

University of Massachusetts Foundation, Inc.
Annual Financial Report 2005-2006

(Dollars in thousands)

Condensed Statements of Net Assets

	Balances as of	
	June 30, 2006	June 30, 2005
Assets		
University and External Receivables	\$22	\$1,414
Investments and Pledges Receivable	\$298,516	\$268,763
Land, Property, Plant and Equipment	\$1,003	\$1,006
	\$299,541	\$271,183
Liabilities		
Annuities Payable and Accrued Expenses	\$4,398	\$2,486
Deferred revenue	\$3,994	\$6,052
Loans Payable	—	\$409
Assets held on behalf of the University Custodial	\$39,810	\$37,592
	\$48,202	\$46,539
Net Assets		
Restricted-Nonexpendable	\$187,001	\$172,121
Restricted-Expendable	\$58,272	\$47,354
Unrestricted	\$6,066	\$5,169
	\$251,339	\$224,644

Condensed Statements of Revenues, Expenses, and Changes in Net Assets

	For the Year Ended	
	June 30, 2006	June 30, 2005
Operating Revenue		
Gifts and Contributions	\$14,466	\$18,971
Endowment State Matching Funds	\$2,504	\$4,027
Endowment and Investment Income	\$20,680	\$16,149
Other Revenue and Support	\$2,155	\$3,180
Total Operating Revenue	\$39,805	\$42,327
Operating Expenses		
Distributions to UMass	\$12,410	\$12,863
Salaries and Other Operating Expenses	\$700	\$829
Total Operating Expenses	\$13,110	\$13,692
Operating Income	\$26,695	\$28,636
Net Assets at Beginning Of Year	\$224,644	\$196,007
Net Assets at End of Year	\$251,339	\$224,644

Overall Results

For the fiscal year ending June 30, 2006, the UMass Foundation has maintained a strong financial position. The market value of all endowment funds managed by the Foundation (including life income and annuity funds) was \$244 million. This represents an increase of \$35 million (17%) for the year.

The endowment pool market return was 11.02% in fiscal 2006 and distributions were made in compliance with UMIFA. Continuation of these trends will help sustain future years support provided by the endowment.

(Note: The financial statements of the University of Massachusetts Foundation, Inc. are audited by Pricewaterhouse Coopers, independent auditors).

