



Financial Report

Prepared for presentation to the Board of Trustees

November 15, 2018

Preliminary FY18 End of Year Financial Results (unaudited results)

Robust Financial Results

\$638M Increase in Net Position

\$52M Increase in FY 2017

\$276M Decline in FY 2016

FY18 FINANCIAL SUMMARY

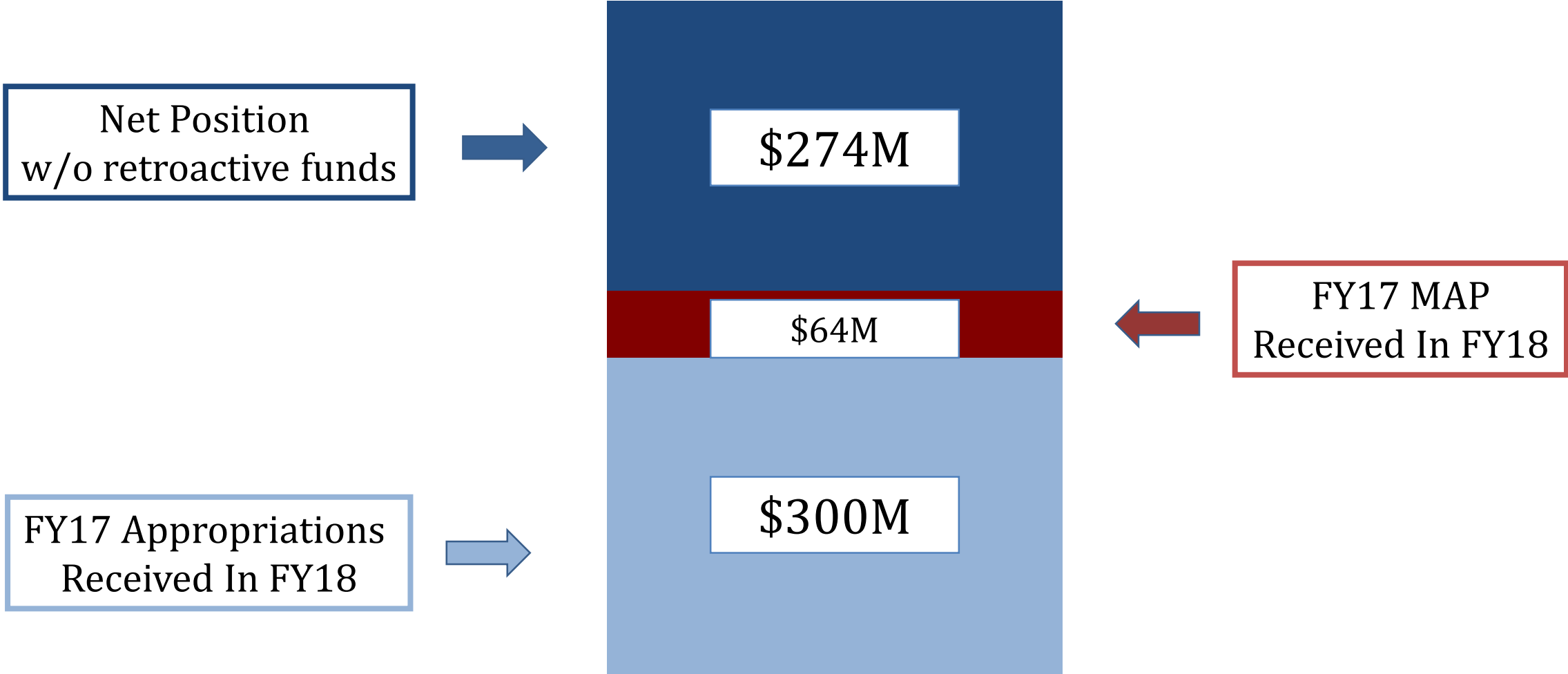
Unaudited Figures in Thousands of Dollars

	Including Payments on Behalf	Without Payments on Behalf
Revenues Used to Fund Operations	\$6,978,897	\$5,268,409
Operating Expenses	(\$6,076,860)	(\$4,366,372)
Income before interest, depreciation and net non-operating revenues	\$902,037	\$902,037
Depreciation	(\$255,005)	(\$255,005)
Interest expense	(\$65,038)	(\$65,038)
Net Non-Operating Revenues	\$56,339	\$56,339
Change in Net Position	\$638,333	\$638,333

Revenue & Expenses: Change from FY17

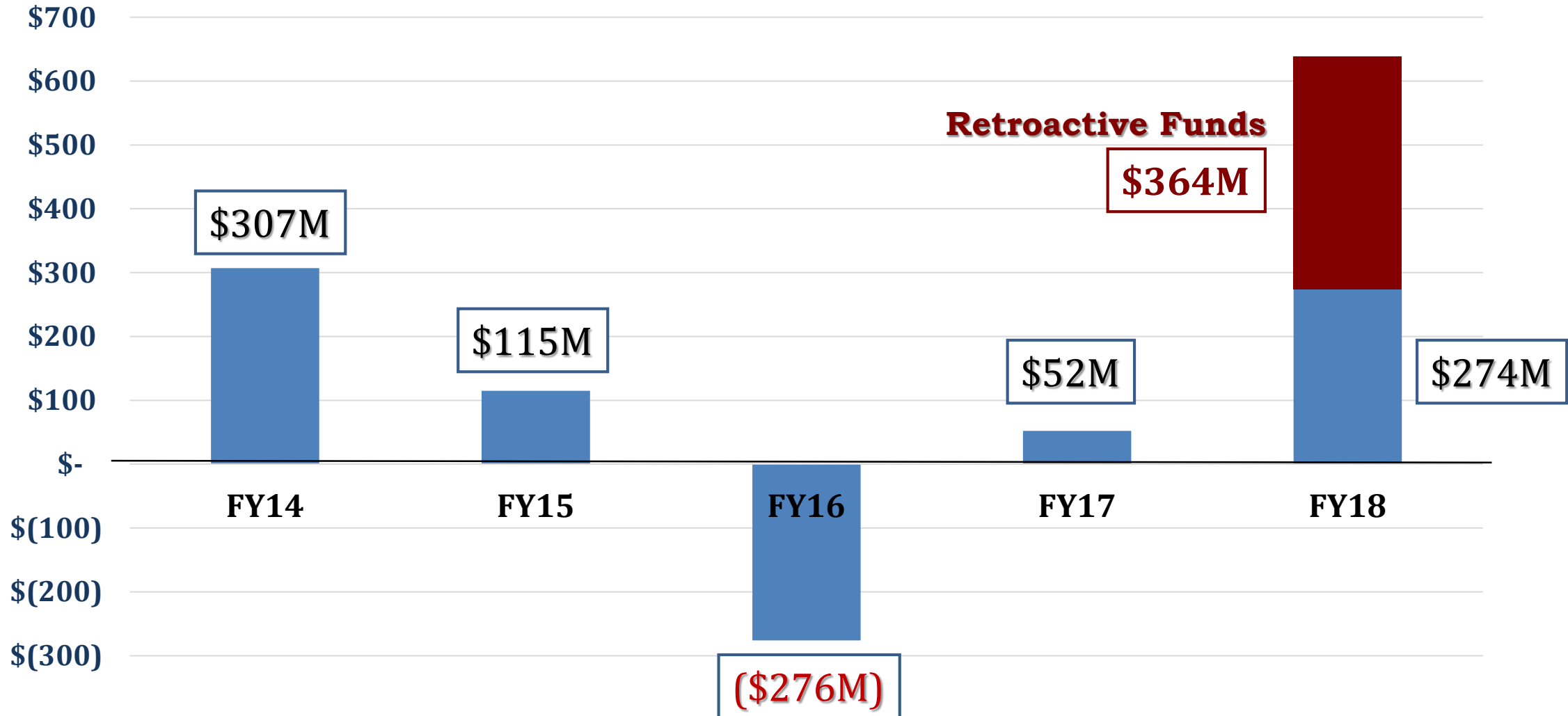
Revenues Used for Operations		Operating Expenses	
Overall	+14%	Overall	+3.2%
Without Payments on Behalf (POB)	+16.8%	Without Payments on Behalf	+2.2%
Without POB and Retroactive Funds	+8.7%	Consumer Price Index	+2.9%

IMPACT OF FY17 FUNDING



CHANGE IN NET POSITION FIVE YEAR TREND

Annual Change in Net Position (\$M)



GASB 75 OPEB IMPACT

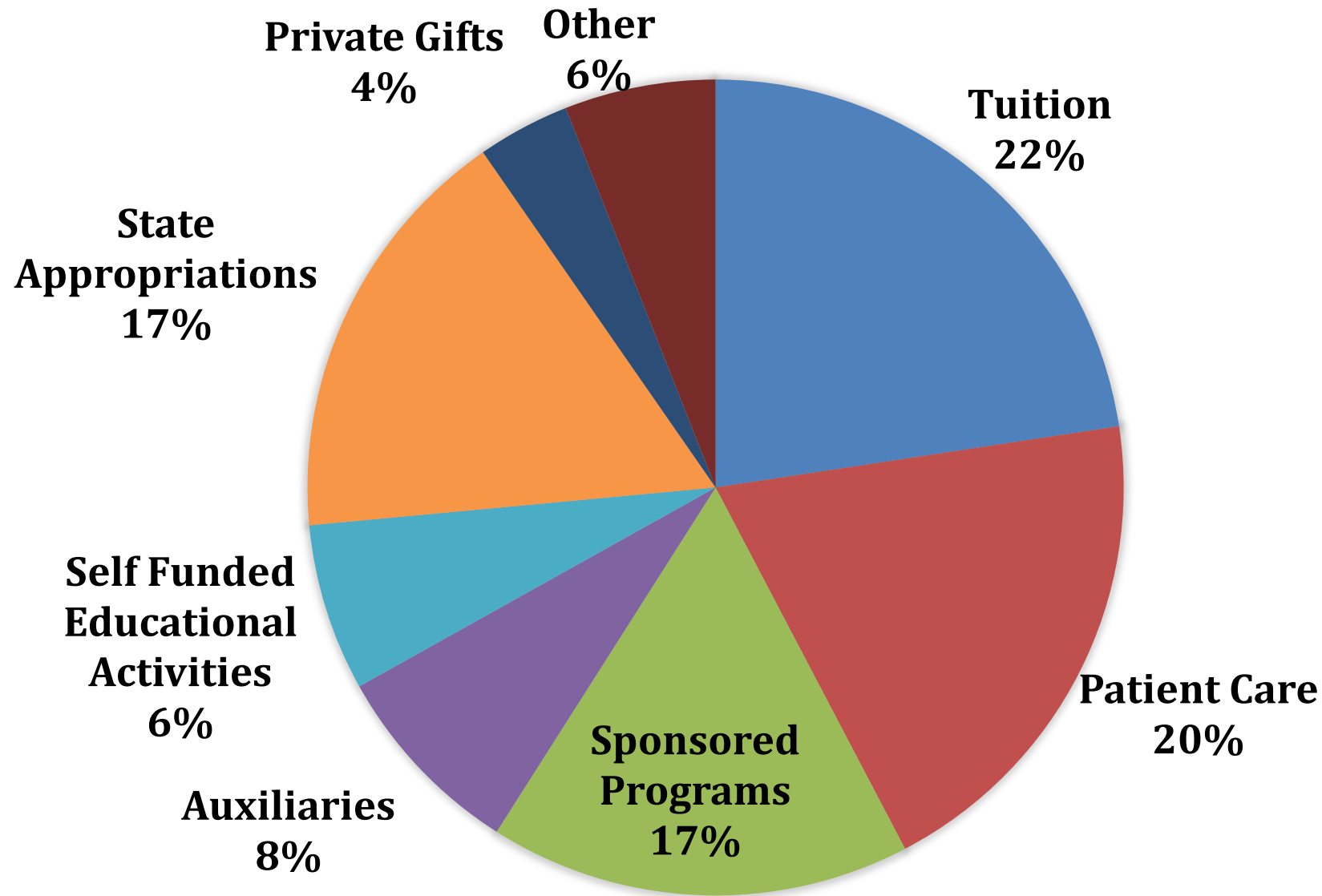
Net Position	FY2017	FY2018
Position, beginning of year	\$4,321,881	\$4,374,586
OPEB Adjustment	--	(\$1,599,654)
Adjusted beginning of year position	\$4,321,881	\$2,774,932
Net Position Change	\$52,705	\$638,333
Net Position, end of year	\$4,374,586	\$3,413,265
FY2018 Net Position w/o OPEB		\$5,012,919

CHANGE IN NET POSITION BY UNIT

Unit	Change in Net Position
Urbana	\$292,209
Springfield	\$3,943
Hospital	\$61,344
UIC (w/o Hospital)	\$199,481
System	\$81,356
Total	\$638,333

DIVERSIFIED REVENUE SOURCES

(EXCLUDING PAYMENTS ON BEHALF)



KEY REVENUE CHANGES FROM FY2017

State
Appropriation
+150%
\$888.6 M

Payments on
Behalf
+6.1%
\$1,710.5 M

Tuition
+2.1%
\$1,193.3 M

Patient Care
3.1%
increase
\$1,041.0 M

Sponsored
Programs
-3.5%
\$881.6M

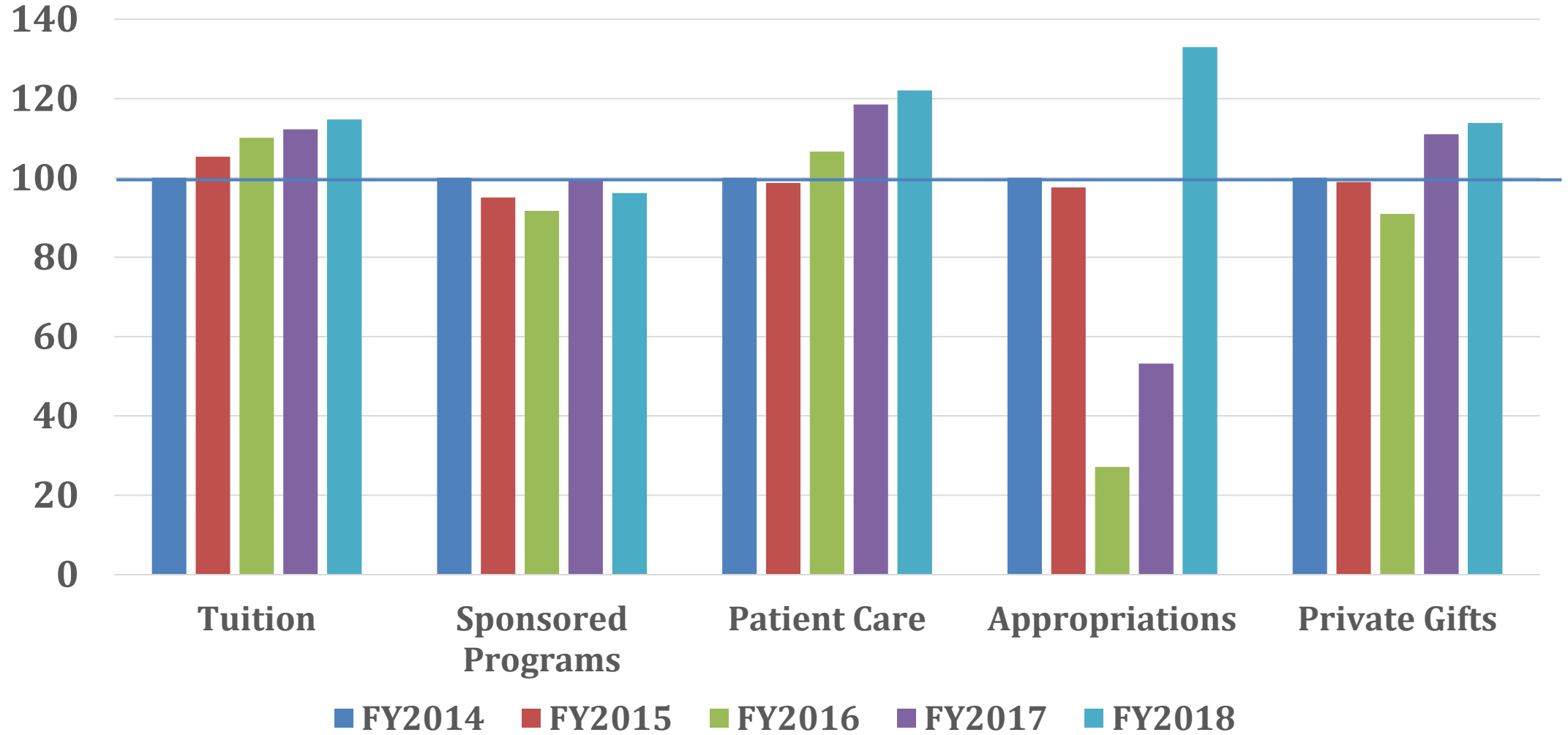
Gifts
+1.8%
\$193.7 M

MAJOR REVENUE SOURCES

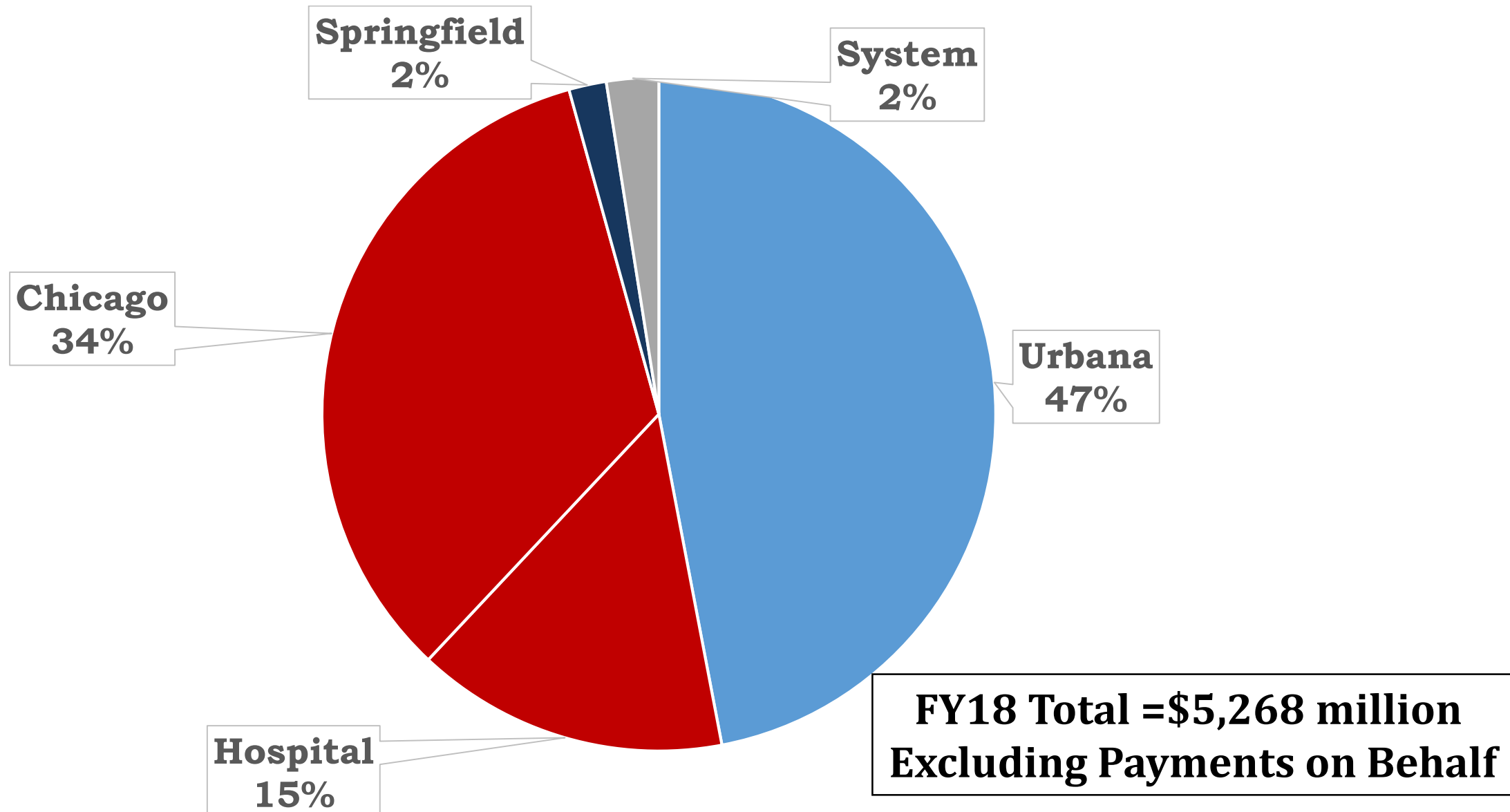
Source	FY18 Total
Tuition	\$1,193.3 M
Patient Care	\$1,041.0
Sponsored Programs	\$881.5
Auxiliary Operations	\$416.3
Educational Activities	\$349.8
Private Gifts	\$193.7

FIVE YEAR REVENUE TRENDS

FY2014 = 100

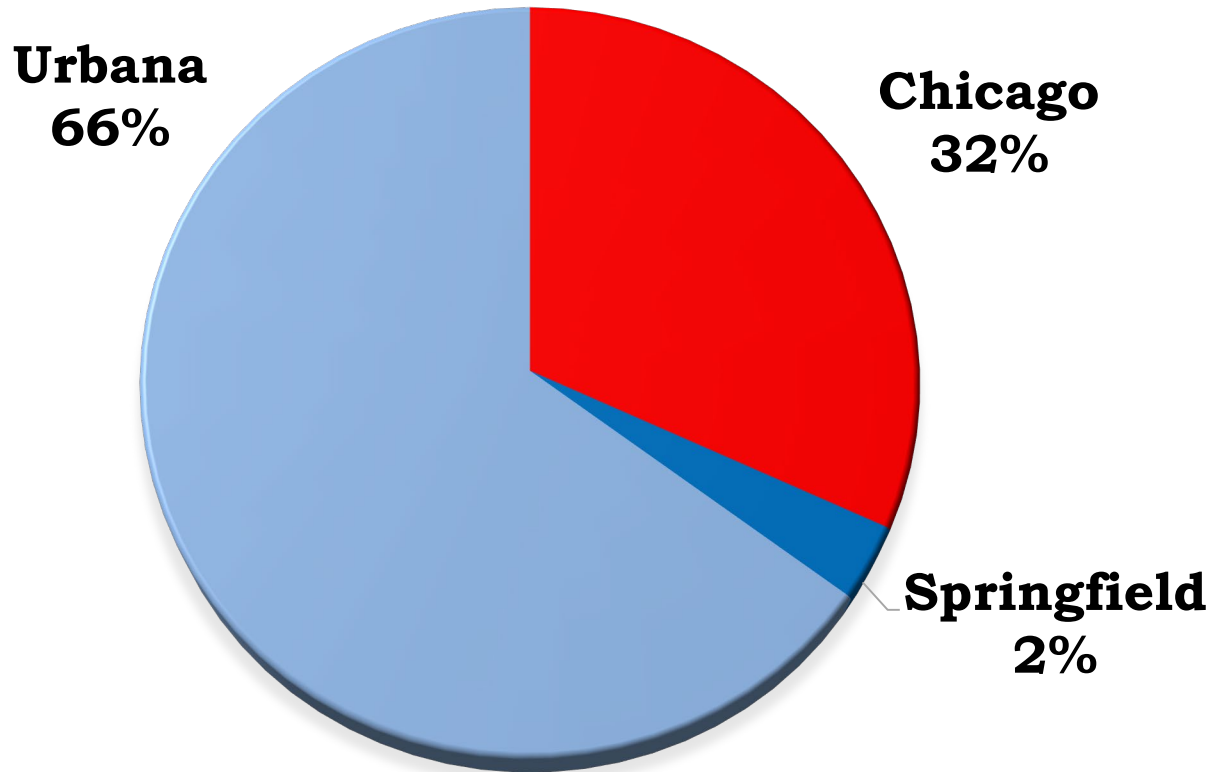


FY18 REVENUE FUNDING OPERATIONS BY UNIT



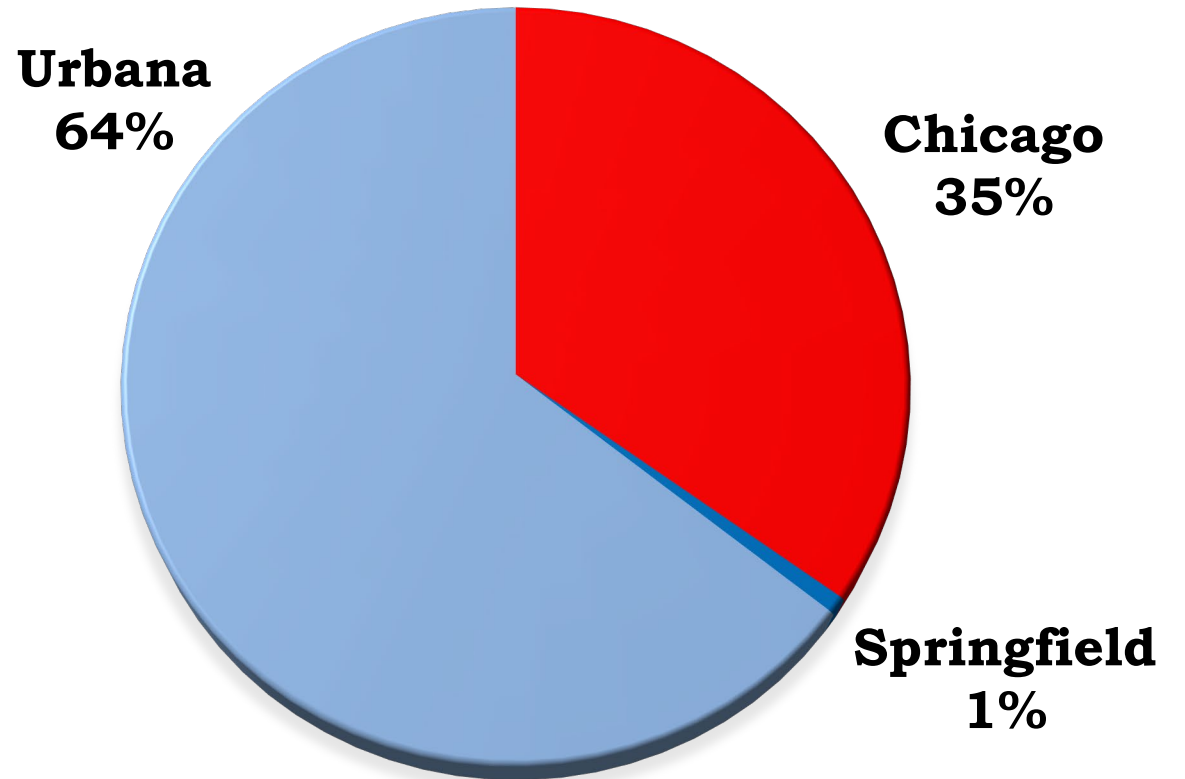
MAJOR REVENUE TYPES BY UNIVERSITY

Tuition and Fees



FY18 Total = \$1,193 million

Sponsored Programs



FY18 Total = \$882 million

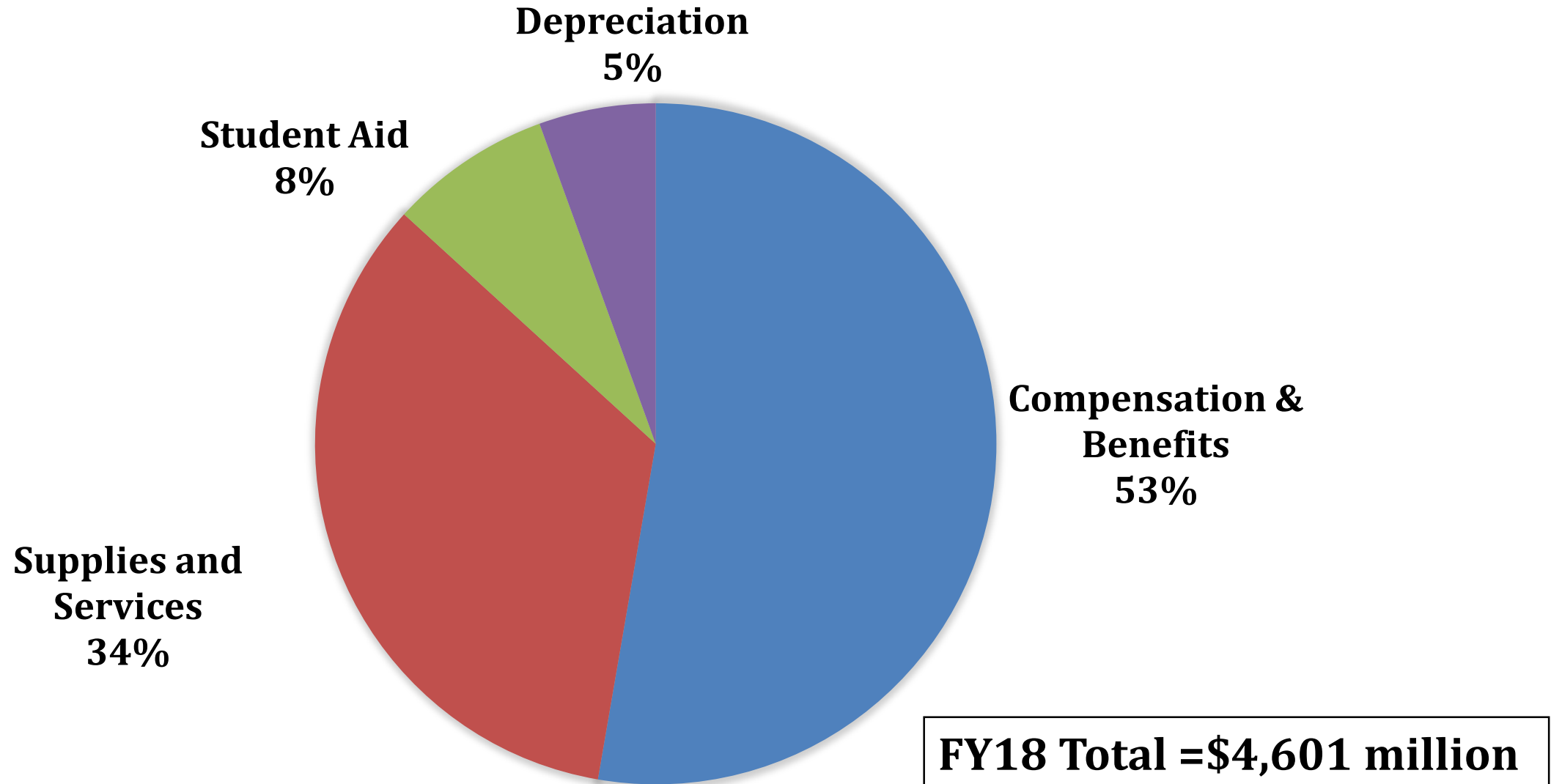
OPERATING EXPENSE

Including Depreciation

With Payments on Behalf	\$6,311,865
Increase from 2017	+3.2%

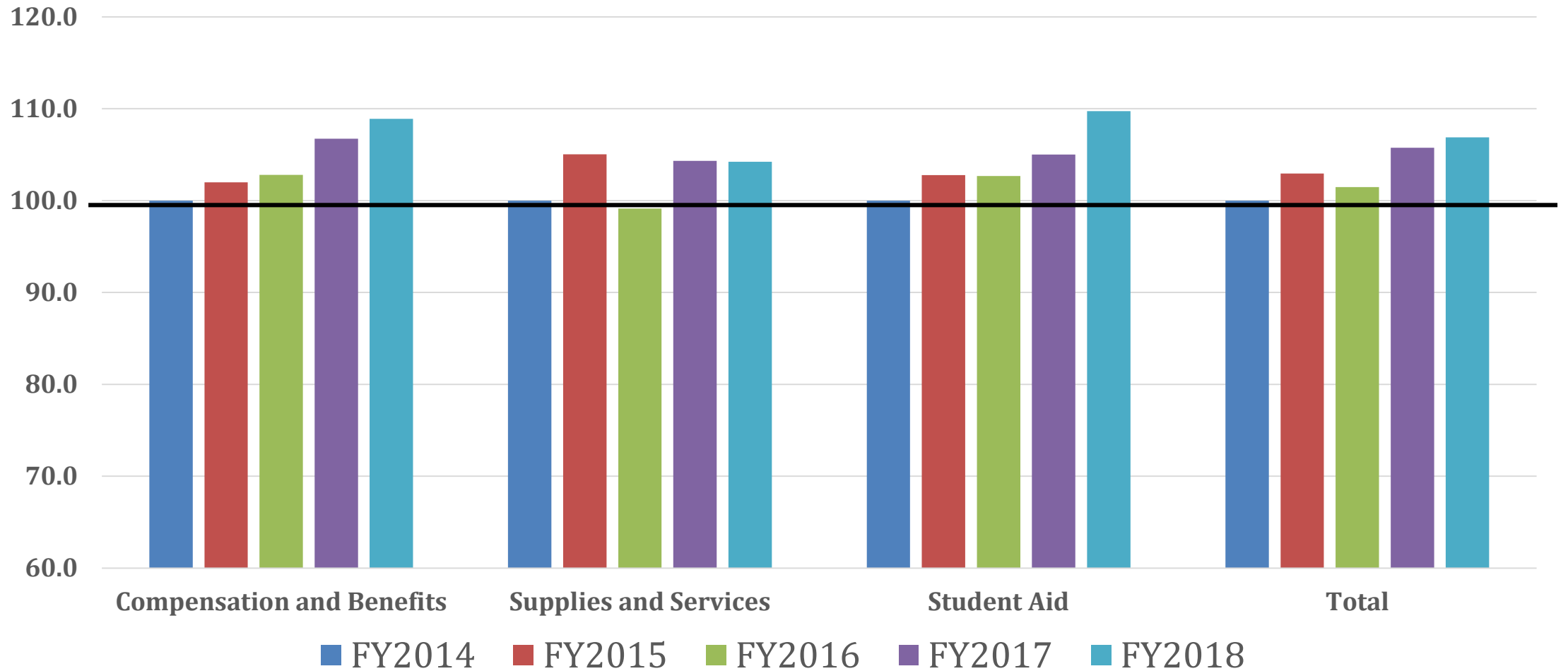
Without Payments on Behalf	\$4,601,377
Increase from 2017	+2.2%

FOUR MAJOR CATEGORIES OF EXPENSES (excluding Payments on Behalf)



KEY EXPENSE CATEGORIES: 5 YEAR TREND (excl. POB)

FY2014 = 100



EXPENSES FOR MAJOR FUNCTIONS (excl. POB)

Category	FY18 Total \$ Millions	Change from FY17
Instruction	897.0	3.6%
Hospital	727.9	3.9%
Research	659.7	-2.6%
Public Service	407.6	-0.8%
Academic Support	401.4	8.2%
Auxiliary Services	324.1	0.7%
Op. & Maint. of Plant	295.8	3.6%
Scholarships	288.9	4.8%