

Financial PERFORMANCE

The University of Connecticut Foundation's financial performance in fiscal year 2008 was strong despite myriad challenges in the economy. Again this year, goals were surpassed for the Office of Annual Giving and new gifts and commitments.

Annual donors gave \$1.2 million more than last year, bringing in a record \$5.8 million. This is the sixth consecutive year of significant growth in the Annual Fund.

New gifts and commitments (\$47.4 million), revocable and deferred planned gifts (\$5.6 million) and pledge payments (\$3.6 million) totaled \$56.6 million, which represents 103 percent of the \$55 million goal for the year.

Of this amount, donors directed \$3.8 million for faculty, \$6.9 million for scholarships, \$40.1 million for programs and \$5.8 million for capital improvements. A total of \$22.7 million was contributed for the Storrs and regional campuses, \$15.2 million for the UConn Health Center and \$18.7 million for athletics. Donors specified \$43.5 million for operations and \$13.1 million toward endowments.

Forty-five new endowments were established, bringing the total number of endowments to 1,250.

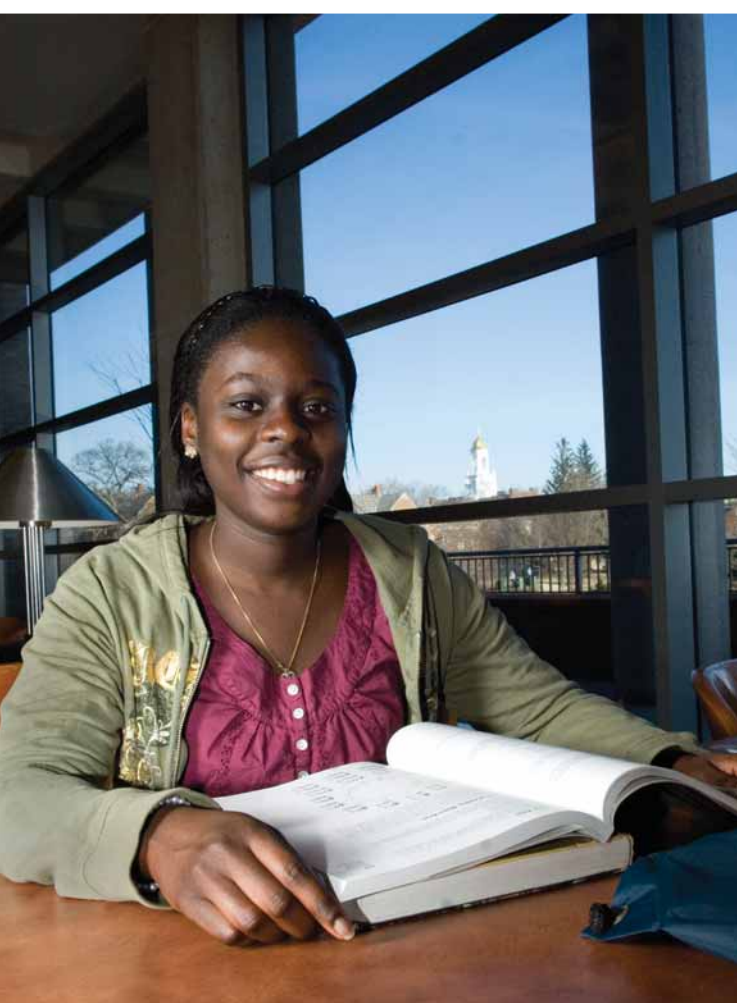
The number of donor households held steady at approximately 32,000, while the trend of strong support from alumni continued. Alumni gave \$1 million more than last year, contributing \$18.3 million total. Parents donated \$1.3 million, other individuals gave \$9.4 million, corporations gave \$14.2 million, and foundations and other organizations gave \$13.4 million.

The University requested \$31.4 million of the record \$50.2 million made available by the Foundation for various programs in fiscal year 2008. Of the total used, \$11.5 million was disbursed for scholarships, fellowships and awards. Other appropriations included \$9.4 million for faculty and staff support, \$3.6 million for programs and research and \$2.5 million for facilities and equipment.

Endowment performance was affected by a bear market and an economic slowdown. The pooled investment portfolio posted a 5.5-percent loss for the fiscal year, running close to the portfolio's benchmarks, which lost 5.4 percent. Returns of more than 14 percent in private capital, 10 percent private real estate and 7 percent in U.S. TIPS were outpaced by losses of more than 12 percent in global equities and 18 percent in public real estate.

The total endowment ended the year at \$317 million, down by \$18 million from the end of fiscal year 2007. The decrease was caused primarily by the negative investment return, but was partially offset by \$8 million in new endowment gifts and \$3 million in state endowment match. However, even including this subpar year, the endowment has grown 52 percent over the past five years, from \$209 million in 2003 to \$317 million on June 30, 2008.

Finally, the Foundation's total assets now equal \$397 million, an \$11 million decrease over last year. Over the past five years, the total assets have grown by \$140 million, or 54 percent.



Consolidated Statements of FINANCIAL POSITION

As of June 30, 2008

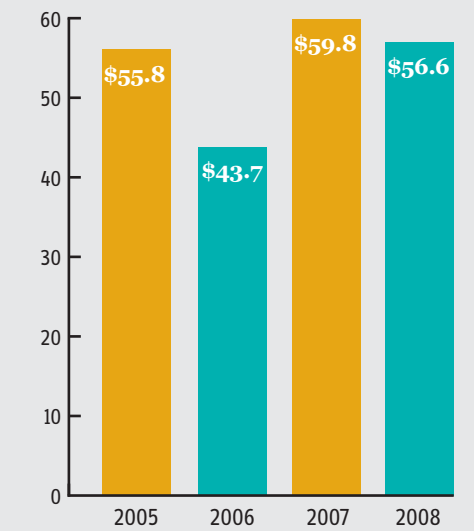
(DOLLARS IN THOUSANDS)

	2008	2007
ASSETS		
Cash and cash equivalents	\$ 1,136	\$ 1,169
Cash restricted for debt service	893	779
Pledges receivable, net	24,862	27,676
Prepaid expenses and other receivables	381	347
Investments	351,894	363,550
Funds held in trust by others	11,243	7,763
Cash surrender value of life insurance	186	178
Property and equipment, net	5,182	5,386
Deferred bond issuance costs, net	445	476
Research and Development Corporation	580	576
Total assets	\$ 396,802	\$ 407,900
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 6,613	\$ 4,580
Trusts and annuities payable	2,821	2,806
Accrued debt service interest	144	128
Bonds payable	7,165	7,290
Research and Development Corporation	58	157
Total liabilities	\$ 16,801	\$ 14,961
NET ASSETS		
Unrestricted		
Research and Development Corporation	522	419
Foundation	8,883	7,375
Total unrestricted	\$ 9,405	\$ 7,794
Temporarily restricted	109,978	137,774
Permanently restricted	260,618	247,371
Total net assets	380,001	392,939
Total liabilities and net assets	\$ 396,802	\$ 407,900

NOTE: This data is summarized from the Foundation's financial statements. Complete audited financial statements are available upon request.

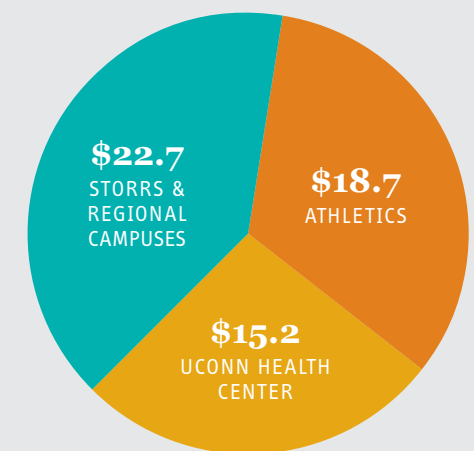
New Gifts & Commitments

DOLLARS IN MILLIONS



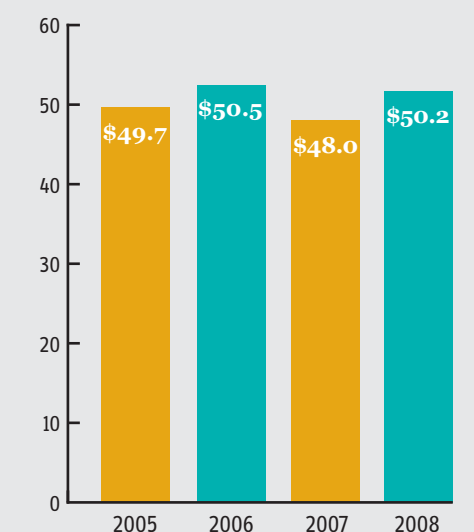
Distribution of New Gifts & Commitments

DOLLARS IN MILLIONS



Dollars Made Available to Support University Purposes

DOLLARS IN MILLIONS



Consolidated Statements OF ACTIVITIES

As of June 30, 2008

(DOLLARS IN THOUSANDS)

	2008	2007
REVENUES, GAINS AND OTHER SUPPORT		
Contributions	\$ 35,978	\$ 29,384
Net total investment return	(12,503)	48,334
Contractual payments from the University of Connecticut	8,586	8,513
Memberships and other income	558	536
Research and Development Corporation	139	78
Total revenues, gains and other support	\$ 32,758	\$ 86,845
EXPENSES		
UNIVERSITY SUPPORT		
Student scholarships, fellowships and awards	\$ 11,490	\$ 11,098
Facilities construction, improvements, and related expenses	930	2,890
Faculty and staff compensation	9,357	9,138
General program and research support	3,381	3,566
Fundraising, events, promotions and donor cultivation	2,071	2,354
Faculty, staff and student travel, conferences and meetings	1,847	2,433
Equipment	1,579	1,117
Alumni Association	130	192
Research and Development Corporation	554	544
Total University support	\$ 31,339	\$ 33,332
FOUNDATION SUPPORT		
Development expenses	10,908	10,329
Fiduciary expenses	3,449	3,326
Total Foundation support	14,357	13,655
Total expenses	\$ 45,696	\$ 46,987
Change in net assets	(12,938)	39,858
Net assets, beginning of period	392,939	353,081
Net assets, end of period	\$ 380,001	\$ 392,939

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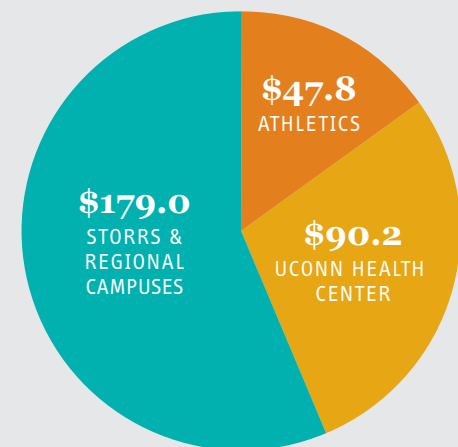
Total Assets

DOLLARS IN MILLIONS



Endowment Distribution

DOLLARS IN MILLIONS



Endowment Assets by Purpose

DOLLARS IN MILLIONS

