

# Financial Highlights

## Current Operations

The University's operating revenues for the fiscal year ended June 30, 2006, totaled \$384.1 million, while operating expenditures totaled \$347.8 million. Fiscal year 2006 represented the 37th consecutive year in which the University achieved an operating surplus.

Operating revenues from all sources increased \$33.9 million, or 9.7 percent, from the fiscal year 2005 total of \$350.2 million. Tuition and fees, representing 67.5 percent of operating revenue, continued to be the University's main source of income. Net of student financial aid, tuition and fees totaled \$259.2 million, compared with \$246.9 million recorded in fiscal year 2005. This 5 percent increase was the result of higher tuition rates at the undergraduate and graduate levels. Student financial aid increased from \$88.6 million in fiscal year 2005 to \$92.8 million in fiscal year 2006. This 4.7 percent increase reflected the University's continuing commitment to provide financial assistance to students who otherwise might not have the monetary resources to study at Fordham.

Sales and services of auxiliary enterprises—principally student housing and dining—comprised the next most significant single source of income, representing 12.5 percent of total operating revenue. Sales and services of auxiliary enterprises totaled \$48 million, an increase of 4.8 percent over the \$45.8 million recorded in fiscal year 2005. The increase was due primarily to an increase in the room and board rates.

During fiscal year 2006, the University recognized contribution revenue from fund-raising efforts totaling \$48.8 million. In addition to providing \$21.1 million to support current operations, fund raising generated \$17.9 million for the University's endowment and other permanent reserves, and \$9.8 million to fund future operating activities.

An increase in government grants of \$3.2 million in fiscal year 2006, or 20.7 percent compared to fiscal year

2005, was the result of the receipt of \$3.3 million in grant funds obtained for the Fordham Regional Parking Facility.

The University's total investment return was \$37.4 million in fiscal year 2006 versus \$30.1 million in fiscal year 2005.

Other revenue sources more than doubled from \$7.6 million in fiscal year 2005 to \$18.4 million in fiscal year 2006, primarily as a result of a gain from the sale of the National Invitational Basketball Tournament rights in the amount of approximately \$7.8 million.

Operating expenditures for fiscal year 2006 increased 7.1 percent from last year. This category included \$296.9 million for program services expenditures and \$50.9 million for institutional support services. Instruction, research and academic support—including faculty salaries and libraries, respectively—together represented 56.8 percent of operating expenditures. The combined total for instruction, research and academic support expenditures was \$197.4 million, an increase of 7.9 percent over the \$182.9 million recorded in the prior year. Contributing to the increase were higher expenditures for faculty salaries and benefits, the libraries, instructional technology and computer information management systems, and research grant programs. Costs for student services, auxiliary enterprises and public service totaled \$99.5 million and represented 28.6 percent of operating expenditures. These costs increased by \$3.8 million, or 4 percent, from those recorded in fiscal year 2005. Increases were incurred for operation and maintenance expenditures for the residence halls, as well as higher interest expenses and meal-plan expenditures. Institutional support expenditures of \$50.9 million, representing 14.6 percent of total operating expenditures, increased \$14.8 million, or 10.4 percent, from \$46.1 million in fiscal year 2005.

Increases were primarily for fund-raising, security operations, depreciation expense and telecommunications.

## Endowment Results

Fordham's pooled investments have experienced positive performance in the 2006 fiscal year. The pooled investments include University reserves for long-term investments for both the endowment fund and funds functioning as endowment, as well as reserves for current operations and physical plant. The total return for these investments, including interest, dividends, and realized and unrealized gains, was 10.8 percent for the year ended June 30, 2006. The market value of Fordham's long-term investments, as of June 30, 2006, was \$394 million.

Fordham University's endowment and long-term funds, essentially all of which are held in an investment pool, are professionally managed in accordance with investment policies established by Fordham's Board of Trustees. Pooled investments are diversified in accordance with an asset allocation plan adopted by the Investment Committee of the Board of Trustees. The committee monitors and adjusts this plan from time to time. The current allocation is domestic equities (48 percent), international equities (17 percent), fixed income (13 percent) and alternative investments (22 percent). The funds allocated to each asset class are invested by individual managers, selected by the committee for their competitive expertise in the respective asset class. The performance of each manager is reviewed monthly by management, an independent investment consultant and the Investment Committee of the Board of Trustees against external benchmarks, such as the Standard & Poor's 500 Stock Index, the Russell 2000 Stock Index, the LB Aggregate Bond Index and the EAFE Index. Performance is also evaluated against that of other endowments.

The chart on page 73 summarizes operating revenues and expenditures, and other financial and general information of the University, for the years ended June 30, 2006, and June 30, 2005.

## Operational Highlights *(in thousands)*

| For the years ended                          | June 30, 2006     | June 30, 2005     |
|--|-------------------|-------------------|
| <b>Operating Revenues</b>                    |                   |                   |
| Tuition and fees                             | \$ 259,222        | \$ 246,910        |
| Private gifts, grants                        | 21,092            | 17,266            |
| Government grants                            | 18,921            | 15,678            |
| Investment return                            | 11,118            | 9,910             |
| Other sources                                | 18,449            | 7,635             |
| Net assets released from restrictions        | 7,266             | 7,056             |
| Auxiliary enterprises                        | 47,998            | 45,769            |
| <b>Total</b>                                 | <b>\$ 384,066</b> | <b>\$ 350,224</b> |
| <b>Operating Expenditures</b>                |                   |                   |
| Program services                             | \$ 296,900        | \$ 278,563        |
| Instruction                                  | 140,222           | 130,072           |
| Research                                     | 5,326             | 4,762             |
| Public service                               | 7,079             | 7,799             |
| Academic support                             | 51,817            | 40,955            |
| Student services                             | 42,806            | 41,897            |
| Auxiliary enterprises                        | 49,650            | 45,985            |
| Support services/<br>Institutional support   | 50,875            | 46,084            |
| <b>Total</b>                                 | <b>\$ 347,775</b> | <b>\$ 324,647</b> |
| <b>Private Gifts and Grants</b>              |                   |                   |
| <b>Total</b>                                 | <b>\$ 48,810</b>  | <b>\$ 28,932</b>  |
| <b>University Reserves (at market value)</b> |                   |                   |
| Endowment and similar funds                  | \$ 358,965        | \$ 302,206        |
| Plant funds                                  | 1,354             | 1,271             |
| Current funds                                | 33,647            | 29,081            |
| <b>Total</b>                                 | <b>\$ 393,966</b> | <b>\$ 332,558</b> |
| <b>Physical Plant</b>                        |                   |                   |
| Insured replacement value                    | \$ 911,869        | \$ 867,544        |

## Statistics

| For the years ended                       | June 30, 2006 | June 30, 2005 |
|---|---------------|---------------|
| <b>Enrollment</b>                         |               |               |
| Headcount                                 | 15,613        | 15,897        |
| Undergraduate                             | 8,477         | 8,430         |
| Graduate                                  | 7,136         | 7,467         |
| Full-time equivalent                      | 13,214        | 13,374        |
| Undergraduate                             | 8,043         | 7,969         |
| Graduate                                  | 5,171         | 5,405         |
| <b>Faculty</b>                            |               |               |
| Full-time equivalent                      | 977           | 1,015         |
| <b>Degrees and Certificates Conferred</b> |               |               |
| Bachelor's                                | 1,893         | 1,929         |
| Master's                                  | 1,953         | 1,913         |
| Doctoral                                  | 123           | 97            |
| Law                                       | 485           | 480           |
| Advanced Certificates                     | 72            | 52            |
| <b>Total</b>                              | <b>4,526</b>  | <b>4,471</b>  |