

ANNUAL REPORT 2013-2014

It was a memorable Centennial Celebration year. In my comments to the Board of Trustees, I described 2013-14 as a year marked by significant accomplishments as well as challenges. The Cairn community enjoyed several opportunities to celebrate God's great faithfulness. We opened the year with the Philadelphia Phillies on a special night at Citizens Bank Park. There were two special commencements, and of course Homecoming, which boasted a record crowd and ended with a wonderful fireworks display. We have much for which to be thankful at Cairn University. Presently, we are experiencing a very good start to 2014-15, and calling attention to the fact that we now begin work in our second century.

The annual report for 2013-14 shows that revenue from tuition and fees was down from the previous year. This was due to a decline in enrollment of approximately 60 full-time equivalents, contributed by an accelerated graduation rate, and a lower than anticipated new student number. Despite the drop in enrollment and the resulting revenue shortfalls, the University experienced a record year in giving to The Cairn Fund. The data indicates that the University managed to overcome some significant fiscal challenges. Overall, giving increased more than 68%, and the year-end net assets were over \$190,000 to the positive, which is more than a 1.3 million dollar improvement over the previous year.

And once again, the University managed its expenses in a very conservative manner.

We move forward now from the Centennial and look to the future. The new Strategic Plan: "Second Century" has been adopted and outlines some specific goals and objectives intended to expand the number of programs, increase enrollment, strengthen our curricular and co-curricular effectiveness, and enhance our campus facilities. This year, new student numbers were up by 15%, and there is a clearly elevated interest in the University. The first 100 years of our existence have testified to the gracious provision of our faithful God, and we look forward expectantly to His continued blessing upon the institution and the important work we have been given to do.

Some highlights from 2013-2014:

- The Centennial Celebration was successfully completed.
- Four new First-Year Programs were launched.
- A BA in Psychology degree was launched.
- A new website was launched.
- A new marketing campaign "Why Cairn" was initiated.
- The University athletics department, under new leadership, rolled out a "Team Cairn" initiative.
- The MSCHE self-study process was completed.
- A distance learning initiative for Degree Completion and the Graduate Program were undertaken.
- The Cairn Community Arts Academy was launched.
- Aesthetic improvements to "The Campus Walk" were completed.
- The University conducted a strategic realignment to reconfigure faculty and staff in light of economic and enrollment challenges.
- The Cairn Fund raised a record 1.5 million dollars.

2013-2014 Employment Rates of 2012-13 Graduates in Traditional Baccalaureate Programs

94% were employed within one year of graduating, 3% not employed by choice, and 3% seeking employment. 87% plan to pursue a career in the area of their Cairn preparation, and 73% are currently employed in the field of their Cairn degree.*

*Based on the One Year Out Alumni Survey given March 2014

Todd J. Williams, Ph.D.
President

Consolidated Statement of Activities for Cairn University and The Regency Foundation

Operating Revenues	FY 2013-2014	FY 2012-2013	Operating Expenses	FY 2013-2014	FY 2012-2013
Tuition and Fees	18,506,655	19,771,095	Educational and General	17,127,799	17,486,341
Less: Student Aid	(7,951,097)	(7,911,041)	Auxiliary Services	1,653,603	1,616,423
Net Tuition and Fees	10,555,558	11,860,054	Depreciation	1,876,072	1,851,939
Gifts	3,234,488	1,884,717	Total Operating Expenses	20,657,474	20,954,703
Auxiliary Services	4,194,743	4,281,252	Increase/(Decrease) in Net Assets of the Consolidated Statements¹	191,602	(1,206,826)
Investment Income	254,123	286,881			
Miscellaneous Income	2,610,164	1,434,973			
Total Operating Revenues	20,849,076	19,747,877			

¹ The FY 2012-13 decrease in net assets is significantly related to a one time University name change expenses of \$596,168 presented in the Educational and General Expenses.