

2010 FINANCIAL Performance

The University of Connecticut Foundation's financial performance was unquestionably affected by the global economy, yet there were many bright spots in the overall financial picture.

The Annual Giving program enjoyed an increase this year, and the endowment also grew by nearly 6.5 percent, recovering some of the losses experienced during fiscal year 2009.

New gifts and commitments (\$33.2 million) and revocable and deferred planned gifts (\$12.3 million) totaled \$45.5 million. Of this amount, donors directed \$27.4 for programs, \$11.6 for scholarships, \$3.9 million for faculty support and \$2.6 million for capital projects. Donors designated \$28.2 million for the Storrs and regional campuses, \$7.7 million for the UConn Health Center, and \$9.6 million for athletics. Finally, contributions totaled \$29.5 million for operations and \$16 million toward the endowment.

Forty-five new endowments were established through the Foundation, bringing the total number of these funds to more than 1,270.

Donors gave \$5.9 million in annual gifts, including the *Fund for UConn*, which provides support for immediate needs across UConn's campuses.

The number of households donating increased slightly this year to 29,157, bucking a national trend that has seen declines in the number of donors at many universities over the past decade. Alumni contributed \$16.1 million, parents donated \$1 million, other individuals gave \$12 million, corporations gave \$7.7 million, and foundations and other organizations gave \$8.7 million. Alumni participation remained relatively strong at 18 percent compared with a sampling of our peer institutions.

The University requested \$23.1 million of the \$28.2 million made available through spendable gifts and endowment spending allocation to support scholarships, fellowships and awards (\$7.9 million); faculty and staff (\$8.3 million); programs and research (\$4.3 million); and facilities and equipment (\$2.6 million).

The pooled investment portfolio posted a 9.0 percent gain for the fiscal year. All strategies except natural resources posted positive returns. Yet, owing to the decision to maintain a lower exposure to risk, the Foundation portfolio underperformed relative to the policy fund benchmark and broader objectives benchmark, which earned 12.4 percent and 9.8 percent, respectively, over the same time period.

This underperformance came primarily from private real estate, foreign equities and natural resources investments. Investment grade bonds, private capital, and opportunistic investments provided the greatest benefit to the portfolio relative to benchmarks.

Total endowment net assets at the Foundation finished the year at \$263 million, an increase from \$247 million in 2009. Overall, the performance of our investments resulted in the Foundation being honored in the category of Small Non-Profit of the Year by Institutional Investor Magazine's Foundation & Endowment Money Management. The Foundation was recognized for its work in asset allocation and risk management.

The Foundation's total assets now equal \$348 million, an increase of \$26 million from 2009.

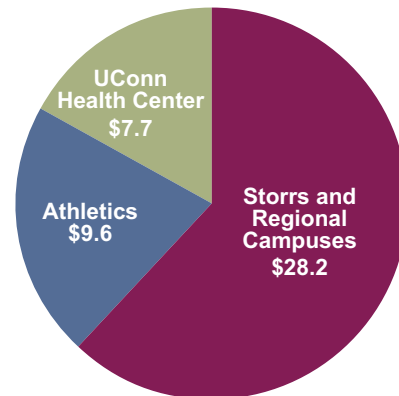
New Gifts and Commitments

(Dollars in millions)



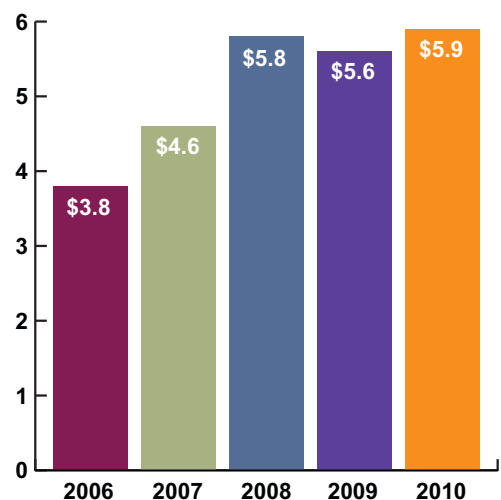
Distribution of New Gifts and Commitments

(Dollars in millions)



Annual Fund Giving

(Dollars in millions)



CONSOLIDATED STATEMENTS OF *Financial Position*

June 30, 2010, with Comparative Totals for 2009

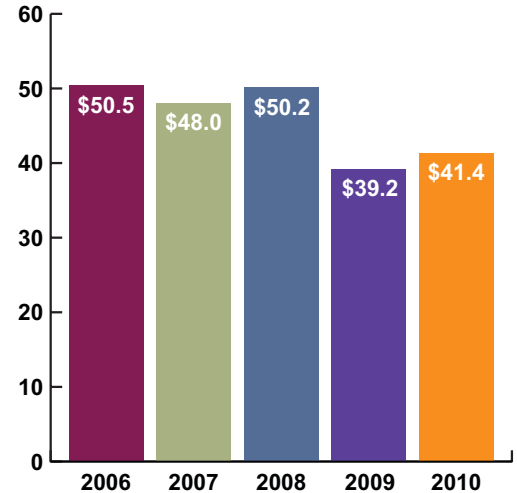
(Dollars in thousands)

	2010	2009
Assets		
Cash and cash equivalents	\$ 1,457	\$ 6,948
Cash restricted for debt service	912	905
Pledges receivable, net	23,221	21,581
Prepaid expenses and other receivables	309	227
Investments	306,714	277,434
Funds held in trust by others	9,744	8,900
Cash surrender value of life insurance	207	170
Property and equipment, net	4,793	5,009
Deferred bond issuance costs, net	402	424
Research and Development Corporation	485	544
Total assets	\$ 348,244	\$ 322,142
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 3,494	\$ 6,871
Trusts and annuities payable	2,939	2,735
Accrued debt service interest	136	140
Bonds payable	6,735	6,955
Research and Development Corporation	25	44
Total liabilities	\$ 13,329	\$ 16,745
Net Assets		
Unrestricted		
Research and Development Corporation	460	500
Available for operations	8,080	5,356
Reserved for IT fundraising system	2,500	-
Provision for underwater endowment	(27,430)	(32,281)
Funds functioning as endowments	1,921	1,480
Total unrestricted	(\$ 14,469)	(\$ 24,945)
Temporarily restricted		
Available for University Support	60,826	55,510
Appreciation on endowment	18,986	17,474
Total temporarily restricted	\$ 79,812	\$ 72,984
Permanently restricted	269,572	257,358
Total net assets	\$ 334,915	\$ 305,397
Total liabilities and net assets	\$ 348,244	\$ 322,142

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

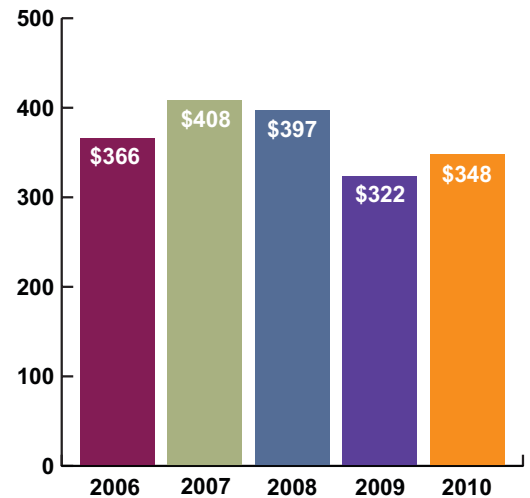
Dollars Made Available to Support University Purposes

(Dollars in millions)



Total Assets

(Dollars in millions)



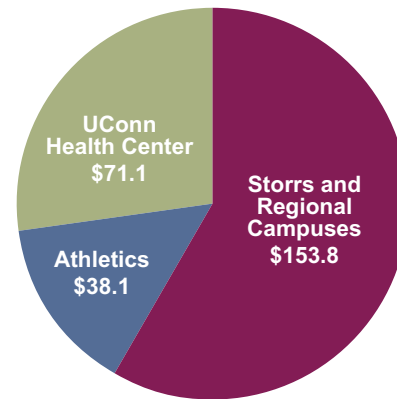
CONSOLIDATED STATEMENTS OF *Activities*

For the Year Ended June 30, 2010, with Comparative Totals for 2009
(Dollars in thousands)

	2010	2009
Revenues, gains and other support		
Contributions	\$ 28,651	\$ 22,466
Net investment return	25,357	(63,441)
Contractual payments from the University	9,138	9,028
Additional University support for IT fundraising system	2,500	–
Memberships and other income	641	597
Research and Development Corporation	2	13
Total revenues, gains and other support	\$ 66,289	(\$ 31,337)
Expenses		
University support		
Student scholarships, fellowships and awards	\$ 7,913	\$ 9,999
Faculty and staff compensation	6,639	8,698
Equipment	1,912	946
General program and research support	1,742	3,113
Fundraising, events, promotions and donor cultivation	1,732	1,882
Faculty, staff and student travel, conferences and meetings	1,700	1,446
Facilities construction, improvements and related expenses	644	2,030
Alumni Association	209	154
Research programs support	51	–
Research and Development Corporation	563	555
Total University support	\$ 23,105	\$ 28,823
Foundation support		
Development expenses	10,933	11,700
Fiduciary expenses	2,733	2,744
Total Foundation support	\$ 13,666	\$ 14,444
Total expenses	\$ 36,771	\$ 43,267
Transfers between net asset categories	–	–
Change in provision for underwater endowments	–	–
Change in net assets	29,518	(74,604)
Net assets, beginning of year	305,397	380,001
Net assets, end of year	\$ 334,915	\$ 305,397

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

Endowment Distribution
(Dollars in millions)



Endowment Assets by Purpose
(Dollars in millions)

