FINANCIAL REPORT

Prepared for presentation to the Board of Trustees
May 11, 2017
Since March BOT Meeting

- State budget remains at an impasse with no additional funding for the University beyond the $351 million FY 2017 “bridge appropriation”
- On April 6th, the Illinois House approved an additional $86.5 million “life line” appropriation from the Education Assistance Fund for the University and $287 million to ISAC for the Monetary Award Program for AY16-17
- State had $13 billion in unpaid vouchers at May 1, 2017, including $4.2 billion in unpaid health insurance bills
- FY 2016 Financial and Compliance Audits performed through the Auditor General by the external audit firm of Clifton Larson Allen were approved by the Legislative Audit Commission on March 28th; entrance conference was held on April 12th for the FY 2017 financial and compliance audits
- Standard & Poor’s credit ratings downgraded to A, with negative outlook; S&P previously affirmed the hospital’s “A” rating
- Moody’s Investors Service (Aa3) remained unchanged but has placed six Illinois Public Universities under review for downgrade on April 17th, including the University of Illinois
- Continued active advocacy for the University and IPAC; House appropriation hearing on April 6th and Senate appropriation hearing on April 25th
Hospital Revenue/Expense/Net Income
FY 2015 – FY 2017 through March 31st

Dollars in Millions

FY 2015
- Budget: $573.5
- Revenue: $605.4
- Expense: $613.2
- Net Income plus Depreciation: $8.4

FY 2016
- Budget: $671.7
- Revenue: $674.2
- Expense: $672.2
- Net Income plus Depreciation: $15.7

FY 2017
- Budget: $725.3
- Revenue: $720.0
- Expense: $711.7
- Net Income plus Depreciation: $22.4
University of Illinois Deferred Maintenance
Annual Estimate
FY 2000 – FY 2018

Dollars in Billions

Source: IBHE Technical Question, Campus Facilities and Services.
Big Ten University Credit Rating with Corresponding State Rating

*Source: Moody’s Investor Service as of 4/14/17.

*State Credit Rating

Aaa
Aa1
Aa2
Aa3
A1
A2
A3
Baa1
Baa2
Baa3

UI U-IA MI-S OH-S Pen-S U-MN U-NE IN-U PU U-MI Rutgers U-MD

*Source: Moody’s Investor Service as of 4/14/17.
Big Ten Comparison
Total Revenues by Contribution
FY 2016

*Dollars in Millions*

*Source: Moody’s Investor Service as of 4/14/2017.*
Big Ten Comparison
Spendable Cash & Investments
FY 2016

*Source: Moody’s Investor Service as of 4/14/2017.
Big Ten Comparison
Days Cash on Hand
FY 2016

*Source: Moody’s Investor Service as of 4/14/2017.
Big Ten Comparison
Spendable Cash & Investments-to-Operating Expenses
FY 2016

*Source: Moody’s Investor Service as of 4/14/2017.

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Big Ten Comparison
Total Direct Debt
FY 2016

*Dollars in Millions

*Source: Moody’s Investor Service as of 4/14/2017.
Big Ten Comparison
Average Debt Service Coverage (x)
FY 2016

*Source: Moody’s Investor Service as of 4/14/2017.*
Big Ten Comparison
Net Tuition Per Student
FY 2016

*Source: Moody’s Investor Service as of 4/14/2017.