

APPENDIX A DEPAUL UNIVERSITY

Description of the University

DePaul University (the “University” or “DePaul”), an Illinois not-for-profit corporation, was founded in 1898 as St. Vincent’s College by the Congregation of the Mission, an order of Roman Catholic priests, on Judeo-Christian principles and the heritage of St. Vincent DePaul. The University’s stated goals are to acquire, disseminate, and advance knowledge; to pursue learning; and to engage in liberal and professional studies. The University has developed into a major urban institution, serving metropolitan Chicago and offering undergraduate and graduate degree-granting programs. The Fall 2007 total undergraduate and graduate head count enrollment totaled 23,401 students, and the total undergraduate enrollment of 15,024 was the largest in DePaul’s history. Since 1998, DePaul has ranked as the largest Catholic university in the United States. The University remains among the ten largest private universities in the United States. The University does not discriminate based on race, color, national origin, religion, sex, age, or handicap in admissions, employment, or the provision of services.

Physical Resources

The University has a significant investment in physical plant and believes that the strategic location of these facilities has been an important factor in its success in pursuing its urban educational mission. The facilities are kept in good operational condition through a systematic process that plans cyclical repair and replacement of major building components.

The University comprises six campuses in and around Chicago, Illinois. The Lincoln Park campus and the Loop campus form the core of academic and administrative activities. The Lincoln Park Campus is a residential campus of approximately 34 acres in a neighborhood located approximately three miles north of downtown Chicago. The campus has grown steadily throughout the years and now consists of more than 45 buildings comprising approximately 2.4 million square feet, which are used for academic instruction, residential housing, student services, and recreational purposes. The Lincoln Park campus also leases 86,000 square feet of retail space to various tenants. The Loop campus, located in the business district of downtown Chicago at the corner of Jackson Boulevard and Wabash Avenue, consists of 3 interconnected and 1 adjacent building of over 1.3 million square feet, which provide facilities for academic and administrative functions, including 222,000 square feet of space leased to the City of Chicago and another 25,000 square feet leased to various tenants. In addition, the Theatre School operates the Merle Reskin Theatre, located on Balbo Drive between Michigan and Wabash Avenues. The University leases an additional 146,000 square feet of space in the Loop to house core administrative functions, providing for more true academic space in other downtown properties owned.

DePaul University has four additional suburban campus locations to reach the demand for higher education in the suburban markets. The O’Hare Campus, located in the O’Hare Office Center, Des Plaines, Illinois, occupies approximately 35,600 square feet of space. Suburban campuses have also been established in Oak Forest (in conjunction with the South Suburban Community College, approximately 7,200 square feet), in the far west suburb of Naperville (approximately 63,800 square feet), and in the northwestern suburb of Rolling Meadows (18,300 square feet). Faculty from the College of Commerce, the School of Computer Science, Telecommunications, and Information Systems, the College of Liberal Arts and Sciences, the School of Education and the School for New Learning currently offer courses at the suburban locations to evening and weekend student populations.

The University’s strategic plans, guided by a campus master plan adopted by the executive administration and the Board of Trustees, continue to stress flexibility and growth in the physical plant, factors which facilitate the institution’s desire and ability to react to changing demographics in providing its educational services.

Governance of the University

The governance of the University is two-tiered, consisting of Members and Trustees. The Members of the University are a self-perpetuating body of 12 individuals, which represents the Congregation of the Mission (C.M.), the religious community that sponsors the University. Two-thirds of the Members of the University must be members of the Congregation of the Mission. The Members of the University are empowered to elect the Board of Trustees.

The Board of Trustees has the power to direct and manage the affairs of the University and to elect specific officers. The President appoints other officers. The By-Laws of the University provide that the Board of Trustees consist of a number determined by the Members of not less than 35 but no more than 40. Currently, there are 39 Trustees, elected to serve staggered 3-year terms.

The following table presents a list of the Trustees and their principal businesses or professional affiliations as of April 30, 2008:

<u>Name</u>	<u>Affiliation</u>
William L. Bax	Managing Partner, PricewaterhouseCoopers, LLP (Retired)
William E. Bennett *	
Martin R. Castro	Vice President for External Affairs, Aetna, Inc.
Gery J. Chico*	Chico & Nunes, LLP
Frank M. Clark	Chairman and CEO, ComEd
James W. Compton	Former President and CEO, Chicago Urban League
Curtis J. Crawford *	President and CEO, XCEO Inc.
Douglas Crocker, II	Chairman and CIO, Transwestern Multifamily Partners, LLC
Connie R. Curran	President, Curran Associates
James L. Czech	President, The James L. Czech Company LLC
Mary A. Dempsey *	Commissioner, Chicago Public Library
Sue L. Gin	Chairman, Flying Food Group Inc.
Rev. Paul L. Golden, C.M.	Founding Director, Vincentian Canonical Services
Jack M. Greenberg *	Retired Chairman and CEO, McDonald's Corporation
William E. Hay *	President, William E. Hay & Co.
Rev. Dennis H. Holtschneider, C.M. *	President, DePaul University
James M. Jenness *	Chairman and CEO, Kellogg Company
Jeffrey J. Kroll	Partner, Law Offices of Jeffrey J. Kroll
Fay Levin	Senior Consultant, Res Publica Group
Arthur E. Levine *	President, Woodrow Wilson National Fellowship Foundation
Rev. Robert P. Maloney, C.M.	Coordinator, Project DREAM
Carla Michelotti	Executive VP/General Counsel, Leo Burnett Co.
Patricia J. Parson	President, CEO and Chairman of the Board, AmerInd, Inc.
Peter Pesce	Vice President of Human Resources, A.T. Kearney, Inc.
Roger L. Plummer	President, Plummer & Associates Consulting
Rev. Prudencio Rodriguez, C.M.	Director of Hispanic Ministry for Vincentian Priests and Brothers
George Ruff	Senior Principal, Trinity Hotel Investors LLC
Lawrence C. Russell	Managing Director, The Director's Firm (Retired)
Jim Ryan	President, COO and Director, W.W. Grainger, Inc.
Bertram L. Scott	EVP of Strategy, Implementation, and Policy, TIAA-CREF
John B. Simon *	Partner, Jenner & Block
John C. Staley *	Managing Partner, Ernst & Young LLP (Retired)
Harrison I. Steans	Chairman of the Executive Committee, Financial Investments Corporation

Errol L. Stone	Partner, Sonnenschein, Nath & Rosenthal
Rev. James E. Swift, C.M.	Provincial Superior, Midwest Province Congregation of the Mission
Richard E. Terry*	Chairman and CEO, Peoples Energy Corporation (Retired)
Daniel C. Ustian	Chairman, President and CEO, Navistar International Corporation
Joanne Velasquez *	Executive Vice President, Azteca Foods Inc.
John J. Vitanovec	Executive Vice President, Tribune Broadcasting

* Members of the Board of Trustees' Executive Committee

Certain Officers of the University

The following lists certain officers of the University and presents brief biographies for each as of May 15, 2008.

The Reverend Dennis H. Holtschneider, C.M., President, Ed.D.

The Reverend Dennis H. Holtschneider, C.M., became the University's 11th President on July 1, 2004. Prior to joining DePaul, he served as Executive Vice President and Chief Operating Officer at Niagara University in Niagara, N.Y. from 2000, where he had directed the university's strategic planning efforts and daily operations of the campus. Prior to his role at Niagara, Father Holtschneider was assigned to St. John's University, where he served as an assistant professor of higher education in the Graduate School of Education and as the associate dean of the College of Liberal Arts and Sciences. Father Holtschneider pursued his undergraduate education at Niagara, where he received a bachelor's degree in mathematics in 1985. He studied for the priesthood at Mary Immaculate Seminary in Northampton, Pa., and was ordained in 1989. While in New York, Father Holtschneider was a clinical associate professor of higher education at the State University of New York at Buffalo, teaching one doctoral seminar each fall, and a faculty member and board member of the Boston College Institute for Administrators in Catholic Higher Education.

The Reverend John T. Richardson, C.M., Chancellor, B.A., M.A., S.T.L., S.T.D.

The Reverend John T. Richardson, C.M., was President of the University from July 1, 1981 to July 1, 1993, at which time he assumed the position of Chancellor. He has served the University since 1954 in various capacities, including Dean of Faculties and Executive Vice President from 1960 until the time of his presidency. Prior to 1954, he held academic positions with Kenrick Seminary and St. Louis Preparatory Seminary. He earned an undergraduate degree from St. Mary of the Barrens Seminary and graduate degrees from the Collegium Angelicum in Rome and from St. Louis University. Beginning in the summer of 1997, he was granted a leave of absence by the University's Board of Trustees to teach theology at Christ the King Major Seminary in Nyeri, Kenya, East Africa.

Helmut P. Epp, Provost, M.S., Ph.D.

Helmut P. Epp was named Provost on June 1, 2006. From August 2005 until then, he was the Executive Vice President for Academic Affairs. Dr. Epp is the founding Dean of the School of Computer Science, Telecommunications, and Information Systems (CTI), now known as the College of Computing and Digital Media. Prior to his appointment as Dean in 1995, Dr. Epp founded the Department of Computer Science (CS) in the College of Liberal Arts and Sciences and served as its first and only chairperson from 1981-1995. He has been on the faculty at DePaul since 1974. In 1985, Dr. Epp founded DePaul's Institute for Professional Development (IPD). Dr. Epp also served as Vice President for Information Services at DePaul from 1996 to 1998. In this role, he introduced many innovative web-based applications that formed the basis of many of the university's on-line services today. An experienced industrial consultant, Dr. Epp has concentrated his research efforts on artificial intelligence applications in manufacturing and medicine. He received his Master of Science and Ph.D. degrees in mathematics from Northwestern University and has served on the faculties of the University of Illinois at Chicago and the Massachusetts Institute of Technology.

Robert Kozoman, Executive Vice President, C.P.A.

Robert Kozoman was appointed Executive Vice President on May 15, 2008 after having served as interim Executive Vice President since September 2007 and after having served as Vice President for Finance since January 2003. He joined the University in 1983 as Assistant Controller, was promoted to Controller in 1985, and became Treasurer in 1987. Mr. Kozoman left the position as Treasurer to lead the highly successful PeopleSoft implementation at the University and was named Associate Vice President for Integrated Systems Administration in July 2001. Mr. Kozoman held this position at the University until returning to the position of Treasurer in October 2002 and then was named Vice President for Finance in 2003. Prior to coming to the University, he held financial positions with Sunbeam Appliance Company, Union Carbide Corporation, and Johnson Atwater & Co., a public accounting firm. He earned his undergraduate degree from the University of Illinois, Chicago.

The Reverend Edward R. Udovic, C.M., University Secretary, Senior Executive for University Mission, and Vice President for Administration, Ph.D.

The Reverend Edward R. Udovic, C.M., was named Senior Executive for University Mission in 1995. In February 2001, Father Udovic was named University Secretary and Vice President for Administration. A member of the Vincentian Studies Institute of the United States since 1987, he has served as its Presiding Officer since 1993. Father Udovic received his undergraduate degree from DePaul and his graduate degrees from DeAndreis Institute of Theology and St. Louis University. Father Udovic was awarded his Ph.D. from the Catholic University of America.

Bonnie Hirsch, Controller and Acting Vice President for Finance, C.P.A.

Bonnie Hirsch was named acting Vice President for Finance October 2007. Ms. Hirsch joined DePaul in 2000. She has overseen Controller's Office support for various university initiatives, including the implementation of the PeopleSoft ERP financial system, acquisition and subsequent closure of the Barat Campus, and expansion of procurement services to the university community. Since 2004, the Controller's Office has designed and launched expanded budget controls and reporting to support all the university's departments. Ms. Hirsch was previously corporate controller at Strombecker, a Chicago-based toy manufacturer. Before that, she gained experience in all aspects of financial management and internal audit during 19 years with Stepan Co., a chemical manufacturer in Northfield. Ms. Hirsch started her career as an auditor at Price Waterhouse. She graduated from the University of Illinois Urbana-Champaign.

José D. Padilla, Vice President and General Counsel, B.A., J.D.

José Padilla joined DePaul as Vice President and General Counsel in May of 2005. Before joining DePaul, Mr. Padilla was an attorney and federal lobbyist for the Illinois Institute of Technology (IIT). While at IIT, he became general counsel for the IIT State Street Corporation, a not-for-profit tax-exempt corporation that constructs and manages university housing. From 1993 to 1998, Mr. Padilla was a senior appointee in the Clinton Administration, serving as the assistant commissioner for Congressional and Public Affairs at the United States Customs Service. From 1990 to 1993, he was a lawyer/legislative assistant to the late Senator Lloyd Bentsen (D-TX.) Mr. Padilla earned an undergraduate degree from the University of Toledo and holds a law degree from the University of Michigan.

Jeffrey Bethke, Interim Treasurer, MBA

Jeff Bethke was appointed Interim Treasurer on March 19, 2008, after most recently serving as Associate Treasurer. He joined DePaul in 2002 as director of procurement. From 2005 to 2006, Bethke served as the owners' representative and board secretary of the Educational Advancement Fund. Prior to joining DePaul, Bethke was a principal of Jelsen Corporation, a Chicago consulting firm providing strategic planning and operations consulting to public firms and not-for-profit institutions nationwide. He also served as director of acquisitions for the Chicago Public Library and in several financial and corporate managerial roles for Borders Group, Inc. Bethke holds bachelor's degrees

in English and History from the University of Missouri at Kansas City and an MBA in finance and strategic management from the University of Chicago.

Academic Programs

The University offers degree-granting programs at both the undergraduate and graduate levels. All undergraduate students enrolled in traditional programs are required to take basic core instruction through the Liberal Studies Program. Undergraduate degrees are awarded in various programs through the following Colleges and Schools:

<u>College or School</u>	<u>Degree Programs</u>	<u>Degrees Awarded</u>
College of Liberal Arts and Science	40	Bachelor of Arts, Bachelor of Science
College of Commerce	9	Bachelor of Science in Commerce
College of Computing and Digital Media	14	Bachelor of Science, Bachelor of Arts, Bachelor of Arts Degree in Computing
School of Education	21	Bachelor of Arts, Bachelor of Science, Bachelor of Science in Physical Education
School of Music	7	Bachelor of Music, Bachelor of Arts, Bachelor of Science
College of Communication	1	Bachelor of Arts
School for New Learning	3	Bachelor of Arts, Bachelor of Arts in Computing
The Theatre School	11	Bachelor of Fine Arts, Bachelor of Arts

In addition, the University offers a non-traditional program for adult education through its School for New Learning. The goal of this program is to provide an individualized curriculum to the student that complements experience gained outside of a traditional university setting and may lead to the award of a Bachelor of Arts or Master of Arts degree.

The Department of Communication recently became DePaul University's ninth College. Students new to the College of Communication will see a broad array of undergraduate and graduate communication programs, enhanced faculty-student contact opportunities, as well as new labs and expanded facilities at the Loop Campus.

On April 15th, 2008, the School of Computer Science, Telecommunications and Information Systems (CTI) became the College of Computing and Digital Media (CDM). Within the college, the School of Computing (SoC) and the School of Cinema and Interactive Media (CIM) were created to maximize the potential of the programs.

The University offers graduate degrees through the following Colleges and Schools:

<u>College or School</u>	<u>Degree Programs</u>	<u>Degrees Awarded</u>
College of Liberal Arts and Sciences	47	Master of Arts, Master of Arts & Science in International Public Service Management, Master of Science, Master of Social Work, Doctor of Philosophy
Graduate School of Business	49	Master of Business Administration, Master of Accountancy, Master of Science in Accountancy, Master of Science, Master of Science in E-Business, Master of Science in Finance, Master of Science in Human Resources, Master of Science in Marketing Analysis, Master of Science in Taxation, Master of Science in Management Information Systems, Master of Science in Business Information Technology
School of Education	55	Master of Arts, Master of Education, Doctor of Education
College of Computing and Digital Media	19	Master of Science, Master of Arts, Doctor of Philosophy, Master of Fine Arts
College of Law	5	Juris Doctor, Master of Laws
College of Communication	4	Master of Arts
School for New Learning	3	Master of Arts, Master of Science
School of Music	5	Master of Music
The Theatre School	3	Master of Fine Arts

The University is accredited by the Higher Learning Commission of the North Central Association of Colleges and Schools. The University's College of Law is accredited by the Association of American Law Schools and approved by the American Bar Association. The Professional School of Accountancy and the undergraduate and graduate programs in the College of Commerce are accredited by The American Assembly of Collegiate Schools of Business. The University is also accredited by the National Council for Accreditation of Teacher Education; the University's School of Music is accredited by the National Association of Schools of Music; and the University's School of Nursing is accredited by the Commission on Collegiate Nursing Education. The graduate programs in Clinical Psychology are accredited by the American Psychological Association; and the Chemistry program is accredited by the American Chemical Society.

International Initiative

In order to respond to the increasing globalization of our campus, our city and our nation, DePaul has made an even greater commitment to internationalization. Last year the new strategic plan identified two very specific goals that address international education at DePaul. The first goal is to prepare our students to compete in a global environment by providing direct experiences with communities around the world, and the second goal is to design curricula that will integrate these experiences into their chosen academic discipline. This commitment to international education involves academic programming both in Chicago and abroad and to this end, the International Programs Office (IPO) was established in June 2006 to coordinate international initiatives and enhancements across the University and to facilitate communication among the many areas of the university involved in international programming. Administratively the IPO supports the operation of the Study Abroad Program, the English Language Academy, and International Admissions. The reach of DePaul's Study Abroad Programs extends worldwide, with 40 programs in 29 countries during the 2007/08 school year. Over the last year international student applications have nearly doubled, bringing the total international student population back up to pre-2001 levels. The English Language Academy enrolled 770 students in the 2006/07 academic year, realizing a 64 per cent increase in enrollments since 2002/03. In addition, DePaul sponsors degree programs abroad in seven locations, bringing a DePaul education to almost 400 international students annually.

Overall, these statistics indicate a steady increase in the engagement of our faculty and students with the world beyond our borders. With a renewed commitment to educating all students for an increasingly globalized world, DePaul continues to engage its mission to serve the population of Chicago, and the city's ever-increasing involvement in global society, politics and economics. A key component in these efforts is the University Committee on International Programs (UCIP) that will work with the Deans of the colleges and administrative officers to develop an agenda that will guide the implementation of program development in accordance with university academic priorities and DePaul's Catholic and Vincentian character. UCIP is charged with recommending strategies and policies to the President, Provost, Deans and other senior administrators that could be incorporated into the university's strategic planning. Specifically UCIP will:

- identify new opportunities to internationalize university programs and curricula;
- ensure that DePaul's international objectives and programs have a well-defined focus and rationale by helping to identify specific regions and countries where resources could be concentrated and assisting each school in developing international programs and activities;
- coordinate international programs that involve more than one college or school with deans and relevant administrators;
- coordinate with relevant university offices to ensure compliance with laws, regulations and accepted best practices;
- collect and maintain information about on-going and planned international activities and disseminate this data to the widest audience;
- assist faculty to strengthen the quality of the university's international curricula;
- help coordinate outside funding for international activities;
- help identify international career opportunities for students; and
- consider the implications of DePaul's internationalization for staff and the community at large.

Faculty and Staff

As of September 30, 2007, the University's full-time faculty numbered 882, of which approximately 53% are tenured. A part-time faculty concentrated in areas of study in which current practical knowledge is especially important augments the full-time faculty. This practice allows the University to utilize the resources of the Chicago community and to provide quality academic services while maintaining flexibility in the retention and assignment of faculty. The University believes that it provides a competitive compensation program for its faculty and is able to attract persons with outstanding qualifications.

As of September 30, 2007, the University had 1,348 permanent full-time and 157 permanent, part-time employees, excluding faculty. Unions represent approximately 46 of the full-time employees of the University, all of whom are artisans or custodial workers. The University believes that its union and employee relations are good.

The following table sets forth total filled positions of full-time and part-time employees for the past five years as stated in the September 30th Fall financial report:

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Full-time Faculty	824	838	842	856	882
Part-time Faculty	706	688	679	713	835
Full-time Staff	1,445	1,206	1,221	1,274	1,348
Part-time Staff	<u>283</u>	<u>212</u>	<u>154</u>	<u>169</u>	<u>157</u>
Combined Total	3,258	2,944	2,896	3,012	3,222

Retirement Plan

All non-union, full-time employees are eligible to participate in a 403(b) defined contribution benefit plan under which the participants are covered by individually owned annuity contracts purchased from the Teachers Insurance and Annuity Association and the College Retirement Equities Fund (TIAA-CREF) and/or by mutual funds purchased through TIAA-CREF or Fidelity Investments. There are no unfunded liabilities or University obligations in connection with this plan. Employees who meet the eligibility requirements and contribute the minimum required amount receive contributions from the University. For the fiscal years ended June 30, 2006 and 2007, the University made contributions of \$8,374,000 and \$8,791,000, respectively, to its retirement plan.

Students

Most of the University's students live in the Chicago metropolitan area. Approximately 88% of these students live off-campus and commute to classes. The University recognizes that many of its full-time students work to supplement their income, and the University offers flexible academic schedules to accommodate its students. Currently the University has residential hall space for 2,784 students.

The following table sets forth certain demographic information with respect to the new students enrolled at the University in the Fall of 2007:

	<u>New Freshmen</u>	<u>Transfer Students</u>	<u>New Graduate Students</u>	<u>New Law Students</u>
Illinois				
Chicago and Suburbs	63.1%	82.7%	81.9%	85.3%
Other	<u>6.3</u>	<u>4.7</u>	<u>2.9</u>	<u>3.1</u>
Total Illinois	69.4	87.4	84.8	88.4
All Other	<u>30.6</u>	<u>12.6</u>	<u>15.2</u>	<u>11.6</u>
Total	100.0%	100.0%	100.0%	100.0%

The following table sets forth enrollments based on Fall registration for the past five years:

	<u>ENROLLMENT</u>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Undergraduate					
Full-time	10,847	11,148	11,381	11,693	12,045
Part-time	3,738	3,569	3,359	3,200	2,979
Graduate					
Full-time	4,153	3,992	3,647	3,681	4,169
Part-time	3,720	3,659	3,582	3,480	3,184
College of Law					
Full-time	869	921	943	877	818
Part-time	<u>283</u>	<u>281</u>	<u>236</u>	<u>218</u>	<u>206</u>
Total Students	<u>23,610</u>	<u>23,570</u>	<u>23,148</u>	<u>23,149</u>	<u>23,401</u>
Full-Time Equivalent ⁽¹⁾					
Enrollment:					
Undergraduate	12,891	13,132	13,261	13,582	13,945
Graduate	<u>5,585</u>	<u>5,486</u>	<u>5,234</u>	<u>5,150</u>	<u>5,360</u>
Total Full-Time Equivalent ⁽¹⁾	<u>18,476</u>	<u>18,618</u>	<u>18,495</u>	<u>18,732</u>	<u>19,305</u>

(1) The Illinois Board of Higher Education's definition of full-time equivalent enrollment at the undergraduate level is total credit hours divided by 15; and at the graduate level, it is total credit hours divided by 12.

The following table sets forth the number of applications, acceptances, enrollments, and quality measures for the Fall-term, entering freshman class for the past five years:

<u>Entering Freshmen(1)</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of Applications	9,464	10,087	9,779	10,414	12,468
Number of Acceptances	6,904	6,952	6,963	7,308	7,902
Number of Enrollments	2,261	2,317	2,400	2,537	2,522
Acceptance Rate	73.0%	68.9%	71.2%	70.2%	63.4%
Matriculation Rate	32.7%	33.3%	34.5%	34.7%	31.9%
SAT Test Scores (2)	1,117	1,129	1,149	1,145	1,153
SAT National Average	1,026	1,026	1,028	1,021	1,017
ACT Test Scores (3)	23.8	24.0	24.5	24.5	24.9
ACT National Average	20.8	20.8	20.9	21.1	21.2

- (1) Includes summer Bridge students, enrollees in a special program for under-prepared students.
 (2) Scholastic Aptitude Test (SAT). Scores for students enrolled in the summer Bridge program are excluded.
 (3) American College Test (ACT). Scores for students enrolled in the summer Bridge program are excluded.

The following table sets forth the number of applications, acceptances, enrollments, and quality measures for the Fall-term, entering undergraduate transfer students for the past five years:

<u>Undergraduate Transfers</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of Applications	3,277	3,514	3,512	3,506	3,976
Number of Acceptances	2,307	2,280	2,172	2,213	2,512
Number of Enrollments	1,383	1,265	1,229	1,241	1,341
Acceptance Rate	70.4%	64.9%	61.8%	63.1%	63.2%
Matriculation Rate	59.9%	55.5%	56.6%	56.1%	53.4%
Grade Point Average (1)	3.0	3.0	3.0	3.2	3.0

- (1) Scale of A grade equals 4.

The following table sets forth the number of applications, acceptances, enrollments and quality measures for the Fall-term, entering students in law programs for the past five years:

<u>Law Students</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of Applications	4,063	4,844	5,028	4,941	4,792
Number of Acceptances	1,497	1,444	1,411	1,644	1,735
Number of Enrollments	434	383	344	354	337
Acceptance Rate	36.8%	29.8%	28.1%	33.3%	36.2%
Matriculation Rate	29.0%	26.5%	24.4%	21.5%	19.4%
LSAT Test Scores (1)	155.6	157.7	156.3	150.9	164.0
National Average Scores	152	152	152	151	151

(1) Law School Admission Test (LSAT).

The following table sets forth the number of applications, acceptances, enrollments, and quality measures for the Fall-term, entering graduate students for all programs (other than Law) for the past five years:

<u>Graduate Students</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Number of Applications	4,463	3,684	3,867	4,678	5,544
Number of Acceptances	2,706	2,308	2,416	2,761	2,931
Number of Enrollments	1,753	1,513	1,583	1,692	1,745
Acceptance Rate	60.6%	62.6%	62.5%	59.0%	52.9%
Matriculation Rate	64.8%	65.6%	65.5%	61.3%	59.5%
GMAT Test Scores (1)	562	561	557	547	577
National Average Scores	529	529	529	527	530

(1) Graduate Management Admission Test (GMAT) (applicable only to students in the Graduate School of Business).

Enrollment Programs

The University has a nationally recognized Enrollment Management Division charged with balancing often-competing issues of access, affordability, quality, and enrollment growth. By aligning in one division key functions designed to affect simultaneously DePaul's reputation and public awareness with those focused on generating new student enrollment, the University has become the largest Catholic university in the United States, a distinction held for a decade. DePaul is also the ninth largest private, not-for-profit university in the nation and the largest in the Midwest. From 1987 to 2007, DePaul's total enrollment has grown by 71%.

DePaul's total enrollment of 23,401 in fall 2007 is on target in terms of strategic and budgetary goals. It includes a freshman class of 2,522; an 8% increase in new transfer students to 1,341; and a total undergraduate enrollment of 15,024, an all-time record and an increase for the 11th consecutive year.

With a 20% increase in freshman applications, enrollment for this fall's freshman class was much more selective, and the class has one of the best academic profiles in history. A record 30% are from out of state, affirming DePaul's higher visibility and growing national reputation. Our growth in transfer students is a result of improved outreach and student services, allowing us to increase transfers from our top community college feeders by an astounding 40% over last year.

The increase in demand for DePaul’s academic programs also is reflected at the graduate level, with an 18.5% increase in applications for master’s programs, driven in part by expanded marketing and recruitment support for DePaul’s colleges, including the new College of Communication. This resulted in a total graduate enrollment of 7,353 - an increase of 192 students over last year.

DePaul’s fall 2007 enrollment reflects significant successes in the first year of The VISION twenty12 strategic enrollment initiatives, and is an affirmation of the return on investment in our academic, marketing and enrollment strategies.

Some of the initiatives used to create and manage enrollment growth include:

- Extensive market research on student enrollment patterns and trends in DePaul’s primary and secondary markets to measure performance and to identify potential market opportunities;
- Annual analysis of student matriculation patterns in light of institutional financial aid awards, with a special effort on encouraging enrollment growth without equal growth in the University’s discount rate;
- A comprehensive brand management project to better articulate DePaul’s offerings with its key markets;
- An emphasis on new technologies, both as a focus of degree programs and as the infrastructure for delivery (online learning is now the third-largest “campus”). This includes greater use of the web for recruitment purposes, document imaging and paperless review for all application materials, and implementation of real-time degree progress reports and transfer credit evaluations for current and prospective students; and
- Regular evaluation of staffing structures and levels.

Comparative Tuition - Competitors

<u>School</u>	2007-2008 Undergraduate <u>Tuition and Fees</u>
University of Chicago	\$35,868
New York University	35,283
Northwestern University	35,064
University of Michigan*	31,993
Loyola University	27,966
Marquette University	26,678
DePaul University	24,218
Michigan State University*	23,550
Indiana University*	22,316
University of Wisconsin*	21,010
University of Illinois – Urbana	10,380
University of Illinois – Chicago	9,744
Illinois State University	9,020
Northern Illinois University	7,707

* Using out-of-state undergraduate tuition.

Source: DePaul University, OIPR Tuition Pricing Report.

Tuition

The University meets the cost of its educational programs primarily through tuition. The University sets tuition at levels that are designed to meet the cost of instruction while providing quality education at a price that is competitive to other institutions with which the University believes it competes for students. The following table lists the tuition charged full-time, degree-seeking students in the University's major programs for the academic years beginning in the Fall of 2003 through 2007:

	<u>Full-Time Tuition Charge</u>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Undergraduate					
Computer Science, Commerce, Liberal Arts & Sciences and Education (1)	\$18,810	\$19,760	\$20,960	\$22,440	\$23,895
Music (2)	22,210	23,310	24,460	25,720	27,105
Theatre School	22,420	23,560	24,760	26,035	27,335
College of Law (3)	26,290	27,600	28,700	30,570	33,035

- (1) 12-18 quarter-hours.
 (2) Four year package tuition per year.
 (3) Three year package tuition per year.

Note: All amounts include a registration fee: \$60 in 2003 through 2005; \$75 in 2006 and 2007. Because the College of Law is on a semester schedule, registration fees were \$40 in 2003 through 2005 and \$50 in 2006 and 2007.

Degree-seeking students attending on a part-time basis are charged for each credit hour in which they enroll. The following table reflects the charges to part-time students for the academic years beginning in the Fall of 2003 through 2007:

	<u>Part-Time Tuition Charges Per Credit Hour</u>				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Undergraduate					
Commerce, Liberal Arts & Sciences and Education	\$348	\$369	\$384	\$405	\$422
Music	426	448	470	495	527
Graduate					
Commerce	650	650	670	710	749
Liberal Arts & Sciences	395	407	427	455	478
College of Law (per semester hour)	860	900	936	1,000	1,080

The following table lists gross revenue (before any deduction of financial aid) derived from tuition and fees for the fiscal years ended June 30, 2003 through June 30, 2007:

<u>Year</u>	<u>Tuition and Fees</u>
2003	329,172,000
2004	351,335,000
2005	363,888,000
2006	377,131,000
2007	405,859,000

Financial Aid

In the 2007 financial aid year, approximately 74% of the University's students received some form of financial aid. Some of the federal and state financial aid programs apply to tuition and fees, whereas others provide aid for living expenses such as transportation, housing (on-campus or off-campus), and personal expenses. A substantial portion of the funds provided to students is derived from sources outside the University. All programs furnished by the federal and state governments are subject to appropriation and funding by the respective legislatures. There can be no assurance that federal and state financial aid to students will be available in the future at the same levels and under the same terms and conditions as presently apply. Any changes in the availability of federal or state financial aid may affect the University's enrollment, but the impact of any such changes cannot be assessed at this time. The following table sets forth student financial aid for the financial aid years 2003 through 2007.

	<u>Federal</u>	<u>State of Illinois</u>	<u>The University</u>	<u>Other</u>	<u>Total</u>
2003	141,043,000	18,889,000	60,943,000	17,984,000	238,859,000
2004	154,671,000	18,274,000	71,241,000	26,648,000	270,834,000
2005	157,878,000	17,755,000	77,472,000	31,434,000	284,539,000
2006	158,533,000	17,001,000	80,110,000	36,449,000	292,093,000
2007	172,124,000	19,377,000	85,011,000	31,969,000	308,481,000

Surplus Generation

The University strives to generate operating surpluses on an annual basis. The current strategic plan calls for increased levels of surplus generation in the fiscal years 2009/2010 through 2015/2016 to increase financial flexibility. Expenditures related to capital development and campus improvement will increase over the next three years, lowering net operating income even as revenues continue to rise. To provide funding for unforeseen opportunities, the University created an Institutional Reserve Fund in 2006 with \$72,009,000 from its short-term portfolio. The fund is a long-term diversified portfolio with a 50/50 stock and bond asset allocation. Since initial funding, \$14.5 million has been added to the Institutional Reserve Fund, and at June 30, 2007, the Fund had a market value of \$97,263,000. Also at June 30, 2007, DePaul had a balance of \$57,681,000 invested in its short-term cash portfolio.

The following table sets forth the University's unrestricted operating position:

Year Ended June 30	<u>Unrestricted</u>			
	Total Operating Revenues	Total Operating Expense	Non-Operating Revenue / (Expenses) Net	Increase / (Decrease) in Net Assets
2003	362,972,000	332,395,000	(15,427,000)	15,150,000
2004	369,795,000	354,129,000	25,367,000	26,418,000
2005	380,254,000	343,253,000	13,944,000	50,945,000
2006	393,015,000	352,610,000	41,461,000	78,192,000
2007	419,681,000	367,955,000	68,398,000	107,321,000

Long-Range Planning

Strategic planning is not just an academic exercise at DePaul. The University has established a rigorous and continuous long-range planning process. In March 2006, DePaul's Board of Trustees approved unanimously the new strategic plan for the University called VISION Twenty12. While different in scope from its predecessor Vision 2006, which laid the groundwork for aggressive enrollment growth and investment in faculty recruitment, expanded academic programs and more than \$300,000,000 in new and upgraded facilities, VISION Twenty12 is just as ambitious. VISION Twenty12 is a comprehensive strategic plan that will guide both the academic and financial trajectory of the University for the next five years. DePaul intends to become one of the finest urban, Catholic universities in the United States. Resolute in its Vincentian mission to make an extraordinary education accessible, DePaul will focus its energies on creating nationally recognized, rigorous programs of study; preparing women and men to be at the forefront of their chosen fields as ethical and socially engaged leaders; and building the financial and operational foundations to make our cherished mission permanent and truly effective.

In addition to enriching academic quality, the plan's core goals include preparing students to be socially responsible leaders and engaged alumni, becoming a model of diversity, selectively increasing enrollment, further institutionalizing DePaul's Vincentian and Catholic identity and building a financially sound university that will serve generations to come.

The plan for academic enrichment has the following objectives: strategically enhance curricula, raise the academic rigor and expectations for student learning, educate all students for an increasingly globalized world, be a model provider for quality distance learning, provide opportunities for all students to learn ethical systems and demonstrate ethical practice, increase opportunities for the study and exploration of Catholic intellectual and theological tradition and praxis through curricular and co-curricular initiatives, engage the City of Chicago to extend classroom learning, foster an academic advising environment that supports student learning success, support faculty work, become the dominant provider within certain markets, raise DePaul's academic reputation, build new facilities for theatre, music and science, expand and enhance facilities for the College of Law, and increase classroom capacity at Lincoln Park and the Loop.

To prepare students to be socially responsible leaders and to engage alumni, the University's objectives are to: expand and develop purposeful co-curricular activities to promote leadership, civic engagement, cultural awareness and personal and spiritual development, become a university known for its students' lifelong commitment to social justice and civic engagement, become a premier institution known for its student success programs, become a leader in providing efficient, user-friendly and integrated student services for all students, and build strong alumni institutional affinity, pride and lifelong connections.

The University's goal is to be a model of diversity by attaining leadership in recruitment and support of diverse faculty, staff, and senior administrators, exceeding the national norms in recruiting, retaining and graduating a diverse student body, with an emphasis on first generation, economically disadvantaged urban students, expanding opportunities for the DePaul community to study and practice religious faiths in a pluralistic environment, and creating programming for all constituents of the DePaul community that affirms the central place of diversity in the University's mission and institutional culture.

Another goal of the Vision Twenty12 strategic plan is to selectively increase enrollment through a balanced strategy of increasing new freshman and new transfers, increase graduate and adult enrollment to capacity, especially in high net revenue programs, raise the perception of quality attached to the University's brand, increase demand for DePaul's academic programs to ensure DePaul's ability to select its desired enrollment mix, exceed national norms in enrolling, retaining and graduating economically disadvantaged students, first generation students and students of color, become a nationally recognized leader in the graduation of students of DePaul's profile, and develop online learning as a high priority strategy for enrollment growth, market expansion and student academic progress.

To achieve these goals DePaul must strengthen its financial position. DePaul intends to invest in market-responsive academic program development to satisfy the demand of prospective students and thereby fuel strategic growth, manage University financial resources consistent with a disciplined financial plan to ensure the University's long-term financial viability and vitality, increase gift income to support student financial aid, academic programs and facilities construction, restructure the University's resource allocation system to fund strategic enrollment growth and reward financial performance.

Current Business Issues

On October 26, 2006, the Board approved the construction of a Science II building that is expected to be completed by November 2008. The expected funding for the \$40,000,000 project is to come in part from \$17,000,000 in gifts and grants. The balance of the cost of the project is expected to be funded from available University funds and possibly the proceeds of debt.

On July 18, 2007, DePaul University converted \$35,650,000 of its Series 2005C taxable SAVR Bonds to tax-exempt SAVR bonds. The Debt Service Chart set forth on page A-20 reflects this change.

Scott Scarborough, Executive Vice President, resigned September 7, 2007. Robert Kozoman, Vice President for Finance, was appointed Interim Executive Vice President; and Bonnie Hirsch, Controller, was named Acting Vice President for Finance. The University undertook a national search for the Executive Vice President position. On May 15, 2008, the Board of Trustees selected Robert Kozoman as the University's Executive Vice President.

In January 2008, DePaul University issued a \$75 million Commercial Paper facility through the Illinois Finance Authority. The facility, backed by a letter of credit, allows the University to finance capital projects using short-term tax-exempt variable rate debt. As of April 30, 2008, DePaul had \$20 million outstanding on the commercial paper line.

The University, in response to the credit crunch, changed the mode on its 2005 B and 2005 C SAVR bonds, \$57.2 million outstanding, to an adjustable rate mode, fixing the rate on the bonds for a period of three years. The conversion occurred on February 28, 2008. At the conclusion of the adjustable rate period, DePaul will re-evaluate the best mode options under the indenture and make appropriate changes.

David Dabney, Treasurer, resigned March 14, 2008. Jeffrey Bethke, Associate Treasurer, was named Interim Treasurer. The University will undertake a search for the position after the post of Vice President for Finance is filled.

DePaul University plans to convert \$50 million in MJH sale-leaseback transactions to direct debt in the June to August 2008 timeframe.

The following information related to the Fullerton Village Project was released on October 3, 2007:

“DePaul University (‘DePaul’) is aware of the downgrade of the MJH Education Assistance Illinois IV LLC (Fullerton Village Project) Senior Series A Bonds and Subordinated Series 2004B Bonds, which was publicly announced by Moody’s Investor Service on Tuesday, September 25, 2007.

“DePaul has no responsibility for repayment of the 2004 Bonds which financed the acquisition and construction of the Fullerton Residential Village (now known as ‘Loft-Right’), near DePaul’s Lincoln Park campus.

“By virtue of the Student Housing Facilities Inducement Agreement (the ‘Agreement’) entered into with MJH Educational Assistance Illinois IV LLC (‘MJH’) by DePaul on December 1, 2004, DePaul refers students seeking housing to the Manager and assists with marketing to students. DePaul became aware of occupancy issues at Loft-Right. This led the Board of Trustees of DePaul to confirm DePaul is committed to fulfilling its agreed-to responsibilities under the Agreement, but will not provide monetary assistance to cover operating shortfalls by the project.

“DePaul will continue to support the facility as set forth within the Agreement. This assistance includes, among other things, continuing to refer students to Loft-Right, identifying Loft-Right as a residential facility within the university’s housing literature, permitting MJH to advertise Loft-Right on DePaul property subject to prior review, assisting facility management with residence life issues, and providing facility management with marketing advice and other guidance regarding effective ways to communicate with the DePaul student community. DePaul remains active with the project within the boundaries of the Agreement and continues this relationship with MJH.”

Capital Plans

The University is in the process of completing draft campus master plans for both the Lincoln Park and Loop campuses and continues to monitor and update these plans as necessary. The funding and timing of the projects outlined in the campus master plans is dependant upon a combination of operating fund contributions, targeted fundraising successes, and the availability of debt financing. The recently approved VISION Twenty12 strategic plan will help form priorities for the master plans.

The University recently completed the renovation of a multi-use facility located on the Lincoln Park campus. University funds were used to finance this project (approximately \$1,650,000). At the Loop campus, there are renovations currently taking place in various administrative offices (approximately \$3,000,000). Additional renovations will begin at an academic and administrative building on the Lincoln Park campus (approximately \$7,000,000). In July 2009, the University will begin Phase II renovations on the athletic field located on the Lincoln Park Campus. This project will be funded in part by a fundraising campaign.

The Vision Twenty12 plan outlines DePaul’s objective to build new facilities for theatre, music, and science, to expand and enhance facilities for the College of Law, and to increase classroom capacity at the Lincoln Park and Loop Campuses to enrich academic quality.

DePaul University is updating its sprinkler systems in certain facilities. This project is expected to cost \$22.7 million and be completed in June of 2011.

DePaul University has begun construction of a science building. This project has been referenced in the above “Current Business Issues” section.

In January 2008, the University executed a contract to purchase a building in the Chicago loop area for a moderate eight figure amount for administrative and classroom space. Closing occurred on June 5, 2008.

The University may finance a portion of the above capital projects.

Private Gifts, Grants, and Bequests

The tables below list those funds received by the University as gifts, grants, and bequests over the last five fiscal years:

<u>Year</u>	<u>Total Support</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
2003	10,482,000	7,983,000	1,692,000	807,000
2004	9,162,000	5,862,000	3,051,000	249,000
2005	11,295,000	6,851,000	2,264,000	2,180,000
2006	16,270,000	10,447,000	5,484,000	339,000
2007	28,066,000	12,983,000	14,321,000	762,000

Investments

The table below lists the balances for Cost and Market Value of Investments at June 30, 2003 through June 30, 2007:

	<u>Total Investments*</u> (000's Omitted)	
<u>Year</u>	<u>Cost</u>	<u>Market</u>
2003	268,967	248,397
2004	260,955	267,400
2005	278,586	298,741
2006	362,506	386,398
2007	433,473	497,013

* Total Investments is comprised of short-term investments, institutional reserves, and the long-term investment pool.

The majority of the University's investments are held in the merged University long-term investment pool, which is under the supervision of the University's Board of Trustees Investment Subcommittee and invested pursuant to the University's Investment Policy. The University's endowment funds and other reserve funds make up this pool. The pool's assets are managed by outside investment managers in a combination of separately managed accounts and institutional mutual funds, with approximately 80% of the assets in equities and 20% in fixed income investments, as of June 30, 2007. The pool is administered as if it were a mutual fund for endowments and other investing needs with a long-term time horizon. Endowments are assigned shares in the fund at inception and at the time of any future additions.

Although the investments are pooled, each endowment retains its unique identity. The University annually distributes income for scholarship spending, operating budget support and other purposes. The distribution is currently set at an amount in the range from 4% to 5% of the average market value of the fund (3-year running average), which is subject to annual review. Any earnings in excess of the distribution increase the overall market value of the investment pool, and thus the market value of the individual endowments. This process, over the years, has provided growth in the endowments, which has been sufficient to offset the effects of inflation. This growth of the funds has tended to increase the annual distribution of each endowment. At June 30, 2007, the University long-term investment pool's approximate market value was \$344,741,000.

To provide funding for unforeseen opportunities, the University created an Institutional Reserve Fund in 2006 with \$72,009,000 from its short-term portfolio. The fund is a long-term diversified portfolio with a 50% stock and a 50% bond asset allocation managed by the same outside investment managers as the University's endowment funds. Since

initial funding, \$14.5 million has been added to the Institutional Reserve Fund, and at June 30, 2007, the Fund had a market value of \$97,263,000.

Also at June 30, 2007, DePaul had a balance of \$57,681,000 invested in its short-term cash portfolio.

Debt Service Requirements

The following table summarizes the Long-Term Debt Service Requirements of the University. This summary should be read in conjunction with the University's audited financial statements and notes.

DePaul University Annual Debt Service Payments Cash Basis

Fiscal Year Ending 30-Jun	Bond Issues					Commercial Paper [^]	Mortgages		Capital Leases	Total
	2004AB	2004CD	2005A	2005B*	2005C*		1150 Fullerton	959 Fullerton		
6/30/2008	5,465,005	4,207,227	4,115,200	1,524,873	2,346,581	300,000	742,527	1,302,502	1,090,458	21,094,372
6/30/2009	5,456,369	4,208,600	4,116,075	1,557,594	2,562,313	2,250,000	742,527	1,302,502	747,234	22,943,213
6/30/2010	5,460,653	4,206,463	4,111,200	1,480,031	2,466,375	2,250,000	742,527	1,302,502	142,461	22,162,212
6/30/2011	5,444,469	4,206,963	4,115,200	1,563,157	2,612,561	2,250,000	742,527	1,302,502		22,237,379
6/30/2012	5,442,281	4,209,438	4,112,700	1,545,094	2,670,373	2,250,000	742,527	1,302,502		22,274,915
6/30/2013	4,313,569	4,205,863	4,113,450	1,610,221	2,564,294	2,250,000	742,527	1,302,502		21,102,426
6/30/2014	4,308,813	4,205,963	4,112,075	1,598,699	2,654,446	2,250,000	742,527	1,302,502		21,175,025
6/30/2015	4,308,431	4,209,188	4,113,200	1,537,649	2,568,890	2,250,000	742,527	1,302,502		21,032,387
6/30/2016	4,300,734	4,208,559	4,111,450	1,599,006	2,654,329	2,250,000	742,527	1,302,502		21,169,108
6/30/2017	4,298,125	4,208,575	4,111,450	1,559,421	2,564,061	2,250,000	742,527	1,302,502		21,036,661
6/30/2018	4,291,550	4,205,294	4,115,413	1,592,716	2,644,787	2,250,000	742,527	1,302,502		21,144,788
6/30/2019	4,285,606	4,208,153	4,111,125	1,550,303	2,622,686	2,250,000	742,527	759,793		20,530,193
6/30/2020	4,279,778	4,206,591	4,115,375	1,605,063	2,574,406	2,250,000	742,527			19,773,740
6/30/2021	4,278,416	4,205,184		1,558,881	2,622,357	2,250,000	742,527			15,657,365
6/30/2022		4,205,075		1,585,578	2,568,423	2,250,000	742,527			11,351,602
6/30/2023		4,206,338		1,585,154	2,610,718	2,250,000	742,527			11,394,737
6/30/2024		4,207,363		1,558,552	2,575,422	2,250,000	742,527			11,333,864
6/30/2025		4,207,625		1,579,594	2,586,827	2,250,000	495,018			11,119,064
6/30/2026				1,573,515	2,594,462	2,250,000				6,417,977
6/30/2027				1,589,844	1,335,084	2,250,000				5,174,929
6/30/2028					1,323,068	2,250,000				3,573,068
6/30/2029						2,250,000				2,250,000
6/30/2030						2,250,000				2,250,000
Totals	\$ 65,933,798	\$ 75,728,458	\$ 53,473,913	\$ 31,354,944	\$ 51,722,460	\$ 49,800,000	\$ 13,117,983	\$ 15,087,317	\$ 1,980,153	\$ 358,199,026

* Assumes a 3.5% per annum interest rate from March 2008 - March 2011 and a 3.77% per annum interest rate thereafter on variable rate debt.

[^] Assumes \$20MM outstanding in FY 2008 for the second half of the year only and \$75MM outstanding thereafter at a rate of 3.00%.

Summary Financial Information

The table below provides certain summary financial information for the University, including a Statement of Activities for the fiscal years ended June 30, 2005 through June 30, 2007. This summary should be read in conjunction with the University's audited financial statements and notes.

DePaul University
Statement of Unrestricted Activities
Years Ended June 30, 2005 through and including June 30, 2007
(000's omitted)

	<u>2005</u>	<u>2006</u>	<u>2007</u>
Operating revenue and other additions:			
Tuition and fees - net of scholarships	\$301,187	\$310,004	\$333,092
Government grants	16,271	16,079	11,850
Private gifts and grants	6,365	9,969	12,589
Investment income	1,412	2,070	1,814
Endowment investment return used in operations	4,048	4,590	4,942
Auxiliary income	39,087	40,640	39,263
Other	7,851	6,578	7,040
Net assets released from restrictions and interfund reclassifications	<u>4,033</u>	<u>3,085</u>	<u>9,091</u>
Total operating revenue and other additions	<u>380,254</u>	<u>393,015</u>	<u>419,681</u>
Operating expenses and other deductions:			
Salaries and benefits	212,191	221,488	231,829
General expenses	52,353	52,265	57,231
Occupancy	33,813	32,433	31,061
Depreciation	20,431	20,774	22,070
Printing, postage and supplies	11,529	12,278	12,586
Interest	9,805	10,541	10,469
Library materials	<u>3,131</u>	<u>2,831</u>	<u>2,709</u>
Total operating expenses and other deductions	<u>343,253</u>	<u>352,610</u>	<u>367,955</u>
Excess (deficiency) of operating revenue over expenses	<u>37,001</u>	<u>40,405</u>	<u>51,726</u>
Non-operating revenue (expenses):			
Net realized gain/investment income received	4,055	23,971	23,614
Change in accumulated unrealized gain on investment	13,608	3,725	39,510
Gain/(loss) on sale/disposal of fixed assets	-385	13,287	633
Government capital grants	0	0	4,247
Capital gifts	467	478	394
Capital gifts released from restrictions	19	0	0
Loss on bond defeasance	<u>-3,820</u>	<u>0</u>	<u>0</u>
Net non-operating revenue (expenses)	<u>13,944</u>	<u>41,461</u>	<u>68,398</u>
Increase (decrease) in net assets before cumulative change in accounting principle	<u>50,945</u>	<u>81,866</u>	<u>120,124</u>
Change in accounting principle:			
Asset retirement obligation	0	-3,674	0
Accrued postretirement benefits	<u>0</u>	<u>0</u>	<u>-12,803</u>
	<u>0</u>	<u>-3,674</u>	<u>-12,803</u>
Increase/(Decrease) in net assets	50,945	78,192	107,321
Net assets at beginning of year	<u>279,070</u>	<u>330,015</u>	<u>408,207</u>
Net assets at end of year	<u>\$330,015</u>	<u>\$408,207</u>	<u>\$515,528</u>