

THE IIT STATE STREET CORPORATION, NFP
Chicago, Illinois

FINANCIAL STATEMENTS
May 31, 2009 and 2008

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THE IIT STATE STREET CORPORATION, NFP
STATEMENTS OF FINANCIAL POSITION
May 31, 2009 and 2008

ASSETS

	<u>2009</u>	<u>2008</u>
Receivable due from University, net	\$ 1,088,295	

THE IIT STATE STREET CORPORATION, NFP
STATEMENTS OF ACTIVITIES
Years Ended May 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
REVENUES		
Rooms revenue	\$ <u>2,927,962</u>	\$ <u>2,770,912</u>
EXPENSES		
General and administrative expenses	1,187,315	1,123,567
Interest	654,106	1,080,009
Depreciation	896,778	886,005
Amortization	<u>21,531</u>	<u>21,531</u>
Total expenses	<u>2,759,730</u>	<u>3,111,112</u>
CHANGE IN NET DEFICIT	168,232	(340,200)
NET DEFICIT, BEGINNING OF YEAR	<u>(1,711,834)</u>	<u>(1,371,634)</u>
NET DEFICIT, END OF YEAR	<u>\$ (1,543,602)</u>	<u>\$ (1,711,834)</u>

The accompanying notes are an integral part of the financial statements.

THE IIT STATE STREET CORPORATION, NFP
STATEMENTS OF CASH FLOWS
Years Ended May 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net deficit	\$ 168,232	\$ (340,200)
Adjustments to reconcile change in net deficit to net cash provided by operating activities:		
Depreciation	896,778	886,005
Amortization of deferred financing fees	21,531	21,531
Effects of changes in operating assets and liabilities:		
Receivable from University, net	(884,512)	(171,418)
Deferred revenue	49,203	-
Accrued expenses	-	69,733
	251,232	465,651
Net cash provided by operating activities	251,232	465,651
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property	(105,732)	(324,651)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on capital lease obligation	(145,500)	(141,000)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-	-
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ -	\$ -
SUPPLEMENTAL INFORMATION		
Cash paid during the year for interest	\$ 691,515	\$ 1,170,376

The accompanying notes are an integral part of the financial statements.

THE IIT STATE STREET CORPORATION, NFP
NOTES TO FINANCIAL STATEMENTS
May 31, 2009 and 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The IIT State Street Corporation, NFP (the "Corporation") is an Illinois not-for-profit, tax-exempt organization created on June 25, 2001 to operate exclusively for charitable and educational purposes. The Corporation is organized to operate exclusively for the benefit of, to perform functions of, and to carry out the purposes of Illinois Institute of Technology (the "University"), by undertaking such activities such as providing housing for students, faculty, and staff of the University or of other not-for-profit educational institutions affiliated with the University or located on, or adjacent to, the University's main campus located in Chicago, Illinois. The Corporation constructed three five-story buildings containing 114 residential units (accommodating 367 beds). Construction was completed in August 2003. The property's average occupancy was approximately 84% and 92% for the years ended May 31, 2009 and 2008, respectively.

Change in Accounting Principles

Effective January 1, 2008, the Corporation adopted FASB Statement No. 157, *Fair Value Measurements*

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets Held by Trustee

Remaining proceeds from the 2002 bond issue were maintained and monitored by a trustee per contractual requirements of the bond issue. These proceeds were reported as assets held by trustee and were held for debt service reserves as required by contractual obligations of the Corporation's original letter of credit. These assets were recorded at cost of approximately \$1.8 million at May 31, 2006. During fiscal year 2007, the Corporation entered into a new letter of

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Room Revenue

Room revenue is recognized on a straight-line basis over the terms of the related leases. Lease

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NOTE 2 - NOTES PAYABLE (continued)

The Series 2002A Bonds are secured by a letter of credit and bear interest at a weekly interest rate that is sufficient to produce a par bid (an effective interest rate of 0.53% and 1.64% as of May 31, 2009 and 2008, respectively), not to exceed 12% per annum. Such interest rate may be converted to a different interest rate mode, as defined in the agreement, with the approval of the letter of credit issuer. The Series 2002A Bonds mature on June 1, 2033.

The proceeds from the issuances and sale of the Bonds were used to make loans to the Corporation. The Corporation used the proceeds to (i) finance the construction, installation, and

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NOTE 3 - PROPERTY, PLANT AND EQUIPMENT

Property, plant, and equipment at May 31, 2009 and 2008 are summarized as follows:

2009

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NOTES TO FINANCIAL STATEMENTS

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