This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2018A Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of this date, this Preliminary Official Statement has been deemed "final" by the Board for purposes of SEC Rule 15c2–12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2–12(b)(1).

PRELIMINARY OFFICIAL STATEMENT DATED MARCH __, 2018

NEW ISSUE
BOOK-ENTRY-ONLY

RATINGS:

Moody's:	**[A1]**
S&P:	**[A-]**

(See "RATINGS" herein)

Subject to compliance by The Board of Trustees of the University of Illinois (the "Board") with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Series 2018A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

$[Principal Amount]*
THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS
University of Illinois
Auxiliary Facilities System Revenue Bonds, Series 2018A

Dated: Date of Delivery **Due: April 1, as shown on inside cover**

The University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2018A (the "*Series 2018A Bonds*") shall be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("*DTC*"). DTC will act as securities depository for the Bonds. Purchases of beneficial interests in the Bonds will be made in book-entry form only. Purchasers of a beneficial interest in the Bonds ("*Beneficial Owners*") will not receive certificates representing their interests in the Bonds.

Interest on the Series 2018A Bonds is payable on each April 1 and October 1 beginning [October 1, 2018]. The principal of the Series 2018A Bonds is payable at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A. (the "*Bond Registrar*"), or its successor. Interest on the Series 2018A Bonds, together with the principal of the Series 2018A Bonds, will be paid by the Bond Registrar directly to DTC so long as DTC or its nominee is the registered owner of the Series 2018A Bonds. The final disbursements of such payments to the Beneficial Owners will be the responsibility of the DTC participants or indirect participants. See "BOOK-ENTRY ONLY SYSTEM" for more information.

The Series 2018A Bonds are subject to redemption prior to maturity as described herein.

The Series 2018A Bonds and any Parity Bonds (as described herein) are secured by a pledge of and lien on (i) the Net Revenues of the Auxiliary Facilities System (the "*System*"), (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account.

Proceeds of the Series 2018A Bonds will be used, together with other lawfully available moneys, to (i) refund certain outstanding obligations of the Board, (ii) finance the renovation and addition of a football performance center and a residence hall dining facility on the University's Campus in Urbana, Illinois (collectively, the "*Project*") and (iii) pay costs of issuing the Series 2018A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

THE SERIES 2018A BONDS WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE BOARD AND WILL BE PAYABLE ONLY FROM SOURCES DESCRIBED HEREIN. THE SERIES 2018A BONDS ARE NOT OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF ILLINOIS. THE SERIES 2018A BONDS SHALL NOT CONSTITUTE A DEBT, LEGAL OR MORAL, OF THE STATE OF ILLINOIS, AND SHALL NOT BE ENFORCEABLE OUT OF ANY FUNDS OF THE BOARD, OR OF THE UNIVERSITY, OTHER THAN THE REVENUES AND INCOME PLEDGED FOR PAYMENT THEREOF. THE BOARD HAS NO TAXING POWER.

The Series 2018A Bonds are offered when, as and if issued and received by the Purchaser, subject to prior sale, withdrawal or modification of the offer without notice, to the approval of legality of the Series 2018A Bonds by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Board by University Counsel, Thomas R. Bearrows, Esq., and its special issuer's counsel, Katten Muchin Rosenman LLP, Chicago, Illinois. Katten Muchin Rosenman LLP, Chicago, Illinois is serving as disclosure counsel. Public Financial Management, Inc., Boston, Massachusetts, is serving as Municipal Advisor to the Board. It is expected that the Series 2018A Bonds will be available for delivery through DTC on or about April __, 2018.

SEALED BIDS FOR THE SERIES 2018A BONDS WILL BE RECEIVED ON _______________, APRIL __, 2018, AT 10:30 A.M. (EASTERN TIME), OR SUCH LATER DATE, AS PROVIDED FOR IN THE OFFICIAL NOTICE OF SALE

The date of this Official Statement is April ___, 2018.

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* Preliminary, subject to change.

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Auxiliary Facilities System Revenue Bonds, Series 2018A
Maturities, Principal Amounts, Interest Rates, Yields*

Year (April 1)	Principal Amount**	Interest Rate	Yield	CUSIP† Number
	$	%	%	

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* Preliminary, subject to change.

** Subject to mandatory sinking fund redemption, if designated by the Purchaser, as described under "DESCRIPTION OF THE SERIES 2018A BONDS – Redemption – Mandatory Redemption" herein.

† Copyright, American Bankers Association. CUSIP data provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only.

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the appendices hereto, does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of any of the Series 2018A Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. No broker, dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2018A Bonds, and, if given or made, such information or representation must not be relied upon as having been authorized by the Board, the Bond Registrar, the Municipal Advisor or the Purchaser.

The information set forth herein has been obtained from the Board and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness by, and is not to be construed as the promise or guarantee of the Bond Registrar, the Municipal Advisor or the Purchaser. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board or in the information or opinions set forth herein, since the date of this Official Statement.

This Official Statement contains "forward-looking statements" within the meaning of the Federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE PRICES AT WHICH THE SERIES 2018A BONDS ARE OFFERED TO THE PUBLIC MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES (OR PRICES CORRESPONDING TO THE YIELDS) APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS, AND THE PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICES OF THE SERIES 2018A BONDS AT LEVELS ABOVE THE LEVELS THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET IN ORDER TO FACILITATE THEIR DISTRIBUTION. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE SERIES 2018A BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2018A BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF LAW OF THE STATES IN WHICH THE SERIES 2018A BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

The Purchaser is under no obligation to make a secondary market for the Series 2018A Bonds, and no assurance can be given that a secondary market for the Series 2018A Bonds will develop.

For purposes of compliance with Rule 15c2-12 of the United States Securities Exchange Commission, this Preliminary Official Statement has been deemed "final" by the Board as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

References to web site addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into and are not a part of this Official Statement.

CUSIP numbers are included in this Official Statement for the convenience of the holders and potential holders of the Series 2018A Bonds. No assurance can be given that the CUSIP numbers will remain the same after the date of issuance and delivery of the Series 2018A Bonds.

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$[Principal Amount]*
THE BOARD OF TRUSTEES OF
THE UNIVERSITY OF ILLINOIS
University of Illinois
Auxiliary Facilities System Revenue Bonds, Series 2018A

INTRODUCTION

This Official Statement, including the cover page, the inside cover page and the appendices hereto, is provided in connection with the offering by The Board of Trustees of the University of Illinois (the "*Board*") of $[Principal Amount]* principal amount of its University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2018A (the "*Series 2018A Bonds*").

The Board is authorized by the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, 110 ILCS 405/1, *et seq.* (the "*Act*") to borrow money and issue and sell bonds to acquire by purchase or otherwise, construct, enlarge, improve, equip, complete, operate, control and manage student residence halls, apartments, staff housing facilities, health facilities, physical education buildings, union buildings, auditoriums, gymnasiums, or any other revenue producing buildings or facilities for student services, and educational facilities leased to the Federal government and the Nuclear Physics Laboratory, or any combination thereof, of the type and character as the Board deems necessary and required for the good and benefit of the University of Illinois (the "*University*"). The Board also is authorized to refund or refinance, from time to time as often as it shall be advantageous and in the public interest to do so, separately or in combination, any and all bonds issued and sold by the Board pursuant to the Act.

Under the Act, the Board is authorized to hold in the treasury of the University all revenues derived from the operation of any such buildings or facilities and to supplement such revenues from University income authorized by law to be retained in the University treasury for such purpose, constituting Student Tuition and Fees, and to pledge such revenues and income for the payment of operation and maintenance costs and for the retirement of such bonds.

The Series 2018A Bonds are being issued pursuant to the Act and the resolution adopted by The Board of Trustees of the University of Illinois on September 20, 1984 (the "*Original Resolution*") as amended and supplemented by bond resolutions adopted on June 20, 1985, May 8, 1986, May 9, 1991, June 11, 1993, January 18, 1996, October 15, 1999, June 1, 2000, March 8, 2001, May 23, 2001, May 15, 2003, March 10, 2005, July 14, 2005, September 7, 2006, May 22, 2008, January 15, 2009, May 20, 2010, June 9, 2011, December 2, 2011, March 7, 2013, January 23, 2014, November 13, 2014, January 21, 2016 and March 15, 2018 (together with the Original Resolution, the "*Bond Resolution*"). Initially capitalized terms used but not otherwise defined in this Official Statement have the same meanings given them under the caption "DEFINITIONS OF CERTAIN TERMS" in APPENDIX D hereto.

The proceeds of the Series 2018A Bonds will be used, together with other lawfully available funds, to (i) refund certain outstanding obligations of the Board, (ii) finance the renovation and addition of a football performance center and a residence hall dining facility on the University's Campus in Urbana, Illinois (collectively, the "*Project*") and (iii) pay costs of issuing the Series 2018A Bonds. See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

As further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein, the Series 1991 Bonds, the Series 1999A Bonds, the Series 2001A Bonds, the Series 2001B Bonds,

* Preliminary, subject to change.

the Series 2003A Bonds, the Series 2005A Bonds, the Series 2008 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the Series 2011B Bonds, the Series 2011C Bonds, the Series 2013A Bonds, the Series 2014A Bonds, the Taxable Series 2014B Bonds, the Taxable Series 2014C Bonds, the Series 2015A Bonds, the Series 2016A Bonds and the Series 2016B Bonds (collectively, the "*Prior Parity Bonds*"), and any Parity Bonds (hereinafter defined) issued in the future, are secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account.

The Series 1991 Bonds are further secured by income received from, and funds on deposit in, the Debt Service Reserve Account established under the Original Resolution. **The Series 2018A Bonds will not be secured by the Debt Service Reserve Account.**

Additional bonds secured on a parity with the Series 2018A Bonds and the Prior Parity Bonds (together, the "*Parity Bonds*") may be issued by the Board for the purposes set forth in the Bond Resolution and subject to the condition, among others, that for each of the two completed Fiscal Years immediately preceding the issuance of any Parity Bonds, the average of the sum of annual Net Revenues plus Student Tuition and Fees must be at least equal to two times Maximum Annual Net Debt Service for the then Outstanding Bonds and the proposed Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Parity Bonds" herein and "THE UNIVERSITY OF ILLINOIS – Outstanding Indebtedness and Leasehold Obligations" in APPENDIX A hereto. The Series 2018A Bonds, the Prior Parity Bonds and any Parity Bonds issued in the future are collectively referred to herein as the "*Bonds*" or the "*Outstanding Bonds*."

The Board covenants in the Bond Resolution to establish rents, fees, charges and admissions for the use of the System and Student Tuition and Fees at such a level that the amount of Net Revenues plus Student Tuition and Fees in each Fiscal Year is at least equal to 2.0 times Maximum Annual Net Debt Service. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Rate Covenant" herein.

THE SERIES 2018A BONDS WILL BE SPECIAL, LIMITED OBLIGATIONS OF THE BOARD AND WILL BE PAYABLE ONLY FROM THE SOURCES DESCRIBED HEREIN. THE SERIES 2018A BONDS ARE NOT OBLIGATIONS, GENERAL, SPECIAL OR OTHERWISE, OF THE STATE OF ILLINOIS. THE SERIES 2018A BONDS SHALL NOT CONSTITUTE A DEBT, LEGAL OR MORAL, OF THE STATE OF ILLINOIS, AND SHALL NOT BE ENFORCEABLE OUT OF ANY FUNDS OF THE BOARD, OR OF THE UNIVERSITY, OTHER THAN THE REVENUES AND INCOME PLEDGED FOR PAYMENT THEREOF. THE BOARD HAS NO TAXING POWER.

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

DESCRIPTION OF THE SERIES 2018A BONDS

General

The Series 2018A Bonds will be issued as fully registered bonds, as shown on the inside cover page hereof. Initially, the Series 2018A Bonds will be registered under the book-entry system operated by The Depository Trust Company, New York, New York ("*DTC*"), as described under the caption "BOOK-ENTRY ONLY SYSTEM" (the "*Book-Entry System*") and the method of payment of the Series 2018A Bonds and matters pertaining to transfers and exchanges while the Series 2018A Bonds are held in the Book-Entry System are described under that caption.

The Series 2018A Bonds will be dated the date of delivery, and will mature on April 1 of the years and in the amounts shown on the inside cover page hereof and will bear interest from the dated date (computed on the basis of a 360-day year of twelve 30-day months) at the rates set forth on the cover page hereof, payable on April 1 and October 1 of each year, beginning [October 1, 2018]. The Series 2018A Bonds will be issued in denominations of $5,000 or any integral multiple thereof (the "*Authorized Denominations*"). The Series 2018A Bonds will bear interest from their date or from the most recent interest payment date to which interest has been paid, or duly provided for, until the principal amount of the Series 2018A Bonds is paid.

Redemption

Optional Redemption. The Series 2018A Bonds maturing on or after April 1, 20__ are subject to redemption prior to maturity, at the option of the Board, on or after April 1, 20__, in whole or in part at any time, and if in part, from such maturities as determined by the Board and within any maturity by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

Mandatory Redemption. If designated by the Purchaser, as described in the Official Notice of Sale and the Official Bid Form, consecutive maturities of the Series 2018A Bonds may be designated and aggregated into one or more term bonds (the "*Term Bonds*"), which will be subject to mandatory redemption prior to maturity through the application of sinking fund payments, in integral multiples of $5,000 selected by the Bond Registrar, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption.

The principal amounts of each maturity of Series 2018A Bonds to be redeemed or paid on each date through mandatory sinking fund redemptions may be reduced through the earlier optional redemption thereof, with any partial optional redemption of Series 2018A Bonds being credited against such future mandatory sinking fund requirements as determined by the Comptroller of the Board (the "*Comptroller*"), with written notice of such determination to be given to the Bond Registrar.

In addition, on or prior to the 60th day preceding any mandatory sinking fund redemption date, the Bond Registrar may, and if directed by the Comptroller shall, purchase Series 2018A Bonds required to be retired on such mandatory redemption date at a purchase price not exceeding the principal amount thereof plus accrued interest to the purchase date. Any such Series 2018A Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the respective payment required on such next mandatory redemption sinking fund date as designated in writing by the Comptroller.

Notice of Redemption. The Bond Registrar will mail, by registered or certified mail, postage prepaid, a notice of redemption not less than 30 days prior to the date fixed for redemption to the Owners of any Series 2018A Bonds, or portions thereof, which are to be redeemed. Failure to mail such notice or any defect therein as to any such Series 2018A Bond will not affect the validity of the proceedings for the redemption of any other Series 2018A Bonds. In the event a Series 2018A Bond is in a denomination larger than $5,000, a portion of such Series 2018A Bond may be redeemed but only in a principal amount equal to an Authorized Denomination.

With respect to any optional redemption of Series 2018A Bonds, unless moneys sufficient to pay the principal of and interest on the Series 2018A Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are payable from and secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account. All such income and revenues are irrevocably pledged for the prompt and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their terms, and all the Bonds are equally and ratably secured by the pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity date, terms of redemption prior to maturity, date of sale or delivery or otherwise. All the Bonds are co-equal as to the pledge of and lien on all of the Net Revenues of the System, Student Tuition and Fees and Bond and Interest Sinking Fund Account, as described above, securing the payment of the Bonds and share ratably, without preference, priority or distinction as to the source or method of payment and security for the Bonds.

The Series 1991 Bonds are further secured by income received from, and funds deposited in, the Debt Service Reserve Account. **No other Prior Parity Bonds are, nor will the Series 2018A Bonds be, secured by or have any claim upon the Debt Service Reserve Account.**

Student Tuition and Fees

The Board is authorized by law to retain all Student Tuition and Fees in its treasury and to credit such amounts to an account known as the University Income Fund. The Bond Resolution requires the Comptroller of the Board to deposit annually the Student Tuition and Fees into the Revenue Fund established by the Bond Resolution, as shall be necessary, together with Operating Revenues, to meet (i) operating and maintenance expenses of the System and (ii) together with transfers, if any, of investment income from the Debt Service Reserve Account to the Bond and Interest Sinking Fund Account (which investment income shall be applied to debt service only on those Bonds secured by the Debt Service Reserve Account), annual debt service and required deposits to the Debt Service Reserve Account and Repair and Replacement Reserve Account.

Repair and Replacement Reserve Account

Pursuant to the Bond Resolution, the Board is required to establish and maintain a Repair and Replacement Reserve Account. On or before the close of each Fiscal Year, the Comptroller shall deposit in the Repair and Replacement Reserve Account from the funds remaining in the Revenue Fund, an amount not less than ten percent (10%) of the Maximum Annual Net Debt Service. The maximum amount which may be accumulated in such Account shall not exceed five percent (5%) of the replacement cost of the facilities constituting the System, as determined by the then current Engineering News Record Building Cost Index (or comparable index). All money and investments so held in such Account shall be used and held for use to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and renovating or replacement of fixed equipment not paid as part of the ordinary maintenance and operation of the System. Moneys on deposit in the Repair and Replacement Reserve Account are not pledged as security for the payment of the Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – Flow of Funds – *Repair and Replacement Reserve Account*" in APPENDIX D hereto.

Rate Covenant

The Board covenants and agrees that it will adopt such rules and regulations as are necessary to assure reasonable occupancy and use of the System; and that the rents, fees, charges and admissions (including charges for utility and janitor services) chargeable to the occupants of, and students, faculty members and others using or being served by, or having the right to use or having the right to be served by, the System and Student Tuition and Fees shall be so fixed and revised from time to time and shall be so collected that the amount of Net Revenues plus Student Tuition and Fees in each Fiscal Year is at least equal to 2.0 times Maximum Annual Net Debt Service.

Parity Bonds

Parity Bonds may be issued under the terms of the Bond Resolution only upon compliance with all of the following conditions:

1. The Comptroller must sign a written certificate to the effect that the Board is not in default as to any covenant, condition or obligation in connection with all Outstanding Bonds, and the resolutions authorizing the same.

2. All transfers and deposits to the Bond and Interest Sinking Fund Account, the Debt Service Reserve Account (if any) and the Repair and Replacement Reserve Account, as provided in the Bond Resolution, must be current.

3. Parity Bonds must be issued for the purpose of repairing, improving or adding to the System, or for the purpose of refunding Bonds, or for any combination of such purposes.

4. For each of the two completed Fiscal Years immediately preceding the issuance of any Parity Bonds, the average of the sum of annual Net Revenues plus Student Tuition and Fees must be at least equal to 200 percent (2.0 times) of Maximum Annual Net Debt Service for the then Outstanding Bonds and the proposed Parity Bonds.

5. At the time of delivery of the proposed Parity Bonds, a determination must be made in the resolution authorizing such Parity Bonds whether such Parity Bonds shall be secured by or payable from any funds on deposit in the Debt Service Reserve Account. **The Board has provided in the authorizing resolution for the Series 2018A Bonds that the Series 2018A Bonds will not be secured by or payable from the Debt Service Reserve Account.**

6. Such Parity Bonds shall be authorized by a resolution adopted by the Board which shall conform in all respects to the terms and provisions of the Bond Resolution.

Outstanding Parity Bonds

As of June 30, 2017, the Board had outstanding 18 series of Bonds, including the Series 1991 Bonds, the Series 1999A Bonds, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2008 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the Series 2011B Bonds, the Series 2011C Bonds, the Series 2013A Bonds, the Series 2014A Bonds, the Taxable Series 2014B Bonds, the Taxable Series 2014C Bonds, the Series 2015A Bonds, the Series 2016A Bonds and the Series 2016B Bonds aggregating $1,136,422,390 (including the accreted value of outstanding capital appreciation Bonds), which are secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary), and (iii) the Bond and Interest Sinking Fund Account. The Series 1991 Bonds are further secured by income received from, and funds on deposit in, the Debt Service Reserve Account.

BOOK-ENTRY ONLY SYSTEM

General Provisions

The following information concerning DTC and its book-entry system is based solely on information provided by DTC. Accordingly, no representation is made by the Board, the University, the Bond Registrar or the Purchaser as to the accuracy or completeness of such information, or as to the absence of changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Series 2018A Bonds. The Series 2018A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2018A Bond will be issued for each maturity of the Series 2018A Bonds, in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiary. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2018A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018A Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2018A Bonds, except in the event that use of the book-entry system for the Series 2018A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018A Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee, does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2018A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018A Bonds, such as redemptions, tenders, defaults and proposed amendments to the documents. For example, Beneficial Owners of Series 2018A Bonds may wish to ascertain that the nominee holding the Series 2018A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018A Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Series 2018A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Series 2018A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Board or the Bond Registrar, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Registrar, or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2018A Bonds at any time by giving reasonable notice to the Board or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Series 2018A Bonds are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2018A Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

NEITHER THE BOARD NOR THE BOND REGISTRAR HAS ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO. OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2018A BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BENEFICIAL OWNERS UNDER THE BOND RESOLUTION; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2018A BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

Successor Securities Depository; Discontinuation of Book-Entry System

In the event that (i) the Board determines that DTC is incapable of discharging its responsibilities described in the Bond Resolution and in the blanket letter of representations from the Board and accepted by DTC (the "*Representation Letter*"), (ii) the Representation Letter shall be terminated for any reason, or (iii) the Board determines that it is in the best interest of the Beneficial Owners of the Series 2018A Bonds that they be able to obtain certificated Series 2018A Bonds, the Board will notify DTC and the Direct Participants of the availability through DTC of certificated Series 2018A Bonds and the Series 2018A Bonds will no longer be restricted to being registered in the registry maintained by the Bond Registrar in the name of Cede & Co., as nominee of DTC. At that time, the Board may determine that the Series 2018A Bonds shall be registered in the name of and deposited with a successor depository operating a universal book-entry system, as may be acceptable to the Board, or such depository's agent or designee, or if the Board does not select such an alternate universal book-entry system, then the Series 2018A Bonds may be registered in whatever name or names registered owners of Series 2018A Bonds transferring or exchanging Series 2018A Bonds shall designate, in accordance with the provisions of the Bond Resolution.

PLAN OF FINANCE

Purpose of the Series 2018A Bonds

The proceeds of the Series 2018A Bonds will be used to (i) refund certain outstanding obligations of the Board described under "Refunding Plan" below, (ii) finance the Project as described under "The Project" below and (iii) pay costs of issuing the Series 2018A Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Refunding Plan

A portion of the proceeds of the Series 2018A Bonds will be applied to refund all or a portion of the Board's outstanding Variable Rate Demand Auxiliary Facilities System Revenue Bonds, Series 2008 (the "*Refunded Bonds*"). The Refunded Bonds are anticipated to be called for redemption on the date of issuance of the Series 2018A Bonds.

The Project

Football Performance Center, Urbana. This portion of the Project involves the construction of a new Football Performance Center, immediately east of Memorial Stadium, which will house football team rooms, locker rooms, sports medicine, strength and sports training areas, as well as the coaches' offices and football operations.

Renovation and Addition, Dining Facility, Illinois Street Residence Hall, Urbana. This portion of the Project involves the renovation and expansion of the existing dining services building at the Illinois Street Residence Hall. The location of this complex, close to the College of Engineering, serves as a tour destination for prospective students, making this facility strategically important to University Housing. This upgrade to the facility will increase the seating capacity as well as provide for Residential Life in the complex.

Soccer and Track Complex, Division of Intercollegiate Athletics, Urbana. This portion of the Project involves the construction of a new soccer and track complex that will include two new grass soccer fields and a new soccer and track building. The new soccer and track building will provide locker rooms and team facilities for women's soccer, men's and women's track and field, officials' locker rooms, bleachers for viewing both soccer and track, public concessions, and restroom facilities and will be approximately 16,800 gross square feet.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2018A Bonds are as follows:

Sources of Funds	
Principal Amount of Series 2018A Bonds	$
Net Reoffering Premium/Discount..	__________
Total Sources of Funds	$__________
Uses of Funds	
Refunding of Outstanding Bonds	$
Deposit to Series 2018A Project Fund	
Purchaser's Discount...	
Costs of Issuance[(1)]	__________
Total Uses of Funds	$__________

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(1) Costs of issuance include legal fees, fees of the Municipal Advisor, rating agency fees, initial Registrar and Paying Agent fees and other expenses incurred in connection with the issuance of the Series 2018A Bonds.

PRO FORMA MAXIMUM ANNUAL NET DEBT SERVICE COVERAGE

The following table compares the Net Revenues of the System and Student Tuition and Fees with the estimated Maximum Annual Net Debt Service for the Series 2018A Bonds and the Outstanding Bonds, in order to determine a pro forma debt service coverage as if such debt service had been applied during the periods shown. The Series 2008 Bonds and the Taxable Series 2014C Bonds bear interest at variable rates. For purposes of estimating debt service on the Series 2008 Bonds interest was estimated at ___% which represents, as of February ___, 2018 the highest of (i) the actual rate at date of calculation, (ii) the average rate over the 12 months immediately preceding the date of calculation and (iii) the Revenue Bond Index. For purposes of estimating debt service on the Taxable Series 2014C Bonds interest was estimated at _____%, which represents, as of February ___, 2018 the higher of (i) the actual rate at date of calculation and (ii) the interest rate on Government Obligations with comparable maturities.

	Fiscal Year Ended June 30 (in thousands)				
	2013	**2014**	**2015**	**2016**	**2017**
Net Revenues	$ 91,762	$ 90,713	$ 95,986	$ 118,972	$ 90,533
Student Tuition and Fees [(1)]	989,502	1,040,399	1,095,905	1,145,945	1,191,498
Total Available for Debt Service	$1,081,264	$1,131,112	$1,191,891	$1,264,917	$1,282,031
Coverage of Maximum Annual Net Debt Service for the Series 2018A Bonds and Outstanding Bonds Net MADS[(2)]	___x	___x	___x	___x	___x

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(1) Student Tuition and Fees is shown net of scholarships and fellowships.

(2) As of __________, 2018, the Board estimates, based on the assumed interest rates identified in the paragraph preceding the table, that following the issuance of the Series 2018A Bonds and the application of the proceeds thereof described under "PLAN OF FINANCE" herein, the Maximum Annual Net Debt Service for the Series 2018A Bonds and all Outstanding Bonds will be $__________ in Fiscal Year _____.

Source: Compiled by the Office of the Comptroller of the University of Illinois from audited Annual Financial Reports of the University for Fiscal Years 2013-2017.

ANNUAL DEBT SERVICE REQUIREMENTS ON THE BONDS

The table below shows assumed annual debt service on the Series 2018A Bonds and all Outstanding Bonds as of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2018. The Series 2008 Bonds and the Taxable Series 2014C Bonds bear interest at variable interest rates. All other Outstanding Bonds bear interest at fixed rates.

Fiscal Year	Series 2018A Bonds		Outstanding	Total System
(Ending 6/30)	Principal*	Interest	Debt Service(1)(2)*	Debt Service(1)(2)
2018				
2019		$	$	$
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
TOTAL	$	$	$	$

Totals may not foot due to rounding.

* Preliminary, subject to change.

(1) Includes the variable rate Series 2008 Bonds with an assumed interest rate of ___%, the 20 year average of the Securities Industry and Financial Markets Association Municipal Swap Index. A different estimated interest rate is utilized for the Series 2008 Bonds under the caption "PRO FORMA MAXIMUM ANNUAL NET DEBT SERVICE COVERAGE" above because the Bond Resolution requires the factors identified therein to be used to estimate the interest rate on variable rate Bonds for the purpose of calculating Maximum Annual Net Debt Service in connection with the issuance of Parity Bonds. Also includes the variable rate Taxable Series 2014C Bonds with an assumed interest rate of ___%, which represents the interest rate on Government Obligations with comparable maturities. All other Outstanding Bonds bear interest at a fixed rate. Outstanding Debt Service reflects the refunding of the Refunded Bonds.

(2) Reflects the refunding of the Refunded Bonds.

AUXILIARY FACILITIES SYSTEM

Background

The University of Illinois Auxiliary Facilities System was created in June of 1978 pursuant to the provisions of the Act which authorized the Board to combine and consolidate into a single System certain housing, parking, union, recreation/athletic, student-oriented health and miscellaneous facilities, the net revenues of which were then pledged to secure outstanding indebtedness of the Board. As described below, certain facilities of the Springfield campus of the University were transferred to and became part of the System during Fiscal Year 1996.

At the time of formation of the System, the Board refinanced, through advance refunding or exchange, all then outstanding indebtedness secured by the various buildings and facilities initially intended to form the System.

Since the creation of the System, the Board, in addition to providing for routine maintenance, has assessed one-half of one percent of the Replacement Value of its facilities annually for renewals and replacements, unusual or extraordinary maintenance or repairs, and renovation or replacement of fixed equipment to sustain the physical and operational integrity of the System. Approved mandatory transfers for such purposes approximate $15.0 million each year.

Description of Facilities

The facilities comprising the System service various aspects of student campus life and include student residence halls, parking structures, student unions and recreational and athletic facilities. The University currently has residence hall and apartment facilities for about 13,977 single students and family housing for about 1,179 students and ten parking structures with a total capacity for approximately 10,391 cars. The University has four student union buildings, one at the Urbana-Champaign campus, one at the Springfield campus and two at the Chicago campus, which include lounges, food service, bowling and billiards facilities, meeting rooms, bookstores and other recreational facilities.

The development of recreational and athletic facilities dates back to 1925 on the Urbana-Champaign campus with the construction of Memorial Stadium, which seats approximately 62,000 persons, and the Ice Arena, which was originally constructed in 1930. The multi-purpose 15,200 seat State Farm Center, which provides a venue for entertainment and sporting events, was constructed in 1963 at Urbana-Champaign. The multi-purpose 9,500 seat Pavilion, which serves a similar function in Chicago, was constructed in 1982. The University's McKinley Health Center, originally constructed in 1925-26, provides clinical treatment for students and staff at the Urbana-Champaign campus.

Student Services buildings in Chicago and in Urbana-Champaign provide centralized locations for comprehensive programs of student services, including career development and placement, student financial aid, student activities and student counseling and assistance. Springfield campus facilities added to the System include a 56 unit on-campus housing complex known as University Court, food service operations, parking operations, bookstore operations, the 2,000 seat Sangamon Auditorium, a 10,000 square foot multi-purpose gymnasium and a child care center.

A recent addition to the Auxiliary Facilities System is the student union building at the Springfield campus.

Housing Occupancy Rates

For the past eight Fiscal Years, ended June 30, 2017, the average occupancy of existing housing facilities of the Board included within the System has exceeded 90%.

Financial Condition of the Auxiliary Facilities System

The financial statements of the System are presented in accordance with U.S. generally accepted accounting principles.

Included in APPENDIX B is the most recent Annual Financial Report of the Auxiliary Facilities System for Fiscal Year 2017. The Annual Financial Report of the Auxiliary Facilities System set forth as APPENDIX B consists of the Statement of Net Position as of June 30, 2017, the Statement of Revenues, Expenses and Changes in Net Position for the Year Ended June 30, 2017, the Statement of Cash Flows for the Year Ended June 30, 2017, and the notes to financial statements.

Statement of Revenues, Expenses and Changes in Net Position of the Auxiliary Facilities System

The following table summarizes the Statement of Revenues, Expenses and Changes in Net Position of the System for the Fiscal Years Ended June 30, 2017, 2016, 2015 and 2014.

	Fiscal Year Ended June 30,			
	2017	**2016**	**2015**	**2014**
Operating revenues:				
Room and board, net of waivers	$143,398,519	$142,453,215	$141,495,946	$139,170,736
Merchandise and retail food sales	36,214,559	34,479,410	35,726,340	34,230,416
Student service fees	98,894,653	97,417,339	95,824,279	92,721,641
Public events and recreation fees	12,886,050	6,191,979	5,567,387	6,943,194
Parking income	27,016,345	27,042,324	26,665,333	25,971,705
Rental and lease income	27,759,460	32,335,993	25,184,158	22,302,271
Vending income	3,346,532	3,752,108	1,969,727	2,234,529
Other operating revenue	9,895,689	9,374,597	12,656,613	10,960,814
Total operating revenues	**359,411,807**	**353,046,965**	**345,089,783**	**334,535,306**
Operating expenses:				
Salaries and wages	92,819,482	89,806,163	91,911,015	90,708,702
Merchandise and food for resale	34,490,462	33,340,189	36,592,720	36,096,483
Repair and maintenance	8,544,682	6,199,775	5,795,556	5,539,503
Professional and other contractual services	43,746,849	33,041,420	34,672,162	39,137,663
Utilities	32,543,120	28,820,202	30,368,219	30,207,763
Supplies	13,515,855	11,407,448	10,960,625	12,867,363
Noncapitalized renovation and equipment	24,971,936	12,161,929	20,007,082	11,900,464
Administrative services	16,455,574	16,036,810	15,670,039	16,191,579
Other operating expense	5,620,582	5,261,439	4,956,647	4,864,518
Depreciation	38,806,067	34,437,307	33,516,002	32,580,892
On behalf payments for fringe benefits	65,885,906	53,857,598	48,304,812	45,590,951
Total operating expenses	**377,400,515**	**324,370,280**	**332,754,879**	**325,685,881**
Operating income (loss)	**(17,988,708)**	**28,676,685**	**12,334,904**	**8,849,425**
Non-operating revenues (expenses):				
On behalf payments for fringe benefits	65,885,906	53,857,598	48,304,812	45,590,951
Investment income (net of related expenses)	3,830,221	2,000,394	1,830,781	3,691,656
Interest on capital asset-related debt	(46,511,935)	(43,346,299)	(46,936,267)	(47,989,397)
Loss on disposal of capital assets	(97,350)	(797,226)	(183,189)	(89,135)
Other non-operating revenues (expenses), net	(6,368)	(816,717)	(625,768)	(1,371,312)
Net non-operating revenues (expenses)	**23,100,474**	**10,897,750**	**2,390,369**	**(167,237)**
Increase in net position	**5,111,766**	**39,574,435**	**14,725,273**	**8,682,188**
Net position, beginning of year, as adjusted*	**222,771,009**	**183,196,574**	**168,471,301**	**159,789,113**
Cumulative effect of change in accounting principle				
Net position, end of year	**227,882,775**	**222,771,009**	**$183,196,574**	**$168,471,301**

For more detailed information, see "ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS AUXILIARY FACILITIES SYSTEM FOR THE YEAR ENDED JUNE 30, 2017" in APPENDIX B hereto.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions that apply to the Series 2018A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith and certain other matters. The Board has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2018A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2018A Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018A Bonds.

Subject to the Board's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2018A Bonds is excludable from the gross income of the Owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Board with respect to certain material facts within the Board's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended, (the "Code") includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75 percent of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Series 2018A Bonds. The AMT for corporations is repealed for taxable years beginning after December 31, 2017.

Ownership of the Series 2018A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Series 2018A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Series 2018A Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Series 2018A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Series 2018A Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Series 2018A Bonds (the "Discount Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Discount Bond to its stated maturity, subject to the condition that the Board complies with the covenants discussed above: (a) the full amount of original issue discount with respect to such Discount Bond constitutes interest which is excludable from the gross income of the Owner thereof for federal income tax purposes; (b) such Owner will not realize taxable capital gain or market discount upon payment of such Discount Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the AMT for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the AMT for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an AMT liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue, under Illinois income tax law, accreted original issue discount on the Discount Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Discount Bonds should consult their tax advisors with respect to the state and local tax consequences of original issue discount on such Discount Bonds.

Owners of Series 2018A Bonds who dispose of Series 2018A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2018A Bonds in the initial public offering, but at a price different from the Issue Price, or purchase Series 2018A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2018A Bond is purchased at any time for a price that is less than the Series 2018A Bond's stated redemption price at maturity, or, in the case of a Discount Bond, its Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Series 2018A Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2018A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases a Discount Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2018A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2018A Bonds.

An investor may purchase a Series 2018A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2018A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2018A Bond. Investors who purchase a Series 2018A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2018A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2018A Bond.

There are or may be pending in the Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2018A Bonds. It cannot be predicted whether or in what form any of such proposal might be enacted or whether, if enacted, it would apply to securities issued prior to enactment. Prospective purchasers of the Series 2018A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the Owners thereof for federal income tax purposes. It cannot be predicted whether or not the

Service will commence an audit of the Series 2018A Bonds. If an audit is commenced, under current procedures the Service may treat the Board as the taxpayer and the Series 2018A Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2018A Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2018A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2018A Bond Owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2018A Bond Owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest with respect to the Series 2018A Bonds is not exempt from present Illinois income taxes. Ownership of the Series 2018A Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2018A Bonds. Prospective purchasers of the Series 2018A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

LITIGATION

There is no litigation pending against the Board or the University, or to the knowledge of the Board threatened, which in any way questions or affects the validity of the Series 2018A Bonds or any proceedings or transactions relating to their issuance, sale and delivery. The Board is not aware of any litigation, the resolution of which would have a material adverse impact on the Board's ability to meet debt service on the Series 2018A Bonds.

LEGAL MATTERS

Certain legal matters incidental to the authorization, issuance and sale of the Series 2018A Bonds by the Board are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel ("*Bond Counsel*"), which has been retained by, and acts as, Bond Counsel to the Board. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2018A Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Board, reviewed the statements describing its approving opinion and the statements under the captions "DESCRIPTION OF THE SERIES 2018A BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – General," "– Student Tuition and Fees," "– Repair and Replacement Reserve Account," "– Rate Covenant," and "– Parity Bonds," "TAX EXEMPTION," and "APPENDIX D – DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION" solely to determine whether such descriptions are accurate summaries in all material respects. This review was undertaken solely at the request and for the benefit of the Board and did not include any obligation to establish or confirm factual matters set forth in this Official Statement. The proposed form of the opinion of Bond Counsel is included as APPENDIX E.

Certain legal matters in connection with the Series 2018A Bonds will be passed upon for the Board by University Counsel, Thomas R. Bearrows, Esq. and its special issuer's counsel, Katten Muchin Rosenman LLP, Chicago, Illinois. Katten Muchin Rosenman LLP, Chicago, Illinois is serving as disclosure counsel.

PURCHASE

The Series 2018A Bonds were purchased at a competitive sale held on April ______, 2017 by a syndicate led by ______________________ (the "*Purchaser*"). The Purchaser has agreed, subject to certain customary conditions precedent to closing, to purchase the Series 2018A Bonds from the Board at a purchase price of $________ (which is equal to the original principal amount of the Series 2018A Bonds, less a Purchaser's discount of $________, plus/less a net original issue premium/discount of $________). The Purchaser will be obligated to purchase all of the Series 2018A Bonds if any Series 2018A Bonds are purchased.

MUNICIPAL ADVISOR

Public Financial Management, Inc. has acted as Municipal Advisor to the Board in connection with the issuance of the Series 2018A Bonds. Public Financial Management, Inc. is not obliged to undertake, and has not undertaken, an independent verification of, nor has assumed responsibility for the accuracy, completeness or fairness of the information obtained in this Official Statement. Public Financial Management, Inc. is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

INDEPENDENT AUDITORS

The financial statements of the System and the financial statements of the University as of and for the year ended June 30, 2017, are included in APPENDIX B and APPENDIX C, respectively and have been audited by CliftonLarsonAllen LLP, independent auditors, as stated in their reports included in APPENDIX B and APPENDIX C, respectively.

RATINGS

Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("*S&P*"), and Moody's Investors Service ("*Moody's*") have assigned their municipal bond ratings of "__" (________ outlook) and "__" (________ outlook), respectively, to the Series 2018A Bonds. The ratings and an explanation of their significance may be obtained from the rating agency furnishing such ratings. Such ratings reflect only the views of the respective rating agency. The ratings are not recommendations to buy, sell or hold the Series 2018A Bonds. No rating was requested from any other rating service.

The Board and the University furnished to the above rating agencies certain information and materials, some of which have not been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions furnished to and obtained and made by the rating agencies. There is no assurance that any rating will remain for any given period of time or that any rating will not be revised downward or withdrawn entirely. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price or marketability of the Series 2018A Bonds.

CONTINUING DISCLOSURE

In order to assist the Purchaser in complying with certain provisions of Rule 15c2-12 (the "*Rule*") of the Securities and Exchange Commission, the Board will agree in a Continuing Disclosure Agreement to provide to certain parties certain annual financial information and operating data and notices of certain events. The proposed form of the Continuing Disclosure Agreement is included as APPENDIX F to this Official Statement. The Continuing Disclosure Agreement may be enforced by any beneficial or registered owner of the Series 2018A Bonds, but the Board's failure to comply will not be a default under the Bond Resolution.

Annual disclosure and notices of certain events will be submitted to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system currently available at http://emma.msrb.org/.

ADDITIONAL INFORMATION

All of the summaries of the opinions, contracts, agreements, financial and statistical data, and other related documents described in this Official Statement are made subject to the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are publicly available for inspection at the offices of the Board's Municipal Advisor, Public Financial Management, Inc., 99 Summer Street, Boston, Massachusetts 02113, or at the University's Office of the Vice President for Administration, 349 Henry Administration Building, 506 South Wright Street, Urbana, Illinois 61801.

CERTIFICATION

As of the date hereof, this Official Statement is, to the best of my knowledge, complete and correct in all material respects and does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. The preparation of this Official Statement and its distribution have been authorized by the Board.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

By: ____

Vice President, Chief Financial Officer
and Comptroller

APPENDIX A

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

APPENDIX A

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

APPENDIX A

Information Concerning

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

The information contained herein as Appendix A to the Official Statement has been obtained from The Board of Trustees of the University of Illinois and other sources deemed to be reliable.

INFORMATION IS PROVIDED HEREIN REGARDING THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS. HOWEVER, THE SERIES 2018 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE BOARD OF TRUSTEES OR OF THE UNIVERSITY. THEREFORE, INFORMATION HEREIN REGARDING THE UNIVERSITY SHOULD BE CONSIDERED GENERAL BACKGROUND INFORMATION ONLY FOR THE PURPOSE OF EVALUATING AN INVESTMENT IN THE SERIES 2018 BONDS.

THE SERIES 2018 BONDS, TOGETHER WITH THE OUTSTANDING AUXILIARY FACILITIES SYSTEM REVENUE BONDS AND SUCH BONDS AS MAY BE ISSUED IN THE FUTURE (COLLECTIVELY WITH THE SERIES 2018 BONDS, THE "BONDS"), ARE SECURED BY A PLEDGE OF AN LIEN ON: (i) **THE NET REVENUES OF THE AUXILIARY FACILITIES SYSTEM (THE "SYSTEM"),** (ii) **STUDENT TUITION AND FEES (SUBJECT TO PRIOR PAYMENT OF OPERATING AND MAINTENANCE EXPENSES OF THE SYSTEM, BUT ONLY TO THE EXTENT NECESSARY), AND** (iii) **THE BOND AND INTEREST SINKING FUND ACCOUNT. SINCE THE SYSTEM IS NOT A SEPARATE LEGAL ENTITY, BUT IS PART OF THE UNIVERSITY, INFORMATION CONCERNING THE UNIVERSITY IS SET FORTH IN THIS APPENDIX A.**

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THE UNIVERSITY OF ILLINOIS

BACKGROUND

The Board of Trustees of the University of Illinois (the *"Board"*) is a body corporate and politic of the State of Illinois (the *"State"*) created in 1867 by the Illinois General Assembly in response to the Federal Land Grant Act of 1862. The Board is responsible for the oversight and governance of the University of Illinois System (the *"University"*), one of the nation's largest university systems. Complementing the University's primary missions of education, research, and public service is its role as an agent of economic development.

Education. The University of Illinois System has three universities, located in Urbana-Champaign, Chicago, and Springfield, as well as health professions regional campuses in Rockford and Peoria, with a combined total enrollment of 83,711 students (fall 2017). In addition, the University has continuing education centers in suburban and downstate Illinois, extension offices in many of the State's 102 counties, a major teaching hospital and multiple health clinics in Chicago, and research farms. Fall 2017 enrollment on the campus of the University of Illinois at Urbana-Champaign (the *"Urbana university"* or *"UIUC"*) totaled 48,216; on the campus of the University of Illinois at Chicago (the *"Chicago university"* or *"UIC"*) totaled 30,539, (461 are located at regional medical schools in Peoria, Rockford and Urbana); and on the campus of the University of Illinois at Springfield (the *"Springfield university"* or *"UIS"*) totaled 4,956. Illinois residents comprise 59.7 percent of the student body on the Urbana campus; 81.5 percent at UIC; and 72.2 percent at UIS. The University awarded nearly 22,000 undergraduate, graduate, and professional degrees in 2016-2017. Graduation rates are increasing and other achievement indicators are also improving at all three campuses. The University receives almost five applications for each freshman slot.

There are 6,030 (full-time equivalent) faculty at the universities, including members of the National Academy of Sciences, the American Academy of Arts and Sciences, and the National Academy of Engineering. The University faculty and alumni have won 27 Nobel Prizes, including John Bardeen who won in 1956 and 1972, the only person to have won the physics prize twice. The University of Illinois at Urbana-Champaign had two faculty members win Nobel Prizes in the same year: Paul C. Lauterbur shared the 2003 Nobel Prize in medicine for seminal discoveries concerning the use of magnetic resonance to visualize different structures and Anthony J. Leggett shared the 2003 Nobel Prize in physics for pioneering contributions to the theory of superconductors and super fluids. The University has had 18 National Medal of Science recipients on its faculty, including entomologist May Berenbaum in 2014, Charles Slichter in 2007, who was recognized for establishing nuclear magnetic resonance as a powerful tool, and microbiologist Carl Woese in 2000, whose discovery of a third form of life was also recognized with a Crafoord Prize in 2003. The Urbana and Chicago universities have had numerous MacArthur Fellows, individuals recognized for "extraordinary originality and dedication in their creative pursuits and a marked capacity for self-direction."

The three universities in the University of Illinois System offer a diversity of programs that lead to baccalaureate, graduate, and professional degrees as well as certificates. The University offers professional programs through colleges of dentistry, law, medicine, pharmacy, and veterinary medicine. The University also features a school of public health and five health sciences colleges: applied health sciences, dentistry, medicine, nursing, and pharmacy.

Research. The University of Illinois System has two universities recognized as a research intensive institution by the Carnegie Foundation, Urbana-Champaign and Chicago. Total federal support for Fiscal Year 2017 exceeded $768 million for the entire system. The Urbana university attracts more than $465 million in federal support, with over 31 percent from the National Science Foundation. The Chicago university has more than $296 million in federal grant and contract expenditures. Because of its strong medical and healthcare research programs, over 65 percent of federal support to the Chicago campus comes from the Department of Health and Human Services.

The knowledge being generated and transmitted through University of Illinois research has far-reaching implications for health, engineering, agriculture, and business, as well as for basic and applied research. Recent developments include the following:

- The University of Illinois System is working with the State of Illinois to integrate next-generation technology to improve efficiencies, safeguard citizens, and accelerate innovation through a “Smart State” partnership. The collaboration is intended to help grow the state’s economy, improve quality of life, and retain and attract residents.

- The University of Illinois System and its universities maintain a variety of strategic international partnerships with institutions of higher education, governmental and non-governmental organizations, and private corporations. These relationships provide global opportunities for research collaboration and provide opportunities for diverse, external funding sources.

- UIC’s Freshwater Lab hosts summits of researchers, community and government leaders in U.S. and Canada to address critical issues impacting the Great Lakes region.

- The United Nations predicts that by 2050 the world will need to produce 70 percent more food in order to feed its population. A genetic breakthrough from scientists in Urbana-Champaign holds great promise for the ability to address this need. Researchers have been able to make photosynthesis more efficient by boosting levels of three proteins, effectively increasing plant yield. In field trials, the scientists saw increases of 14 percent to 20 percent in the growth of their modified tobacco plants, and now they are focusing on food crops.

- A unique approach to treating type 1 diabetes that protects insulin-producing cells from attack by the body’s immune system is being tested at the UIC College of Medicine in hopes that it could free patients from the need for daily insulin injections.

- Battery researchers seeking to increase the energy density and power density of lithium battery systems are concentrating on improved electrode materials with “tunneled” structures that make it easier for charge-carrying ions to move in and out of the electrode. UIC is part of a global team that has focused on developing a cathode based on manganese dioxide, a very low cost and environmentally friendly material with high storage capacity and a lattice structure of tunnels.

- I-Share, the online public catalog system for the Consortium of Academic and Research Libraries in Illinois (CARLI), provides online management of 37.8 million items from 90 libraries throughout the state serving 600,000 students, faculty, and staff.

- A UIS College of Business and Management faculty member has been a driving force behind Innovate Springfield (iSPI), a new business incubator located in downtown Springfield.

- A team of community leaders and elected officials from throughout an eleven-county region of southernmost Illinois have developed a rural regional economic development plan with the help of the University of Illinois Extension, and in cooperation with a USDA Rural Development program entitled Stronger Economies Together (SET).

- UI Health is one of only 13 centers in the U.S. to offer the Argus II artificial retina. In Argus II trials, participants were better at tasks like detecting street curbs, walking along a sidewalk, and perceiving objects like windows and doors.

- Students and faculty now have the opportunity to collaborate with AARP on leading-edge, technology-based research and creative solutions to address the needs of the 50-plus population. The Tech Nest at AARP in Research Park, a 2,700 square-foot innovation-focused facility, opened in Urbana-Champaign's University of Illinois Research Park in fall 2016.

The University of Illinois System has expanded its investment in research and development capabilities and emphasizes the transfer of ideas to the marketplace. The University has research parks located on the Urbana and Chicago campuses. The University of Illinois at Urbana-Champaign Research Park is home to innovation centers for multinational corporations and publicly traded firms including ADM, John Deere, Yahoo!, Anheuser-Busch InBev, Caterpillar, State Farm, Capital One, Grainger, CME Group, and Abbott. Located in the Illinois Medical District and constituting a collaborative effort among the University of Illinois at Chicago, Rush University Medical Center and Cook County Health Services, the Chicago Technology Park (CTP) on the UIC campus has a life-science focus. CTP has successfully graduated over 25 firms into the local economy. The average growth rate of the companies has been 200 percent in the past four years, and employment has increased from 80 to almost 300 over the past five years.

New and refurbished facilities continue to enhance the resources of the University of Illinois System's three universities. Recent enhancements:

- UIC's Library of the Health Sciences is recently renovated, and the modern design encourages activity and collaboration. It includes semi-private study areas for group work, acoustically sealed quiet reading rooms, and accessories to meet the needs of today's students.

- In 2016, the university in Urbana dedicated its newest residence hall. Named Wassaja, the birth name of Carlos Montezuma, UIUC's first Native American graduate and a leader in advocating for Native American rights.

- The newest University of Illinois Health family health center opened in October 2016 in Chicago's Pilsen neighborhood. The center provides access to comprehensive healthcare close to home for the area's diverse population.

- Renovations were completed on State Farm Center in 2016. The project included a renovated seating bowl, the addition of four levels of premium seating, improved restroom, and other amenities.

- University of Illinois at Springfield unveiled a new Shakespeare Garden in 2016, marking the 400th anniversary of the death of the poet and playwright. The garden features plants mentioned in Shakespeare's works.

Economic Development. As both an employer and a consumer, The University of Illinois System contributes $14 billion annually to the state's economy through spending by its universities, employees, and students and the increased earning power of its graduates. U of I operations and alumni return $4.60 into the economy for every taxpayer dollar invested – a 19.3 percent annual return rate – and account for about two percent of the gross state product, according to an external study released in October 2015. The University's total FY 2018 operating budget for day-to-day operations is $4.8 billion. An additional $1.7 billion is estimated for pension and fringe benefit paid on our behalf by the State of Illinois.

The University of Illinois System makes an additional impact through its role as a creative force that generates new ideas. This role encompasses the four central missions of the University—teaching, research, service, and economic development—and engages it with the economic life of the State and nation. The University works with Illinois leaders in government and business on three primary research efforts within the University of Illinois System that will have a significant impact on the Illinois economy. They are:

- National Center for Supercomputing Applications and the engineering and computer science fields that support information technology

- Biotechnology in the agricultural and life sciences

- Biotechnology in the health sciences

Existing strengths and major new capital investments in these areas by the State and private donors have positioned the University to leverage these strengths in the future.

Public Service. The University has a longstanding commitment to the communities it serves. Through its outreach units and programs, the University faculty and staff provide expertise and resources in business and management, education, natural resources, health, engineering, and the arts. The University organizes and runs thousands of public services activities around the State, which are cataloged in the University's public engagement portal (www.uillinois.edu/engagement/).

Each university has an Office of Continuing Education. Across the University of Illinois System, credit and non-credit courses, degree programs, online courses, conferences, professional development, summer session classes, and programs are offered (www.online.uillinois.edu/). The Urbana-Champaign campus offers courses in conjunction with Coursera, a "social entrepreneurship company" that works with universities around the globe to offer free, not-for-credit courses online. The University of Illinois Extension, a coordinating program offered through the university in Urbana, provides practical, research-based information and programs to help individuals, families, farms, businesses, and communities throughout Illinois.

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN (UIUC)

The University of Illinois at Urbana-Champaign is the oldest and largest campus of the University of Illinois System, enrolling more than 48,000 students each year in a wide variety of undergraduate, graduate, and professional programs offered by the colleges of agricultural, consumer, and environmental sciences; applied health sciences; business; education; engineering; fine and applied arts; law; liberal arts and sciences; media; and veterinary medicine. Urbana also has schools of library and information sciences, social work, and labor and employment relations. The university, which is celebrating its 150th anniversary, is internationally known for its leading-edge research programs, outstanding faculty, top-tier alumni, and its many contributions to the State, the United States, and the world.

The Urbana university conferred more than 12,500 degrees in Fiscal Year 2017. Doctoral degrees (professional practice) are offered in three fields, doctoral degrees (research/scholarship) in 103 fields, post-master's certificates in 9 fields, master's degrees in 167 fields, and bachelor's degrees in 146 fields.

The Urbana university is the home of more than 150 research laboratories, institutes, and experiment stations, including the Institute for Genomic Biology, Beckman Institute for Advanced Science and Technology, the Center for Nanoscale Science and Technology, the National Soybean Research Laboratory, and the National Center for Supercomputing Applications. Urbana has the largest public university academic library in the country with more than 26 departmental libraries located across the campus. The library acquired its 13-millionth volume—the first illustrated Japanese printed book—in 2012. The extensive literary manuscripts and archives of Gwendolyn E. Brooks (1917-2000), Illinois Poet Laureate and the first African American writer to win the Pulitzer Prize, were acquired in 2013 and are in the Rare Book & Manuscript Library.

In 2016, UIUC was recognized by Insight Into Diversity magazine as a recipient of its 2016 Higher Education Excellence in Diversity (HEED) Award for the fourth year in a row. The HEED Award is the only national recognition honoring colleges and universities that exhibit outstanding efforts and success in the area of diversity and inclusion throughout their campuses.

The Division of Disability Resources and Educational Services (DRES), the service unit of the UIUC College of Applied Health Sciences, was designated an official U.S. Paralympic Training Site in 2014.

In its 2018 rankings, U.S. News & World Report's America's Best Colleges rated Illinois as the number 14 public university and the number 52 national university.

According to the 2017-2018 U.S. News & World Report's graduate and undergraduate rankings: the Graduate School of Library and Information Science's program is first in the nation; the Department of Accountancy ranks second in undergraduate programs and third in graduate programs; the Department of Civil Engineering ranks third in undergraduate programs; the Department of Material Sciences and Engineering ranks third in undergraduate programs; the College of Engineering is sixth in undergraduate and ninth in graduate programs; and the university ranks first in the graduate study of condensed matter physics and fourth in undergraduate biological/agricultural engineering.

The University of Illinois at Urbana-Champaign is a global campus. Currently, more than 12,000 international students attend Illinois and over 2,200 students study abroad on 300 programs in 50 countries. Illinois maintains 400 collaborative agreements to support education and research with institutions and partners in more than 60 countries. Illinois also hosts six federally funded U.S.

Department of Education Title VI National Resource Centers in international and area studies. These centers include the Center for African Studies, Center for East Asian and Pacific Studies, European Union Center, Center for Global Studies, Center for Latin American and Caribbean Studies, and the Russian, East European, and Eurasian Center. A seventh center, the Center for South Asian and Middle Eastern Studies, is funded through a grant from the U.S. Department of Education's Undergraduate International Studies and Foreign Language program. In addition, the Lemann Institute for Brazilian Studies is funded by the generous support of Jorge Paulo Lemann. Over 600 faculty members from all colleges on campus are affiliated with one or more of these centers. Faculty members at the Urbana campus have been named to the National Academy of Sciences, the National Academy of Engineering, and the American Academy of Arts and Sciences and are fellows of the American Association for the Advancement of Science. Twenty-eight faculty members and alumni have been awarded Pulitzer Prizes.

The University of Illinois at Urbana-Champaign was chartered in 1867 as one of the 37 original land grant universities. Today, the campus consists of 651 total buildings (354 main campus buildings), spread across 2,295 acres. The campus has more than 11,200 FTE faculty, academic and civil service staff. Near the campus are the University's 1,700-acre Willard Airport, the 1,800-acre Allerton Park and Conference Center, an antenna research site, a radio telescope, an optical telescope, a radio direction finding and meteor radar site and about 100 acres of timber reserves. University of Illinois Extension offers educational programs to residents of all of Illinois's 102 counties coordinated by 27 unit offices—and far beyond through its many online education sites. Students can use the 70,000 computer connections across the campus and access the network in the more than 360 on- and off-campus buildings that offer wireless connectivity. All classroom seats have wireless access. Cultural offerings include the Krannert Art Museum with more than 9,000 works of art, the Krannert Center for the Performing Arts that hosts more than 350 performances annually, the Spurlock Museum with 46,000 artifacts, and the Sousa Archives and Center for American Music with 75 percent of Sousa's original music manuscripts.

UNIVERSITY OF ILLINOIS AT CHICAGO (UIC)

The University of Illinois at Chicago traces its origins to medical colleges that opened 1882. The Chicago-based colleges of pharmacy, dentistry, and physicians and surgeons officially affiliated with the University in 1896-97 and were incorporated into the University in 1913. A temporary, two-year branch campus of the University was established after World War II on Navy Pier and students completed their studies in Urbana. Demand in Chicago remained high and, in 1965, the Chicago Circle campus opened west of the Loop area, replacing the Navy Pier site.

UIC was formed in 1982 by the consolidation of the Medical Center and the Chicago Circle campuses of the University. The campus received Carnegie Research 1 status in 1987.

The UIC campus occupies approximately 250 acres in a mid-city location southwest of Chicago's downtown business district. Including the Rockford and Peoria campuses of UIC brings the total acreage to more than 300 acres. Today, the UIC campus has more than 15 million gross square feet in more than 130 buildings (including the regional campuses). Almost 100,000 square feet is devoted to research.

Construction on two new UIC projects will begin in January 2017. To address the university's overall projected enrollment growth — an increase of 5,000 to 10,000 students over the next 10 years — UIC will build its first living-learning environment located near Harrison and Morgan streets. It's expected to house more than 500 students by fall 2019 in a mix of traditional dorm rooms and suite-style units. The building will include lounges for studying and student interaction, offices, laundry rooms, a fitness center, a coffee shop, and more.

Another building project, a 50,000-square-foot Engineering Innovation Building, will house instructional space, research labs and faculty and staff offices. The Engineering Innovation Building will also include the university's first high-bay structural research lab, where researchers can carry out a wide range of tests on large-scale structural components.

The buildings will support scholarship and research and improve the student experience.

Students have the benefit of two student recreation and sports centers with a total of more than 240,000 gross square feet. Throughout the campus, 20 casual gathering spots furnished with couches and comfortable chairs have been established through Project Oasis. The IDEA Commons in the UIC Daley Library, which boasts a café, performance space, high-tech classrooms, and a student media lab, is popular with students and in 2012 received two Design Excellence citations of merit from the American Institute of Architects' Chicago chapter. The Rockford regional campus opened a 58,000-square-foot addition in 2010 that provides space for new health science initiatives. The Peoria regional campus offers medical students training at the Jump Trading Simulation & Education Center, a virtual care delivery setting that replicates all areas of patient and family care.

UIC employs more than 11,600 faculty, professional and support staff (FTE). The UIC campus has an enrollment of more than 30,500 (fall 2017). Degrees are conferred upon more than 7,300 students annually at the Chicago campus. Degree programs are offered in 14 colleges and schools: applied health sciences; architecture, design and the arts; business administration; dentistry; education; engineering; the graduate college; liberal arts and sciences; medicine; nursing; pharmacy; social work; urban planning and public affairs; and public health. Doctoral degrees are offered in 65 fields, master's degrees in 99 fields, bachelor's degrees in 86 fields and certificates in 53 areas. UIC is the city's largest university and a research institution of growing national and international prominence. With the nation's largest college of medicine and colleges of dentistry, pharmacy, public health, nursing, social work, and applied health sciences, UIC is the State's principal educator of health professionals. UIC faculty, students, and staff work with neighborhood, foundation, and government partners on a wide range of projects to improve the quality of life in metropolitan areas around the world.

The University of Illinois Hospital & Health Sciences System (UI Health) is composed of a 495-bed hospital, an outpatient facility, specialty clinics, and seven UIC health science colleges including the College of Medicine. As a leader in patient care, research, and education, UI Health is committed to making positive and lasting differences in health science and in people's lives. The University of Illinois Hospital had more than 489,950 outpatient visits in Fiscal Year 2017, including 5,919 inpatient surgeries and 9,812 outpatient surgeries. UI Health had 46,547 emergency room visits in Fiscal Year 2017. The University of Illinois College of Medicine is one of the largest medical schools in the United States, with a longstanding reputation for diversity. The Hispanic Center of Excellence, which strengthens the pipeline of medical school applicants and enriches the education of Latino medical students, celebrated its 25th anniversary in 2016. Other health science colleges include dentistry, applied health sciences, nursing and pharmacy, the school of public health, and the Jane Addams School of Social Work.

UIC is ranked 68th in total research and development expenditures for FY2016. With total expenditures of $337 million, more than half are federally funded. UIC was ranked among the top 25 best public universities in the country by the Wall Street Journal/Times Higher Education, US College Rankings 2018.

In 2018, UIC ranked in the top 200 Best Global Universities in U.S. News & World Report.

UIC's engagement with the Chicago metropolitan area is embodied in the Great Cities Commitment, an umbrella name for the hundreds of teaching, research, and service programs that connect the campus with the community. Industry partnerships, internships, business and entrepreneurial development, infrastructure improvement, and neighborhood revitalization are examples of how the campus' partnership with Chicago benefits urban neighbors as well as faculty and students.

Faculty members serve as heads of national associations and societies, are the recipients of national research, teaching, and achievement awards, and are members of international and national honor societies. John M. Davis, a UIC faculty member in psychiatry, and Frank Chaloupka, a professor of economics, are listed among the most highly cited researchers in their fields.

UNIVERSITY OF ILLINOIS AT SPRINGFIELD (UIS)

The University of Illinois at Springfield is a small public university with innovative, high-quality liberal arts programs. UIS enrolls nearly 5,000 (fall 2017) in 65 degree-granting programs, including bachelor's degree, post-baccalaureate certificate, master's degree and post-master's certificate programs, as well as one doctoral program in public administration. UIS offers a four-year baccalaureate program for high-achieving students called the Capital Honors Program. The campus awarded 1,898 degrees in 2016-2017, many to online students whose first time on campus is for their graduation ceremony.

UIS is a national leader in online education. The campus received the 2007 Excellence in Institution-Wide online teaching and learning programming award and the 2008 Gomory Award for quality online education from the Sloan Consortium, a group of institutions and organizations committed to quality online education. Two UIS staff members have been recipients of the Sloan Consortium's individual outstanding achievement award; both are also recognized as Sloan-C Fellows.

Academic programs range from traditional disciplines such as English, history, psychology, and biology to more career-oriented concentrations such as business administration, management information systems, criminal justice, accountancy, and social work. UIS offers a four-year baccalaureate program for high-achieving students called the Capital Scholars Honors Program. The Springfield campus has been a four-year university since 2006.

UIS has been ranked as the number four "Best Online College" in the country for 2017-2018 by AffordableCollegesOnline.org (AC Online), a leading resource for online learning and college affordability information. Norris L. Brookens Library supports UIS with a collection of almost 700,000 volumes (including 128,000 e-books and e-journals and government documents). The library participates in a 70-library consortium with a shared catalog. The library offers more than 100 computers for on-campus students.

Other campus resources include the Public Affairs Center with the 2,000-seat Sangamon Auditorium performing arts center, conference facilities, and the campus bookstore. The Health and Sciences Building houses the Visual Arts Gallery, science laboratories and a number of computer labs. Founders Hall, an environmentally friendly, 200-bed residence hall, is a 62,000 gross-square-foot structure that also houses the campus bookstore and a café. A new student union is opening in January 2018.

The Center for State Policy and Leadership is instrumental in carrying out UIS's unique public affairs focus by identifying and addressing issues of state and national public policy and promoting governmental effectiveness and civic engagement. The Center offers a graduate public service internship program and hosts the annual Lincoln Legacy lecture series. Among the eight units of the Center are Illinois Issues magazine, WUIS/WIPA public radio, the Survey Research Office, and the Institute for Legal, Legislative, and Policy Studies.

ACCREDITATIONS AND MEMBERSHIPS

The University of Illinois System is fully accredited in all of its departments and divisions by the Higher Learning Commission. In addition, University programs are individually accredited by more than 40 professional associations, including the American Library Association, American Psychological Association, American Bar Association, American Veterinary Medical Association, and Association to Advance Collegiate Schools of Business. The University is a member of the American Council of Education and the Association of American Universities.

BOARD OF TRUSTEES AND UNIVERSITY OFFICERS

The University is governed by the Board, which consists of 11 voting members, including one voting student member. The Governor of the State of Illinois serves as an ex-officio member, and there are two non-voting student members. The Board is responsible for the general supervision and management of the educational program and the lands, buildings, and other properties of the University and the control of the revenues and expenditures in support thereof.

The following persons are members or officers of the Board of Trustees:

NAME	TRUSTEES OF THE BOARD	CURRENT TERM STARTED	CURRENT TERM ENDING
Bruce Rauner	Governor of the State of Illinois	*Ex-Officio*	*Ex-Officio*
Ramón Cepeda	Appointed Board Member	2015	2021
Donald J. Edwards	Appointed Board Member	2017	2023
Patrick J. Fitzgerald	Appointed Board Member	2013	2019
Stuart C. King	Appointed Board Member	2017	2023
Timothy N. Koritz	Appointed Board Member	2013	2019
Edward L. McMillan	Appointed Board Member	2015	2021
James D. Montgomery, Sr.	Appointed Board Member	2013	2019
Jill B. Smart	Appointed Board Member	2015	2021
Trayshawn M.W. Mitchell	Student Member, Urbana	2017	2018
Karina Reyes	Student Member, Chicago[(1)]	2017	2018
Edwin Robles	Student Member, Springfield	2017	2018

(1) Voting member. Only one of the three student members is designated by the Governor as a voting member.

NAME	OFFICERS OF THE BOARD
Timothy N. Koritz	Chairman of the Board
Dedra Williams	Secretary of the Board
Avijit Ghosh	Comptroller of the Board
Lester H. McKeever, Jr.	Treasurer of the Board
Thomas R. Bearrows	University Counsel

The principal individuals (executive officers) responsible for the operations of the University are:

Timothy L. Killeen, Ph.D., President. Dr. Timothy L. Killeen became the University's 20th president on January 15, 2015. Dr. Killeen came to the University from the State University of New York (SUNY), where he was serving as Vice Chancellor for Research and President of the Research Foundation. As such, Dr. Killeen has served as chief executive officer of the largest, most comprehensive university-connected research foundation in the nation. Dr. Killeen spent more than 20 years on the faculty and in various administrative roles at the University of Michigan, and served as assistant director for geosciences at the National Science Foundation before joining SUNY in 2012. Dr. Killeen earned his Ph.D. in atomic and molecular physics from University College London. A leading researcher in geophysics and space sciences, he was elected in 2007 to the National Academy of Engineering, which honors the world's most accomplished engineers. Dr. Killeen has authored more than 150 publications in peer-reviewed journals, along with 300 publications and papers. He has served on various White House committees and task forces, and has testified on multiple occasions to Congress and the executive branch.

Barbara J. Wilson, Ph.D., Executive Vice President and Vice President for Academic Affairs. Barbara J. Wilson, formerly Interim Chancellor at Urbana-Champaign, was appointed to a newly restructured role, Executive Vice President and Vice President for Academic Affairs for the University, effective on September 26, 2016. Dr. Wilson serves as second-in-command to the President, with responsibilities as the chief operating officer and chief academic officer for all three of the University's campuses. Dr. Wilson earned a bachelor's degree in journalism and a master's degree and Ph.D in communications at the University of Wisconsin-Madison. She joined the Urbana-Champaign faculty in 2000 and in 2014 became the Harry E. Preble Dean of the College of Liberal Arts and Sciences. As Executive Vice President, Dr. Wilson coordinates planning and budgeting for all three campuses. As Vice President for Academic Affairs, she serves as the University's senior academic officer, collaborating with campus chancellors, provosts, faculty, and academic staff on educational and student programs.

Michael D. Amiridis Ph.D., Chancellor at the Chicago Campus/Vice President. Dr. Michael D. Amiridis joined the University as chancellor of the Chicago campus and vice president of the University in March 2015. Dr. Amiridis comes to the University from the University of South Carolina, where he was Executive Vice President for Academic Affairs and Provost. Dr. Amiridis earned his undergraduate degree in chemical engineering from Aristotelian University of Thessaloniki in Greece, and his Ph.D. in chemical engineering from the University of Wisconsin at Madison.

Susan J. Koch, Ph.D., Chancellor at the Springfield Campus/Vice President. Susan J. Koch has been chancellor/vice president of the Springfield campus since 2011. Dr. Koch was the provost and vice president for academic affairs at Northern Michigan University, where she had served since 2007. Before joining NMU, she was the associate provost and dean of the graduate college at the University of Northern Iowa. A South Dakota native, Dr. Koch earned her bachelor's degree at Dakota State University and her master's and doctorate degrees at the University of Northern Iowa, where she joined the faculty in 1985. Her academic field is health education.

Robert J. Jones, Ph.D., Chancellor at the Urbana-Champaign Campus/Vice President. Robert J. Jones joined the University as chancellor of the Urbana campus and vice president of the University in July 2016. Dr. Jones has been at the helm of one of the SUNY system's leading research universities since 2013. His tenure there followed a 34-year career at the University of Minnesota, a Big Ten land-grant institution where he began as a faculty agronomist and rose through a series of academic administrative appointments, serving as senior vice president for academic administration at the University of Minnesota System from 2004 to 2013. A Georgia native, Dr. Jones, 65, earned a bachelor's degree in agronomy from Fort Valley State College, a master's degree in crop physiology from the University of Georgia, and a doctorate in crop physiology from the University of Missouri, Columbia. He began his academic career as a faculty member at Minnesota and became an internationally respected authority on plant physiology. He is a fellow of the American Society of Agronomy and the Crop Science Society of America.

Thomas R. Bearrows, J.D., University Counsel. Thomas R. Bearrows joined the University in 1997 and is responsible for the management of the University's legal affairs at all three campuses. Prior to joining the University, he spent 13 years in private practice with a Chicago law firm. He received his undergraduate and law degrees from the University of Illinois and a master's degree in public policy from Harvard University. In addition to his work for the University, Mr. Bearrows serves as counsel for the Alumni Association and the University of Illinois Foundation.

Robert A. Barish, MD, MBA, Vice Chancellor for Health Affairs. Dr. Robert Barish joined UIC on January 1, 2016 to oversee UIC's seven health science colleges and their respective regional campuses, the University's hospital and clinics, and multiple federally qualified health center sites to coordinate health science education and research, and health care delivery at Chicago's largest university. Dr. Barish previously served as chancellor for the Louisiana State University Health Sciences Center at Shreveport for seven years. From 1985-2009, he held several positions at the University of Maryland School of Medicine in Baltimore, including chief of emergency medicine and associate dean, then vice dean, for clinical affairs. He helped lead a state-dispatched medical regiment to Jefferson Parish, Louisiana, to deliver emergency care to more than 6,000 Hurricane Katrina victims. While serving as flight surgeon in the Maryland Air National Guard, Dr. Barish was among a select group invited to become a NASA astronaut candidate in the early 1990s. Dr. Barish earned his medical degree from New York College and earned a master of business administration degree from Loyola College.

Thomas P. Hardy, M.S., Executive Director, University Relations. Thomas Hardy joined the University in 2002 as executive director of the Office for University Relations. Under Mr. Hardy's leadership, University Relations develops and executes strategic communications programs, provides public affairs and marketing assistance to University-wide offices, and coordinates activities and responses with the Public Affairs offices on the three campuses. A former journalist and public affairs consultant, Mr. Hardy served as press secretary to former Illinois Governor Jim Edgar and worked for the *Chicago Tribune* for two decades. Immediately prior to joining University administration, Mr. Hardy worked in the Chicago office of Burson-Marsteller, a global public relations firm. He earned a B.A. from Ripon College and an M.S. from Northwestern University.

Dedra "DeeDee" Williams, M.S., Secretary, Board of Trustees. Dedra "DeeDee" Williams has been secretary of the Board of Trustees since July 1, 2016. Since 2012, Ms. Williams has served the University as assistant vice president for academic affairs. Ms. Williams earned her master's degree in higher education administration from the Urbana-Champaign campus in 1999. She received her bachelor's degree in medical technology from Eastern Illinois University. She joined the University in 1989 and served for nearly 23 years within various roles at the College of Medicine at Urbana-Champaign, culminating as Associate Dean for Administration.

Avijit Ghosh, Ph.D., Interim Vice President/Chief Financial Officer and Comptroller. Avijit Ghosh assumed the position of interim vice president/chief financial officer (CFO) in September 2017. The CFO serves as the senior University executive officer responsible for the operation of all financial functions for the University, including budget execution, financing, and execution of all capital projects. Together with the vice president for academic affairs and senior staff in planning and administration, the CFO is responsible for budget development. The CFO serves as treasurer of the University of Illinois Foundation and in an ex-officio capacity with the University of Illinois Alumni Association. The comptroller is an officer of the Board and approves all expenditures for which a general or specific appropriation has been made by the Board and signs contracts to which the University is a party. Dr. Ghosh joined the University in 2001 as dean of the College of Business and a professor of business administration in Urbana-Champaign. He later served as vice president for technology and economic development, senior advisor to then-President Robert Easter, and chief executive officer of the University of Illinois Hospital. Dr. Ghosh earned his bachelor's degree from Calcutta University, a post-graduate diploma in business management from Xavier Institute and his master's and doctoral degrees from the University of Iowa.

H. Edward Seidel, Ph.D., Vice President for Economic Development and Innovation. Harry Edward Seidel was appointed Vice President for Economic Development and Innovation in May 2017. Dr. Seidel continues to hold the rank of Professor of Physics, College of Engineering; and Professor of Astronomy, College of Liberal Arts and Sciences. Seidel served as director of the National Center for Supercomputing Applications in Urbana-Champaign, a Founder Professor in the Department of Physics and a professor in the Departments of Astronomy and Computer Science, and at the Institute for Sustainability, Energy, and Environment (iSEE) at Urbana-Champaign. Prior to returning to the University of Illinois, Seidel served as the senior vice president for research and innovation for the MIT Skoltech Initiative at the Skolkovo Institute of Science and Technology in Moscow. Previously, he directed the Office of Cyberinfrastructure and served as assistant director for Mathematical and Physical Sciences at the U.S. National Science Foundation. He also led the Center for Computation and Technology at Louisiana State University and directed the numerical relativity group at the Max Planck Institute for Gravitational Physics (Albert Einstein Institute) in Germany. Dr. Seidel earned a bachelor's degree in mathematics and physics at the College of William and Mary in 1981, a master's degree in physics at the University of Pennsylvania in 1983 and a doctorate in relativistic astrophysics at Yale University in 1988.

FINANCIAL CONDITION OF THE UNIVERSITY

The following financial statements of the University are presented in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("*GASB*"). See APPENDIX B—ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS FOR THE YEAR ENDED JUNE 30, 2017 for additional information.

Statement of Net Position of the University

The following table summarizes the University's assets, deferred outflows of resources, liabilities, and net position at June 30, 2017, 2016, and 2015, but excludes the University Related Organizations (as defined in APPENDIX B–ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS FOR THE YEAR ENDED JUNE 30, 2017), which are discretely presented component units within the University's overall financial reporting entity:

STATEMENT OF NET POSITION
(IN THOUSANDS)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	FISCAL YEAR ENDED JUNE 30, 2017	FISCAL YEAR ENDED JUNE 30, 2016	FISCAL YEAR ENDED JUNE 30, 2015
CURRENT ASSETS:			
Cash and cash equivalents	$ 340,287	$ 391,466	$ 535,956
Cash and cash equivalents, restricted	140,055	154,494	125,936
Investments	239,673	238,827	290,188
Investments, restricted	95,415	91,689	59,735
Accrued investment income	5,813	5,298	5,870
Accounts receivable, net of allowance for uncollectible	539,233	515,338	457,447
Receivable from State of Illinois, related to appropriations	714	1,537	118,126
Notes receivable, net of allowance for uncollectible	9,744	9,774	9,667
Accrued interest on notes receivable	4,127	4,006	4,468
Inventories	32,017	31,989	29,203
Prepaid expenses	35,132	33,259	27,866
Due from related organizations	4,123	6,772	4,753
Total Current Assets	$ 1,446,333	$ 1,484,449	$ 1,669,215
NONCURRENT ASSETS:			
Cash and cash equivalents, restricted	-	1,577	6,480
Investments	1,167,690	1,159,268	1,418,554
Investments, restricted	659,321	653,118	620,996
Notes receivable, net of allowance for uncollectible	49,178	51,504	54,303
Prepaid expenses and deferred charges			
Capital assets, net of accumulated depreciation	3,751,300	3,711,559	3,643,175
Other assets	5,848	5,515	4,095
Total Noncurrent Assets	$ 5,633,337	$ 5,582,541	$ 5,747,603
Deferred outflows of resources	76,876	99,473	107,518
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 7,156,546	$ 7,166,463	$ 7,524,336

Liabilities and Net Position	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
Current Liabilities:			
Accounts payable and accrued liabilities	$ 380,616	$ 378,609	$ 364,164
Accrued payroll	156,216	149,425	169,803
Accrued compensated absences, current portion	18,682	19,023	19,141
Accrued self-insurance, current portion	45,097	49,086	53,766
Unearned revenue and student deposits	165,189	170,804	177,450
Accrued interest payable	15,461	16,234	17,284
Bonds payable, current portion	58,790	57,849	60,097
Leaseholds payable and other obligations, current portion	41,356	38,816	36,091
Assets held for others	37,135	30,530	29,785
Total Current Liabilities	$ 918,542	$ 910,376	$ 927,581
Noncurrent Liabilities:			
Bonds payable	$ 1,226,540	$ 1,283,023	$ 1,317,116
Leaseholds payable and other obligations	252,656	285,169	323,638
Accrued compensated absences	184,214	176,896	183,243
Accrued self-insurance	194,388	170,148	190,193
Derivative instrument – swap liability	5,620	18,970	20,604
Total Noncurrent Liabilities	$ 1,863,418	$ 1,934,206	$ 2,034,794
Total Liabilities	$ 2,781,960	$ 2,844,582	$ 2,962,375
Net Position:			
Net investment in capital assets	$ 2,297,463	$ 2,248,166	$ 2,185,442
Restricted:			
Nonexpendable	111,302	101,756	108,287
Expendable	881,148	801,590	650,791
Unrestricted	1,084,673	1,170,369	1,617,441
Total Net Position	$ 4,374,586	$ 4,321,881	$ 4,561,961
TOTAL LIABILITIES AND NET POSITION	$ 7,156,546	$ 7,166,463	$ 7,524,336

Statement of Revenues, Expenses, and Changes in Net Position of the University

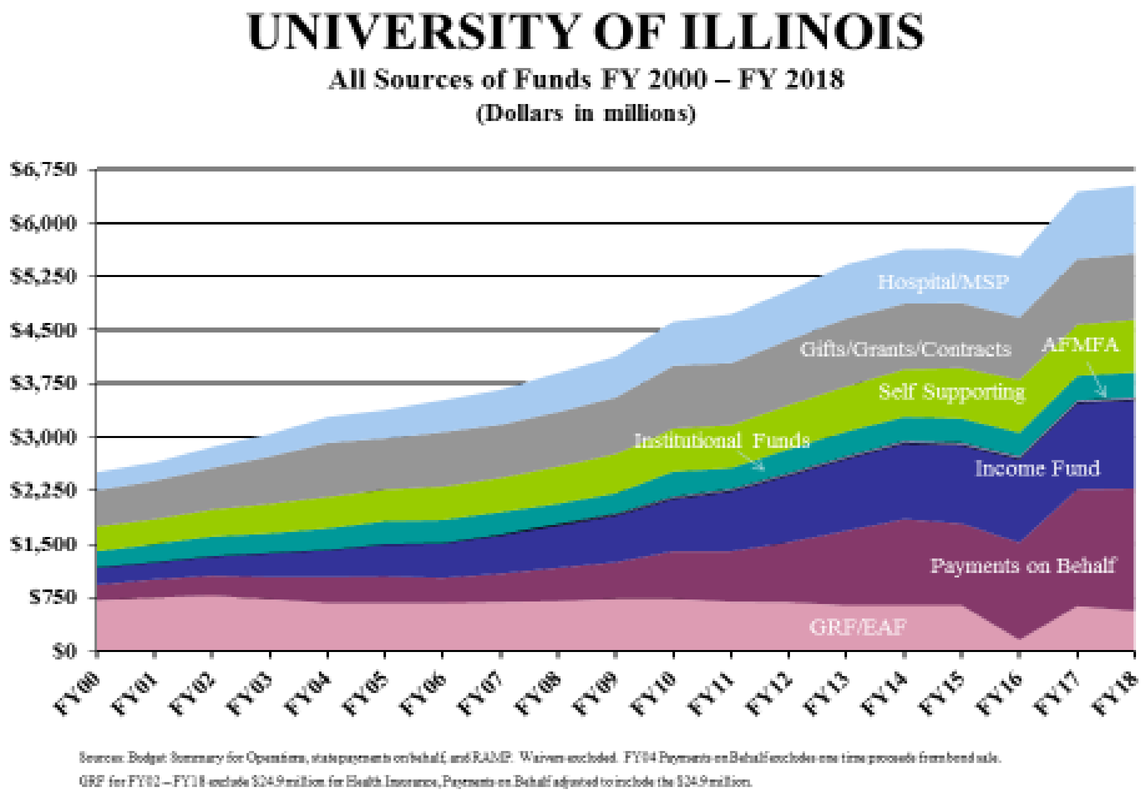
The following table presents the University's statement of revenues, expenses, and changes in net position of the University for fiscal years ended June 30, 2017, 2016, and 2015, but excludes the University Related Organizations, which are discretely presented component units within the University's overall financial reporting entity:

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
(IN THOUSANDS)

	FISCAL YEAR ENDED JUNE 30, 2017	FISCAL YEAR ENDED JUNE 30, 2016	FISCAL YEAR ENDED JUNE 30, 2015
OPERATING REVENUES			
Student tuition and fees, net	$ 1,191,498	$ 1,145,945	$ 1,095,905
Federal appropriations	18,264	15,826	14,297
Federal grants and contracts	672,091	653,156	627,236
State of Illinois grants and contracts	71,347	40,376	83,798
Private and other governmental agency grants and contracts	146,724	138,119	144,062
Educational activities	309,371	302,581	293,743
Auxiliary enterprises, net	409,484	406,620	407,530
Hospital and other medical activities, net	749,504	703,177	684,000
Medical service plan	261,072	206,513	198,495
Independent operations	10,729	10,602	12,899
Interest and service charges on student loans	1,853	1,289	2,145
TOTAL OPERATING REVENUES	$ 3,841,937	$ 3,624,204	$ 3,564,110
OPERATING EXPENSES			
Instruction	$ 1,503,069	$ 1,380,175	$ 1,300,281
Research	794,526	740,788	744,043
Public service	481,976	470,175	477,614
Academic support	573,787	523,540	507,303
Student services	218,887	198,433	184,572
Institutional support	285,934	297,075	282,877
Operation and maintenance of plant	311,313	299,657	324,010
Scholarships and fellowships	298,955	278,994	278,001
Auxiliary enterprises	402,930	353,159	371,639
Hospital and medical activities	992,956	895,572	829,116
Independent operations	9,754	10,047	12,182
Depreciation	262,534	254,879	248,889
TOTAL OPERATING EXPENSES	$ 6,136,621	$ 5,702,494	$ 5,560,527
Operating Loss	$(2,294,684)	$(2,078,290)	$(1,996,417)

	Fiscal Year Ended June 30, 2017	Fiscal Year Ended June 30, 2016	Fiscal Year Ended June 30, 2015
NONOPERATING REVENUES (EXPENSES)			
State appropriations	$ 355,792	$ 181,502	$ 653,128
Transfer of state appropriations to the Illinois DHFS Hospital Services Fund	(20,177)	(11,105)	(43,988)
Private gifts	190,183	158,913	177,195
Grants, nonoperating	110,561	111,067	134,910
On behalf payments for fringe benefits	1,611,444	1,336,491	1,172,354
Net investment income	36,376	42,863	69,462
Net (decrease) increase in the fair value of investments	50,713	(22,439)	(39,044)
Interest expense	(65,734)	(62,188)	(63,790)
Loss on disposals/impairment of capital assets	(1,990)	(11,136)	(10,802)
Other nonoperating revenues, net	55,293	66,167	50,297
Net nonoperating revenues	$2,322,461	$1,790,135	$2,099,722
Income before other revenues	27,777	(288,155)	103,305
Capital state appropriations	13,622	3,366	8,942
Capital gifts and grants	4,979	8,819	2,782
Private gifts for endowment purposes	6,327	4	1
INCREASE (DECREASE) IN NET POSITION	$ 52,705	$ (275,966)	$ 115,030
NET POSITION, BEGINNING OF YEAR	4,321,881	4,561,961	4,412,731
Cumulative effect of change in Accounting principle	-	35,886	34,200
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	4,321,881	4,597,847	4,446,931
NET POSITION, END OF YEAR	$ 4,374,586	$ 4,321,881	$ 4,561,961

SOURCES OF FUNDS, FISCAL YEAR 2000 TO FISCAL YEAR 2018



BUDGET AND STATE APPROPRIATIONS

The University receives a major portion of the revenues needed to sustain its educational and research activities from state appropriations, tuition revenues and the Federal Government. After two years without a full state budget and temporary funding measures for Fiscal Year 2016 and Fiscal Year 2017, the General Assembly approved additional funding for the University, restoring funding for Fiscal Year 2017 to Fiscal Year 2015 levels. Additional funding for Fiscal Year 2016 was not provided and the University received only 28% of normal state appropriations for that year, a shortfall of over $460 million.

The state appropriation reflected in the University's budget for Fiscal Year 2018 reflects a 10.2% decrease from Fiscal Year 2017 to $589.0 million. Payments on behalf reflected in the budget increased by 4.9% or $78.7 million, to $1.69 billion. In November 2017, the Board approved a final operating budget for Fiscal Year 2018 that provided a 1.4% increase over the final Fiscal Year 2017 operating results. The table below shows the components of the Fiscal Year 2018 budget compared with the final amounts from the adjusted Fiscal Year 2017 budget.

The table below shows the components of the original Fiscal Year 2017-2018 budget:

University Budget for fiscal years 2017-2018

(in millions)

	2017	**2018**	**% Increase (Decrease)**
State Tax Appropriations (1)	$655.8	$589.0	-10.2%
Payments on Behalf (2)	$1,611.4	$1,690.1	4.9%
Tuition & Fees (3)	$1,213.2	$1,242.4	2.4%
Local Funds (4)	$2,958.6	$3,009.5	1.7%
Total Budget	$6,439.0	$6,531.0	1.4%

(1) Includes General fund, Fire Prevention fund, Hazardous Waste Research fund, Emergency Public Health fund, Used Tire Management fund, and General Professions Dedicated fund.
(2) Payments by the State for employee benefits that are not appropriated to the University but are paid on its behalf (such as pension funding) are included.
(3) Excludes waivers for graduate assistants.
(4) Includes Institutional Cost Recovery, Royalties, Administrative Allowance, Sponsored Projects, Federal Appropriations, Private Gifts & Endowment Income, MSP, Auxiliary Enterprise Operations, Hospital, AFMFA and Department Activities.
Source: Compiled by the Office of Planning and Budgeting of the University.

The University annually receives appropriations from the General Assembly of the State, which are to be applied to the educational and general expenditures of the University. In addition, payments are made by the State on behalf of the University for employee benefits and retirement contributions.

The State funding appropriated to the University for the past five fiscal years is set forth below:

State Funding to the University
Fiscal year ended June 30

(in millions)

	2013	**2014**	**2015**	**2016**	**2017**
Current Operating Funds	$666.7	$668.4	$653.1	$181.5	$355.8
Payments on Behalf(1)	$1,083.7	$1,074.9	$1,172.4	$1,336.5	$1,611.4
Total	$1,750.4	$1,743.3	$1,825.5	$1,518.0	$1,967.2

(1) The Governmental Accounting Standards Board (GASB) Statement 24 (Accounting and Financial Reporting for Certain Grants and Other Financial Assistance) requires State Universities to recognize in their financial statements and notes the amount the State of Illinois contributes to the State Universities Retirement System of Illinois (SURS) on behalf of the University employees.
Source: Compiled by the Office of the Comptroller of the University.

The last consecutive years of a capital appropriations occurred in FY 2003 and FY 2004. Within the last decade, there was a capital appropriation in FY2010. A total of ten projects were appropriated from that program at a total of $255 million. Several of those projects have been through the complete capital cycle and are now complete and occupied. $60 million dedicated for the Petascale Computer facility was released and the facility has been constructed and is currently in use. Construction funds in the amount of $14.8 million for the College of Medicine at Rockford were appropriated and that facility is complete and in service at this time. $57 million for Lincoln Hall project were also approved and that project saw completion with classes resuming in the building in the fall of 2012. The Electrical and Computer Engineering Building on the Urbana Champaign campus was completed and occupied in the fall of 2014. The building was funded with $44.5 million from the State and matched with private donations.

While the above mentioned projects have been completed there are several other projects with appropriations from Fiscal Year 2010 that have not yet reached completion and are in various stages of delay due to the State's budget impasse. Projects funded yet to be completed include $32 million in repair and renovation funds that have been halted. The Integrated Bioprocessing Research Lab a $20 million project, was delayed after structural steel had been completed and block work had started. The Public Safety Building at Springfield has received bids for construction but those have yet to be accepted. The College of Dentistry at Chicago was also delayed but under an intergovernmental agreement has been able to continue up to a capped amount of $2 million. Additionally, $64 million dollars in funding appropriated in FY 2002-2003 for Advanced Chemical Sciences Building was halted this past summer.

There has not been a program with new appropriations since FY 2010.

OUTSTANDING INDEBTEDNESS AND LEASEHOLD OBLIGATIONS

The Board and the University had debt outstanding as of June 30, 2017, including:

University of Illinois Auxiliary Facilities System Revenue Bonds, Series 1991, Series 1999A, Series 2001A, Series 2001B, Series 2003A, Series 2005A, Series 2008, Series 2009A, Series 2010A, Series 2011A, Series 2011B, Series 2011C, Series 2013A, Series 2014A, Series 2014B, Series 2014C, Series 2015A, Series 2016A and Series 2016B (together, the *"AFS Bonds"*). The AFS Bonds were issued to fund improvements to the University's Auxiliary Facilities System. The AFS Bonds are secured by Net Revenues of the Auxiliary Facilities System and a lien on Student Tuition and Fees prior to the Health Facilities Bonds and the South Campus Bonds. As of June 30, 2017, there were $1,072,910,783 AFS Bonds outstanding (including capital appreciation bonds at their compound accreted value at June 30, 2017);

University of Illinois Health Services Facilities System Revenue Bonds, Series 1997B, Series 2008 and Series 2013 (together the *"HSFS Bonds"*). The HSFS Bonds were issued to fund improvements to the University's Health Services Facilities System. The HSFS Bonds are secured by the Net Revenues of the Health Services Facilities System, MSP Revenues, College of Medicine Student Tuition, subordinate to the AFS Bonds, and moneys in the HSFS Bond and Interest Sinking Fund Account. As of June 30, 2017, there were $112,245,000 HSFS Bonds outstanding; and

University of Illinois UIC South Campus Development Project Revenue Bonds, Series 2003 were issued to finance the cost of acquiring, equipping, and improving certain facilities and improvements at the University's South Campus Development Area (the *"Area"*) in Chicago, and the Variable Rate Demand UIC South Campus Development Project Revenue Refunding Bonds, Series 2008 (such Series 2003 and Series 2008 Bonds collectively, the *"South Campus Bonds"*), were issued to advance refund outstanding UIC South Campus Development Project

Revenue Bonds, Series 2006A, which were issued for such purposes. The South Campus Bonds are secured by (a) certain incremental taxes to be received from the City of Chicago with respect to the Area, (b) Student Tuition and Fees, subordinate to the HSFS Bonds and the AFS Bonds, and (c) funds on deposit in the UIC South Campus Development Bond and Interest Sinking Fund Account (into which the Board may, but is not required, to deposit funds). As of June 30, 2017, there were $36,130,000 South Campus Bonds outstanding.

As of June 30, 2017, the University had a total principal amount of $1,221,285,783 of Bonds outstanding (including capital appreciation Bonds at their compound accreted value as of June 30, 2017, referred to as "CABs"), which are summarized as follows:

Outstanding Bond Principal

Series	Rates on Outstanding Debt	Fiscal Year Maturity Dates	Outstanding at June 30, 2017 (in thousands)
Auxiliary Facilities System			
1991 (CABs)	7.350%	2018-2021	$ 55,513
1999A (CABs)	6.170%-6.330%	2018-2030	24,043
2001A	5.500%	2018-2024	32,510
2001B	5.500%	2018-2019	4,360
2003A	5.250%-5.500%	2018-2022, 2027-2034	38,285
2005A	5.500%	2019-2023	42,405
2008	Variable	2018-2038	17,085
2009A	4.000%	2018-2019	1,730
2010A	4.000%-5.250%	2018-2030	50,845
2011A	5.000%-5.500%	2018-2041	76,065
2011B (taxable)	3.724%-4.517%	2018-2021	4,365
2011C	2.000%-5.000%	2018-2032	64,665
2013A	3.250%-5.000%	2018-2032	208,940
2014A	5.000%	2024-2044	159,985
2014B (taxable)	1.766%-3.926%	2018-2023	12,580
2014C (taxable)	Variable	2038-2044	37,000
2015A	3.000%-5.000%	2018-2038	96,555
2016A	4.000%-5.000%	2018-2036	125,350
2016B	3.000%-5.000%	2018-2046	20,630
Health Services Facilities System			
1997B	Variable	2018-2027	12,400
2008	Variable (1)	2018-2027	29,060
2013	5.000%-6.250%	2028-2043	70,785
UIC South Campus Development Project			
2003	4.750%-5.250%	2018-2023	4,140
2008	Variable (2)	2018-2022	31,990
Total Principal Payable			$ 1,221,286

(1) *Synthetically fixed through the use of swaps with a fixed rate of 3.534%.*

(2) *Synthetically fixed through the use of swaps with an average fixed rate of 4.086%.*

Source: Compiled by the Office of Capital Financing of the University.

The University leases facilities, equipment, and services under various lease-purchase agreements or has purchased facilities or services through installment purchase contracts. Such leases and installment purchase contracts which were outstanding as of June 30, 2017 are subject to cancellation in any year during which the Illinois General Assembly does not make an appropriation to the University for such purpose and/or there are no other budgeted legally available funds for payment thereof.

The following table shows certificates of participation and other capital leases that were outstanding as of June 30, 2017:

Outstanding Certificates of Participation, Other Capital Leases, and Other Obligations

Certificates of Participation	Interest Rates	Fiscal Year Maturity Dates	Outstanding at June 30, 2017 (in thousands)
Series 2007A	5.000%-5.25%	2018, 2023-2027	20,555
Series 2007B	5.000%	2018-2021	17,960
Series 2009A	5.000%	2018	1,000
Series 2014A	5.000%	2018-2027	20,785
Series 2014B	2.252%-3.721%	2018-2024	8,745
Series 2014C	5.000%	2018-2026	26,840
Series 2016A	2.000%-5.000%	2018-2022	87,435
Series 2016B	5.000%	2028	4,495
Series 2016C	3.000%-5.000%	2019-2021	15,400
Series 2016D	3.000%-5.000%	2019-2021, 2023-2028	9,515
Total Certificates of Participation			$212,730
Other Capital Leases			26,798
Total Principal - Certificates of Participation and Other Capital Leases			$239,528
Other Obligations[1]			37,545
Total Certificates of Participation, Other Capital Leases, and Other Obligations			$277,073

(1) Energy Services Agreement, installment payment contract.
Source: Compiled by the Office of Capital Financing of the University.

FUTURE CAPITAL PLANS

The Board has an ongoing capital improvement program consisting of new construction and renovation of existing facilities. Capital improvements are expected to be funded from a variety of sources including gifts, State capital funds, revenue and lease financing and University funds. The capital budget request for Fiscal Year 2019 is $585.11 million.

The Board has approved the Project for Renovation, Townsend Hall and Wardall Hall, Illinois Street Residence Halls, Urbana. This $55.5 million project will be financed by a future issuance of Auxiliary Facilities System bonds.

The Board may also from time to time refund or refinance its outstanding bonds, lease purchase obligations, or installment purchase obligations to restructure its indebtedness or to take advantage of more favorable interest rate levels.

FACULTY

The University has over 6,000 full-time equivalent faculty. Approximately half of all faculty are in the tenure system, including those that are either tenure or tenure-track. Of those in the tenure track, about three-fourths are fully tenured. Scores of faculty members have been elected to distinguished academic societies such as the American Academy of Arts and Sciences, the American Philosophical Society, the National Academy of Sciences, and the National Academy of Engineering.

STUDENT ENROLLMENT

Total campus enrollments for the past five academic years, based on fall semester registrations, are shown on the following table:

Campus Headcount

Fall	Undergraduate				Graduate/Professional (1)				Total			
Term	**UIUC**	**UIC**	**UIS**	**Total**	**UIUC**	**UIC**	**UIS**	**Total**	**UIUC**	**UIC**	**UIS**	**Total**
2017	33,955	19,448	2,932	56,335	14,261	11,091	2,024	27,376	48,216	30,539	4,956	83,711
2016	33,932	17,959	2,959	54,850	13,019	11,161	2,469	26,649	46,951	29,120	5,428	81,499
2015	33,368	17,575	2,937	53,880	12,474	11,473	2,465	26,412	45,842	29,048	5,402	80,292
2014	32,959	16,718	3,038	52,715	12,181	11,251	2,393	25,825	45,140	27,969	5,431	78,540
2013	32,695	16,671	3,039	52,405	12,247	11,367	2,098	25,712	44,942	28,038	5,137	78,117

Full Time Equivalent (2)

Fall	Undergraduate				Graduate/Professional				Total			
Term	**UIUC**	**UIC**	**UIS**	**Total**	**UIUC**	**UIC**	**UIS**	**Total**	**UIUC**	**UIC**	**UIS**	**Total**
2017	34,657	18,949	2,282	55,888	15,079	11,469	1,244	27,792	49,736	30,418	3,526	83,680
2016	34,598	17,416	2,287	54,301	14,204	11,519	1,698	27,421	48,802	28,935	3,985	81,722
2015	34,041	17,022	2,265	53,328	13,603	11,665	1,656	26,924	47,644	28,687	3,921	80,252
2014	33,630	16,143	2,312	52,085	13,318	11,256	1,569	26,143	46,948	27,399	3,881	78,228
2013	33,374	15,991	2,330	51,695	13,321	11,262	1,246	25,829	46,695	27,253	3,576	77,524

(1) The UIC Graduate/Professional enrollment excludes Medical Residents.
(2) Based on Illinois Board of Higher Education definition of full-time equivalency. Undergraduate student full-time equivalent is computed as the total number of fall term, semester credit hours divided by 15. Graduate and Professional student full-time equivalent is computed as the total number of semester credit hours divided by 12. The calculation includes imputed credit hours for students enrolled in coursework for zero credit.
Source: Compiled by the Office of Planning and Budgeting of the University.

UIUC has had several consecutive years of record enrollment, as well as a six-year graduation rate of 85%. Because of space limitations, the Urbana-Champaign campus annually denies admission to a number of fully qualified applicants. Demand for programs at the Urbana-Champaign campus, especially those in engineering, the sciences, and business, continues to be extremely high, so that even if the number of high school graduates in its applicant pool declines, the campus is likely to be able to retain its current level of enrollment without any significant loss of the extremely high quality of the student body. In addition, new efforts are planned to identify highly qualified applicants from outside the State to enhance the overall diversity of the undergraduate student body.

The Chicago campus consistently has attracted students from a more diverse age group than the traditional 18 to 21-year old undergraduates. These older students are typically employed full or part-time, and represent a continuing source of new enrollment prospects. Enrollments in the programs for health professionals are limited by the capacity of the facilities available to serve such students. The demand for admission to the programs remains strong. UIC's six year graduation rate improved almost 23% in the last 10 years and nearly doubled in the last 17 years.

The on-campus student body of UIS is currently composed of 57% undergraduate students and the rest graduate students, a large proportion of whom are employed adults who attend part-time and appreciate the abundant class offerings in the evening. Most UIS students come from central Illinois, but a number of degree programs attract students from other regions of Illinois, other states, and other nations. UIS emphasizes excellence in teaching and active learning. Faculty are teacher-scholars who maintain strong connections to state government, business, and not-for-profit organizations, providing students with extraordinary internship opportunities. UIS is also a national leader in online education, offering select high-quality online degrees, particularly in the liberal arts.

STUDENT ADMISSIONS

The tables below set forth the total number of freshman applications received and admitted, and the number of freshmen enrolled for the academic years indicated for University's Urbana-Champaign, Chicago, and Springfield campuses:

Urbana-Champaign Campus

Fall Term	Applications Received(1)	Applicants Admitted	Percent Admitted	Admitted Enrolled	Percent of Admitted Enrolled	Percent of Applicants Enrolled
2017	38,965	23,974	61.5%	7,518	31.4%	19.3%
2016	38,093	22,881	60.1%	7,592	33.2%	19.9%
2015	34,277	22,471	65.6%	7,562	33.7%	22.1%
2014	35,822	21,150	59.0%	6,937	32.8%	19.4%
2013	33,203	20,716	62.4%	7,329	35.4%	22.1%

Chicago Campus

Fall Term	Applications Received(1)	Applicants Admitted	Percent Admitted	Admitted Enrolled	Percent of Admitted Enrolled	Percent of Applicants Enrolled
2017	18,931	14,467	76.4%	4,051	28.0%	21.4%
2016	17,931	13,196	73.6%	3,307	25.1%	18.4%
2015	15,664	12,007	76.7%	3,485	29.0%	22.2%
2014	15,560	11,589	74.5%	3,030	26.1%	19.5%
2013	14,603	10,427	71.4%	3,104	29.8%	21.3%

Springfield Campus

Fall Term	Applications Received(1)	Applicants Admitted	Percent Admitted	Admitted Enrolled	Percent of Admitted Enrolled	Percent of Applicants Enrolled
2017	1,746	915	52.4%	278	30.4%	15.9%
2016	1,467	958	65.3%	300	31.3%	20.4%
2015	1,524	962	63.1%	268	27.9%	17.6%
2014	1,460	899	61.6%	305	33.9%	20.9%
2013	1,469	878	59.8%	316	36.0%	21.5%

(1) Number of Applicants, not Applications.
Source: Compiled by the Office of Planning and Budgeting of the University.

TUITION AND FEES

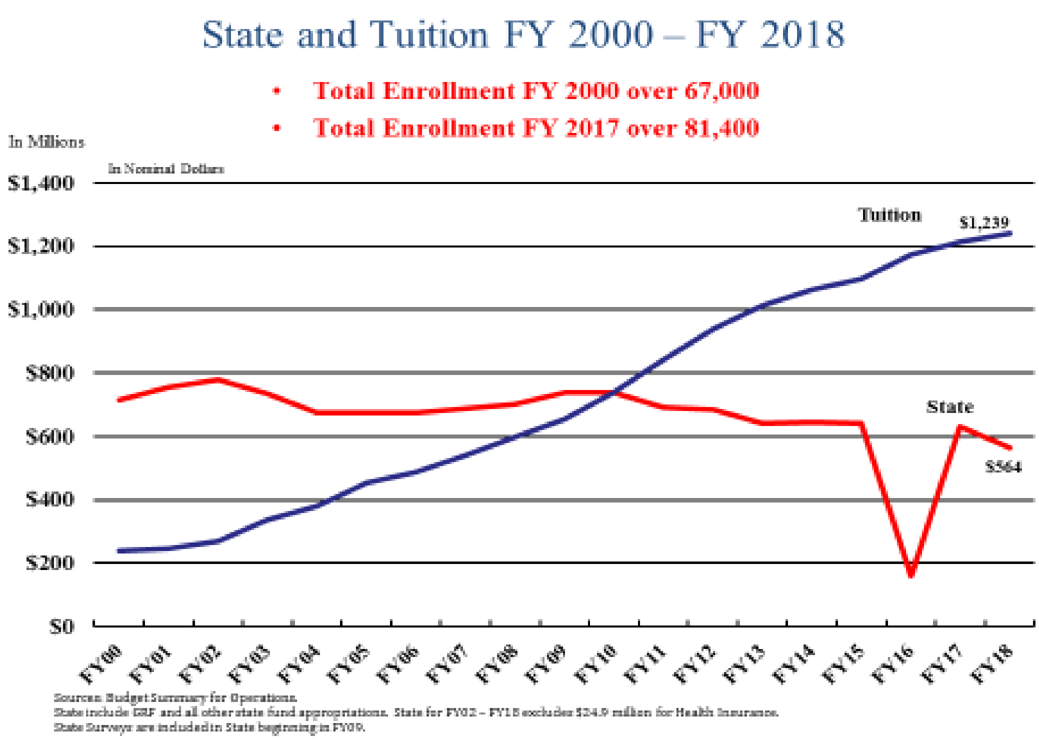
The University operates its programs on a two-semester and summer session basis. Fees, tuition, and other educational costs of attending the University vary by campus, program and resident status. General undergraduate tuition rates for the 2017-2018 academic year range from $18,398 to $28,156 for domestic non-residents and $9,248 to $12,036 for State residents depending primarily on the campus attended and the year of admittance. International undergraduate students are assessed an additional tuition surcharge. General graduate tuition rates range from $7,896 to $12,488 for State residents and $16,200 to $26,980 for non-residents depending on the campus attended.

Pursuant to the University of Illinois Act, subject to certain conditions, for an undergraduate student who is an Illinois resident and who first enrolls at the University after the 2003-2004 academic year, the tuition charged for four continuous academic years following initial enrollment shall not exceed the amount that the student was charged at the time the student enrolled in the University.

In January 2017, the Board approved a 0% increase for fall 2017 in the guaranteed tuition level for entering resident full-time general undergraduate students at all three campuses. The Board approved a 1.8% increase in the tuition level for non-resident full-time general undergraduate students at UIUC. The Board also approved selective increases between 0.4% and 5.4% in graduate program differentials and for certain professional programs. Room and board rates for standard basic double room did not increase at Urbana or Chicago, UIS rates increased 0.6%.

Professional schools of law, medicine, veterinary medicine, dentistry, pharmacy, and physical therapy have separate tuition rate schedules, depending on the program of study.

STATE FUNDS AND TUITION, FISCAL YEAR 2000 TO FISCAL YEAR 2018



FINANCIAL AID TO STUDENTS

Students at the University receive financial assistance in a variety of ways:

State and Federal Scholarships, Grants, Fellowships, and Traineeships. These come primarily through the Illinois Student Assistance Commission and Federal Pell Grant program. However, all are supplemented by a significant amount of private funds administered by the University.

The University received $67 million from the State's Monetary Award Program (*"MAP"*) appropriation for awards granted to University students in academic year 2016-2017. Appropriations for MAP increased by 10% for the 2017-2018 academic year and we expect to see total receipts of approximately $80 million in awards to our students for fiscal year 2018.

Loans. Most loans are subsidized with respect to the timing and/or amount of the effective interest rate by the federal government, although many are administered through the Illinois Guaranteed Loan Program.

Tuition and Fee Waivers. Some are need-based, but the dollar value of most are related to the employment of graduate teaching and research assistants, who not only receive a stipend for their employment but also receive a waiver of tuition and fees.

University Provided Employment. The University employs both graduate assistants, for whom the stipend provides a major source of income, and undergraduates, who depend on the job as a significant component of their total college budget.

The below sources of financial aid totaled more than $1.49 billion in Fiscal Year 2017, an average of more than $16,650 per student. The average does not reflect the fact that much of the aid was directed at needy undergraduates and at graduate assistants.

Financial Aid to University of Illinois Students Fiscal Year 2017

	Number of Awards	**Amount (in thousands)**
Scholarships, Grants, Fellowships and Traineeships		
Federal	24,376	$102,738.2
State	17,556	72,686.5
Private and Outside Agencies	4,552	23,318.9
University	40,662	229,975.7
Loans		
Federal or State Administered	34,959	523,483.2
University Administered	1,344	2,732.8
Tuition and Fee Waivers (1)	21,749	326,283.3
Employment		
Undergraduates	16,979	35,329.4
Graduates	15,178	174,902.3
Total	**177,355**	**$1,491,450.3**

(1) Includes staff waivers.
Source: Compiled by the Office of Planning and Budgeting of the University.

RESEARCH FUNDING

In the Fiscal Year ended June 30, 2017, the University earned approximately $914.8 million in research funding from federal, state, and private sources. The University is consistently among the top universities in the nation in attracting federal contract dollars.

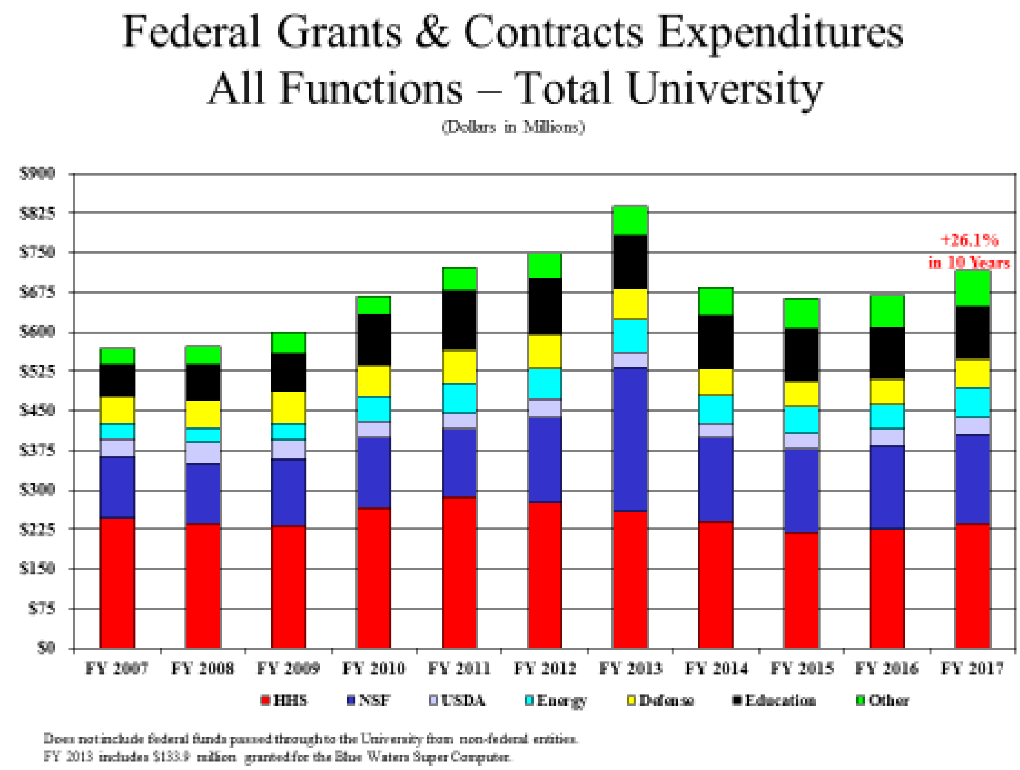
The following table itemizes research funding by source for the past five fiscal years:

Grants and Contracts by Source
Fiscal year ended June 30
(in thousands)

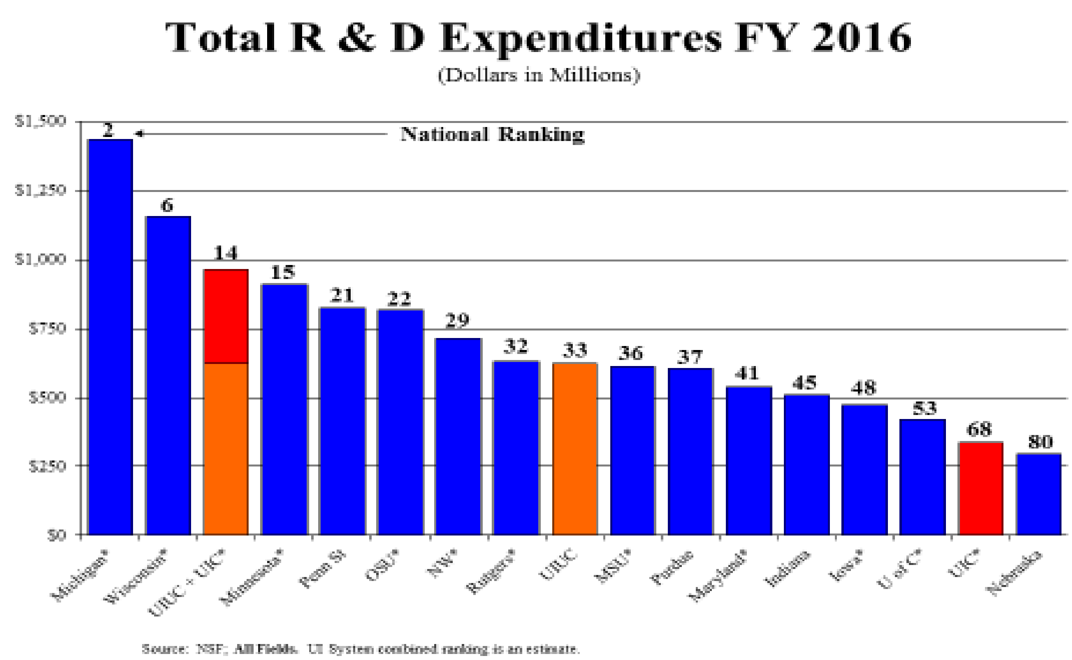
	2017	**2016**	**2015**	**2014**	**2013**
Federal Sources					
Department of Health and Human Services	$236,936	$226,455	$218,512	$240,774	$258,348
National Science Foundation	167,688	157,330	159,498	157,116	273,058
Department of Energy	56,310	47,877	51,170	52,857	59,835
Department of Defense	56,072	47,103	49,552	51,611	59,528
Department of Agriculture	14,547	15,668	13,958	12,948	14,308
Department of Education	98,577	98,710	99,649	100,999	102,326
Other Federal Agencies	66,608	59,555	55,728	52,121	54,127
Total Federal Sources(1)	$696,738	$652,698	$648,067	$668,426	$821,530
Non-Federal Sources					
State of Illinois	71,347	40,376	83,798	86,306	92,836
Private and Non-Profit Sources(2)	146,724	138,119	144,062	141,524	150,577
Total Non-Federal Sources	$218,071	$178,495	$227,860	$227,830	$243,413
Total All Sources(3)	$914,809	$831,193	$875,927	$896,256	$1,064,943

(1) Federal Sources are primarily research funds. Does not include federal agriculture appropriations. Does not include federal funds passed through other non-federal agencies.
(2) Includes private gifts.
(3) Total All Sources does not include pass through social service grants.
Source: Compiled by the Office of Planning and Budgeting of the University.

The chart below shows Federal grants and contracts expenditures of the University for the past ten fiscal years.



The University is a major research university currently ranked fourteenth nationally in FY 2016. The chart shows the University's research and development expenditures in comparison to other research universities.



VOLUNTARY SUPPORT

The University of Illinois Foundation (the "Foundation") is an independent nonprofit corporation that raises and receives private gifts, administers funds, and manages assets to enhance the quality of the University and its programs. The Foundation is a University Related Organization, which is a discretely presented component unit within the University's overall financial reporting entity. Gifts to the University's three campuses and the Foundation totaled $278.4 million for Fiscal Year 2017. During the five years ending June 30, 2017 the University of Illinois Foundation received more than $1.25 billion in gift income.

In October 2017, the University of Illinois System officially launched its largest and most ambitious comprehensive fundraising initiative that aims to raise $3.1 billion over the next five years to support students, faculty, academic, and research programs and facilities. $1.5 billion of the goal has been raised as of October 31, 2017, the end of the silent phase.

UNIVERSITY AND FOUNDATION INVESTMENTS

The University's investments provide funds to support University academic programs and student-related activities. The Endowment and Similar Funds category in the table below consist of both restricted and unrestricted funds, which are accounted for and invested as endowment. Income from endowments is distributed to unrestricted and restricted fund groups according to the designation of the donor. Income from other invested funds is distributed at the University's discretion. The Foundation held approximately $1,969 million in cash and investments as of June 30, 2017, which is included in Endowment and Similar Funds in the table below.

The fair value of the University's and the Foundation's investments at the end of each of the past five fiscal years are summarized as follows:

University and Foundation Cash and Investments
Fiscal year ended June 30
(in thousands)

	2017	**2016**	**2015**	**2014**	**2013**
Current Funds	$1,332,297	$1,342,223	$1,571,517	$1,470,276	$1,303,869
Fiduciary Funds					
Endowment & Similar Funds	2,321,385	2,033,087	2,084,259	2,057,564	1,802,645
Annuity, Life Income, & Other Funds	113,887	105,393	100,291	100,385	98,703
Plant Funds	843,664	917,281	1,077,592	1,199,515	833,529
Total Cash and Investments	$4,611,233	$4,397,984	$4,833,659	$4,827,740	$4,038,746

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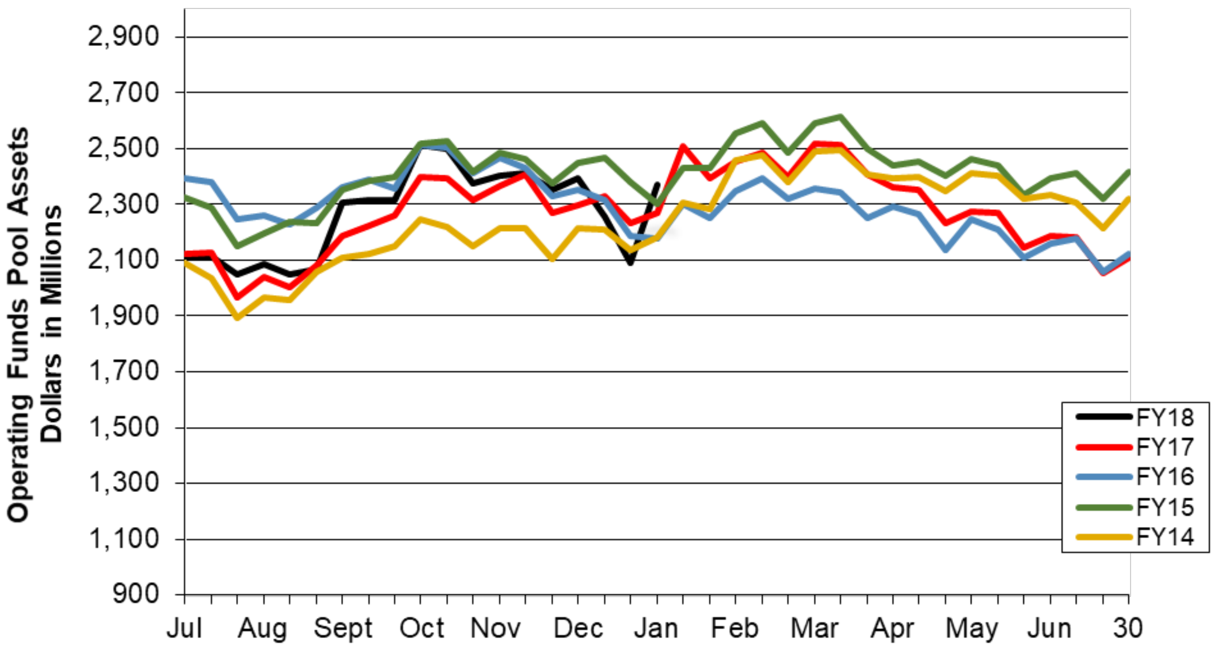
Source: Compiled by the Office of the Comptroller of the University.

At December 31, 2017, the University had $2.4 billion in its Operating Funds Pool. The University's Operating Funds Pool Invested Balances for each of the fiscal years 2014 through 2017, and for the first six months of fiscal year 2018, is shown below:

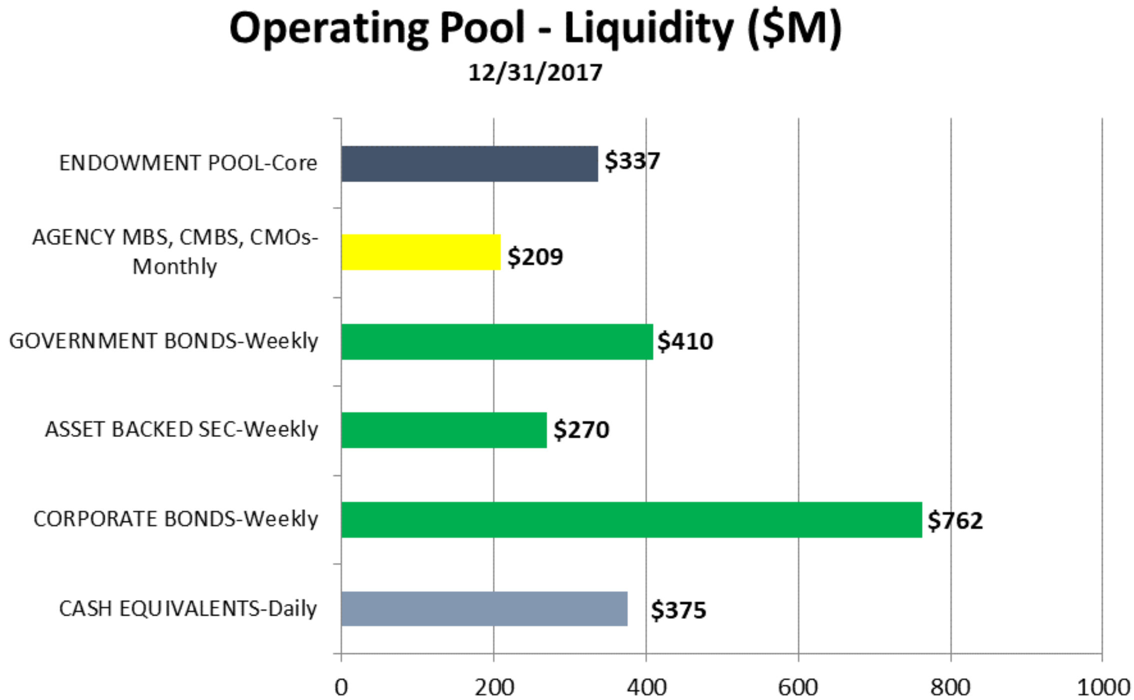
Operating Funds Pool Invested Balances
As of December 31, 2017



Source: Compiled by the Office of the Comptroller of the University.

At December 31, 2017, the Operating Funds Pool balance was $2.4 billion (including bank earnings credit accounts). The Operating Funds Pool has $375 million in daily liquidity as of December 31, 2017. The core component is the Endowment Pool investment. This core $337 million is invested in the $713 million Endowment Pool. The other bars in the chart below reflect bond sectors and their respective liquidity.

University Operating Funds Pool Liquidity



Total Operating Funds Pool balance is $2.4 billion. The Operating Funds Pool has $375 million in daily liquidity (12/31/2017). The Core component is the Endowment Pool investment. This Core $337 million is invested in the $713 million Endowment Pool. The other bars reflect bond sectors and their respective liquidity.

Source: Compiled by the Office of the Comptroller of the University.

PHYSICAL PLANT

The following table sets forth, for each of the five previous fiscal years, the total investment in Plant of the University as reported or compiled for such years. For total investment in capital assets net of accumulated depreciation, see APPENDIX B, ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS FOR THE YEAR ENDED JUNE 30, 2017, Note (4): Capital Assets.

FISCAL YEAR ENDED JUNE 30	INVESTMENT IN PLANT (ORIGINAL COST IN THOUSANDS)
2017	$7,746,671
2016	7,498,387
2015	7,221,399
2014	6,958,840
2013	6,711,588

EMPLOYEE RELATIONS

Employees of the University are generally covered, pursuant to statute, by the State Universities Civil Service System, a separate entity of the State under the control of the University Civil Service Merit

Board. The statute exempts the president and vice presidents; teaching, research, and extension faculties; principal administrative employees as determined by the merit board; and student workers from its coverage. Effective January 1, 1984, all employees of the University (including faculty) gained the right to bargain collectively with the University by virtue of the passage of the Illinois Educational Labor Relations Act. This act provides for the right to bargain on conditions of employment, the right to strike and the right to negotiate for a service fee for the elected employee representative group. Of the University's approximately 26,000 full-time faculty, administrative, and support staff employees for Fiscal Year 2017, approximately 40% are represented by 52 separate collective bargaining units.

The University is proceeding through the bargaining and mediation process with the Graduate Employees Organization ("*GEO*"). On January 29, 2018, the GEO served the University with an intent to strike notice which now permits GEO to call for a strike with no additional notice.

Other as described in the preceding paragraph, the University believes its employee relations are satisfactory.

RETIREMENT BENEFITS

Retirement benefits are provided for substantially all full-time employees under a separately created retirement plan administered by the State Universities Retirement System of Illinois (*"SURS"*). The State of Illinois makes substantially all of the statutorily prescribed contributions on behalf of the participating employers, including the University. The liability of SURS relating to University participants is not a liability of the Board under current State law. However, as with other State appropriations made with respect to the University, the continued receipt of such funds is subject to annual appropriation by the Illinois General Assembly and there is no assurance of such continued appropriations. See "—Budget and State Appropriations" above.

Including the University's share, the SURS total unfunded accrued actuarial liability was $25.97 billion at June 30, 2016, according to the SURS 2016 Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2016. The proportionate share of SURS' net pension liability associated with the University is approximately $11.0 billion. Governmental accounting standards require that the University's share of the SURS unfunded liability be disclosed in the University's financial statements beginning with Fiscal Year 2015; however, the University is not required to recognize its proportionate share of the net pension liability due to the State being responsible for making such contributions on behalf of the University. For more detailed information, see Note 11 to the ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS FOR THE YEAR ENDED JUNE 30, 2017 in APPENDIX B.

No assurances can be given that pension reform measures will be undertaken by the State or whether, if undertaken, such measures will (i) succeed at correcting the severe underfunding of the State pensions, including SURS; (ii) require the University to assume part or all of the liability for funding its employees' pensions; or (iii) impact the University's ability to recruit and retain faculty and staff. In the event that any future reform creates employee recruitment or retention concerns, the University may, in its discretion, adopt or implement supplemental programs or pursue other options.

GOVERNOR'S EXECUTIVE ORDERS

On January 12, 2015, Illinois Governor Bruce Rauner issued Executive Order 15-08, applicable to State agencies including the University, freezing discretionary spending and requiring the approval of the Governor's Office of Management and Budget for certain State funded contracts and expenditures. Executive Order 15-08 also requires State agencies to take steps designed to eliminate non-essential spending. Subsequently, Executive Order 15-09 was issued to ensure ethical and responsive government designed to tighten ethical requirements for State employees. The University has complied with these Executive Orders.

APPENDIX B

ANNUAL FINANCIAL REPORT FOR THE
UNIVERSITY OF ILLINOIS AUXILIARY FACILITIES SYSTEM
FOR THE YEAR ENDED JUNE 30, 2017

APPENDIX C

ANNUAL FINANCIAL REPORT FOR THE UNIVERSITY OF ILLINOIS FOR THE YEAR ENDED JUNE 30, 2017

APPENDIX D

DEFINITIONS OF CERTAIN TERMS AND SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

DEFINITIONS OF CERTAIN TERMS

The following are definitions of certain terms used in this Official Statement:

"*Act*" means the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, as amended, 110 ILCS 405/1, *et seq.*

"*Annual Net Debt Service*" means an amount equal to the principal of and interest on all Bonds coming due in such Fiscal Year; provided, however that:

(i) in the case of any Bonds for which a sinking fund has been established, the principal due thereon will be deemed to mature in each year in which a payment is required to be made into such sinking fund in the amount of such payment;

(ii) payments on Bonds which have been refunded or which are to be made from funds escrowed or deposited with a third party will be excluded;

(iii) in the event Commercial Paper has been issued, at the option of the Comptroller as specified on the date of each issue of Commercial Paper, any computation of Annual Net Debt Service will exclude such Commercial Paper and will instead be calculated as if the Commercial Paper were Projected Long-Term Debt;

(iv) in the event any Bonds (other than Commercial Paper) are being issued which bear, or are to bear, interest at a variable rate, Annual Net Debt Service on such variable rate Bonds for any such Fiscal Year will be computed by assuming that the rate of interest applicable to such Fiscal Year or Fiscal Years is the highest of (A) the actual rate at the date of calculation, or if the Bonds are not yet Outstanding, the initial rate, (B) if the Bonds have been Outstanding for at least 12 months, the average rate over the 12 months immediately preceding the date of calculation, and (C)(1) if interest on the Bonds is issued as excludable from gross income under the applicable provisions of the Code, the rate of interest shown in the most recently published Revenue Bond Index or (2) if interest on the Bonds is not intended to be so excludable, the interest rate on Government Obligations with comparable maturities, but in each case not in excess of the rate authorized by law; and

(v) in the event the Board enters into a Hedging Transaction in connection with the issuance of any Bonds, the computation of the Annual Net Debt Service for such Bonds may, at the option of the Comptroller, include payments made and received by the Board or to be made and received by the Board under the related Hedging Transaction, provided that at the time such option is initially exercised the Comptroller delivers a certificate to the effect that (1) the institution other than the Board that is party to such Hedging Transaction (the "*Counterparty*") is obligated under such Hedging Transaction to make payments thereunder for the period for which the computation of the Annual Net Debt Service on such Bonds is being determined, and (2) as of the date the Board and the Counterparty entered into such Hedging Transaction, the long-term debt obligations of the Counterparty or of any guarantor of the Counterparty's obligations under such Hedging Transaction were rated "A" or better by Moody's or S&P.

"*Authorized Denomination*" means $5,000 or any integral multiple thereof.

"*Auxiliary Facilities System*" or "*System*" means the Existing Facilities and such additional facility or facilities as the same, or any part or portion of such facilities, are hereafter from time to time acquired and included in the System by the Board pursuant to the Bond Resolution, and excepting those parts of the System which from time to time may be disposed of or abandoned as provided in the Bond Resolution.

"*Board*" means The Board of Trustees of the University of Illinois and its successors and assigns.

"*Bond*" or "*Bonds*" means the University of Illinois Auxiliary Facilities System Revenue Bonds, including the Series 2018A Bonds, issued under the provisions of the Bond Resolution.

"*Bond Fund*" means the Bond and Interest Sinking Fund Account created by the Bond Resolution.

"*Bondholder*" or "*Owner*" or "*Holder*" means, as of any time, the registered owner of any Series 2018A Bond as shown in the register kept by the Bond Registrar.

"*Bond Registrar*" means The Bank of New York Mellon Trust Company, N.A., Chicago, Illinois, and its successors and assigns.

"*Bond Resolution*" means the resolution adopted by the Board on September 20, 1984, providing for the issuance of revenue bonds by the Board under the Act, as such resolution has been supplemented and amended (including but not limited to the Twenty-Third Supplemental Resolution), and as it may be supplemented and amended in the future in accordance with its terms.

"*Closing Date*" means the date of delivery of the Series 2018A Bonds to the Purchaser against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Commercial Paper*" means Bonds issued for any purpose in connection with a program of commercial paper, as such term is generally understood, maturing not later than 270 days from the date of issuance thereof.

"*Debt Service Reserve Account*" means the Debt Service Reserve Account established pursuant to the requirements of the Bond Resolution. *The Series 2018A Bonds will not be secured by the Debt Service Reserve Account*.

"*Existing Facilities*" means the existing housing, parking, union, athletic, recreational, student-oriented health and other revenue producing buildings and facilities (including equipment) of the University described in the Bond Resolution, together with all improvements, repairs, extensions or replacements as may be constructed or acquired, that have not been abandoned for economic nonfeasibility.

"*Fiscal Year*" means the period commencing July 1 and ending June 30 of each succeeding calendar year.

"*Government Obligations*" means securities which are direct obligations of the United States of America (including trust receipts evidencing an interest therein) and securities for which the United States of America has fully guaranteed the payment of principal and interest.

"*Hedging Transaction*" means an agreement, expressly identified in a certificate of the Comptroller as being entered into in order to hedge the interest payable on all or a portion of any Bonds, which agreement may include, without limitation, an interest rate swap, a forward or futures contract or an option (e.g., a call, put, cap, floor or collar) and which agreement does not constitute an obligation to repay money borrowed, credit extended or the equivalent thereof.

"*Maximum Annual Net Debt Service*" means the maximum Annual Net Debt Service payable in any future Fiscal Year. For purposes of determining Maximum Annual Net Debt Service for Bonds secured by the Debt Service Reserve Account, the income to be earned on the Debt Service Reserve Account will be estimated at no more than 9.0% per annum.

"*Net Revenues*" means that portion of the Operating Revenues remaining after providing sufficient funds for the reasonable and necessary cost of currently maintaining, repairing, insuring and operating the System.

"*Operating Revenues*" means all rentals, student service fees, charges, income and other revenues received from the continued use and operation of the System, but does not include Student Tuition and Fees or transfers from the Debt Service Reserve Account, Repair and Replacement Reserve Account, Equipment Reserve Account, or Non-Instructional Facilities (Development) Reserve Account.

"*Parity Bonds*" means any additional Bonds authorized to be issued under the Bond Resolution and ranking *pari passu* with the outstanding Bonds.

"*Prior Parity Bonds*" means the Series 1991 Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2008 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the Series 2011B Bonds, the Series 2011C Bonds, the Series 2013A Bonds, the Series 2014A Bonds, the Taxable Series 2014B Bonds, the Taxable Series 2014C Bonds, the Series 2015A Bonds, the Series 2016A Bonds and the Series 2016B Bonds.

"*Projected Long-Term Debt*" means, as of the date of any determination thereof, Bonds maturing in substantially equal annual payments of principal and interest over a period of 30 years from the date of original issuance thereof and an average annual rate of interest equal to the then current rate of interest shown in the most recently published Revenue Bond Index, if interest on the Projected Long-Term Debt is issued as excludable from gross income under the applicable provisions of the Code, or, if the interest on any Projected Long-Term Debt is not intended to be so excludable, the interest rate on direct U.S. Treasury Obligations with a 30-year maturity.

"*Purchaser*" means the purchaser of the Series 2018A Bonds identified in the body of this Official Statement under the heading "PURCHASE."

"*Reserve Account Credit Instrument*" means, for Bonds secured by the Debt Service Reserve Account, an insurance policy, surety bond or irrevocable letter of credit which may be delivered to the Bond Registrar in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Account. In the case of an insurance policy or surety bond, the company providing the same will be an insurer which, at the time of issuance of the policy, has been assigned the highest rating accorded insurers by Moody's and S&P, and the policy or bond will be subject to the irrevocable right of the Bond Registrar to draw thereon in a timely fashion upon satisfaction of any conditions set forth in the Bond Resolution. In the case of a letter of credit, the letter of credit will be irrevocable and will be payable to the Bond Registrar and will be issued by a banking institution having a credit rating on its long-term unsecured debt within one of the two highest rating categories from Moody's and S&P.

"*Revenue Bond Index*" means the weekly index of interest rates on revenue bonds known as the "25-Bond Revenue Index" published by *The Bond Buyer* or, if such index is no longer being published, any other index of interest rates borne by revenue bonds, the interest of which is exempt from Federal income taxation, having a maturity of 30 years.

"*Securities Act*" means the Securities Act of 1933, as amended, and any successor thereto.

"*Series 1991 Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 1999A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 1999B Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2001A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2001B Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2003A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2005A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2008 Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2009A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2010A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2011A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2011B Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2011C Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2013A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2014A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2015A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2016A Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2016B Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Series 2018A Bond and Interest Subaccount*" means the subaccount of the Bond and Interest Sinking Fund Account established under the Twenty-Third Supplemental Resolution to secure the Series 2018A Bonds.

"*Series 2018A Bonds*" means the Board's University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2018A issued under the Bond Resolution in the aggregate principal amount of $[Principal Amount][*].

"*Series 2018A Costs of Issuance Fund*" means the accounting fund established under the Twenty-Third Supplemental Resolution to pay costs of issuance of the Series 2018A Bonds.

"*Student Tuition and Fees*" means the moneys collected from students matriculated, registered or otherwise enrolled at or attending the University for tuition, application, extension, registration, matriculation, admission, student activities and student services, excluding those fees assessed for the use and operation of the System.

"*Taxable Series 2014B Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Taxable Series 2014C Bonds*" means that series of presently outstanding Bonds authorized by the Board in the Bond Resolution.

"*Twenty-Third Supplemental Resolution*" means the Twenty-Third Supplemental System Revenue Bond Resolution approved by the Board on March 15, 2018, authorizing the issuance of the Series 2018A Bonds.

"*University*" means the University of Illinois.

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The Series 2018A Bonds will be issued under the Bond Resolution adopted by the Board on September 20, 1984, as supplemented and amended, and particularly as supplemented by the Twenty-Third Supplemental Resolution. Reference is made to the Bond Resolution for complete details of the terms of the Series 2018A Bonds and the security for the Series 2018A Bonds. Certain provisions of the Bond Resolution are summarized under the heading "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" in the forepart of this Official Statement. The following is a summary of certain additional provisions of the Bond Resolution and should not be considered as a full statement of the Bond Resolution.

BOND PROCEEDS

The proceeds of the Series 2018A Bonds will be used to (i) refund certain outstanding obligations of the Board as more fully described in the body of this Official Statement under the caption "PLAN OF FINANCE – Refunding Plan," (ii) finance the Project as more fully described in the body of this Official

[*] Preliminary, subject to change.

Statement under the caption "PLAN OF FINANCE – The Project" and (iii) pay costs of issuing the Series 2018A Bonds.

An amount of the principal proceeds of the Series 2018A Bonds designated by the Comptroller will be deposited into a separate accounting fund to be known as the "*Series 2018A Costs of Issuance Fund*" and applied to the payment of the costs of issuance of the Series 2018A Bonds. If there are funds remaining in the Series 2018A Costs of Issuance Fund after all such costs have been paid, said funds, and any interest earned on the investment of moneys in such account, will be withdrawn by the Comptroller and deposited in the Series 2018A Bond and Interest Subaccount, to be used only to pay debt service on the Series 2018A Bonds, subject to the further provisions of the Tax Agreement.

FLOW OF FUNDS

The Operating Revenues of the System will be deposited as collected by the Comptroller of the Board in a general banking account of the University to the credit of a special fund created and designated as the Auxiliary Facilities System Revenue Fund (the "*Revenue Fund*") which fund will be maintained by the Bond Registrar. The Comptroller will also deposit in the Revenue Fund such Student Tuition and Fees as will be necessary together with Operating Revenues to meet (i) operating and maintenance expenses of the System and (ii) together with transfers, if any, of investment income from the Debt Service Reserve Account to the Bond and Interest Sinking Fund Account (which investment income will be applied to debt service only on those Bonds secured by the Debt Service Reserve Account), annual debt service on the Bonds and required deposits to the Debt Service Reserve Account and Repair and Replacement Reserve Account, all as required by the Bond Resolution.

All moneys in the funds and accounts established pursuant to the Bond Resolution will be used and held for use only in the manner and in the order designated below.

Operation and Maintenance. Current expenses of the System will be payable from the Revenue Fund as the same become due and payable and will include all necessary operating expenses, current maintenance charges, expenses of reasonable upkeep and repairs, fees due the Bond Registrar on the Bonds, a properly allocated share of charges for insurance and all other expenses incident to the operation of the System. At the end of each Fiscal Year, the Board may retain in the Revenue Fund moneys sufficient for operation and maintenance expenses for the next 30 days as an operating reserve.

Bond and Interest Sinking Fund Account. The Comptroller, after providing for the payment of current operating and maintenance expenses, will transfer from the Revenue Fund, and deposit to the credit of the Bond and Interest Sinking Fund Account such amounts, together with any investment income transferred from the Debt Service Reserve Account and deposited to the Bond and Interest Sinking Fund Account for the purpose of paying maturing principal and interest (which investment income will be applied to debt service only on those Bonds secured by the Debt Service Reserve Account and not to any other Bonds), as will be sufficient to pay the principal and interest on the Bonds as they become due.

The Bond and Interest Sinking Fund Account will be held in trust by the Bond Registrar for the benefit of the Owners of the Bonds. All moneys credited to such Account will be irrevocably pledged to and used solely for payment of interest on the Bonds and for payment, redemption, and retirement of principal of the Bonds; *provided* that moneys credited to the Debt Service Reserve Account are not pledged to, and will not be used to pay debt service on, the Series 2018A Bonds or any of the Prior Parity Bonds except the Series 1991 Bonds.

Pursuant to authorization contained in the Twenty-Third Supplemental Resolution, the Comptroller will create and establish the Series 2018A Bond and Interest Subaccount as a separate subaccount of the Bond and Interest Sinking Fund Account. For Parity Bonds, the supplemental resolution creating the issue will amend the provisions of the Bond Resolution summarized in the preceding paragraph, as necessary, to provide for the deposit of moneys in the Bond and Interest Sinking Fund in sufficient amounts to pay or redeem such Parity Bonds in accordance with the terms thereof.

Debt Service Reserve Account. The Series 1991 Bonds are secured by income received from, and funds deposited in, the Debt Service Reserve Account. None of the Series 2018A Bonds or the other Prior Parity Bonds have any claim upon the Debt Service Reserve Account.

With respect to the issuance of future Parity Bonds, the Board may create subaccounts in the Debt Service Reserve Account securing a particular series of Parity Bonds, or the Board may provide that a particular series of Parity Bonds to be issued (i) will not be secured by the Debt Service Reserve Account, (ii) will be secured by a separate subaccount in the Debt Service Reserve Account in an amount equal to or less than the Maximum Annual Net Debt Service on such Parity Bonds, or (iii) will be secured by a Reserve Account Credit Instrument.

Any subaccount securing any future issue of Parity Bonds will be maintained in an amount equal to the requirement provided in the supplemental Resolution authorizing the issuance of such Parity Bonds (the "*Reserve Requirement*") for the Parity Bonds secured by such subaccount. Funds on deposit in such subaccount will be transferred by the Bond Registrar to the Bond and Interest Sinking Fund Account and used to pay debt service on the Parity Bonds secured by such subaccount in the event funds on deposit in the Bond and Interest Sinking Fund Account are insufficient therefor. If at any time the amount on deposit in the subaccount exceeds the Reserve Requirement for the Parity Bonds secured thereby, the excess may be withdrawn and used to pay debt service on such Parity Bonds or to purchase or redeem such Parity Bonds.

The Debt Service Reserve Account will be held in trust by the Bond Registrar. All moneys credited to the Debt Service Reserve Account will be irrevocably pledged to and solely used as described in the Bond Resolution.

If at the end of any Fiscal Year the amount on deposit in a subaccount of the Debt Service Reserve Account (valued on the basis of market) is less than the Reserve Requirement for the Bonds secured thereby, the Comptroller will transfer funds from the Revenue Fund and deposit into the subaccount not later than the end of the next succeeding Fiscal Year an amount not less than that necessary to restore the subaccount to the Reserve Requirement for the Bonds secured thereby.

The Board may provide for the deposit of a Reserve Account Credit Instrument in lieu of cash to satisfy the Reserve Requirement in the Debt Service Reserve Account for any future Parity Bonds; provided that in such event the Board will create a separate subaccount in the Debt Service Reserve Account to secure such Parity Bonds, and such Parity Bonds will have no claim on any other cash or assets in the Debt Service Reserve Account.

Repair and Replacement Reserve Account. The Comptroller will transfer from the funds remaining in the Revenue Fund and deposit in the Repair and Replacement Reserve Account on or before the close of each Fiscal Year, an amount not less than ten percent (10%) of Maximum Annual Net Debt Service for a repair and replacement reserve. The maximum amount which may be accumulated in such Account will not exceed five percent (5%) of the replacement cost of the facilities constituting the System, as determined by the then current Engineering News Record Building Cost Index (or comparable index). All money and investments so held in said Account will be used and held for use to pay the cost of unusual or extraordinary maintenance or repairs, renewals and replacements, and renovating or replacement of fixed equipment not paid as part of the ordinary maintenance and operation of the System. Moneys on deposit in the Repair and Replacement Reserve Account are not pledged as security for the payment of the Bonds.

Non-Instructional Facilities (Development) Reserve Account. The Comptroller will transfer from funds remaining in the Revenue Fund and deposit into the Non-Instructional Facilities (Development) Reserve Account such funds as have been approved by the Board for expenditure or planned for expenditure for new space or construction in, or an addition to, a facility constituting a part of the System consistent with the purpose and mission of that facility. Moneys on deposit in the Non-Instructional Facilities (Development) Reserve Account are not pledged as security for the payment of the Bonds.

Equipment Reserve Account. Prior to the close of each Fiscal Year, the Comptroller will transfer from the funds remaining in the Revenue Fund and deposit to the Equipment Reserve Account such funds as have been approved by the Board for expenditure in connection with the acquisition of movable equipment to be installed in the facilities constituting the System. The maximum amount which may be accumulated in such Account will not exceed 20% of the book value of the movable equipment of the System. Moneys on deposit in the Equipment Reserve Account are not pledged as security for the payment of the Bonds.

Surplus Revenues. At the close of each Fiscal Year and after all transfers and maximum deposits have been made, and after any deficiencies in any such transfers and deposits which may exist from any previous Fiscal Year have been remedied, the balance of any excess funds in the Revenue Fund then remaining may be used by the Board: (i) to redeem, on the next interest payment date, the Bonds of any series then outstanding which are subject to redemption prior to maturity; (ii) to purchase Bonds of any series then outstanding for cancellation by the Bond Registrar; (iii) to advance refund any series of Bonds then outstanding or (iv) for any other System purpose permitted by law and applicable regulations.

Investment of Revenue Fund Accounts. Any moneys in the Debt Service Reserve Account may be invested or reinvested in Government Obligations having a maturity not exceeding ten years from the date of each such investment. Moneys held in the Bond and Interest Sinking Fund Account may be invested in Government Obligations. All such securities so purchased will mature or be redeemable on a date or dates prior to the time when such moneys so invested will be required for expenditure.

All other moneys held in the other accounts in the Revenue Fund may be invested or reinvested in any investments permitted by the Bond Resolution and the laws of the State of Illinois for the investment of public funds. All such securities so purchased will mature or be redeemable on a date or dates prior to the time when such moneys so invested will be required for expenditure.

Interest on each subaccount of the Debt Service Reserve Account will be deposited in the Bond and Interest Sinking Fund Account and used to pay the principal of and interest on the Bonds secured by the respective subaccount.

GENERAL COVENANTS

Under the provisions of the Bond Resolution, the Board covenants and agrees with the holders of the Bonds, as long as any of said Bonds remain outstanding, as follows:

Student Tuition and Fees. The Board will deposit annually to the Revenue Fund an amount of Student Tuition and Fees sufficient, together with Operating Revenues, to meet (i) operating and maintenance expenses of the System and (ii) together with transfers, if any, of investment income from the Debt Service Reserve Account to the Bond and Interest Sinking Fund Account (which investment income will be applied to debt service only on those Bonds secured by the Debt Service Reserve Account), annual debt service and required deposits to the Debt Service Reserve Account and Repair and Replacement Reserve Account, as provided in the Bond Resolution.

Insurance. The Board will keep the System continuously insured against loss or damage by fire and lightning, the perils covered by fire and extended coverage insurance, vandalism or malicious mischief, and boiler explosion on boilers in a facility within the System in an amount not less than $100,000, but with a deductible amount per occurrence not exceeding $25,000, by a responsible insurance company or companies authorized and qualified under the laws of the State to assume such risks. Coverage by such insurance, other than the boiler insurance hereinabove referred to, will be in amounts sufficient to provide for, at a minimum, the lesser of (i) full recovery whenever the loss from causes covered by such insurance does not exceed 80% of the full insurable value of the part of the System so damaged or (ii) the redemption price, plus accrued interest to the next available call date, of all outstanding Bonds after deducting therefrom any cash or investments held in the Debt Service Reserve Account (if the Debt Service Reserve Account secures such Bonds) but any such policy may have a deductible amount per occurrence not exceeding one-tenth of one percent of the full insurable value of the System. The Board may, upon (i) resolution adopted in good faith, (ii) the recommendation of an independent insurance consultant and (iii) the approval of an appropriate agency, if any, of the State, adopt reasonable equivalent alternative risk management programs. The Board will (i) use the proceeds from any insurance to reconstruct, repair or rehabilitate the part of the System damaged or destroyed or (ii) pay such proceeds into the Bond and Interest Sinking Fund Account, which funds may be used to redeem outstanding Bonds but will not offset or be counted as funds which are otherwise required to be deposited in such account.

Business Interruption Insurance. The Board will maintain in effect business interruption insurance on the System in an amount sufficient for the Board to deposit in the Bond and Interest Sinking Fund Account, out of the proceeds of such insurance, an amount equal to the sum that would normally be available for deposit in such account from the revenues of the damaged part of the System during the time the damaged part of the System is non-revenue producing as a result of loss of use caused by fire and lightning, the perils covered by fire and extended coverage insurance, vandalism or malicious mischief, and boiler explosion on boilers in a facility within the System.

Title-Disposition-Encumbrance. The Board has indefeasible title in fee simple to the sites of the System, except for certain leased parking spaces, subject to Permitted Encumbrances (as defined below), and the Board will not sell, mortgage, pledge or otherwise dispose of or encumber the System, or its sites, or any part of the System, except for equipment, including any facility necessary to the operation and use of the System (unless the service provided by such facility will be provided by the same or an alternative source at reasonably equivalent costs), provided that any property, when determined by the Board not to be income producing because of being destroyed, worn out, obsolete, or otherwise physically or structurally unfit for the use and occupancy of such property for which the same was initially acquired, may be abandoned for economic nonfeasibility; or, when otherwise determined by the Board not to be suitable for the use and occupancy for which the same was initially acquired, may be converted for academic or administrative purposes.

"Permitted Encumbrances" means with respect to the sites of the System (i) liens for taxes and special assessments which are not then delinquent, or if then delinquent, are being contested in good faith; (ii) utility, access and other easements and rights-of-way, restrictions and exceptions that will not interfere in any substantial way with or impair the operation of the System; (iii) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not due under the contract in question or if such lien or payment is being contested in good faith; (iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the property included in the System and do not materially impair the property affected thereby for the purpose for which it was acquired or is held; (v) zoning laws and similar restrictions and liens arising in connection with workmen's compensation, unemployment insurance, taxes, assessments, statutory obligations or liens, social security legislation, undetermined liens and charges incidental to construction, or other similar charges arising in the ordinary course of operations and not overdue, or if overdue, being contested in good faith; (vi) such other liens and charges at the time required by law as a condition precedent to the transaction of the activities of the Board or the exercise of any privileges or licenses necessary to the Board or the University; and (vii) existing leasehold and similar interests in connection with athletic and recreation facilities constituting a part of the System.

Operation of Facilities. The Board will at all times continuously operate and manage the System in an efficient and economical manner and on a revenue-producing basis; and it will at all times, from income made available for such purpose, maintain, preserve and keep the System in good repair, working order and condition so that it will at all times be available for reasonable use and occupancy.

Records and Audit. The Board will keep proper books of records and accounts (separate from all other records and accounts of the Board) in which complete and correct entries will be made of all transactions relating to all income and revenues from and all expenditures for maintaining, operating and repairing the System. There will be furnished to any owner of the Bonds, upon written request to the Board not more than 120 days after the close of each Fiscal Year, copies of the audit reports prepared by an independent public accountant or by the Auditor General of the State of Illinois, reflecting in reasonable detail the financial condition of the Board with the operation of the System in accordance with the covenants of the Bond Resolution. Such audit reports will particularly include a schedule of all insurance then in force, the enrollment at the University, the occupancy of and the rates charged for the use of the System and the status of each account described in the Bond Resolution.

Pledge of Performance. The Board pledges punctually to perform all its duties and obligations with reference to the System as required by the Bond Resolution and the statutes under which the Bonds are issued; including the operation and maintenance of the System, the making and collecting of sufficient rates, fees, rentals and charges for the use and occupancy of the System and the making and collecting of reasonable and sufficient Student Tuition and Fees, the maintenance of the accounts as provided in the Bond Resolution, the segregation of all revenues and income and transfer to said accounts and the proper application of all moneys in said accounts and investments of such revenues and income.

Defeasance. The Bond Resolution provides that the Board may pay or provide for the payment of the entire indebtedness of all outstanding Bonds, or Bonds of a particular series or of any portion of a series of outstanding Bonds, by depositing with the Bond Registrar, in trust, moneys and/or Government Obligations in an amount as the Bond Registrar will determine will, together with the income or increment to accrue on such Government Obligations, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds. In such case, if the Board will also pay or cause to be paid all other sums payable by the Board under the Bond Resolution with respect to such Bonds and, if such Bonds are to be redeemed prior to the maturity thereof or if provision for the payment of only a portion of the Bonds of a particular series is being made, notice of such redemption or of such provision, as the case may be, has been given or provided for, the liability of the Board in respect of such Bonds will continue, but the owners of such Bonds will thereafter be entitled to payment only out of the moneys or Government Obligations so deposited with the Bond Registrar.

Modification of the Bond Resolution. The Board may, from time to time and at any time, without the consent of or notice to the owners of the Bonds, amend the Bond Resolution as follows:

(a) to cure any formal defect, omission, inconsistency or ambiguity in the Bond Resolution;

(b) to add to the covenants and agreements of, and limitations and restrictions upon, the Board under the Bond Resolution other covenants, agreements, limitations and restrictions to be observed by the Board which are not contrary to or inconsistent with the Bond Resolution as previously in effect;

(c) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, the Bond Resolution, of any moneys, securities or funds held under the Bond Resolution; or

(d) to provide for the issuance of any Parity Bonds.

The owners of a majority in aggregate original principal amount of the Bonds at any time outstanding (not including any Bonds which may then be held or owned by or for the account of the Board or the University), will have the right from time to time to consent to and approve the adoption by the Board of a resolution or resolutions modifying or amending any of the terms or provisions contained in the Bond Resolution, provided however, that the Bond Resolution may not be so modified or amended in such manner as to:

(a) Make any change in the maturity of any of the Bonds.

(b) Make any change in the rate of interest borne by any of the Bonds.

(c) Reduce the amount of the principal of, or redemption premium payable on, any of the Bonds.

(d) Modify the terms of payment of the principal of, or the interest or redemption premiums on, the Bonds or any of them, or impose any conditions with respect to such payment.

(e) Create any lien on or pledge of the income and revenues securing the Bonds ranking prior to the lien thereon and pledge thereof created by the Bond Resolution.

(f) Create any preference or priority of any Bond or Bonds of the same or different series, over any other Bond or Bonds of the same or different series, authorized under the Bond Resolution.

(g) Reduce the percentage of Bonds, the owners of which are required by the terms of the Bond Resolution for the approval of any amendatory resolution.

(h) Affect the rights of the owners of less than all of the Bonds then outstanding.

Any provision of the Bond Resolution expressly recognizing or granting rights in or to any bond insurer may not be amended in any manner that affects the rights of such bond insurer without its prior written consent.

The consent of each bond insurer providing insurance on a series of outstanding Bonds is generally required, in addition to the consent of the Bondholders, when required, for the following purposes: (i) execution and delivery of the amendment, supplement or change to or modification of the Bond Resolution, (ii) removal of the Bond Registrar or selection and appointment of *any* successor bond registrar, and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

Remedies. Any Owner of any Bond may by civil action compel the Board to perform all duties imposed upon it under the provisions of the Bond Resolution and under the provisions of the Act, including the making and collecting of sufficient rates, fees, rentals and charges for the use and occupancy of the System and Student Tuition and Fees and the performance of any and all covenants made by the Board in the Bond Resolution.

Upon the occurrence and continuance of an event of default under the Bond Resolution, the bond insurer for a series of outstanding Bonds may be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds insured by such bond insurer under the Bond Resolution.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2018A Bonds, Chapman and Cutler LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

[To be dated the Closing Date]

The Board of Trustees of
the University of Illinois
Urbana, Illinois

We hereby certify that we have examined a certified copy of the record of proceedings of The Board of Trustees of the University of Illinois (the "*Board*") passed preliminary to the issue by the Board of its $____________ aggregate principal amount University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2018A (the "*Series 2018A Bonds*"). The Series 2018A Bonds are authorized and issued pursuant to the provisions of (i) the University of Illinois Revenue Bond Financing Act for Auxiliary Facilities, as amended and (ii) an authorizing resolution of the Board adopted September 20, 1984 (the "*Original Resolution*"), as supplemented on June 20, 1985, May 8, 1986, May 9, 1991, June 11, 1993, January 18, 1996, October 15, 1999, June 1, 2000, March 8, 2001, May 23, 2001, May 15, 2003, March 10, 2005, July 14, 2005, September 7, 2006, May 22, 2008, January 15, 2009, May 20, 2010, June 9, 2011, December 2, 2011, March 7, 2013, January 23, 2014, November 13, 2014, January 21, 2016 and as further supplemented by a Twenty-Third Supplemental System Revenue Bond Resolution adopted by the Board on March 15, 2018 (the "*Twenty-Third Supplemental Resolution*"; the Original Resolution, as heretofore supplemented and amended, including by the Twenty-Third Supplemental Resolution, being referred to herein collectively as the "*Bond Resolution*"). Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Bond Resolution.

The Series 2018A Bonds are subject to optional and mandatory redemption by the Board prior to maturity as provided in the Twenty-Third Supplemental Resolution, are dated the date hereof, mature on April 1 of the years and in the amounts and bear interest payable on April 1 and October 1 of each year, commencing ________ 1, 2018, at the rates per annum as follows:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE

The Series 2018A Bonds are being issued to provide funds to refund certain outstanding bonds of the Board (the "*Refunded Bonds*") and to pay costs of issuance of the Series 2018A Bonds.

We are of the opinion that such proceedings show lawful authority for the issuance of the Series 2018A Bonds under the laws of the State of Illinois now in force. We further certify that we have examined the form of Series 2018A Bond prescribed for said issue and find the same in due form of law, and in our opinion the Series 2018A Bonds, to the amount named, are valid and legally binding limited obligations of the Board, payable from and, together with the Series 1991 Bonds, the Series 1999A Bonds, the Series 1999B Bonds, the Series 2001A Bonds, the Series 2001B Bonds, the Series 2003A Bonds, the Series 2005A Bonds, the Series 2008 Bonds, the Series 2009A Bonds, the Series 2010A Bonds, the Series 2011A Bonds, the Series 2011B Bonds, the Series 2011C Bonds, the Series 2013A Bonds, the Series 2014A Bonds, the Taxable Series 2014B Bonds, the Taxable Series 2014C Bonds, the Series 2015A Bonds, the Series 2016A Bonds, the Series 2016B Bonds and such bonds as may be issued on a parity therewith in the future pursuant to the Bond Resolution, secured by a pledge of and lien on (i) the Net Revenues of the System, (ii) Student Tuition and Fees (subject to prior payment of operating and maintenance expenses of the System, but only to the extent necessary) and (iii) the Bond and Interest Sinking Fund Account established pursuant to the Bond Resolution. The rights of the registered owners of the Series 2018A Bonds and the enforceability of provisions of the Bond Resolution and the Series 2018A Bonds may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by the availability of equitable remedies, including the exercise of judicial discretion whether to grant any particular form of relief.

It is our opinion that, subject to the Board's compliance with certain covenants, under present law, interest on the Series 2018A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax under the Internal Revenue Code of 1986, as amended (the "*Code*"). Failure to comply with certain of such Board covenants could cause interest on the Series 2018A Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2018A Bonds. Ownership of the Series 2018A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2018A Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2018A Bonds.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts within the Board's knowledge. Additionally, in rendering this opinion, we have assumed, without independent verification, the validity and tax-exempt status of the Refunded Bonds to the extent described in the opinions of bond counsel for the respective series of the Refunded Bonds delivered on the respective dates of issuance thereof. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

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THIS CONTINUING DISCLOSURE AGREEMENT (the "*Agreement*") is executed and delivered by The Board of Trustees of the University of Illinois (the "*Board*") in connection with the issuance by the Board of its $[Principal Amount]* University of Illinois Auxiliary Facilities System Revenue Bonds, Series 2018A (the "*Series 2018A Bonds*"). The Series 2018A Bonds are being issued pursuant to a Resolution of the Board approved September 20, 1984, as supplemented and amended (the "*Bond Resolution*"). The Board covenants, undertakes and agrees as follows:

1. **Purpose of the Agreement**. This Agreement is being executed and delivered by the Board for the benefit of registered and beneficial owners of the Series 2018A Bonds and in order to assist the Participating Underwriters (as defined below) in complying with the Rule (as defined below). The Board represents that it will be the only "obligated person" with respect to the Series 2018A Bonds within the meaning of the Rule. As required by the Rule, this Agreement is enforceable by registered and beneficial owners of the Series 2018A Bonds, as further provided in Section 10 of this Agreement.

2. **Definitions**. Initially capitalized terms used but not otherwise defined in this Agreement have the same meanings given them in the Bond Resolution. In addition, the following terms have the following meanings:

   "*Board Annual Report*" means the annual report of the Board described in Section 3 below.

   "*EMMA*" means the Electronic Municipal Market Access system established by the MSRB.

   "*MSRB*" means the Municipal Securities Rulemaking Board.

   "*Participating Underwriters*" means any of the original purchasers of the Series 2018A Bonds required to comply with the Rule in connection with the offering of the Series 2018A Bonds.

   "*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission ("*SEC*") under the Securities Exchange Act of 1934, as the same may be amended from time to time ("*1934 Act*").

   "*Significant Event(s)*" means anyone or more of the events described in Section 5 hereof.

   "*State*" means the State of Illinois.

3. **Board Annual Report**. Within 180 days after each fiscal year of the Board, commencing with the fiscal year ended June 30, 2018, the Board shall provide to the MSRB through EMMA certain financial information and operating data (the "*Board Annual Report*"), which shall contain:

   (a) Financial information and operating data relating to the Board updating the financial information and operating data presented in the Official Statement under the following captions (provided, however, that the updating information may be provided in such format as the Board deems appropriate):

   "AUXILIARY FACILITIES SYSTEM

   – Housing Occupancy Rates," and

* Preliminary, subject to change.

– Statement of Revenues, Expenses and Changes in Net Position of the Auxiliary Facilities System," and

"APPENDIX A - THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

– Financial Aid to Students,"

– Financial Condition of the University,"

– Physical Plant,"

– Student Admissions,"

– Student Enrollment,"

– Tuition and Fees,"

– University and Foundation Investments,"

– Voluntary Support," and

– Budget and State Appropriations."

(b) Audited financial statements of the Board and the System for the most recently ended fiscal year, prepared in conformity with U.S. generally accepted accounting principles and audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States. The Board may from time to time, in order to comply with Federal or State legal requirements, modify the basis upon which its financial statements are prepared. Notice of any such modification shall be provided to the MSRB through EMMA and shall include a reference to the specific Federal or State law or regulation describing such accounting basis.

If audited financial statements are not available by the 180th day after the end of the applicable fiscal year, then they shall be provided when available, and unaudited financial statements shall be filed in place of audited financial statements by such date. If the Board changes its fiscal year, the Board shall send, or cause to be sent, notice of such change to the MSRB through EMMA.

If the Board does not provide the Board Annual Report by the date required in Section 3 to the parties described therein, the Board shall send a notice to such effect, in a timely manner, to the MSRB through EMMA.

If a change is made to the basis on which financial statements are prepared, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information.

The Board will also provide, in a timely manner, to the MSRB through EMMA, if any, notice of a failure to satisfy the requirements of this Section.

The Board Annual Report shall be submitted in such manner and format and accompanied by identifying information as is prescribed by the MSRB at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format.

If any part of the Board Annual Report can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of the Board Annual Report for the year in which such event first occurs.

If any amendment is made to this Agreement, the Board Annual Report for the year in which such amendment or waiver is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

4. **Incorporation by Reference**. Any or all of the items listed in Section 3 above may be incorporated by reference from other documents, including other official statements of the Board or related public entities, which have been submitted to EMMA or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available via EMMA. The Board shall clearly identify each such other document so incorporated by reference in the Board Annual Report.

5. **Reporting of Significant Events**. The Board will also provide, in a timely manner (not in excess of ten business days after the occurrence thereof) to the MSRB through EMMA, in such manner and format and accompanied by such identifying information as is prescribed by the MSRB at the time of delivery of such information, notice of the occurrence of any of the following events (a "*Significant Event*") with respect to the Series 2018A Bonds:

5.1 principal and interest payment delinquencies;

5.2 non-payment related defaults, if material;

5.3 unscheduled draws on debt service reserves reflecting financial difficulties;

5.4 unscheduled draws on credit enhancements reflecting financial difficulties;

5.5 substitution of credit or liquidity providers, or their failure to perform;

5.6 adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;

5.7 modifications to rights of holders of the Series 2018A Bonds, if material;

5.8 bond calls, if material, and tender offers (other than scheduled mandatory redemptions);

5.9 defeasances;

5.10 release, substitution or sale of property securing repayment of the Series 2018A Bonds, if material;

5.11 rating changes;

5.12 bankruptcy, insolvency, receivership or similar event of the Board[1];

5.13 the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

5.14 appointment of a successor or additional trustee or the change of name of a trustee, if material.

For purposes of this section, materiality is interpreted in accordance with the 1934 Act.

6. **Management Discussion of Items Disclosed in Board Annual Reports or as Significant Events.** If any item required to be disclosed in the Board Annual Report under Section 3, or as a Significant Event under Section 5, would be misleading without further discussion, the Board shall additionally provide a statement clarifying the disclosure in order that the statement made will not be misleading in light of the circumstances in which it is made.

7. **Termination of Reporting Obligation**. The Board's obligations under this Agreement will terminate if the Board no longer has any legal liability for any obligation on or relating to repayment of the Series 2018A Bonds under the Bond Resolution. The Board shall give notice to EMMA in a timely manner if this Section is applicable.

8. **Amendment; Waiver.** Notwithstanding any other provision of this Agreement, the Board may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver (i) is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board; (ii) is supported by an opinion of counsel expert in federal securities laws, acceptable to the Board, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule or adjudication of the Rule by a final decision of a court of competent jurisdiction; and (iii) the amendment or waiver does not materially impair the interests of holders, as determined either by parties unaffiliated with the issuer or obligated person (such as external counsel), or by approving vote of Bondholders pursuant to the terms of the Bond Resolution.

9. **Centralized Post Office**. Any filing required to be made with the MSRB through EMMA under this Agreement may be made solely through a central post office, government agency or similar entity other than EMMA or in lieu of EMMA (a "*CPO*") by transmitting such filing to the CPO, provided that (i) such CPO has received interpretive advice or some other approval from the SEC

[1] This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or Federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

with respect to its status as a CPO satisfying the requirement of the Rule or (ii) an opinion from counsel has been issued stating that such filing meets the requirements of the Rule.

10. **Additional Information**. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Board Annual Report or notice of occurrence of a Significant Event, in addition to that which is required by this Agreement. If the Board chooses to include any information from any document or notice of occurrence of a Significant Event in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Significant Event.

11. **Default.** The intent of the Board's undertaking is to provide on a continuing basis the information described and required in the Rule. In the event of a failure of the Board to comply with any provision of this Agreement, any registered or beneficial owner of Series 2018A Bonds may take action to compel performance by the Board under this Agreement. A default under this Agreement shall not be deemed a default or event of default under the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

12. **Beneficiaries**. This Agreement shall inure solely to the benefit of the Board, the Participating Underwriters and registered and beneficial owners from time to time of the Series 2018A Bonds, and shall create no rights in any other person or entity.

13. **Governing Law**. This Agreement shall be governed by the laws of the State.

IN WITNESS WHEREOF, the Board has executed and delivered this Agreement as of the date set forth below.

THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ILLINOIS

By: ____

Vice President,
Chief Financial Officer and Comptroller

The University of Illinois
414 Administrative Office Building MC-761
1737 West Polk Street
Chicago, Illinois 60612-7224

Dated: _______________, 2018

EXHIBIT I
CUSIP NUMBERS

Maturity	CUSIP Number