

September 3, 2010

Members of the Board Finance Committee

Keith Sanders, Chair
John Simmons
Roger Tedrick
Marquita Wiley

Dear Members of the Finance Committee:

There will be a meeting of the Finance Committee immediately following the Academic Matters Committee on Thursday, September 16, 2010, in the Multipurpose Room in Evergreen Hall, Southern Illinois University Edwardsville, Edwardsville, IL. The following items have been suggested for the agenda:

1. Approval of Minutes of the May 13, 2010, meeting (enclosure).
2. Executive Summary: Resource Allocation and Management Program (RAMP) Planning, Operations, and Capital Budget Request, Fiscal Year 2012 (Board Agenda Item J) (Joint discussion with Academic Matters and Architecture and Design Committees) (enclosure).
3. Revision to Faculty and Staff Services Policy [Amendment to 2 Policies of the Board C.3.b.4] (Board Agenda Item K).
4. Approval of Fiscal Year 2011 Operating and Capital Budgets (Board Agenda Item L) (Joint discussion with Architecture and Design Committee) (enclosure).
5. Approval of Purchase: Practice Management System (Board Agenda Item N).
6. Other business.

Also enclosed are the Third Quarter Budget Report and the Fourth Quarter Investment Report.

Yours truly,

Duane Stucky
Senior Vice President for Financial and Administrative Affairs
and Board Treasurer

DS/lap

Enclosures

cc:	Frank William Bonan II	Alex Vansaghi	Vaughn Vandegriff
	Jeff Harrison	Glenn Poshard	Constituency Heads
	Ed Hightower	Rita Cheng	Other Interested Parties

BOARD OF TRUSTEES
SOUTHERN ILLINOIS UNIVERSITY

Minutes of the Finance Committee Meeting

May 13, 2010

The Finance Committee met following the Academic Matters Committee in Roller Hall (Room 1511) in the Main Clinic Building (Building 263) at the Southern Illinois University School of Dental Medicine, Alton, IL. Present were: Keith Sanders (Chair), John Simmons, Roger Tedrick, Steve Wigginton and Marquita Wiley. Other Board members present were: Frank William Bonan II, Nate Brown, and Amber Suggs. Absent was: Ed Hightower. Executive Officers present were: President Glenn Poshard; Chancellor Samuel Goldman, SIUC; Chancellor Vaughn Vandegrift, SIUE; Vice President for Academic Affairs Paul Sarvela; and Senior Vice President for Financial and Administrative Affairs and Board Treasurer Duane Stucky.

Minutes

Marquita Wiley recommended approval of the minutes of the April 8, 2010, meeting as submitted. The motion was seconded by John Simmons and passed by the Committee.

SIUC Fee Items:

Proposed Increase: Facilities Maintenance Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item J).

Proposed Increase: Flight Training Charges, SIUC [Amendment to 4 Policies of the Board Appendix A-4] (Board Agenda Item K).

(Reduced from April Proposal) Proposed Increase: Residence Hall Rates and Apartment Rentals, SIUC [Amendment to 4 Policies of the Board Appendix A-18] (Board Agenda Item L).

(Reduced from April Proposal) Proposed Increase: Student Center Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item M).

(Reduced from April Proposal) Proposed Increase: Student Medical Benefit (SMB): Primary Care Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item N).

(Reduced from April Proposal) Proposed Increase: Student Medical Benefit (SMB): Extended Care Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda item O).

Proposed Increase: Student Recreation Fee, SIUC [Amendment to 4 Policies of the Board Appendix A-6] (Board Agenda Item P).

Dr. Goldman reviewed the proposed fee increases. He mentioned that the Athletics Operations and the Mass Transit proposed increases have been withdrawn. He outlined the impact of the fee proposals which were reduced or withdrawn.

SIUC Graduate and Professional Student Council President Steven Middleton thanked the Board for their efforts in keeping fee increases to a minimum. Dave Loftus, a representative of SIUC Undergraduate Student Government, asked the Board to reconsider the \$1 increase per semester for Mass Transit and read a letter of student support. Dr. Sanders inquired whether Dr. Poshard wanted to reconsider the Mass Transit fee increase. President Poshard explained that SIUC Vice Chancellor for Student Affairs Larry Dietz proposed efficiencies to reduce fee increases, and the President accepted the campus' recommendations.

Marquita Wiley recommended approval of the matters and that they be placed on the Board's omnibus motion. The motion was duly seconded by John Simmons and was passed by the Finance Committee.

SIUE Fee Items:

Proposed Increase: Athletic Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item Q).

Proposed Increase: Facilities Fee, SIUE [Amendments to 4 Policies of the Board Appendix B-4 and B-17] (Board Agenda Item R).

Proposed Increase: Information Technology Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item S).

Proposed Increase: Student Fitness Center Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item T).

Proposed Increase: Student Success Center Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item U).

Proposed Increase: Student Welfare and Activity Fee, SIUE [Amendment to 4 Policies of the Board Appendix B-4] (Board Agenda Item V).

Proposed Increase: University Housing Occupancy Fee Rates, SIUE [Amendment to 4 Policies of the Board Appendix B-11] (Board Agenda Item W).

Proposed Increase: Pharmacy Student Technology Fee, SIUE [Amendment to 4 Policies of the Board, Appendix B-4] (Board Agenda Item X).

Proposed Alternate Tuition Rate: Istanbul Technical University, SIUE [Addition to 4 Policies of the Board Appendix B, 1 Note 4] (Board Agenda Item Y).

Proposal to Modify the Nursing Program Fee, SIUE [Amendment to 4 Policies of the Board, Appendix B-4] (Board Agenda Item Z).

Dr. Vandegrift reviewed the matters. He stated that SIUE did complete a review of their fee increase proposals and that all of the proposed increases have student support.

Steve Wigginton recommended approval of the matters and that they be placed on the Board's omnibus motion. The motion was duly seconded by Roger Tedrick and was passed by the Finance Committee.

Proposed Tuition Rates for FY 2011 [Amendments to 4 Polices of the Board Appendices A and B] (Board Agenda Item AA).

Dr. Stucky mentioned that the proposal to increase the graduate tuition at SIUE has been withdrawn since the April meeting.

John Simmons recommended approval of the matter and that it be placed on the Board's omnibus motion. The motion was duly seconded by Steve Wigginton and was passed by the Finance Committee.

Temporary Financial Arrangements for Fiscal Year 2011 (Board Agenda Item DD).

Dr. Stucky stated that these temporary financial arrangements are necessary due to the lack of an approved FY11 State budget.

Roger Tedrick recommended approval of the matter and that it be placed on the Board's omnibus motion. The motion was duly seconded by John Simmons and was passed by the Finance Committee.

Operating and Capital RAMP Guidelines for Fiscal Year 2012 (Board Agenda Item EE) (Joint Discussion with Architecture and Design Committee).

Vice President Stucky explained that the Guidelines provide rationale for developing our request to the Illinois Board of Higher Education.

Steve Wigginton recommended approval of the matter and that it be placed on the Board's omnibus motion. The motion was duly seconded by Roger Tedrick and was passed by the Finance and Architecture and Design Committees.

Addition of Electronic Direct Deposit Policy [Addition to 2 Policies of the Board G] (Board Agenda Item FF).

Dr. Stucky explained that this Policy will apply to new employees at SIUC, SIUE and the School of Medicine beginning July 2011. In response to a question raised by Steve Wigginton, General Counsel Jerry Blakemore clarified that government and State agencies are exempt from the prohibition of requiring direct deposit for employees.

Marquita Wiley recommended approval of the matter and that it be placed on the Board's omnibus motion. The motion was duly seconded by Roger Tedrick and was passed by the Finance Committee.

Authorization for the Sale of Notes: "Revenue Anticipation Notes" (Board Agenda Item GG).

This item was withdrawn from the Board agenda since the legislation had not yet been signed by the Governor. Dr. Sanders thanked President Poshard for leading the support for the borrowing bill. Mr. Tedrick stated that the Board will be required to have an emergency meeting in person to act on this matter once the legislation is signed by the Governor.

Other Business.

There being no further business, the meeting was adjourned.

DS/lap



Southern Illinois University

Third Quarter Budget Report

March 31, 2010

**Southern Illinois University - Combined Total
FY 2010 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2010 Totals</u>	<u>Service (2) Departments</u>
Revenue Estimates							
Budget as of 12/31/09	\$421,257,100	\$117,791,100	\$13,110,400	\$145,125,700	\$127,519,700	824,804,000	\$190,385,400
Budget as of 3/31/10	<u>417,292,100</u>	<u>128,149,100</u>	<u>14,282,600</u>	<u>145,641,900</u>	<u>132,054,800</u>	<u>837,420,500</u>	<u>169,599,600</u>
Revenue Budget Variance	(\$3,965,000)	\$10,358,000	\$1,172,200	\$516,200	\$4,535,100	\$12,616,500	(\$20,785,800)
% Change	-0.9%	8.8%	8.9%	0.4%	3.6%	1.5%	-10.9%
Expenditures Estimates							
Budget as of 12/31/09	\$429,380,000	\$117,791,100	\$12,920,900	\$147,070,200	\$129,144,700	\$836,306,900	\$190,906,600
Budget as of 3/31/10	<u>425,110,600</u>	<u>128,149,100</u>	<u>13,174,200</u>	<u>146,467,600</u>	<u>132,905,200</u>	<u>845,806,700</u>	<u>167,292,700</u>
Expenditures Budget Variance	(\$4,269,400)	\$10,358,000	\$253,300	(\$602,600)	\$3,760,500	\$9,499,800	(\$23,613,900)
% Change	-1.0%	8.8%	2.0%	-0.4%	2.9%	1.1%	-12.4%
Planned Operating Results (+/-) from Recast Budget	(7,818,500)	0	1,108,400	(825,700)	(850,400)	(8,386,200)	2,306,900
Actual Beginning Cash 7/1/09 (1)	\$8,274,667	\$0	\$19,623,052	\$21,923,785	\$33,154,133	\$82,975,637	\$2,440,351
Estimated Ending Cash Balance	<u>\$456,167</u>	<u>\$0</u>	<u>\$20,731,452</u>	<u>\$21,098,085</u>	<u>\$32,303,733</u>	<u>\$74,589,437</u>	<u>\$4,747,251</u>

Notes:

(1) Carryover cash balances are used for ongoing operational costs of support units and expenditures are restricted in accordance with bond covenants, Legislative Audit Commission guidelines and Illinois Statute.

(2) Service Departments act as "flow through" accounts for services provided to University departments. In order to avoid double-counting of financial transactions, revenue and expenditures are not added to the University totals.

**Southern Illinois University Carbondale
FY 2010 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2010 Totals</u>	<u>Service (3) Departments</u>
Revenue Estimates							
Budget as of 12/31/09	\$227,385,900	\$71,405,000	\$5,380,000	\$65,988,200	\$56,020,500	426,179,600	\$143,604,500
Budget as of 3/31/10	<u>222,697,000</u>	<u>76,563,000</u>	<u>5,715,000</u>	<u>66,504,400</u>	<u>60,756,600</u>	<u>432,236,000</u>	<u>122,726,800</u>
Revenue Budget Variance	(\$4,688,900)	\$5,158,000	\$335,000	\$516,200	\$4,736,100	\$6,056,400	(\$20,877,700)
% Change	-2.1%	7.2%	6.2%	0.8%	8.5%		-14.5%
Expenditures Estimates							
Budget as of 12/31/09	\$232,120,300	\$71,405,000	\$5,380,000	\$65,901,600	\$58,948,900	\$433,755,800	\$144,183,400
Budget as of 3/31/10	<u>227,431,400</u>	<u>76,563,000</u>	<u>5,715,000</u>	<u>65,299,000</u>	<u>63,493,700</u>	<u>438,502,100</u>	<u>120,507,300</u>
Expenditures Budget Variance	(\$4,688,900)	\$5,158,000	\$335,000	(\$602,600)	\$4,544,800	\$4,746,300	(\$23,676,100)
% Change	-2.0%	7.2%	6.2%	-0.9%	7.7%		-16.4%
Planned Operating Results (+/-) from Recast Budget	(4,734,400) (2)	0	0	1,205,400	(2,737,100)	(6,266,100)	2,219,500
Actual Beginning Cash 7/1/09 (1)	\$4,734,367 (2)	\$0	\$8,291,700	\$12,311,800	\$15,086,550	\$40,424,417	\$1,497,400
Estimated Ending Cash Balance	<u>(\$33)</u>	<u>\$0</u>	<u>\$8,291,700</u>	<u>\$13,517,200</u>	<u>\$12,349,450</u>	<u>\$34,158,317</u>	<u>\$3,716,900</u>

Notes:

- (1) Carryover cash balances are used for ongoing operational costs of support units and expenditures are restricted in accordance with bond covenants, Legislative Audit Commission guidelines and Illinois Statute.
- (2) Beginning cash and expenditures were restated to conform with new Governmental Accounting Standards Board (GASB) requirements for recognition of summer semester tuition revenue and expenses between fiscal years.
- (3) Service Departments act as "flow through" accounts for services provided to University departments. In order to avoid double-counting of financial transactions, revenue and expenditures are not added to the University totals.

**Southern Illinois University School of Medicine
FY 2010 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2010 Totals</u>	<u>Service (3) Departments</u>
Revenue Estimates							
Budget as of 12/31/09	\$49,747,000	\$16,300,000	\$5,686,800	\$38,805,200	\$39,984,600	150,523,600	\$16,775,600
Budget as of 3/31/10	<u>50,470,900</u>	<u>21,500,000</u>	<u>6,524,000</u>	<u>38,805,200</u>	<u>39,783,600</u>	<u>157,083,700</u>	<u>16,867,500</u>
Revenue Budget Variance	\$723,900	\$5,200,000	\$837,200	\$0	(\$201,000)	\$6,560,100	\$91,900
% Change	1.5%	31.9%	14.7%	0.0%	-0.5%		0.5%
Expenditures Estimates							
Budget as of 12/31/09	\$49,765,400	\$16,300,000	\$5,474,900	\$38,992,900	\$38,504,100	\$149,037,300	\$16,675,500
Budget as of 3/31/10	<u>50,184,900</u>	<u>21,500,000</u>	<u>5,393,200</u>	<u>38,992,900</u>	<u>37,719,800</u>	<u>153,790,800</u>	<u>16,737,700</u>
Expenditures Budget Variance	\$419,500	\$5,200,000	(\$81,700)	\$0	(\$784,300)	\$4,753,500	\$62,200
% Change	0.8%	31.9%	-1.5%	0.0%	-2.0%		0.4%
Planned Operating Results (+/-) from Recast Budget	286,000 (2)	0	1,130,800	(187,700)	2,063,800	3,292,900	129,800
Actual Beginning Cash 7/1/09 (1)	\$170,200 (2)	\$0	\$10,551,700	\$3,167,300	\$4,350,100	\$18,239,300	\$1,729,600
Estimated Ending Cash Balance	<u>\$456,200</u>	<u>\$0</u>	<u>\$11,682,500</u>	<u>\$2,979,600</u>	<u>\$6,413,900</u>	<u>\$21,532,200</u>	<u>\$1,859,400</u>

Notes:

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- (2) Beginning cash and expenditures were restated to conform with new Governmental Accounting Standards Board (GASB) requirements for recognition of summer semester tuition revenue and expenses between fiscal years.
- (3) Service Departments act as "flow through" accounts for services provided to University departments. In order to avoid double-counting of financial transactions, revenue and expenditures are not added to the University totals.

**Southern Illinois University Edwardsville
FY 2010 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	All Funds 2010 Totals	<u>Service (3) Departments</u>
Revenue Estimates							
Budget as of 12/31/09	\$140,225,400	\$30,086,100	\$1,993,600	\$40,332,300	\$29,855,400	242,492,800	\$29,260,400
Budget as of 3/31/10	<u>140,225,400</u>	<u>30,086,100</u>	<u>1,993,600</u>	<u>40,332,300</u>	<u>29,855,400</u>	242,492,800	<u>29,260,400</u>
Revenue Budget Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Change	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
Expenditures Estimates							
Budget as of 12/31/09	\$143,595,500	\$30,086,100	\$2,016,000	\$42,175,700	\$30,022,500	\$247,895,800	\$29,302,800
Budget as of 3/31/10	<u>143,595,500</u>	<u>30,086,100</u>	<u>2,016,000</u>	<u>42,175,700</u>	<u>30,022,500</u>	247,895,800	<u>29,302,800</u>
Expenditures Budget Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Change	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
Planned Operating Results (+/-) from Recast Budget	(3,370,100) (2)	0	(22,400)	(1,843,400)	(167,100)	(5,403,000)	(42,400)
Actual Beginning Cash 7/1/09 (1)	\$3,370,100 (2)	\$0	\$602,457	\$6,444,685	\$13,404,337	\$23,821,579	(\$786,649)
Estimated Ending Cash Balance	<u>\$0</u>	<u>\$0</u>	<u>\$580,057</u>	<u>\$4,601,285</u>	<u>\$13,237,237</u>	<u>\$18,418,579</u>	<u>(\$829,049)</u>

Notes:

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- (2) Beginning cash and expenditures were restated to conform with new Governmental Accounting Standards Board (GASB) requirements for recognition of summer semester tuition revenue and expenses between fiscal years.
- (3) Service Departments act as "flow through" accounts for services provided to University departments. In order to avoid double-counting of financial transactions, revenue and expenditures are not added to the University totals.

**Southern Illinois University Administration
FY 2010 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2010 Totals</u>	<u>Service (3) Departments</u>
Revenue Estimates							
Budget as of 12/31/09	\$2,141,800	\$0	\$50,000	\$0	\$40,000	2,231,800	\$0
Budget as of 3/31/10	<u>2,141,800</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>40,000</u>	<u>2,231,800</u>	<u>0</u>
Revenue Budget Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Change	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
Expenditures Estimates							
Budget as of 12/31/09	\$2,141,800	\$0	\$50,000	\$0	\$50,000	\$2,241,800	\$0
Budget as of 3/31/10	<u>2,141,800</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>50,000</u>	<u>2,241,800</u>	<u>0</u>
Expenditures Budget Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Change	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
Planned Operating Results (+/-) from Recast Budget	0 (2)	0	0	0	(10,000)	(10,000)	0
Actual Beginning Cash 7/1/09 (1)	\$0 (2)	\$0	\$177,195	\$0	\$75,973	\$253,168	\$0
Estimated Ending Cash Balance	<u>\$0</u>	<u>\$0</u>	<u>\$177,195</u>	<u>\$0</u>	<u>\$65,973</u>	<u>\$243,168</u>	<u>\$0</u>

Notes:

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- (2) Beginning cash and expenditures were restated to conform with new Governmental Accounting Standards Board (GASB) requirements for recognition of summer semester tuition revenue and expenses between fiscal years.
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**Southern Illinois University - University Wide Services
FY 2010 Operating Budget
by Major Fund Groups**

	<u>Appropriated & Income Fund</u>	<u>Grants and Contracts</u>	<u>Indirect Cost Recovery</u>	<u>Revenue Bond Operations</u>	<u>Self-Supporting Activities</u>	<u>All Funds 2010 Totals</u>	<u>Service (3) Departments</u>
Revenue Estimates							
Budget as of 12/31/09	\$1,757,000	\$0	\$0	\$0	\$1,619,200	3,376,200	\$744,900
Budget as of 3/31/10	<u>1,757,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,619,200</u>	<u>3,376,200</u>	<u>744,900</u>
Revenue Budget Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Change	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
Expenditures Estimates							
Budget as of 12/31/09	\$1,757,000	\$0	\$0	\$0	\$1,619,200	\$3,376,200	\$744,900
Budget as of 3/31/10	<u>1,757,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,619,200</u>	<u>3,376,200</u>	<u>744,900</u>
Expenditures Budget Variance	\$0	\$0	\$0	\$0	\$0	\$0	\$0
% Change	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%
Planned Operating Results (+/-) from Recast Budget	0 (2)	0	0	0	0	0	0
Actual Beginning Cash 7/1/09 (1)	\$0 (2)	\$0	\$0	\$0	\$237,173	\$237,173	\$0
Estimated Ending Cash Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$237,173</u>	<u>\$237,173</u>	<u>\$0</u>

Notes:

- (1) Carryover cash balances are used for ongoing operational costs of support units and expenditures are restricted in accordance with bond covenants, Legislative Audit Commission guidelines and Illinois Statute.
- (2) Beginning cash and expenditures were restated to conform with new Governmental Accounting Standards Board (GASB) requirements for recognition of summer semester tuition revenue and expenses between fiscal years.
- (3) Service Departments act as "flow through" accounts for services provided to University departments. In order to avoid double-counting of financial transactions, revenue and expenditures are not added to the University totals.



Income Fund as of 3/31/2010

Income Fund revenue includes tuition revenue, off-campus program revenue, interest earnings, and certain miscellaneous fee revenue. Tuition revenue is a direct result of student enrollment, student residency, credit hours, and tuition rates.

Enrollment projections are made two years in advance for budget purposes. Off-campus program revenue is based on charges sufficient to cover all instructional and administrative costs of the programs. Miscellaneous income includes interest earnings from cash balances that were invested in U.S. Government securities and other University Investment Pools. Also, LAC guidelines require that certain fee revenue such as application fees, course-specific fees and graduation fees be deposited into the income fund.

Southern Illinois University - Combined Total

FY 2010 Income Fund Projections and Enrollment Updates

Fund Source	Original Projections	Current Projections	Variance
Tuition	\$172,840,600	\$165,236,800	(\$7,603,800)
Miscellaneous Income	4,489,600	4,646,000	156,400
Off-Campus Programs	12,648,500	13,313,500	665,000
Total Revenue Estimate	\$189,978,700	\$183,196,300	(\$6,782,400)
Carryover From Previous Fiscal Year	84,700	8,274,600	8,189,900
Total Expenditure Estimate	189,978,700	191,014,700	1,036,000
Projected Ending Balance	<u>\$84,700</u>	<u>\$456,200</u>	<u>\$371,500</u>

Spring Term 2010 (FY10)	Projection	Actual	Variance
Enrollment Headcount	32,358	32,268	(90)

Southern Illinois University Carbondale

FY 2010 Income Fund Projections and Enrollment Updates

Fund Source	Original Projection	Current Projections	Variance
Tuition	\$96,810,900	\$89,224,900	(\$7,586,000)
Miscellaneous Income	2,806,400	2,961,300	154,900
Off-Campus Programs	11,760,000	12,425,000	665,000
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Total Revenue Estimate	\$111,377,300	\$104,611,200	(\$6,766,100)
Carryover From Previous Fiscal Year	0	4,734,400	4,734,400
Total Expenditure Estimate	111,377,300	109,345,600	(2,031,700)
Projected Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Spring Term 2010 (FY10)	Projection	Actual	Variance
Enrollment Headcount	19,099	18,845	(254)

Southern Illinois University School of Medicine

FY 2010 Income Fund Projections and Enrollment Updates

Fund Source	Original Projection	Current Projections	Variance
Tuition	\$7,886,300	\$7,868,500	(\$17,800)
Miscellaneous Income	56,200	57,700	1,500
Off-Campus Programs	0	0	0
	-----	-----	-----
Total Revenue Estimate	\$7,942,500	\$7,926,200	(\$16,300)
Carryover From Previous Fiscal Year	84,700	170,100	85,400
Total Expenditure Estimate	7,942,500	7,640,100	(302,400)
Projected Ending Balance	<u>\$84,700</u>	<u>\$456,200</u>	<u>\$371,500</u>

Spring Term 2010 (FY10)	Projection	Actual	Variance
Enrollment Headcount	294	291	(3)

Southern Illinois University Edwardsville

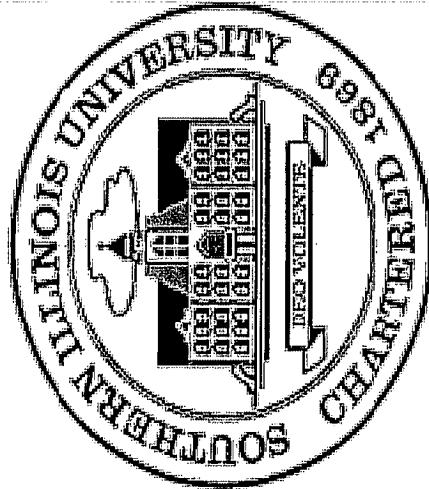
FY 2010 Income Fund Projections and Enrollment Updates

Fund Source	Original Projection	Current Projections	Variance
Tuition	\$68,143,400	\$68,143,400	\$0
Miscellaneous Income	1,627,000	1,627,000	0
Off-Campus Programs	888,500	888,500	0
	-----	-----	-----
Total Revenue Estimate	\$70,658,900	\$70,658,900	\$0
Carryover From Previous Fiscal Year	0	3,370,100	3,370,100
Total Expenditure Estimate	70,658,900	74,029,000	3,370,100
Projected Ending Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Spring Term 2010 (FY10)	Projection	Actual	Variance
Enrollment Headcount	12,965	13,132	167

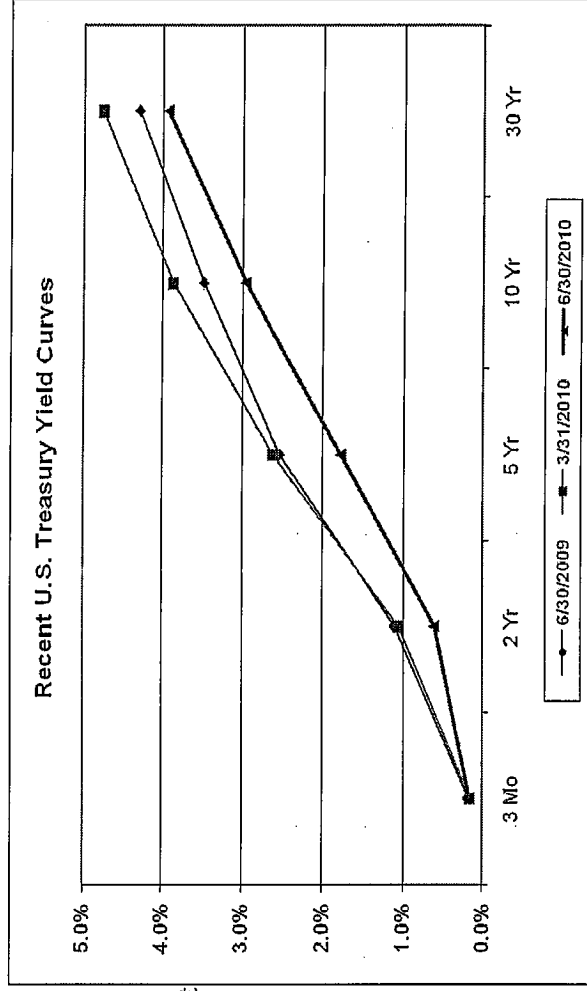
Southern Illinois University

Quarterly Investment Report
June 30, 2010



Performance Analysis

The 2nd Quarter of 2010 was marked by a significant reduction in Treasury yields, as shown by the difference between the green and red yield curves at left. The yields on 5 to 30 year Treasuries fell nearly 100 basis points for the quarter with the 10 and 30-year benchmark maturities breaking through the 3.00% and 4.00% thresholds, respectively. The yield on the 2-year Treasury also dropped nearly 50 basis points, approaching its historic low at 0.61% at the 6/30 quarter end. Concerns about the strength of the domestic economic recovery, coupled with a continued flight to quality from other asset classes, provided the principal impetus for the decline in rates. The market expectation regarding Federal Reserve policy has shifted toward the Fed not raising rates until well into 2011, if not until 2012. Clearly, the Fed's focus remains on economic recovery and potential stimulus, rather than fear of inflation and deficit reduction.



This decline in interest rates produced a healthy overall return of 1.61% on SIU's investments for the quarter ending June 30, 2010, or 6.45% annualized. Capital gains on fixed income securities, both realized and unrealized, contributed heavily to this positive return, as the yields on money market fund investments remain near 0.00%. This quarterly return of 1.61% underperformed the weighted benchmark of 1.69%. The quarterly return on the Barclays Capital Intermediate Fund was a strong 3.15% (after fees), though still below the industry benchmark of 3.26% on the Barclays Capital Intermediate U.S. Govt. Index, due primarily to the shorter average maturity on the WAMCO portfolio versus the benchmark index. SIU continued to generate a positive quarterly return of 0.04% on the Illinois Funds versus the money market benchmark of 0.00%.

For the fiscal year ending June 30, 2010, SIU's return on invested assets was approximately 3.00%, or slightly above the weighted benchmark of 2.97%.

John S. Vincent & Company LLC

Operating Investments

Operating Investment Position

Investment Balance Market Value (\$ in millions)

	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
State Treasury Fund- Money Market	\$ 44.9	\$ 85.1	\$ 73.0	\$ 129.3	\$ 57.3
State Treasury Fund- Prime*	9.2				97.6
Western Asset - Intermediate Portfolio	99.7	101.4	93.6	94.6	154.9
Total Portfolio	<u>\$ 153.8</u>	<u>\$ 186.5</u>	<u>\$ 166.6</u>	<u>\$ 223.9</u>	<u>\$ 154.9</u>
Due from State	44.1	59.2	109.4	113.6	84.0
Total Portfolio including Due from State	<u>\$ 197.9</u>	<u>\$ 245.7</u>	<u>\$ 276.0</u>	<u>\$ 337.5</u>	<u>\$ 238.9</u>

Market Value Change (\$ in millions)

	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Beginning Market Value	\$ 219.3	\$ 153.8	\$ 186.5	\$ 166.6	\$ 223.9
Deposits (Withdrawals)	(65.1)	31.1	(19.7)	56.2	(72.0)
Interest Income, Net of Fees	0.9	0.8	0.7	0.6	0.6
Realized Gain (Loss)	0.2	1.2	0.4	1.1	0.1
Unrealized Gain (Loss)	(1.5)	(0.4)	(1.3)	(0.6)	2.3
Ending Market Value	<u>\$ 153.8</u>	<u>\$ 186.5</u>	<u>\$ 166.6</u>	<u>\$ 223.9</u>	<u>\$ 154.9</u>

* The State Treasurer's Office merged the Prime fund portfolio assets into the Money Market portfolio on July 1, 2009; the Prime Fund was then closed.

Operating Performance

Quarterly Performance

State Treasury Fund Rate of Return

State Treasury Portfolio	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Merrill Lynch Ready Assets	0.07%	0.04%	0.03%	0.02%	0.04%
	0.05%	0.01%	0.02%	0.00%	0.00%

Intermediate Portfolio Rate of Return

Western Asset Intermediate Portfolio	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Barclays Capital Intermediate U.S. Govt	-0.49%	1.64%	-0.23%	1.06%	3.15%
	-1.44%	1.63%	-0.42%	1.12%	3.26%

Total Fund Rate of Return

Total Portfolio	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Benchmark *	-0.23%	1.00%	-0.13%	0.51%	1.61%
	-0.71%	0.97%	-0.19%	0.48%	1.69%

Historical Annual Performance

Total Fund Rate of Return

Total Portfolio	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Benchmark*	2.36%	5.29%	5.95%	3.80%	3.01%
	2.08%	5.12%	6.40%	3.51%	2.97%

*Beginning with the 6/30/10 quarter, the weighted average benchmark return will be calculated based on monthly returns, rather than on quarterly returns. This change has been made retroactively to all prior quarters appearing in this report and to the total for fiscal year 2010.

Asset Allocation

**Asset Allocation
As of June 30, 2010**

State Treasury Fund
Western Asset - Intermediate Term Portfolio

Market Value (in millions)	Allocation Percentage	Target Asset Allocation (in millions)
\$57.3	37%	\$40 Minimum
97.6	63%	\$65-115
\$154.9		

Fees

Investment Manager Fees*

	Basis Points As of 3/31/10	6/30/2009	9/30/2009	12/31/2009	3/31/2010	Total
State Treasury Fund- Money Market	9.3	\$11,921.34	\$16,049.50	\$13,600.94	\$25,812.05	\$67,383.83
State Treasury Fund- Prime	9.1	9,487.29	N/A	N/A	N/A	9,487.29
Western Asset - Intermediate Term Portfolio	25.0	62,405.82	62,733.21	60,507.00	59,263.86	244,909.89
Total Investment Manager Fees		<u>\$83,814.45</u>	<u>\$78,782.71</u>	<u>\$74,107.94</u>	<u>\$85,075.91</u>	<u>\$321,781.01</u>

Custody Bank Fees*

JP Morgan Chase	6/30/2009	9/30/2009	12/31/2009	3/31/2010	Total
	\$5,048.90	\$4,987.68	\$4,657.79	\$4,879.37	\$19,573.74

* Fees for the current quarter were not available at the time this report was prepared. All fees are reflected on an accrual basis.

Capital Investments

Capital Investments Position

Investment Balance <u>Market Value (\$ in millions)</u>	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010
Housing & Auxiliary Facilities System					
Construction Proceeds	63.0	54.5	43.9	34.9	26.3
Interest Sinking Fund	5.8	11.5	8.6	17.9	7.2
Debt Service Reserve	9.3	9.3	9.3	9.2	9.2
Total HAFS	<u>78.1</u>	<u>75.3</u>	<u>61.8</u>	<u>62.0</u>	<u>42.7</u>
Medical Facilities System					
Construction Proceeds	0.1	0.1	0.1	0.1	0.1
Interest Sinking Fund	0.4	0.8	0.8	1.2	0.4
Debt Service Reserve	0.0	0.0	0.0	0.0	0.0
Total MFS	<u>0.5</u>	<u>0.9</u>	<u>0.9</u>	<u>1.3</u>	<u>0.5</u>
Certificates of Participation					
Construction Proceeds	0.5	0.4	0.4	0.3	0.2
Interest Sinking Fund	1.9	1.4	1.4	1.4	1.5
Debt Service Reserve	0.0	0.0	0.0	0.0	0.0
Total COPS	<u>2.4</u>	<u>1.8</u>	<u>1.8</u>	<u>1.7</u>	<u>1.7</u>
Total Capital Investment Portfolio	\$ 81.0	\$ 78.0	\$ 64.5	\$ 65.0	\$ 44.9

Capital Investments are managed internally and are invested in high quality, low risk government securities. The investment maturity, rate of return and type are limited by covenants in the debt financing documents.