

FINANCIAL REPORT

**Prepared for presentation to the Board of Trustees
September 7, 2017**

UNIVERSITY OF ILLINOIS SYSTEM



Diversified Revenue Sources

Robust Enrollment Trends

University of Illinois System

First Time Freshman (as of August 22, 2017)

	Chicago		Springfield		Urbana		Total	
	#	Change from FY17	#	Change from FY17	#	Change from FY 17	#	Change from FY17
Applications	19,294	3.0%	1,715	19.5%	38,965	2.3%	60,009	3.0%
Admissions	14,318	8.4%	900	-5.6%	23,976	4.8%	39,194	5.8%
Acceptances	4,560	23.1%	299	-8.3%	7,566	-1.0%	12,425	6.4%

Tuition and Fee Revenue

FY 2015 – FY 2017

(in millions)

	Revenue	% Change	% of Total Operating Revenues
FY 2015	\$1,095.9	5.3%	30.7%
FY 2016	\$1,145.9	4.6%	31.6%
FY 2017*	\$1,191.5	4.0%	31.0%

*preliminary, pending final adjustments.

Growth in Research Funding

Sponsored Programs Revenue

FY 2015 – FY 2017

(in millions)

	Revenue	% Change	% of Total Operating Revenues
FY 2015	\$869.4	-3.1%	24.4%
FY 2016	\$847.5	-2.5%	23.4%
FY 2017*	\$911.4	7.5%	23.7%

*preliminary, pending final adjustments.

Good News on State Appropriations

State Appropriation

Adjusted for Intended Year of Cost Coverage

Fiscal Years 2016, 2017 and 2018

(in millions)

	FY 2016	FY 2017	FY 2018
Education Assistance Fund	\$444.2	\$174.1	\$528.6
General Revenue Fund	0	\$212.1	\$54.4
Other State Funds	\$4.9	\$5.5	\$6.0
Total	\$449.1	\$391.7	\$589.0
*As Appropriated	\$185.1	\$655.8	\$589.0

State Appropriation Receivable

As of August 25, 2017

(in millions)

	Appropriated	Billed	Collected	Receivable
Education Assistance Fund	\$616.2	\$231.7	\$184.6	\$47.1
General Revenue Fund	\$266.5	\$192.2	\$0	\$192.2
Other State Funds	\$6.3	\$0.6	\$0.6	\$0
Total	\$889.0	\$424.5	\$185.2	\$239.3

Includes all appropriations signed into law on July 6, 2017

Growth in Clinical Care Revenue

Hospital and Clinic Revenue

FY 2015 – FY 2017

(in millions)

	Net Patient Revenue	% Change	% of Total Operating Revenues
FY 2015	\$610.5	--	17.1
FY 2016	\$620.4	1.6%	17.1
FY 2017*	\$672.7	8.4%	17.5

*preliminary, pending final adjustments.

Stable Auxiliary System Revenues

Auxiliary Enterprises Revenue

FY 2015 – FY 2017

(in millions)

	Revenue	% Change	% of Total Operating Revenues
FY 2015	\$407.5	7.5%	11.4%
FY 2016	\$406.6	-0.2%	11.2%
FY 2017*	\$409.5	0.7%	10.6%

*preliminary, pending final adjustments.

Endowment and Gift Income

Gift and Endowment Income Support

FY 2015 – FY 2017

(in millions)

	FY 2015	FY 2016	FY 2017*
Gift & Endowment Income	\$188.0	\$170.4	\$202.5
Gift & Endowment Expenses	\$151.2	\$136.6	\$132.8
% of Operating Expenses Funded by Gift and Endowment Income	2.7%	2.4%	2.2%

*preliminary, pending final adjustments.

FY 2017 Financial Report

- The University's FY2017 annual financial report is in development.
- State's lengthy budget impasse impacted both FY2016 and FY2017 financial results.

Trend Recap

FY 2016:

Lower State appropriation of \$182M (down 82% from FY 2015) was primary driver of decrease in Net Position of \$276M for the year.

FY 2017:

With stop-gap appropriation of \$350M, along with improved investment performance, we expect change in Net Position to be much closer to break even for FY 2017.

FY 2018:

State appropriation set at \$889M, which includes \$300M that can be applied toward FY 2017 costs.

Looking Ahead to November

- FY18 Budget Summary for Operations “orange book”
- FY19 Budget Request “green book”

Going Forward

- Dashboard of Financial Indicators
- Long Term Capital Planning
- Special Reports