



FY19 Financial Report

Prepared for presentation to the Board of Trustees

November 14, 2019

Disclaimer

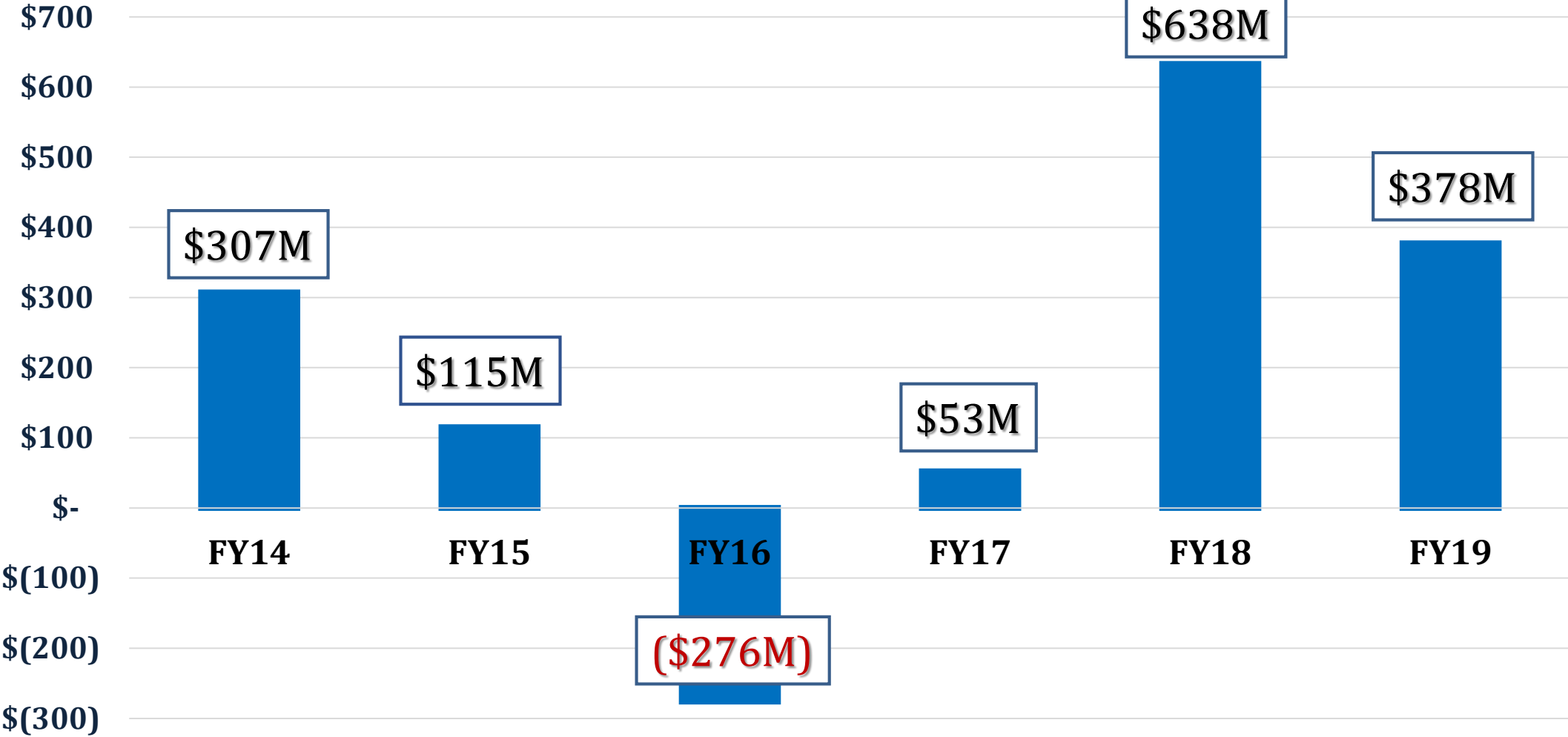
Unaudited, Preliminary Financial Results
For Discussion Purposes Only

FY19 Financial Summary

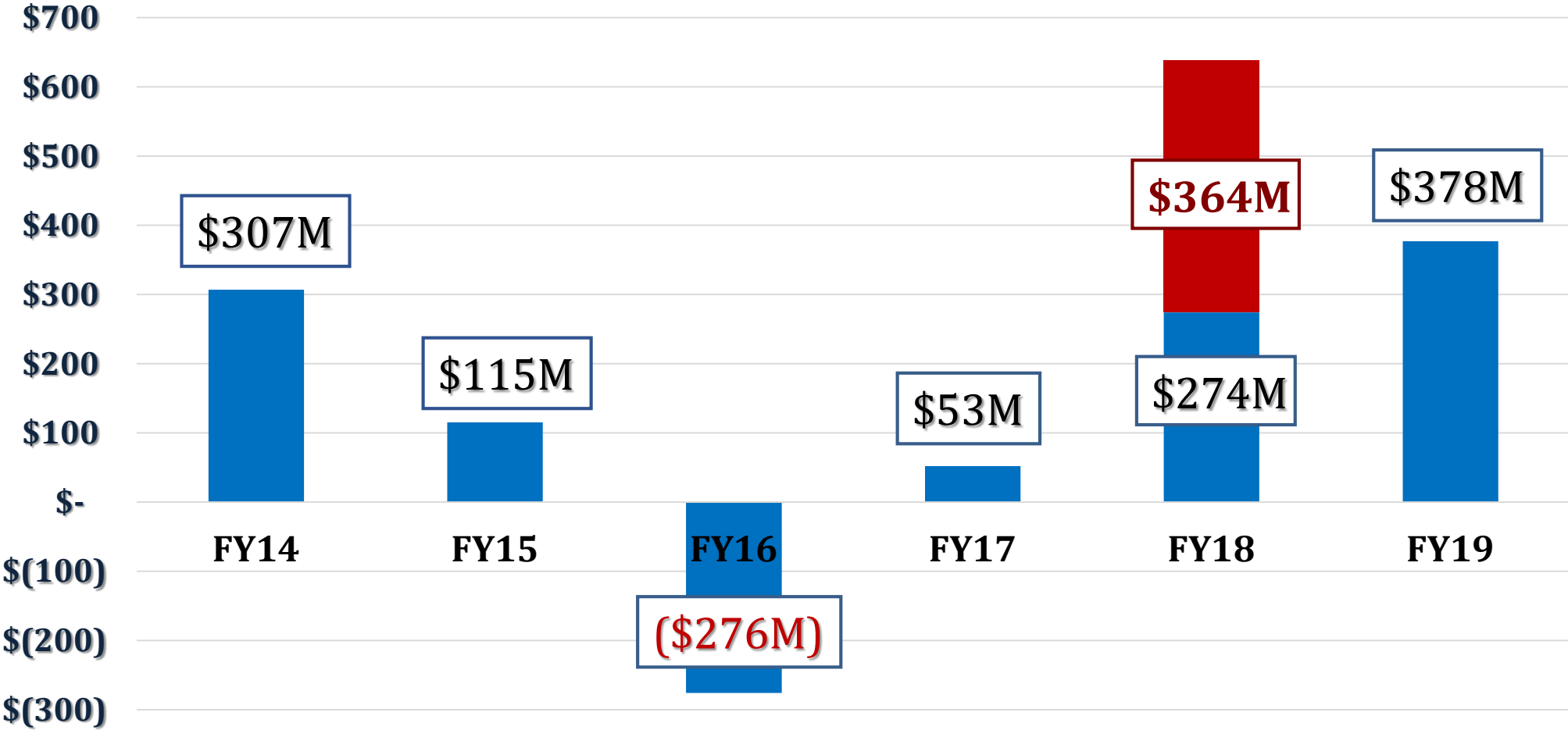
	Including Payments on Behalf	Without Payments on Behalf
Revenues Used to Fund Operations	\$6,077,103	\$5,031,619
Operating Expenses	(\$5,506,596)	(\$4,461,112)
Income before interest, depreciation and net non-operating revenues	\$570,507	\$570,507
Depreciation	(\$244,185)	(\$244,185)
Interest expense	(\$63,380)	(\$63,380)
Net Other Non-Operating Revenues	\$114,582	\$114,582
Change in Net Position	\$377,524	\$377,524

All Figures in Thousands of Dollars

Change in Net Position Five Year Trend



Change in Net Position Five Year Trend



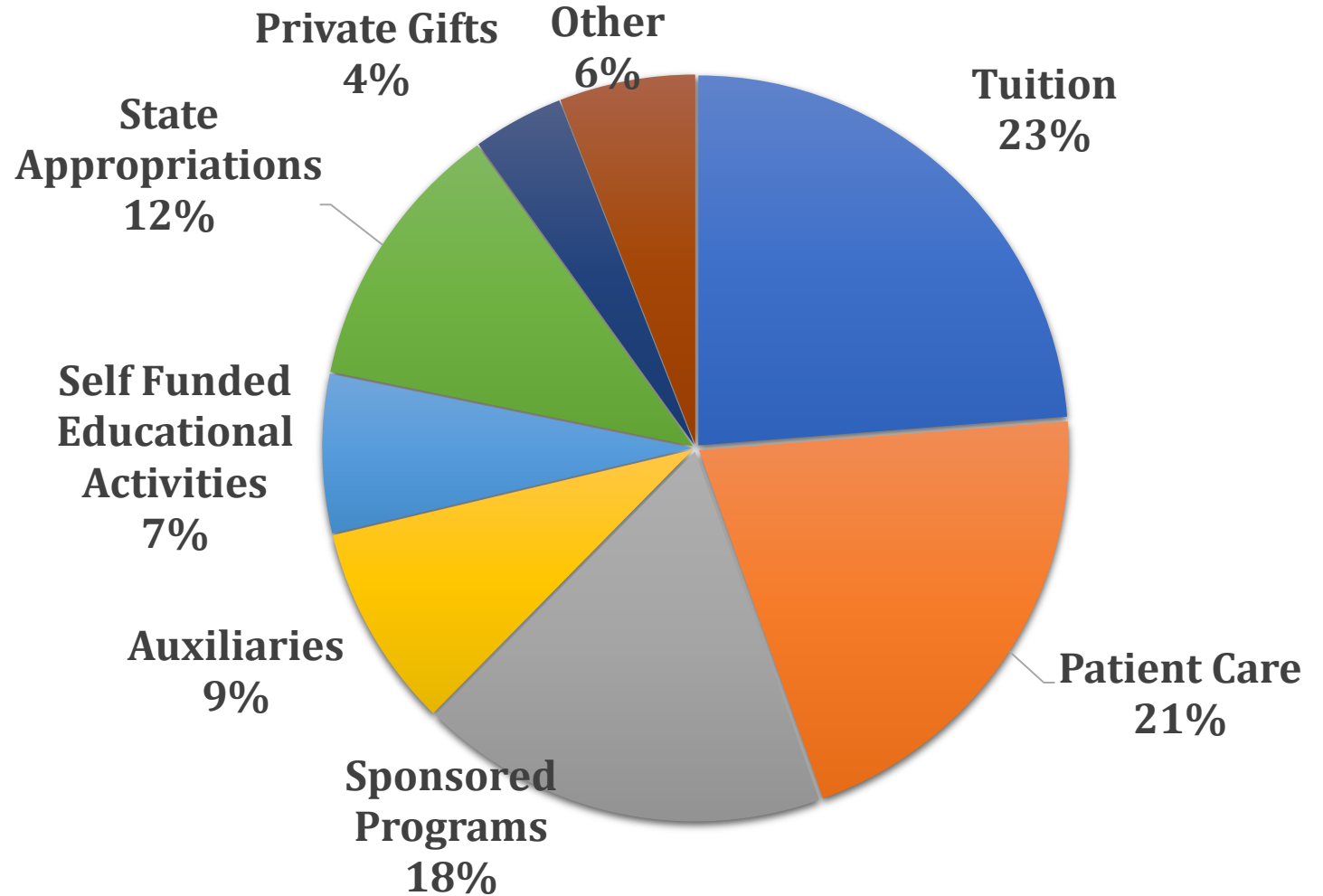
Change in Net Position by Unit

Unit	Change in Net Position (\$'000s)
Urbana	\$224,836
Springfield	(\$10,999)
Hospital	\$33,659
UIC (w/o Hospital)	\$87,104
System	\$42,924
Total	\$377,524

Diversified Revenue Sources

(Excluding Payments on Behalf)

- **Diversified Revenue Sources Create Financial Strength**
- **No Single Source Greater than 25%**



A Word on Payments on Behalf (POB)

- **Allocated Charge for Employee Benefits**
- **Compensating entries on Income Statement**

Non-Operating Revenue

Pension	x
Health	y

Operating Expenses

Pension	x
Health	y

POB Can Make Trend Analysis Problematic

	FY2018 (\$'000s)	FY2019 (\$'000s)	FY19 – FY18 Change
Revenue Used For Operations	\$6,978,897	\$6,077,103	-12.9%
Operating Expenses	(\$6,076,860)	(\$5,506,596)	-9.4%

Payments on Behalf	\$1,710,688	\$1,045,484	-38.8%
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FY19 Operating Ratios

	With POB	Without POB	Adjusted POB (\$605M)
EBIDA %	9.4%	11.3%	10.1%
Net Position %	6.2%	7.5%	6.7%

2018 Median Comprehensive Public University Operating Margin 3.1% (Moody's)

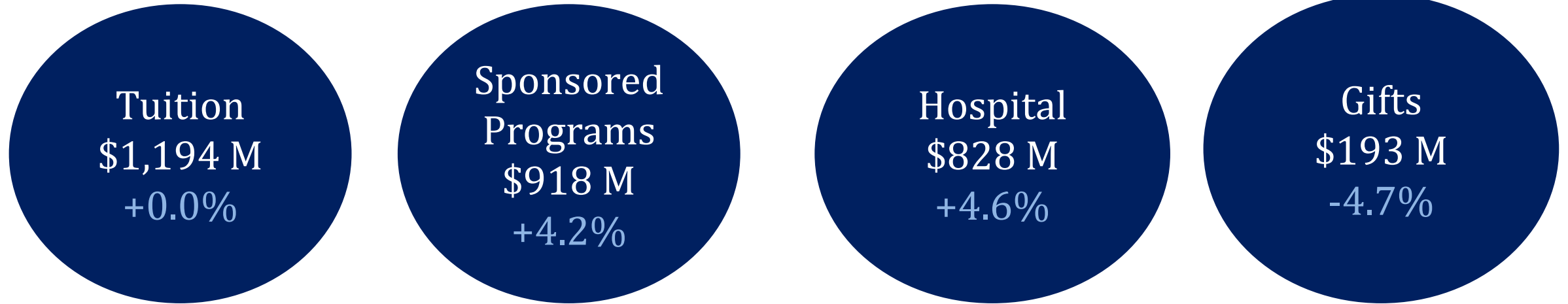
EBIDA % = EBIDA / Revenue Used to Fund Operations Net Position % = Net Position / Revenue Used to Fund Operations

FY19 Total Revenue Was Lower

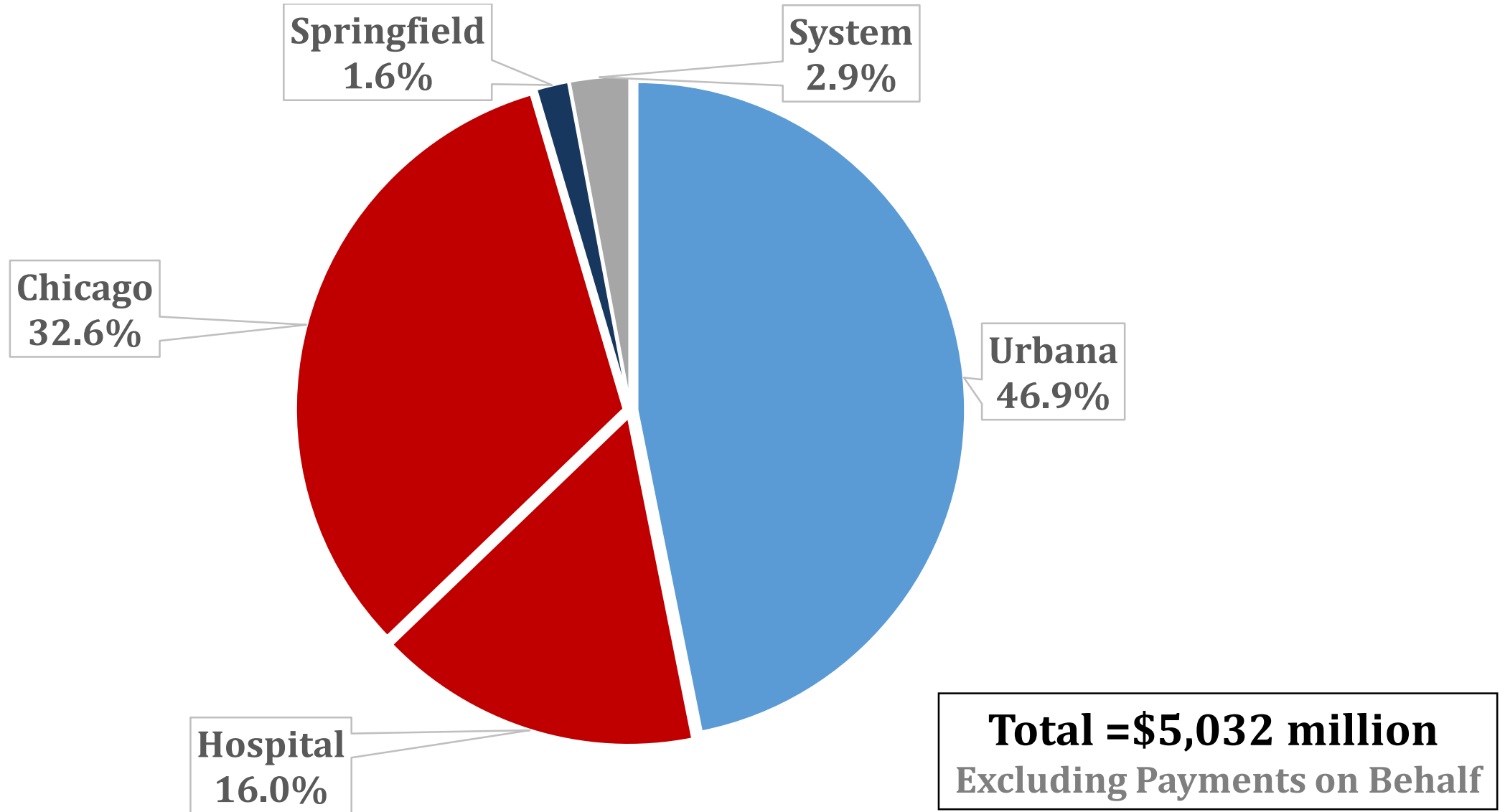
(Even Without Payments of Behalf)

	FY2018	FY2019	FY19 – FY18 Change
Revenue Used For Operations	\$5,268M	\$5,032M	-4.5%
State Approp.	\$888.4M	\$601.0M	-32.3%
State Grants	\$244.3M	\$186.6M	-23.6%

Key Revenue Changes from FY2018

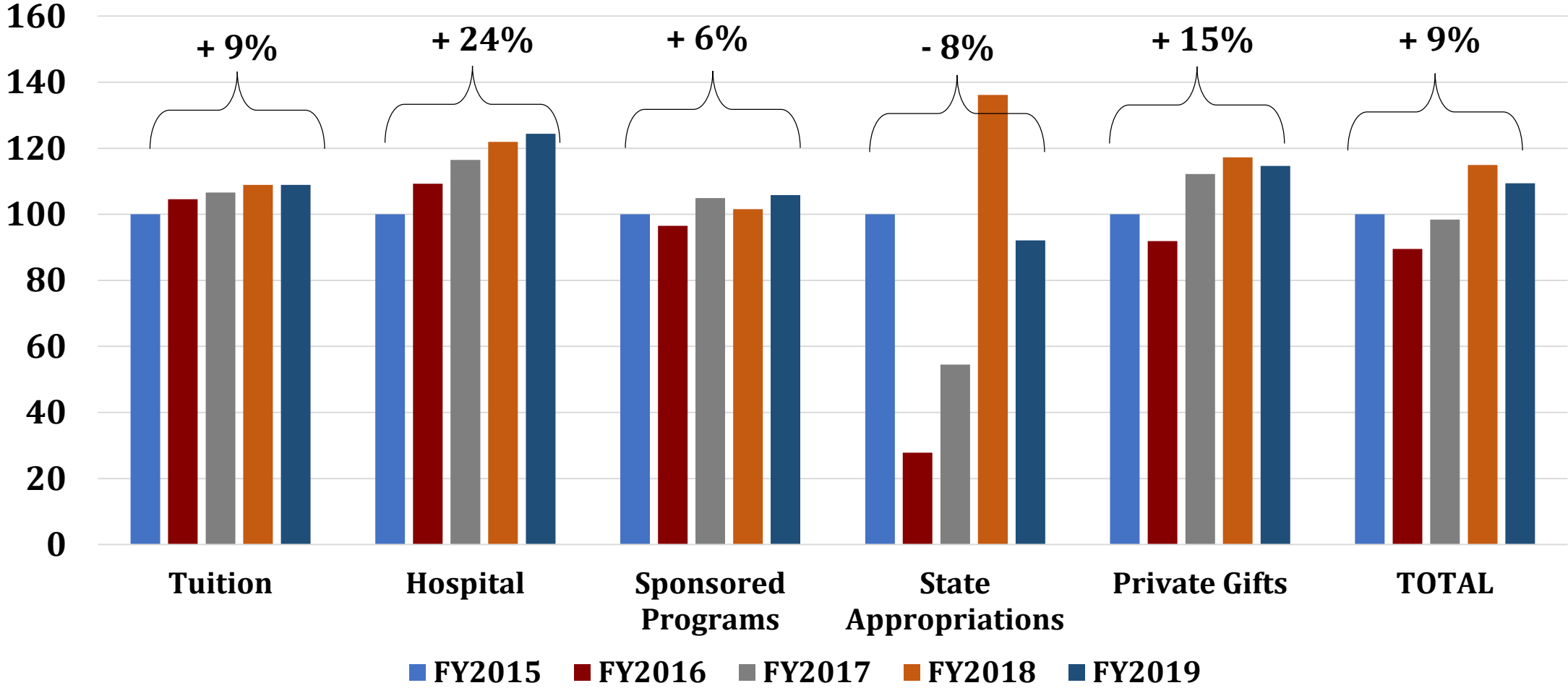


Revenue By Unit



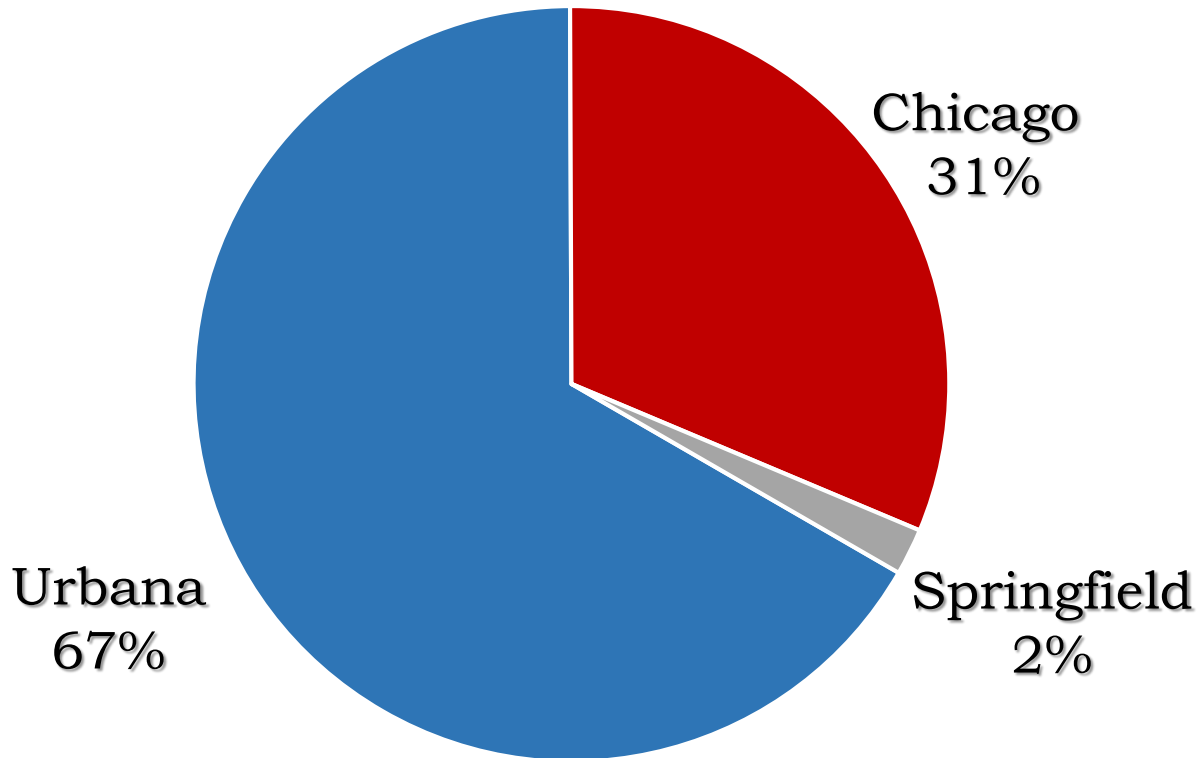
Five Year Revenue Trends

FY2015 = 100



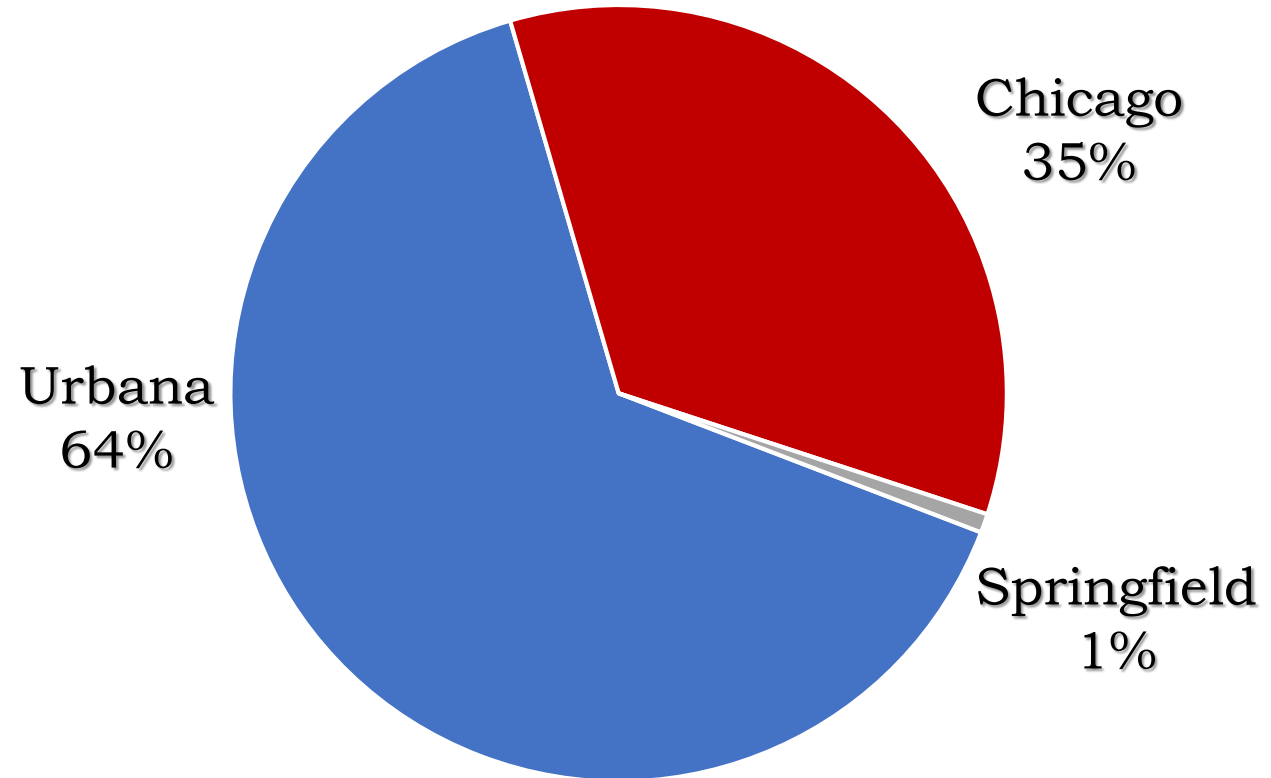
Major Revenue Type By Unit

Tuition and Fees



FY19 Total = \$1,194 million

Sponsored Programs

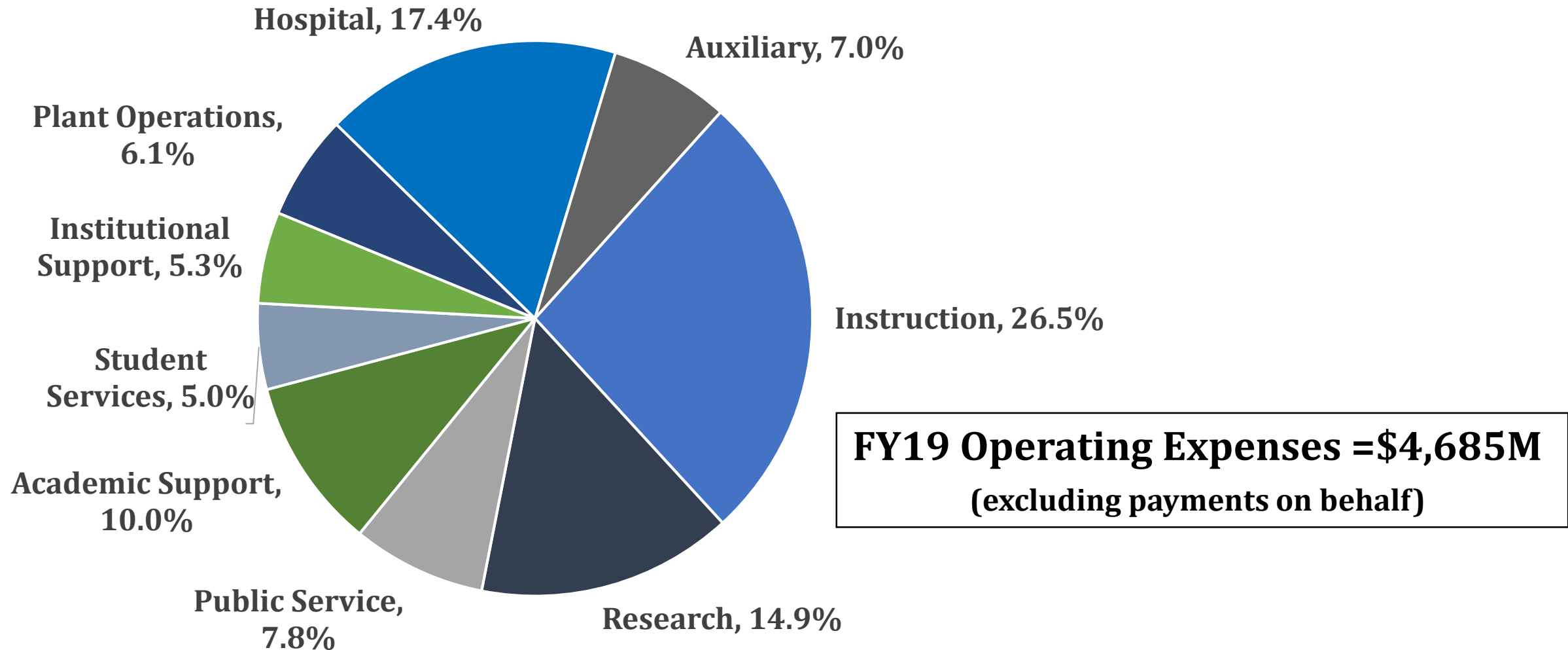


FY19 Total = \$918 million

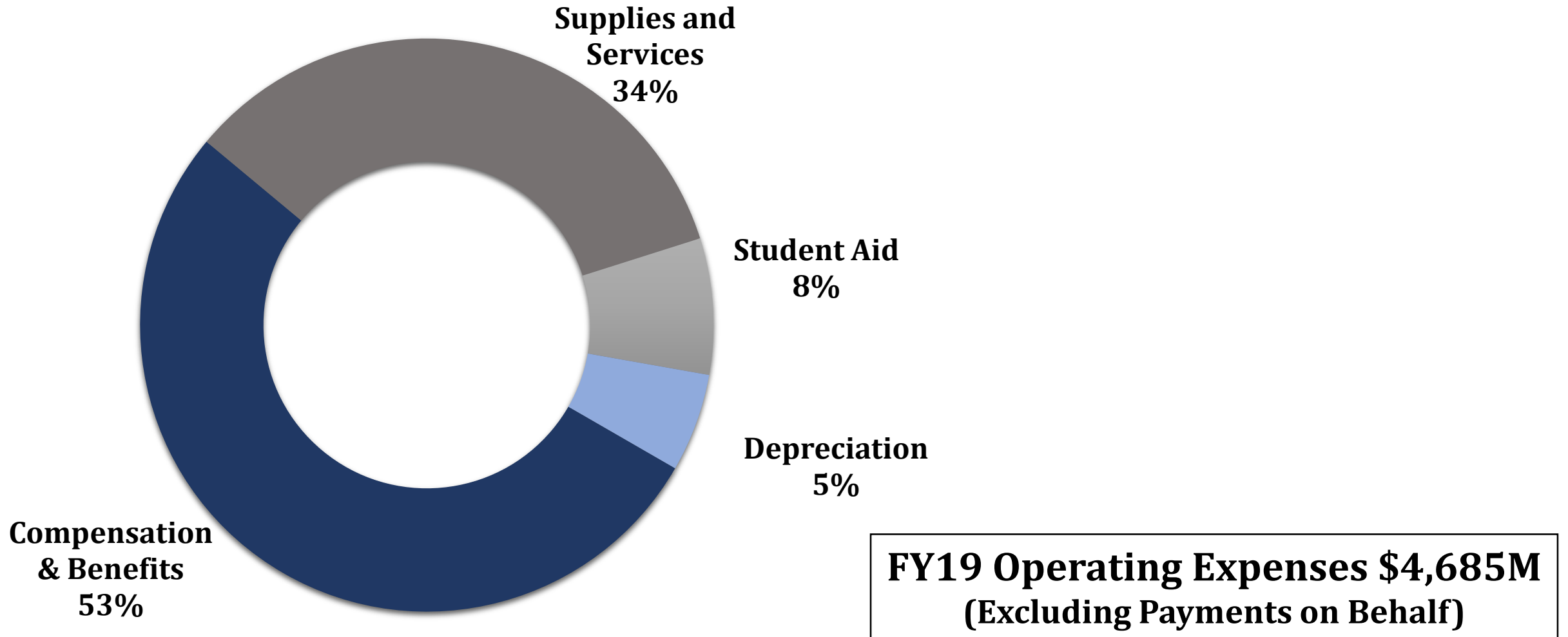
Operating Expenses

Disciplined Expense Control

Instruction is the Largest Expense Function



Compensation is Largest Expense Category



Disciplined Expense Control

Compared to FY2018

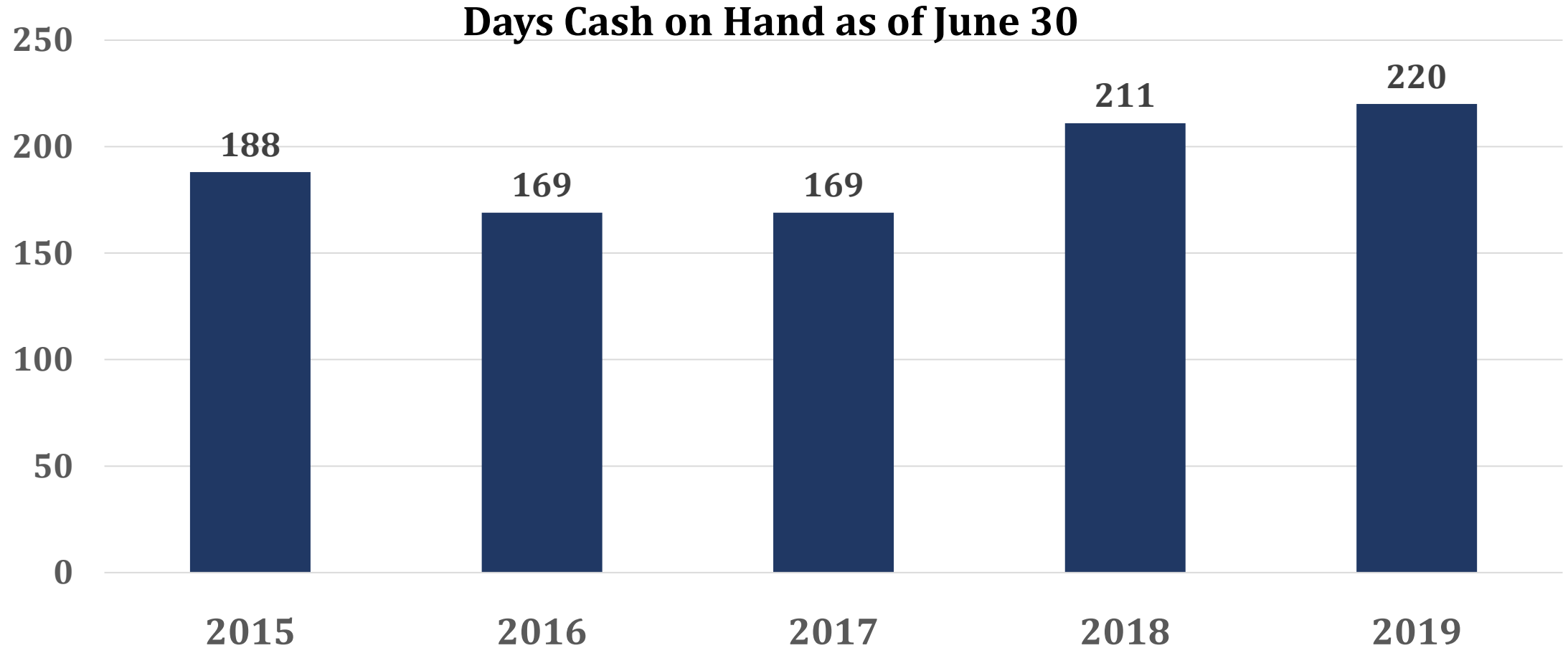
Operating Expense Increased +1.8% over FY18
Compensation Expense Increased +0.3% over FY18

CPI Increased +1.6%

Positive Cash Flow for the Year

	FY2019 (\$'000s)
Cash and Investments Received	\$5,319,071
Cash and Investments Used	(\$4,974,303)
Net increase in cash, cash equivalents and investments	\$344,768

Improved Cash Position



2018 Median of Comprehensive Public Universities 170 days (Moody's)

Five Year Cumulative Trend

2015 - 2019

Number of Students	+ 11.2%	
Sponsored Programs	+ 6.4%	
Patient Care Volume ^(a)	+ 7.0%	Operating Cost +6.6%
Total Revenue ^(b)	+ 9.4%	

Cumulative Price Inflation +7.3%

(a) Adjusted Case Mix Index; (b) Excludes Payments on Behalf

Access with Affordability

Excellence with Scale

Efficiency with Discipline

Thank You