

FINANCIAL REPORT

**Prepared for presentation to the Board of Trustees
July 13, 2017**

UNIVERSITY OF ILLINOIS SYSTEM



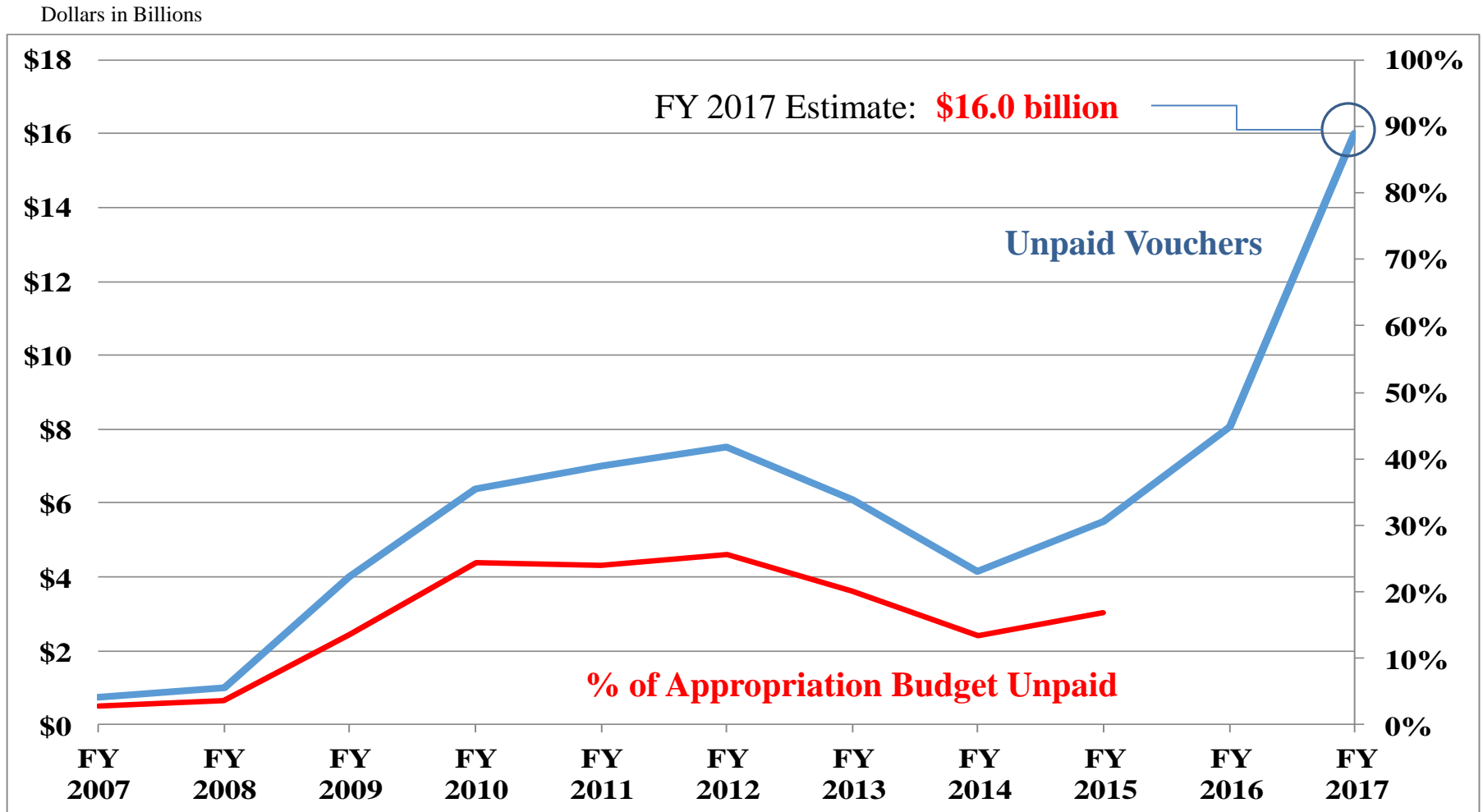
Since May BOT Meeting

- State legislature approves an FY 2018 budget providing a \$583 million appropriation for the System including the Prairie Research Institute and hospital
- An additional \$300 million appropriation was approved for FY 2017 bringing total appropriation to \$650 million
- Monetary Award Program appropriations were approved for both FY 2018 and FY 2017; no new capital projects; existing capital projects were re-appropriated
- State transfer to Medicaid Trust Fund approved for FY 2018; limited sharing of normal pension costs for certain employees
- State Comptroller ordered to accelerate managed care Medicaid payments
- Moody's Investor Service downgrades the University to an A1 rating from an Aa3 and downgrades the hospital to Baa3
- Standard & Poor's downgrades the University's rating to an A- on the heels of the State downgrade to BBB-
- 103 FTEs (purchasing, grants and contracts, and budget units) were transferred from the System Office to the universities on July 1st
- FY 2018 University Operating Budget and related documents are in process targeting September Board meeting for consideration

State of Illinois – General Revenue Fund

Estimated Accumulated Unpaid Vouchers and % of Appropriation

Total Accounts Payable at Fiscal Year End



No full state budget enacted in FY16 or FY17.

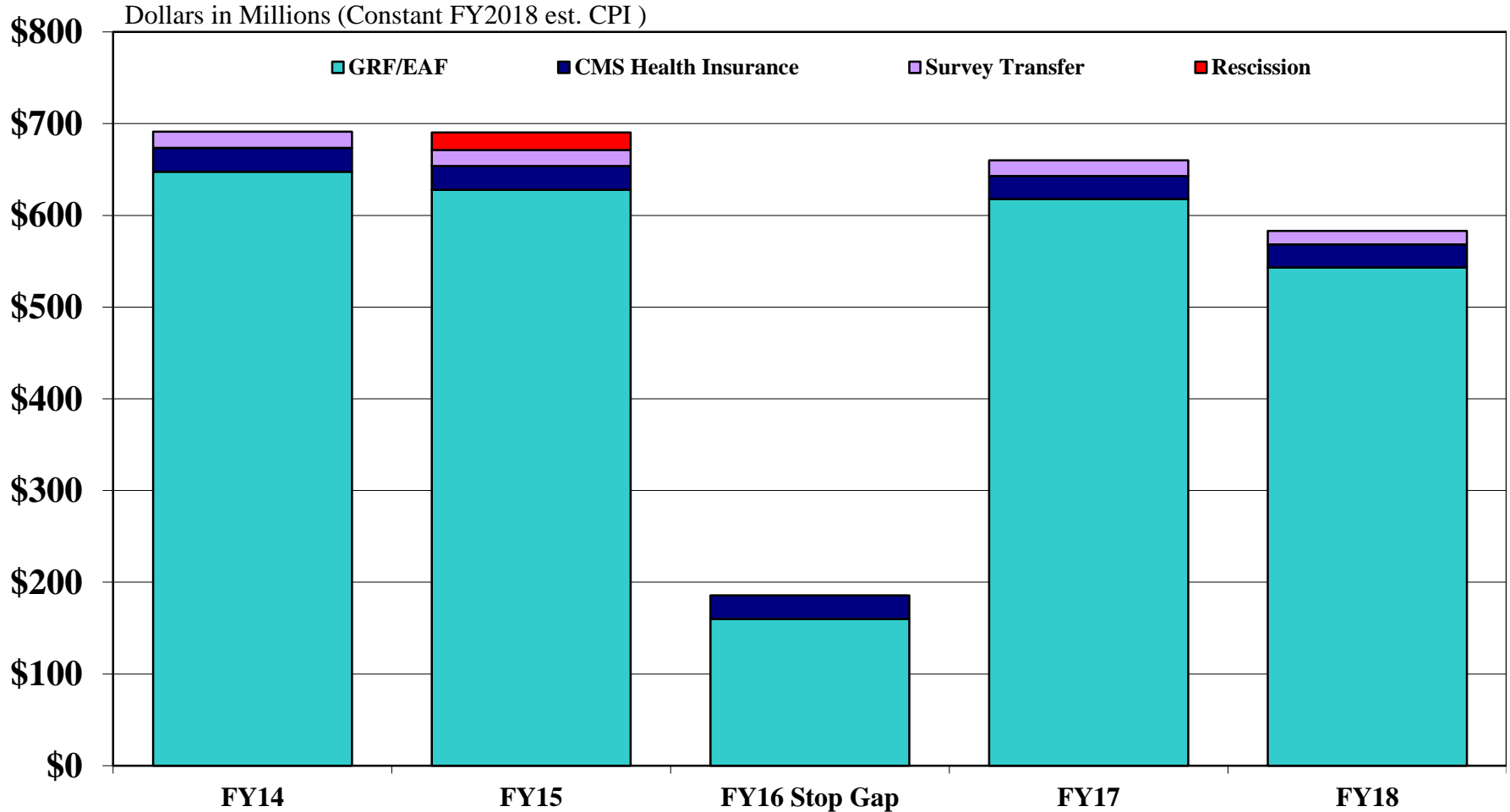
Appropriations based on CGFA Budget Summaries.

University of Illinois

Appropriation for FY 2014 – FY 2018

(Dollars in Millions)

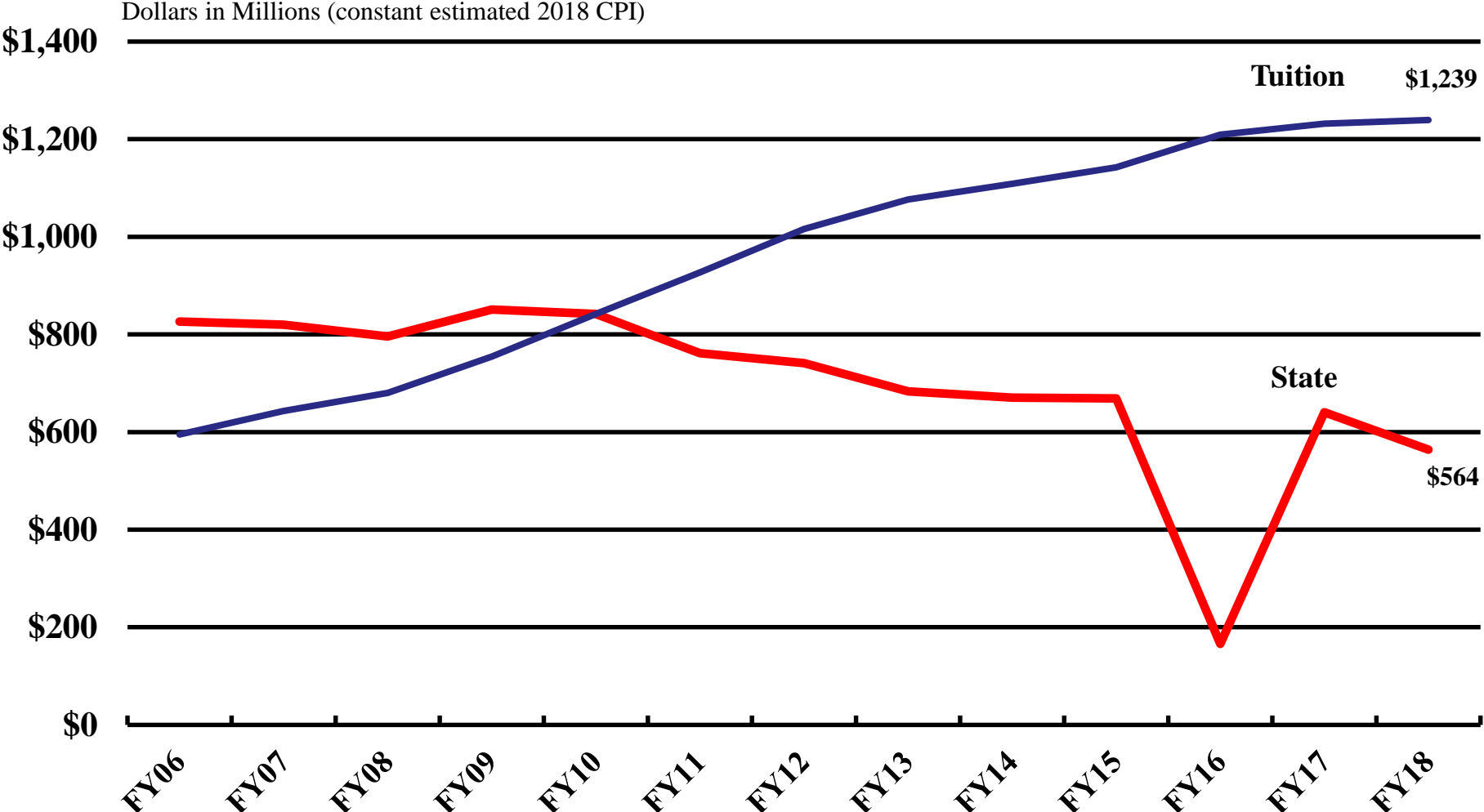
Total Enrollment Fall 2016 over 81,400



FY 17 & FY18 CPI estimated at 1.5%

State and Tuition FY 2006 – FY 2018

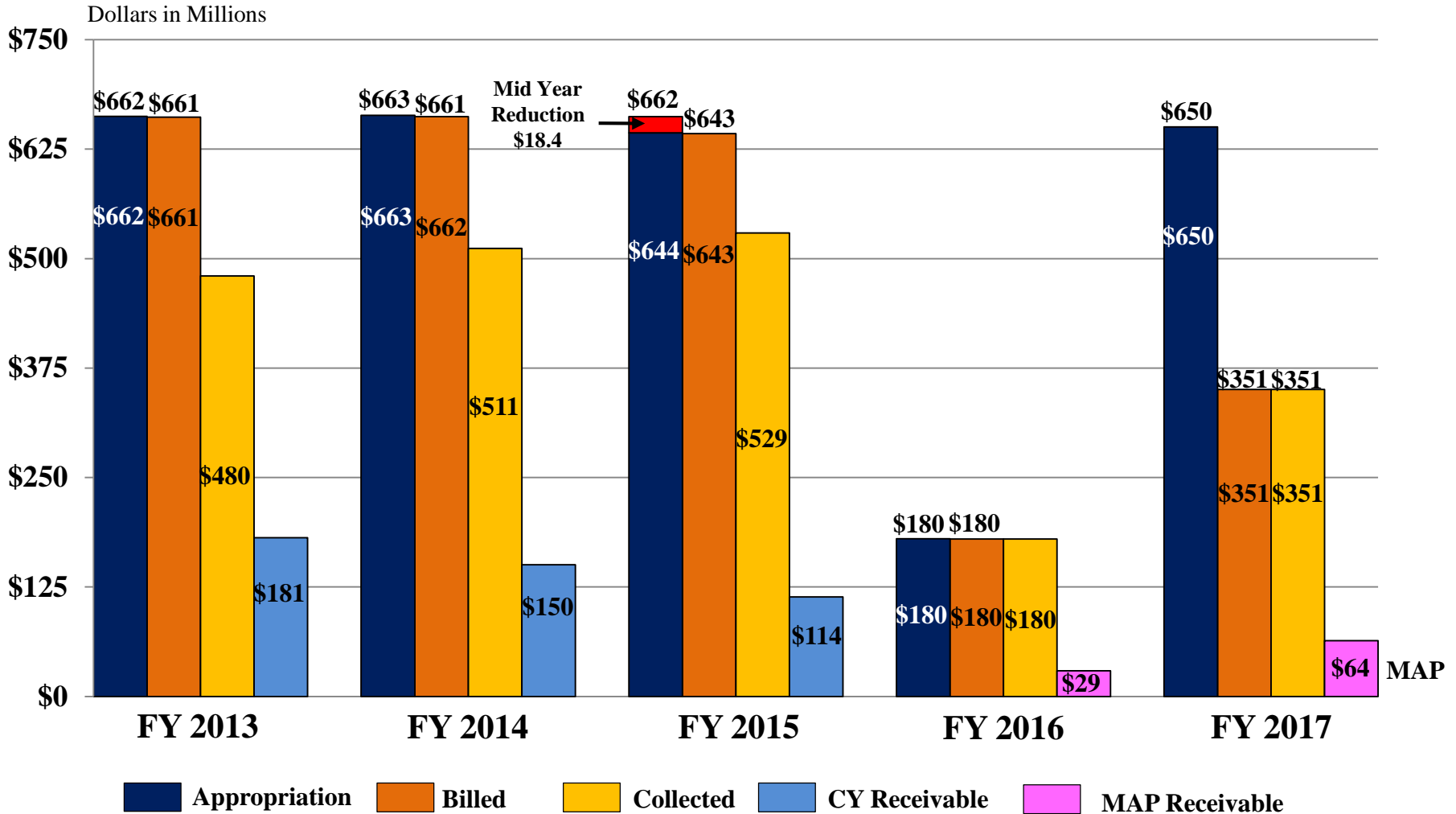
- **Total Enrollment FY 2006 over 72,100**
- **Total Enrollment FY 2017 over 81,400**



Sources: Budget Summary for Operations; FY16 & FY17 from Budget Allocation By Source of Funds.
 State includes GRF and all other state fund appropriations. State for FY02–FY18 excludes \$24.9M for Health Insurance.
 State Surveys are included in State beginning in FY09. Assumes 1.5% inflation in FY17 & FY18.

State Appropriation Revenue

Billings and Collections through June 30, 2017

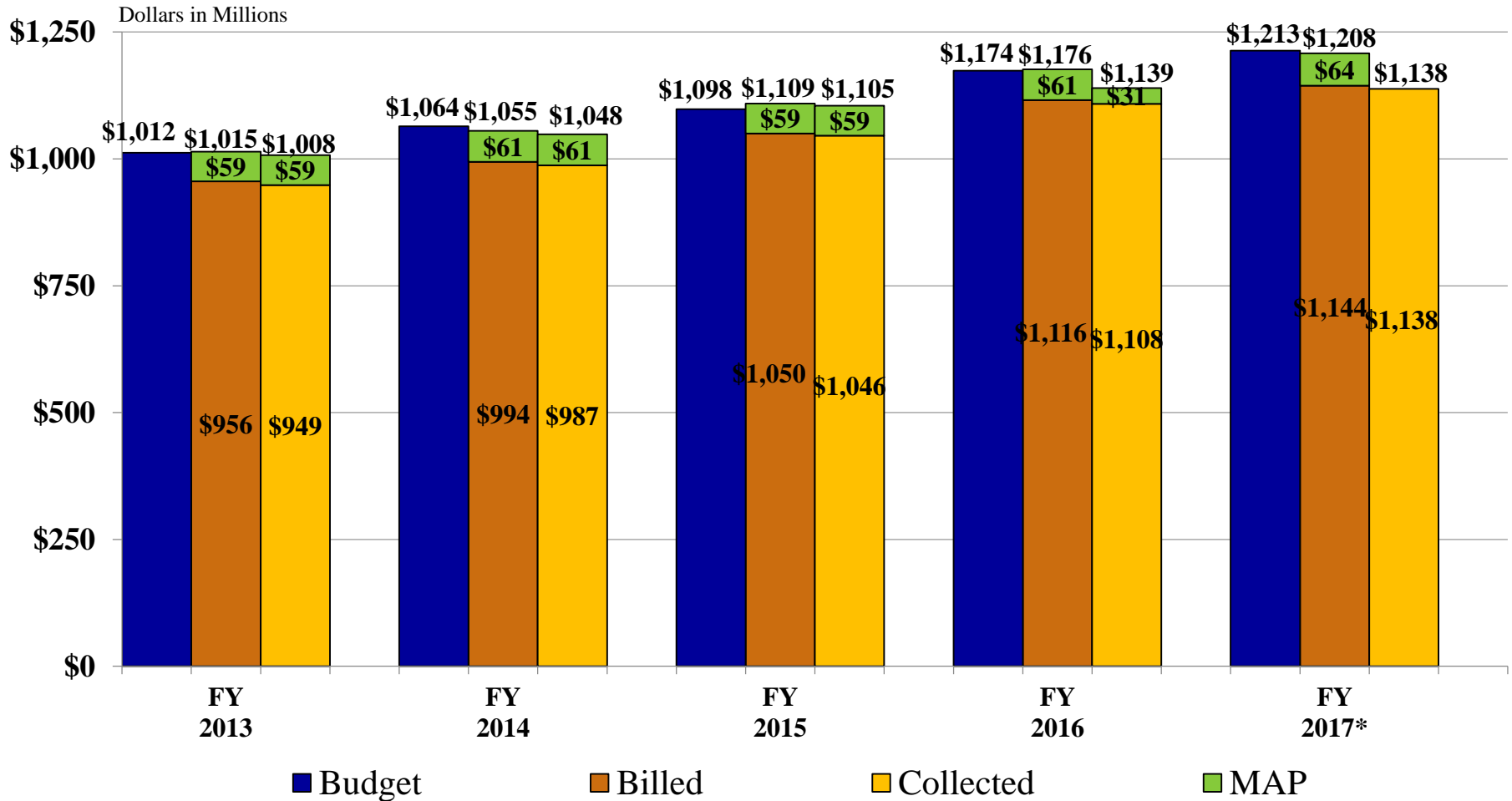


Note: FY16 appropriation not enacted until April 2016. Additional FY17 appropriation enacted 7/6/17.

Income Fund (Tuition) Revenue

Fiscal Years 2013 – 2017

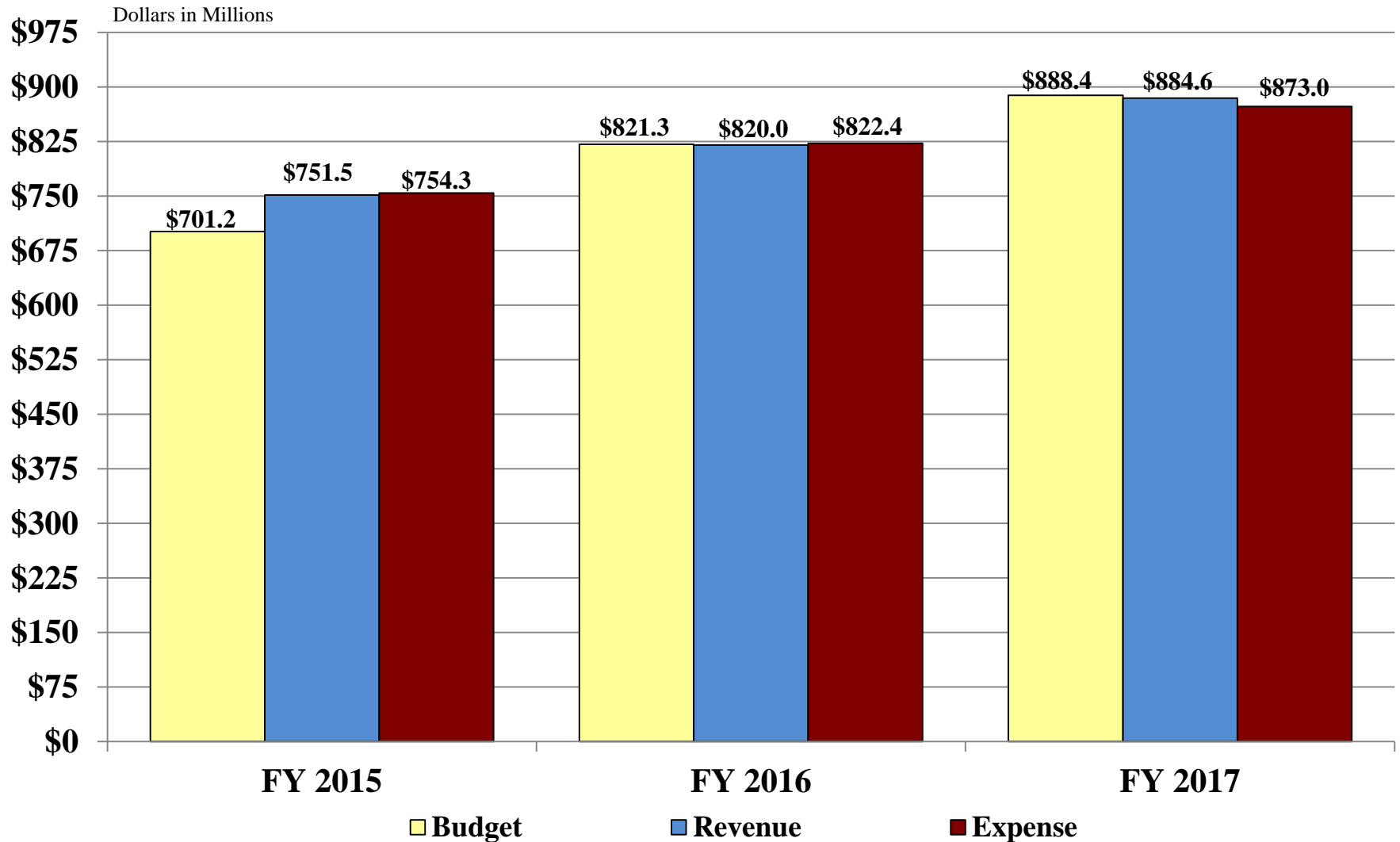
Billings and Collections through June 30th



*preliminary

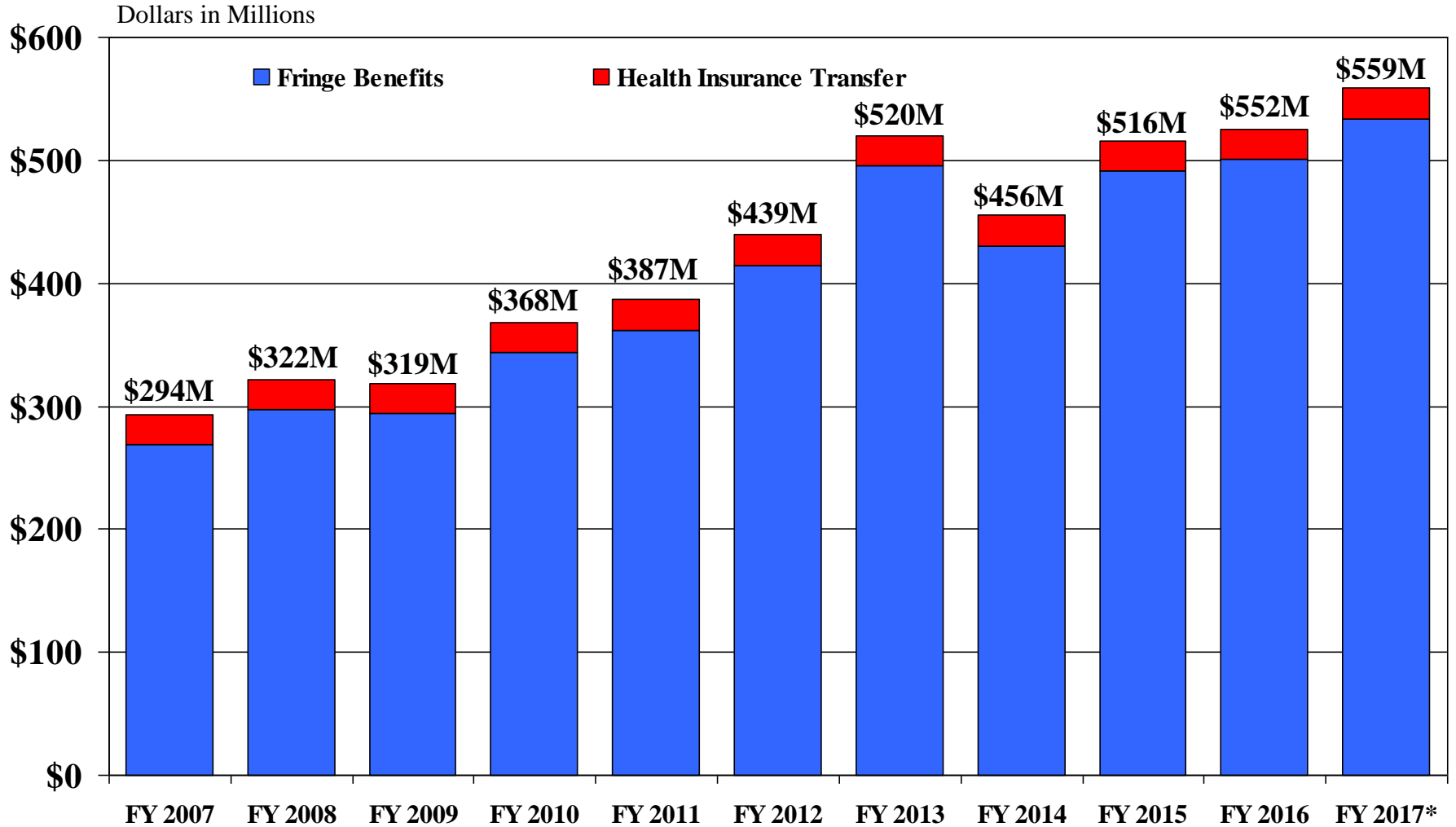
Hospital Revenue/Expense/Net Income

Fiscal Year 2015 - 2017 through May 31st



Payments on Behalf Fringe Benefits

FY 2007 – FY 2017

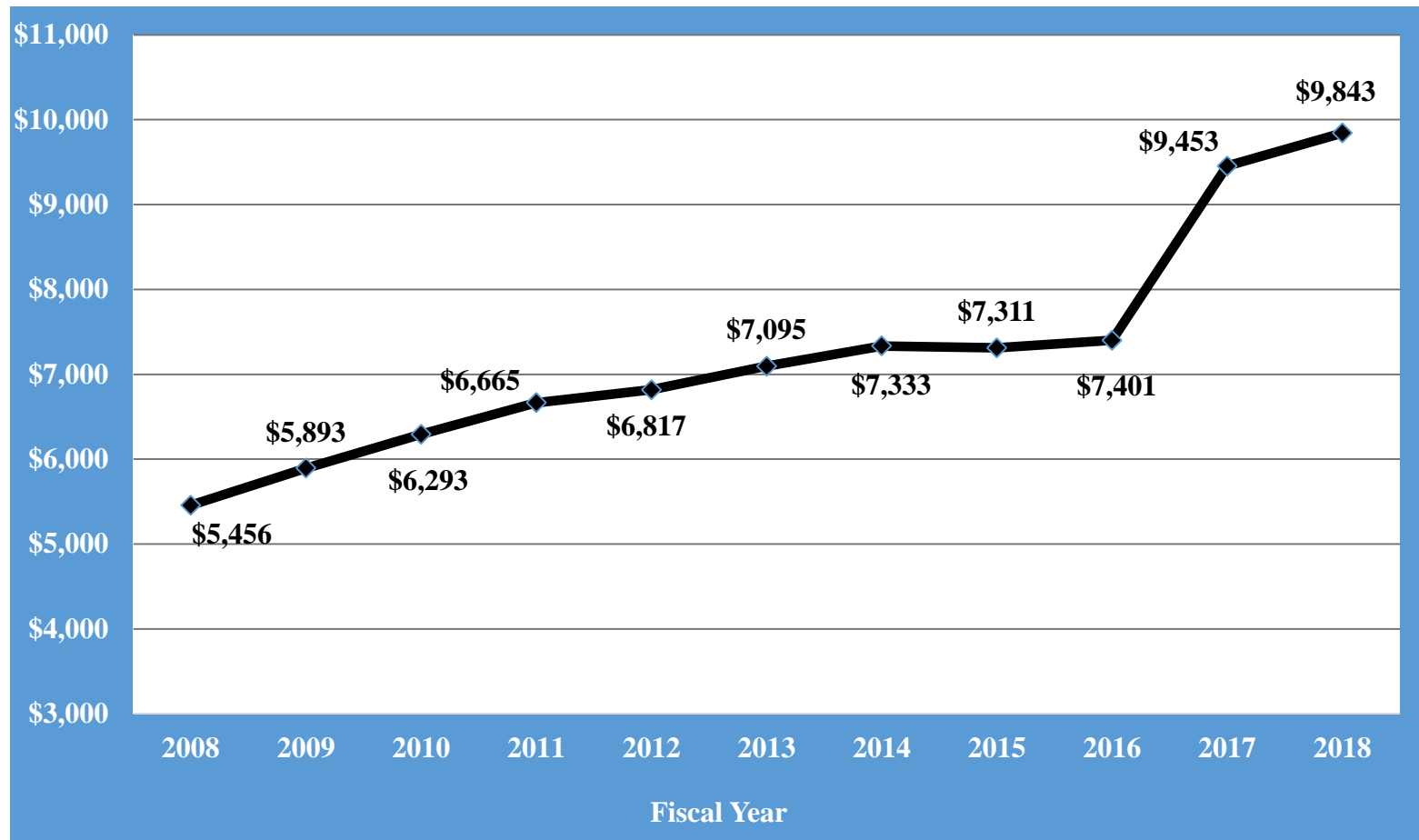


*Estimated: Fringe benefits based on 5 year average increase.

State of Illinois Employees' Group Health Insurance Liability

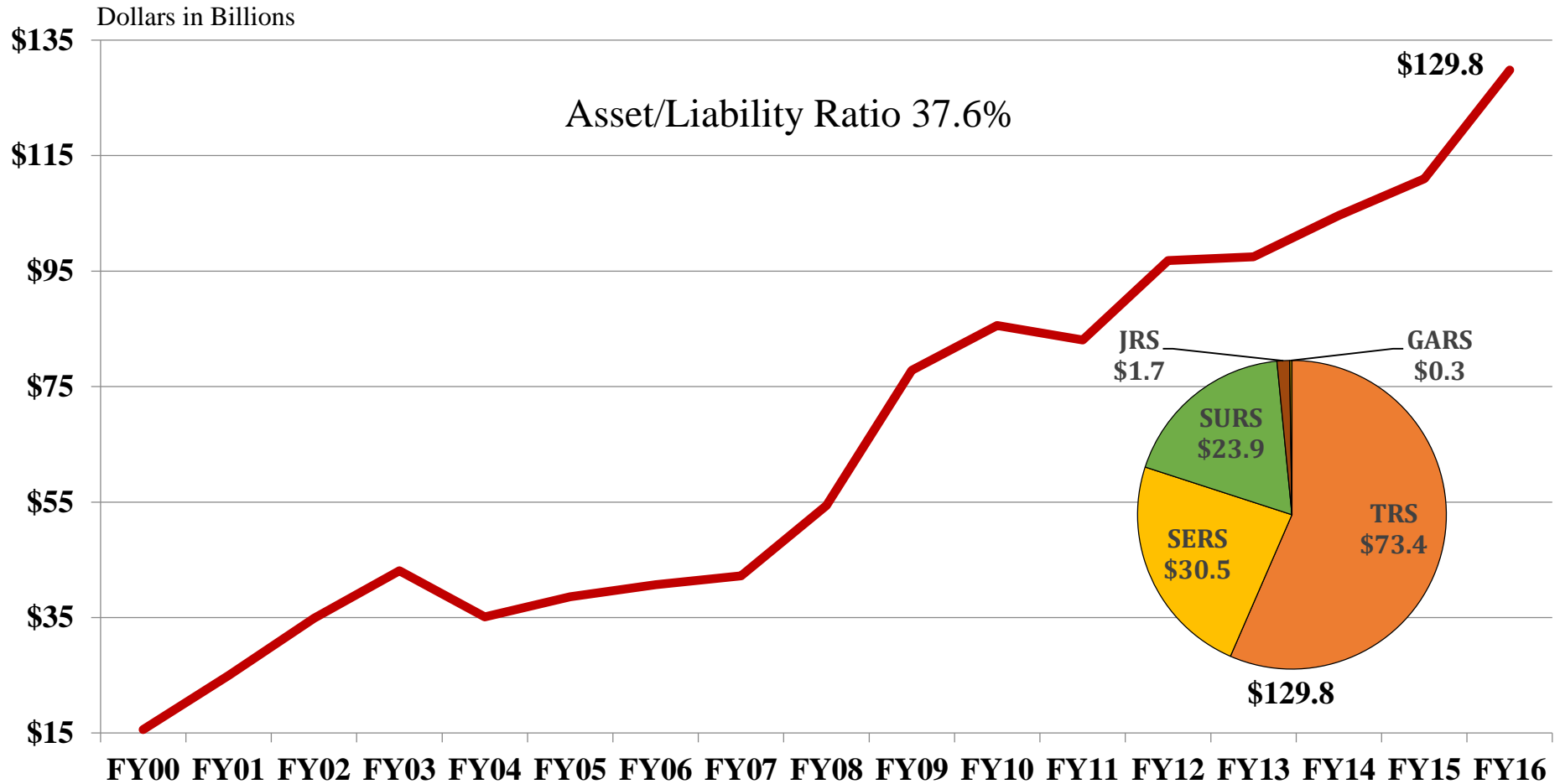
Liability per Participant

FY 2008 – FY 2018



Source: *FY 2018 Liabilities of the State Employees' Group Health Insurance Program*, Commission on Government Forecasting & Accountability, March 2017.

State of Illinois Unfunded Public Pension Obligations (SERS, SURS, JRS, GARS, TRS)

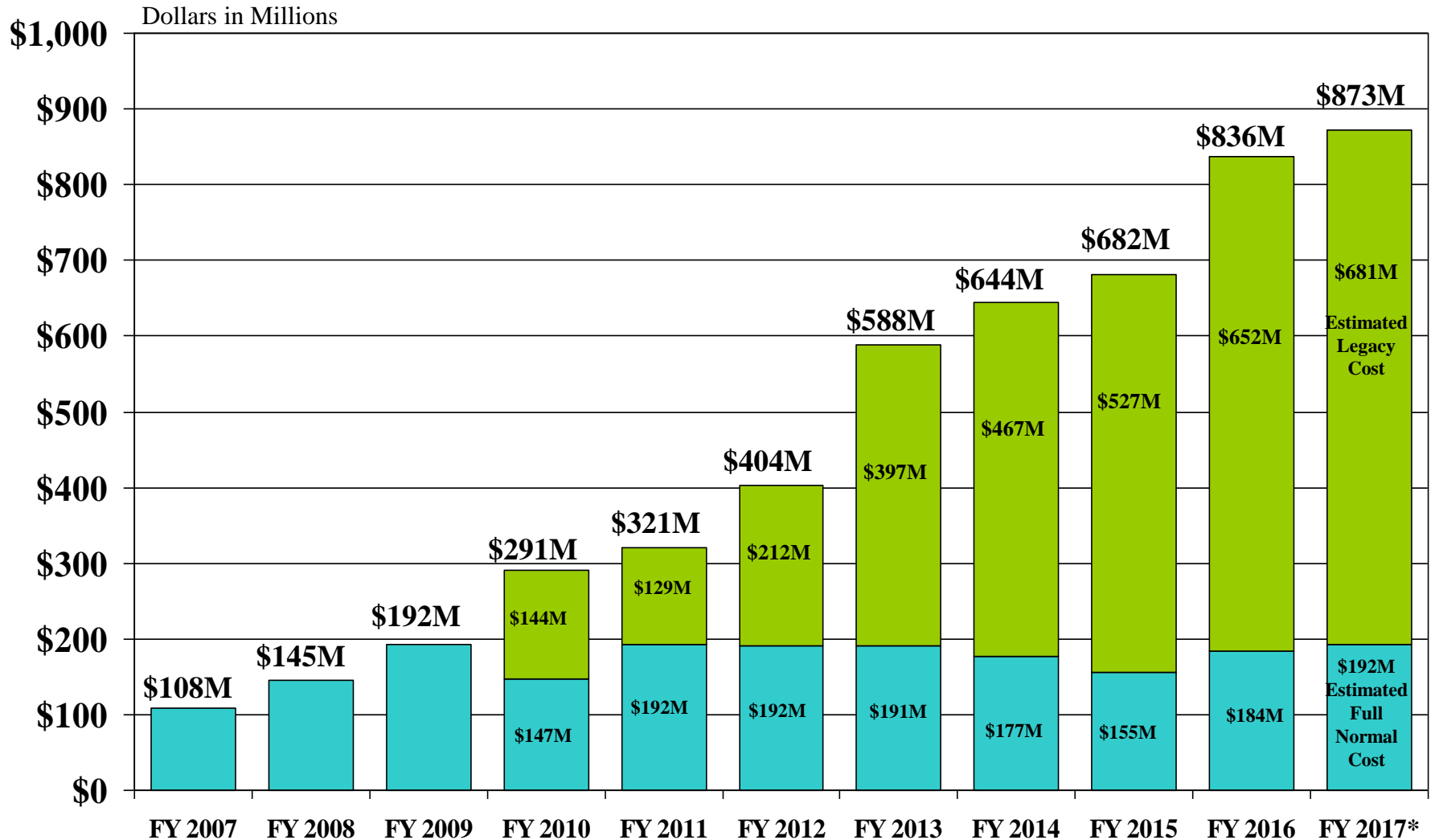


(At end of Fiscal Year, FY 2003-04 sale of Pension Bonds).
Using Actuarial Accrued Liability at Market Value without asset smoothing.

Payments on Behalf

State University Retirement System

FY 2007 – FY 2017



FY 16 reflects GASB 68 changes and reflects “pension revenue recognized” and not actual payments made to SURS.

*Estimated: Retirement based on estimated historical share of SURS funding. Normal cost and prior under-funding are estimated. Tier II effective January 1, 2011.