation Bonds maturing as follows				
2035	- ----	- -----	- ----	- -----
Total Interest Bearing Bonds	20,970,000		38,695,000	
Capital Appreciation Bonds maturing as follows:				
2018	- ----	- -----	- ----	- -----
2019	- ----	- -----	- ----	- -----
2020	- ----	- -----	- ----	- -----
2021	- ----	- -----	- ----	- -----
2022	- ----	- -----	- ----	- -----
2023	- ----	- -----	- ----	- -----
2024	- ----	- -----	- ----	- -----
2025	- ----	- -----	- ----	- -----
2026	- ----	- -----	- ----	- -----
2027	- ----	- -----	- ----	- -----
2028	- ----	- -----	- ----	- -----
2029	- ----	- -----	- ----	- -----
Total Capital Appreciation Bonds	- ----		- ----	
Total	$ 20,970,000		$ 38,695,000	

REVENUE BONDS SERIES 2012A		REVENUE BONDS SERIES 2012B		REVENUE BONDS SERIES 2015A		REVENUE BONDS SERIES 2015B	
Principal Amount	**Interest Rate**	**Principal Amount**	**Interest Rate**	**Principal Amount**	**Interest Rate**	**Principal Amount**	**Interest Rate**
1,205,000	2.300%	1,730,000	4.000%	475,000	2.850%	1,425,000	5.000%
1,230,000	2.550%	1,795,000	5.000%	540,000	2.850%	295,000	5.000%
1,260,000	2.800%	1,890,000	5.000%	555,000	2.850%	210,000	5.000%
1,295,000	3.000%	1,990,000	5.000%	570,000	2.850%	420,000	5.000%
1,335,000	3.150%	2,080,000	5.000%	595,000	2.850%	1,545,000	5.000%
1,380,000	3.350%	1,820,000	5.000%	605,000	2.850%	1,820,000	5.000%
1,425,000	3.500%	1,905,000	5.000%	620,000	2.850%	2,310,000	5.000%
1,475,000	3.650%	2,005,000	5.000%	640,000	2.850%	2,525,000	5.000%
1,530,000	3.800%	2,105,000	5.000%	510,000	2.850%	2,350,000	5.000%
- ----	- -----	2,205,000	5.000%	525,000	2.850%	1,470,000	5.000%
- ----	- -----	- ----	- -----	545,000	2.850%	1,545,000	5.000%
1,715,000	4.100%	- ----	- -----	555,000	2.850%	1,620,000	5.000%
1,785,000	4.200%	- ----	- -----	570,000	2.850%	1,900,000	4.350%
1,860,000	4.300%	- ----	- -----	- ----	- -----	350,000	3.750%
1,940,000	4.375%	- ----	- -----	- ----	- -----	- ----	- -----
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1,585,000	4.000%	- ----	- -----	- ----	- -----	- ----	- -----
1,650,000	4.000%	2,320,000	5.000%	- ----	- -----	- ----	- -----
- ----	- -----	2,440,000	5.000%	- ----	- -----	- ----	- -----
- ----	- -----	1,365,000	5.000%	- ----	- -----	- ----	- -----
- ----	- -----	1,435,000	5.000%	- ----	- -----	- ----	- -----
- ----	- -----	1,505,000	5.000%	- ----	- -----	- ----	- -----
- ----	- -----	1,580,000	4.000%	- ----	- -----	- ----	- -----
- ----	- -----	1,645,000	4.000%	- ----	- -----	- ----	- -----
- ----	- -----	1,710,000	4.000%	- ----	- -----	- ----	- -----
- ----	- -----	5,365,000	4.400%	- ----	- -----	- ----	- -----
22,670,000		38,890,000		7,305,000		19,785,000	
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$ 22,670,000		$ 38,890,000		$ 7,305,000		$ 19,785,000	