

FINANCIAL REPORT



UNIVERSITY OF ILLINOIS

URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD

BOARD OF TRUSTEES

September 10, 2015

Since July BOT Meeting

- State budget remains at impasse
- FY 2016 budget reduction ranges from \$57 million to \$209 million
- State continues to pay the remaining FY 2015 appropriation (\$49 million)
- State continues to pay the remaining FY 2015 Medicaid claims and is expected to pay FY 2016 claims
- August payroll made based on the University's authority from other existing resources
- UA hiring freeze remains in effect
- Rating agencies affirm ratings with negative outlooks
- Legislative staff data requests

University of Illinois

Fiscal Year 2015 Financial Summary

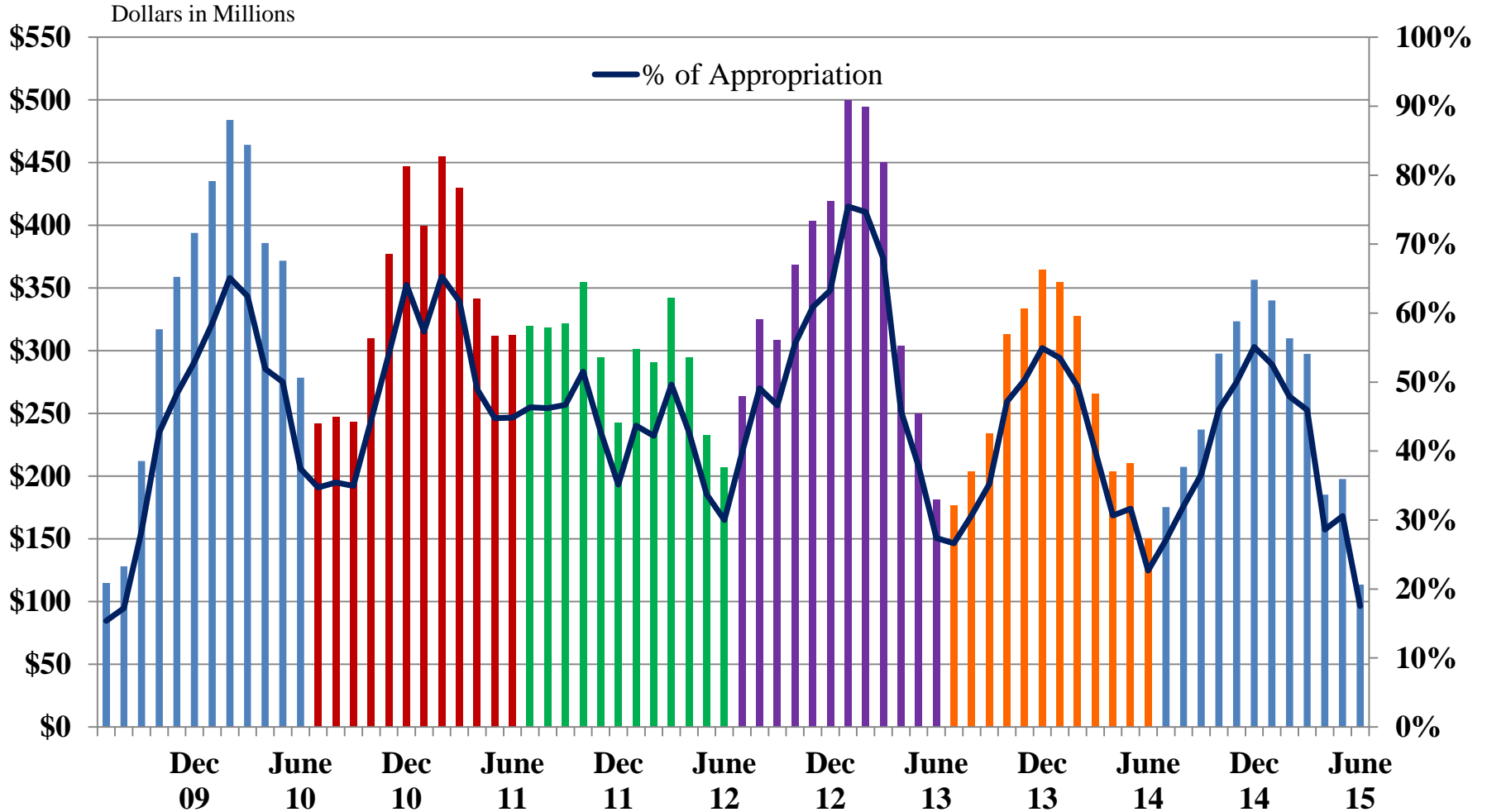
- It was a year of performance
 - Hospital and auxiliaries had positive outcomes; medical service plan shortfall
 - Tuition revenue and sponsored research grants approximated budget
 - Fiscal Year 2014 State appropriation receivable of \$150 million was collected by end of September 2014

- It was a year of continuing challenges
 - Fiscal Year 2015 budget rescission of \$18.4 million
 - Ended Fiscal Year 2015 with \$114 million State appropriation receivable
 - Over \$5.5 billion in unpaid Fiscal Year 2015 State vouchers at June 30th
 - State budget, pension and benefit issues remained a major concern

UI Month End GRF Receivable & Percent of State Budget

Fiscal Year 2010 through Fiscal Year 2015

As of June 30, 2015



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), 2015 (\$113.6M). FY 2015 appropriation revised per PA99-0001.

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Direct State Tax Appropriations per Student FTE

FY 2000 – FY 2015



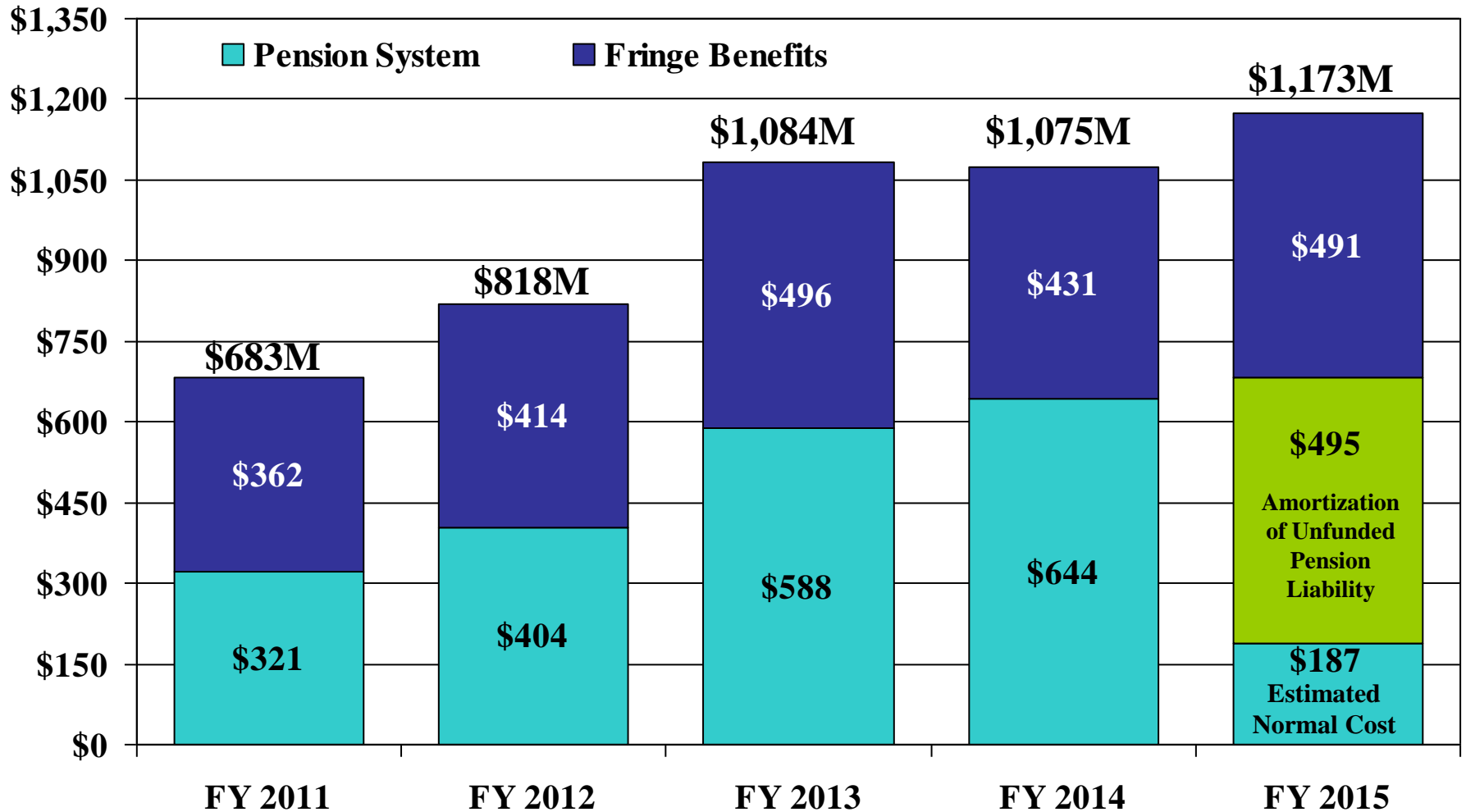
State Tax Appropriation: FY02 – FY15 adjusted for Health Insurance redirection and rescissions.
FY09 – FY15 **does not** include transfer of the State Surveys.

Payments on Behalf

FY 2011 – FY 2015

(Dollars in Millions)

In Nominal Dollars



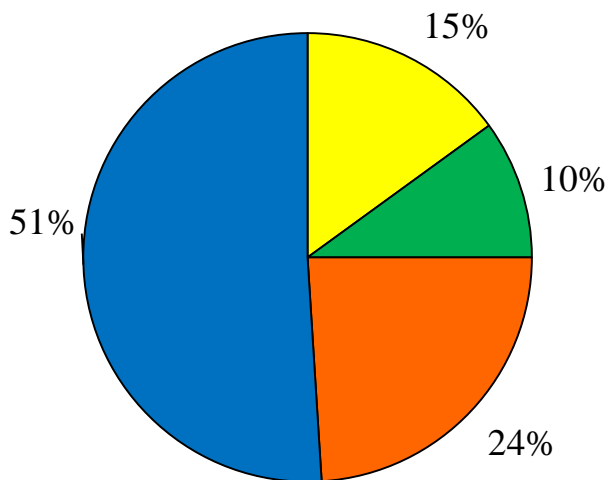
* Retirement based on estimated historical share of SURS funding and fringe benefits based on 5 year average increase.

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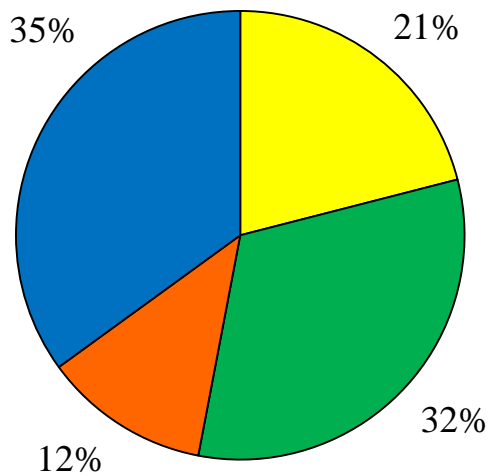
Half the Full-time Undergraduate Students Pay Less than Sticker Price

Fall 2014 – All Students

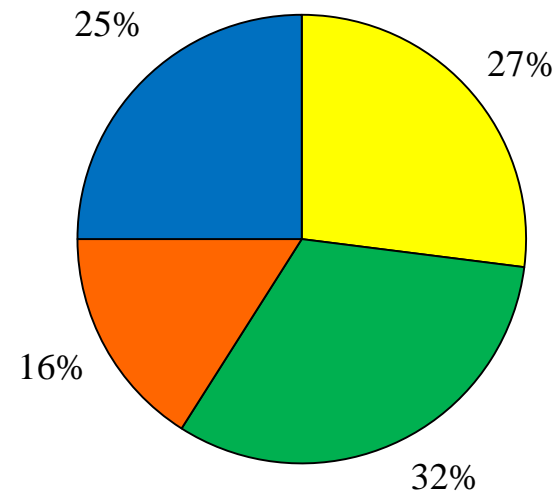
Urbana-Champaign



Chicago

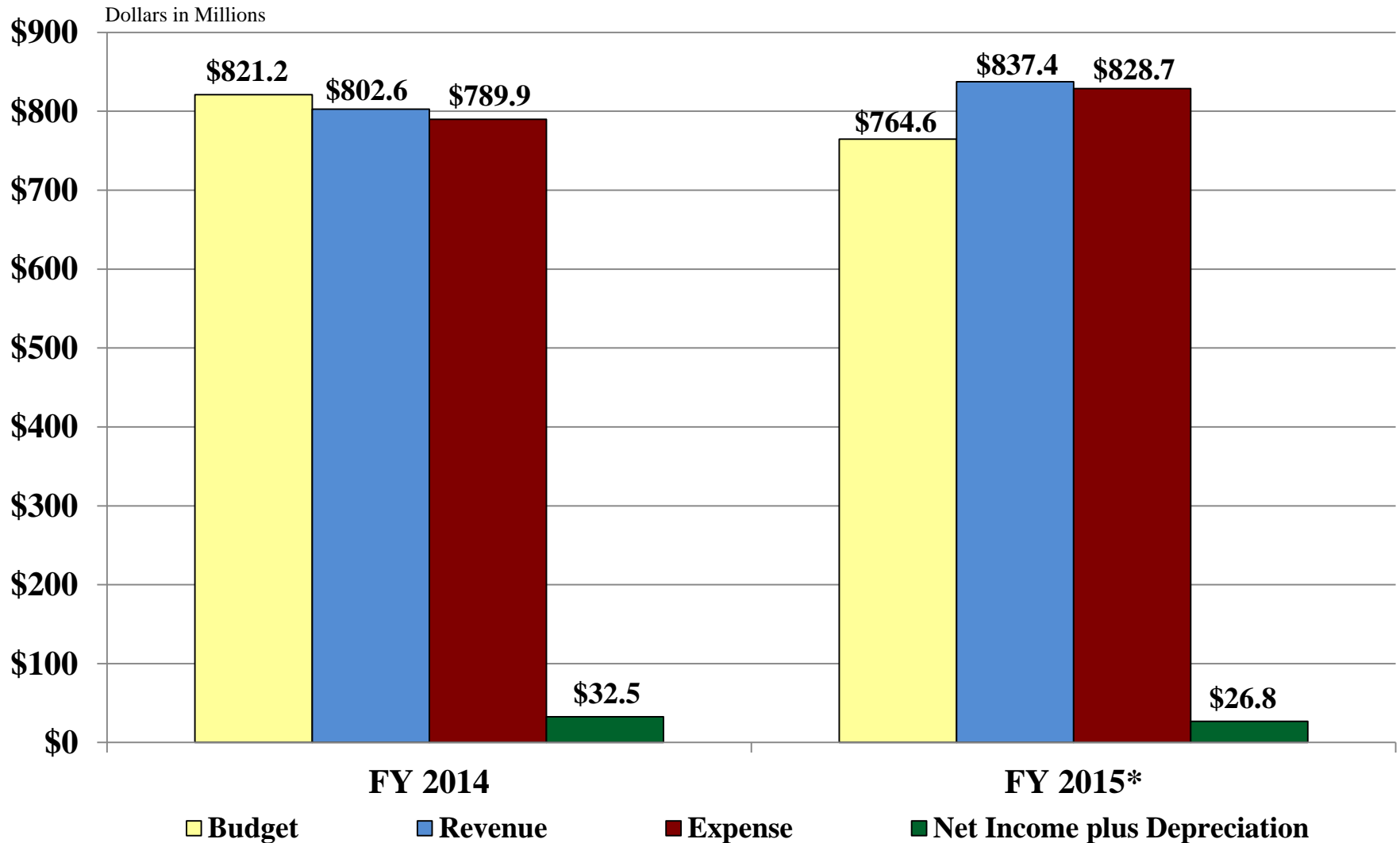


Springfield



Hospital Revenue/Expense/Net Income

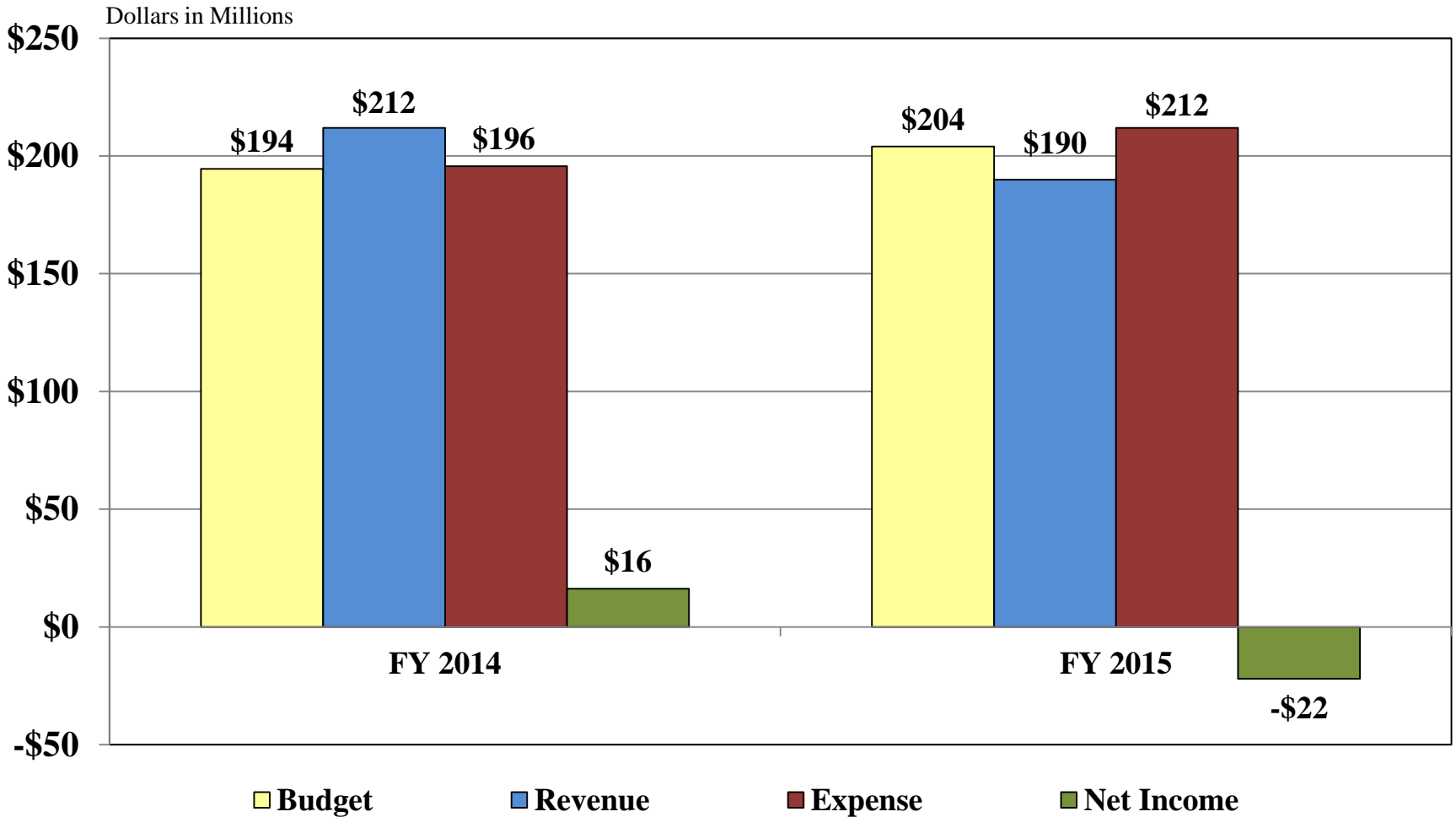
Fiscal Year 2014 and 2015 through June 30th



*Preliminary.

Medical Service Plan Revenue/Expense/Net Income

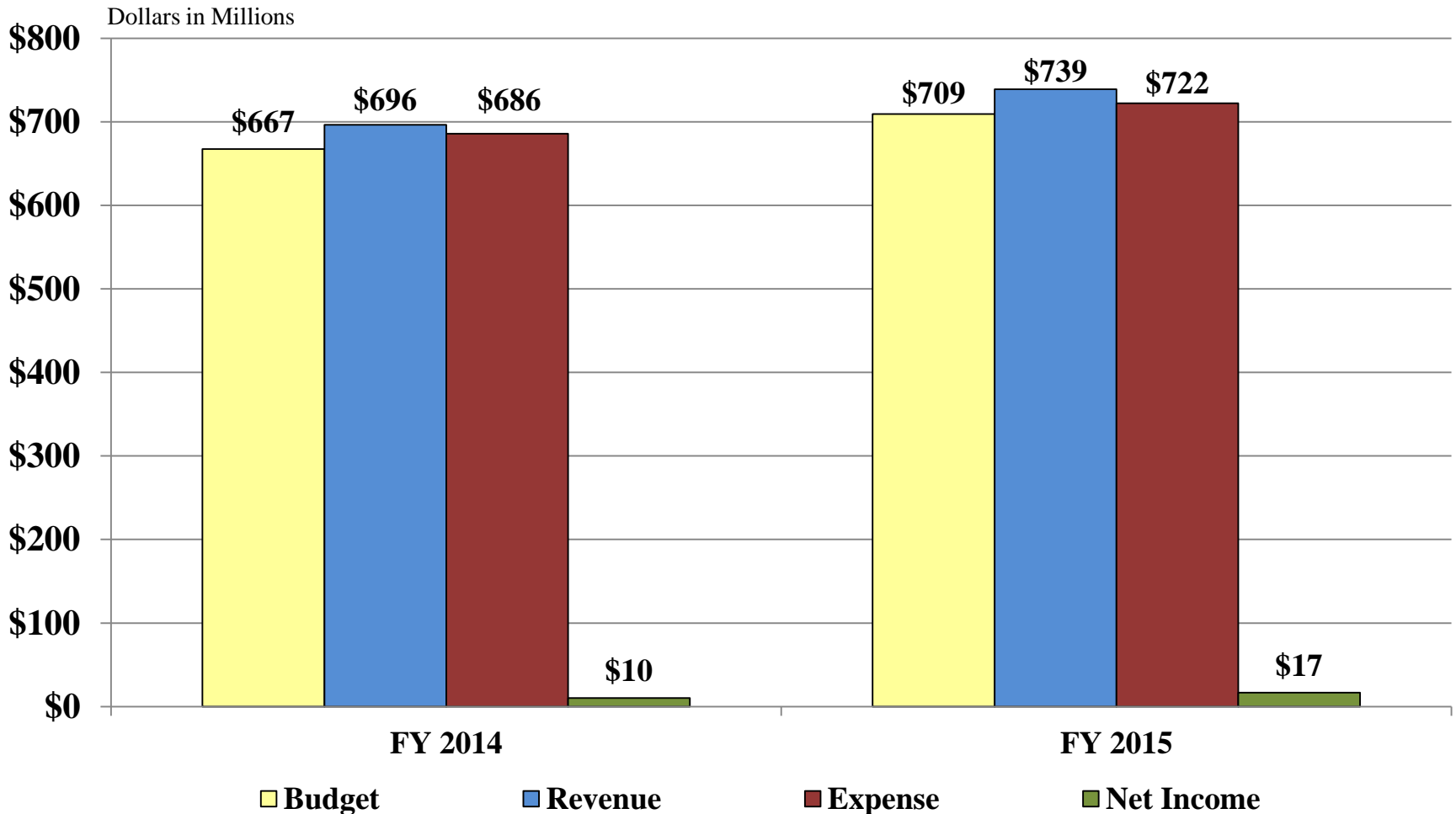
Fiscal Year 2014 and 2015 through June 30th



Auxiliary Activities

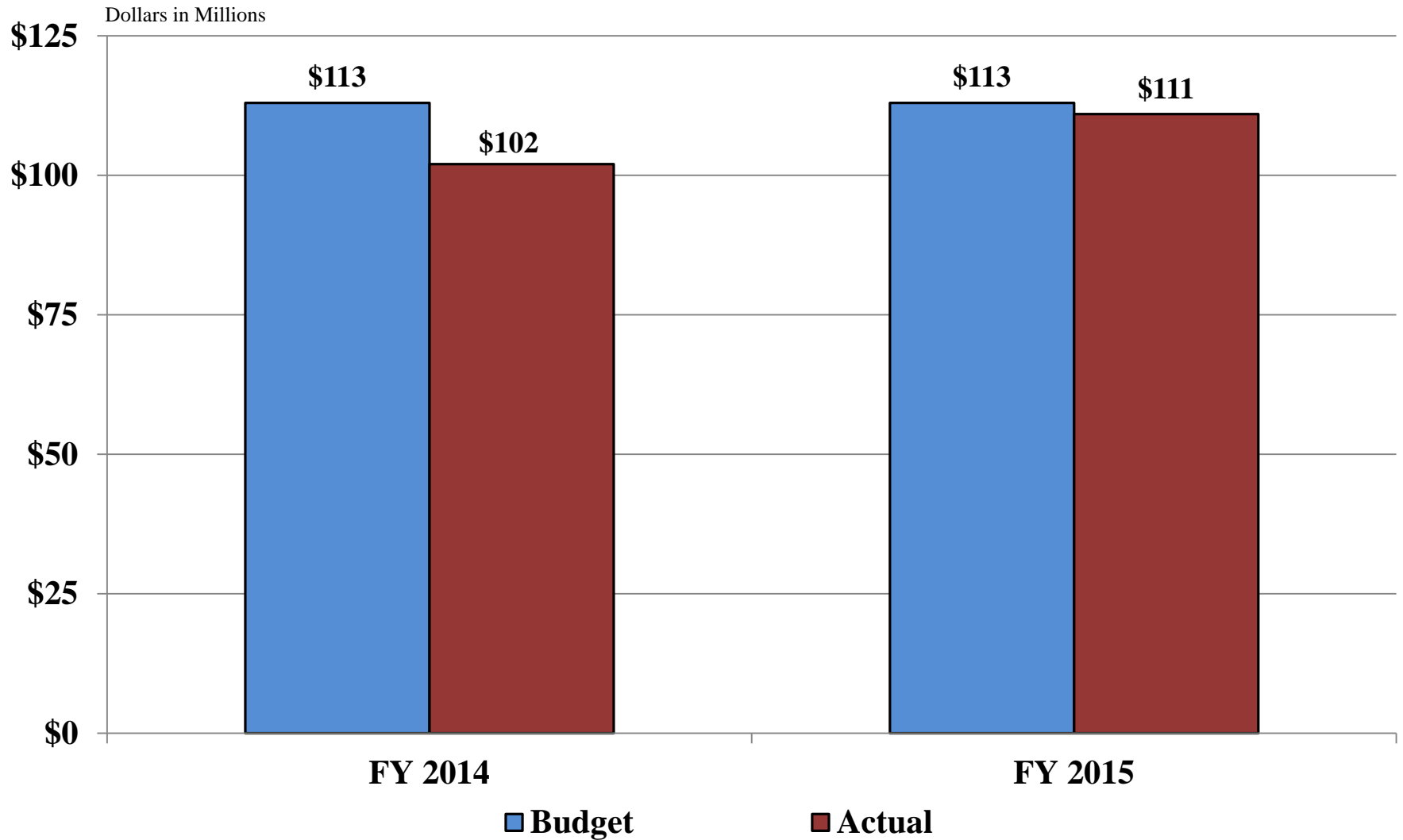
Revenue/Expense/Net Income

Fiscal Year 2014 and 2015 through June 30th



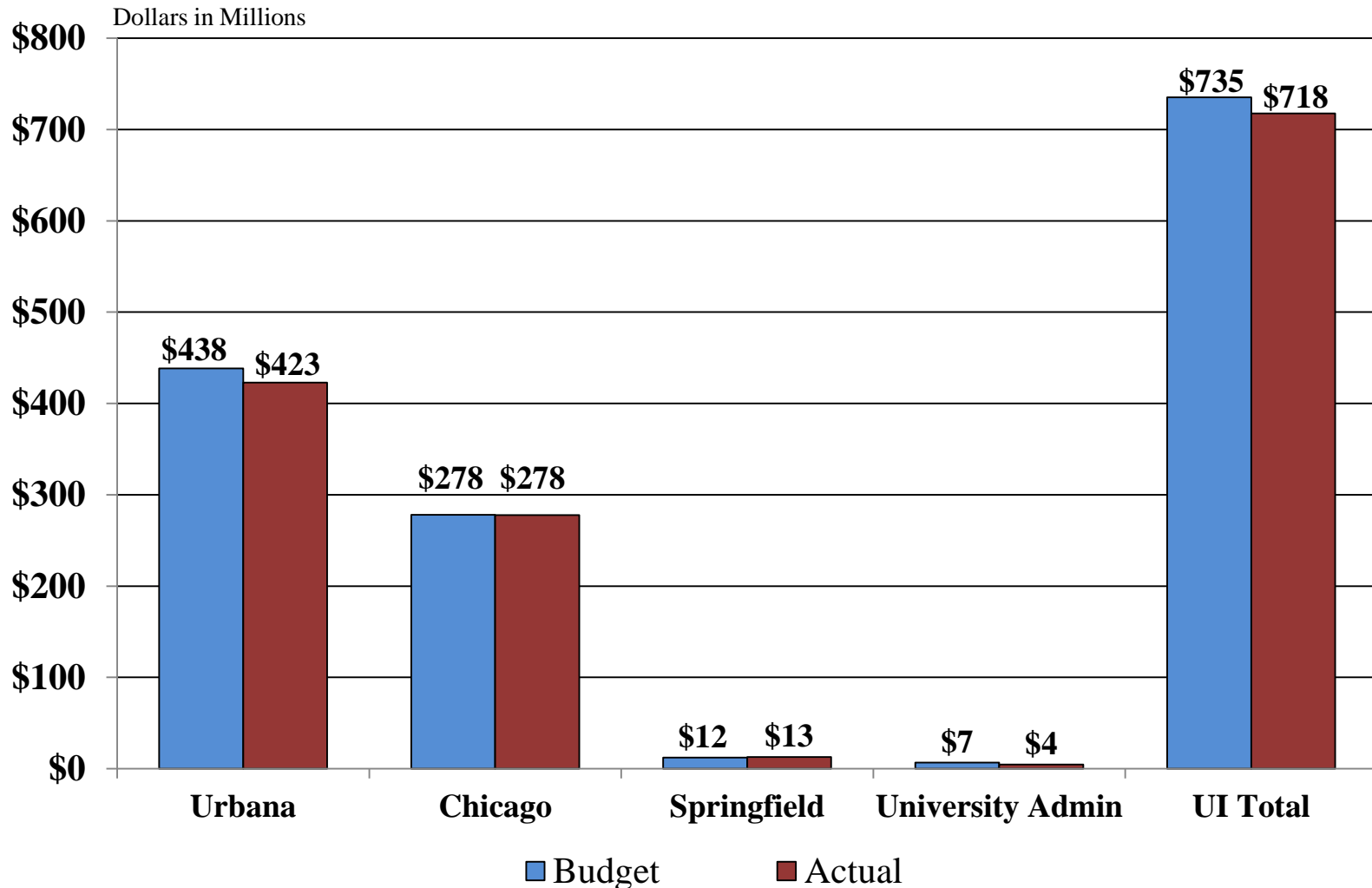
Utility Budget and Actual Expenditures

Fiscal Year 2014 and 2015

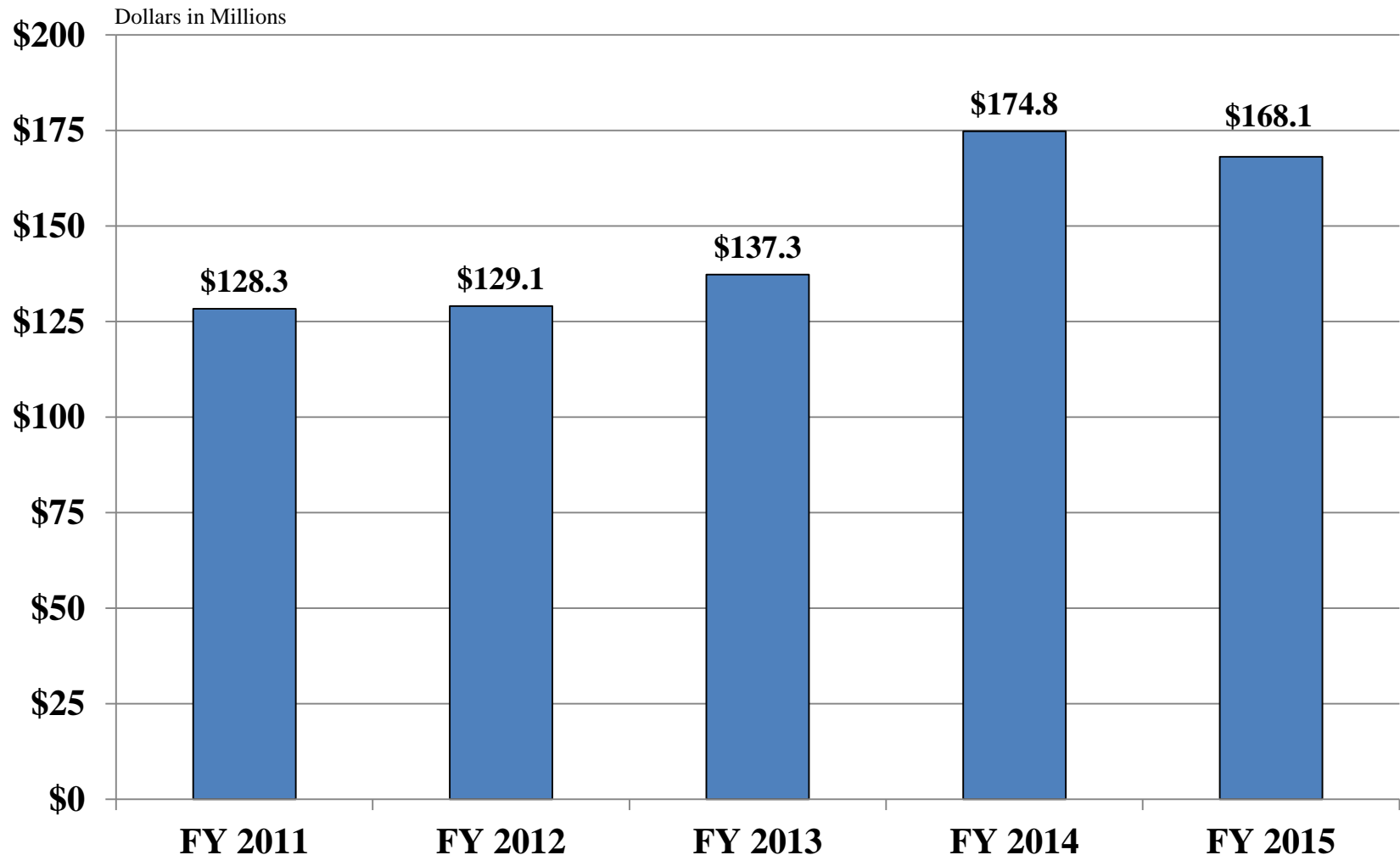


Sponsored Projects Revenue

Fiscal Year 2015 Budget Assessment



University of Illinois Foundation Distributions to the University

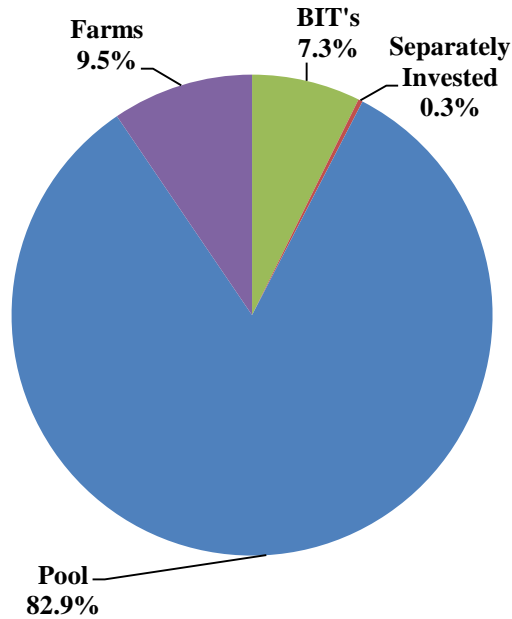


Source: University Accounting and Financial Reporting.
Includes endowment income and current use gifts distributions from the UI Foundation.

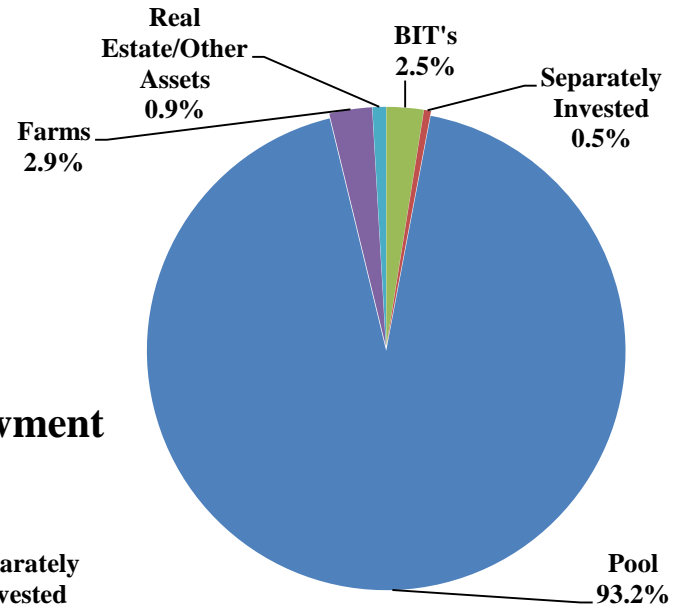
UI and UIF Individual and Combined Total Endowment

Values are preliminary as of June 30, 2015

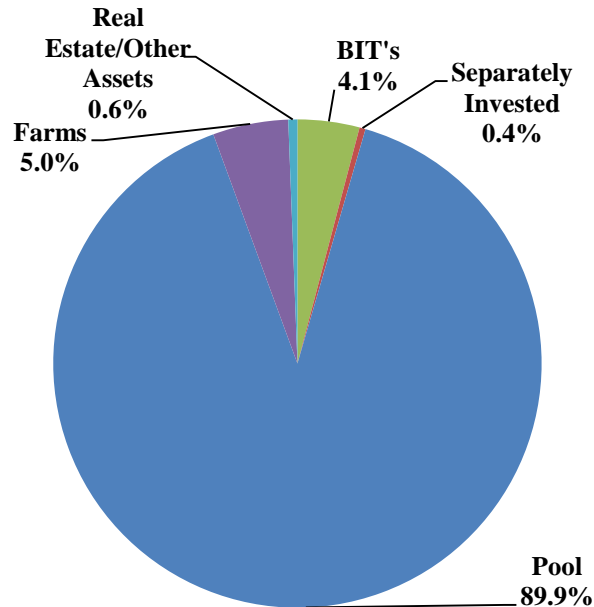
UI Endowment \$782.9 Million



UIF Endowment \$1.61 Billion

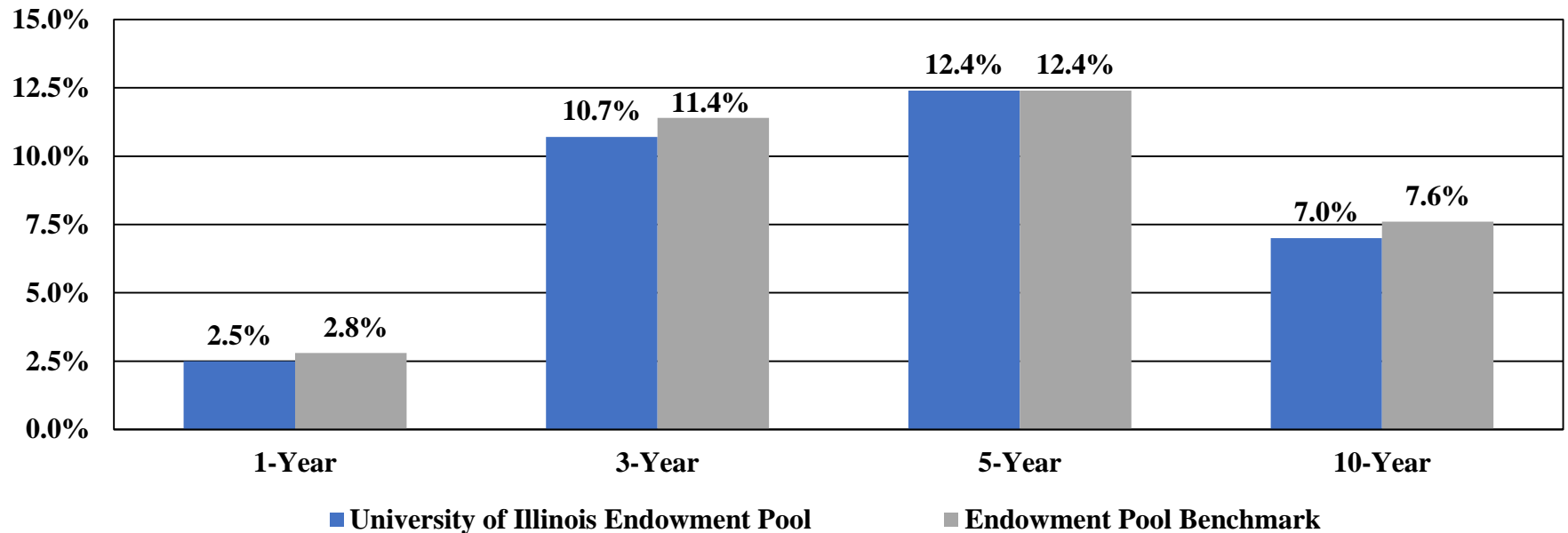


UI/UIF Combined Endowment \$2.39 Billion



Investment Performance: University Endowment Pool

Performance Summary for the Periods Ending June 30th

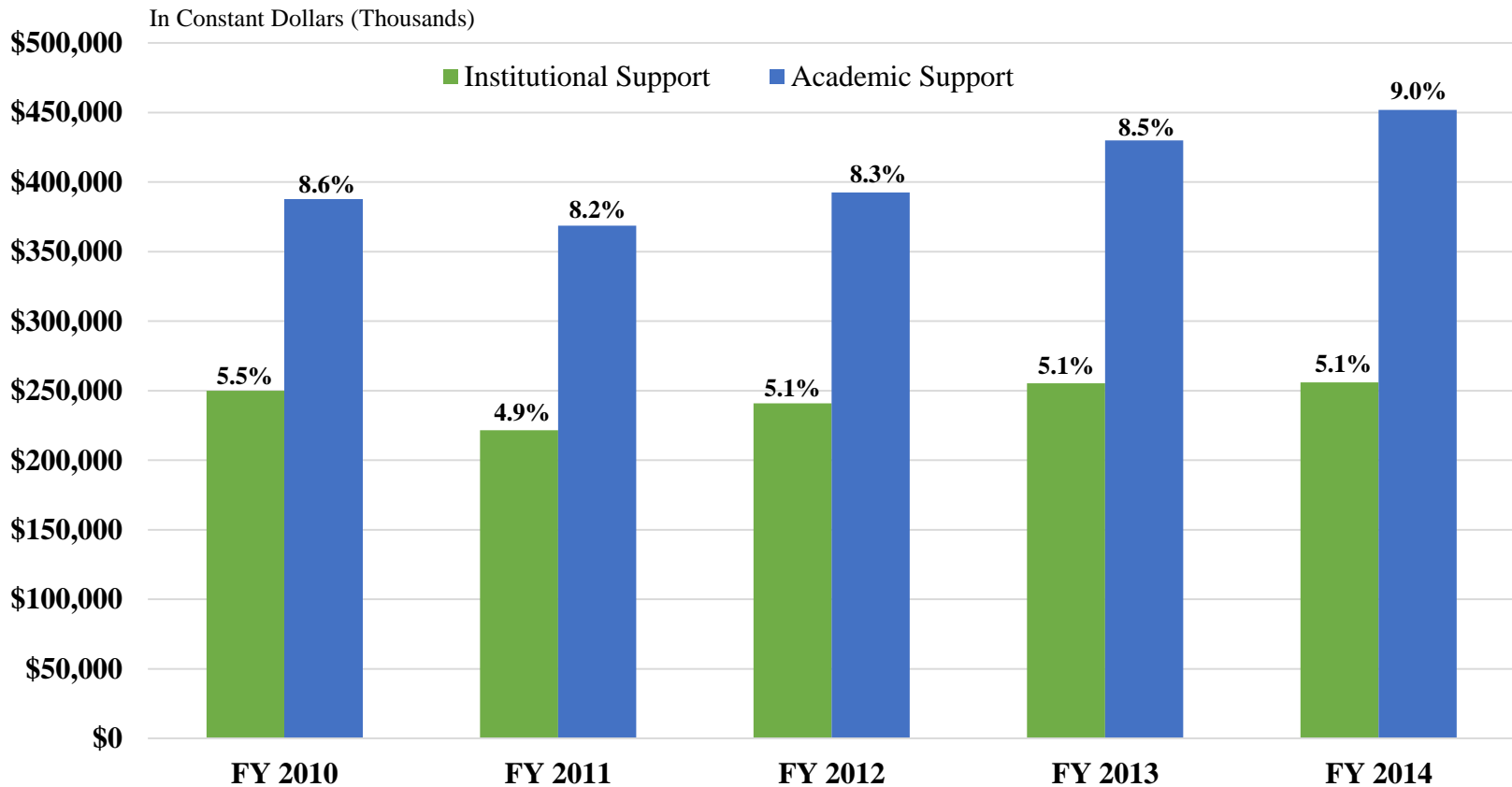


University Endowment Pool Market Values:

June 30, 2015	\$648,715,710
March 31, 2015	\$640,046,276
December 31, 2014	\$613,948,350

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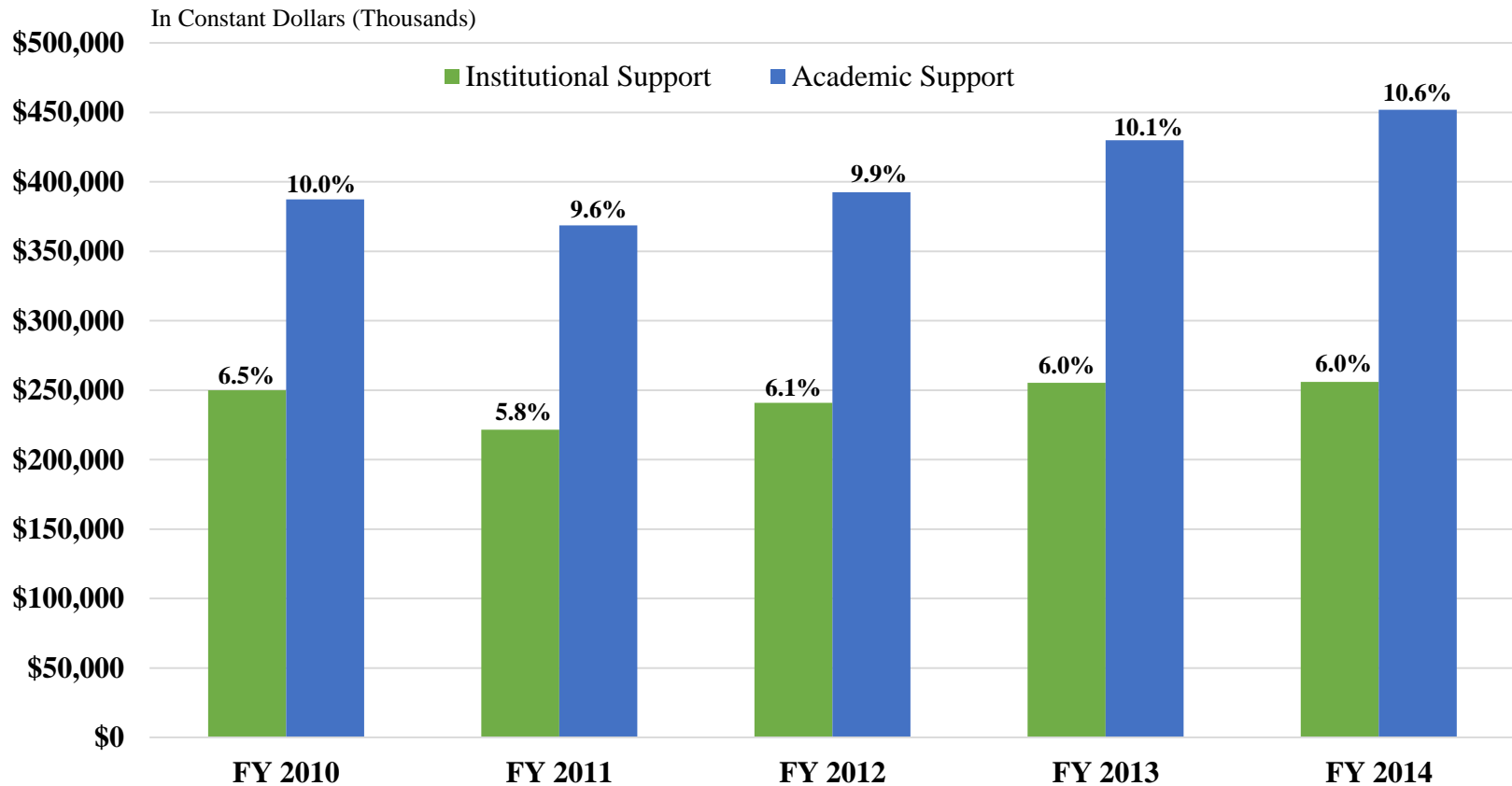
Institutional Support and Academic Support Expenditures and % of Total Expenditures



Source: Annual Financial Reports.
Percent of Total Expenditures less Depreciation.

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Institutional Support and Academic Support Expenditures and % of Total Expenditures (excluding Hospital/Medical)



Source: Annual Financial Reports.
Percent of Total Expenditures less Depreciation and Hospital/Medical.

University of Illinois

Fiscal Year 2016 Fiscal Outlook

- State's FY 2016 general operating funds budget not passed
- University's FY 2016 operating budget may be further deferred
- University operating on a continuing appropriation from FY 2015
- FY 2016 Monetary Award Program (MAP) funding remains uncertain
- University had \$114 million in unpaid FY 2015 State vouchers as of June 30, 2015; remaining \$49 million expected to be repaid by September 2015
- University has approximately \$160 million in unprocessed FY 2016 bills
- Existing capital appropriations frozen; no new capital
- Significant unfunded pension liability
- Affordable Care Act and State Medicaid program may reduce hospital revenues with adjustment from fee for service to managed care
- Increase in annual rate of inflation negligible