

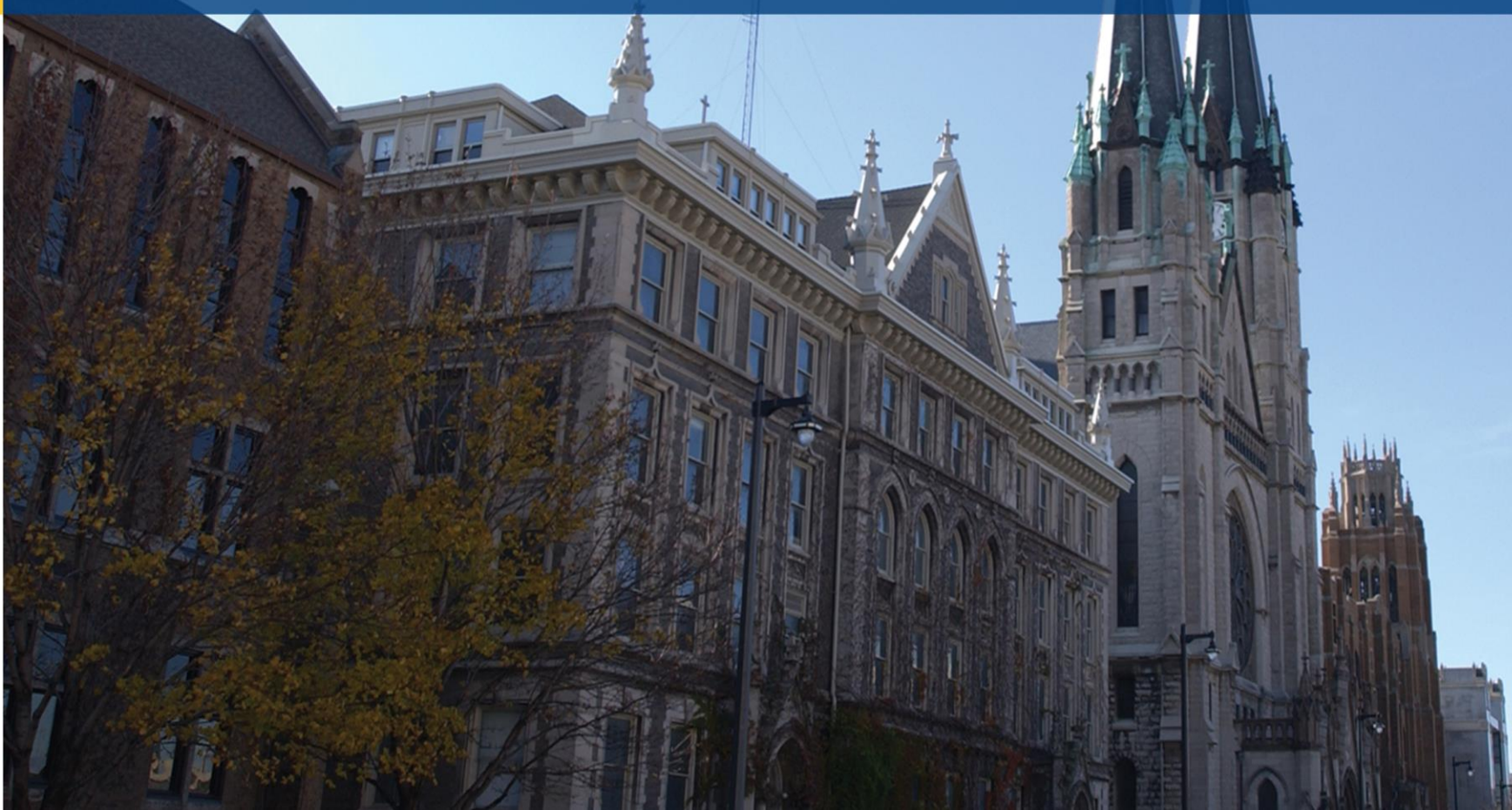
# Financial Overview

October 2014



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# Agenda

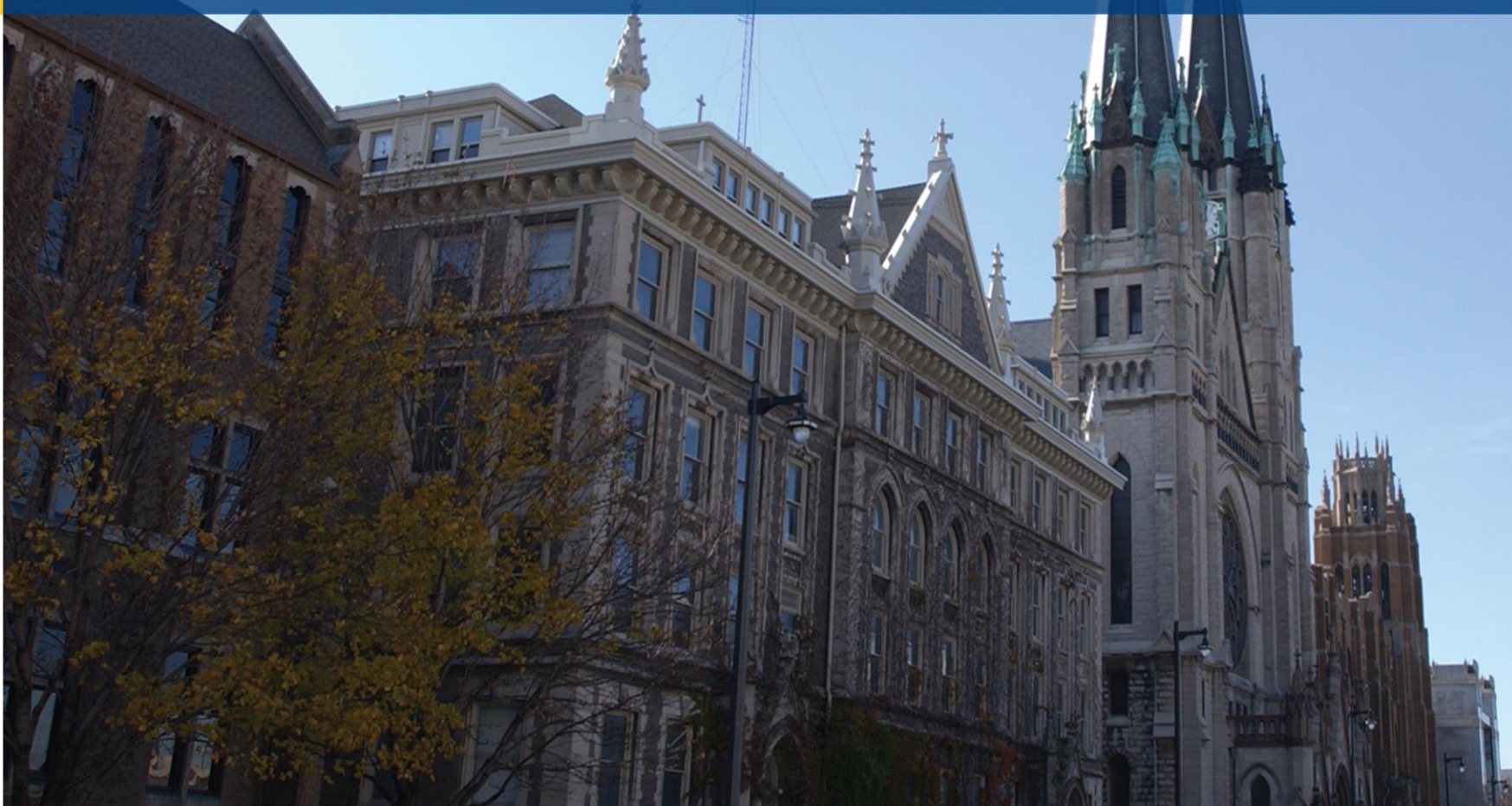
- **FY14 Financial Results**
- **Presidential Initiatives**
- **University Financial Planning and Review Committee Initiatives**
- **Finance Strategic Planning**

# Financial Results



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# FY14 Key Financial Results

- **Operating Budget**

- Net Operating income of \$7.5 million
- Key variances from budget –
  - Net Tuition revenue increase of \$500 thousand
  - Other Revenue decrease of **(\$3.8)** million
  - Decrease in compensation costs of \$4.5 million
  - Decrease in discretionary and non-discretionary expenses of \$2.2 million
  - Available Contingency Funds of \$4.1 million

- **Capital Budget**

- Expensed \$33.9 million for the following projects: Engineering Hall \$1.6 million, Historic Core \$19.2 million, Dental School expansion \$4.9 million, technology upgrades \$4.4 million and major facility projects \$3.8 million

- **Endowment**

- \$507 million at June 30<sup>th</sup>
- FY Returns outperformed the Broad Policy Index (BPI) by 3 basis points (15.1% vs. 14.8%)

- **Cash**

- \$86.6 million at June 30<sup>th</sup>
- FY Returns outperformed the Broad Policy Index (BPI) by 41bps: (.50% vs. .09%)

- **Debt**

- \$235 million at June 30<sup>th</sup>

# Financial Profile

External Benchmark	2008	2010	2012
Moody's Credit Rating of A2	A2	A2	A2

- Strengths: faith based comprehensive institution, strong philanthropic support, conservative debt profile and balanced operating performance
- Weaknesses: strong competition from low cost public universities, limited revenue diversity, competitive challenges in a regional market and low matriculation rates

Internal Benchmark	FY11	FY12	FY13	FY14
Composite Financial Index	4.02	2.64	2.80	4.26

- Strengths: stable and conservative debt management
- Weaknesses: Resource sufficiency (endowment size and operating results are below average)

# Budget Decisions

- FY13 Decisions –
  - Froze personnel lines
  - Limited year-end discretionary expenses
- FY14 Decisions –
  - Reduced operating budgets by \$2.0 million
  - Increased operating contingency by \$2.0
  - Budget reductions resulted in salary savings
- FY15 Decisions –
  - Includes total budget reductions of \$8.0 million
  - Increased operating contingency by \$4.0 million to \$8.0 million
  - Established merit pool at \$2.5 million including \$500 thousand for promotion, tenure, and part-time pools
  - Froze graduate, summer and part-time rates
  - Slowed the rate of increase for undergraduate tuition from 4.25% to 3.75%
- FY16, FY17 and FY18 Considerations –
  - Review enrollment, tuition rate, discount, and other revenue assumptions
  - Review headcount, compensation and other expense assumptions

# Operating Budget Fiscal Year 2015

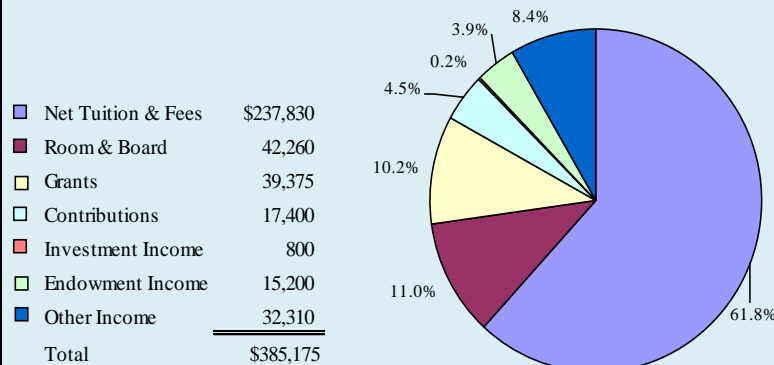
## MARQUETTE UNIVERSITY

### Budgeted Operations

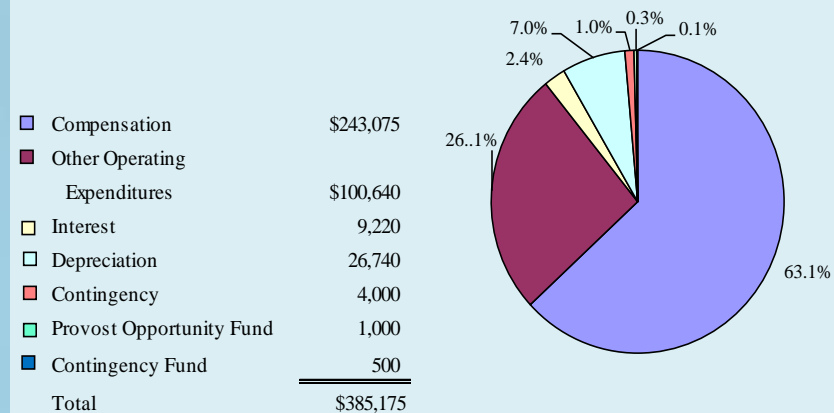
(Dollars in Thousands)

#### Fiscal Year 2014

##### Revenues

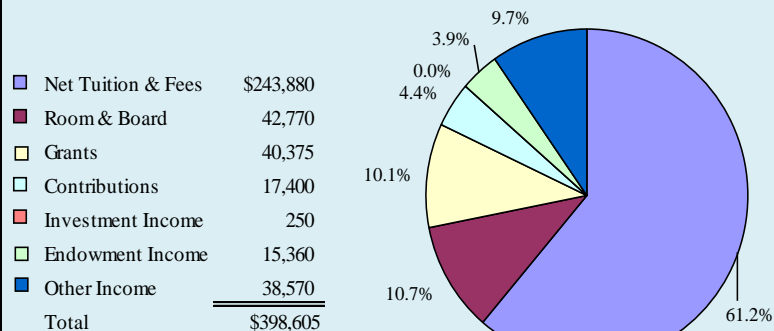


##### Expenditures

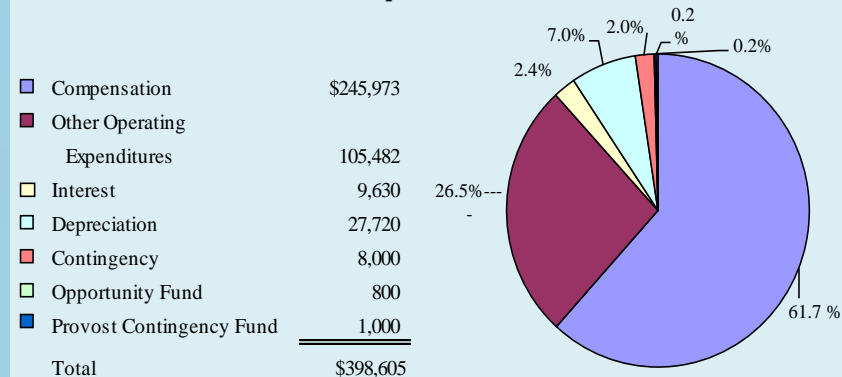


#### Approved Fiscal Year 2015

##### Revenues

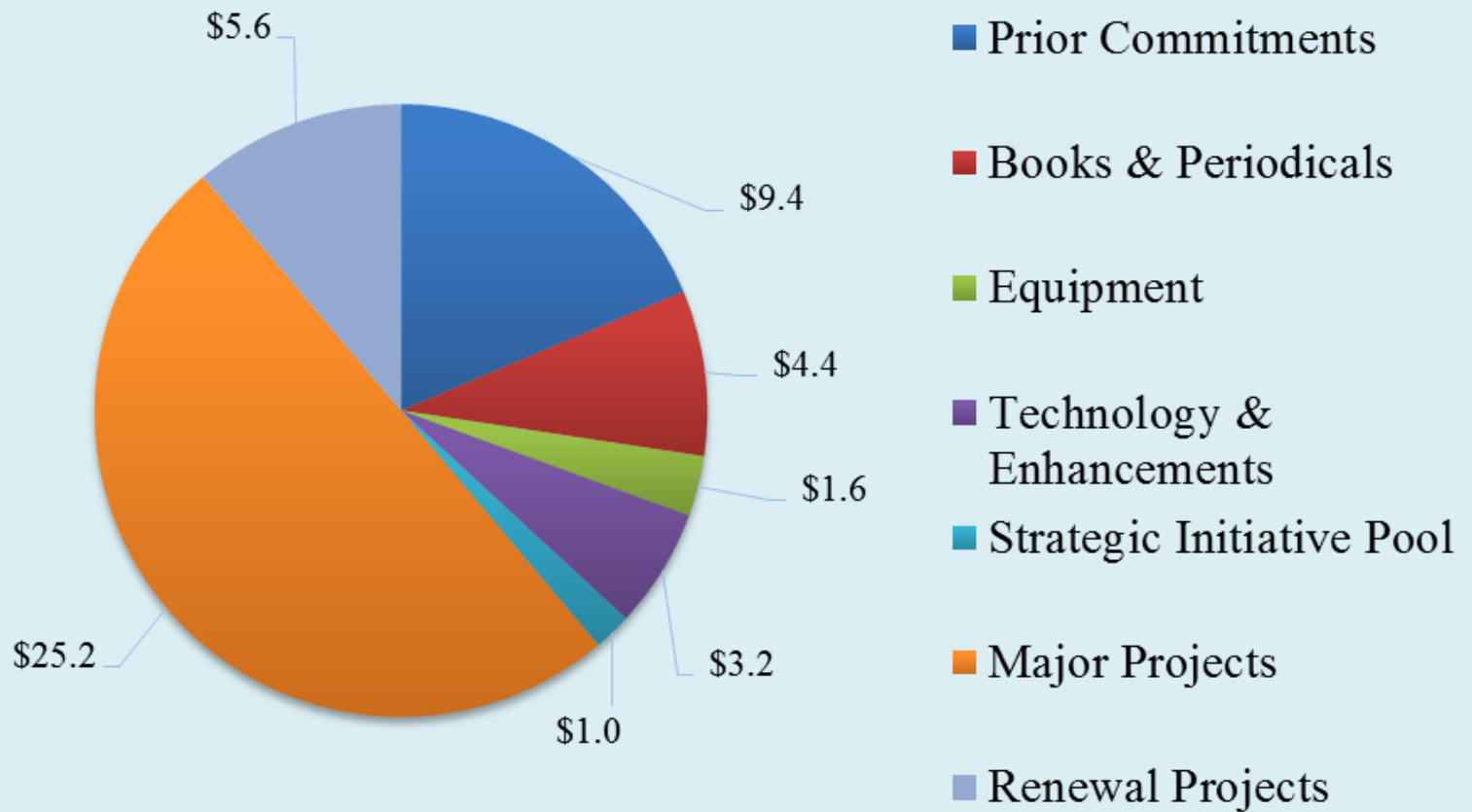


##### Expenditures



# Capital Budget

## Capital Budget Fiscal Year 2015

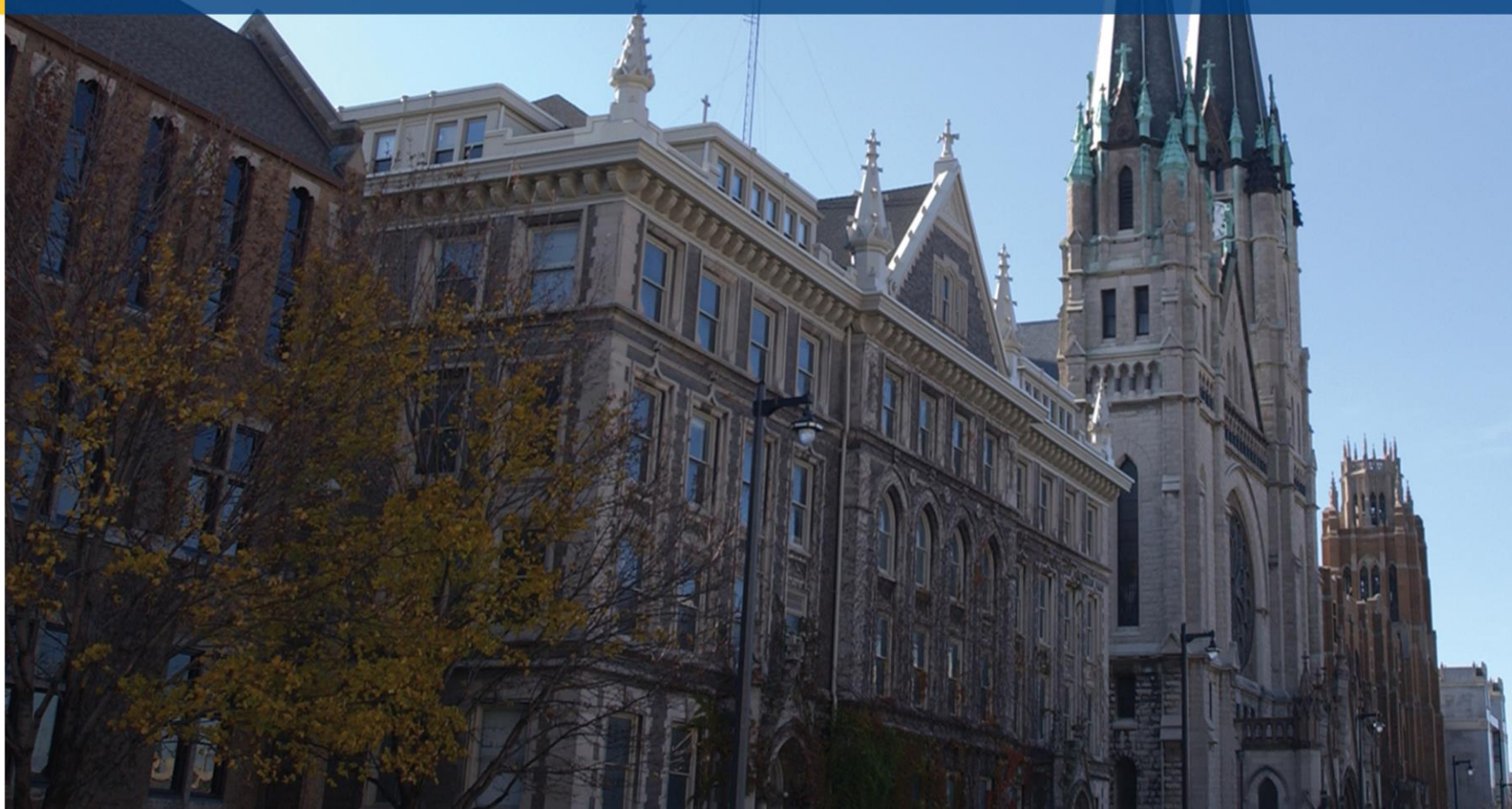


# University Initiatives



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# University Initiatives

- **President**
  - ❖ **Center for Humanities**
  - ❖ **Avenues West**
  - ❖ **Fund for Innovation and Entrepreneurship**
  - ❖ **Global Water Center and Innovation Park**
  - ❖ **Land Purchase**
- **University Financial Planning and Review Committee**
  - ❖ **Building Financial Stewardship**
  - ❖ **Financial Resources Task Force Recommendations**
  - ❖ **Innovation and Entrepreneurship funding process**
  - ❖ **Growth Incentives Program**