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FINANCIAL REPORT



**MARQUETTE**  
UNIVERSITY

Be The Difference.

# Supporting the needs of our students

Sound stewardship of the institution's finances and operations supports Marquette University in its core goal of providing a transformative Catholic and Jesuit education to its students. In maintaining a strong focus in FY 2012 on meeting student needs, Marquette continued its pursuit of academic excellence while providing diverse students from a full range of economic backgrounds with the opportunity to earn their degrees at Marquette.

## A generous community

The support of nearly 27,000 donors, investing \$42.7 million in Marquette, was instrumental in helping the university advance its mission in FY 2012. The new annual giving society, the President's Society, welcomed 1,534 households, each giving a minimum of \$2,500 in cash gifts during the fiscal year. Altogether, their gifts contributed more than \$35 million toward scholarship aid, research, capital projects, student and faculty activities, and service learning.

The \$103 million that Marquette provided to undergraduate and graduate students in scholarships and grants in FY 2012 represented a 13 percent increase over the previous fiscal year. Of that total, \$18 million was funded through the generosity of benefactors, a 12.5 percent increase over FY 2011. Among our full-time undergraduates, 96 percent receive some form of financial aid, including loans, student employment, and scholarships and grants

## Prudent financial stewardship

Marquette continues to benefit from a favorable financial position, with a strong balance sheet, positive operating budget and growth in the university's endowment. Reaching a market value of \$407 million at the close of FY 2012, Marquette's endowment outperformed its benchmark policy index by 3.7 percent during the fiscal year and achieved a 10-year annualized return of 6.3 percent, again outperforming the policy index.

Heading into FY 2013, Marquette prepared to conduct a bond offering to support the refurbishing of the historic core of the university's campus. Moody's Corporation affirmed Marquette's excellent creditworthiness with an A2 rating, allowing the university to borrow at favorable rates as it prepares to renovate and modernize Marquette Hall, Johnston Hall and Sensenbenner Hall to provide an improved educational experience for students.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2012

(dollars in thousands)

## Assets:

Cash and cash equivalents	\$36,109
Collateral held under securities lending agreement	33,978
Contributions receivable	78,895
Accounts receivable	12,772
Student loans receivable	43,054
Investments	423,055
Funds held in trust by others	23,252
Net property, buildings and equipment	496,795
All other assets	7,636
<b>Total assets</b>	<b>\$1,155,546</b>

## Liabilities:

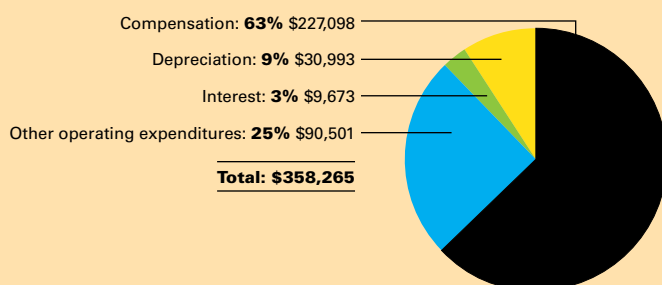
Accounts payable and accrued liabilities	\$30,535
Payable under securities lending agreement	33,978
Deferred income and deposits	20,349
Refundable federal loan grants	35,867
Notes and bonds payable	206,494
All other liabilities	16,344
<b>Total liabilities</b>	<b>\$343,567</b>

## Net assets:

Unrestricted	\$195,514
Temporarily restricted	301,387
Permanently restricted	315,078
<b>Total net assets</b>	<b>\$811,979</b>
<b>Total liabilities and net assets</b>	<b>\$1,155,546</b>

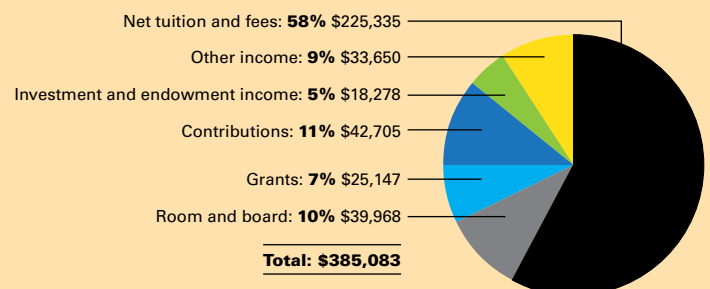
## TOTAL OPERATING EXPENDITURES

(dollars in thousands)



## TOTAL OPERATING REVENUES

(dollars in thousands)



## CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

(dollars in thousands)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Operating revenues:</b>				
Net tuition and fees	\$225,335	-	-	\$225,335
Government and private grants	25,147	-	-	25,147
Contributions	1,817	27,091	13,797	42,705
Investment income	549	136	(209)	476
Endowment income used in operations	4,671	12,887	244	17,802
Auxiliary and all other	73,618	-	-	73,618
<b>Total operating revenues</b>	<b>\$331,137</b>	<b>40,114</b>	<b>13,832</b>	<b>\$385,083</b>
Net assets released from restrictions	31,273	(31,273)	-	-
Total revenues and net assets released from restrictions	362,410	8,841	13,832	385,083
<b>Expenses:</b>				
Instruction	\$107,024	-	-	107,024
Academic support	41,103	-	-	41,103
Research and grants	22,352	-	-	22,352
Libraries	19,227	-	-	19,227
Student services	49,578	-	-	49,578
Auxiliary enterprises	42,918	-	-	42,918
Institutional support	72,144	-	-	72,144
Public service	3,919	-	-	3,919
<b>Total operating expenses</b>	<b>\$358,265</b>	<b>-</b>	<b>-</b>	<b>\$358,265</b>
Operating income	4,145	8,841	13,832	26,818
<b>Nonoperating income (loss)</b>	<b>(7,596)</b>	<b>(10,188)</b>	<b>393</b>	<b>(17,391)</b>
<b>Changes in net assets</b>	<b>(3,451)</b>	<b>(1,347)</b>	<b>14,225</b>	<b>9,427</b>
<b>Net assets, beginning of year</b>	<b>198,965</b>	<b>302,734</b>	<b>300,853</b>	<b>802,552</b>
<b>Net assets, end of year</b>	<b>\$195,514</b>	<b>301,387</b>	<b>315,078</b>	<b>\$811,979</b>

### ANNUALIZED RETURNS

as of 6/30/2012

	1 Year	3 Year	5 Year	10 Year
S&P 500 Index	5.4%	16.4%	0.2%	5.3%
MU endowment (Net)	0.8%	11.8%	1.4%	6.3%
Policy Index	-2.9%	8.2%	-0.3%	5.7%
<b>+ / - Relative to Policy Index</b>	<b>3.7%</b>	<b>3.6%</b>	<b>1.7%</b>	<b>0.6%</b>

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Marquette University

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2012

