

# FINANCIAL INDICATORS



**UNIVERSITY OF ILLINOIS**

**URBANA-CHAMPAIGN • CHICAGO • SPRINGFIELD**

**BOARD OF TRUSTEES**

**September 9, 2011**

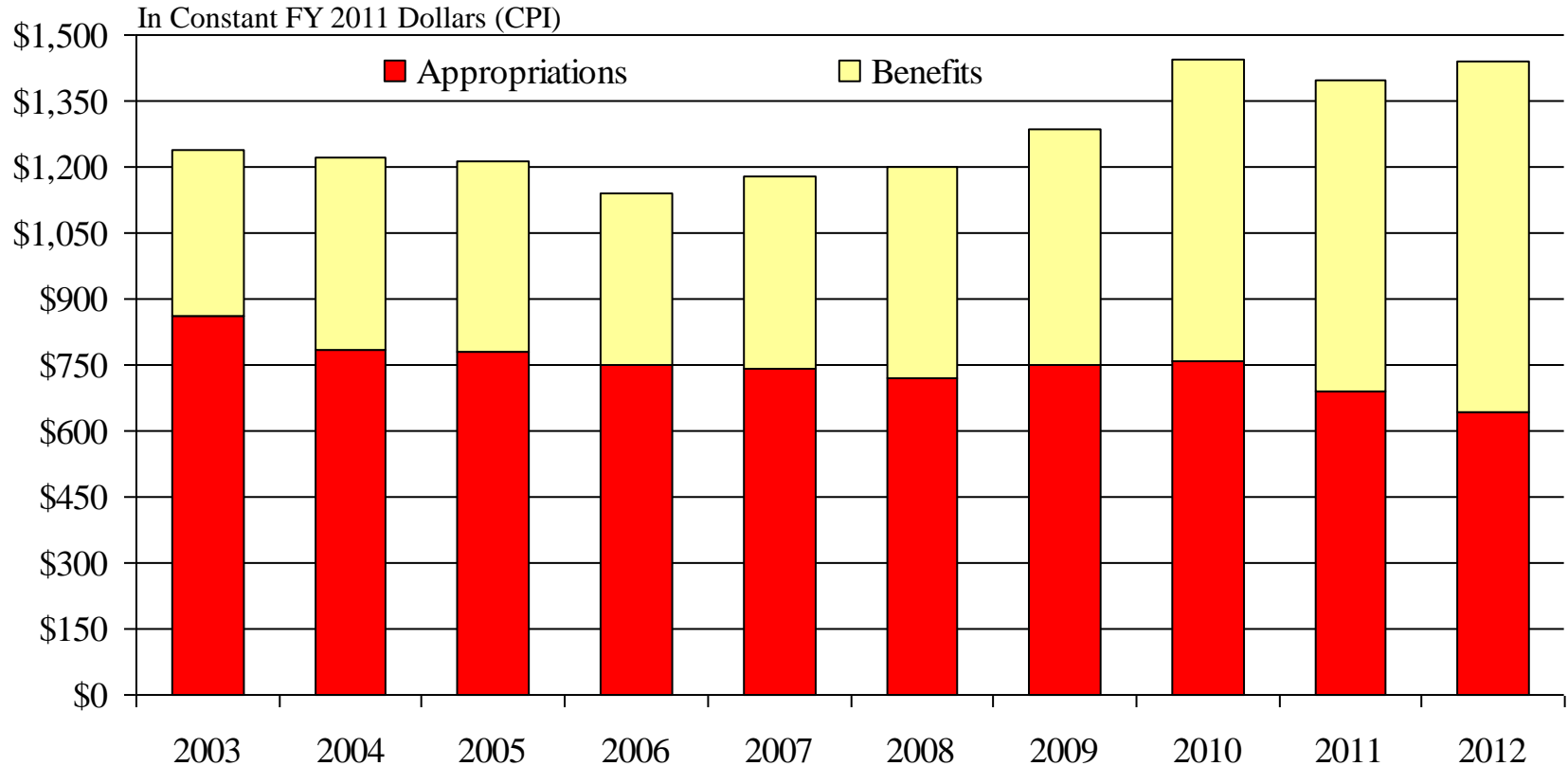
# Fiscal Year 2011

## University Financial Summary

- It was a year of performance
  - Positive outcomes for hospital, medical service plan and auxiliaries
  - Instruction/research operations had robust revenue generation (tuition/sponsored research grants) and all campuses demonstrated strong expense control
  - ARR efforts generated administrative savings
  - UI collected \$250 million FY10 state appropriation receivable by 12/31/10
- It was a year of challenges
  - Ended FY11 with \$313 million State receivable
  - State has \$7.4 billion in unpaid FY11 vouchers
  - Pension and benefit issues continue to be a top concern

# University of Illinois Appropriations & Benefits

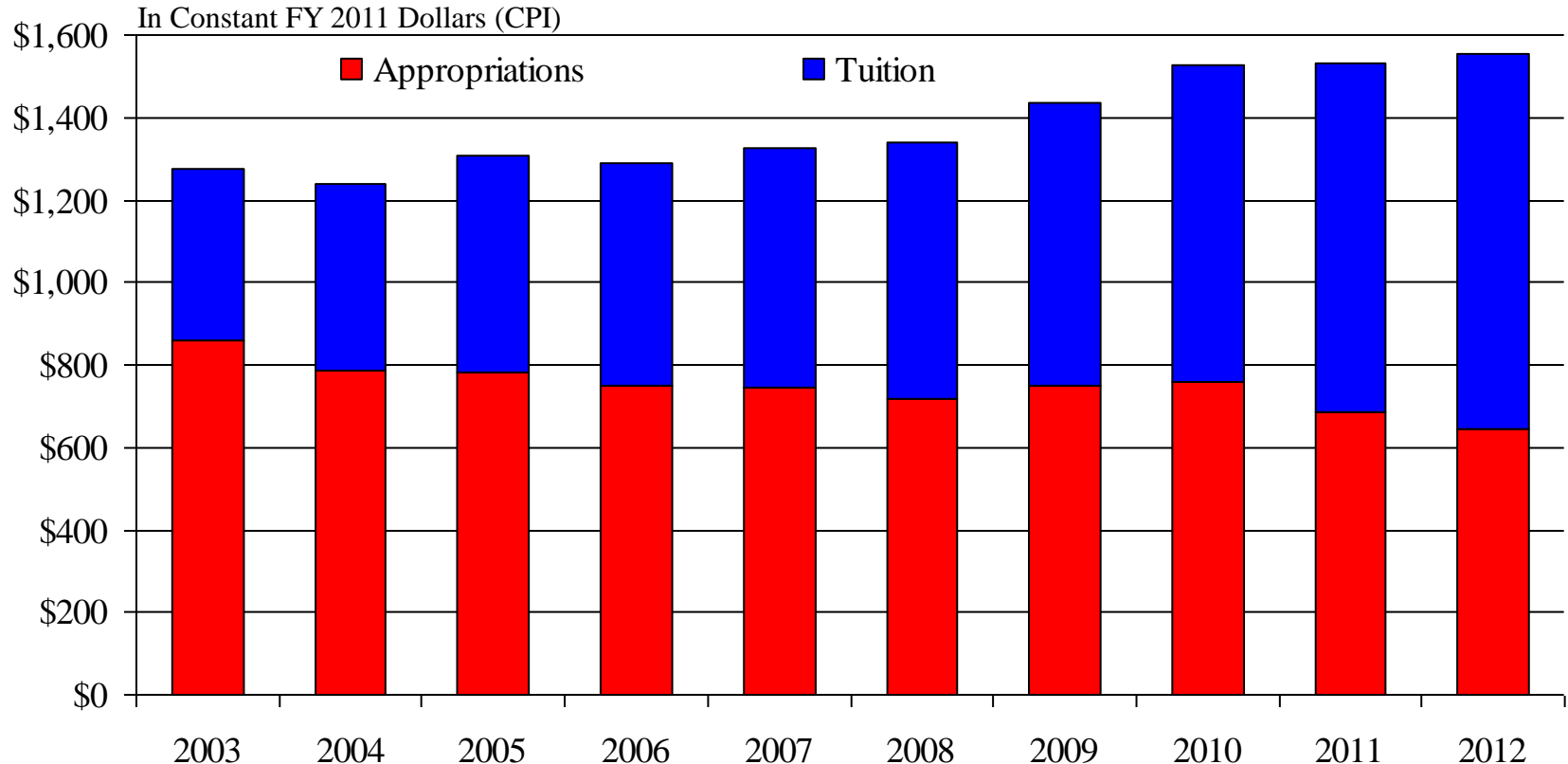
(Dollars in Millions)



FY02-12 Appropriations adjusted for Health Insurance and Rescissions; FY09 – FY11 includes the transfer of the State Surveys, FY12 does not. Benefits includes the Health Insurance payment. FY04 benefits excludes one time pension bond proceeds. FY12 Benefits are estimated.

# University of Illinois Appropriations & Tuition

(Dollars in Millions)



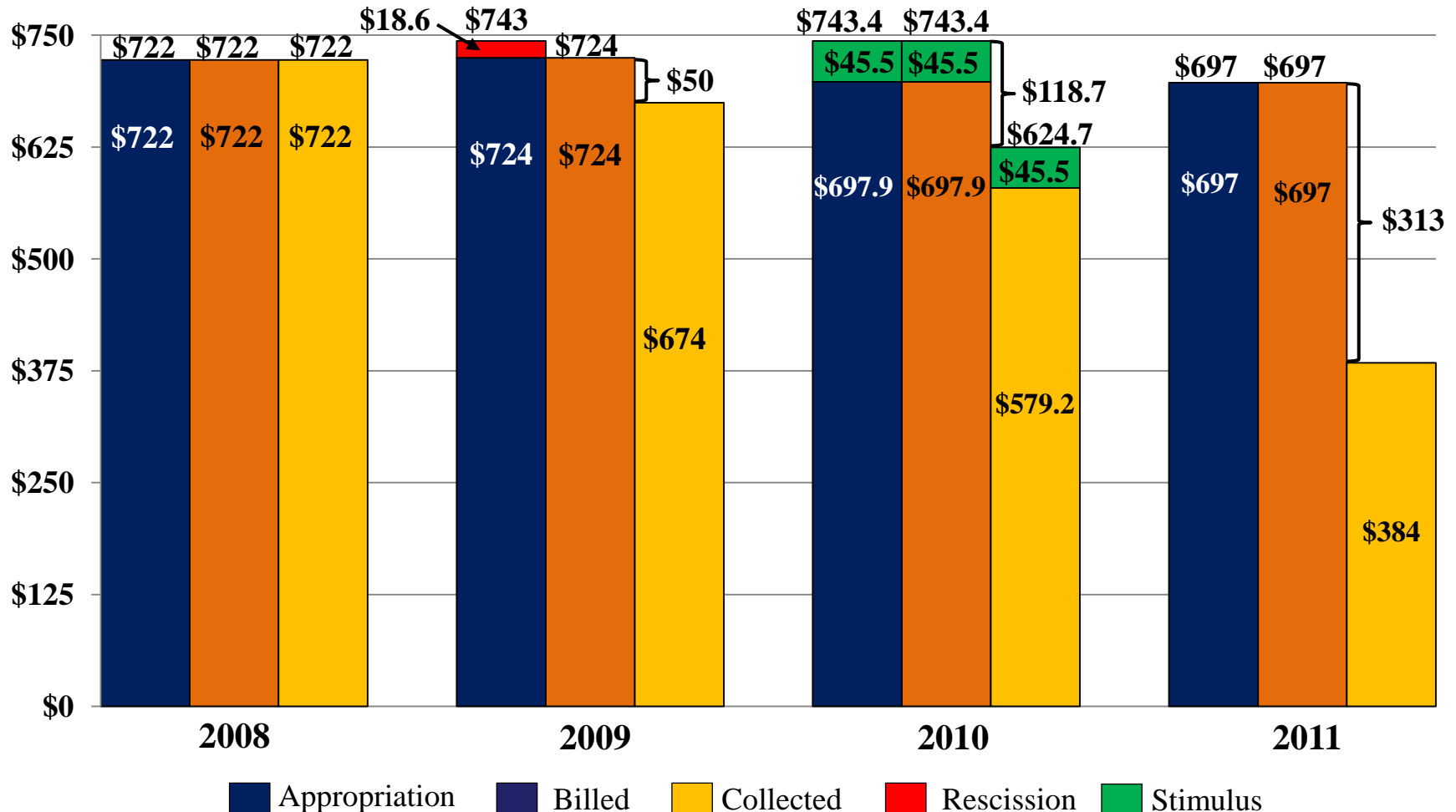
FY02-12 Appropriations adjusted for Health Insurance and Rescissions; FY09 – FY11 include the transfer of the State Surveys, FY12 does not.

# State Appropriation Revenue

## Unrestricted Funds

Lapsed Period Billings and Collections through September 6, 2011

In Millions



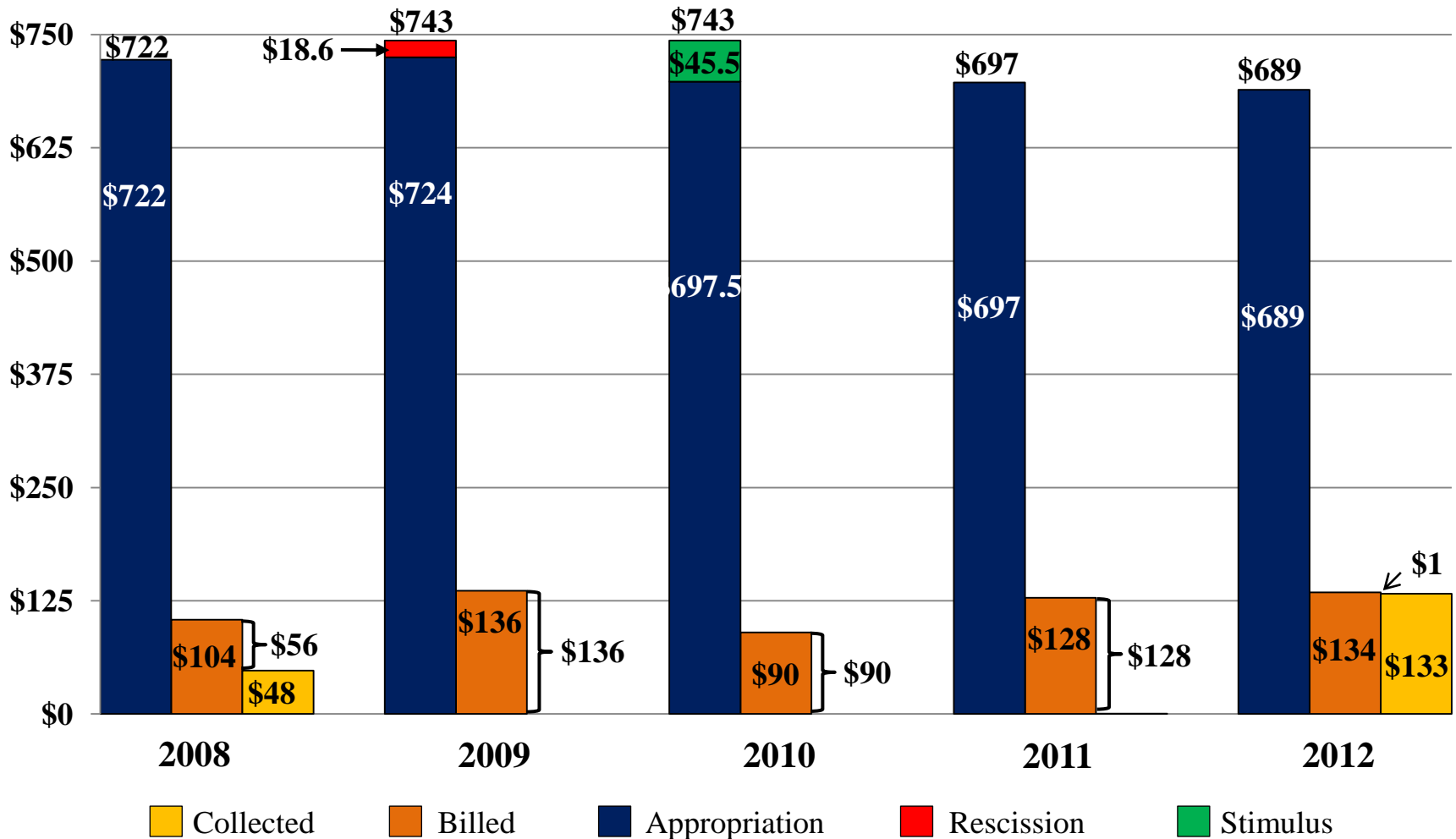
FY09 appropriation includes \$18.6 million rescission. FY08 - FY10 as of August 31<sup>st</sup>.  
 FY10 appropriation includes \$45.5 million of federal stimulus funding.

# State Appropriation Revenue

## Unrestricted Funds

Billings and Collections through September 6, 2011

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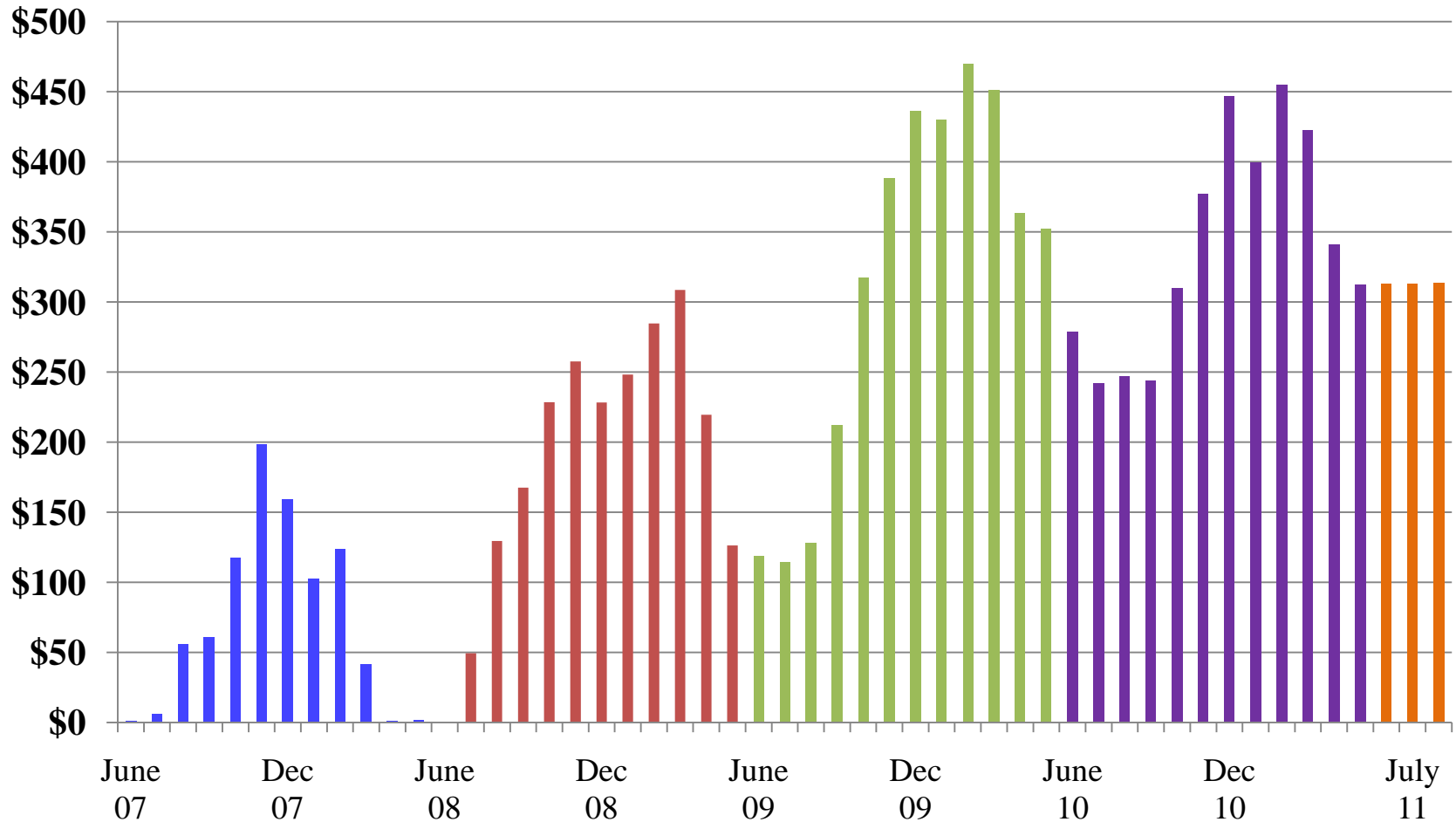
FY09 appropriation includes \$18.6 million rescission. FY08 - FY10 as of August 31<sup>st</sup>.

FY10 appropriation includes \$45.5 million of federal stimulus funding.

# UI Month End GRF Receivable

## Fiscal Year 2008 through Fiscal Year 2012

Dollars in Millions



The first five months of FY11 had receivables from FY10 outstanding at the end of the month. The receivable amount for each month in millions was as follows: July \$193; August \$119; September \$33.1; October \$10.9; November \$10.9. Receivables from FY11 outstanding in FY12, in millions are as follows; July 2011 \$313, Aug. 2011 \$313.

August 2011 is as of August 29, 2011.

# FY 2010 State Capital Budget

## Major Projects as Signed by the Governor

(Dollars in Thousands)

	Project	Total
University Wide	Repair and Renovation	\$ 21,505.0
University Wide	Repair and Renovation <sup>1</sup>	10,700.0
Urbana	Lincoln Hall Remodeling <sup>1</sup>	57,304.0
Chicago	College of Medicine Rockford <sup>1</sup>	14,820.0
Urbana	Petascale Facility <sup>1</sup>	60,000.0
Chicago	Dentistry Modernization/Code Compliance <sup>3</sup>	20,800.0
Urbana	Electrical and Computer Engineering Bldg. <sup>2</sup>	44,520.0
Urbana	Integrated Bioprocessing and Research Lab	20,034.0
Springfield	Public Safety Building	4,000.0

<sup>1</sup> Released

<sup>2</sup> State match of non-state funds

<sup>3</sup> \$2.5M Planning funds released



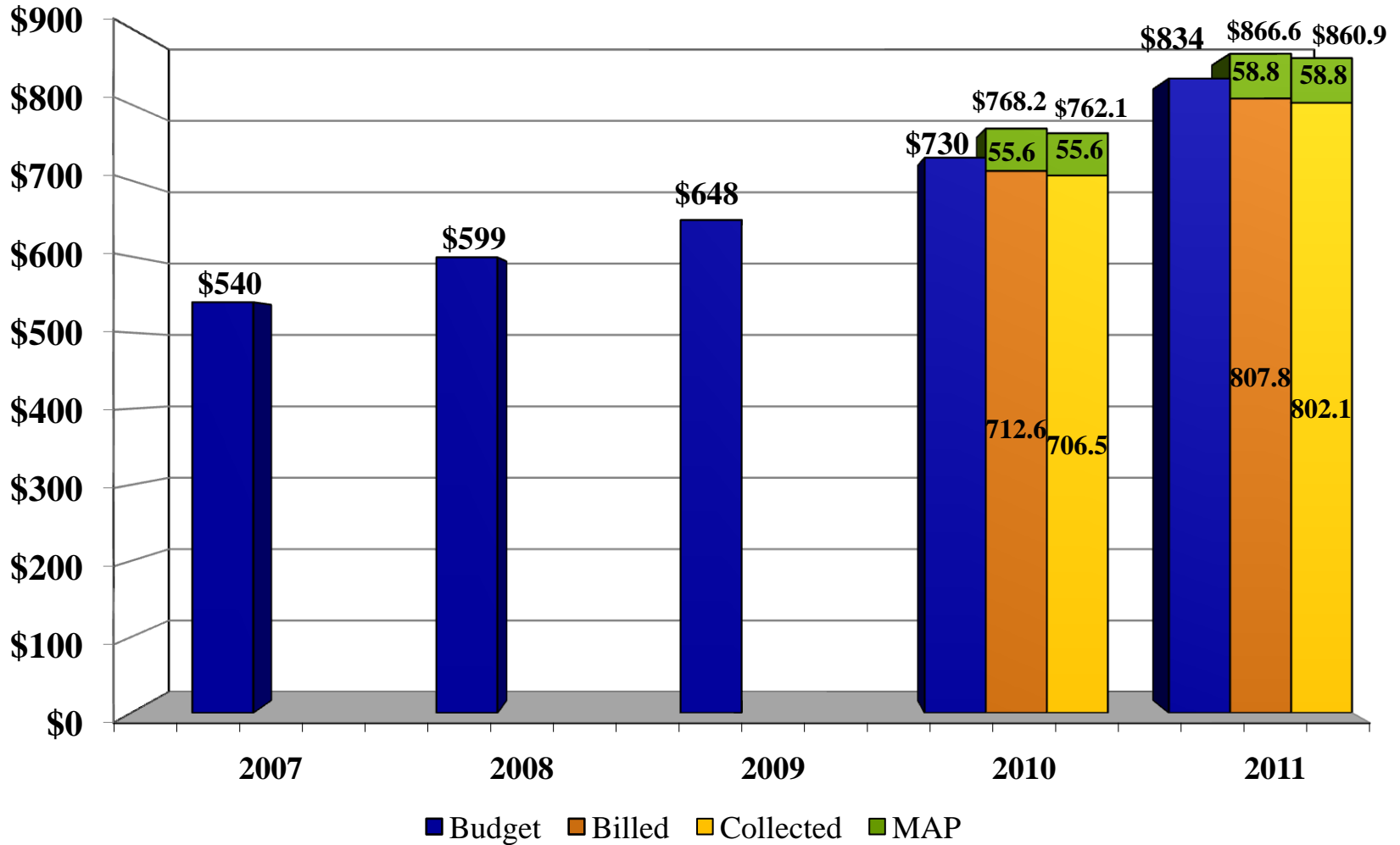
# Income Fund (Tuition) Revenue

## Unrestricted Funds

Fiscal Year 2007-2011

Collections and billed through June 30 of Fiscal Years 2010 & 2011

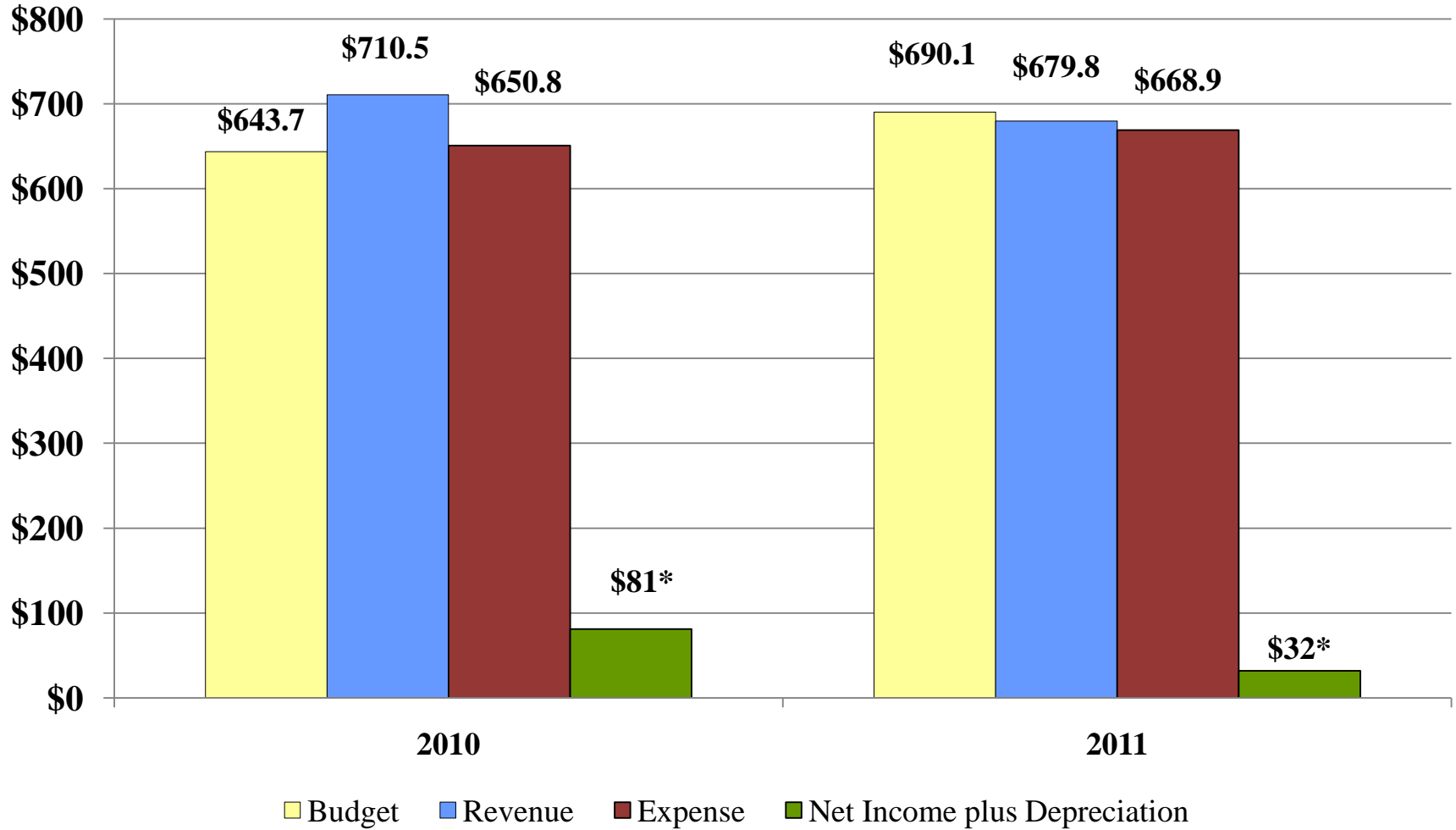
Dollars in Millions



# Hospital Revenue/Expense/Net Income

Fiscal Year 2010 versus Fiscal Year 2011 through June 30

Dollars in Millions

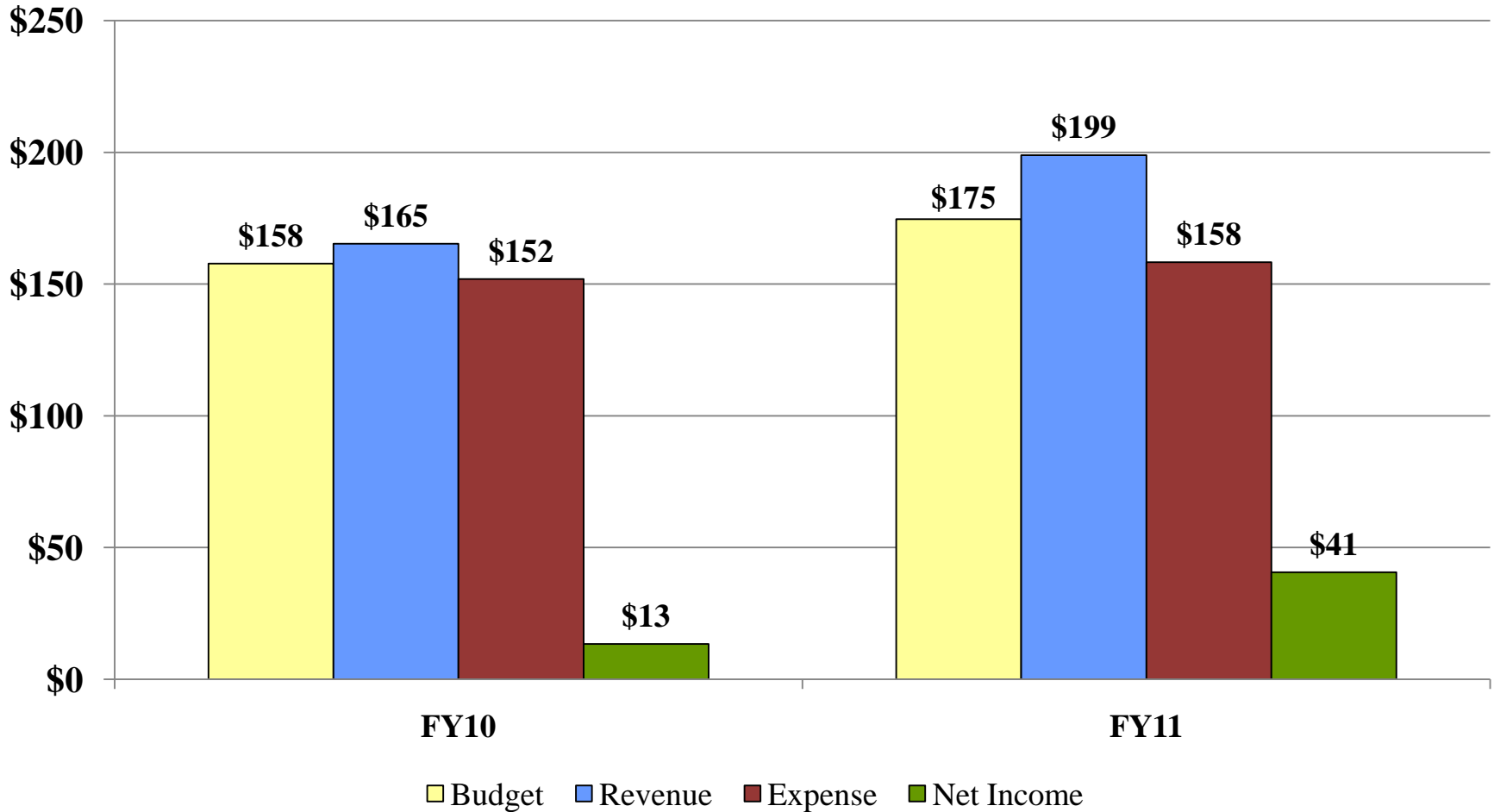


\* Depreciation included above was approximately \$21.3 million for FY10 and approximately \$21.1 million in FY11.

# MSP Revenue/Expense/Net Income

## Fiscal Year 2010 versus Fiscal Year 2011 through June 30

Dollars in Millions



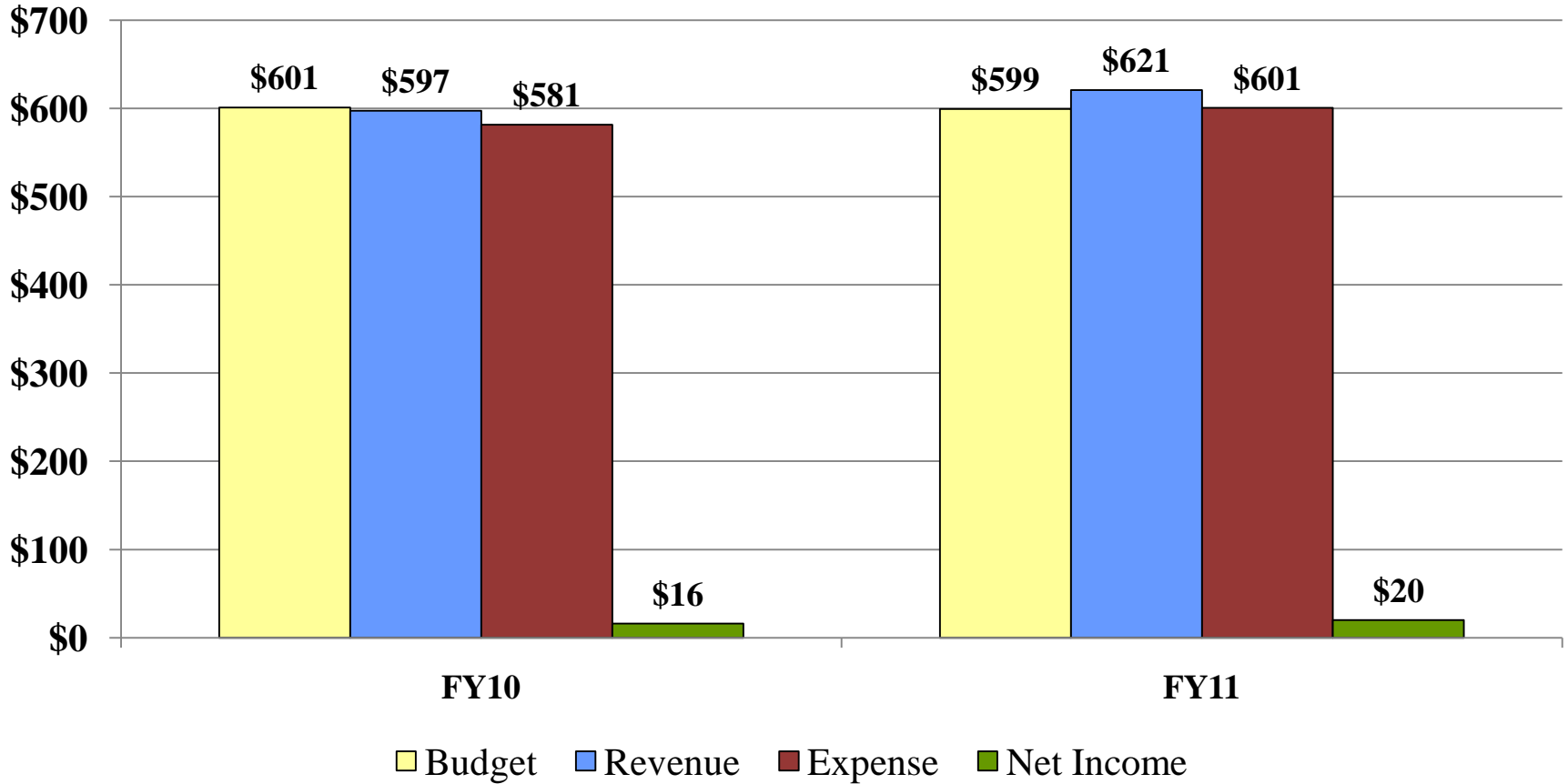
Depreciation for MSP was approximately \$800K for FY11. This represents equipment only and is not included in the net income figures above.

# Auxiliary/Departmental Activities

## Revenue/Expense/Net Income

Fiscal Year 2010 versus Fiscal Year 2011 through June 30

Dollars in Millions

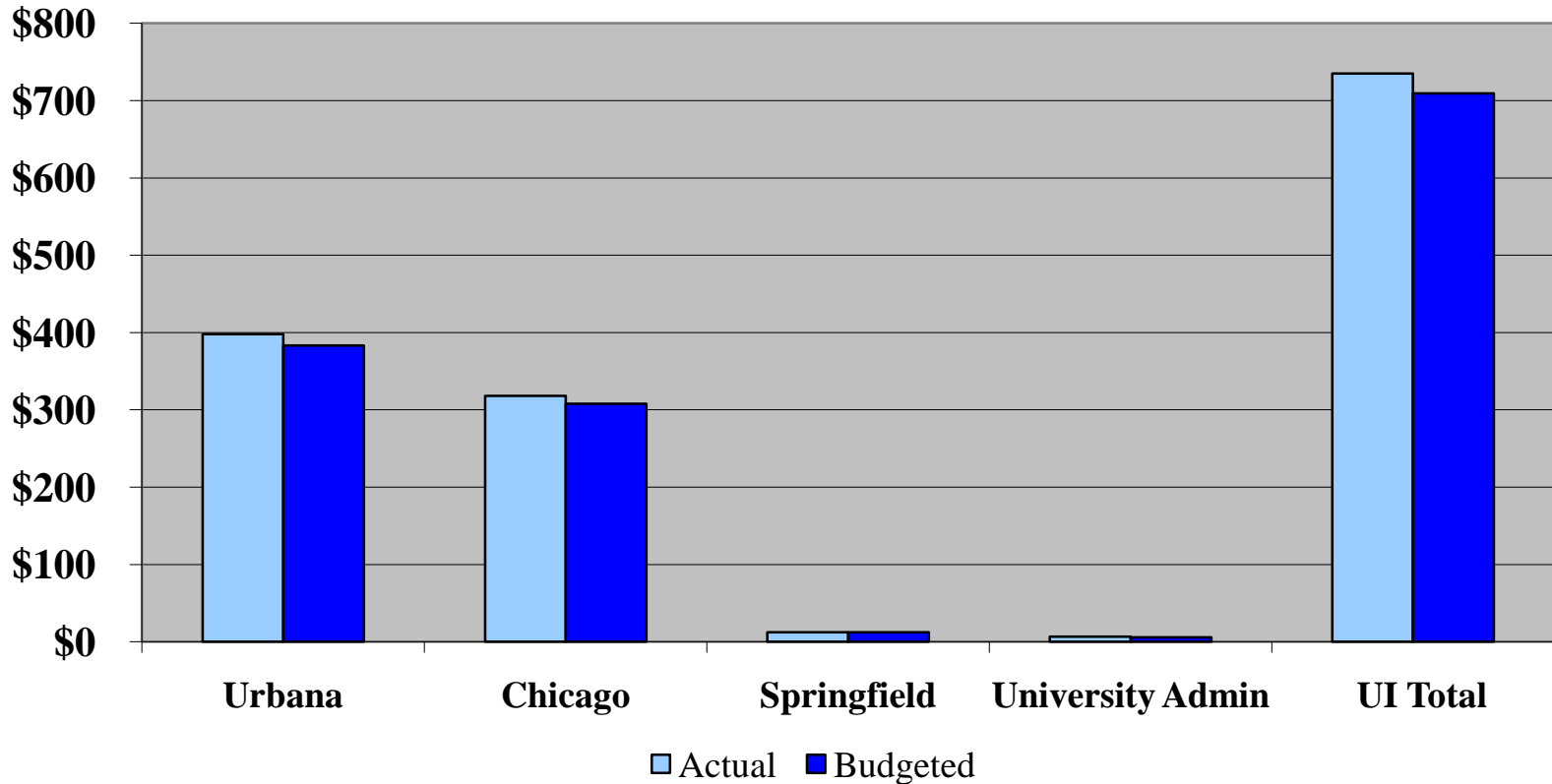


Auxiliary Facility System depreciation was approximately \$29.9 million in FY11 and \$28.7 million in FY10. These amounts are not included in the net income figures above.

# Fiscal Year 2011 Budget Assessment

## Sponsored Projects Revenue

Dollars in Millions



Campus	Actual Revenue	Budgeted Revenue	\$ Variance	% Variance
Urbana	398.0	383.1	14.9	3.9%
Chicago	318.0	308.1	9.9	3.2%
Springfield	12.4	12.3	0.1	0.8%
University Admin	6.5	5.9	0.6	10.2%
Totals	734.9	709.4	25.5	3.6%

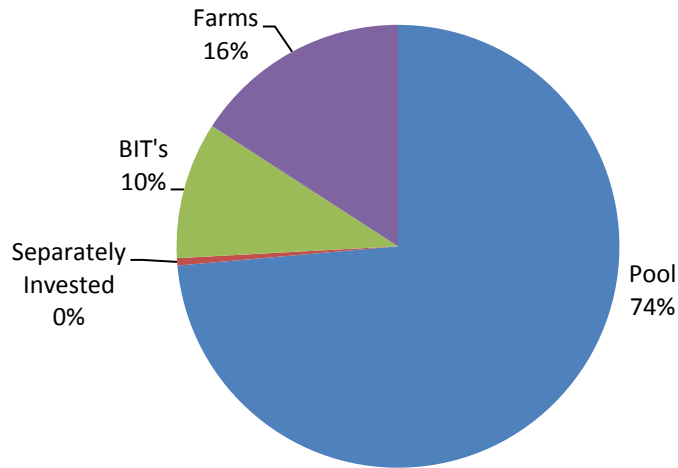
# Operating Pool, Endowment and Debt Questions

- Could liquidity balances in the operating pool be invested more aggressively or used to pay down debt?
- Does the University endowment pool represent the entire University endowment?
- Should the University endowment pool be diversified further into non-traditional assets?

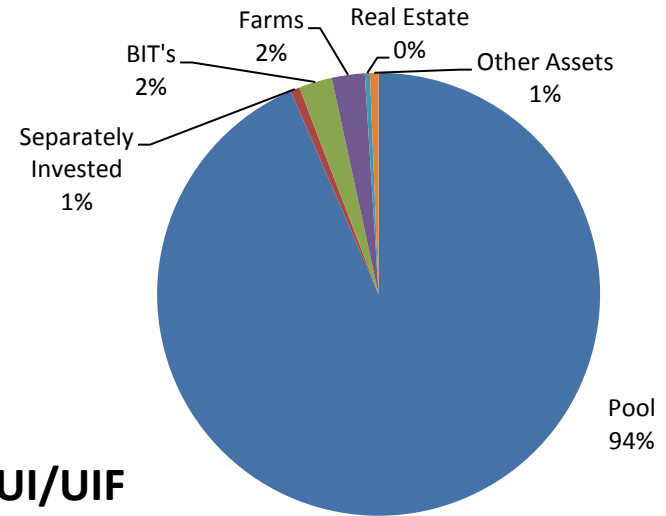
# UI and UIF Individual and Combined Total Endowment

Values are preliminary as of June 30, 2011

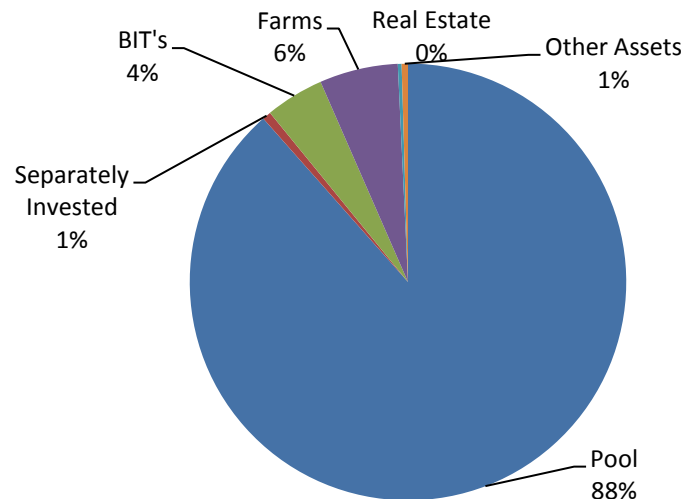
## UI Endowment \$405 Million



## UIF Endowment \$1.2 Billion

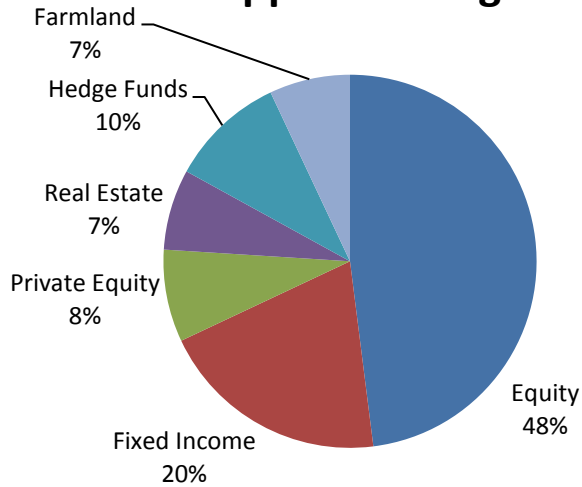


## Combined UI/UIF Endowment \$1.6 Billion

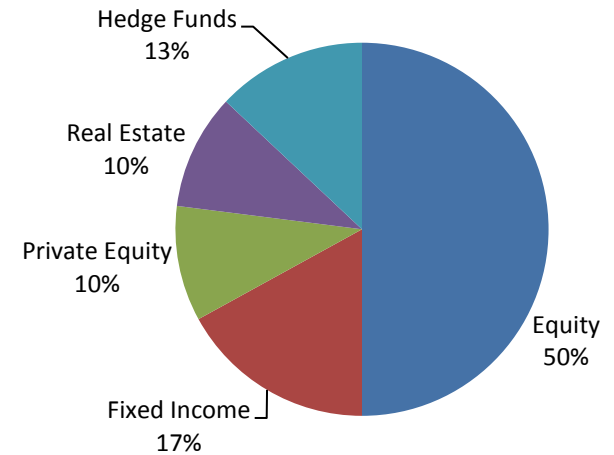


# UI, UIF, and Combined Endowment Pool Targets as of Jan 2011

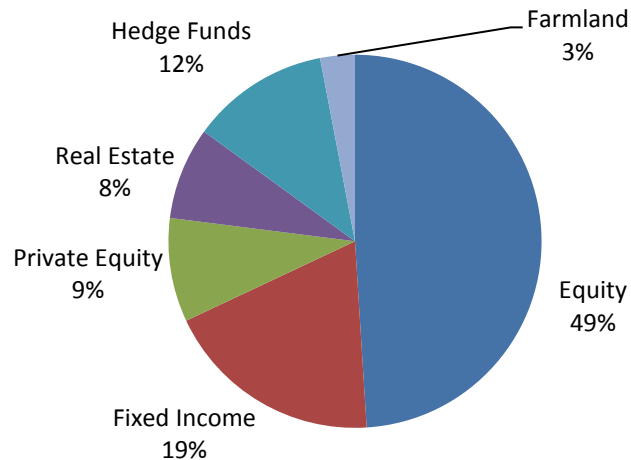
## UI Approved Target



## UIF Target

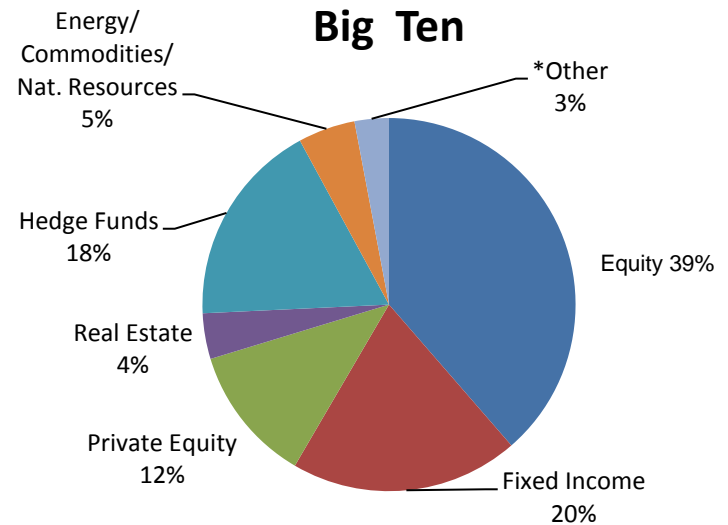
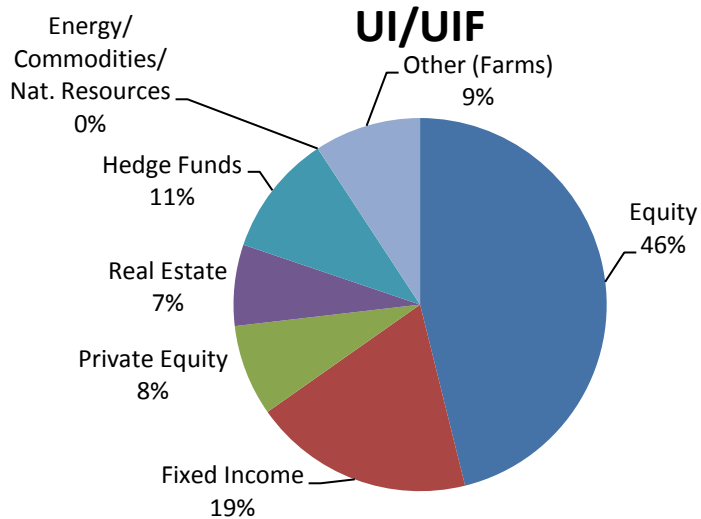


## UI/UIF Average



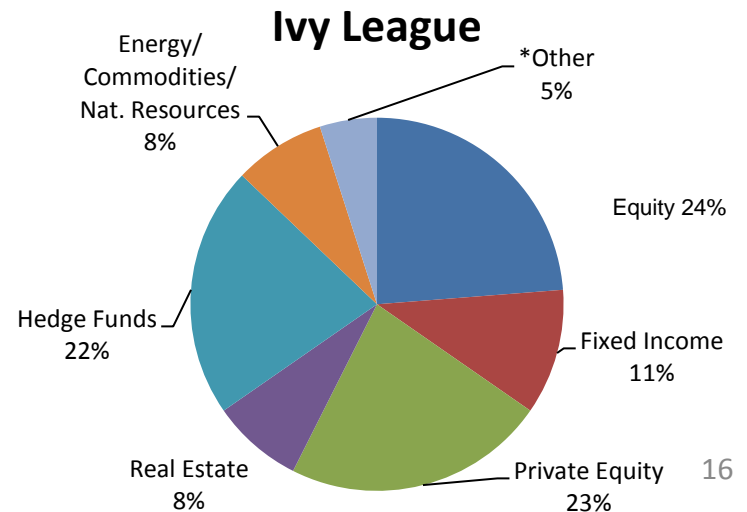
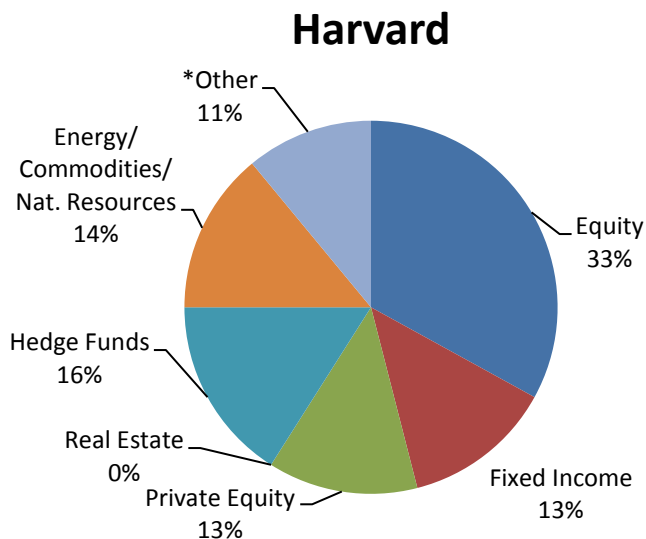


# 2010 NACUBO Commonfund Study of Endowments 6/30/2010



\*Other includes cash and other investments not categorized in the asset classes represented by responding institutions.

Note: May not equal 100% due to rounding.



# Summary

## **Endowment pool investments:**

- UI BOT recently approved (Jan 2011) revised asset allocation to improve diversification of UI endowment pool. Staff will implement these decisions as rapidly as possible.

## **University debt:**

- The University is aggressively amortizing debt. Debt outstanding will drop from \$1.626 billion to \$1.035 billion in 10 years (even with current AFS issuance plans).

## **Operating pool investments and liquidity:**

- State of Illinois financial situation requires more liquidity than normal. The UI liquidity position has been a critical factor in maintaining the UI credit rating. Staff are prudently extending investment maturity within policy ranges.