



University of Illinois Foundation

Report
for the
University of Illinois Board of Trustees

Presented by
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President, University of Illinois Foundation

Springfield, Illinois
November 8, 2012

PREFACE

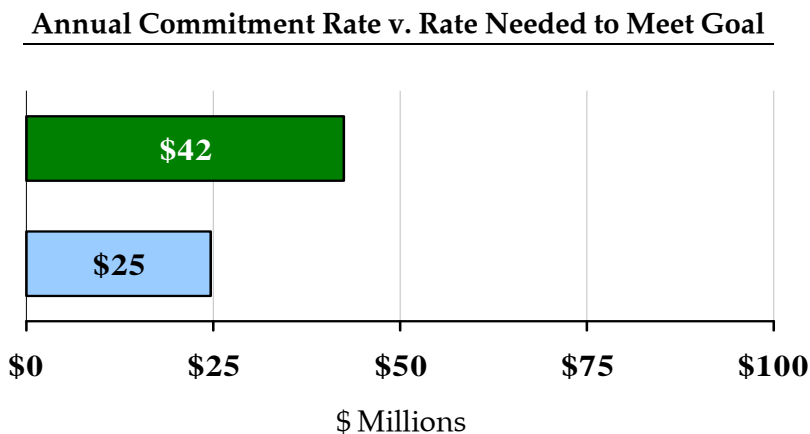
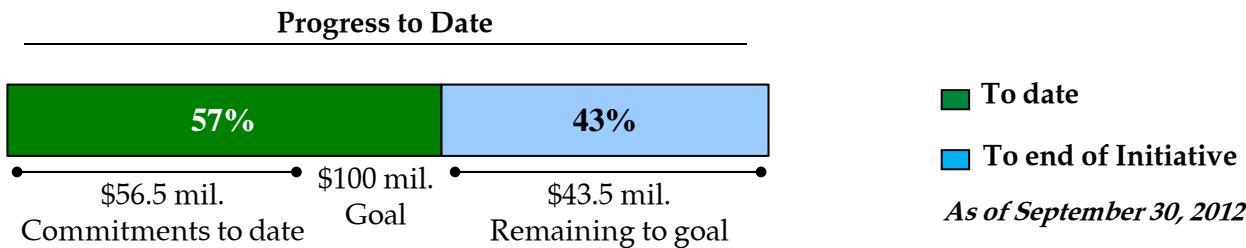
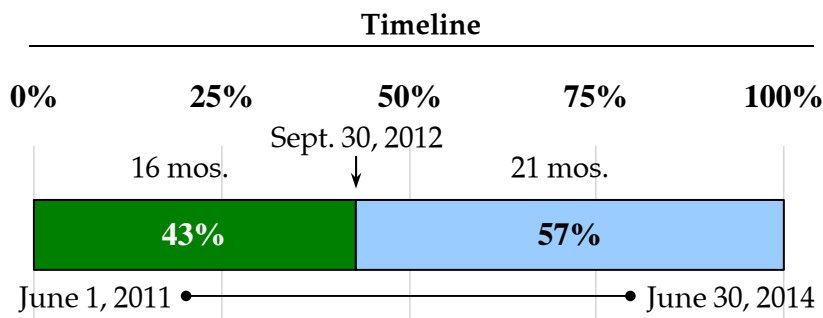
This report is presented to the University of Illinois Board of Trustees on November 8, 2012 in Springfield, Illinois. It focuses on the following areas:

- Access Illinois: The Presidential Scholarship Initiative
- New Business Report
- Cash Flow Report
- Active Endowment Report
- 1st Quarter New Business Report
- 1st Quarter Cash Report
- Leadership Transition

ACCESS ILLINOIS: THE PRESIDENTIAL SCHOLARSHIP INITIATIVE

As of September 30, 2012, the University of Illinois and the U of I Foundation were 43 percent through the *Access Illinois Initiative* timeline, receiving total gift commitments equal to 57 percent of the University-wide goal of \$100 million for scholarships and student support.

In total, the three campuses of the University have received commitments at sufficient rates to exceed the overall goal well before the Campaign's end on June 30, 2014.



FY 2012 NEW BUSINESS REPORT

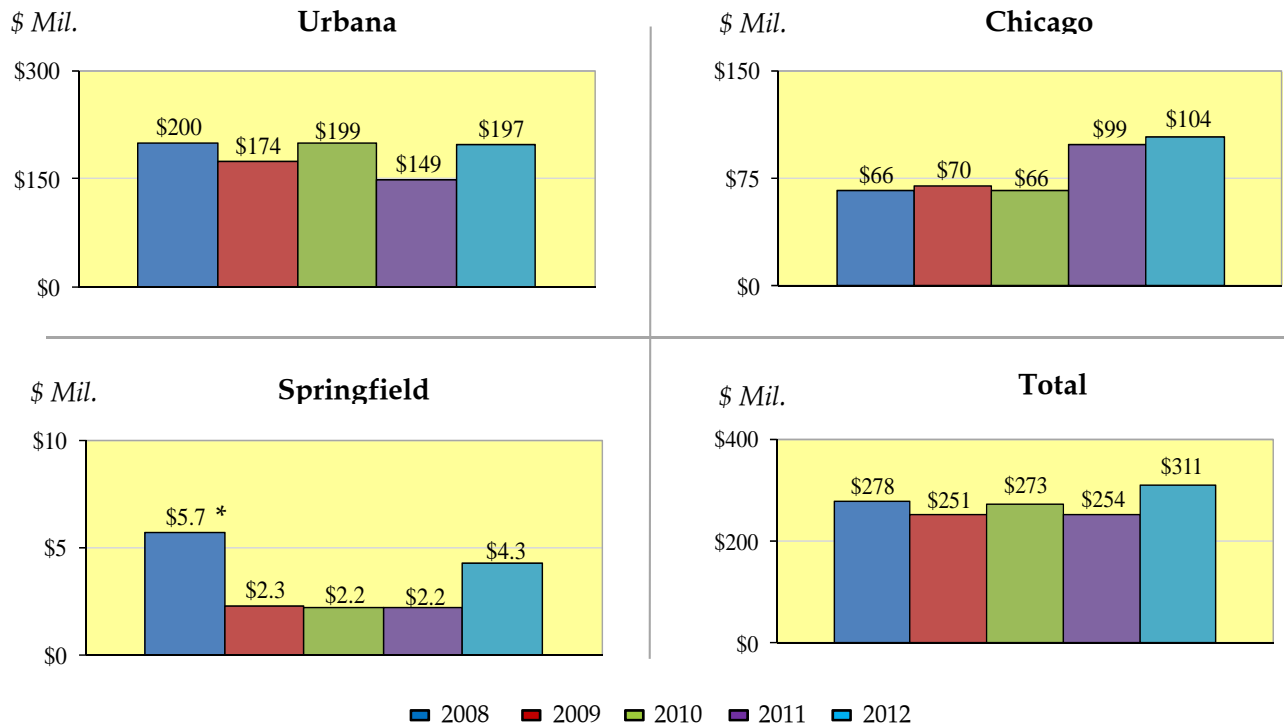
New Business is the baseline measure of productivity for development. New Business includes all new commitments in a given year, including outright gifts paid in the current year, plus new pledges and deferred commitments that will be paid in future years.

One of the successes of the *Brilliant Futures Campaign* was to increase “new business” fundraising productivity to new levels. On an aggregate basis, the University and the Foundation together achieved a sustained level of at least \$250 million annually in New Business over the past six years (five shown in the chart, plus \$369 million in FY 2007).

The University and the Foundation averaged over \$260 million per year in New Business during the *Brilliant Futures Campaign*, an increase of 38 percent over the annual average in the five years before the Campaign.

The University and the Foundation together received about \$311 million in New Business commitments, surpassing \$300 million for only the second time ever. Chicago had its best year ever, Springfield had its third best year, and Urbana had its fourth best.

**New Gifts, Grants, and Pledges Received
 FY 2008-2012**



Note: Total includes University Administration and Foundation, not shown.

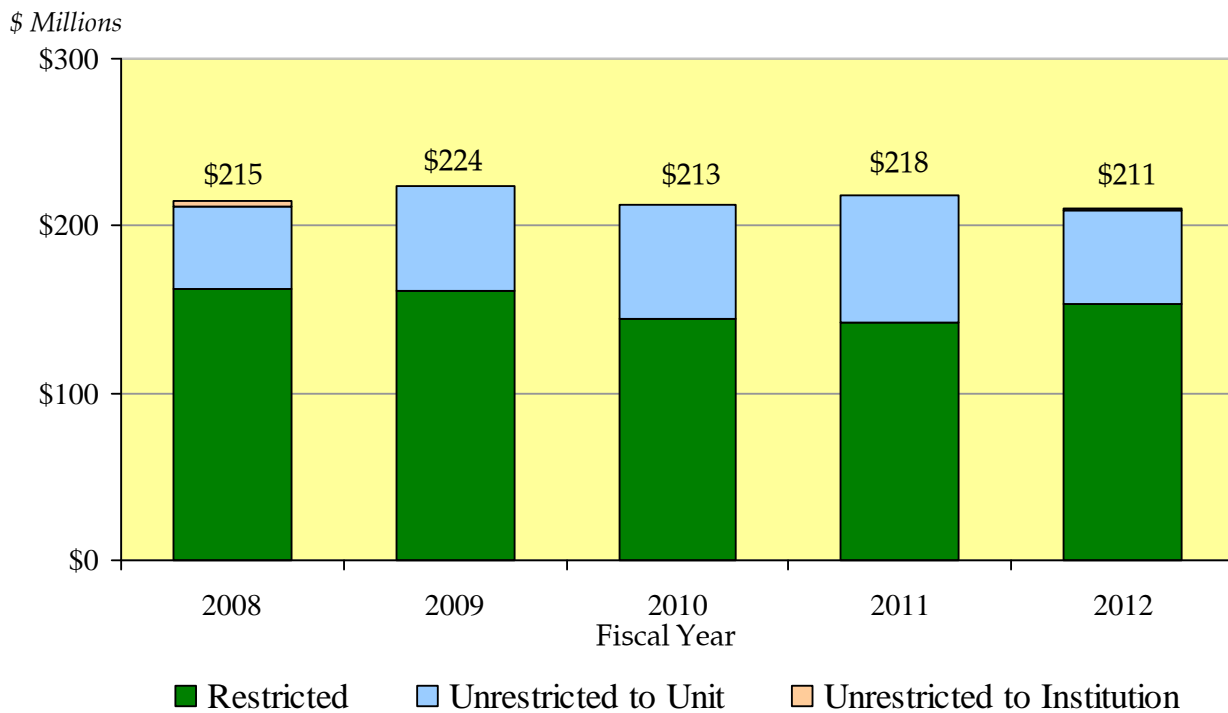
FY 2012 CASH FLOW REPORT

Cash Flow includes current income from outright gifts and private grants in a given year, as well as pledge payments and estate distributions. To the extent Cash Flow includes pledge payments and estate distributions that were booked as commitments in prior years, it is a lagging indicator of New Business productivity.

While total gift and grant income decreased by three percent to over \$211 million in FY 2012, this “cash flow” amount represents the sixth-highest cash total ever. Cash Flow has exceeded \$210 million in each of the last five years.

On average, from FY 2007–2011, over 70 percent of gift income each year was restricted by donors for specific purposes, whether for current use or the endowment. Most of the remaining 30 percent of total gift income was unrestricted by donors as to purpose, but designated to specific units. Only a very small portion of gift income each year was unrestricted by purpose and unit.

**Gifts, Payments, and Bequests Received
 Total University and Foundation
 FY 2008-2012**



ACTIVE ENDOWMENT REPORT

With investment returns exceeding 20 percent and new gift flow of over \$68 million, the active endowment increased by 24 percent in FY 2011, rebounding past the \$1.6 billion mark after a sharp decline in FY 2007–09. Investment volatility led to slow growth in FY 2012, but the endowment increased by four percent in the first quarter of FY 2013, topping \$1.7 billion.

New gift flow to the endowment has been steady in recent years at \$60–\$70 million, while investment returns have fluctuated, from negative 22 percent in FY 2009 to positive 21 percent in FY 2011.

Just over one-quarter of the endowment provides income for scholarships and student support, over one-fifth supports academic programs, and around one-sixth funds professorships, chairs and faculty support. In total, over 83 percent of the endowment is restricted by donors for various academic, research, and service purposes.

Of the remaining endowment, about 15 percent provides a stream of unrestricted dollars to deans, directors, and department heads. Less than two percent of the endowment is unrestricted by donors for general institutional use.

**Total University and Foundation
Market Value, FY 2008–2013**

\$ Mil.



**Total University and Foundation
Market Value by Purpose, FY 2013**

Purpose	Total	
	Value	%
Student Support	\$459,514,172	26.7%
Academic Programs	\$392,109,613	22.8%
Faculty Support	\$306,015,480	17.8%
Research	\$144,204,290	8.4%
Facilities/Other	\$112,270,526	6.5%
Public Service	\$22,293,536	1.3%
Subtotal Restricted	\$1,436,407,616	83.5%
Unrestricted to Units	\$261,679,789	15.2%
Unrestricted to Inst.	\$22,427,183	1.3%
Total	\$1,720,514,589	--

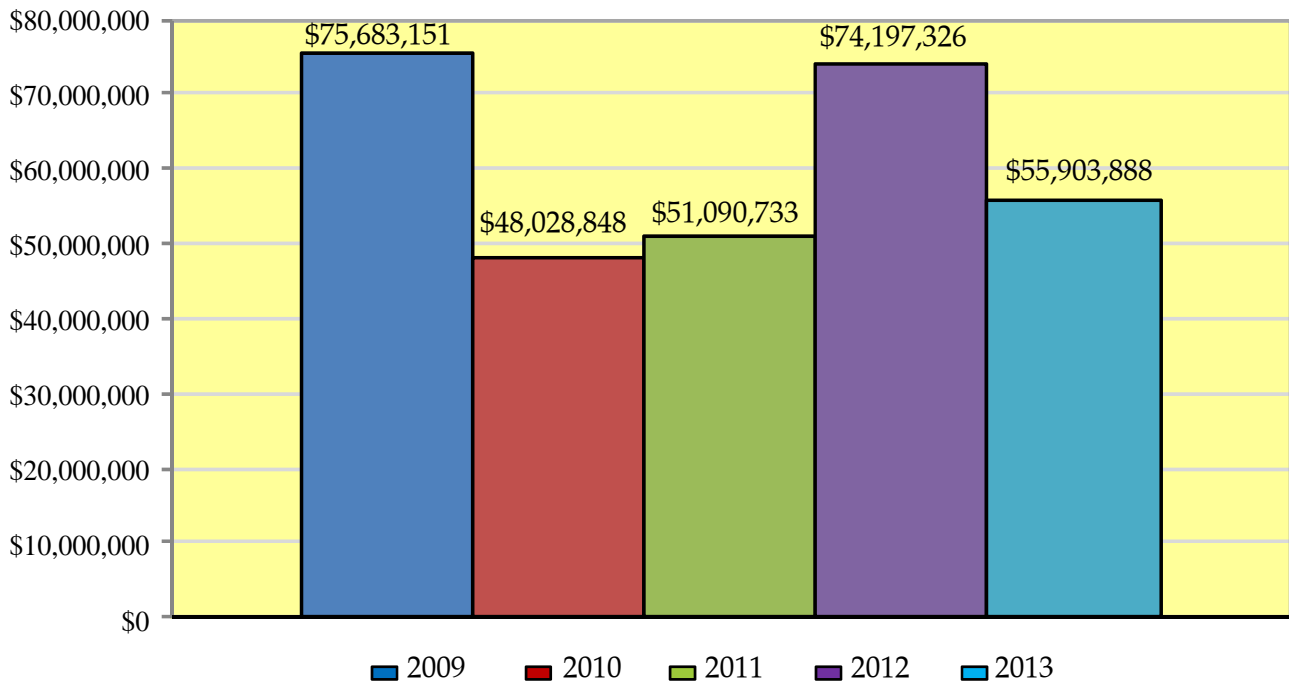
FY 2013 FIRST QUARTER NEW BUSINESS REPORT

These figures show the last five years of New Business through the first quarter each fiscal year.

As the chart shows, we are behind nearly \$18M from where we were last year. Of significant note is that FY 2012 ended up being the second best year we have ever had and, we were finishing up the Campaign last year at this time. Also, we had three significant commitments made during the first quarter last year. In short, compared to the previous years we are holding our own.

We have terrific news about the efforts of our Telemarketing Unit. Through the first four months of FY 2013, we have pledges for gifts and matching gifts totaling \$2.38M. In FY 2012, our pledges for gifts and matching gifts totaled \$2.36M for the entire fiscal year. We are all very proud of the Telemarketing Unit staff and our student callers for their efforts.

FY 2009-2013 Composite totals

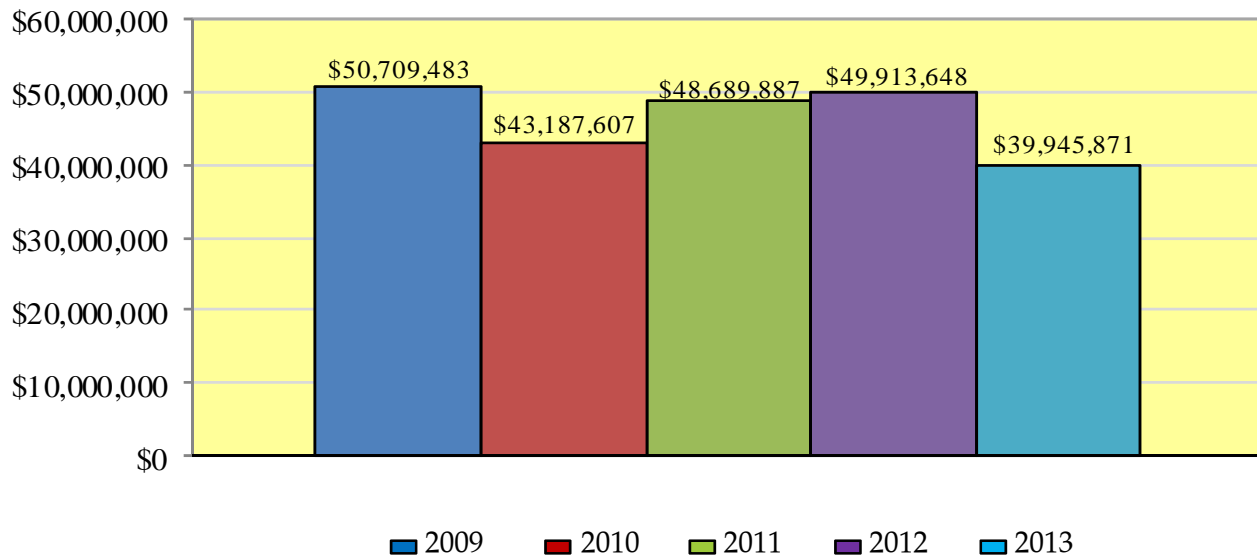


FY 2013 FIRST QUARTER CASH FLOW REPORT

The figures in this chart show the last five years of Cash Flow through the first quarters of each fiscal year.

For the first quarter of FY 2013, we are down nearly \$10M compared to last year at this time. The main reason is a mid-seven-figure estate distribution received in FY 2012. We have been over \$210M each of the past five years.

FY 2009-2013 Composite totals



LEADERSHIP TRANSITION



Dr. Thomas J. Farrell
President/CEO, University of Illinois Foundation (UIF)

The University of Illinois Foundation has selected Dr. Thomas J. Farrell—a fundraising executive with over 20 years of experience at several top private universities, including Penn and Dartmouth—as our new president and CEO. Tom was the former vice president for alumni relations and development at the University of Chicago. He starts January 1, 2013.



Dr. Jeffrey D. Lorber
Vice Chancellor for Development, University of Illinois Springfield (UIS)
Senior Vice President, University of Illinois Foundation (UIF)

Dr. Jeffrey D. Lorber has been named vice chancellor for development at the University of Illinois Springfield (UIS) and senior vice president of the University of Illinois Foundation (UIF). Jeff comes to UIS from Southern Illinois University in Carbondale, where he currently serves as associate vice chancellor for institutional advancement and executive director of development for the SIU Foundation. He has held senior leadership positions at many universities during his career. His appointment started October 23 pending approval of the BOT.



Mr. Daniel C. Peterson
Vice Chancellor for Institutional Advancement, University of Illinois at Urbana-Champaign (UIUC)
Senior Vice President, University of Illinois Foundation (UIF)

Mr. Daniel C. Peterson, the former vice president at the Oregon State University Foundation, has been hired as the vice chancellor for institutional advancement at the University of Illinois at Urbana-Champaign and senior vice president at UIF. Dan has more than 20 years of experience at three public research universities in the Pacific Northwest. His appointment starts December 1 pending approval of the BOT.