



Information for Bond Analysts and Rating Agencies (As of December 2010)

Brief History

Columbia College Chicago today ascends from a women's speech college founded in 1890 as the Columbia School of Oratory, an early pioneer in speech art education. The name, inspired by the upcoming Columbian Exposition of 1893, was later changed to the Columbia College of Expression.

In 1928, the College was incorporated into the Pestalozzi-Froebel Teachers College. A renewed, co-educational version of the College emerged in 1936, emphasizing the growing field of radio broadcasting. In 1944, the name was changed to Columbia College.

During the 1950's, the College broadened its educational base to include television and other areas of mass communication. The growth of these important applied arts programs provided the foundation for a new Columbia. The face of America and American education was rapidly changing. Many students had become disenchanted with the highly structured academic experience offered by most traditional universities. Instead, Columbia offered an affordable and imaginative liberal education as well as an exceptional faculty made up almost exclusively of working professionals.

Moreover, Columbia had an active presence in Chicago's neighborhoods through acquisitions that became focal points for Columbia's dance center, poetry center, and theater department. In the late 1960's, Columbia's enrollment had grown to approximately 700 students. As Columbia continued to add new academic departments and design new programs to keep up with the educational needs and trends of contemporary America, enrollment grew. By 1976, enrollment passed the 2,000 mark. With continued growth, Columbia reached 4,700 undergraduate and graduate students in 1983. Faculty, administrative staff, student services and instructional support all had comparable increases.

Columbia is now the fifth largest private college or university in Illinois. The College's enrollment of approximately 12,000 students is drawn from the city of Chicago and its suburbs, from across the United States, and from thirty-six other countries. The student body is almost equally divided between men and women. Approximately five percent of the student body is enrolled in the graduate school. The faculty consists of more than 1,300 practicing artists, scholars, and professionals.

The foundations of a Columbia College education continue to include small class sizes that ensure close interaction with a faculty of working professionals who bring the working world into the classroom, abundant internship opportunities with major employers in the Chicago marketplace, and outstanding professional facilities to foster learning by doing. All students are encouraged to begin course work in their chosen fields immediately, allowing them four full years in which to master their craft and build professional portfolios, audition tapes, resumes, and clip books. The College provides a sound liberal arts background for the developing artist or communicator and supports a student's employment goals through a full range of career services.

Tuition is less than the national average for private institutions.

The College is predominantly located in the south loop area of Chicago, Illinois. Its location provides easy access to the Art Institute of Chicago, Adler Planetarium and Astronomy Museum, Field Museum, Chicago Symphony Orchestra and other notable cultural and educational institutions.

Current Administration

Warrick L. Carter, Ph.D. President

Dr. Carter joined Columbia in 2000, following a four-year term as Director of Entertainment Arts for Walt Disney Entertainment. At Disney, he was responsible for developing global education and live arts programs for the entire corporation.

Prior to his engagement with Disney, Dr. Carter spent twelve years at Berklee College of Music in Boston, serving as dean of faculty and then as Provost/Vice President of Academic Affairs. At Governors State University, where he served from 1971 to 1984, he began as a professor of music and was promoted to chairman of the division of fine and performing arts. He began his career in higher education as an assistant professor and director of bands at the University of Maryland, Eastern Shore, teaching at that institution while pursuing his doctoral studies. He received his Ph.D. in music education from Michigan State University.

Warrick L. Carter is an educator, composer and performer. In addition to his academic appointments at Berklee, Governors State and Maryland, he taught in East Lansing, Michigan and Chattanooga, Tennessee. He has consulted on music education and minority issues in music education for organizations worldwide. His projects have included work with the Wisconsin Music Educators, the Michigan Council for the Arts, the Philadelphia Public Schools, the Los Angeles Board of Education, the National Endowment for the Humanities and the Minister of Culture, Paris, France.

He has published and lectured extensively on the subject of music education, jazz, and African American music history and culture, sharing his expertise at such institutions as Northwestern University, California State University, University of Santa Catarina in Brazil, and at conferences world wide. His articles have appeared in professional journals including *IAJE Educator*, *Music Educators Journal* and *The Quarterly Journal of Music Education*.

As a composer and performer, Dr. Carter has an international reputation. He has created commissioned works for the National Endowment for the Arts, the Chicago Symphony Orchestral Association and the Chicago Chamber Orchestra. His recordings are on Mark and Capital records and his live performances include work with the Boston Pops Jazz Quartet, Dee Dee Bridgewater, Billy Taylor, Clark Terry, Donald Byrd and many others. He has played at several collegiate and regional jazz festivals and in 1973 performed at the International Jazz Festival in Montreux, Switzerland. He is a two-time recipient of the National Black Music Caucus Achievement Award, is a member of the International Jazz Educators Hall of Fame, and is listed in *Who's Who in Black America*. In 1997 Berklee College of Music established a lecture series in his name and in 1996 Walt Disney Entertainment endowed a "Warrick L. Carter Scholarship" in the International Association of Jazz Educators.

Dr. Carter currently serves on the Boards of Directors of the International House of Blues Foundation, the Interlochen Advisory Board and the New Orleans Center for the Creative Arts. He was the chairman of the National Endowment for the Arts Jazz Panel for three years and the executive director of the National Black Music Caucus for ten. In previous years he has served on the boards of many professional organizations including the International Association of Jazz Educators, the Massachusetts Arts and Humanities Council and the Foundation for the Advancement of Music.

R. Michael DeSalle

Vice President, Business Affairs and Chief Financial Officer

Michael DeSalle has served as Vice President for Business Affairs and Chief Financial Officer at Columbia since 1989. During his tenure the College has grown from approximately 6,500 students to 12,000 and the campus has expanded from four to twenty seven properties, approximately 1.3 million square feet. Prior to joining the College, Mr. DeSalle was controller of Michael Reese Hospital and Medical Center, a teaching and research medical center in Chicago. At that time, the Hospital and Medical Center had 4,000 employees and over \$300 million in revenues.

From 1975 to 1986 he was Assistant Controller at Vanderbilt University in Nashville, Tennessee. Vanderbilt, in 1986 had 8,000 employees and its graduate and undergraduate programs were administered through nine schools including a medical school. In addition, a 660 bed major teaching and research hospital was an integral component of the corporate structure that had assets in excess of \$1 billion.

Mr. DeSalle taught Managerial Finance from 1993 to 1999 in the Graduate School at Columbia College. In the 1980's, he also worked with a C.P.A. firm performing balance sheet and income statement write-up work and prepared limited partnership and corporate tax returns.

He has a M.B.A. from the University of Tennessee and a B.S. from West Virginia University. Mr. DeSalle is a member of the National Association of College and University Business Officers and the Chicago Chapter of the Financial Executives Institute.

He is married, has two daughters and a son, and resides in Hinsdale, Illinois.

Steve Kapelke
Senior Vice President and Provost

As Senior Vice President and Provost, Steven Kapelke provides leadership for all of the College's academic programs. He joined the College in August 1, 2001, after holding the same position at the Milwaukee Institute of Art and Design (MIAD) since 1997. He has an extensive background as a writer, filmmaker, educator and administrator.

At MIAD, he also served as professor of Writing and Humanities, chair of the department of Art History and Liberal Arts, and dean of Liberal Studies. He chaired most of MIAD's major institutional committees, wrote all or parts of three re-accreditation self-studies and other major pieces of administrative and faculty literature, and created the institution's first graduate program. He holds a M.F.A. in English with an emphasis in Fiction from the University of Iowa Writer's Workshop, an M.A. in English with an emphasis in Creative Writing from the University of Wisconsin-Milwaukee, and a B.F.A. in Film from New York University's Tisch School of the Arts.

He has taught film production and screenwriting at several institutions including the University of Iowa, the University of Wisconsin-Milwaukee and Columbia, and has published feature articles, reviews and essays in regional and national publications. In addition to serving the North Central Association of Colleges and Schools as a consultant-evaluator, Mr. Kapelke also serves on the Accreditation Review Council for the Higher Learning Commission of the North Central Association of Colleges and Schools.

Mark Kelly
Vice President of Student Affairs

As the Chief Student Affairs Officer of Columbia, Mark Kelly holds responsibility for overseeing all Student Affairs units and providing leadership and comprehensive services and programs to enhance the educational, social, and personal development of Columbia's students.

Mr. Kelly has been a staff member at Columbia since 1984. He served as associate vice president of planning (1994-00), acting dean of students (1993-

94), associate dean of students (1991-93), director of counseling services (1989-91), director of academic advising (1986-89), and career advisor for the Film/Video, Art & Design, and Photography departments (1984-86). Prior to his work at Columbia, he held positions at Wayne State University and the Colleges of Chicago.

He holds a Master of Arts in Counseling from the University of Cincinnati and a Bachelor of Arts in Sociology from John Carroll University.

Mr. Kelly is married and has three children. He and his family reside in Oak Park.

Eric V.A. Winston, Ph.D.

Vice President, Institutional Advancement

Dr. Winston officially became Vice President of Institutional Advancement in June, 2006. He joined the College in December 2005 as interim vice president of the office.

Dr. Winston is the principal and owner of Eric Winston & Associates, a fundraising consulting firm located in Wilberforce, Ohio that specializes in fundraising, annual fund, government and alumni relations and educational programs for colleges and universities.

He resigned his role as a city councilman in Xenia, Ohio after 14 years of service to that city. He also served as chair of the Planning and Zoning Commission for the last five years.

Prior to forming Eric Winston & Associates in 2002, Winston served as vice president for development and university relations at Wilberforce University from 1983 to 2002. Under Dr. Winston, the university's endowment increased from \$1.5 million in 1990 to more than \$12 million in 2002; alumni annual giving increased from seven percent to 28 percent annually; and he was responsible for raising revenue to build a \$2.6 million alumni multiplex, \$1 million of which was donated by alumni. His 24-year affiliation with Wilberforce University began in 1979 as vice president for student affairs and cooperative education, a position he held until 1983.

His career in higher education began in 1969 at Michigan State University where he served as assistant dean and assistant professor of urban development for five years. From 1975 to 1978 he served as vice president for student affairs, dean of students and associate professor of education at Chicago State University.

His professional affiliations over the years have included the National Society of Fundraising Executives, American Library Association, Ohio Association of Student Personnel Administrators, Illinois Association of Deans of Students, Florida A&M Library, Kappa Alpha Psi Fraternity and director of the Second Annual Summer Institute on Non-Violence for the Martin Luther King, Jr. Center for Social Change. On June 16th he was elected to the Illinois Chamber of

Commerce Board of Directors.

Winston is the recipient of numerous awards and distinctions. He is an active member of many community-based organizations and a U.S. Army Vietnam Veteran.

He received his doctorate in administration and higher education from Michigan State University. He holds a master's in library science from Atlanta University in Atlanta, Georgia and a bachelor's degree in history from Morehouse College, also in Atlanta, Georgia.

He divides his time between Chicago and Xenia, Ohio. He is married and has two daughters and one grandchild.

Alicia Mazur Berg
Vice President of Campus Environment

Alicia Berg joined Columbia College Chicago in the spring semester of 2004. Berg's responsibilities include overseeing the facilities and operations functions of the college, creating a sense of identity for the campus; planning for its continued physical growth, as the student population continues to grow; and creating and implementing a campus master plan. Previously, as Chicago's top planning and economic development official, Ms. Berg oversaw citywide development activities, including business attraction and retention, neighborhood revitalization, and historic preservation and zoning. Since her appointment as Commissioner of the Department of Planning and Development by Mayor Richard M. Daley in January 2001, Ms. Berg was instrumental in: the relocation of Boeing's world headquarters to Chicago; the issuance of a new Central Area Plan; and the landmark protection of more than 500 historic buildings. Business assistance efforts under her supervision helped create and retain approximately 40,000 jobs and resulted in the sale of more than \$30 million of city-owned property for housing, commercial and industrial projects. Ms. Berg was also in charge of planning for Chicago's central area, where she was instrumental in the rebirth of the Randolph Street Theater District, the revitalization of the State Street shopping district, and the adaptive reuse of several historic buildings.

A native of Nashville, Tennessee, Ms. Berg graduated with highest honors from Tufts University. In addition, she holds a Master of Science degree in urban and regional planning from the University of Wisconsin at Madison, where she received an Urban Land Institute fellowship. She is a member of the Economic Club of Chicago, the American Planning Association, the American Institute of Certified Planners, the Lambda Alpha Land Economics Honorary Society, the Urban Land Institute's Chicago District Council, and a board member of several local organizations.

Annice M. Kelly
Vice President, General Counsel

Annicc Kelly joined Columbia College Chicago in December, 2001, after being engaged in private practice for ten years, and serves as general counsel. Ms. Kelly is responsible for overseeing all legal matters and issues for Columbia College Chicago.

Prior to joining Columbia College Chicago, Ms. Kelly concentrated her legal practice in the areas of Employment and University and College Law. Ms. Kelly was a frequent speaker to Higher Education Institutions on a variety of topics including employment related matters, complying with federal and state laws, and providing advice on how to prevent lawsuits. In addition, Ms. Kelly has represented Higher Education Institutions before federal, state, and local agencies as well as in federal and state Courts. Ms. Kelly also has a number of reported decisions in both the Seventh Circuit Court of Appeals and the United States District Court for the Northern District of Illinois.

Prior to becoming an attorney, Ms. Kelly was a volunteer with the Jesuit Volunteer Corp where she worked at a Domestic Violence shelter for six months and a shelter for teenage runaways for six months. Ms. Kelly also spent a year teaching math on the Red Cloud Indian Reservation in Pine Ridge South Dakota.

Ms. Kelly received her Jurist Doctorate magna cum laude from the University of Toledo and her Undergraduate Degree in Journalism from Marquette University.

Louise Love, Ph.D.

Vice President of Academic Affairs

As vice president for academic affairs, Louise Love works with the three schools' deans to oversee the faculty and curriculum. With the associate vice president of academic affairs, she oversees areas of academic support, including Academic Technology, the Center for Teaching Excellence, Academic Initiatives and International Programs, Instructional Records, Evaluation and Assessment, and the Learning Studio. Love joined Columbia in 2006 as deputy provost; she was appointed to her current position in 2007. Prior to coming to Columbia, Love served as associate provost and senior associate provost at Roosevelt University from 2000 to 2006. From 1984 to 2000, Love worked for Northwestern University's Division of Continuing Education as coordinator, assistant dean, associate dean, vice dean, and acting dean. From 1999 to 2000, Love also served as special assistant to Northwestern's provost and developed the University's first sexual harassment prevention program.

Love holds a Ph.D. in English from Northwestern University with a specialty in English Renaissance Drama. Her dissertation, *The Saint's Play in England During the Protestant Transition*, explored the ways in which the popular genre of saint's play survived in England after the genre was outlawed under Tudor monarchs. Her interest in early English drama led to further research in medieval tales and storytelling. In 1993, she served on the faculty of Northwestern's Alumni College, "Storytelling: An Ancient Art Reborn."

While working on her doctorate, Love was an Alumnae Fellow of the Northwestern Alumnae Association and a Fellow of the Center for Renaissance Studies at the Newberry Library's Institution for Archival Sciences.

Prior to working on her doctoral degree, Love attended college on a part-time basis for almost two decades, first at Columbia University's School of General Studies and later at Northwestern's Evening Divisions. At Northwestern, she earned a B.S.G.E. and an M.A. in English and was inducted into the Honor Society, Alpha Sigma Lambda. During those years, she also raised two daughters, worked as a freelance editor, taught at the junior high school and high school levels, served as a sous chef for a catering company, and wrote *The Complete Book of Pizza*.

In 1998, Love attended Harvard's Summer MLE Institute to study the management of lifelong education, and in 2000 she undertook training in mediation through the Center for Conflict Resolution in Chicago. In 1990, Love and other members of her administrative team received a Team Leadership Award from the American Association of University Administrators. In 2003, she received an Alumni Merit Award from Northwestern University.

Ellen Krutz
Vice President of Human Resources

As vice president for human resources, Ellen Krutz oversees the human resources function, including policy development and implementation, recruitment, relocation and retention, training and staff development, benefits and salary administration, and employee relations. Krutz joined the College on July 28, 2008, in her current capacity. Prior to coming to Columbia, Krutz served as director of employee services at Saint Xavier University from 2000 to 2008, adding responsibility as associate vice president of business and finance in 2005, which encompassed risk management, oversight of the university bookstore, and strategic planning for the business and finance division. From 1998 to 2000, Krutz served as the first human resources professional for Community Support Services, a community-based not-for-profit. Krutz served as director, then senior director, and finally as vice president of human resources at the American Heart Association of Metropolitan Chicago from 1991 to 1998. Krutz led the human resources processes of the merger of four American Heart Association affiliates. From 1983 to 1991, Krutz worked for the YMCA of Metropolitan Chicago as an employee benefits and risk management specialist.

Krutz holds an M.S. in Human Resources from Loyola University Chicago. Her thesis project examined the dual and sometimes competing loyalty of personal-service providers to their clients and employers. Krutz earned a B.A. in Psychology from the University of Illinois at Chicago. From 2001 through 2008, Krutz served as an adjunct faculty member in Saint Xavier University's Graham School of Management, teaching undergraduate and graduate courses in management, organizational behavior, and organizational development.

Krutz is a member of several professional organizations, and holds a certificate as an investigator, trained through the Illinois Office of the Inspector General.

<u>Student Data</u>	<u>Fall 2010</u>	<u>Fall 2009</u>	<u>Fall 2008</u>
Total Headcount Enrollment	11,922	12,127	12,464
Total FTE Enrollment	10,888	11,083	11,285
Undergraduate Headcount	11,400	11,592	11,858
Undergraduate FTE	10,547	10,729	10,884
Full-time undergraduates	10,227	10,410	10,563
Part-time undergraduates	1,173	1,182	1,295
Graduate Headcount	522	535	606
Graduate FTE	341	354	401
Freshman Applicants	5,871	4,983	4,942
Freshman Acceptances	5,578	4,752	4,768
Freshman Matriculates	2,252	2,158	2,387
Mean ACT Scores	22	21	
Transfer Applicants	1,809	1,987	2,059
Transfer Acceptances	1,777	1,950	2,032

<u>Student Data</u> <u>2008</u>	<u>Fall 2010</u>	<u>Fall 2009</u>	<u>Fall</u>
Transfer Matriculates	1,771	1,220	1,401
Graduate Applicants	1,023	937	876
Graduate Acceptances	442	318	392
Graduate Matriculates	176	181	185
Retention Rate (fresh. to soph.)	66%	63%	65%
6-year Graduation Rate (99-97)	40%	37%	35%
Tuition and Fees, annual (\$)	19,140	18,490	17,950
Other annual fees and charges (\$)	530	520	490

Faculty Data

Faculty Headcount	1,661	1,705	1,720
Faculty Full-time	366	353	342
Faculty Part-time	1,295	1,352	1,378
% Tenured of full-time	56	56	54

Financial Data (\$)

	<u>Audited (FY10)</u>	<u>Audited</u>
<u>(FY09)</u>		
Assets	\$357,949,359	\$340,022,512
Liabilities	159,865,846	160,430,711
Net Assets - Unrestricted	182,456,605	160,249,896
Net Assets - Temporarily Restricted	11,826,211	15,648,918

Net Assets - Permanently Restricted	3,800,697	3,692,987
Total endowment (market value)	96,413,103	88,455,494
Unrestricted endowment	87,028,929	79,429,752
Interest payments	4,361,621	4,656,306
Principal payments	2,683,011	1,909,041
Maximum annual debt service	7,195,000	7,195,000

Profit & Loss

	2010	2009
Total Revenues	\$244,089,171	\$246,718,898
Total Expenses	228,147,668	222,875,929
Operating Excess Revenues		
Over Expenses	15,941,503	23,842,969
Operating Excess as a		
Percentage of Total Revenues	6.53%	9.96%
Change in Net Assets	18,491,712	(1,710,605)
Purchase of Land, Buildings &		
Equipment (net of disposals)	22,220,874	34,434,717

Management Discussion and Analysis

Fiscal Year Ended August 31, 2010 (Audited)

The College continued to show strong financial results for the fiscal year ended August 31, 2010 even with the continuing challenges created by the current national and global economic climate. The unprecedented decline in enrollment required expenditure reductions and difficult decisions that mitigated unrestricted operating margin pressure, kept free cash flow positive, supported capital expenditures in excess of depreciation and led to a strengthening of the balance sheet.

On February 5, 2010, the College celebrated the official opening of the Media Production Center (MPC) with a ribbon cutting ceremony. Envisioned in the 2005 Master Plan to achieve the Columbia 2010 goals, the \$21 million, 35,500 square foot MPC provides students learning opportunities with two major film studios and one motion capture studio. The project was completed on time and within budget. The LEED certified building was the first College facility built from the ground up.

In the area of affordability, 2010 was the first year of implementing the strategic initiative to make an education at Columbia more affordable by increasing scholarships. The plan is to place 2% of any tuition increase into the

unrestricted scholarship pool with the goal of increasing the pool to a maximum of 15% of gross tuition.

Revenues

Total revenues declined slightly from \$246.7 million to \$244.1 million mainly as a result of the decline in enrollment. Total expenses increased by 2.3%, from \$222.8 million to \$228.1 million. The College added to the faculty ranks as a result of prior year commitments and fringe benefits increased approximately 13% mainly as a result of health care and pension costs.

Operating revenues in excess of expenses for the year amounted to \$15.9 million, down from \$23.8 million the prior year, but still remained strong enough to support the cash flow necessary to fund major capital campus improvements.

Non-operating activities including investment returns and capital gifts for facilities amounted to \$8.1 million as the capital markets improved substantially over the prior year and the College raised major gifts for the construction of the MPC. This was offset by a \$5.5 million increase in the defined benefit pension plan liability. The discount rate used to measure the liability was reduced from 6% to 5%.

The change in net assets for the year was a positive \$18.5 million, up from a negative \$1.7 million one year ago. This positive change strengthened the balance sheet by improving net equity.

Total assets increased 5.2% from \$340 million to \$357.9 million mainly as a result of increases in the investment portfolio and capital assets. Liabilities remained essentially flat. The decline in long-term debt was offset by an increase in the accrued pension liability.

Future Financing or Capital Plans

Columbia's master facilities plan, adopted by the Board of Trustees in December 2005, proposed three major building projects: a campus center, a media production center and a fine and performing arts center. The plan called for Columbia to be "opportunistic" with respect to new potential acquisitions as they became available within the defined boundaries of the campus. The MPC was completed in February 2010. On November 16, 2010, the College acquired 820 South Michigan Avenue, an eleven story, 117,000 square foot property. The first six floors will be used to house the library. The other floors will be used to consolidate leased space. Also on November 16, 2010, the College acquired the property at 801 South Wabash Avenue as part of the same transaction. The property is a two story parking structure that will be used for faculty and staff parking.

The College is facing some major capital renovation and deferred maintenance work, some of which are façade repairs to five buildings and adding sprinklers to all high rise facilities. Therefore, the College is analyzing a potential bond issue in the amount of \$25 to \$35 million to support some combination of the aforementioned projects.

Exposure to Derivatives or Interest Rate Swaps

The College has not entered into any derivative products. The College has, however, permitted hedge fund investments in its endowment portfolio. A variety of investment strategies are permitted including event driven investing, capital structure arbitrage, credit opportunities, etc. However, as of August 31, 2010 the hedge funds are fairly liquid and comprised mainly of long/short investment strategies in the capital markets including stocks, bonds, currency and commodities.

Current Debt Rating

Columbia’s current outstanding debt is rated AAA by Standard and Poor’s. The College’s underlying credit rating is BBB+ with a stable outlook.

Long-Term Debt

Long-term debt at August 31, 2010 is as follows:

	<u>2010</u>
IFA first mortgage notes:	
1998 Series issued February 11, 1998	14,630,000
2000 Series issued April 1, 2000	17,100,000
2003 Series issued October 15, 2003	19,210,000
2004 Series issued September 7, 2004	3,795,000
2007 Series issued September 13, 2007	48,295,000
Land trust note issued April 30, 1993	500,000
Capital lease obligation	<u>629,902</u>
	\$104,159,902
2007 Series discount	(662,157)
2003 and 2004 Series reoffering premium	<u>666,580</u>
	\$104,164,325

Long-Term Debt Guidelines

Since the College has limited debt capacity, the administration will use debt financing only with the approval of the Board of Trustees. The prioritization of debt resources among academic projects, real estate transactions and equipment acquisitions will be made by the administration with Board approval. Selected financial ratios will be used to determine the amount of debt resources

to be used. In particular the debt service coverage ratio, debt burden, viability and leverage ratios along with a few others will be analyzed.

The College will use a combination of variable and fixed rate debt. Variable rate debt should not exceed 40% of overall outstanding debt. Interest rate "swaps" and other derivative products are acceptable.

Projects that receive first priority for debt financing are academic growth or expansion projects and physical space for new academic programs with a financial plan that demonstrates proven investment return. Long-term debt obligations will not exceed the useful life of the projects financed.

The College will not issue long-term debt for operating purposes.

Off-Balance Sheet Debt

The College currently has no off-balance sheet debt.

Formal Spending Policy from Endowment

The College has adopted a spending policy in support of current operational budget requirements. This policy allows for the spending of a percentage (currently 5%) of the average fair value of pooled investments over the past three years. If investment yields (interest and dividends) are in excess of the established spending rate, such excess is returned to the endowment fund and reinvested. If investment yields are not sufficient to support the spending policy, the yield shortfall is provided from accumulated gains.

Outside Foundations / Other Affiliated Corporations

The College has no outside foundation. Columbia is a 40% partner in a separate 501(c) (3) not-for-profit corporation with DePaul University (40%) and Roosevelt (20%). The corporation, Educational Advancement Fund, Inc. is a residence hall located at 525 South State Street that accommodates approximately 1,680 beds.

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