State of Illinois

Southern Illinois University

Medical Facilities System

Report of the Treasurer

For the Years Ended

June 30, 2015 and 2014

STATE OF ILLINOIS
SOUTHERN ILLINOIS UNIVERSITY
MEDICAL FACILITIES SYSTEM
ANNUAL FINANCIAL REPORT
For The Year Ended June 30, 2015

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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

December 11, 2015

TO THE BONDHOLDERS AND TO 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 Medical Facilities System for the fiscal years ended June 30, 2015, and 2014.

The Series 2015A Medical Facilities System bonds were issued in February, 2015 in the amount of $13,440,000. These bonds refunded all of the outstanding Series 2005A Medical Facilities System bonds.

A calculation of debt service coverage is included in the Treasurer's comments to the financial statements. The system exceeds the coverage required by the bond resolution.

We invite your inquiries on any matter relating to the bonds or to the report.

Respectfully submitted,

Duane Stucky

Duane Stucky
Board Treasurer

TREASURER'S COMMENTS

SOUTHERN ILLINOIS UNIVERSITY MEDICAL FACILITIES SYSTEM

I. SOUTHERN ILLINOIS UNIVERSITY REVENUE BOND OPERATIONS

FACILITIES

The facilities included in the Southern Illinois University Medical Facilities System (the "System") were acquired in three phases. The first phase coincided with the creation of the system in connection with issuance of the Series 1997 bonds, in the amount of $16,855,000, pursuant to a resolution of the Board of Trustees (the "Board") adopted on October 10, 1996.

The primary purpose of issuing the Series 1997 Bonds was to purchase the Richard H. Moy, M.D. Building, formerly known as the SIU Clinics Building, located at 751 N. Rutledge, Springfield, Illinois. The building is a four-story, clinical teaching facility containing 106,904 gross square feet. It is connected by skyways to Memorial Medical Center, an independently owned, tertiary hospital and to the University-owned Medical Instructional Facility. Further, it is connected to a four-story parking garage and a physician office building owned by the Memorial Health Systems.

The Richard H. Moy, M.D. Building was completed and occupied by the University in May 1993. The building now houses outpatient clinics for the department of Internal Medicine and for Fertility and In Vitro Fertilization, offices and outpatient clinics for the Memory and Aging Center, Dermatology, Endocrinology, and the department of Neurology. Space is also included in the building for a medical records unit. The design of the Richard H. Moy, M.D. Building includes an allowance in the foundation and other component service areas for the addition of three more stories to the building. Each story would approximate an additional 22,000 square feet. Consideration is being given to expand by two additional floors.

The second phase expanded the System to include the construction and equipping of the Simmons Cancer Institute, a 60,000 square foot multi-story building in Springfield, Illinois that includes space for clinical care and cancer treatment, patient supportive care, education and support services, research, program outreach and coordination. The funds for construction of the building were provided from $14,500,000 of state appropriations, $1,000,000 from a state grant and revenue bonds proceeds and related interest earnings totaling $7,000,000. The bond proceeds were obtained through the issuance of the Southern Illinois University Medical Facilities System Revenue Bonds, Series 2005 totaling $21,290,000, which were used to advance refund the existing Medical Facilities System Revenue Bonds, Series 1997 as described in the next section and complete construction of the building.

The third phase expanded the system to include the purchase and renovation of property located at 401 N. Walnut in Springfield. This space is being used by clinic billing unit staff.

On June 30, 2015, the School of Medicine Medical Facilities System owned or occupied trR23.1408 0 TD-.00eAted a(nee st

III. DEBT SERVICE COVERAGE

The bond resolution requires that debt service coverage (net revenues plus pledged tuition) be at least 200% (2.00 times) of annual debt service and that net revenues shall be at least 100% (1.00 times) of the annual debt service requirement in each fiscal year. The debt service coverage is calculated at the end of the year using cash basis data obtained from the Statement of Cash Flows.

	Year Ended June 30	
	2015	2014
Receipts:		
Revenue Account:		
Operations	$ 42,447,782	$ 41,340,036
Investment Income	7,833	4,700
Retirement of Indebtedness – Investment Income	(6,779)	690
	42,448,836	41,345,426
Disbursements:		
Operation & Maintenance Account	40,528,134	39,373,283
Net Revenues	1,920,702	1,972,143
Plus: Pledged Tuition	111,690,683	132,429,265
Total Available for Debt Service	$113,611,385	$134,401,408
Annual Debt Service	$ 1,785,334	$ 1,765,250
Maximum Annual Debt Service	$ 1,895,773	$ 1,985,750
Coverage Ratio Based on Net Revenues	1.08	1.12
Coverage Ratio Based on Annual Debt Service	63.64	76.14

TREASURER'S COMMENTS – Continued

Moneys or investments to the credit of such Account are not pledged as security for the payment of the Bonds, but may be used to pay for the payment of Bonds when all Bonds are so paid or provided for.

Additions during the year included transfers from unrestricted net position of $196,326 ($198,575 in 2014), interest earned on investments of $4,574 (interest of $9,463 in 2014) and no nonoperating revenue ($0 in 2014).

There were expenditures in the amount of $97,498 charged to the reserve ($690,943 in 2014). The restricted net position of Renewals and Replacements consisted of the following:

	June 30	
	2015	2014
Cash	$1,067,921	$1,241,649
Accrued interest receivable	380	434
Accounts payable	0	(277,183)
	$1,068,301	$ 964,900

VI. SCHEDULE OF BONDS PAYABLE OUTSTANDING

A Schedule of Bonds Payable Outstanding is shown as supplementary information and lists the amount of Medical Facilities System Revenue Bonds, Series 2015A issued and outstanding as of June 30, 2015.

VII. RESTRICTED NET POSITION - EXPENDABLE

Restricted net position as of June 30, 2015 and 2014 are comprised of the following:

	June 30	
	2015	2014
Retirement of indebtedness	$ 340,689	$ 326,091
Renewals and replacements	1,068,301	8.52 158.93nTf89.362r 129.8(B)-1.3(LE)6.9( )]TJ off33Tm-.0005

Southern Illinois University Board of Trustees and Officers of Administration

Fiscal Year 2015

FINANCIAL STATEMENT REPORT

SUMMARY

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

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

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2015 and 2014, and the

	2015	2014
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS:		
Cash and cash equivalents	$ 2,623,213	$ 2,614,104
Cash and cash equivalents, restricted	1,070,840	1,242,261
Short term investments, restricted	423,131	447,210
Accounts receivable	2,913,814	3,193,748
Accrued interest receivable	643	711
Prepaid expenses and other assets	- ---- ---	4,661
TOTAL CURRENT ASSETS	7,031,641	7,502,695
NONCURRENT ASSETS:		
Prepaid expenses and other assets	- ---- ---	50,108
Capital assets not being depreciated:		
Land	2,565,115	2,565,115
Total capital assets not being depreciated	2,565,115	2,565,115
Capital assets being depreciated, net:		
Equipment	6,755,356	6,426,630
Buildings	36,369,587	36,369,587
Less accumulated depreciation	(14,576,693)	(13,147,526)
Total capital assets being depreciated, net	28,548,250	29,648,691
TOTAL NONCURRENT ASSETS	31,113,365	32,263,914
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding	378,062	570,609
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	38,523,068	40,337,218
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	298,375	662,142
Accrued interest payable	85,624	176,778
Accrued payroll	422,405	543,373
Accrued compensated absences	161,809	252,995
Revenue bonds payable	1,445,000	1,131,775
TOTAL CURRENT LIABILITIES	2,413,213	2,767,063
NONCURRENT LIABILITIES:		
Accrued compensated absences	1,679,860	1,839,774
Revenue bonds payable	11,995,000	13,537,927
TOTAL NONCURRENT LIABILITIES	13,674,860	15,377,701
TOTAL LIABILITIES	16,088,073	18,144,764
NET POSITION		
Net investment in capital assets	18,051,427	18,114,711
Restricted for:		
Expendable		
Expendable		
Buildings	36,369,587	

TOTAL CURRENT LIABILITIES

	2015	2014
REVENUES		
OPERATING REVENUES		
Medical Facilities Systen	$ 42,166,769	$ 40,301,094
TOTAL OPERATING REVENUES	42,166,769	40,301,094
EXPENSES		
OPERATING EXPENSES		
Salaries and wage:	52,458,093	48,949,230
Contractual service:	11,337,436	10,242,120
Other	2,921,376	3,290,890
Depreciatior	1,729,610	1,675,255
TOTAL OPERATING EXPENSES	68,446,515	64,157,495
OPERATING LOSS	(26,279,746)	(23,856,401)
NONOPERATING REVENUES (EXPENSES)		
Investment income	6,722	14,978
Gifts and contributions	115,842	115,842
Interest on capital asset-related del	(710,298)	(760,038)
Payments on behalf of the systen	26,549,924	22,560,678
Other nonoperating revenue	496	- ---- ---
NET NONOPERATING REVENUES	25,962,686	21,931,460
LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSE S	(317,060)	(1,924,941)
OTHER REVENUES, EXPENSES, GAINS OR LOSSES		
Capital assets retired	(63,622)	(39,435)
Additions to plant facilities from other source:	623,223	217,567
TOTAL OTHER REVENUES, EXPENSES, GAINS OR LOSSE		

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Medical Facilities System	$ 42,447,782	$ 41,340,036
Payments to employees	(26,279,038)	(26,354,328)
Payments for utilities	(489,536)	(429,714)
Payments to suppliers	(14,134,240)	(13,003,001)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,544,968	1,552,993
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Contributions for other than capital purposes	115,842	115,842
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	115,842	115,842
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of capital assets	(69,568)	(74,828)
Principal paid on capital debt	(1,085,000)	(1,015,000)
Interest paid on capital debt	(768,839)	(750,250)
Proceeds from capital debt	13,440,000	- ---- ---
Deposit to bond escrow account	(13,370,000)	- ---- ---
Other	495	- ---- ---
NET CASH USED BY CAPITAL FINANCING ACTIVITIES	(1,852,912)	(1,840,078)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	1,437,494	1,829,174
Investment income	5,681	14,647
Purchase of investments	(1,413,385)	(1,836,499)
NET CASH PROVIDED BY INVESTING ACTIVITIES	29,790	7,322
NET DECREASE IN CASH	(162,312)	(163,921)
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	3,856,365	4,020,286
CASH AND CASH EQUIVALENTS - END OF THE YEA I	$ 3,694,053	$ 3,856,365
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating loss	$ (26,279,746)	$ (23,856,401)
Adjustments to reconcile operating loss to net cash provided by operating activities		
Depreciation expense	1,729,610	1,675,255
Payments on behalf of the system	26,549,924	22,560,678

1. Significant Accounting Policies

(A) Basis of Presentation

These financial statements have been prepared to satisfy the requirements of the Southern Illinois University Medical Facilities System ("System") Revenue Bonds master resolution. 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 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 Statement Nos. 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. This change resulted in a ($147,283) adjustment to fiscal year 2013 beginning net position. 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions`, 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)

(B) Compensated Absences

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.

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 three 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 insures 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, 2015 or June 30, 2014, 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 pay19.sa0nts of relaitad todes o ae32t risk is thtin3ted qub14.1(5limitin)6g.2(3)n

Interest rate risk is disclosed below using the segmented time distribution method. As of June 30, 2015 and 2014, the System had the following cash and investment balances:

		AS OF JUNE 30, 2015			
		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1-5**	**6-10**	**More than 10**
U.S. Treasuries	$ 423,131	$ 423,131	$ -	$ -	$ -
Total Investments	423,131	$ 423,131	$ -	$ -	$ -
Cash and Equivalents					
The Illinois Funds	3,694,053				
Total Cash & Equivalents	3,694,053				
Total Cash & Investments	$ 4,117,184				

		AS OF JUNE 30, 2014			
		Investment Maturities (in Years)			
Investment Type	**Fair Value**	**Less Than 1**	**1-5**	**6-10**	**More than 10**
U.S. Treasuries	$ 447,210	$ 447,210	$ -	$ -	$ -
Total Investments	447,210	$ 447,210	$ -	$ -	$ -
Cash and Equivalents					
The Illinois Funds	3,856,365				
Total Cash & Equivalents	3,856,365				
Total Cash & Investments	$ 4,303,575				

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

4. Capital Assets

Capital asset activity for the System for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	$ 2,565,115	$ -	$ -	$ 2,565,115
Total capital assets not being depreciated	2,565,115	-	-	2,565,115
Capital assets being depreciated				
Equipment	6,426,630	692,791	364,065	6,755,356
Buildings	36,369,587	-	-	36,369,587
Total capital assets being depreciated	42,796,217	692,791	364,065	43,124,943
Total capital assets	45,361,332	692,791	364,065	45,690,058
Accumulated depreciation				
Equipment	3,941,173	795,215	300,443	4,435,945
Building	9,206,353	934,395	-	10,140,748
Total accumulated depreciation	13,147,526	$ 1,729,610	$ 300,443	14,576,693
Capital assets - net	$ 32,213,806			$ 31,113,365

Capital asset activity for the System for the fiscal year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated				
Land	$ 2,565,115	$ -	$ -	$ 2,565,115
Total capital assets not being depreciated	2,565,115	-	-	2,565,115
Capital assets being depreciated				
Equipment	6,365,686	292,396	231,452	6,426,630
Buildings	36,369,587	-	-	36,369,587
Total capital assets being depreciated	42,735,273	292,396	231,452	42,796,217
Total capital assets	45,300,388	292,396	231,452	45,361,332
Accumulated depreciation				
Equipment	3,392,329	740,861	192,017	3,941,173
Building	8,271,959	934,394	-	9,206,353
Total accumulated depreciation	11,664,288	$ 1,675,255	$ 192,017	13,147,526
Capital assets - net	$ 33,636,100			$ 32,213,806

5. Changes in Liabilities

Liability activity for the years ended June 30, 2015 and 2014 was as follows:

	2015				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds payable	$ 14,669,702	$ 13,440,000	$14,669,702	$ 13,440,000	$1,445,000
Compensated absences	2,092,769	169,649	420,749	1,841,669	161,809
Total	$ 16,762,471	$13,609,649	$15,090,451	$ 15,281,669	$1,606,809

	2014				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds payable	$ 15,734,004	$ -	$ 1,064,302	$ 14,669,702	$1,131,775
Compensated absences	2,142,387	180,832	230,450	2,092,769	252,995
Total	$ 17,876,391	$ 180,832	$ 1,294,752	$ 16,762,471	$1,384,770

Amounts shown as ending balance include both current and long-term portions

6. Revenue Bonds Payable

On October 10, 1996, the Board authorized the creation of the Southern Illinois University Medical Facilities System and 4d32284 9.68 49.62 .o8 49.62ofF 49.6i botnce Fa2(udi bot)1.7( )]T.05tmns

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

Inflation	2.75 percent
Salary increases	3.75 to 12.00 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, projected with Scale AA to 2017, sex-distinct, with rates multiplied by 0.80 for males and 0.85 for females.

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, 2014, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	31%	7.65%
Private Equity	6%	8.65%
Non-U.S. Equity	21%	7.85%
Global Equity	8%	7.90%
Fixed Income	19%	2.50%
Treasury-Inflation Protected Securities	4%	2.30%
Real Estate	6%	6.20%
REITS	4%	6.20%
Opportunity Fund	1%	2.50%

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, 9and 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.

SOUTHERN ILLINOIS UNIVERSITY
MEDICAL FACILITIES SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
Year Ended June 30, 2014

SOUTHERN ILLINOIS UNIVERSITY
MEDICAL FACILITIES SYSTEM
SCHEDULE OF BONDS PAYABLE OUTSTANDING
June 30, 2015

	Principal Amount	Interest Rate
Interest Bearing Bonds		
Serial Bonds Maturing as follows:		
2016	1,445,000	**1.65%**
2017	1,550,000	**1.65%**
2018	1,605,000	**1.65%**
2019	1,660,000	**1.65%**
2020	1,715,000	**1.65%**
2021	1,770,000	**1.65%**
2022	1,830,000	**1.65%**
2023	1,865,000	**1.65%**
Total Interest Bearing Bonds	$13,440,000	

This schedule of bonds payable outstanding does not reflect unamortized deferred amount on refunding.