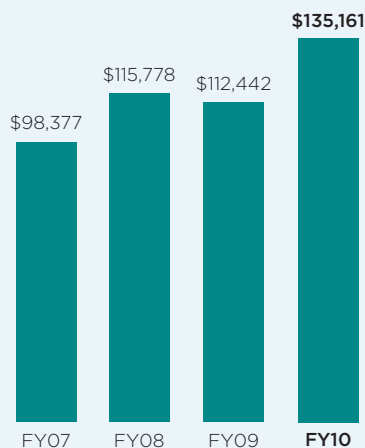


## Continued Growth & Financial Stability

### TOTAL NET ASSETS (in hundreds of thousands)



In many respects, the fiscal year ending June 30, 2010, was a continuation of the prior year, one of unprecedented turmoil for the overall economy and higher education. However, the good news is that the financial markets began to recover, not to the historical levels of the past but a large step in the right direction. As was the case throughout higher education, endowments have not fully recovered and families continue to be challenged to finance the cost of attending college, due to continued high unemployment rates, erosion of personal net worth and continued difficulty in obtaining credit. Sacred Heart University continues to manage its financial affairs with the balanced goals of helping our students overcome these challenges, while managing University resources to ensure long-term financial stability and growth.

Due to the disciplined financial processes in place, the University again was able to overcome these obstacles and meet its financial obligations in FY 2010. Sacred Heart University operated with a balanced budget again in the fiscal year ending June 30, 2010. Net tuition and fee revenue grew by 2% over the prior year. Total net assets increased by \$23 million, driven by net investment gains of over \$8 million. The University had an increase in unrestricted net assets, from operations only, of \$14 million, which is comparable to the prior year. We were again able to redirect resources to financial aid by reducing overall operating expenses.

The University continues to invest in improvements in our programs and our facilities. We expanded graduate and undergraduate academic offerings in both on-ground and online programs in 2010. The University opened its new Chapel of the Holy Spirit, in the fall of 2009, added classrooms and completed significant renovations in the Academic Building, Library and Schine Auditorium to continue to improve our ability to provide quality academic and student services. The next major project is underway as we broke ground this summer beginning construction of a new student services building to be completed in early 2012.

### Statement of Unrestricted Activities for the year ending June 30, 2010

#### UNRESTRICTED REVENUES JULY 1, 2009 - JUNE 30, 2010

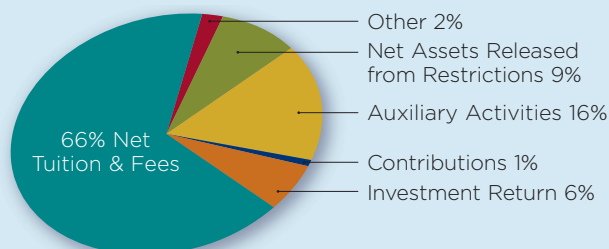
Tuition and Fees .....	\$134,124,267
Less: University-Sponsored Financial Aid .....	(\$36,291,470)
Externally Funded Financial Aid .....	(\$3,018,671)
Net Tuition and Fees .....	\$94,814,126
Contributions .....	\$1,180,887
Investment Return .....	\$8,413,911
Auxiliary Activities (net of financial aid) .....	\$22,956,909
Other .....	\$3,603,846

Total Unrestricted Revenue .....	\$130,969,679
Net Assets Released from Restrictions .....	\$13,647,275
Total Unrestricted Revenue and Other Support .....	\$144,616,954

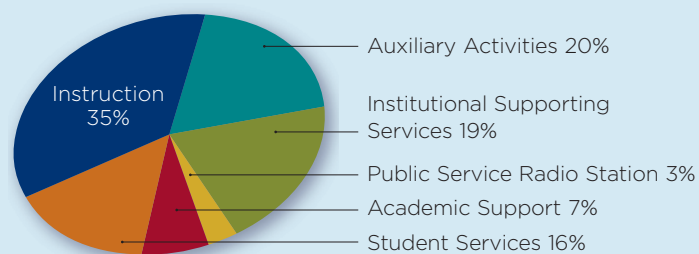
#### EXPENSES EDUCATIONAL PROGRAM SERVICES

Instruction .....	\$41,920,276
Student Services .....	\$18,814,623
Academic Support .....	\$8,757,172
Public Service Radio Station .....	\$3,980,563
Auxiliary Activities .....	\$23,174,334
Institutional Supporting Services .....	\$22,628,154
Total Expenses .....	\$119,275,122
Increase in Unrestricted Net Assets .....	\$25,341,832

#### SOURCES OF REVENUES, FY10



#### EXPENSES BY FUNCTION, FY10



#### UNRESTRICTED GIVING, FY10

Friends .....	\$376,729
Corporations .....	\$364,230
Foundations .....	\$207,635
Alumni .....	\$100,241
Parents .....	\$72,380
Faculty/Staff .....	\$59,672
Total Unrestricted Giving .....	\$1,180,887