

Concordia University Chicago

2010 Report of Annual Giving

Our Financial Overview

The fiscal year ending June 30, 2010, was a benchmark year for Concordia University Chicago. Fall 2009 enrollment at 5,049 students exceeded 5,000 for the first time. Fall 2010 enrollment increased 3.5% to 5,223 students—the sixth consecutive fall that the University enrolled a new all-time enrollment high.

In addition, a rebound in the investment markets after two years of losses led to a 15.9% total return on Concordia's pooled endowment investments. Primarily due to this return, endowment net assets increased by 15.2% to \$13.5 million, and total net assets increased by 9.8% to \$22.3 million. To help fuel endowment and net asset growth, the University reduced its endowment payout for the first time since it established an endowment payout formula in the mid 1990s

In a very tight credit market, Concordia also successfully refinanced all of its debt at very competitive terms. This refinancing also provided additional \$5.5 million of tax-exempt bonds needed to finance certain statutory required capital expenditures. Combined with the state of Illinois' approval of a \$2.0 million capital expenditure grant (and an expected additional \$1.9 million to be approved in a future phase), funding is expected to be in place for most of the University's capital needs over the next three years.

Finally, Concordia's \$1,105,000 net operating surplus was its fifth consecutive surplus and its first ever in excess of \$1,000,000—a true milestone. The University hopes to continue this trend into the following year, having approved a net operating surplus budget of \$1,002,000 for the year ending June 30, 2011. Achieving this surplus will be dependent upon meeting its enrollment targets, which is a difficult task in the sluggish economy.

Summary Financial Information for Years Ended June 30, 2011, 2010 and 2009

	2011 <u>Budget</u>	2010 <u>Actual</u> <i>(000's)</i>	2009 <u>Actual</u>
Budgeted Activities			
Operating Revenues:			
Tuition and Fees	\$61,643	\$54,998	\$46,432
Less Scholarships & Fellowships	(13,703)	(11,706)	(9,342)
Net	47,940	43,292	37,090
Auxiliary Services	6,961	5,974	5,289
Operating Gifts and Grants	1,824	682	1,122
Other	894	871	415
Net Assets Released from Restrictions	1,100	1,327	2,229
Total Operating Revenues	58,719	52,146	46,145
Operating Expenses	57,717	51,041	46,092
Operating Surplus	<u>\$ 1,002</u>	<u>\$ 1,105</u>	<u>\$ 53</u>

Summary Balance Sheet

	<i>(000's)</i>	
Total Assets	<u>\$76,425</u>	<u>\$70,261</u>
Total Liabilities	\$54,093	\$49,924
Net Assets	<u>22,332</u>	<u>20,337</u>
Total Liabilities and Net Assets	<u>\$76,425</u>	<u>\$70,261</u>
Net Assets Breakdown:		
Unrestricted	\$ (6,058)	\$ (7,772)
Temporarily Restricted	17,775	17,858
Permanently Restricted	<u>10,615</u>	<u>10,251</u>
Total	<u>\$22,332</u>	<u>\$20,337</u>

Supplementary Financial Data

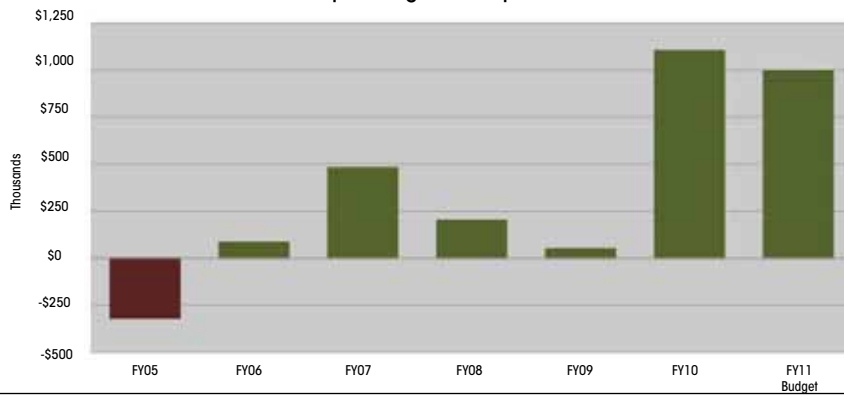
	<i>(000's)</i>	
Total Gifts, Grants and Contracts	<u>\$ 2,925</u>	<u>\$ 4,147</u>
Return on Endowment Investments:		
Endowment Payout	\$ 622	\$ 710
Reinvested with Endowment Principal	<u>1,196</u>	<u>(3,594)</u>
Total	<u>\$ 1,818</u>	<u>\$(2,884)</u>
Endowment Net Assets	<u>\$13,519</u>	<u>\$11,731</u>
Loans and Bonds Payable	<u>\$44,374</u>	<u>\$42,257</u>

Enrollment Data

	Total Enrollment			Full-Time Equivalent Enrollment	
	Fall <u>2008-09</u>	Fall <u>2009-10</u>	Fall <u>2010-11</u>	Fall <u>2009-10</u>	Fall <u>2010-11</u>
Undergraduate	1,153	1,269	1,376	1,240	1,365
Graduate	<u>3,032</u>	<u>3,780</u>	<u>3,847</u>	<u>1,892</u>	<u>1,888</u>
Total	<u>4,185</u>	<u>5,049</u>	<u>5,223</u>	<u>3,132</u>	<u>3,253</u>

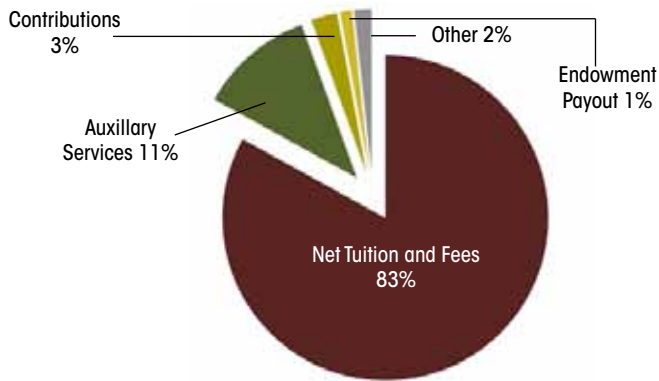
Financial statements are available at www.CUChicago.edu or a hard copy will be sent upon request by writing Concordia University Chicago Finance Office, 7400 W. Augusta Street, River Forest, Illinois 60305.

Operating Net Surplus



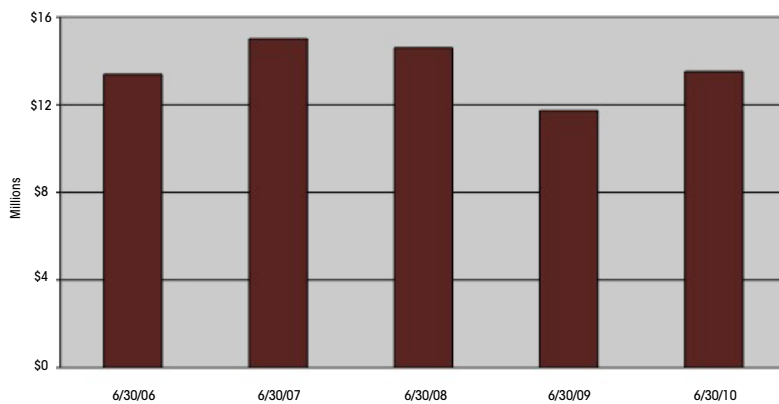
- Concordia's ability to pay down its debt and fund needed capital expenditures is dependent upon its ability to earn operating profits.
- Fiscal 2010 saw a net operating surplus of over \$1.1 million.
- A net surplus of just over \$1.0 million is budgeted for fiscal 2011.

Operating Revenues



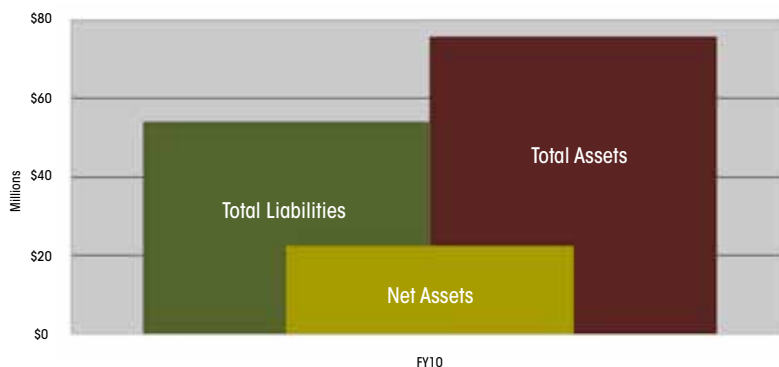
- Contributions—needed to fund student aid, new technology, educational innovation and student life services and activities to ensure that a quality education can be sustained—represent only 3% of operating revenues.
- Tuition, fees and other student-related revenues represent 94% of operating revenues.

Endowment Fund



- Concordia's Investment Committee manages the endowment in conjunction with an investment policy aimed at maximizing returns over the long-term while taking on an acceptable level of risk.
- Investment returns have been respectable during the volatile investment markets over the past two years. Virtually all losses incurred during this period have been recouped through October 2010.

Debt and Net Assets



- As of June 30, 2010, total liabilities of \$54.1 million are more than double the net assets of \$22.3 million, of which \$42.3 million consist of bonds, bank loans, or other forms of bank debt.
- Concordia is committed to improving this ratio through the accumulation of operating profits, contributions and grants, growing the endowment.