

2011

FINANCIAL REPORT

Financial Report





Managing through a challenging economy

A strong fiscal foundation is critical in fulfilling our commitment to provide our students with a quality education, grounded on the principles of academic excellence, faith, leadership and service to others. With a national and global economy that continues to fluctuate, Marquette maintained its conservative fiscal strategy during FY 2011, emphasizing a balanced budget, cost efficiencies and revenue enhancement.

The appeal of a Marquette education was evident both in the record number of applications received and the resulting large freshman class and in increased support from alumni, parents and friends of the university.

A passion for Marquette

Nearly 27,000 individuals contributed financially to Marquette in FY 2011, with contributions totaling more than \$54 million. The number of commitments of \$25,000 or more increased nearly 25 percent from 2010.

We continue to emphasize the importance of both immediate-use and endowed scholarships. In honor of the retirement of Rev. Robert A. Wild, S.J., the university received more than \$43 million in gifts and pledges for endowed scholarships from more than 2,300 individuals. As a result, 71 new endowed

scholarships were established. Alumni and friends also gave more than \$9.5 million in FY11 for immediate-use scholarships through our annual funds, helping students remain in school as they and their families experienced difficult financial times.

Overall, Marquette provided more than \$91 million in scholarships and grants to undergraduate and graduate students in FY 2011 of which \$16 million was funded through the generosity of benefactors. Ninety-three percent of our full-time undergraduates receive some form of financial aid, including loans and student employment as well as scholarships and grants.

Protecting the future

A positive operating budget, strong balance sheet and strong endowment performance help ensure that Marquette will remain on strong financial footing. Our endowment, which again outperformed the benchmark Policy Index, has rebounded from the losses of 2008–09, topping the \$400 million mark at the end of FY 2011.

A new Office of Finance website, marquette.edu/financeoffice, provides updated and detailed information about the university's financial operations, including audit, budget and IRS reports.

Annualized Returns *as of 6/30/2011*

	1 Year	3 Year	5 Year	10 Year
S&P 500 Index	30.7%	3.3%	2.9%	2.7%
MU Endowment (<i>Net</i>)	22.3%	3.2%	4.9%	5.5%
Policy Index	19.1%	0.7%	3.8%	5.5%
+ / - Relative to Policy Index	+3.2%	+2.5%	+1.1%	---

FINANCIALS

Consolidated statement of financial position as of June 30, 2011 (dollars in thousands)

Assets:

Cash and cash equivalents	\$28,620
Collateral held under securities lending agreement	41,820
Contributions receivable	83,519
Accounts receivable	15,363
Student loans receivable	44,243
Investments	435,549
Funds held in trust by others	21,908
Net property, buildings and equipment	490,142
All other assets	8,084
Total assets	\$1,169,248

Liabilities:

Accounts payable and accrued liabilities	\$34,772
Payable under securities lending agreement	42,068
Deferred income and deposits	20,290
Refundable federal loan grants	37,170
Notes and bonds payable	216,138
All other liabilities	16,258
Total liabilities	\$366,696

Net assets:

Unrestricted	\$198,965
Temporarily restricted	302,734
Permanently restricted	300,853
Total net assets	\$802,552
Total liabilities and net assets	\$1,169,248

Consolidated statement of activities for the year ended June 30, 2011 (dollars in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Operating revenues:				
Net tuition and fees	\$214,710	-	-	\$214,710
Government and private grants	27,391	-	-	27,391
Contributions	3,291	23,263	27,485	54,039
Investment income	756	383	(207)	932
Endowment income used in operations	4,589	12,062	243	16,894
Auxiliary and all other	69,094	-	-	69,094
Total operating revenues	\$319,831	35,708	27,521	\$383,060

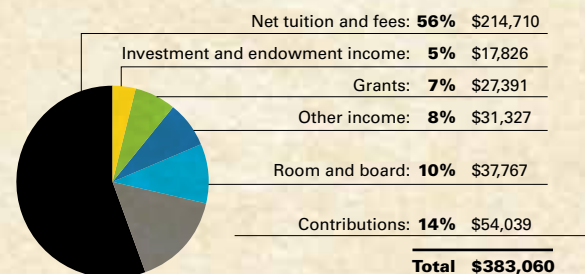
Net assets released from restrictions	28,928	(28,928)	-	-
Total revenues and net assets released from restrictions	348,759	6,780	27,521	383,060

Expenses:

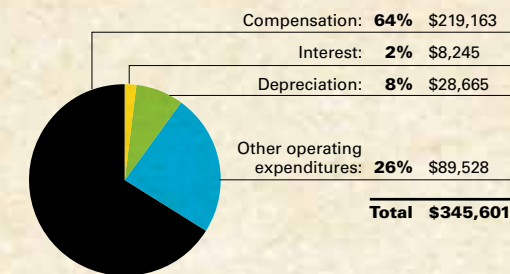
Instruction	\$102,399	-	-	102,399
Academic support	40,706	-	-	40,706
Research and grants	24,864	-	-	24,864
Libraries	18,735	-	-	18,735
Student services	47,693	-	-	47,693
Auxiliary enterprises	40,929	-	-	40,929
Institutional support	66,733	-	-	66,733
Public service	3,542	-	-	3,542
Total operating expenses	\$345,601	-	-	\$345,601

Operating income	3,158	6,780	27,521	37,459
Nonoperating income (loss)	24,761	27,797	741	53,299
Changes in net assets	27,919	34,577	28,262	90,758
Net assets, beginning of year	171,046	268,157	272,591	711,794
Net assets, end of year	\$198,965	302,734	300,853	\$802,552

Total Operating Revenues (dollars in thousands)



Total Operating Expenditures (dollars in thousands)



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