Reportable Events Since September Meeting

• State completed payments of Fiscal Year 2013 appropriation
• Legislative veto session
  – No action on pensions
  – No action on procurement
  – Retire/rehire modifications
  – School of Labor and Employee Relations
• Medicaid reimbursement shortfall
• IGPA report on State fiscal cliff issued
• Federal shutdown and sequestration
Appropriations based on CGFA Budget Summaries.
State Appropriation Revenue
Billings and Collections through November 11, 2013

Does Not Include $28.7 million receivable for Fall MAP Awards

FY10 appropriation includes $45.5 million of federal stimulus funding.
UI Month End GRF Receivable & Percent of State Budget
Fiscal Year 2009 through Fiscal Year 2014
As of November 11, 2013

Receivables as of June 30th for each of the following fiscal years were: 2009 ($125.9M), 2010 ($278.5M), 2011 ($312.7M), 2012 ($206.7M), 2013 ($181.4M).
Income Fund (Tuition) Revenue
Unrestricted Funds
Fiscal Years 2010 – 2014
Collections and Billed through September 30th of Fiscal Years 2013 & 2014

Dollars in Millions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Budget</th>
<th>Billed</th>
<th>Collected</th>
<th>MAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY10</td>
<td>$739</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY11</td>
<td>$843</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY12</td>
<td>$939</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY13</td>
<td>$1,012</td>
<td>$466</td>
<td>$438</td>
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<tr>
<td>FY14</td>
<td>$1,064</td>
<td>$518</td>
<td>$490</td>
<td>$28</td>
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</tbody>
</table>
University of Illinois at Urbana-Champaign
Financial Aid “Who Pays” Analysis
Undergraduate Student Assistance (Residents)

Based on Fall Full-Time Undergraduates.
*Includes MAP Plus Awards.
Based on Fall Full-Time Undergraduates.
*Includes MAP Plus Awards.
University of Illinois at Springfield
Financial Aid “Who Pays” Analysis
Undergraduate Student Assistance (Residents)

Percent of Undergraduates

Year

Students Who Pay
$0
$1,000 - $1,999
$2,000 - $2,999
$3,000 - Less than Full Tuition
Full Tuition & Fees

Based on Fall Full-Time Undergraduates.
*Includes MAP Plus Awards.
Payments on Behalf
FY 2006 – FY 2014
(Dollars in Millions)

*Estimated: Retirement based on estimated historical share of SURS funding and fringe benefits based on 5 year average increase. Normal cost and prior under-funding are estimated.
State Universities Retirement System (SURS) 
Unfunded Pension Obligations

(Dollars in Billions)

All Other  U of I

<table>
<thead>
<tr>
<th>Year</th>
<th>All Other</th>
<th>U of I</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY04</td>
<td>$6.5</td>
<td>$2.6</td>
</tr>
<tr>
<td>FY05</td>
<td>$7.0</td>
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<td>FY06</td>
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<td>FY07</td>
<td>$7.4</td>
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<td>FY08</td>
<td>$10.3</td>
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<td>FY09</td>
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<td>FY10</td>
<td>$16.2</td>
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<td>$17.6</td>
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<tr>
<td>FY13*</td>
<td>$20.2</td>
<td>$8.3</td>
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</tbody>
</table>

U of I portion is estimated.
*FY13 total is based on COGFA estimates.
Utility Budget versus Actual Expenditures
Fiscal Year 2009 through Fiscal Year 2014
As of September 30, 2013

Dollars in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$120</td>
<td>$106</td>
</tr>
<tr>
<td>2010</td>
<td>$114</td>
<td>$98</td>
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<tr>
<td>2011</td>
<td>$110</td>
<td>$102</td>
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<td>2012</td>
<td>$113</td>
<td>$104</td>
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<tr>
<td>2013</td>
<td>$113</td>
<td>$93</td>
</tr>
<tr>
<td>2014</td>
<td>$113</td>
<td>$25</td>
</tr>
</tbody>
</table>
Hospital Revenue/Expense/Net Income
Fiscal Year 2012 vs. Fiscal Year 2013 through June 30, 2013

Dollars in Millions

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget (Budget)</td>
<td>$696.9</td>
<td>$760.1</td>
</tr>
<tr>
<td>Revenue (Revenue)</td>
<td>$744.3</td>
<td>$766.8</td>
</tr>
<tr>
<td>Expense (Expense)</td>
<td>$731.6</td>
<td>$738.7</td>
</tr>
<tr>
<td>Net Income plus Depreciation (Net Income plus Depreciation)</td>
<td>$33.4</td>
<td>$48.6</td>
</tr>
<tr>
<td>Medicaid Receivable (Medicaid Receivable)</td>
<td>$0</td>
<td>$56.0</td>
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</table>
Hospital Revenue/Expense/Net Income
Fiscal Year 2013 vs. Fiscal Year 2014 through September 30th

<table>
<thead>
<tr>
<th>Fiscal Year 2013</th>
<th>Fiscal Year 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$188.6</td>
</tr>
<tr>
<td>Revenue</td>
<td>$184.9</td>
</tr>
<tr>
<td>Expense</td>
<td>$183.0</td>
</tr>
<tr>
<td>Net Income plus Depreciation</td>
<td>$7.3</td>
</tr>
</tbody>
</table>
Big Ten Comparison
Total Debt
(In Millions)

*Source: Moody’s Investor Service as of 3/21/2013.
University of Illinois
Moody’s Rating Action
Aa3, Negative Outlook

• Challenges –
  – Reliance on State “for a significant portion of its operating revenues”
  – “Vulnerable to impact of pension reform”
  – University healthcare system “exposed to healthcare risks”

• Strengths –
  – University is flagship institution
  – “Proactive management of operations and cash flow”
  – Leading national research and fundraising success
Debt Capacity

- Revenue Diversity
- State Relationship / State Rating
- Management / Governance
- Capital Plans / Facility Needs
- Market Position

DEBT at 6/30/2013 - $1.5 billion

Aaa
Aa1
Aa2
Aa3
A1
A2
A3

Quantitative Factors

Qualitative Factors

Aa3 rating – 4.92% - 5.05%
Auxiliary Facilities System Aa3
Certificates of Participation Aa3

UIC South Campus A1

A2 rating – 5.55%
Health Services Facility System A2

- Leverage / DS Coverage
- Enrollment / Student Demand
- Operating Margins
- Financial Resources
- Comparison to Peer Universe

*Interest rates depend on market conditions. Interest rates (yield to maturity) for 30 year bonds at October 29, 2013.
Source: Public Financial Management.