



## A Word of Explanation About CIU Finances

September 2005

### Dear friends of CIU,

Would it surprise you to learn that annual revenue at CIU exceeded \$23 million during our fiscal year that ended on June 30? While that amount is less than the annual salary of some professional sports figures, it is still a sizeable budget for CIU's strategic ministries. What many people don't realize is that – for universities in general, and for CIU specifically – the annual financial budget is dependent on revenue from tuition, room and board *and* from gift income.

What is CIU's annual gift income need? We express our need to you in terms of our Annual Fund which historically has included three things: 1) the allowance need that helps fund our faculty and staff salaries; 2) an allotment for student scholarships; and 3) strategic general operating expenses. Although I talk about the "allowance need" often – making sure that our faculty and staff receive full compensation is important to me – the "allowance need" is only one part of our total Annual Fund need.

Every year, as part of our budget development process, the executive team and I establish an Annual Fund goal for our higher education programs for the coming fiscal year. Gift income for the Annual Fund is a critical piece of our total operating budget. This past year the Annual Fund giving goal was \$2.5 million. Although that goal was not met, we managed to end the year "in the black," with a modest operating surplus, through conservative fiscal management. Gratefully, through your gifts 100 percent of our "allowance need" was met, as well as a sizeable portion of our student aid scholarship need. ▶

**“The Lord is doing  
exciting things  
through you, our  
faithful prayer and  
financial supporters.”**

# President's Letter

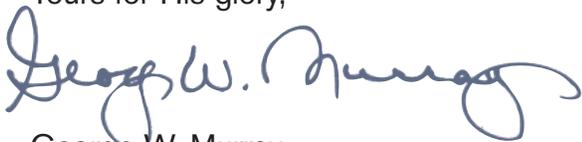
As you know with your personal budget, when expenses threaten to exceed income, you have to do some belt tightening. At CIU things are no different. When we see that gift income is not matching our projections, we pull together as a team and work to control expenses so that we can complete the fiscal year in a positive and God-honoring way. Thankfully, we were able to end the year with a modest operating surplus but *there were many tactical and strategic initiatives which were not accomplished because the Annual Fund goal was not completely met.*

Before I close this letter, let me say a few more words about our “allowance need” for faculty and staff salaries, which is *part* of our total Annual Fund need. Every month, our “allowance need” is our *first* funding priority. Therefore, all gifts specifically designated for the “allowance need” and all *undesigned* gifts are put first toward meeting that need so that, hopefully, our faculty and staff will be paid in full each month. Last month, I was happy to report to you that our “allowance need” for faculty and staff salaries for our recently-ended fiscal year (June 30) was fully met.

In addition to our Annual Fund, the Lord is doing exciting things through you, our faithful prayer and financial supporters. Total gift income to CIU (the University, Ben Lippen School, and our two radio stations which are totally listener-supported) exceeded \$6 million during the past fiscal year. Praise the Lord! Of that, the gift income for our higher education programs (Bible College, Graduate School and Seminary) was \$3.3 million. The major portion of that gift income does *not* go toward meeting our Annual Fund need because it is restricted by the donor for endowments, capital improvements, or other categories that fit the mission and purpose of CIU.

Thanks for letting me explain these things to you. Even more, thanks for your willing prayers and gifts. We are prayerfully seeking to be good stewards of every cent.

Yours for His glory,



George W. Murray

PS The Annual Fund goal for 2005/06 is \$2.2 million. The Lord has already blessed us with a good start toward that goal. *Will you join with me in praying that 100 percent of that need will be met?* Our CIU campus is filled again with over 1,000 bright and eager new and returning students. Your prayers and gifts will help us give them the kind of training they need to serve the Lord effectively around the world.

# President's Letter