



**Table 1: Change in Fund Balance 1990-1994**

	Audited <u>Balance</u>	<u>Annual Inc./</u> (Dec.)	<u>Per White Paper</u>
Fiscal 1990	\$57,187 *		
Fiscal 1991	59,519	2,332	
Fiscal 1992	60,157	638	
Fiscal 1993	56,116	(4,041)	
Subtotal '90-'93		(1,071)	4 million increase
Fiscal 1994	52,880	(3,236)	
Change, 1990 to 1994		<u>(4,307)</u>	

\* Combined values from Westminster and Rider audit reports

**Quasi-endowment**

The quasi-endowment is in effect our "rainy day" fund. The AAUP is correct in stating that the quasi-endowment grew to \$30.5 million in 1993 from \$28 million in 1992. During 1994, however, that balance declined by \$4.4 million to \$26 million. \$26 million is the total balance; the *discretionary* balance available to offset future deficits or to fund needed improvements is only \$9.1 million (see Table 2). If the 1994 rate of decline continued, the \$9.1 million would be spent in just over two years.

If no action were taken to reduce the expected current year deficit, the balance would decline this year by \$3.5 million. (\$1.6 million deficit, \$1.2 million in funding for the Hill residence hall and \$700,000 in partial payment on our bond/mortgage debt of \$41.7 million.) At that rate of decline, the \$9.1 million would last less than three years. Thus the urgency in bringing revenues and expenditures in line.

**Table 2: Quasi-endowment Components  
(in millions)**

Fiscal 1994 Audited Balance	\$26.0	
less: Land	(8.7)	Note 1
Reserve for debt service	(6.5)	Note 2
Reserve for self insurance	(1.7)	Note 3
Discretionary balance	<u>\$9.1</u>	

Note 1: This land adjacent to campus is held for possible future development.

Note 2: These investments are set aside with the provision that their income will help fund university debt, and reduce the pressure to raise tuition. Any sale of these investments reduces the related income and debt service support.

Note 3: Rider is self insured for medical benefits, at an annual cost of over \$1.0 million. This reserve is in place to cover catastrophic claims experience, a possibility since under our coverage there are no lifetime caps on claims.