

FINANCIAL REPORT



UNIVERSITY OF ILLINOIS

URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

BOARD OF TRUSTEES

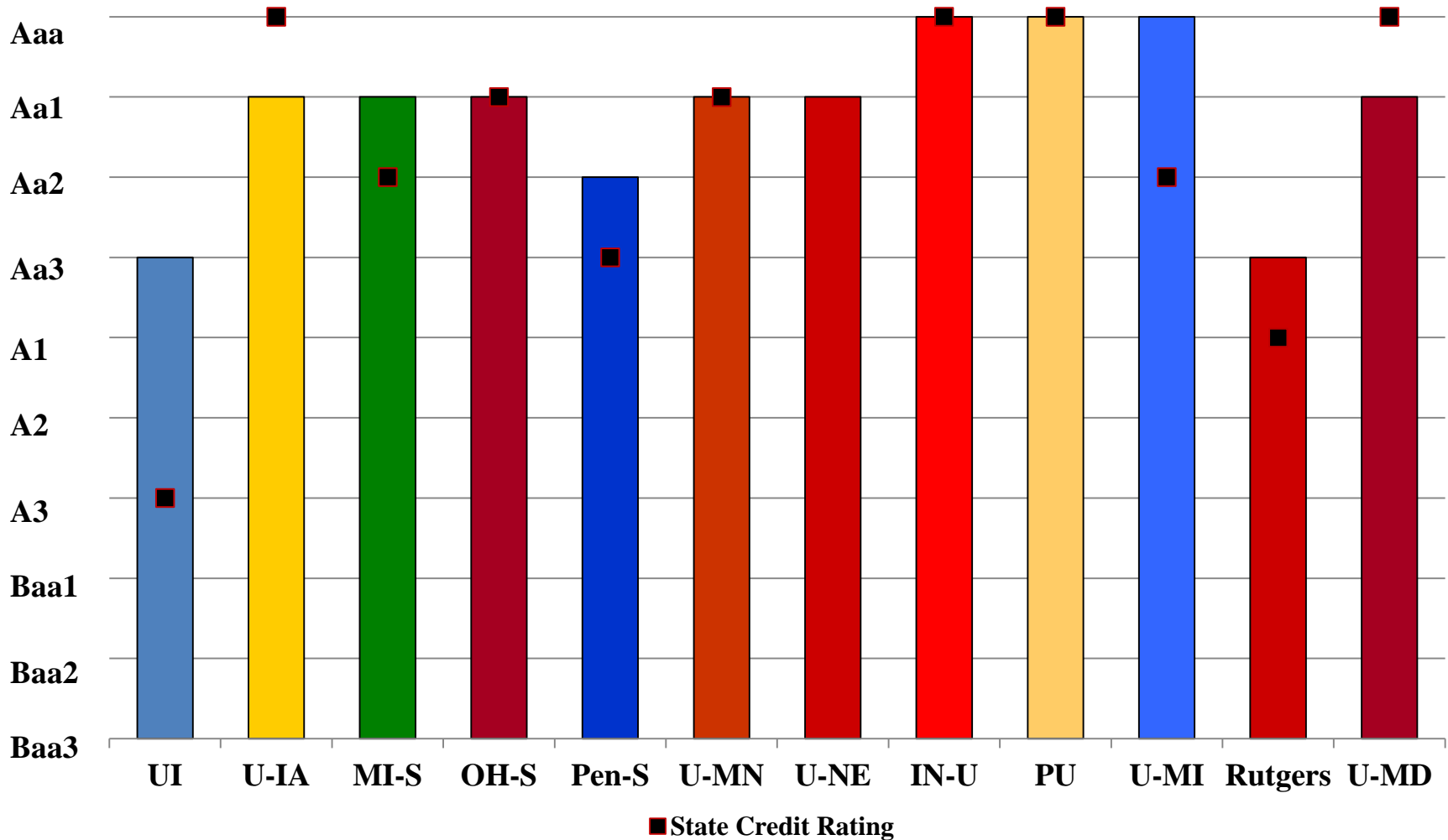
November 13, 2014

University of Illinois

Fiscal Year 2014 Financial Summary

- It was a year of performance
 - Hospital, medical service plan and auxiliaries had positive outcomes
 - Tuition revenue and sponsored research grants met budget expectations and expense control continued
 - Fiscal Year 2013 State appropriation receivable of \$181 million was collected by December 2013
- It was a year of improvements, but continuing challenges
 - Ended Fiscal Year 2014 with \$150 million State appropriation receivable
 - Over \$4.5 billion in unpaid Fiscal Year 2014 State vouchers at June 30th
 - State budget, pension and benefit issues were a major concern
 - State credit rating reductions and impact on the University's credit ratings

Big Ten University Credit Rating with Corresponding State Rating

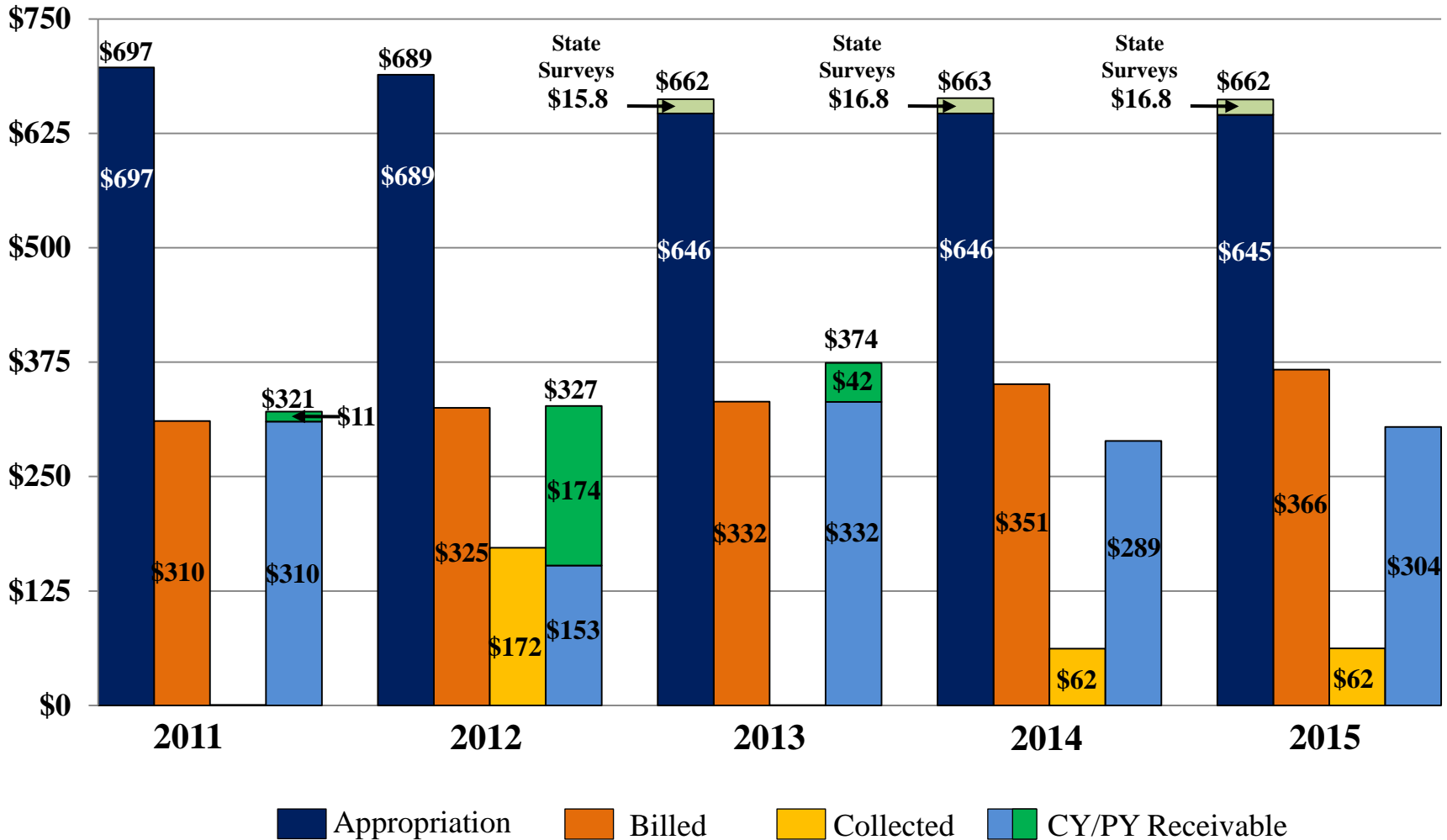


State Appropriation Revenue

Billings and Collections through November 10, 2014

Does Not Include \$29.5 million receivable for Fall MAP Awards

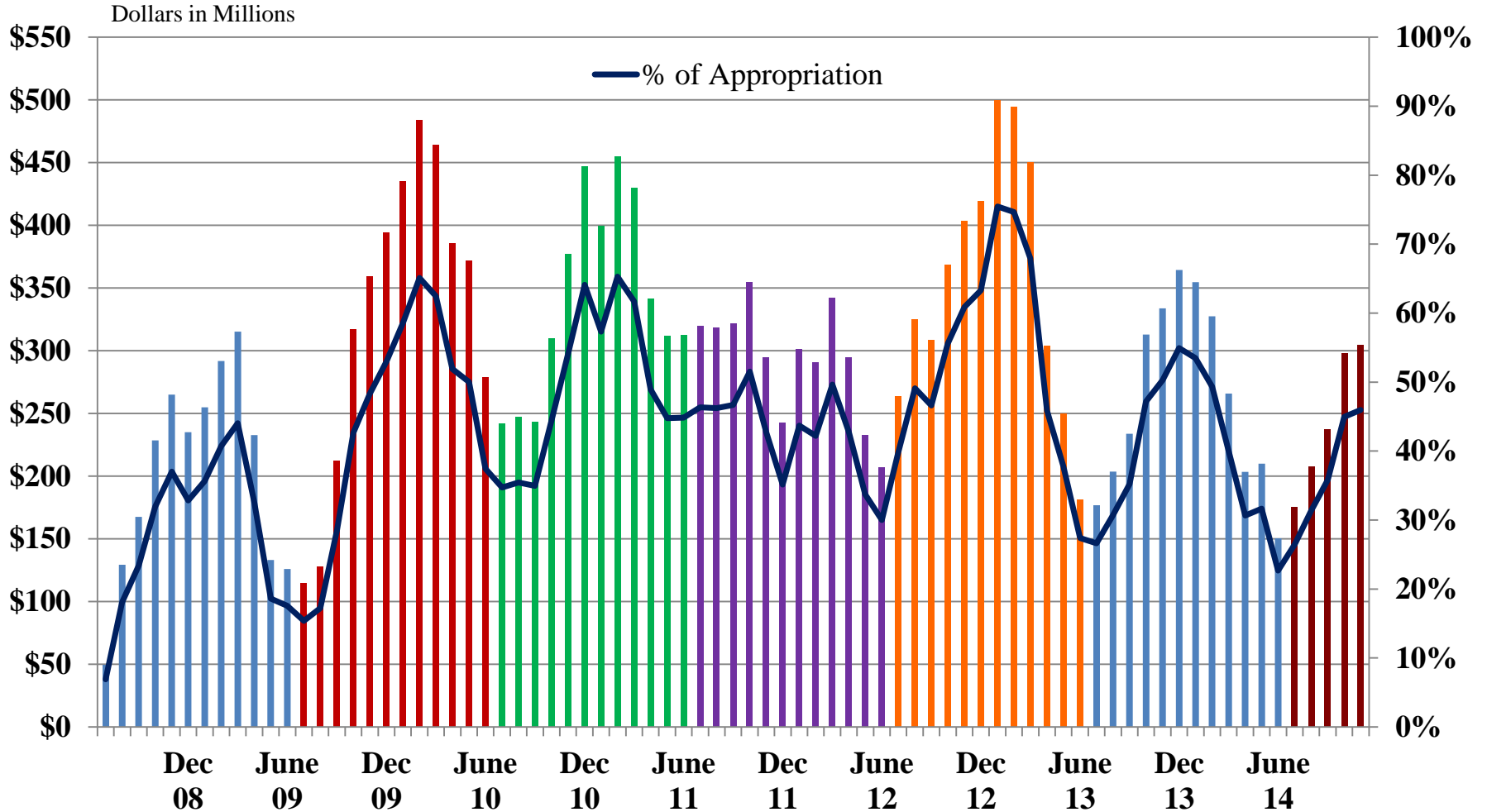
Dollars in Millions



UI Month End GRF Receivable & Percent of State Budget

Fiscal Year 2009 through Fiscal Year 2015

As of November 10, 2014

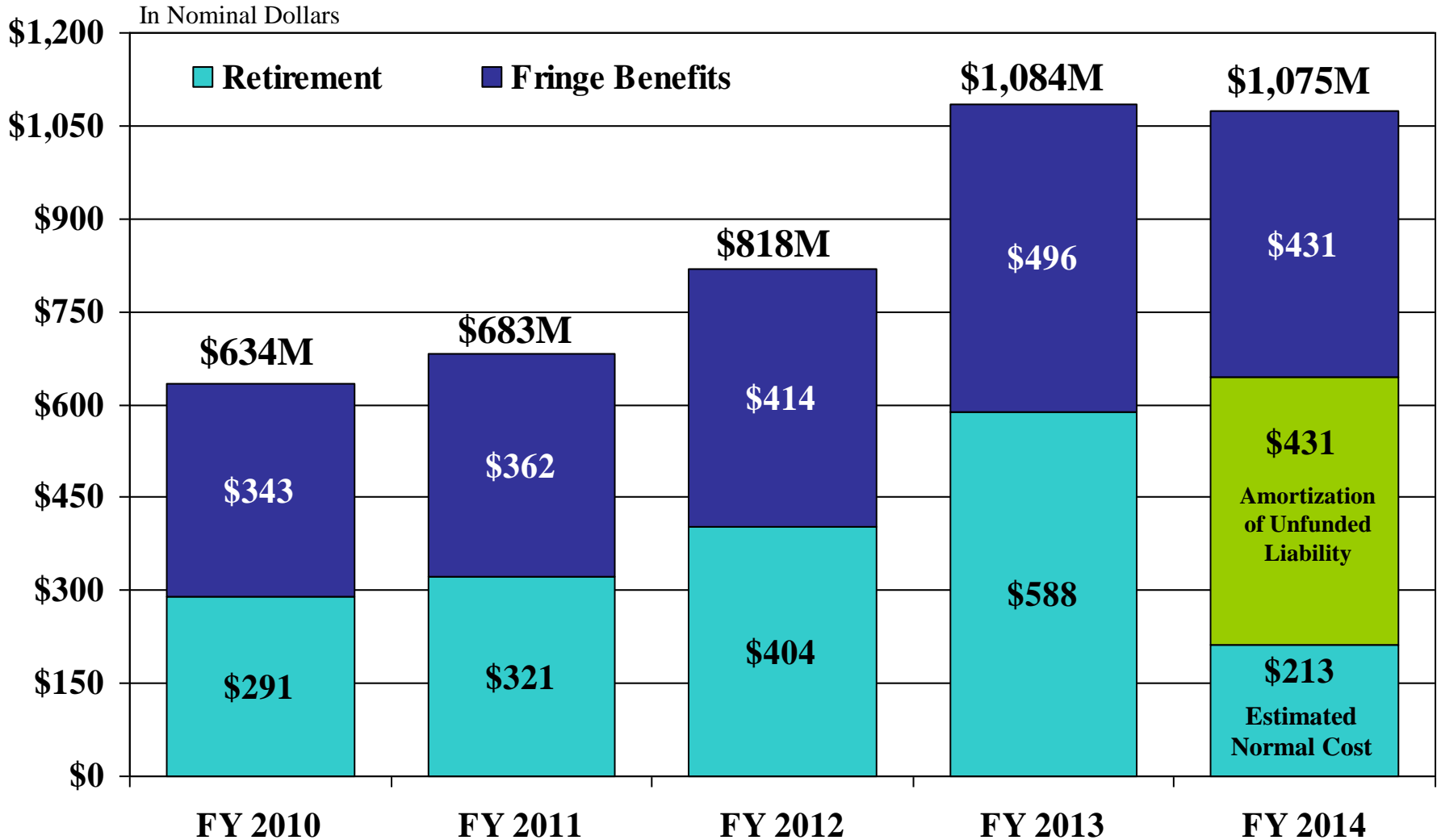


Receivables as of June 30th for each of the following fiscal years were: 2009 (\$125.9M), 2010 (\$278.5M), 2011 (\$312.7M), 2012 (\$206.7M), 2013 (\$181.4M), 2014 (150.4M).

Payments on Behalf

FY 2010 – FY 2014

(Dollars in Millions)

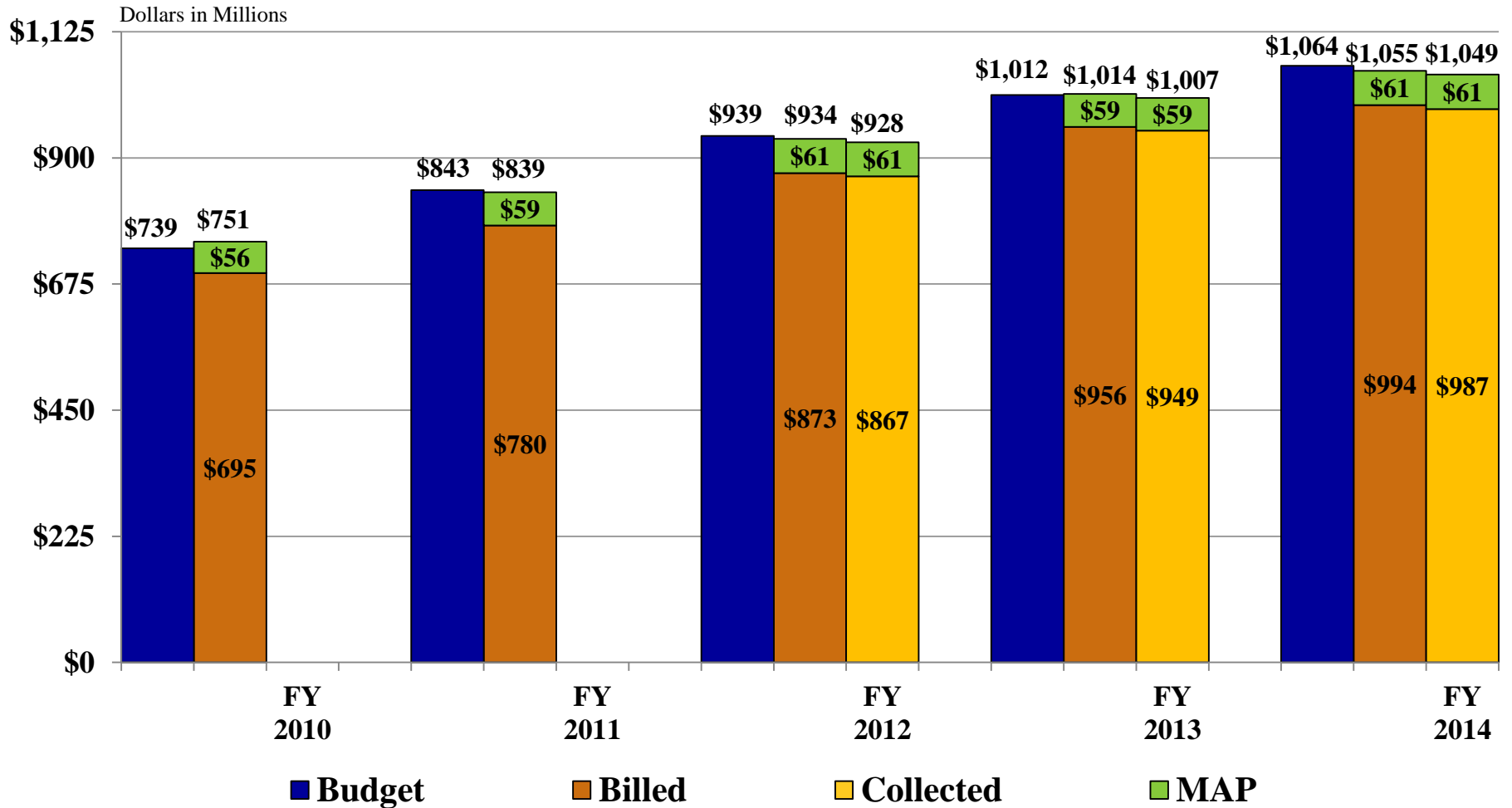


* Retirement based on estimated historical share of SURS funding and fringe benefits based on 5 year average increase.

Income Fund (Tuition) Revenue

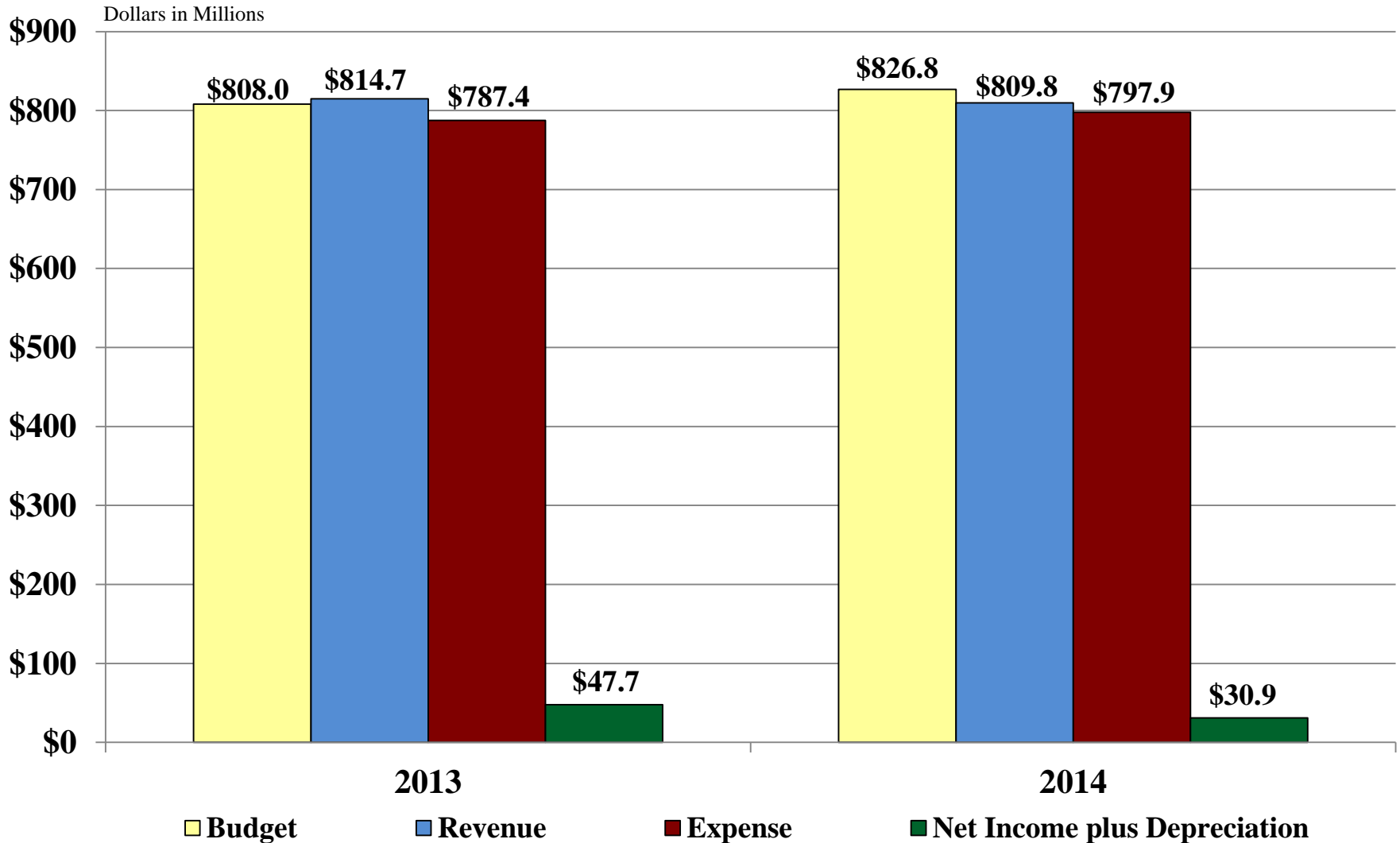
Fiscal Years 2010 – 2014

Collections and Billed through June 30th of Fiscal Years 2013 & 2014



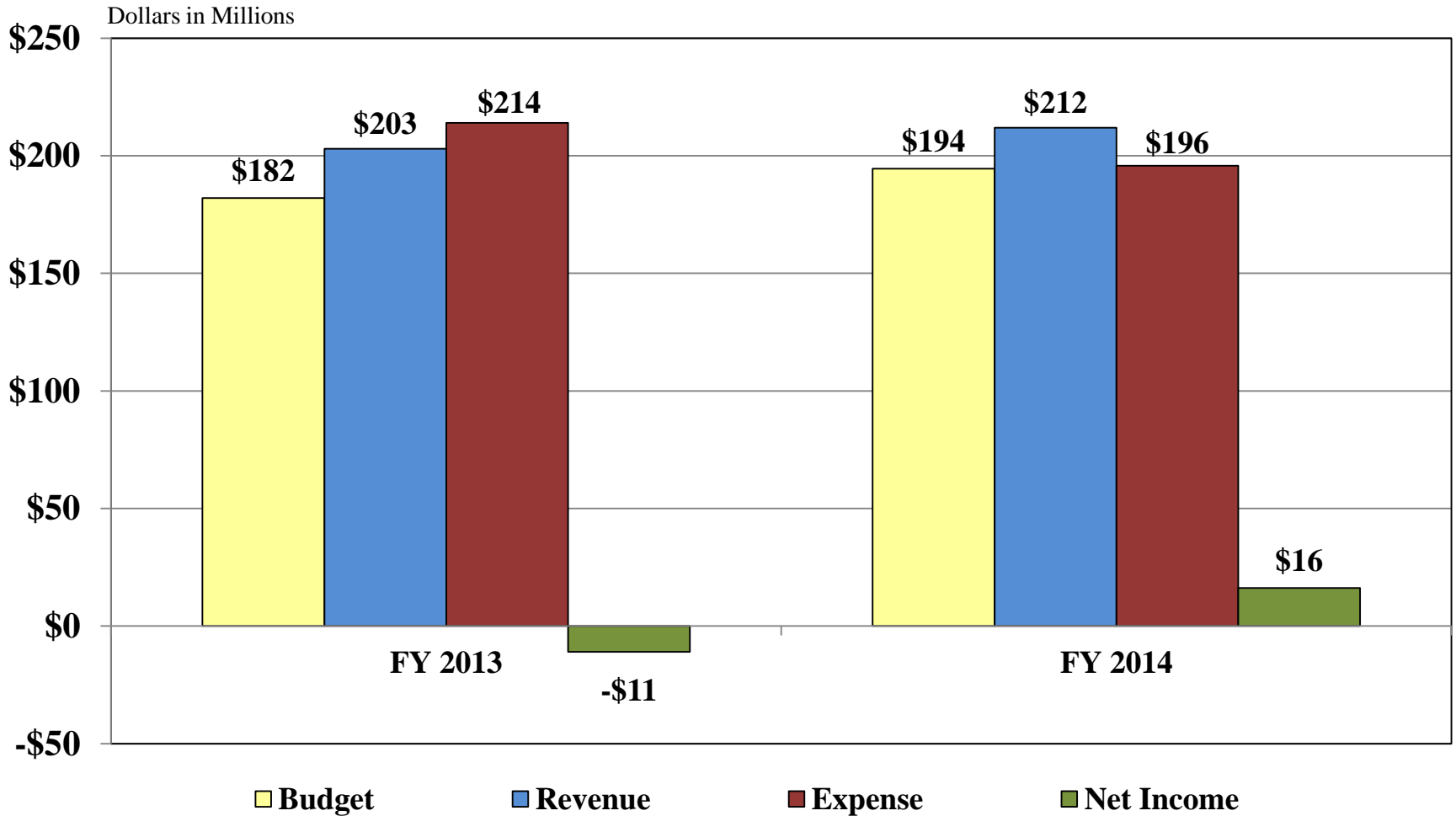
Hospital Revenue/Expense/Net Income

Fiscal Year 2013 vs. Fiscal Year 2014 through June 30th



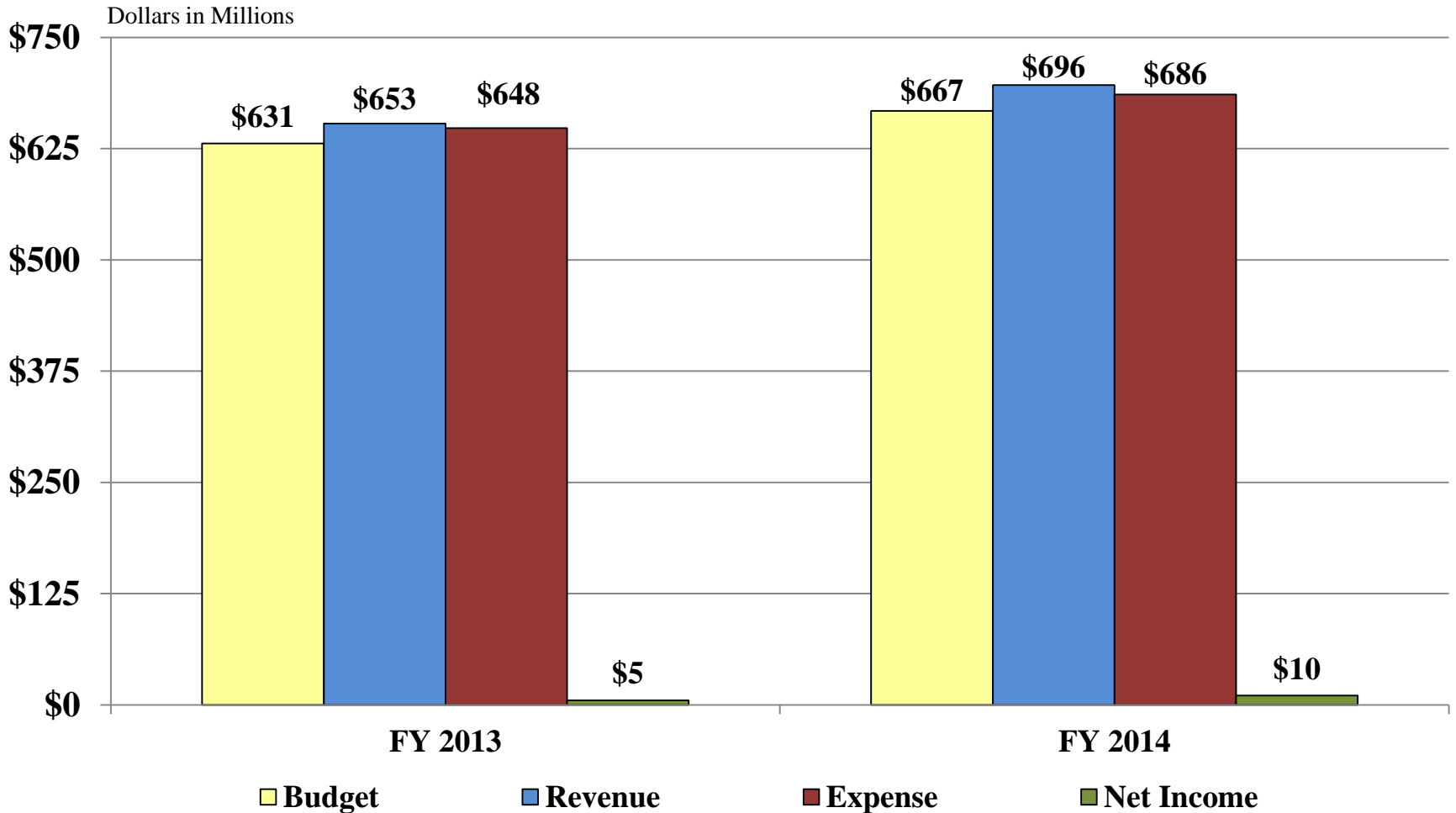
Medical Service Plan Revenue/Expense/Net Income

Fiscal Year 2013 versus Fiscal Year 2014 through June 30



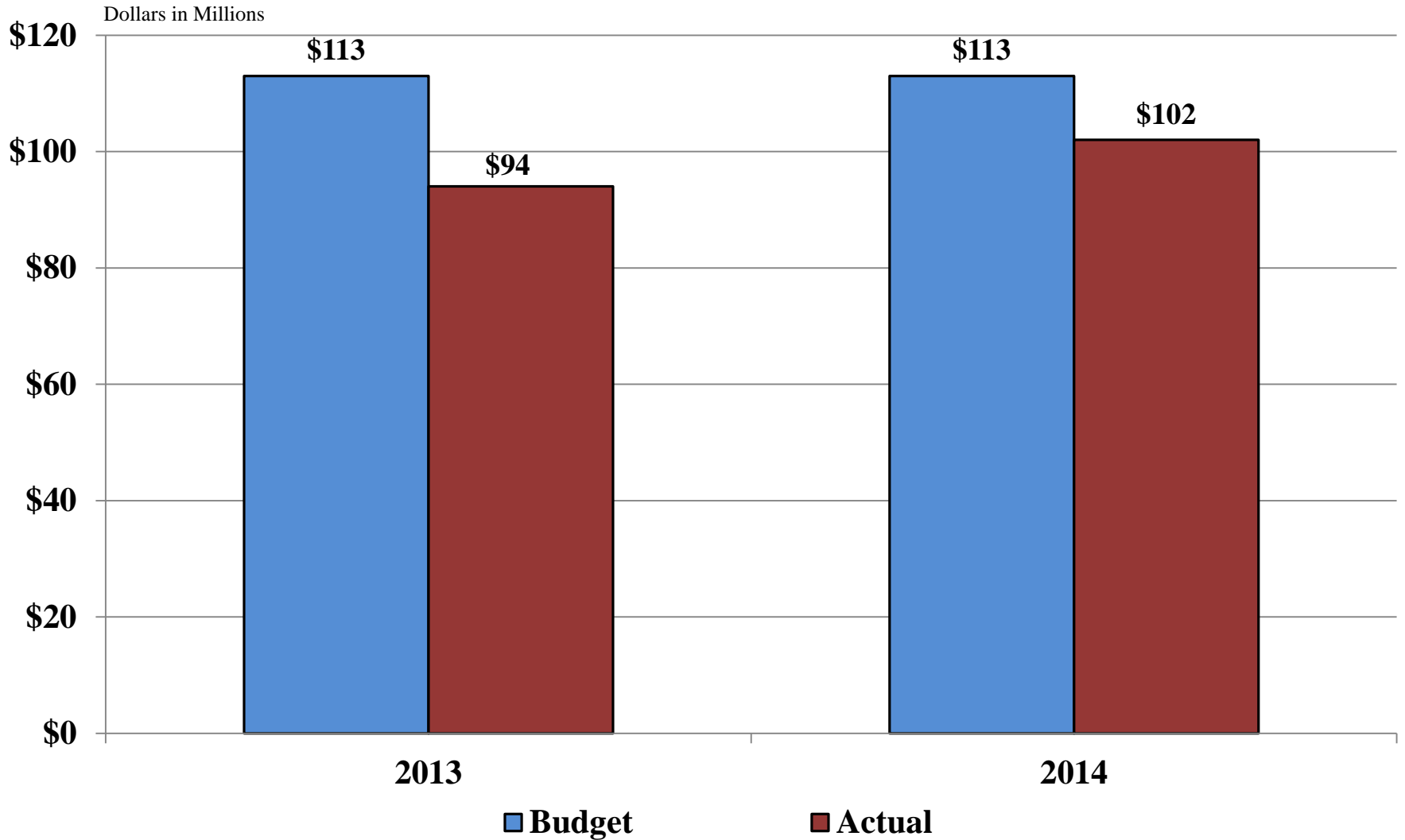
Auxiliary/Departmental Activities Revenue/Expense/Net Income

Fiscal Year 2013 versus Fiscal Year 2014 through June 30



Utility Budget versus Actual Expenditures

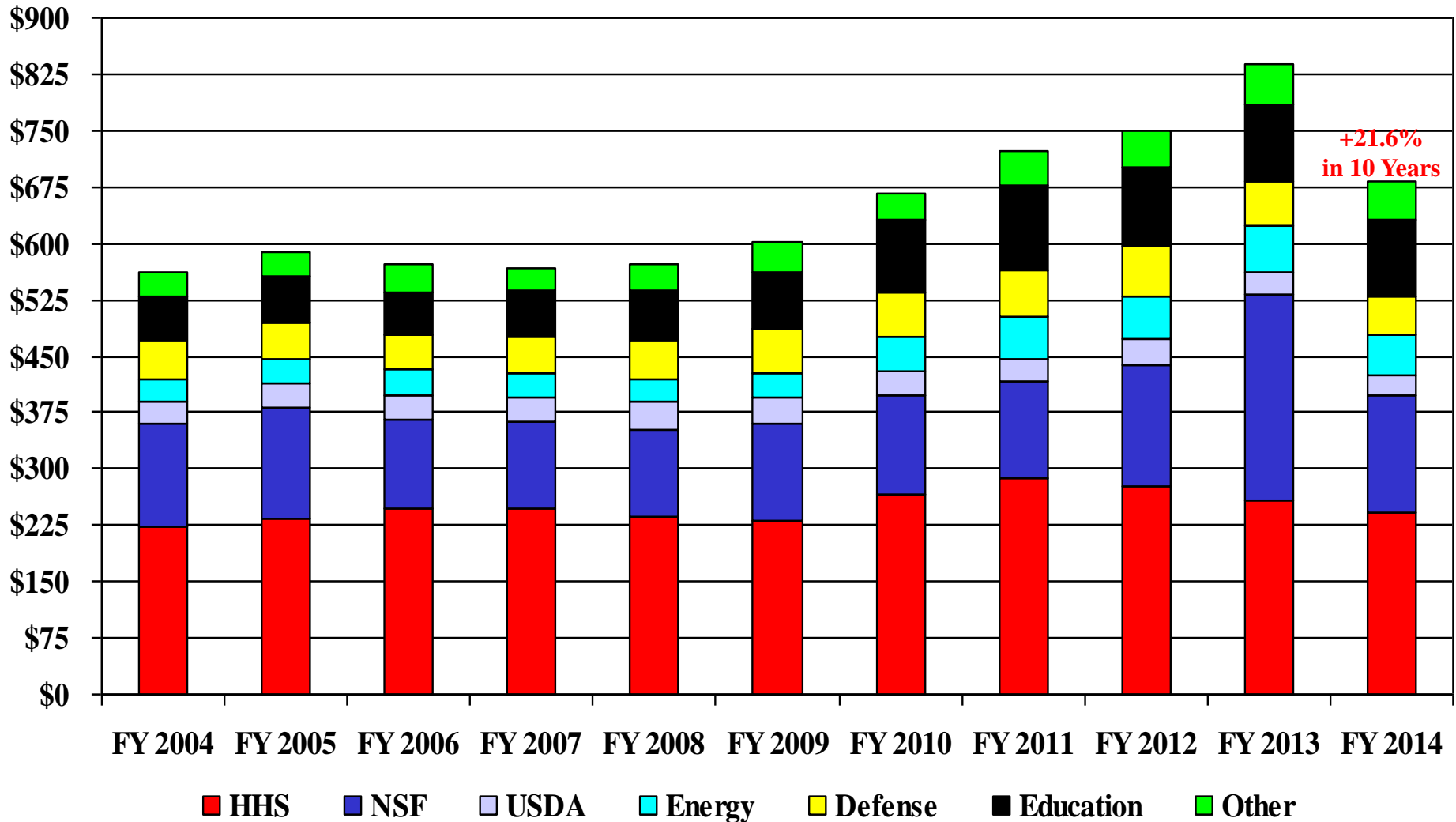
Fiscal Year 2013 and 2014



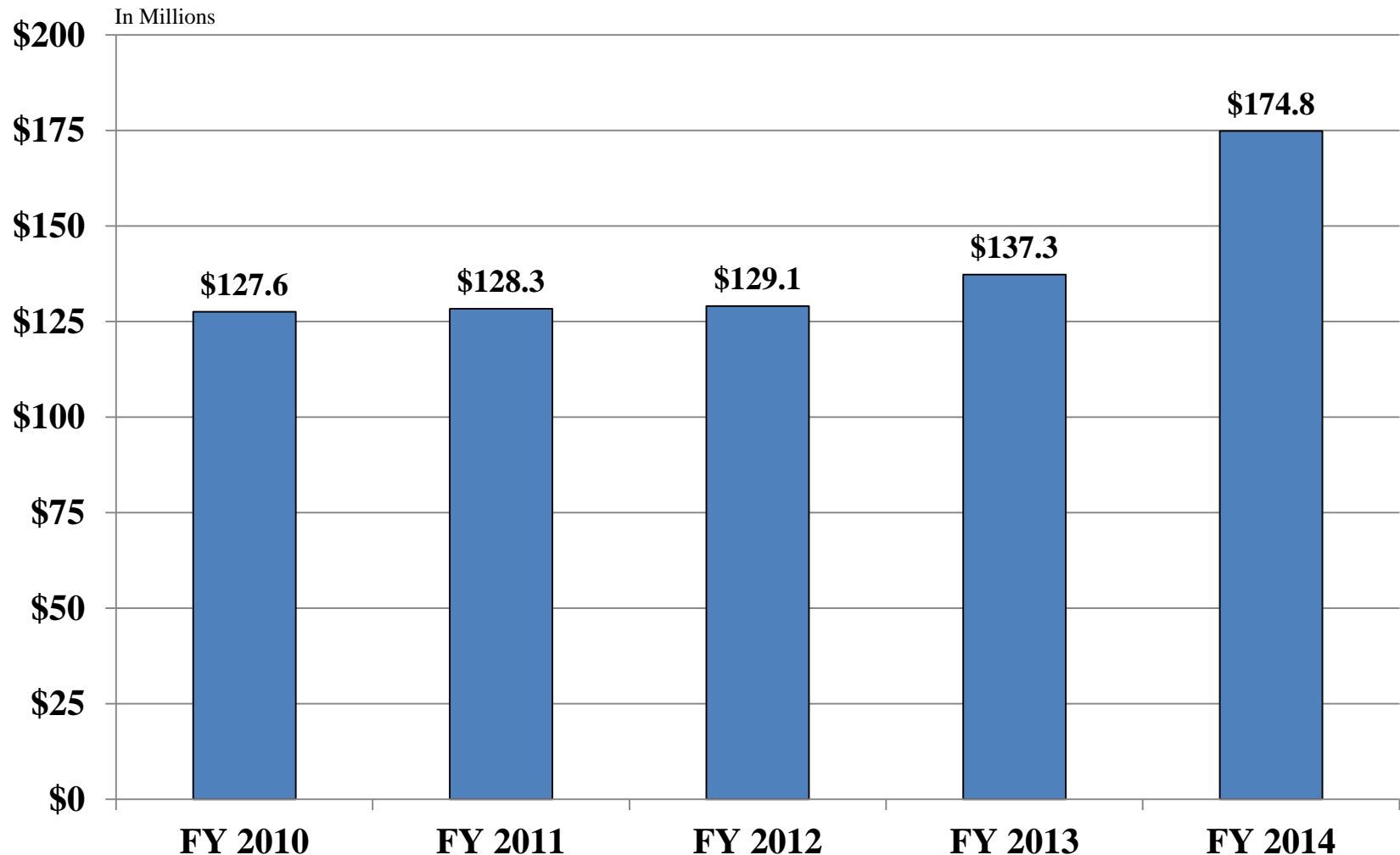
Federal Grants & Contracts Expenditures

All Functions – Total University

(Dollars in Millions)



University of Illinois Foundation Distributions to the University

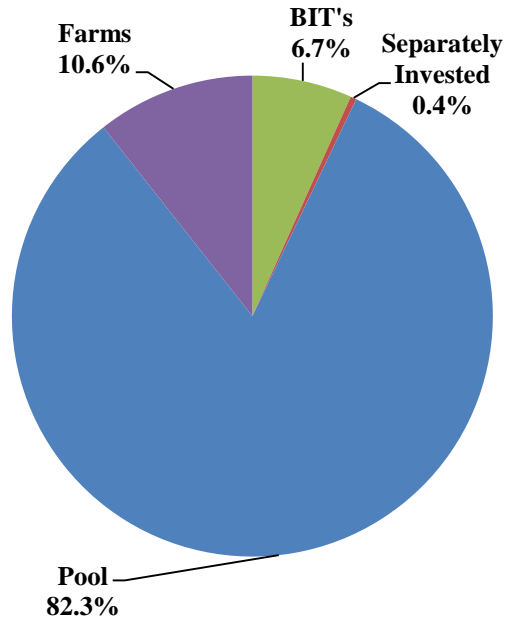


Source: University Accounting and Financial Reporting
Includes endowment income and current use gifts distributions from the UI Foundation.

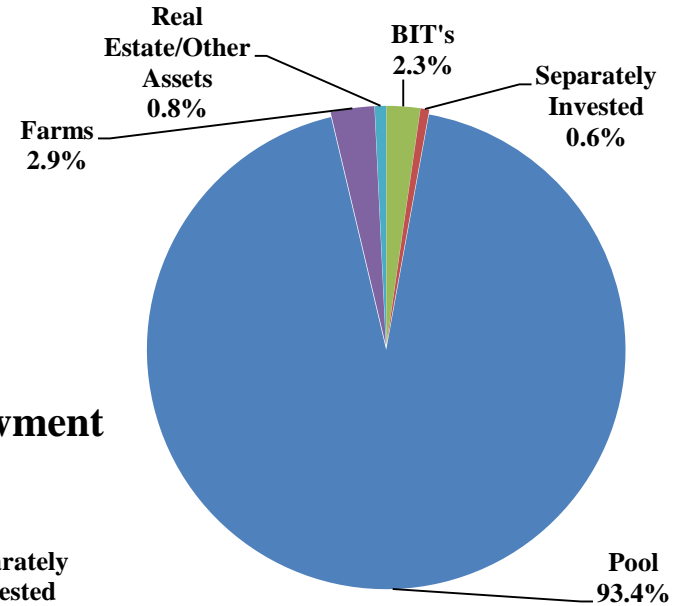
UI and UIF Individual and Combined Total Endowment

Values are as of June 30, 2014

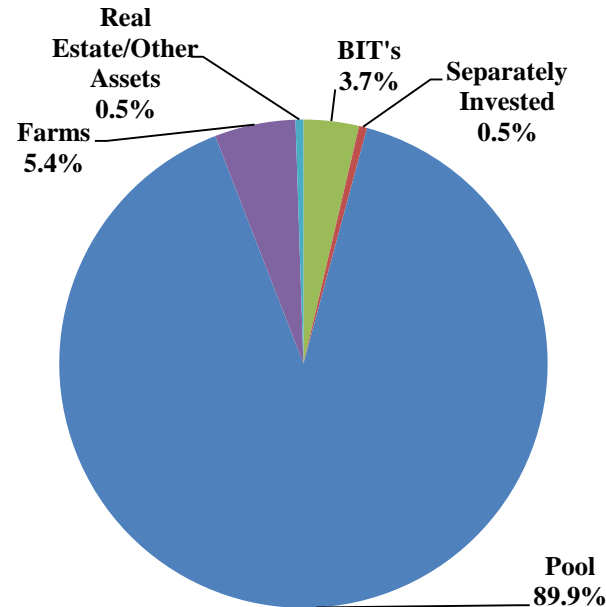
UI Endowment \$715.7 Million



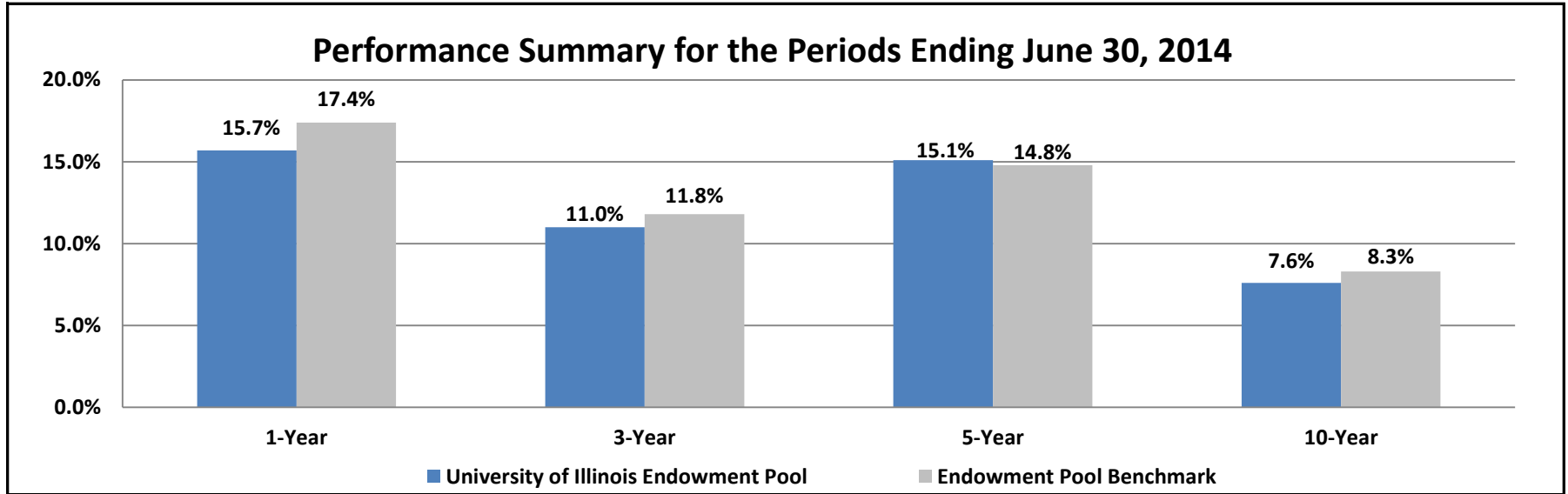
UIF Endowment \$1.56 Billion



UI/UIF Combined Endowment \$2.28 Billion



Investment Performance: University Endowment Pool



University Endowment Pool Market Values:

June 30, 2014	\$588,731,185
March 31, 2014	\$559,047,775
December 31, 2013	\$538,678,775

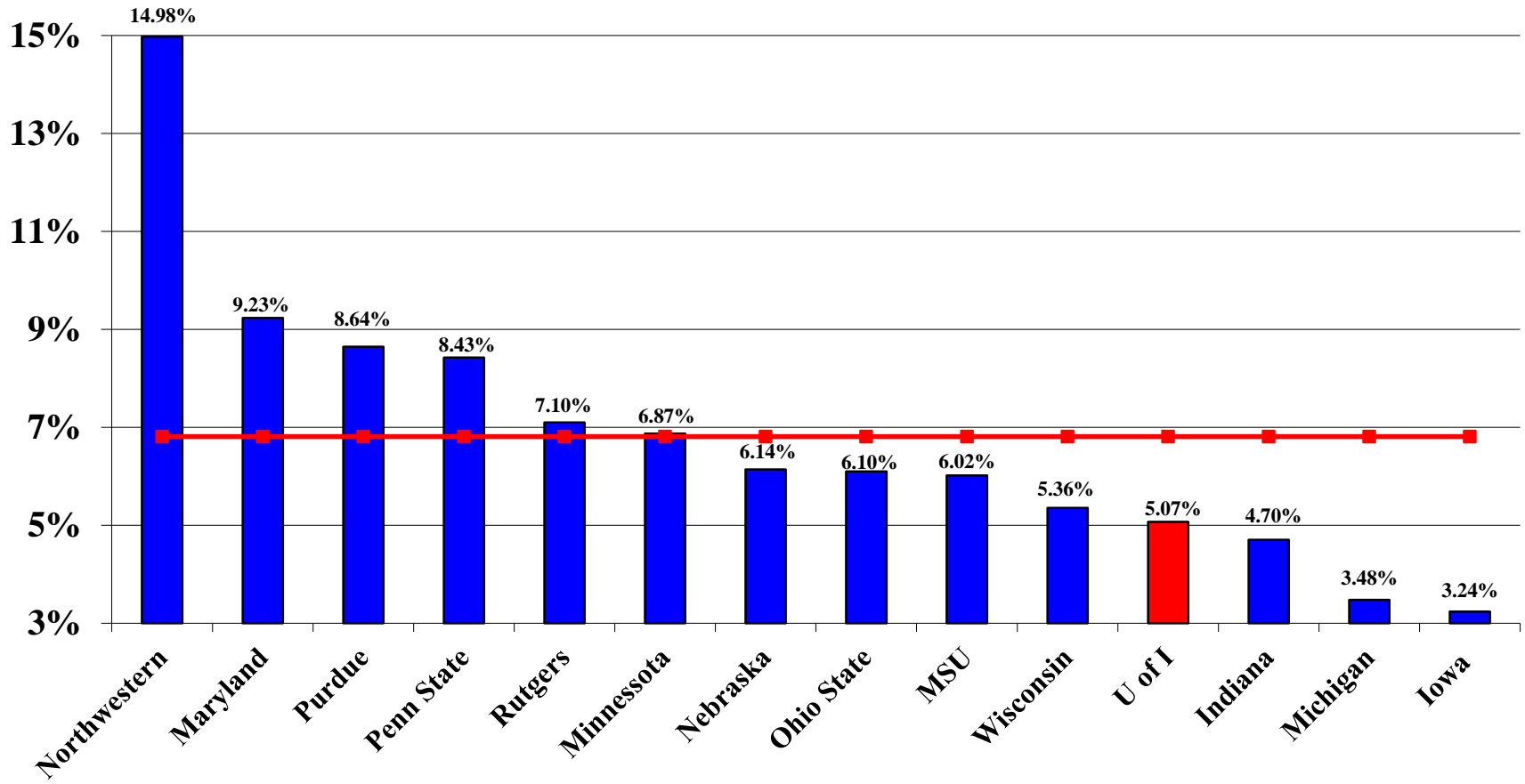
University of Illinois

Budget by Campus, All Sources

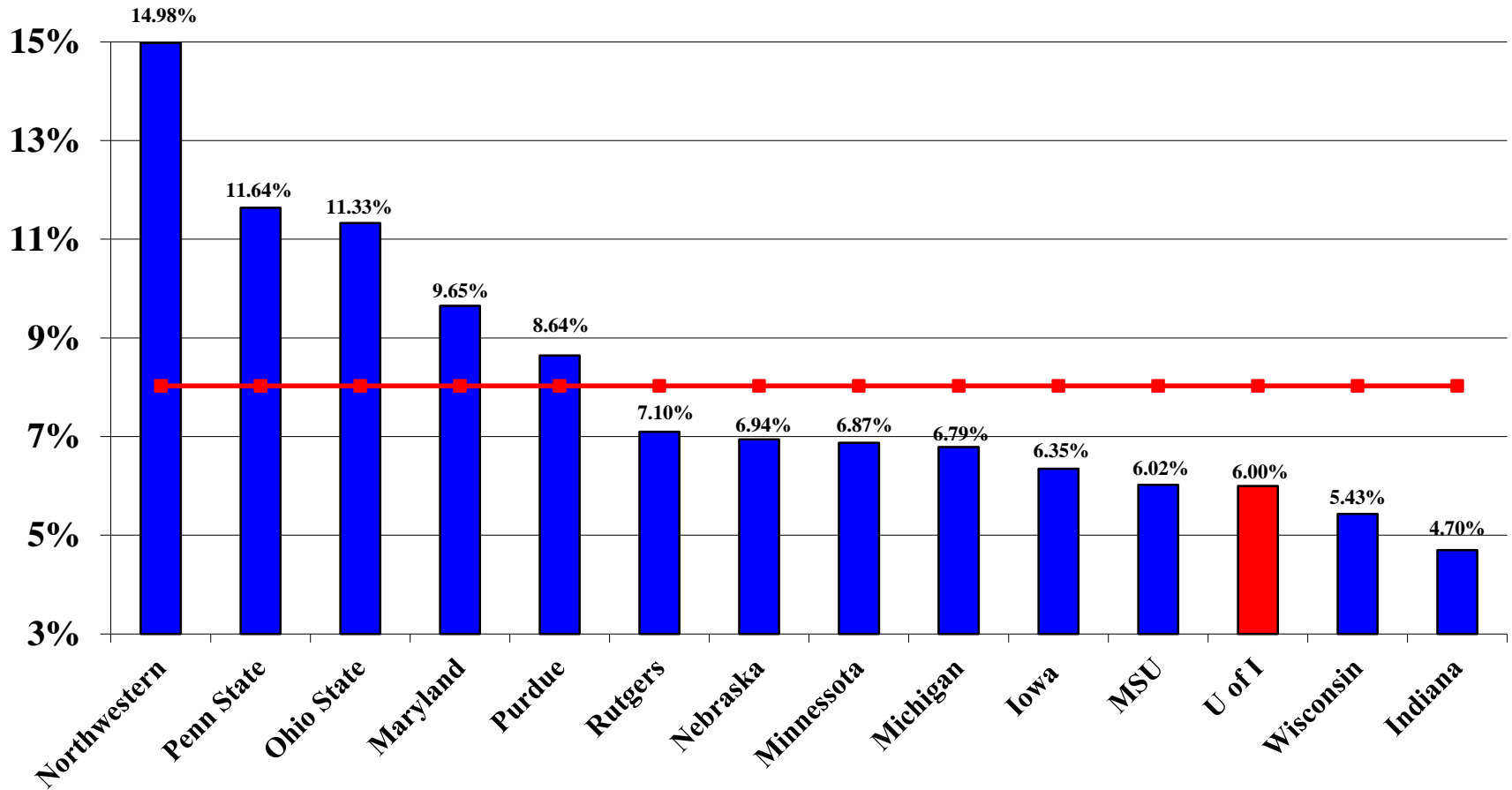
	FY 2004		FY 2015		\$ Change FY04-FY15	% Change FY04-FY15
	\$ in Thousands	% of Budget	\$ in Thousands	% of Budget		
Urbana	\$1,289,936	43.8%	\$2,041,178	45.6%	\$751,242	58.2%
Chicago	1,356,425	46.1%	2,095,527	46.8%	739,102	54.5%
Springfield	54,846	1.9%	88,825	2.0%	33,979	62.0%
University Programs	117,154	4.0%	136,184	3.0%	19,030	16.2%
University Administration	123,605	4.2%	118,214	2.6%	(5,391)	-4.4%
Total	\$2,941,966		\$4,479,928			

Source: Budget Summary for Operations
Excludes Payments on Behalf; excludes AFMFA.

Big Ten Universities Total Systems Institutional Support as a % of Total Expenditures FY 2013



Big Ten Universities Total Systems Institutional Support as a % of Total Expenditures FY 2013 Excluding Hospital Enterprises



University of Illinois

Fiscal Year 2015 Fiscal Outlook

- State's FY2015 general operating funds budget appears unbalanced
- Extension of the State income tax and impact on the University
- University had \$150 million in unpaid FY 2014 State vouchers as of June 30, 2014 expected to be repaid by calendar year-end
- University's appropriation down modestly in FY 2015, but payment delays expected
- No new capital bill for FY 2015
- Significant unfunded pension liability; pension reform legislation stayed and retiree healthcare benefit cost increase ruled "unconstitutional"
- Pension cost shift may be considered by the legislature
- Affordable Care Act and State Medicaid program expected to reduce hospital revenues with adjustment from fee for service to managed care
- Federal budget impact on research grants and sequestration concern
- Election