

ANNUAL REPORT 2019-2020

There is no question that the last academic year is among the most challenging in my memory. The interruption of the spring semester carried with it implications not only for the fiscal, academic, and campus dynamics of 2019-2020, but also for the strategic and operational planning and preparation for 2020-2021 and beyond. Cairn University faced these challenges and implications with flexibility, prudence, creativity, and a redoubled commitment to the mission and our execution of it. The faculty, staff, administration, and students rallied with the support and guidance of a committed Board of Trustees to bring 2019-2020 to a successful conclusion and position the University for the challenges of the year and years ahead. The Cairn community is united and as strong as ever.

Reviewing the 2019-2020 academic year, this was a year with a variety of results. The significant efforts made and improved processes enacted in the 2018-2019 year to assess the effectiveness of planning, resource allocation, and institutional renewal and to respond to assessment results were sustained in 2019-2020. The Strategic Plan '21 continued to guide the University during the COVID-19 situation in Spring 2020. The data showed that Cairn University was on a positive trajectory in Fall 2019. The positive course of the 2018-2019 fiscal year and Fall 2019 also enabled the University to be responsive to the challenges of the COVID-19 situation.

There has been continued growth at the undergraduate and graduate levels. New academic programs commenced in recent years have been successful, and the University has continued to develop new programs. The University is fulfilling its mission of educating students to serve Christ in the church, society, and the world as indicated by alumni survey data, learning outcomes assessment results, and good standing with all accreditation agencies by whom Cairn is accredited. While the University remains focused on enrollment growth, strengthening the fiscal position, and advancement efforts, the strategic plan also includes several goals related to graduate-level academic programs and student care.

Below are some highlights of the year, as well as a summary of financial data. As we turn the page on 2019-2020, we look forward with anticipation to an exciting and productive year in 2020-2021. With the significant progress made in 2019-2020, we are positioned to meet and overcome the challenges caused by the COVID-19 situation and the

mounting challenges of Christian higher education. Our prayer is to be faithful stewards of these opportunities and to navigate the challenges of growth with wisdom and grace.



Todd J. Williams, PhD
President

Some highlights from 2019-2020:

- *The launch of Cairn Online was accelerated with 13 new online undergraduate programs*
- *Total enrollment and new student enrollment increased*
- *Student retention increased for the fourth year in a row*
- *Four new deans and four new full- or part-time faculty members were hired*
- *A University Chaplain was appointed*
- *Renovations were completed on Masland Library second floor*
- *Net tuition increased*
- *Housing was greater than 100% capacity*
- *The Forward Campaign exceeded the goal for The Cairn Fund*
- *New strategies for securing foundation funding were successfully launched*
- *Donors gave generously amid the COVID-19 situation*
- *Matching Gift Week surpassed its goal*
- *President's Circle was successfully launched*
- *The Cairn Golf Classic enjoyed another successful year despite being rescheduled due to COVID-19*

2019-2020 Employment Rates of 2018-2019 Graduates in Traditional Baccalaureate Programs:

98% were employed within one year of graduating. 77% are currently employed in the field of their Cairn degree.*

*Based on the One-Year-Out Alumni Survey from May 2020

Unrestricted Operating Activities for Cairn University and The Regency Foundation

Revenues, Gains and, Other Support	FY 2019–2020	Operating Expenses*	FY 2019–2020
Tuition and Fees	\$ 24,402,004	Instruction	\$ 7,033,754
Less: Student Aid	(11,563,950)	Academic Support	1,311,609
Net Tuition and Fees	12,838,054	Student Services	3,960,662
Gifts	1,925,504	Institutional Support	4,688,425
Sales and Services of Auxiliary Enterprises	4,824,435	Operations and Maintenance of Plant	2,853,357
Realized and Unrealized Gains on Investments	109,585	Auxiliary Enterprises	1,580,019
Other Revenues	1,699,690	Depreciation	1,807,219
Net Assets Released from Restrictions	1,107,702	Total Operating Expenses	23,235,045
Total Revenues, Gains, and Other Support	22,504,970	Change in Net Assets from Operations	(730,075)
		Other Changes	(370,625)
		Change in Net Assets	(1,100,700)

The University engaged in a capital campaign to grow academic programs and facilities beginning Fall 2016. These funds were used to develop programs in science and technology and make facilities improvements. The costs were covered by restricted funds recorded as income when pledged. The funds were released from restrictions as these costs were incurred. The increased costs led to a negative change in net assets even though they were paid for by campaign funds generated early in the campaign. The University leadership anticipated improving net assets from the new programs and improved facilities; however, the COVID-19

situation impacted the trajectory with losses due to Spring 2020 room and board credits. The leadership adjusted its budget and made reductions to areas not critical to the mission to address this new situation. Despite these challenges, diligent management of cash and finances has led to a growing cash reserve. The University continues to adjust and respond to the changing circumstances.

* The line of credit was paid down to zero by the Fall 2020;

* The University met its debt service covenants at a ratio 1.5:1;

* A cash reserve balance of \$2.6M was achieved