



University of Connecticut
*Office of the Vice President and
Chief Financial Officer*

Richard D. Gray
VP & CFO

November 5, 2009

TO: Members of the Board of Trustees

FROM: Richard D. Gray
Vice President and Chief Financial Officer

Paul R. McDowell
Chief Financial Officer

**RE: SPENDING PLAN FOR FISCAL YEAR 2010 FOR THE UNIVERSITY OF
CONNECTICUT, STORRS & REGIONAL CAMPUSES**

RECOMMENDATION:

That the Board of Trustees approve the Spending Plan for Fiscal Year 2010 of \$991.3 million for the University of Connecticut, Storrs and Regional Campuses.

BACKGROUND:

The Fiscal Year 2010 Spending Plan includes \$992.3 million of revenue, including state funding of \$233.0 (excluding fringe benefits), to cover \$991.3 million in expenses. The \$1.0 million gain is for the reserve repayment from the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union. In addition, the Fiscal Year 2010 State Budget requires a \$3.0 million transfer from University operating reserves to the State General Fund. The result is a net loss of \$2.0 million.

An Equal Opportunity Employer

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Storrs, Connecticut 06269-2122

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University of Connecticut (Storrs & Regional Campuses)

Financial Assumptions Related to Development of Current Funds Budget

	Fiscal Year 2010	
	Annual	% Change
National Inflation		1.5%
Budget Inflation		
E & G University Supported Accounts		0.0%
Energy		-8.6%
Fringe Benefits		1.7%
Undergraduate In-State Rate Adjustments		
Tuition		6.00%
General University Fee		6.45%
Room Fee		6.01%
Board Fee		7.03%
Total Undergraduate Student Cost-% Change		6.17%
Financial Aid (In Millions)	Fiscal Year 2010	
Need Based		
Grants		\$67.2
Student Labor		9.6
Total Need Based		\$76.8
Scholarships		
University ^(A)		\$33.6
Non-University Scholarships ^(B)		5.8
Other Student Labor		9.3
Loans		154.3
Tuition Waivers		48.0
Total		\$327.8
Tuition Funded Need Based % / Amount ^(C)	17.7%	\$39.9
Enrollment Changes	Fiscal Year 2010	
	Amount	% Change
Total Enrollment (All Campuses ex UCHC)	29,001	0.4%
Freshmen	4,362	-10.2%
Total Undergraduate	21,496	0.6%
Graduate	6,608	0.4%
Professional (Law & PharmD)	897	-3.0%
State Support (In Millions)*	\$233.0	-0.5%
*excludes fringe benefits		
Total Operating Budget (In Millions)		
Revenues	\$992.3	3.4%
Expenditures / Transfers	991.3	3.8%
Gain	\$1.0	
Transfer from Reserves to State General Fund	(3.0)	
Net Loss	(\$2.0)	

^(A) Scholarships administered by the University from various sources including the UConn Foundation.

^(B) Scholarships received directly by students from various sources outside the University.

^(C) Based on net tuition revenue after tuition waivers.

University of Connecticut (Storrs & Regional Campuses)
Current Funds - Actual and Proposed (in millions)
Fiscal Years Ended June 30, 2007-2010

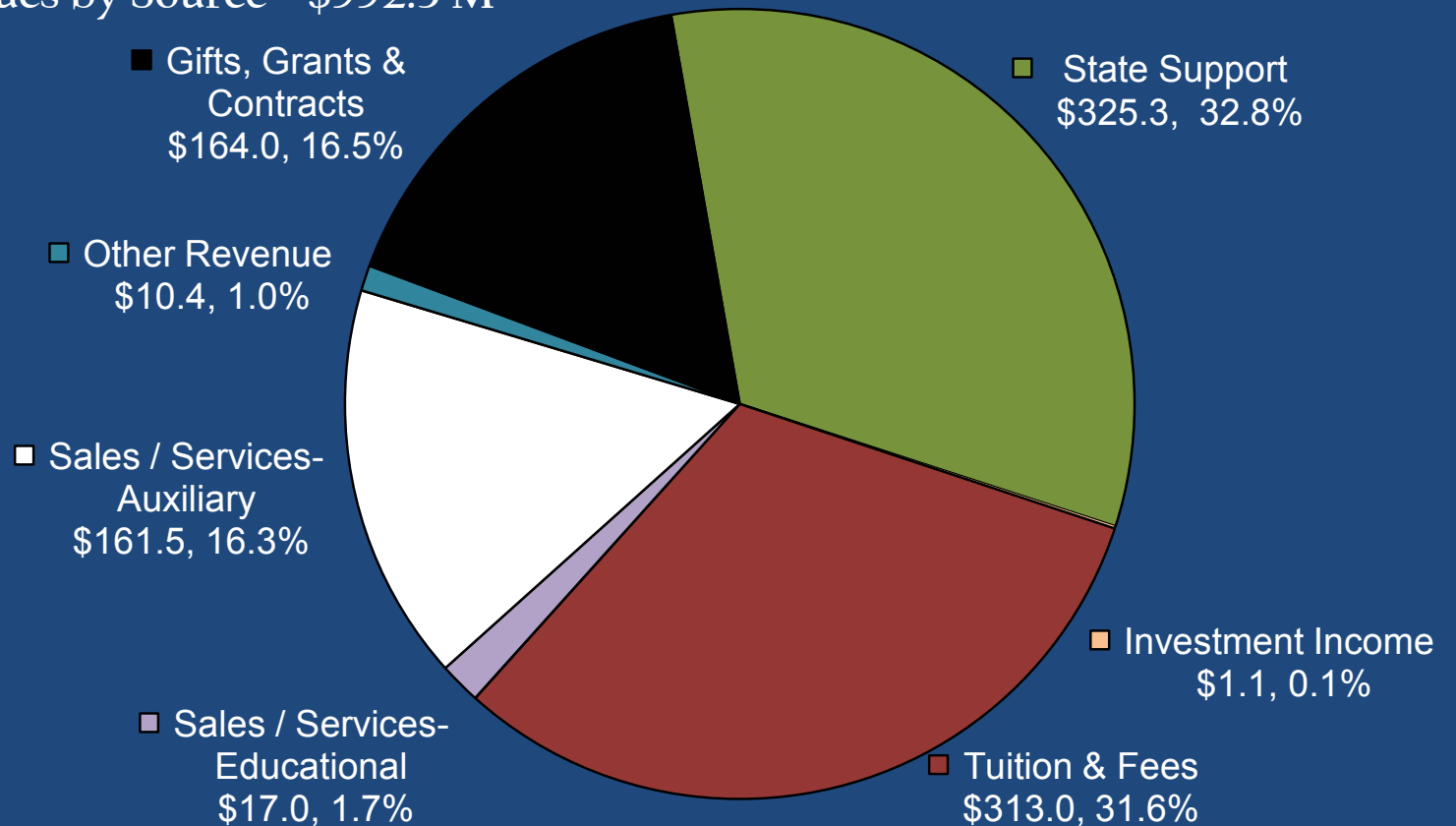
	Actual		Actual		Proposed	
	FY 2007	FY 2008	FY 2009	Change	FY 2010	Change
			<small>(unaudited)</small>	%		%
Revenues:						
Operating Fund						
State Support	\$305.9	\$328.2	\$327.8	(\$0.4)	\$325.3	(\$2.5)
Tuition (Net of Discounts)	177.8	190.0	210.3	20.3	225.5	15.2
Fees	74.6	78.9	82.9	4.0	87.5	4.6
Auxiliary Enterprise Revenue	130.0	136.0	152.4	16.4	161.5	9.1
All Other Revenues	<u>102.2</u>	<u>109.3</u>	<u>105.6</u>	<u>(3.7)</u>	<u>106.7</u>	<u>1.1</u>
Total Operating Fund	\$790.5	\$842.4	\$879.0	\$36.6	\$906.5	\$27.5
Research Fund	<u>71.8</u>	<u>72.9</u>	<u>80.6</u>	<u>7.7</u>	<u>85.8</u>	<u>5.2</u>
Total Revenues	\$862.3	\$915.3	\$959.6	\$44.3	\$992.3	\$32.7
Expenditures / Transfers:						
Operating Fund						
Personal Services	\$358.8	\$385.7	\$403.3	\$17.6	\$397.0	(\$6.3)
Fringe Benefits	122.2	134.2	136.7	2.5	138.6	1.9
Other Expenses	173.7	172.7	185.1	12.4	192.9	7.8
Equipment	10.9	11.0	14.8	3.8	21.3	6.5
Student Financial Aid	76.7	81.2	90.4	9.2	102.6	12.2
Transfers	<u>41.5</u>	<u>43.5</u>	<u>46.3</u>	<u>2.8</u>	<u>53.1</u>	<u>6.8</u>
Total Operating Fund	\$783.8	\$828.3	\$876.6	\$48.3	\$905.5	\$28.9
Research Fund Expenditures	<u>69.2</u>	<u>74.5</u>	<u>78.2</u>	<u>3.7</u>	<u>85.8</u>	<u>7.6</u>
Total Expenditures / Transfers	\$853.0	\$902.8	\$954.8	\$52.0	\$991.3	\$36.5
Net Gain	\$9.3	\$12.5	\$4.8		\$1.0	
Transfer from Reserves to State General Fund					<u>(3.0)</u>	
Net Loss					<u>(\$2.0)</u>	

University of Connecticut (Storrs & Regional Campuses)

Current Fund Revenues & Expenditures Budget

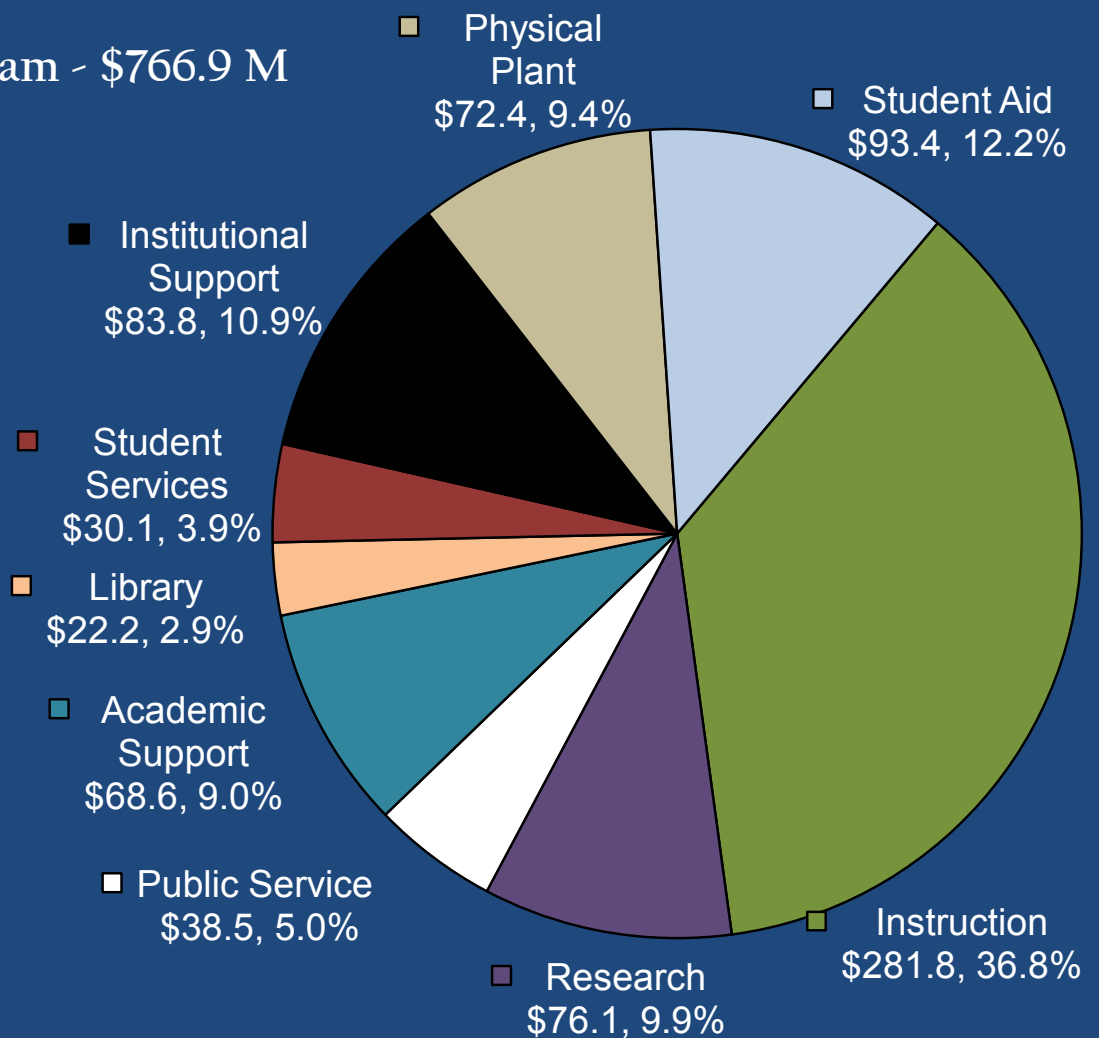
Fiscal Year 2010 (in millions)

Total Revenues by Source - \$992.3 M



E & G Expenditures by Program - \$766.9 M

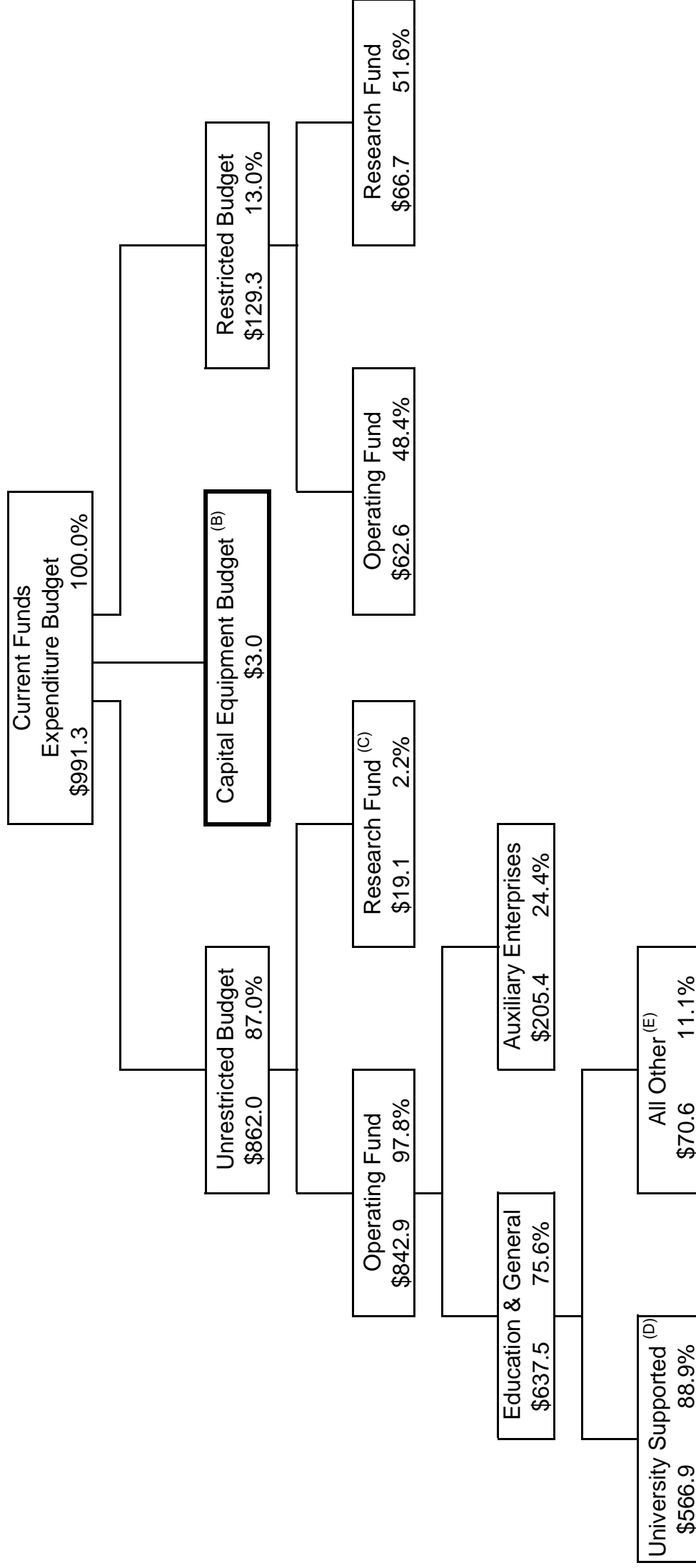
Excludes E&G Transfers (\$19.0 M) & Auxiliary Enterprises (\$205.4 M)



University of Connecticut (Storrs & Regional Campuses)

Total Current Funds Expenditure Budget (in millions) ^(A) - % by Categories

FY 2010



^(A) Includes transfers for Debt Service and construction projects.

^(B) The Capital Equipment Budget, funded by UCONN 2000, is shown for illustrative purposes only and is not included in the Current Funds Expenditure Budget figures.

^(C) This amount represents grant indirects (F&A) funding only. Sponsored grants are reflected in the restricted portion of the budget.

^(D) Primary revenue sources are the State Appropriation and tuition receipts.

^(E) Primarily E&G Enterprise activities (e.g., Continuing Studies, MBA, etc...).

University of Connecticut (Storrs & Regional Campuses)
Current Funds Budget
FY 2010

	TOTAL	E & G	AUXILIARY	UNRESTRICTED	RESTRICTED
Revenues					
Operating Fund					
State Support					
State Appropriation/Allotment	\$ 233,011,263	\$ 233,011,263	\$	\$ 233,011,263	\$
Fringe Benefits	92,272,460	92,272,460		92,272,460	
Total State Support	<u>325,283,723</u>	<u>325,283,723</u>		<u>325,283,723</u>	
Student Tuition & Fees-Gross	360,997,146	326,294,488	34,702,658	360,997,146	
Tuition Waiver Discounts	<u>(48,035,546)</u>	<u>(48,035,546)</u>		<u>(48,035,546)</u>	
Net Student Tuition & Fees	312,961,600	278,258,942	34,702,658	312,961,600	
Grants & Contracts	53,883,723	53,205,068	678,655	2,173,876	51,709,847
Private Gifts & Grants	24,300,000	15,803,500	8,496,500	13,600,000	10,700,000
Investment Income	1,145,249	1,095,249	50,000	1,016,950	128,299
Sales/Services of Educational Depts	17,035,450	17,035,450		17,035,450	
Sales/Services Auxiliary Enterprises	161,462,091		161,462,091	161,462,091	
Other Revenue	<u>10,408,081</u>	<u>10,408,081</u>		<u>10,408,081</u>	
Total Operating Fund	\$ 906,479,917	\$ 701,090,013	\$ 205,389,904	\$ 843,941,771	\$ 62,538,146
Research Fund					
Research Grants and Contracts	<u>85,804,000</u>	<u>85,804,000</u>		<u>19,117,000</u>	<u>66,687,000</u>
Total Revenues	\$ 992,283,917	\$ 786,894,013	\$ 205,389,904	\$ 863,058,771	\$ 129,225,146
Expenditures/Transfers					
Education and General (E&G):					
Instruction	\$ 281,806,665	\$ 281,806,665	\$	\$ 276,656,776	\$ 5,149,889
Research	76,096,403	76,096,403		8,046,984	68,049,419
Public Service	38,499,977	38,499,977		22,932,381	15,567,596
Academic Support	68,587,524	68,587,524		66,125,254	2,462,270
Library	22,198,748	22,198,748		22,145,495	53,253
Student Services	30,090,434	30,090,434		30,037,518	52,916
Institutional Support	83,802,673	83,802,673		83,794,366	8,307
Physical Plant	72,428,338	72,428,338		72,428,338	
Student Aid	<u>93,361,737</u>	<u>93,361,737</u>		<u>55,480,241</u>	<u>37,881,496</u>
Sub-Total Education and General	766,872,499	766,872,499		637,647,353	129,225,146
E & G Transfers / Debt Retirement	<u>18,991,514</u>	<u>18,991,514</u>		<u>18,991,514</u>	
Total Education and General	\$ 785,864,013	\$ 785,864,013	\$	\$ 656,638,867	\$ 129,225,146
Auxiliary Enterprises					
Expenditures	167,824,985		167,824,985	167,824,985	
Mandatory Transfers for Debt Retirement	<u>12,776,919</u>		<u>12,776,919</u>	<u>12,776,919</u>	
Auxiliary Expend. / Mandatory Trans	\$ 180,601,904	\$	\$ 180,601,904	\$ 180,601,904	\$
Non-Mandatory Transfers	<u>24,788,000</u>		<u>24,788,000</u>	<u>24,788,000</u>	
Total Auxiliary Enterprises	\$ 205,389,904	\$	\$ 205,389,904	\$ 205,389,904	\$
Total Expenditures/Transfers	\$ 991,253,917	\$ 785,864,013	\$ 205,389,904	\$ 862,028,771	\$ 129,225,146
Gain*	\$ 1,030,000	\$ 1,030,000	\$ 0	\$ 1,030,000	\$ 0
Transfer to State General Fund	<u>(3,000,000)</u>				
Net Loss	\$ (1,970,000)				

* The \$1.0 million gain is for the reserve repayment for the November 2001 drawdown of \$11.5 million for the Towers Dining Center and Student Union.

University of Connecticut (Storrs & Regional Campuses)
 Current Funds Budget Supporting Schedule for Selected Revenues
 Fiscal Year 2010

Revenues

Tuition & Fees

Tuition (After Discounts: \$225.5M)	\$273,510,481
College of Continuing Studies	
Credit Fees	12,437,500
Non-Credit Fees	3,697,713
Other Course Fees	24,799,686
Other Fees	17,570,325
General University Fee	<u>28,981,441</u>
Total Tuition and Fees	<u>\$360,997,146</u>

Grants and Contracts (Operating Fund)

Miscellaneous Grants and Contracts	\$17,554,630
Department of Agriculture	3,983,597
Federal Financial Aid Grants	19,100,946
State Financial Aid Grants	<u>13,244,550</u>
Total Grants and Contracts	<u>\$53,883,723</u>

Sales/Services of Auxiliary Enterprises

Jorgensen Center for Performing Arts	\$1,005,000
Athletic Department	32,168,613
Health Services	1,714,000
Campus Activities	611,500
Residential Life & Rental Properties	73,040,171
Off Campus Student Services	5,000
Career Services	63,668
Dining Services ^(A)	52,182,139
One Card	<u>124,000</u>
Total Sales/Services of Auxiliary Enterprises	<u>\$161,462,091</u>

^(A) Includes both Board Fee revenue and Cash Sales Operations.

University of Connecticut (Storrs & Regional Campuses)

Auxiliary Enterprise Budgets

FY 2010

	Residential Life ^(A)	Dining Services ^(B)	Athletics	Jorgensen	Health Services	Student Activities	Student Union	Other Student Affairs ^(C)	Total
Revenues									
Sales & Services	\$73,040,171	\$52,182,139	\$32,168,613	\$1,005,000	\$1,714,000	\$548,000	\$611,500	\$192,668	\$161,462,091
Tuition/Fee/Other	300,000	30,000	14,627,145	1,656,341	9,657,335	4,505,496	2,928,391	1,726,605	35,431,313
Gifts/Endowment	<u>0</u>	<u>0</u>	<u>8,422,000</u>	<u>65,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,500</u>	<u>8,496,500</u>
Total Revenues	\$73,340,171	\$52,212,139	\$55,217,758	\$2,726,341	\$11,371,335	\$5,053,496	\$3,539,891	\$1,928,773	\$205,389,904
Expenditures									
Personal Svcs & Fringe Benefits	\$21,779,102	\$9,726,920	\$22,142,468	\$1,079,560	\$8,941,108	\$3,299,652	\$2,440,485	\$3,928,282	\$73,337,577
Contractuals & Commodities	20,314,983	33,552,475	22,062,450	1,563,474	1,575,756	1,280,641	1,166,910	957,339	82,474,028
Scholarships	300,000	30,000	9,830,450	55,000	12,000	135,000	20,000	4,055	10,386,505
Other Expenses/Transfers	<u>30,946,086</u>	<u>8,902,744</u>	<u>1,182,390</u>	<u>28,307</u>	<u>842,471</u>	<u>338,203</u>	<u>(87,504)</u>	<u>(2,960,903)</u>	<u>39,191,794</u>
Total Expenditures	\$73,340,171	\$52,212,139	\$55,217,758	\$2,726,341	\$11,371,335	\$5,053,496	\$3,539,891	\$1,928,773	\$205,389,904
Total Net Gain (Loss)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

^(A) Residential Life includes the activities of Hilltop Apartment Rentals and Residential Rental properties.

^(B) Dining Services includes the activities of Dining Cash Operations.

^(C) Other Student Affairs includes the activities of the One Card Office, Student Affairs IT, Off Campus Student Services and Career Services.

University of Connecticut
Storrs & Regional Campuses
State Appropriation

	FY 2009	FY 2010			
	<u>Actual</u> <u>Appropriation</u>	<u>UConn Requested</u> <u>Appropriation</u>	<u>HB 6802</u> <u>9/1/2009</u>	<u>Gov Reduction</u> <u>9/22/2009</u>	<u>Adjusted</u> <u>Appropriation</u>
Operating Fund	\$205,733,465	\$246,820,430	\$222,447,810	(\$2,280,852)	\$220,166,958
Tuition Freeze	4,741,885	4,803,530	4,741,885		4,741,885
Regional Campus	7,005,704	7,418,673	8,002,420		8,002,420
Vet Diagnostic Lab	100,000	103,000	100,000		100,000
Total	\$217,581,054	\$259,145,633	\$235,292,115	(\$2,280,852)	\$233,011,263
Reserve for Salary Account	<u>16,476,674</u>				
Grand Total	\$234,057,728				

University of Connecticut (Storrs Campus)

Schedule of Costs for a Graduate Student

Fiscal Years 2009-2010

	In-State Graduate			Out-of-State Graduate		
	FY 2009 (Annual) Approved		FY 2010 (Annual) Approved	FY 2009 (Annual) Approved		FY 2010 (Annual) Approved
	Amount	%	Amount	Amount	%	Amount
Tuition, Full-time	\$ 8,910	5.54%	\$ 9,450	\$ 23,130	5.50%	\$ 24,534
General University Fee	1,098	5.17%	1,170	1,098	5.17%	1,170
Other Fees:						
Student Activity Fee	26		26	26		26
Graduate Matriculation Fee	84		84	84		84
Transit Fee	70		70	70		70
Student Union Building Fee	26		26	26		26
Infrastructure Maintenance	380	5.56%	400	380	5.56%	400
Subtotal Other Fees	586		606	586		606
Total Tuition & Mandatory Fees	\$ 10,594	5.39%	\$ 11,226	\$ 24,814	5.44%	\$ 26,310
Room Fee	5,788	8.31%	6,356	5,788	8.31%	6,356
Board Fee - Ultimate Meal Plan ^A	4,414	6.31%	4,724	4,414	6.31%	4,724
Grand Total ^A	<u>\$ 20,796</u>	<u>6.38%</u>	<u>\$ 22,306</u>	<u>\$ 35,016</u>	<u>6.01%</u>	<u>\$ 37,390</u>
Board Fee - Value Meal Plan ^B	4,210	6.31%	4,506	4,210	6.31%	4,506
Grand Total ^B	\$ 20,592	6.39%	\$ 22,088	\$ 34,812	6.01%	\$ 37,172

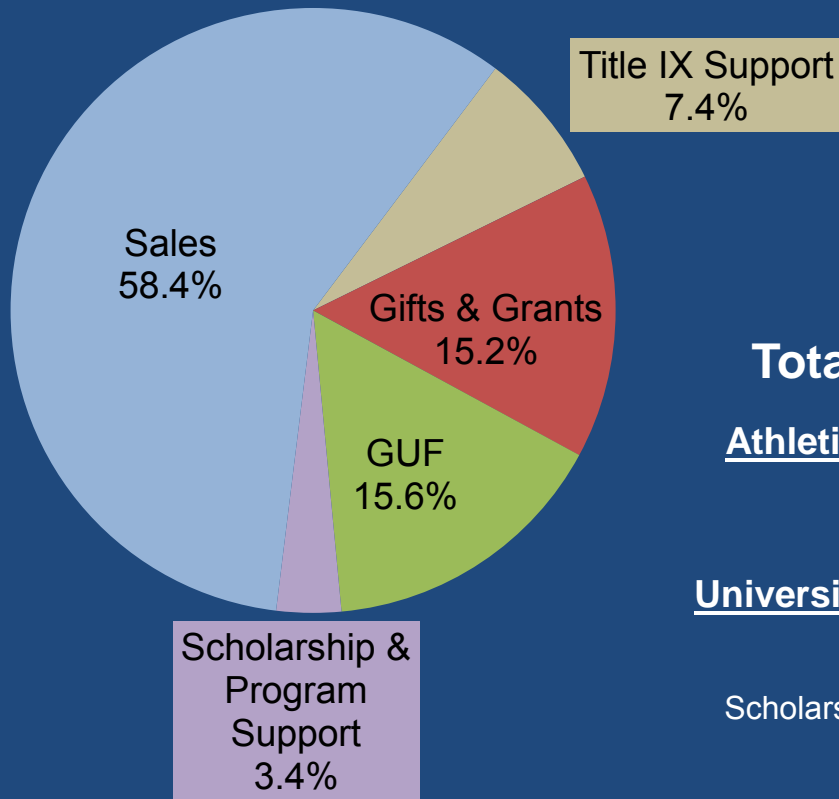
^A The Ultimate Meal Plan represents the most expensive meal plan available (Per semester: unlimited meals, 500 points, 35 flex passes). Lower cost meal plan options are available.

^B The Value Meal Plan represents the most popular meal plan available (Per semester: unlimited meals, 200 points, 40 flex passes). A lower cost meal plan option is available. Please note that for Graduate students living in Graduate student housing, the meal plan is optional.

University of Connecticut

Division of Athletics & Recreational Services

Proposed Budget for Fiscal Year 2010



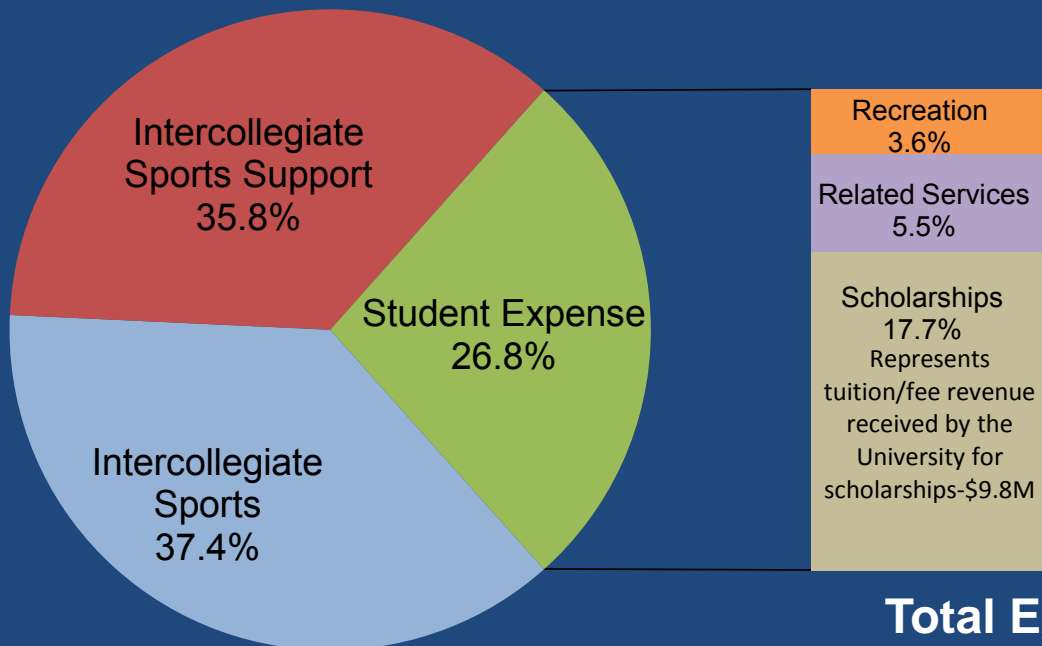
Total Revenue: \$55.2M

Athletics Share: 73.6% \$40.6M

Sales - \$32.2M
 Gifts & Grants - \$8.4M

University Support: 26.4% \$14.6M

GUF - \$8.6M
 Title IX Support - \$4.1M
 Scholarship & Program Support - \$1.9M



Total Expense: \$55.2M

Intercollegiate: 73.2% \$40.4M

Sports - \$20.6M
 Not Sport-Specific - \$19.8M

Student Expense: 26.8% \$14.8M

Source: Division of Athletics & Recreational Services

University of Connecticut (Storrs & Regional Campuses)

Schedule of Total Financial Aid and Tuition Funded Financial Aid

FY's 2005-2010 (in millions)

<u>Total Financial Aid</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10 Budget</u>
Need-Based						
Grants	\$40.4	\$43.7	\$50.7	\$54.1	\$59.6	\$67.2
Work Study / Student Labor	7.1	7.5	7.7	8.4	9.0	9.6
Total Need-Based	<u>\$47.5</u>	<u>\$51.2</u>	<u>\$58.4</u>	<u>\$62.5</u>	<u>\$68.6</u>	<u>\$76.8</u>
University Scholarships	\$21.6	\$21.9	\$24.9	\$25.4	\$28.9	\$33.6
Non-University Scholarships	5.8	5.6	5.1	5.2	\$5.7	\$5.8
Other Student Labor	6.5	6.3	6.2	7.0	8.7	9.3
Loans	101.1	111.5	118.2	128.4	140.8	154.3
Tuition Waivers	33.8	34.6	37.8	41.9	45.3	48.0
Total Financial Aid ^A	<u>\$216.3</u>	<u>\$231.1</u>	<u>\$250.6</u>	<u>\$270.4</u>	<u>\$298.0</u>	<u>\$327.8</u>

<u>Tuition Funded Financial Aid</u>	<u>FY05</u>	<u>FY06</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10 Budget</u>
Need-Based Grants	\$24.1	\$26.3	\$31.3	\$28.5	\$32.3	\$36.6
Need-Based Work Study Match / Student Labor ^B	2.8	3.1	3.0	3.1	\$3.1	3.4
Other Student Labor	2.5	2.3	2.3	2.3	\$2.5	3.0
Scholarships	9.4	9.7	11.4	11.8	\$14.1	18.1
Tuition Waivers	33.8	34.6	37.8	41.9	\$45.3	48.0
Total Tuition Funded Financial Aid	<u>\$72.5</u>	<u>\$75.9</u>	<u>\$85.8</u>	<u>\$87.6</u>	<u>\$97.3</u>	<u>\$109.1</u>

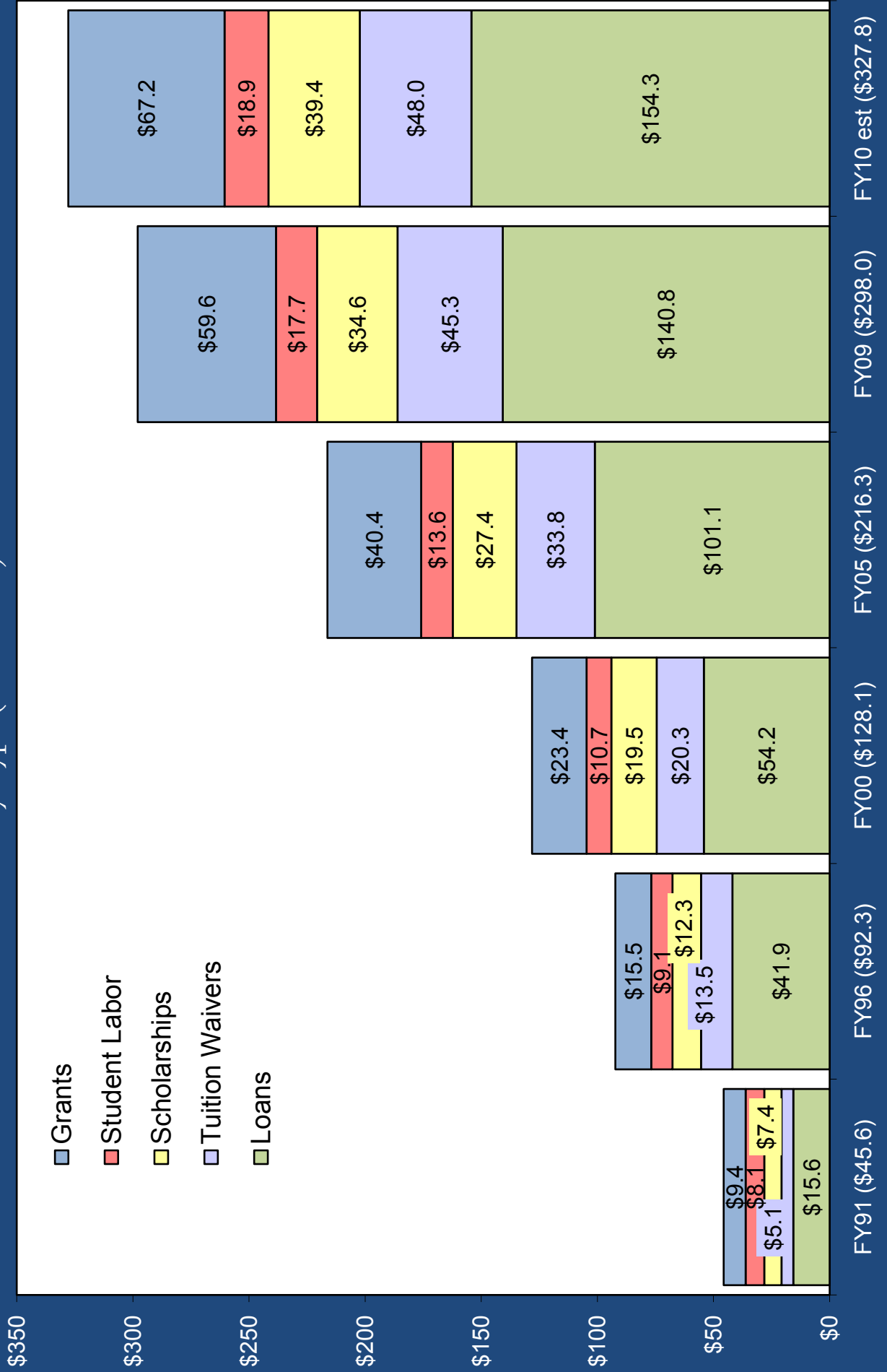
Total Tuition Funded as a % of Gross Tuition Revenue	38.2%	37.7%	39.5%	37.8%	38.1%	39.9%
Tuition Funded Need-Based as a % of Net Tuition Revenue	17.2%	17.6%	19.1%	16.6%	16.8%	17.7%

^A Scholarships given directly to students from outside organizations and student loans (mostly Federal funded) are not included in the Current Funds budget.

^B Student Labor has averaged \$1.7-\$2.1 million per year.

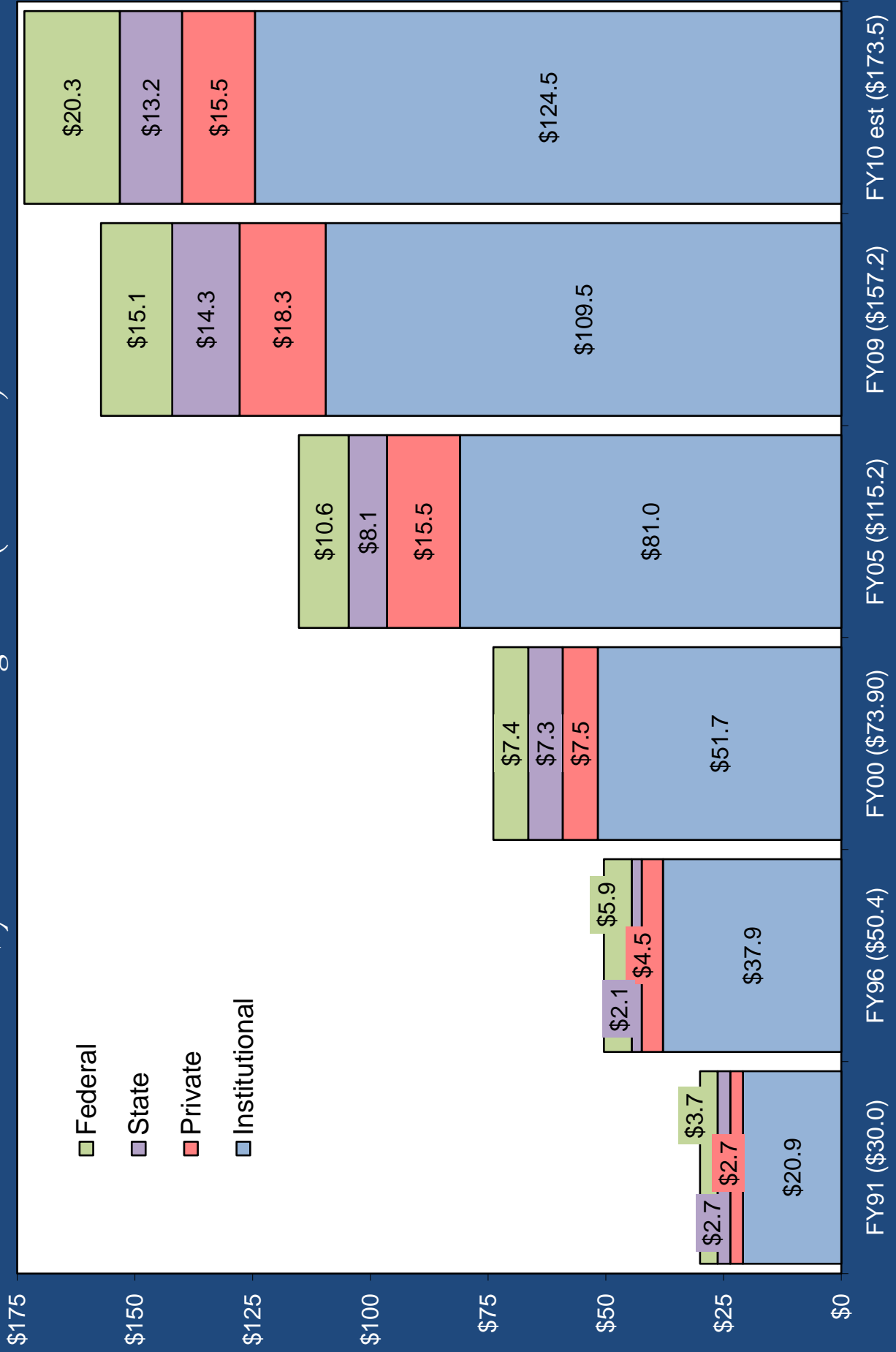
University of Connecticut (Storrs & Regional Campuses)

Student Financial Aid by Type (in millions) - Selected Fiscal Years



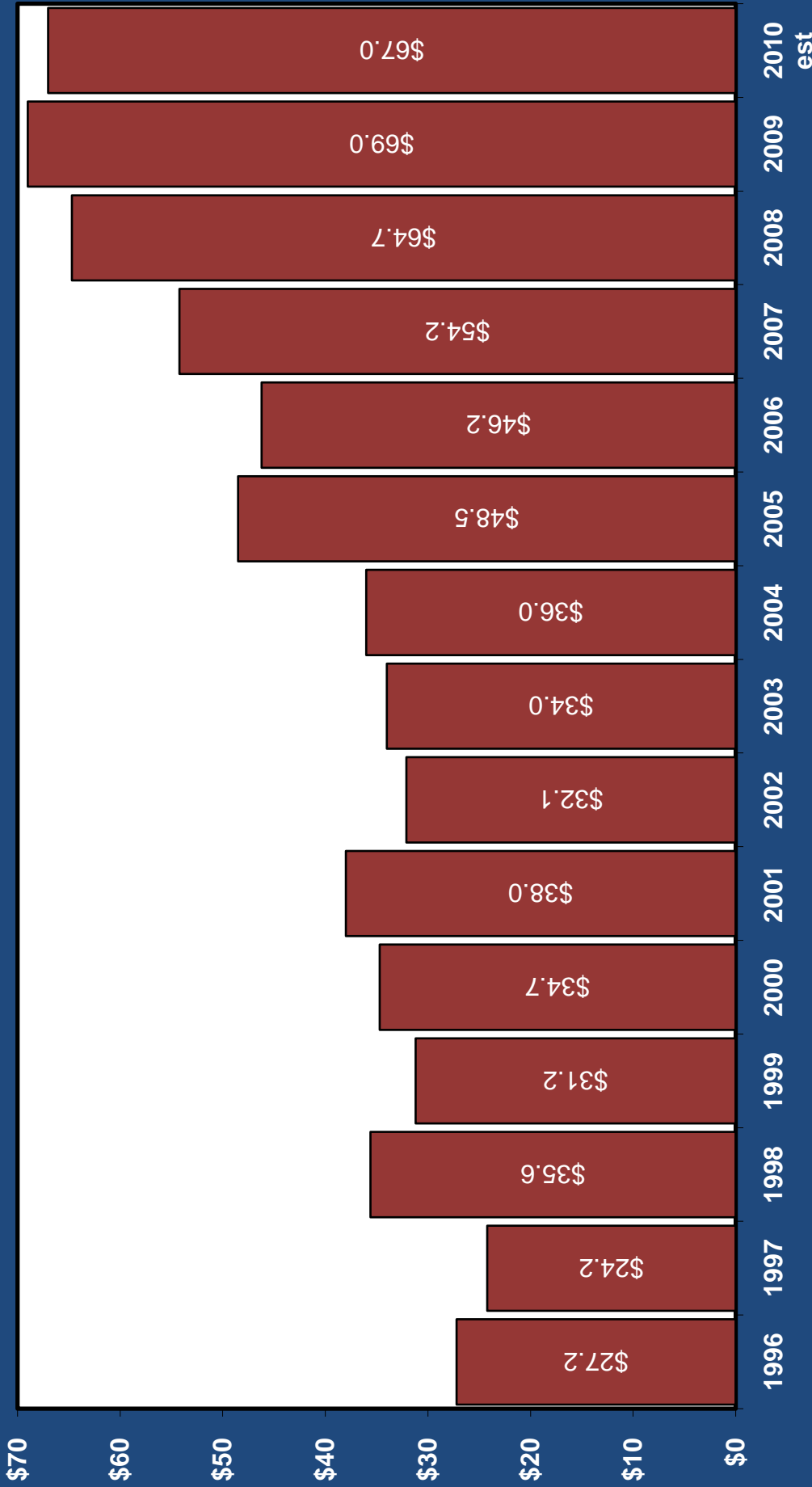
University of Connecticut (Storrs & Regional Campuses)

Student Financial Aid by Source-Excluding Loans (in millions) - Selected Fiscal Years



University of Connecticut (Storrs & Regional Campuses) Current Funds Unrestricted Fund Balance (in millions)

Fiscal Years 1996-2010



FY02 included FY01 Surplus Appropriation of \$2.2 million budgeted for FY03 and \$1.8 million of previously deferred revenue to reflect GASB requirement regarding Summer Sessions. FY05 included \$9.0 million of unexpended equipment funds that were carried forward to be spent for equipment purchases in FY06. From FY04 forward, \$1 million of the net gain represents a reserve repayment for the November 2001 drawdown of \$1.5 million for Towers Dining Center and Student Union. FY07 included \$3.3 million of unspent State appropriation funds for the Center for Entrepreneurship (\$1.3 million) and the Eminent Faculty (\$2.0 million) programs that were carried forward to be spent in FY08. FY08 included \$1.9 million of unspent State appropriation funds for the Eminent Faculty program that was carried forward from FY07. FY10 reflects a \$3 million required transfer to the State General Fund.

University of Connecticut (Storrs & Regionals)

Statement of Changes in Net Assets

For the Year Ended June 30, 2009 (unaudited)

	Operating Fund	Research Fund	Subtotal	Other Funds	Total
Net Assets, June 30, 2008					
Restricted and invested in capital net of related debt	\$ 14,249,063	\$ 380,028	\$ 14,629,091	\$ 1,227,683,533	\$ 1,242,312,624
Unrestricted	46,466,163	18,196,252	64,662,415	71,121,811	135,784,226
Total Net Assets	\$ 60,715,226	\$ 18,576,280	\$ 79,291,506	\$ 1,298,805,344	\$ 1,378,096,850
Fiscal Year 2009 Change					
Restricted and invested in capital net of related debt	\$ 159,136	\$ 358,375	\$ 517,511	\$ 25,615,626	\$ 26,133,138
Unrestricted	2,296,974	2,011,204	4,308,178	7,056,208	11,364,385
Subtotal	\$ 2,456,110	\$ 2,369,579	\$ 4,825,689	\$ 32,671,834	\$ 37,497,523
Net Assets, June 30, 2009					
Restricted and invested in capital net of related debt	\$ 14,408,199	\$ 738,403	\$ 15,146,602	\$ 1,253,299,159	\$ 1,268,445,761
Unrestricted	48,763,137	20,207,456	68,970,593	78,178,019	147,148,612
Total Net Assets	\$ 63,171,336	\$ 20,945,859	\$ 84,117,195	\$ 1,331,477,178	\$ 1,415,594,373

University of Connecticut (Storrs & Regionals)
 FY09 Unaudited Current Funds Statement of Operations
 (Dollars in Millions)

Current Funds (Operating & Research) Revenues:

Operating Fund	
State Support	\$327.8
Tuition	210.3
Fees	82.9
Gifts, Grants & Contracts	74.0
Investment Income	4.1
Sales & Service Education	17.1
Auxiliary Enterprise Revenue	152.4
Other Revenue	<u>10.4</u>
Total Operating Fund	879.0
Research Fund	<u>80.6</u>
Total Current Funds (Operating & Research) Revenues	\$959.6

Current Funds (Operating & Research) Expenditures / Transfers:

Operating Fund	
Personal Services	\$403.3
Fringe Benefits	136.7
Other Expenses	151.5
Energy	33.6
Equipment	14.8
Student Financial Aid ¹	90.4
Net Transfers - Mandatory	20.7
Net Transfers - Auxiliary Non-Mandatory	19.4
Net Transfers - E&G Non-Mandatory	<u>6.2</u>
Total Operating Fund	876.6
Research Fund	<u>78.2</u>
Total Current Funds Expenditures / Transfers	\$954.8

Current Funds Net Gain ² **\$4.8**

Non-Current Funds Items

Net Transfers from Current Funds	\$46.3
Capitalization Adjustment for Items Expensed in Current Fund	31.3
Depreciation Expense ³	(91.6)
Non-Operating Expense Net of Current Funds Items ⁴	(31.3)
Capital Deductions	<u>78.0</u>
Total Increase in Net Assets	\$37.5

Net Assets - beginning of year **\$1,378.1**

Net Assets - end of year **\$1,415.6**

¹ Includes \$2.6 million of student work study expenditures.

² Net Gain of \$4.8 million: Unrestricted=\$4.3 million, Restricted=\$0.5 million.

³ Not budgeted.

⁴ Unbudgeted Non-Operating Revenue (Expense) is primarily interest expense. Budgeted and included in Current Funds are State Support, Gifts and Investment Income.