Annual Comprehensive Financial Report

FOR THE YEAR ENDED JUNE 30, 2023

Included as an Enterprise Fund of the State of Connecticut

UCONN | UNIVERSITY OF CONNECTICUT

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Prepared by the Office of the Associate Vice President of Financial Operations and Controller

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INTRODUCTORY SECTION

UCONN
UNIVERSITY OF CONNECTICUT

LETTER OF TRANSMITTAL

December 8, 2023

To President Maric,
Members of the Board of Trustees, and
University of Connecticut Community:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of the University of Connecticut for the fiscal year ended June 30, 2023. For purposes of this report, the University of Connecticut (University) is herein defined as all financial activity from Storrs-based undergraduate and graduate programs, the regional campuses, the School of Law, and the School of Social Work. The University of Connecticut Health Center (UConn Health), which maintains a separate budget and issues its own audited financial statements, is excluded from this report.

This ACFR includes the Management's Discussion and Analysis (MD&A), the basic financial statements, notes, and other supplementary and statistical information. It provides financial information about the University's results of activities during the year and describes its financial position at the end of the year based on currently known facts, decisions, and conditions.

Management assumes full responsibility for the contents of this report including the accuracy, completeness, and fairness of the data presented. We believe the University's system of internal controls is sufficient to identify material misstatements. Although we have strong internal controls, the cost of internal controls should not exceed the benefits. Therefore, the objective of the University's internal control system is to provide reasonable—rather than absolute—assurance that the financial statements are free of material misstatements, and that assets are safeguarded against loss from unauthorized use or disposition.

The University's Joint Audit and Compliance Committee (JACC) of the Board of Trustees exercises oversight over the integrity of the financial statements and internal control systems, as well as direct engagement in the approval of independent auditing services. Certain bond covenants require that the University's accounting and financial records be subject to an annual independent audit. The University's annual audit for the fiscal year ended June 30, 2023, was performed by the State of Connecticut Auditors of Public Accounts. They have issued an unmodified opinion on the fair presentation of the financial statements. The independent auditors' opinion can be found in the front of the financial section.

The ACFR is prepared in accordance with generally accepted accounting principles (GAAP) and in conformity with standards established by the Governmental Accounting Standards Board (GASB), as well as using guidelines of the Government Finance Officers Association (GFOA) of the United States and Canada. The MD&A is presented to supplement the financial statements and should be read in conjunction with this letter of transmittal. The MD&A may be found immediately following the auditors' report.

University Profile

Background
The University was founded in 1881 when Charles and Augustus Storrs donated land and money to the State of Connecticut (State), establishing the Storrs Agricultural School, which later became Connecticut's land-grant college. Today, the University serves as the State's flagship institution for higher education, meeting the educational needs of undergraduate, graduate, professional, and continuing education students through the integration of teaching, research, service, and outreach.

The University is governed by the Board of Trustees, which is composed of 21 members, including the Governor, the UConn Health Board of Directors Chair, and the Commissioners of Agriculture, Economic and Community Development, and Education. The University is reported as an enterprise fund in the State's annual financial report and operates as a state-assisted institution of higher education.

The University supports a robust research program, with a "Research 1" classification that places it among those universities with the highest level of research activity. A number of university programs rank among the top research programs in their respective disciplines.

In addition to academics, the University also participates in Division I athletics. UConn has won 24 National Championships in four different sports, with 11 coming from the dominant women's basketball team and the most recent one coming in April 2023 from our men's basketball team. The University recently rejoined the Big East Conference for the 2020-2021 season for most sports.

Student and Faculty Data
For the 2022-2023 academic year, the number of applications for undergraduate first-year admissions was over 43,000 for just over 5,700 seats. Total enrollment in

the fall of 2022 was 31,441 students, including nearly 7,400 graduate students. The University's diverse student population hails from 49 states and 114 countries. Of the 24,076 undergraduates, 52 percent were female, and 43 percent of undergraduates identify as minorities. The University employs 1,584 full-time faculty members and an additional 827 part-time faculty and adjuncts. In 2022-2023, the University awarded 8,611 degrees. Approximately 69 percent of graduates who attended high school in Connecticut and who are employed continue to work in the State of Connecticut.

Related Organization
The University of Connecticut Foundation, Inc. (Foundation), a related organization, operates exclusively to promote the educational, scientific, cultural, research, and recreational objectives for both the University and UConn Health and therefore is not included as a component unit in the accompanying financial statements. See Notes 1 and 14 for additional information.

Economic Condition

The State ended fiscal year 2023 with a general fund surplus of $551 million. Additionally, the State transferred $1.3 billion into the State Employees and Teacher's Retirement Systems. As inflation has cooled throughout fiscal year 2023 the State economic outlook heading into fiscal year 2024 is optimistic. As of early September 2023, Connecticut had gained 19,200 jobs, after gaining 26,800 in all of 2022. The State's unemployment rate fell to 3.7 percent at the end of the fiscal year, down 0.3 percent from the previous June.

In June 2022, the University presented a balanced fiscal year 2023 budget to the Board of Trustees. This was in large part due to the significant funding from the State. The University received its annual block grant plus $62.9 million in one-time funds to cover a portion of legacy fringe costs, the 27th payroll, individual programs, general operating support, and collective bargaining increases (stipulated in the State's multiyear agreement with SEBAC, the State Employees' Bargaining Agent Coalition).

Long-Term Financial Planning

The University is very grateful that the State has continued the significant one-time funding in fiscal year 2024 allowing the University to end the year in balance; however, it is important to note that those one-time funds are scheduled to be reduced over the following two years, creating significant deficits in our operating budget. Beginning in fiscal year 2024 and beyond, the University will continue to request operating funds from the State while simultaneously working to eliminate the existing structural deficit, driven by expenses increasing at a much greater rate than revenues. The University's long-term plan includes becoming more self-reliant in generating diverse operating revenues and reducing costs amid the potential for decreases in State support. The University will look to maintain a balanced budget for its operations through potential increases in student tuition and fees, increases in entrepreneurial programs and other revenues, and reductions in non-core spending.

Student Tuition
Starting in fiscal year 2017, and growing since that time, gross tuition revenue has become the largest source of revenue for the University. In December 2019, the Board approved a five-year tuition plan, covering fiscal years 2021-2025. The multi-year plan provides more certainty for students as they plan with their families for their college careers. Although tuition will increase, more financial aid will also be available to help address issues of affordability and accessibility for the University's students.

Increases in Entrepreneurial Programs
The University's entrepreneurial programs provide educational opportunities in new emerging fields and contribute to the University's teaching, research, service, and outreach mission. These programs are mostly fee-based, delivered in-person or online, and use strategic marketing to recruit students not otherwise served by existing programs. The University provides incentives to units and will be actively working to develop new programs that can both meet the needs of identifiable, targeted new audiences and generate new sources of revenue.

Reductions in Spending
Over the last several years, the University has been and will continue to implement spending cuts across departments. Units are regularly asked to identify the required attrition, vacancy, and other savings necessary to achieve targeted cost savings. The University will continue to create fiscal flexibility and reinvestment for departments to focus on maintaining academic excellence and a high standard of service to our students.

Major Initiatives

Next Generation Connecticut (NextGenCT) represents one of the most ambitious State investments in economic development, higher education, and research in the nation, with a particular focus on capital investment. The NextGenCT initiative added $2.0 billion in bond funds for new and renovated facilities, extending the UConn Infrastructure Improvement Program (UCONN 2000) that began in 1995 to 2027. An operating component was also included but has been limited due to the State's financial constraints. The general obligation bonds issued through UCONN 2000 for NextGenCT are secured by the State's debt service commitment; therefore, there are no University revenues budgeted for the repayment of these bonds. Through fiscal year 2023, the University has been authorized $1.8 billion in funding for this initiative, with an additional $84.7 million and $44.0 million coming in fiscal years 2024 and 2025, respectively. These funds have allowed the University to open a new residential hall, renovate the associated dining hall, build a new downtown Hartford campus, complete the Engineering and Science Building, build a new Fine Arts production facility, complete phases 1 and 2 of the Gant Building renovations, construction of the Northwest Science Quad complex, anchored by the Science One research building, update and renovate various other buildings, and address needed infrastructure and deferred maintenance improvements.

The NextGenCT initiative has provided a strong framework for the University and has aided the State's economy. Since the beginning of the initiative, many new faculty have been hired, particularly in the fields of science, technology, engineering, and math (STEM). Additionally, funds have been provided for STEM scholarships and STEM fellowships, as well as for staff positions. Since fiscal year 2013, total undergraduate enrollment has grown by 1,775 at all campuses with a 40 percent increase in STEM undergraduate enrollment. This ongoing success has attracted higher quality students, and the University maintains solid rankings in virtually all relevant areas.

Academic and Financial Highlights

Highlights from the 2022-2023 academic year include the following:

- For fall 2022, the University ranks 18th among the national public research universities for first-year retention and has a 91 percent retention rate into sophomore year.

- Among the graduates from the 2021-2022 academic year, 90 percent are employed, continuing their education, serving in the U.S. Armed Forces, or volunteering as of six months post-graduation.

- The University maintained the average time it takes to graduate at 4.1 years, which ranks 1st among public research university peers. This was accomplished by increasing the number of class offerings and reducing the student-to-faculty ratio. The reduced amount of time it takes to graduate helps students pay less in tuition and join the workforce more quickly.

- In fiscal year 2023, the University provided $163.5 million in tuition funded financial aid, which represents a 6.2 percent increase over the last fiscal year.

- From fiscal year 1996 to fiscal year 2023, the University has expended $3.8 billion out of the $4.1 billion of bonds authorized to date under the UCONN 2000 program, which includes funding allocated for UConn Health projects.

Looking ahead, the University will continue to build on these accomplishments and further strengthen its programs and services for faculty, staff, students, and the University community.

Awards and Acknowledgements

The University marked its 21st consecutive year among the nation's top 30 public universities, according to the 2024 U.S. News & World Report rankings. The No. 26 ranking reflects the University's strong graduation and retention rates, academic excellence, faculty resources, and other factors that are weighed into the annual evaluations.

Additionally, the University ranked among 50 of the best universities in the nation, public or private, according to the 2024 Wall Street Journal National College Ranking. Ranking highly in affordability, the average time it takes students to earn degrees, and the value a degree adds to a graduate's salary, the University was ranked 46th overall by the Wall Street Journal (WSJ), the second highest ranking of any Connecticut school and higher than many peer institutions across the U.S. That ranking puts the University at No. 9 overall among all public universities in the country.

The WSJ / College Pulse Ranking assessment includes certain factors such as salary impact, which measures the extent to which a college boosts a graduate's salary beyond what they would be expected to earn regardless of which college they attended. For the 2024 ranking, the University received a score of 82 out of 100, and the value added to a graduate's salary from having a University of Connecticut degree was calculated on average to be more than $47,000.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the University for its ACFR for the fiscal year ended June 30, 2022. This was the 7th consecutive year that the University has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a report issuer must publish an easily readable and efficiently organized ACFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The University believes that the current ACFR continues to meet the Certificate of Achievement Program's requirements and will submit its ACFR for the fiscal year ended June 30, 2023, to the GFOA to determine its eligibility for another certificate.

Preparation of this ACFR in a timely manner would not have been possible without the coordinated efforts from staff within the Office of the Associate Vice President of Financial Operations and Controller and other University financial staff. Each member has my sincere appreciation for their contribution in the preparation of the report.

Respectfully submitted,

Jeffrey P. Geoghegan, CPA
Executive Vice President for Finance and Chief Financial Officer
UConn & UConn Health

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

University of Connecticut

For its Annual Comprehensive Financial Report For the Fiscal Year Ended

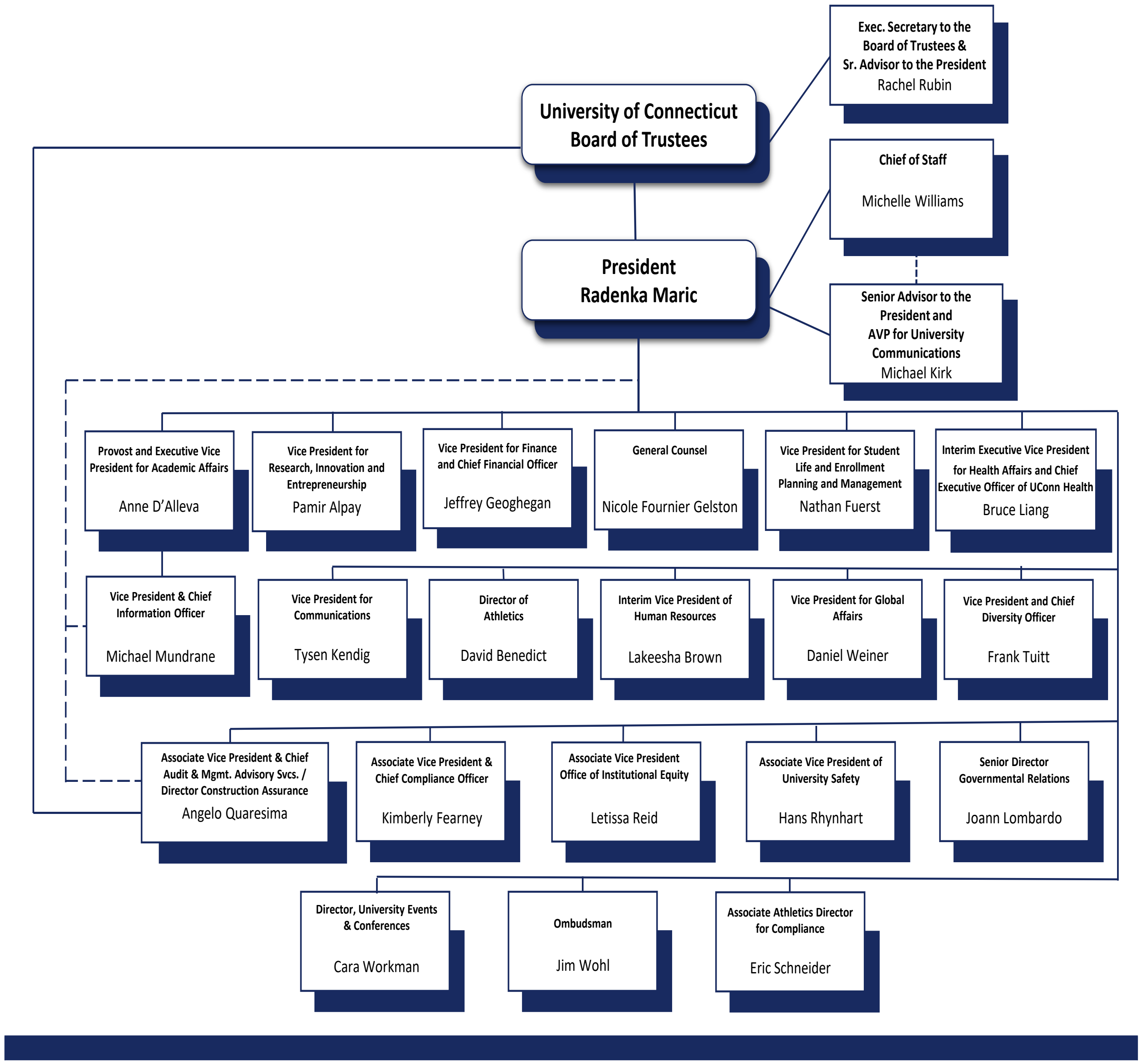
June 30, 2022

Christopher P. Morrill

Executive Director/CEO

UNIVERSITY OF CONNECTICUT
BOARD OF TRUSTEES
As of June 30, 2023

UNIVERSITY OF CONNECTICUT
Organization Chart



FINANCIAL SECTION

STATE OF CONNECTICUT

AUDITORS OF PUBLIC ACCOUNTS

JOHN C. GERAGOSIAN

STATE CAPITOL
210 CAPITOL AVENUE
HARTFORD, CONNECTICUT 06106-1559

CLARK J. CHAPIN

INDEPENDENT AUDITORS' REPORT

Board of Trustees of the
University of Connecticut

Opinions

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of the University of Connecticut (UConn), a component unit of the University of Connecticut system, which includes UConn, the University of Connecticut Health Center, and the University of Connecticut Foundation, Inc. The accompanying financial statements, which consist of the statements of net position and fiduciary net position as of June 30, 2023, and the related statements of revenues, expenses, and changes in net position, cash flows, and changes in fiduciary net position for the year then ended, and the related notes to the financial statements, collectively comprise UConn's basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and fiduciary activities of the University of Connecticut as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of UConn, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about UConn's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of UConn's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about UConn's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the accompanying management's discussion and analysis and pension plan and postemployment benefits schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Clark J Chapin

John C. Geragosian
State Auditor

Clark J. Chapin
State Auditor

December 8, 2023
State Capitol
Hartford, Connecticut

Management's Discussion and Analysis

INTRODUCTION

The following Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial position and results of activities for the fiscal year ended June 30, 2023, with selected comparative information from fiscal year 2022. It includes highly summarized information and should be read in conjunction with the accompanying financial statements and notes.

Reporting Entity

The University of Connecticut (University) is herein defined as all programs except for the University of Connecticut Health Center (UConn Health, see Note 1). This includes programs offered at the Storrs main campus, regional campuses, the School of Law, and the School of Social Work.

The University is also the fiduciary of the University of Connecticut Department of Dining Services Money Purchase Pension Plan. The activity of this plan is reported within a fiduciary fund and is presented separately from the University's operations because its resources cannot be used to finance the University's own programs.

Financial Statements

The University's financial report includes five financial statements and related notes:

1. Statement of Net Position
2. Statement of Revenues, Expenses, and Changes in Net Position
3. Statement of Cash Flows
4. Statement of Fiduciary Net Position
5. Statement of Changes in Fiduciary Net Position

These statements are prepared in accordance with standards issued by the Governmental Accounting Standards Board (GASB). The MD&A, financial statements, notes, required supplementary information, and other supplementary information are the responsibility of management.

Key Reporting Changes

For the fiscal year ended June 30, 2023, the University adopted GASB Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements.* The adoption of GASB 94 and GASB 96 resulted in adjustments to beginning balances as of July 1, 2022, and the cumulative effect of applying these standards resulted in a $3.0 million increase to beginning net position (see Note 17). See also Note 1 for all new accounting pronouncements adopted in fiscal year 2023.

Financial Summary

In fiscal year 2023, the total combined assets and deferred outflows of resources decreased by $429.5 million, and total combined liabilities and deferred inflows of resources decreased by $507.9 million, resulting in an overall increase in net position of $78.4 million.

The increase in total net position in fiscal year 2023 was attributed to a significant decrease in pension and other post-employment benefit (OPEB) adjustments required under GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, along with favorable operating revenues, gifts, and investment income. The University also received federal funds through the State's American Rescue Plan Act (ARPA) allocation to mitigate against rising operating costs.

The impact of these increases was offset in part by mandatory salary and wage increases required under collective bargaining agreements, lower State appropriation due to legislative changes passed in fiscal year 2023 (see Note 14), and additional spending in other operating expenses. Lastly, general obligation bonds were issued in April 2022 under the UConn 2000 Infrastructure Improvement Program (UCONN 2000), in which debt service was secured under the State debt service commitment and the principal portion was recognized as a capital appropriation in fiscal year 2022. No new UCONN 2000 General Obligation Bonds were issued in fiscal year 2023, which resulted in a substantial decrease in other changes in net position.

These factors and other changes are further detailed in the following sections of the MD&A.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The Statement of Revenues, Expenses, and Changes in Net Position presents either an increase or decrease in net position based on the revenues earned, the expenses incurred, and any other gains and losses recognized by the University. Revenues and expenses are classified as operating, nonoperating, or other changes in net position according to definitions prescribed by GASB.

Generally, operating revenues are earned when providing goods and services to the various customers of the University. Operating expenses are incurred in the normal operations of the University and represent those expenses paid to acquire or produce the goods and services provided in return for operating revenues. Operating expenses also include a provision for estimated depreciation and amortization of capital assets. The difference between operating revenues and operating expenses is the operating income or loss.

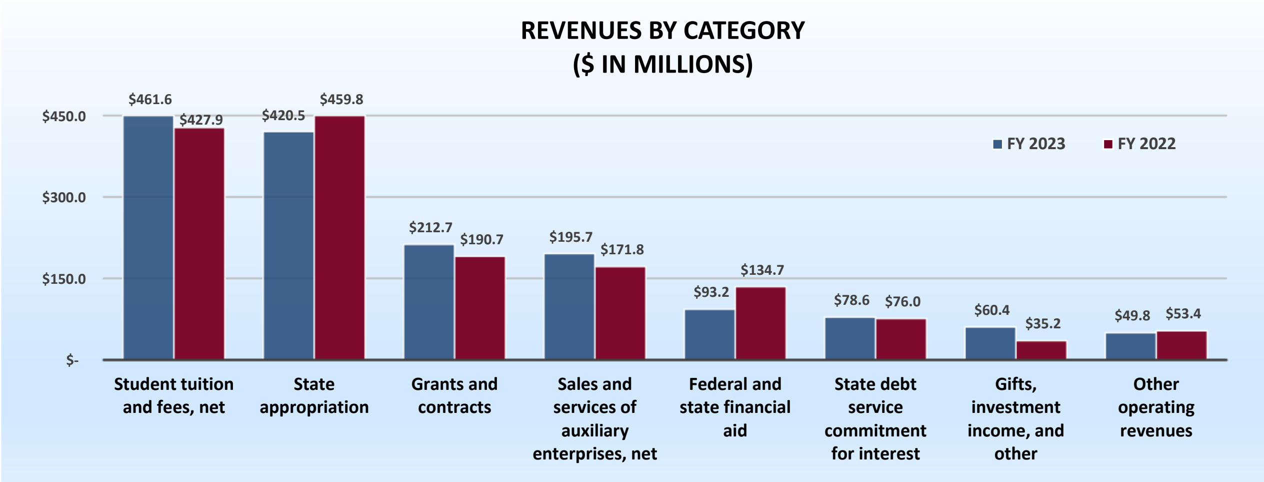
By its very nature, a state-funded institution does not receive tuition, fees, room, and board revenues sufficient to support the operations of the University. Significant recurring sources of nonoperating revenues utilized in balancing the operating loss each year include appropriations from the State for general operations, federal and state financial aid, noncapital gifts, and short-term investment income.

The following table shows a Condensed Schedule of Revenues, Expenses, and Changes in Net Position for the fiscal years ended June 30 ($ in millions):

	2023	2022	$ Change	% Change
Operating Revenues				
Student tuition and fees, net	$ 461.6	$ 427.9	$ 33.7	7.9%
Grants and contracts	212.7	190.7	22.0	11.5%
Sales and services of auxiliary enterprises, net	195.7	171.8	23.9	13.9%
Other	49.8	53.4	(3.6)	(6.7)%
Total Operating Revenues	919.8	843.8	76.0	9.0%
Operating Expenses				
Salaries and wages	685.2	674.5	10.7	1.6%
Fringe benefits	247.7	515.7	(268.0)	(52.0)%
Supplies and other expenses	294.2	248.5	45.7	18.4%
Utilities	27.6	22.5	5.1	22.7%
Depreciation and amortization	139.6	135.6	4.0	2.9%
Scholarships and fellowships	33.9	50.9	(17.0)	(33.4)%
Total Operating Expenses	1,428.2	1,647.7	(219.5)	(13.3)%
Operating Loss	(508.4)	(803.9)	295.5	(36.8)%
Nonoperating Revenues (Expenses)				
State appropriation	420.5	459.8	(39.3)	(8.5)%
State debt service commitment for interest	78.6	76.0	2.6	3.4%
Federal and state financial aid	93.2	134.7	(41.5)	(30.8)%
Gifts, investment income, and other	60.4	35.2	25.2	71.6%
Interest and other expenses	(72.5)	(75.9)	3.4	(4.5)%
Net Nonoperating Revenues	580.2	629.8	(49.6)	(7.9)%
Income (Loss) Before Other Changes in Net Position	71.8	(174.1)	245.9	(141.2)%
Other Changes in Net Position				
State debt service commitment for principal	-	214.2	(214.2)	(100.0)%
Capital grants and gifts	3.6	2.0	1.6	80.0%
Additions to permanent endowments	-	2.0	(2.0)	(100.0)%
Transfer to affiliate	-	(0.2)	0.2	(100.0)%
Net Other Changes in Net Position	3.6	218.0	(214.4)	(98.3)%
Increase in Net Position	75.4	43.9	31.5	71.8%
Net Position – Beginning of Year, As Previously Reported	(500.2)	(545.8)	45.6	(8.4)%
Cumulative effect of accounting changes (Note 17)	3.0	1.7	1.3	76.5%
Net Position – Beginning of Year, As Restated	(497.2)	(544.1)	46.9	(8.6)%
Net Position – End of Year	$ (421.8)	$ (500.2)	$ 78.4	(15.7)%

Revenues

The following graph shows the University's total operating and nonoperating revenues by category, excluding other changes in net position:

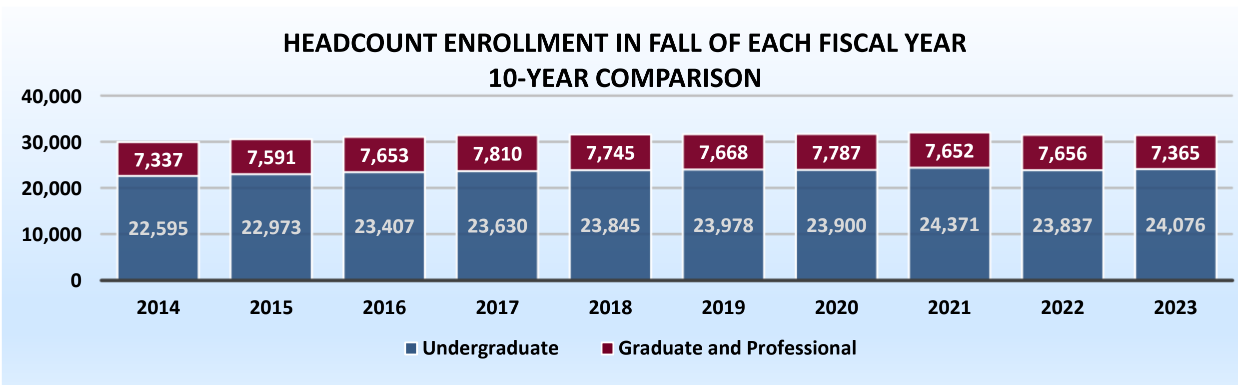


Operating Revenues

Operating revenues increased by $76.0 million in fiscal year 2023 due to the following:

- **Student tuition and fees, net** of scholarship allowances, increased by $33.7 million in fiscal year 2023. This change consisted of increases in gross tuition revenues of $24.4 million and course and mandatory fee revenues of $6.8 million. These changes were primarily due to board-approved rate increases in tuition of about $642 per student and increases in mandatory fees of about 8.2 percent and 9.9 percent for undergraduate and graduate students, respectively. Headcount enrollment for out-of-state students and international students also increased by about 9.9 percent and 4.2 percent, respectively, whereas headcount enrollment for in-state students decreased slightly by about 2.9 percent. Scholarship allowances decreased by $2.5 million, which also had a favorable impact on revenues.

The graph below presents overall undergraduate and graduate enrollment over the last 10 years:



- Operating **grants and contracts** increased by $22.0 million in fiscal year 2023. Federal grants and contracts, increased by $19.0 million, which included funding from the U.S. Department of Agriculture and the U.S. National Science Foundation. State grants and contracts were also higher by $6.8 million, primarily attributed to the Connecticut Department of Social Services and the Connecticut Education Network. Conversely, non-governmental grants and contracts were down by $3.8 million in fiscal year 2023, as funding from private sponsors decreased. Revenues under grants and contracts can fluctuate year over year depending on various factors including the availability of funding from sponsors, the timing of large grants, and when goods are received, or when services are rendered.

- **Sales and services of auxiliary enterprises, net** of scholarship allowances increased by $23.9 million, which was primarily attributed to room and board revenues. Room and board rates increased by about 2.75 percent, and the student housing capacity increased from approximately 88 percent to approximately 98 percent in fiscal year 2023, which was due in part to COVID-19 restrictions being lifted. Athletics revenues also had measurable increases due to the success of intercollegiate sports programs in fiscal year 2023, most notably the men's basketball program. These increases were offset in part by an increase in scholarship allowances.

- **Other** operating revenues, which consist of sales and services of educational departments and other sources, decreased in total by $3.6 million in fiscal year 2023. This decrease is primarily due to the final phase-out of contracts with universities in China that were entered into in fiscal year 2021 due to COVID-19. Lower renewable energy credits and a one-time contract termination fee received in fiscal year 2022 were also contributing factors. These changes were offset by additional revenues from UConn Health and favorable increases resulting from the University's various education abroad programs.

Nonoperating Revenues

Nonoperating revenues decreased by $53.0 million due to the following:

- **State appropriation** decreased by $39.3 million in fiscal year 2023, primarily due to a decrease of $59.2 million in the general fund receivable accrual, which resulted from State legislative changes passed and signed by the State Governor in June 2023 (see Note 14). One-time allocations included in State appropriation also decreased by $3.1 million from fiscal year 2022. These decreases were offset in part by an increase in funding of $9.1 million to help pay for salary increases required under collective bargaining agreements of employees covered by the State's General Fund. Salary increases and higher rates charged by the State also contributed to higher fringe benefit reimbursements, which increased by $13.9 million.

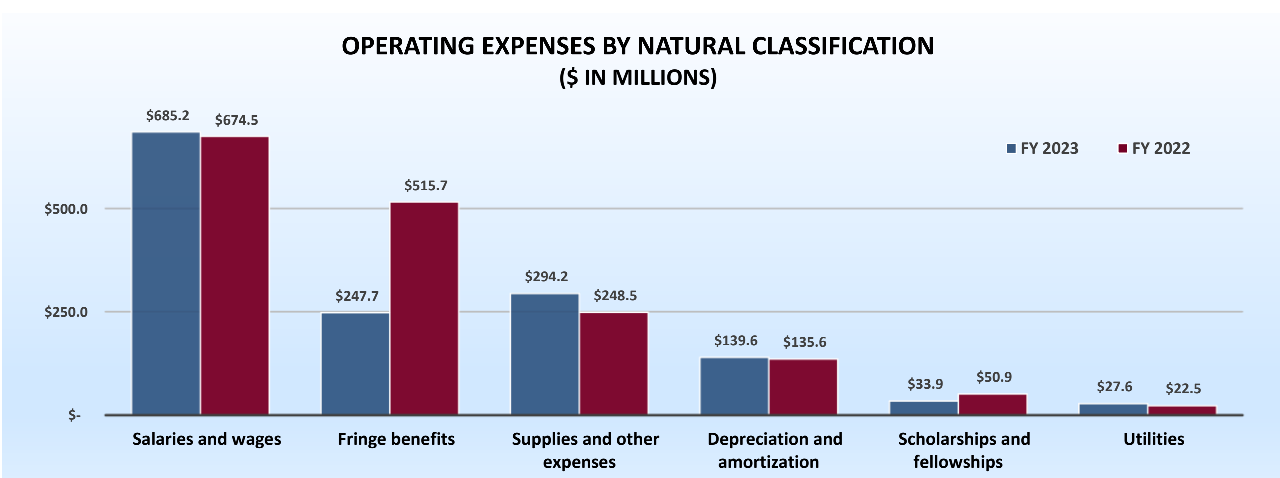
- **Federal and state financial aid** decreased by $41.5 million, primarily due to federal COVID-19 relief aid of $57.3 million received in fiscal year 2022 from the Higher Education Emergency Relief Fund III (HEERF III). This decrease was offset in part by a net increase of $16.8 million in federal relief funds allocated from the State.

- **Gifts, investment income, and other** increased by $25.2 million in fiscal year 2023. Gift revenues increased by $10.9 million due to additional scholarship aid and reimbursements received from spendable gift accounts held by the University of Connecticut Foundation (UConn Foundation). Large one-time gifts received during fiscal year 2023 also contributed to the increase. Investment income increased by $12.3 million due to significantly higher Short-Term Investment Fund rates, and other nonoperating revenues increased by $2.0 million, primarily attributed to net appreciation gains related to the University's underlying endowment investments.

- **State debt service commitment for interest** represents the State's pledge to pay interest incurred on general obligation bonds issued by the University for capital purposes and UConn Health projects. Effectively, this revenue offsets a significant portion of interest expense each year. The noted increase in revenue of $2.6 million relates to higher interest expenses covered by the State's commitment. The related expense is included as a component of **interest and other expenses**.

Operating Expenses

The following graph shows the University's operating expenses by natural classification:



Total operating expenses decreased by $219.5 million in fiscal year 2023 due to the following:

- **Salaries and wages** increased by $10.7 million, due in part to average mandatory wage increases of approximately 4.5 percent required under collective bargaining agreements for State employees. Annual compensation for graduate assistants and postdoctoral research associates also increased by 4.0 percent and 3.0 percent, respectively, per union contracts. Other factors include higher student labor within student housing and dining services and an increase in summer payroll for various research activities. These changes were offset by decreases due to a large severance settlement reached in fiscal year 2022, and lower lump-sum payments required under collective bargaining agreements in fiscal 2023.

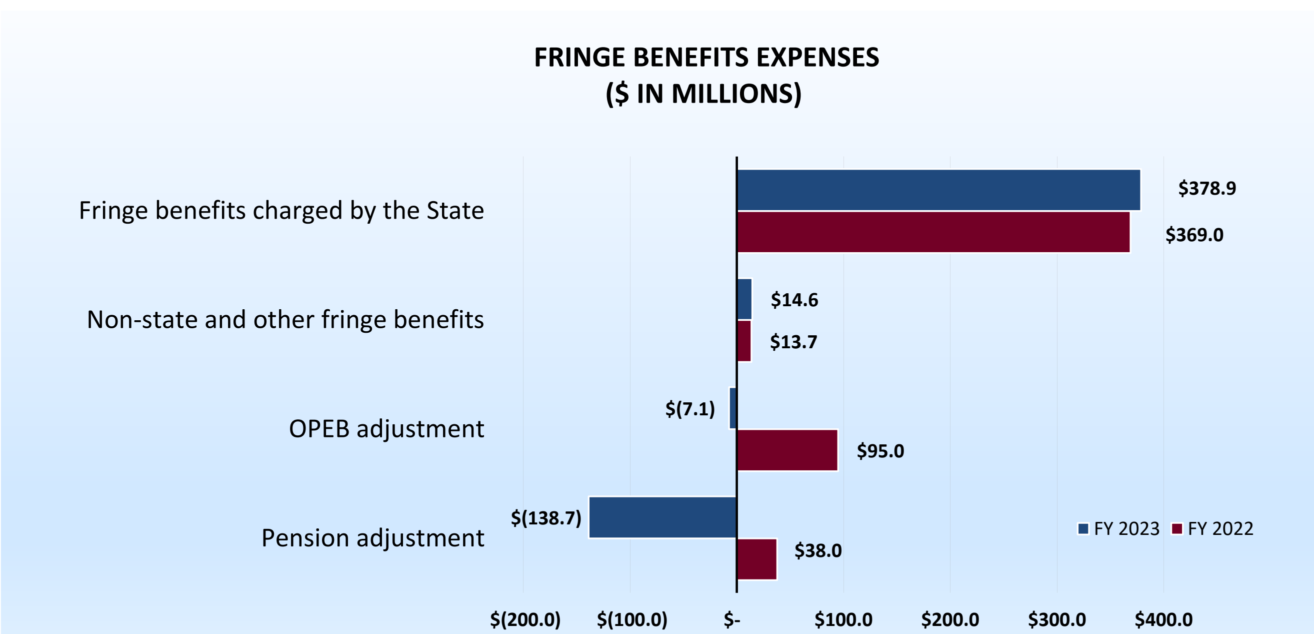
- **Fringe benefits** decreased by $268.0 million in fiscal year 2023, primarily due to adjustments related to GASB 68 and GASB 75. Per this guidance, the University is required to recognize its proportionate share of the unfunded pension and OPEB liabilities and related expenses derived from the State's defined benefit pension and OPEB plans (see Notes 9 and 10). The adjustments for pension and OPEB in fiscal year 2023 decreased by $176.7 million and $102.1 million, respectively. Pension expenses decreased due in part to large transfers from both the State's Budget Reserve Fund and General Fund surplus in addition to changes in proportion. OPEB expense decreased due in part to the amortization of prior year deferred actuarial assumption changes. Fringe benefits related to lower lump-sum payments also contributed to the overall decrease. These decreases were offset in part by higher fringe benefits associated with mandatory wage increases.

- **Supplies and other expenses** increased by $45.7 million, primarily due to various factors such as travel, which continued to resume after the effects of the pandemic, noncapitalizable project costs, and a general increase in business operations. The functional expense category for auxiliary enterprises increased primarily due to travel (mainly for athletic programs) and expenses related to dining services. Operations and maintenance of plant increased primarily due to noncapitalizable costs associated with major projects (demolition, remediation costs, and equipment) and an increase in facility-related services. Academic support increased primarily due to information technology-related costs combined with increased travel. Increases in the instruction, research, and public service functional categories were also attributed to travel as well as an increase in other University and grant-sponsored research activities.

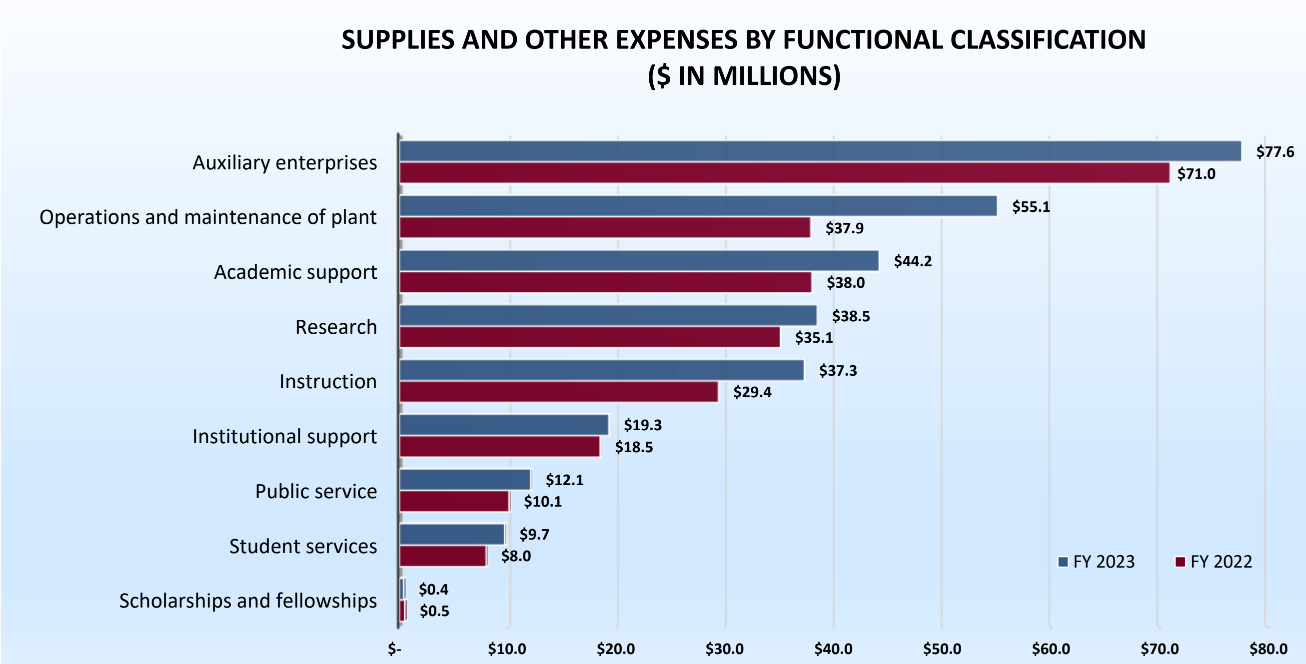
- **Utilities** were also higher by $5.1 million in fiscal year 2023, primarily due to a significant rise in natural gas prices for the first half of fiscal year 2023.

- **Scholarships and fellowships** decreased by $17.0 million, primarily due to additional federal funding of $28.6 million received in fiscal year 2022 from the HEERF III award, which was paid directly to students. This reduction was offset in part by an increase in financial aid funded by the University to accommodate the increase in enrollment and tuition and fee increases.

The following graph shows a breakdown of fringe benefits:



The University's supplies and other expenses by functional classification are presented below:



Nonoperating Expenses

Interest and other expenses decreased by $3.4 million, consisting of a decrease in other nonoperating expenses of $5.2 million offset in part by increases in interest expense and disposals of capital assets of $0.9 million each. Other nonoperating expenses in fiscal year 2022 included fair value net losses on the University's endowment investments, which did not occur in fiscal year 2023.

Other Changes in Net Position

Other changes in net position consist of the State's debt service commitment for principal (capital appropriation), capital grants and gifts, additions to permanent endowments, and transfer to affiliate. Total other changes in net position decreased by $214.4 million in fiscal year 2023.

State debt service commitment for principal decreased by $214.2 million, primarily due to a capital appropriation recognized in fiscal year 2022 for general obligation bonds that were issued by the University and secured by the State under the State debt service commitment. No general obligations bonds were issued in fiscal year 2023.

STATEMENT OF NET POSITION

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The Statement of Net Position is a point-in-time financial statement and is used as a measure of the financial condition of the University. This statement presents a snapshot concerning assets classified as current (those available for use within one year) and noncurrent (those available beyond one year), liabilities categorized as current (those maturing and due within one year) and noncurrent (those maturing and due beyond one year), and net position. Assets represent what is owned by or what is owed to the University, including payments made to others before a service was received. Assets are recorded at their current value except for capital assets, which are recorded at historical cost, net of accumulated depreciation and amortization. Liabilities represent what is owed to others or what has been received from others prior to services being provided by the University. A deferred outflow of resources represents the consumption of net assets by the University that is applicable to a future reporting period, whereas a deferred inflow of resources is an acquisition of net assets by the University that is applicable to a future reporting period. The University's net position is the residual value in assets and deferred outflows after liabilities and deferred inflows are deducted.

The following table shows a Condensed Schedule of Net Position at June 30 ($ in millions):

	2023	2022	$ Change	% Change
Assets				
Current assets	$ 598.5	$ 833.8	$ (235.3)	(28.2)%
Capital assets, net	2,653.7	2,586.2	67.5	2.6%
Other noncurrent assets	1,441.1	1,570.8	(129.7)	(8.3)%
Total Assets	4,693.3	4,990.8	(297.5)	(6.0)%
Deferred Outflows of Resources	756.7	888.7	(132.0)	(14.9)%
Liabilities				
Current liabilities	450.9	518.3	(67.4)	(13.0)%
Noncurrent liabilities	4,400.5	5,277.4	(876.9)	(16.6)%
Total Liabilities	4,851.4	5,795.7	(944.3)	(16.3)%
Deferred Inflows of Resources	1,020.4	584.0	436.4	74.7%
Net Position				
Net investment in capital assets	925.9	877.5	48.4	5.5%
Restricted nonexpendable	16.2	16.2	-	0.0%
Restricted expendable	1,122.5	1,209.1	(86.6)	(7.2)%
Unrestricted	(2,486.4)	(2,603.0)	116.6	(4.5)%
Total Net Position	$ (421.8)	$ (500.2)	$ 78.4	(15.7)%

Assets

Total assets decreased by $297.5 million in fiscal year 2023 due to the following:

- **Current assets** decreased by $235.3 million, primarily due to decreases in deposits with bond trustee, cash and cash equivalents, and amounts due from the State. Deposits with bond trustee, which primarily consist of unexpended bond proceeds, decreased by $145.3 million due to spending down the UCONN 2000 bond proceeds received in the prior fiscal year. No additional bond proceeds were received in fiscal year 2023.

  Cash balances were lower by $94.7 million, primarily due to an increase in cash disbursements attributed to capital project-related spending from unrestricted sources, salary and fringe benefit payments, including retroactive payment adjustments, utilities, and other operating charges. In addition, the timing of the receipt of State ARPA funds and pending reimbursements from UCONN 2000 bond proceeds contributed to the decrease. These decreases were offset in part by cash receipts related to tuition and auxiliary enterprise revenues, State appropriation, and investment income.

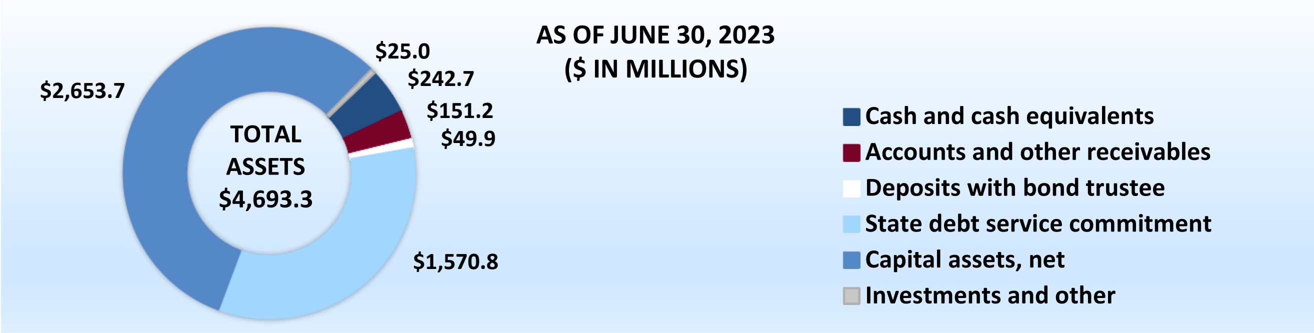
  Amounts due from the State decreased by $52.3 million, which was attributed to the reduction in the general fund receivable as a result of legislative changes in fiscal year 2023 (see Note 14).

  The previously mentioned decreases in current assets were offset in part by a $53.6 million increase in accounts receivable. The accounts receivable balance was higher primarily due to the State ARPA allocation of $38.2 million which was recognized as revenue but not received by the end of fiscal year 2023. Other factors include increases in grant and contract receivables and an increase in gifts owed from the UConn Foundation.

- **Capital assets** increased by $67.5 million, which includes a net increase to beginning balance of $0.9 million related to the adoption of GASB 96 (see Note 17). Capital asset activity for the current fiscal year consists of additions of $211.2 million, offset in part by depreciation and amortization of $139.6 million, and retirements of $5.0 million.

- **Other noncurrent assets** decreased by $129.7 million, mostly due to the decrease in the noncurrent portion of the State debt service commitment receivable of $130.5 million, which was a result of paydowns on general obligation debt in fiscal year 2023 that are funded by the State.

The following graph shows total assets by major category:



Liabilities

Total liabilities decreased by $944.3 million in fiscal year 2023 due to the following:

- **Current liabilities** decreased by $67.4 million, primarily due to a combination of changes related to payroll liabilities, the current portion of long-term debt, and lease and subscription liabilities. Payroll liabilities decreased by $65.5 million, due in part to mandatory retroactive salary adjustments and associated fringe benefits included in the fiscal 2022 accrual but not in fiscal year 2023. In addition, fiscal year 2023 included an extra payroll period that was paid out on the last day of the fiscal year, which resulted in one less pay cycle accrued at year-end. Lastly, amounts due to the State also decreased because of accrued fringe benefit expense changes that occurred based on new legislation passed in fiscal year 2023 (see Note 14).

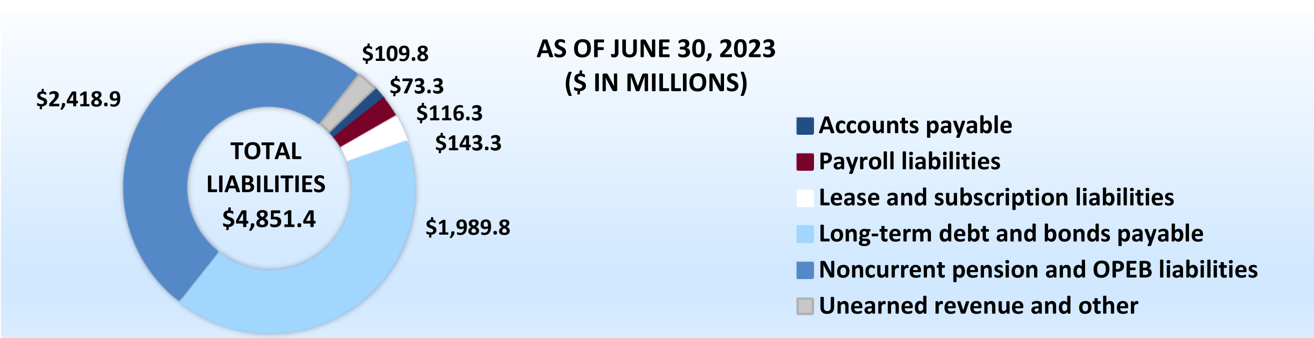
  The current portion of long-term debt decreased by $9.2 million, primarily due to a decrease in current bond repayments and the reclassification of long-term software commitments to lease and subscription liabilities of $3.9 million, which was recorded as an adjustment to beginning balances under GASB 96. The GASB 96 adjustment was also the main driver of the $4.7 million increase in lease and subscription liabilities (see Notes 7 and 17).

- **Noncurrent liabilities** decreased by $876.9 million, primarily due to a reduction in net pension and net OPEB liabilities (see Notes 9 and 10). The University's proportionate share of the collective net pension liability decreased by $370.7 million, primarily driven by a decrease in the University's proportion for the State Employees Retirement System (4.66 percent in fiscal year 2023 versus 6.58 percent in fiscal year 2022). The decrease consisted of other factors including transfers from both the State's budget reserve fund and general fund surplus and changes due to normal plan operations. These decreases were offset in part by investment and actuarial experience losses.

  The University's proportionate share of the collective net OPEB liability decreased by $325.9 million, primarily due to actuarial assumption and experience changes. These changes were offset by an increase due to normal plan operations, an increase in the University's proportion (8.93 percent in fiscal year 2023 versus 8.75 percent in fiscal year 2022), and an investment experience loss.

  Other decreases in long-term liabilities consisted of long-term debt and bonds payable of $177.5 million (see Debt Activities) and lease and subscription liabilities of $2.8 million. These changes include GASB 96 beginning balance adjustments of $3.8 million (a decrease) to long-term debt and $5.3 million (an increase) to lease and subscription liabilities.

The following graph shows total liabilities by major category:



Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources decreased by $132.0 million, which was primarily driven by the amortization of prior year deferred balances related to net pension and net OPEB liabilities. These amounts were offset in part by additions consisting of pension and OPEB net investment experience losses combined with a pension actuarial experience loss, and changes in proportion related to the net OPEB liability.

Deferred inflows of resources increased by $436.4 million, primarily due to additions related to the net pension liabilities for changes in proportion combined with additions related to the net OPEB liability for actuarial assumption changes and an actuarial experience gain. These increases were offset in part by the amortization of prior year deferred balances.

NET POSITION

Net position is divided into three major categories. The first category, net investment in capital assets, represents the University's equity in capital assets. The second category, restricted net position, is subdivided into nonexpendable and expendable. The corpus of restricted nonexpendable resources is only available for investment purposes and is included with investments in the University's Statement of Net Position. Expendable restricted net position is available for expenditure by the institution; however, it must be spent for purposes determined by donors or external entities that have placed time or purpose restrictions on the use of the assets. The final category is unrestricted net position, representing funds available to the University for any lawful purpose of the institution. Generally, unrestricted funds are internally assigned to academic and research programs, capital programs, the retirement of debt, and auxiliary enterprise activities.

The University's net position as of June 30, 2023, is a negative $421.8 million as total liabilities and deferred inflows were greater than total assets and deferred outflows. This is primarily a result of long-term liabilities recognized under GASB 68 and GASB 75 and does not reflect the University's resources that are available to meet current obligations. The University continues to rely on inflows from various revenue sources to maintain a liquid financial position.

The following table demonstrates the effects of GASB 68 and GASB 75 on the University's net position at June 30 ($ in millions):

	2023	2022	$ Change	% Change
Net Position				
Net investment in capital assets	$ 925.9	$ 877.5	$ 48.4	5.5%
Restricted nonexpendable	16.2	16.2	-	0.0%
Restricted expendable	1,122.5	1,209.1	(86.6)	(7.2)%
Unrestricted	(2,486.4)	(2,603.0)	116.6	(4.5)%
Total Net Position	(421.8)	(500.2)	78.4	(15.7)%
Pension (GASB 68) impact	970.8	1,099.9	(129.1)	(11.7)%
OPEB (GASB 75) impact	1,691.1	1,692.8	(1.7)	(0.1)%
Net Position, Excluding Pension and OPEB	$ 2,240.1	$ 2,292.5	$ (52.4)	(2.3)%

The increase of $78.4 million in net position in fiscal year 2023 included the following changes:

- **Net investment in capital assets** increased by $48.4 million, which includes a decrease of $0.9 million to the beginning balance for the adoption of GASB 94 and 96 (see Note 17). The current fiscal year's activity after these adjustments consists of a net increase in capital assets of $66.5 million, partially offset by a net change in capital-related liabilities, deferred inflows of resources, and deferred outflows of resources of $17.2 million.

- **Restricted expendable** decreased by $86.6 million in fiscal year 2023. Restricted expendable for debt service decreased by $92.0 million due to a decrease in the State debt service commitment receivable for principal of $135.0 million. This change was offset in part by a decrease in noncapital debt and related deferred inflows of resources allocated to UConn Health projects of $43.0 million. Restricted expendable net position for capital projects also decreased by $2.8 million.

  These changes were offset by an increase of $8.2 million in restricted expendable for research, instruction, scholarships, loans, and other restricted balances. This increase was primarily attributed to a combination of factors including one-time large gifts received in fiscal year 2023, revenues related to the Connecticut Education Network, and net appreciation of the University's endowments.

- **Unrestricted** net position increased by $116.6 million, largely due to pension and OPEB adjustments of $130.8

million and an adjustment of $4.0 million to the beginning balance for the adoption of GASB 94 and GASB 96. After excluding these adjustments, the unrestricted net position decreased by $18.2 million. This decrease was primarily attributed to the reduction in the State's general fund appropriation, capital project-related spending, and an increase in unrestricted operating expenses. These decreases were offset in part by State ARPA funds allotted to the University in fiscal year 2023 for temporary operating support combined with increases in tuition, mandatory fees, auxiliary enterprise revenues, and investment income.

STATEMENT OF CASH FLOWS

The Statement of Cash Flows presents detailed information about the cash activity of the University during the year. The first section of this statement, cash flows from operating activities, is expected to be different from the operating loss amount on the Statement of Revenues, Expenses, and Changes in Net Position. The difference results from noncash items such as depreciation and amortization expense and the use of the accrual basis of accounting in preparing the Statement of Revenues, Expenses, and Changes in Net Position. The Statement of Cash Flows, on the other hand, shows cash inflows and outflows without regard to accruals.

The Statement of Cash Flows has four additional sections. The second section reflects cash flows from noncapital financing activities including State appropriation, debt transactions related to affiliate (UConn Health), financial aid, and gifts. The third section shows cash flows from capital and related financing activities, capital grants and gifts, and State debt service commitments for principal and interest. The fourth section consists of cash flows from investing activities showing the purchases, proceeds, and interest provided from investing activities. The final section is a reconciliation of the operating loss shown on the Statement of Revenues, Expenses, and Changes in Net Position to net cash used in operating activities.

CAPITAL ACTIVITIES

Capital assets, net of accumulated depreciation and amortization, consisted of the following on June 30 ($ in millions):

	2023	2022	$ Change	% Change
Land	$ 32.4	$ 32.4	$ -	0.0%
Construction in progress	164.0	291.5	(127.5)	(43.7)%
Art and historical collections	58.0	57.2	0.8	1.4%
Non-structural improvements	383.4	339.0	44.4	13.1%
Buildings and improvements	1,777.3	1,616.7	160.6	9.9%
Intangible assets	11.9	21.2	(9.3)	(43.9)%
Right-to-use assets	138.5	138.9	(0.4)	100.0%
Library materials	3.3	3.8	(0.5)	(13.2)%
Equipment	84.9	85.5	(0.6)	(0.7)%
Total Capital Assets, Net	$ 2,653.7	$ 2,586.2	$ 67.5	2.6%

- **Construction in progress** decreased by $127.5 million as projects including STEM Research Center Science 1, UConn Hockey Arena, Northwest Quad – Science 1 – Site Improvements and Tunnel Phase 2, and other projects were completed and transferred from construction in progress to buildings and improvements and non-structural improvements.

  Transfers from construction in progress were partially offset by additions such as Residential Life Facilities – South Campus Residence Hall, South Campus Infrastructure, Boiler Plant Equipment Replacement and Utility Tunnel Connection, and other projects under construction.

- **Art and historical collections** increased by $0.8 million, representing additions.

- **Non-structural improvements** increased by $44.4 million. Additions totaling $60.9 million included Northwest Quad – Science 1 – Site Improvements and Tunnel Phase 2, I-Lot Improvements, B4 Steam Vault Replacement, STEM Research Center Science 1, and other projects. These additions were offset by depreciation expense of $15.8 million and retirements of $0.7 million.

- **Buildings and improvements** increased by $160.6 million. Additions of $254.2 million included the UConn Hockey Arena, STEM Research Center Science 1, and other renovation projects. These additions were offset by depreciation expense of $91.1 million and retirements of $2.5 million.

- **Intangible assets** decreased by $9.3 million. Additions of $3.9 million included software purchases and capitalized software project expenses. Additions were offset by amortization expense of $3.9 million, reclassifications to right-to-use assets of $8.2 million, and $1.1 million in other reclassifications.

- **Right-to-use assets** decreased by $0.4 million. Additions of $12.3 million were offset by amortization expense of $11.1 million and retirements of $1.6 million.

- **Library materials** decreased by $0.5 million. Additions of approximately $0.2 million were offset by $0.7 million in depreciation expense.

- **Equipment** decreased by $0.6 million. Additions of $16.5 million were offset by depreciation expense of $17.0 million and retirements of $0.1 million.

See Note 4 in the financial statements for details related to capital activities.

DEBT ACTIVITIES

The University issues general obligation bonds in its own name under the UCONN 2000 program, which is designed to modernize and expand the physical plant of the University. As amended, the program provides for a capital budget in three phases for the University and UConn Health, with an estimated total cost of $4.6 billion.

The State has made a commitment to fund the University for all principal and interest payments due on UCONN 2000 general obligation debt. As the general obligation debt is incurred, the commitment from the State is recorded as a current and noncurrent receivable in the Statement of Net Position. There were no general obligation bonds issued or refunded in fiscal year 2023.

Subsequent to June 30, 2023, the University issued a combined total of $358.0 million in UCONN 2000 general obligation bonds, with a closing date of November 21, 2023. Bond proceeds consisting of the par amount together with the original issue premium funded $240.0 million for UCONN 2000 projects and refunded $140.8 million of all or a portion of previously issued general obligation bonds plus costs of issuance (see Note 18).

In addition to general obligation bonds, the University may issue Student Fee Revenue Bonds, which are secured by pledged revenues. In fiscal year 2023, the University issued $52.5 million in Student Fee Revenue Bonds. Bond proceeds consisting of the par amount together with the issued premium refunded $54.8 million of previously issued Student Fee Revenue Bonds.

Subsequent to June 30, 2023, the University issued $97.1 million of Student Fee Revenue bonds, with a closing date of November 21, 2023. Bond proceeds consisting of the par amount with the issued premium will fund the construction of the new South Campus Residence Hall (see Note 18).

Obligations under financed purchase agreements include a lease purchase agreement to finance the UCONN 2000 Cogeneration Facility and a financed purchase agreement for equipment. There were no new financed purchase agreements in fiscal year 2023.

See Note 6 in the financial statements for details related to debt activities.

The following graph illustrates total debt by category, exclusive of premiums and discounts:

ECONOMIC OUTLOOK

In June 2023, the Board of Trustees approved the annual operating budget for fiscal year 2024. The fiscal year 2024 spending plan consists of $1,570.7 million in revenues to cover $1,586.8 million in expenses and transfers and includes the use of $16.1 million in unrestricted reserves to balance the budget.

Total State support included in the fiscal year 2024 spending plan was budgeted in accordance with the State budget approved by the General Assembly for fiscal year 2024. Total State support consists of a block grant of $216.2 million and additional one-time support of $82.2 million for a total of $298.4 million. The additional one-time support consists of $42.2 million from the State's ARPA allocation and $40.0 million in carry-forward funds, which will be used to cover collective bargaining increases and nonretirement fringe benefit costs.

The State budget also includes a budget-neutral fringe methodology change resulting in the State funding all retirement costs for all employees and the University funding all nonretirement costs for all employees. For budgeting purposes, State-funded retirement costs were excluded from both revenues and expenses in the fiscal year 2024 spending plan.

The fiscal year 2024 spending plan also factors in student tuition rate increases of about $660 per student established as part of the five-year tuition plan adopted in 2019. Additionally, the fiscal year 2024 spending plan includes Storrs-based mandatory fees and housing and dining rate increases to account for inflation; increases in specific services such as mental health programming; and collective bargaining salary increases for employees who coordinate and deliver the fee-funded services in each area. Total gross student tuition and fee revenues budgeted for fiscal year 2024 were $675.7 million, which represents approximately 43 percent of the total operating budget.

The Board of Trustees also approved a capital budget plan of $315.0 million for fiscal year 2024, consisting of $84.7 million of UCONN 2000 General Obligation Bond funds, $59.5 million of State General Obligation Bond funds, $100.0 million of Special Obligation Student Fee Revenue Bond funds, $40.8 million of University funds, and $30.0 million in gift funds.

The fiscal year 2024 capital budget plan includes numerous active construction projects that will be funded from various capital sources. Major projects include the nursing program facility, renovations to the field house, infrastructure improvements, academic programmatic renovations, and equipment purchases. In October 2023, the State Bond Commission allocated $40.0 million of the $59.5 million budgeted from State General Obligation Bond funds for University capital projects, including $30.0 million for the nursing program facility and $10.0 million for equipment, library collections, and telecommunications. Lastly, a significant portion of capital resources will fund continued work on the new South Campus Residence Hall. The facility will have 657 beds, a 500-seat dining hall, and is expected to open to residents in fall 2024.

UNIVERSITY OF CONNECTICUT
STATEMENT OF NET POSITION
As of June 30, 2023

($ in thousands)

		2023
ASSETS		
Current Assets		
Cash and cash equivalents	$	242,671
Accounts receivable, net		127,390
Student and other loans receivable, net		1,438
Due from State of Connecticut		2,838
Due from affiliate		15,923
State debt service commitment		152,917
Deposits with bond trustee		49,938
Prepaid expenses and other assets		5,378
Total Current Assets		598,493
Noncurrent Assets		
Lease receivables		1,424
Investments		19,554
Student and other loans receivable, net		2,172
State debt service commitment		1,417,920
Capital assets, net		2,653,695
Total Noncurrent Assets		4,094,765
Total Assets		4,693,258
DEFERRED OUTFLOWS OF RESOURCES		756,720
LIABILITIES		
Current Liabilities		
Accounts payable		73,320
Lease and subscription liabilities		8,571
Unearned revenue		50,014
Deposits held for others		2,264
Federal refundable loans		848
Wages payable		57,634
Compensated absences		24,192
Due to State of Connecticut		16,073
Due to affiliate		14,150
Current portion of long-term debt and bonds payable		166,401
Other current liabilities		37,462
Total Current Liabilities		450,929
Noncurrent Liabilities		
Compensated absences		18,368
Lease and subscription liabilities		134,727
Long-term debt and bonds payable		1,823,428
Federal refundable loans		3,253
Net pension liabilities		1,035,614
Net other post-employment benefits liability		1,383,285
Other liabilities		1,772
Total Noncurrent Liabilities		4,400,447
Total Liabilities		4,851,376
DEFERRED INFLOWS OF RESOURCES		1,020,389

See accompanying notes to basic financial statements.

(Continued)

UNIVERSITY OF CONNECTICUT
STATEMENT OF NET POSITION
As of June 30, 2023

($ in thousands)

	2023
NET POSITION	
Invested in capital assets, net of related debt	925,881
Restricted nonexpendable	16,219
Restricted expendable	
Research, instruction, scholarships, and other	30,552
Loans	1,794
Capital projects	2,788
Debt service	1,087,353
Unrestricted	(2,486,374)
Total Net Position	$ (421,787)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended June 30, 2023

($ in thousands)

	2023
OPERATING REVENUES	
Student tuition and fees, net of scholarship allowances of $196,736	$ 461,624
Federal grants and contracts	168,035
State and local grants and contracts	24,646
Nongovernmental grants and contracts	20,052
Sales and services of educational departments	17,423
Sales and services of auxiliary enterprises, net of scholarship allowances of $26,324	195,672
Other sources	32,351
Total Operating Revenues	919,803
OPERATING EXPENSES	
Salaries and wages	685,254
Fringe benefits	247,699
Supplies and other expenses	294,184
Utilities	27,552
Depreciation and amortization	139,628
Scholarships and fellowships	33,945
Total Operating Expenses	1,428,262
Operating Loss	(508,459)
NONOPERATING REVENUES (EXPENSES)	
State appropriation	420,505
State debt service commitment for interest	78,623
Federal and state financial aid	93,249
Gifts	44,393
Investment income	14,066
Interest expense	(69,286)
Disposal of capital assets, net	(3,263)
Other nonoperating revenue, net	1,950
Net Nonoperating Revenues	580,237
Income Before Other Changes in Net Position	71,778
OTHER CHANGES IN NET POSITION	
Capital grants and gifts	3,608
Additions to permanent endowments	9
Net Other Changes in Net Position	3,617
Increase in Net Position	75,395
NET POSITION	
Net Position – Beginning of Year, As Previously Reported	(500,218)
Cumulative effect of accounting changes (Note 17)	3,036
Net Position – Beginning of Year, As Restated	(497,182)
Net Position – End of Year	$ (421,787)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

($ in thousands)

	2023
CASH FLOWS FROM OPERATING ACTIVITIES	
Student tuition and fees	$ 455,333
Grants and contracts	203,693
Sales and services of educational departments	18,076
Sales and services of auxiliary enterprises	195,239
Payments to employees	(717,717)
Payments for benefits	(403,592)
Payments to suppliers and others	(353,071)
Collections of loans to students	936
Loans issued to students	(310)
Fiduciary activities – third-party student receipts and other	85,790
Fiduciary activities – third-party student payments and other	(85,741)
Fiduciary activity – direct lending receipts	171,684
Fiduciary activity – direct lending payments	(169,849)
Other cash receipts	21,945
Net Cash Used in Operating Activities	(577,584)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State appropriation	471,999
Federal and state financial aid	56,544
Gifts	37,069
State debt service commitment related to affiliate	58,451
Principal paid on debt related to affiliate	(37,588)
Interest paid on debt related to affiliate	(20,863)
Principal paid on other noncapital debt	(1,160)
Interest paid on other noncapital debt	(133)
Transfer to affiliate	(228)
Net Cash Provided from Noncapital Financing Activities	564,091
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State debt service commitment	157,765
Proceeds from the lease of assets	255
Principal paid on debt and other obligations	(120,454)
Interest paid on debt and other obligations	(73,675)
Proceeds from sale of capital assets	127
Purchases of capital assets	(208,831)
Proceeds from insurance and litigation claims for capital assets	996
Capital grants and gifts	2,626
Net Cash Used in Capital and Related Financing Activities	(241,191)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(23)
Interest on investments	14,682
Withdrawals from bond trustee accounts	147,442
Deposits into bond trustee accounts	(2,153)
Net Cash Provided from Investing Activities	159,948
DECREASE IN CASH AND CASH EQUIVALENTS	(94,736)
BEGINNING CASH AND CASH EQUIVALENTS	337,407
ENDING CASH AND CASH EQUIVALENTS	$ 242,671

See accompanying notes to basic financial statements. *(Continued)*

UNIVERSITY OF CONNECTICUT
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2023

($ in thousands)

		2023
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$	(508,459)
Adjustments to Reconcile Operating Loss to Net Cash		
Used in Operating Activities:		
Depreciation and amortization expense		139,628
In-kind workers' compensation		850
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Receivables, net		(10,171)
Student and other loans receivable, net		764
Due from affiliate		(10,900)
Prepaid expenses and other assets		285
Deferred outflows of resources		130,142
Accounts payable, wages payable, and compensated absences		(30,891)
Unearned revenue		3,725
Deposits held for others		(162)
Federal refundable loans		(1,005)
Due to State of Connecticut		(33,576)
Due to affiliate		(892)
Net pension and net other post-employment benefits liabilities		(696,574)
Other liabilities		3,986
Deferred inflows of resources		435,666
Net Cash Used in Operating Activities	$	(577,584)

ACCOMPANYING SCHEDULE OF SIGNIFICANT NONCASH TRANSACTIONS		
Net proceeds from bonds issued to refund capital debt	$	54,795
Amortization of premiums, discounts, and gains and losses on debt refundings		23,147
Acquisition of right-to-use lease and subscription assets, excluding upfront implementation costs of $59		3,231
Change in fair value of investments		1,290
Capital assets acquired through gifts		916
Net loss on disposal of capital assets with an original cost of $19,972, accumulated depreciation of $14,982, cash proceeds of $127, and reductions in right-to-use assets of $1,600		(3,263)

See accompanying notes to basic financial statements.

UNIVERSITY OF CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION – PENSION TRUST FUND
As of June 30, 2023

($ in thousands)

		2023
ASSETS		
Cash and cash equivalents	$	729
Receivable from employer		406
Investments at fair value:		
Bond funds		4,685
Equity funds		6,205
Total investments		10,890
Total Assets		12,025
LIABILITIES		
Accounts payable and other liabilities		253
Total Liabilities		253
NET POSITION		
Restricted for pensions		11,772
Total Net Position	$	11,772

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION – PENSION TRUST FUND
For the Year Ended June 30, 2023

($ in thousands)

		2023
ADDITIONS		
Employer contributions	$	852
Investment Earnings:		
Increase in fair value of investments		549
Dividends and interest		364
Total investment earnings		913
Less: investment fees and charges		63
Net investment earnings		850
Total Additions		1,702
DEDUCTIONS		
Benefits paid to participants or beneficiaries		916
Net Increase in Fiduciary Net Position		786
Net Position – Beginning of Year		10,986
Net Position – End of Year	$	11,772

See accompanying notes to basic financial statements.

Notes to Financial Statements
For the Year Ended June 30, 2023

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The University of Connecticut, a comprehensive institution for higher education governed by a 21-member Board of Trustees, serves as the flagship for higher education in the State of Connecticut (State). This institution is composed of programs based in Storrs and at the four regional campuses: Avery Point, Hartford, Stamford, and Waterbury. It also includes the School of Law, the School of Social Work, and the University of Connecticut Health Center (UConn Health). UConn Health is a fiscally independent branch, defined in State statute as a healthcare institution, that oversees clinical care, advanced biomedical research, and academic education in medicine. Separate for purposes of audit and financial reporting, UConn Health has its own Board of Directors to whom the Board of Trustees has delegated authority and by State statute is a separate entity for purposes of budgeting, maintaining operating funds, and receiving appropriations from the State. The transactions and balances of UConn Health are not included within this annual comprehensive financial report for the year ended June 30, 2023, and the University of Connecticut (University) is herein defined as all programs except for UConn Health.

In accordance with standards issued by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Legally separate and tax-exempt entities shall be presented as component units of the reporting entity if they meet all of the following criteria: the economic resources of the organization are entirely or almost entirely for the direct benefit of the reporting unit; the reporting unit is entitled to access all or a majority of the economic resources received or held by the organization; and the economic resources received or held by the organization are significant to the reporting unit.

The financial operations of the University along with those of UConn Health are reported in the State's annual comprehensive report using the fund structure prescribed by GASB. The State includes the transactions and balances of the University within an enterprise fund under business-type activities on the government-wide financial statements and has noted that State colleges and universities do not possess corporate powers that would distinguish them as being legally separate.

The University of Connecticut Foundation, Inc. (Foundation) is a related, but independent, corporate entity that supports the mission of the University and is also included in the State's annual report. The Foundation raises funds to promote, encourage, and assist education and research at both the University and UConn Health. Although the Foundation materially supports the mission of both the University and UConn Health, displaying the Foundation's financial statements as a component unit of either entity individually would distort its actual contribution or economic benefit to that entity. Therefore, the Foundation is not included as a component unit in the accompanying financial statements but is included as a component unit of the State.

Fiduciary Statements

The University is also the fiduciary of the University of Connecticut Department of Dining Services Money Purchase Pension Plan. The University reports this fund as a fiduciary activity in the accompanying Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position (Fiduciary Statements). See Note 9 for further disclosures related to the University of Connecticut Department of Dining Services Money Purchase Pension Plan.

Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with United States generally accepted accounting principles (GAAP), as prescribed by GASB. The University is considered a special-purpose government engaged primarily in business-type activities, defined by GASB as those activities that are financed in whole or in part by fees charged to external parties for goods or services.

The University reports business-type activities in the accompanying Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows. These financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned, expenses are recognized when incurred, and all significant intra-agency transactions have been eliminated. The Fiduciary Statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with GASB requirements.

Adoption of New Accounting Pronouncements

The University's annual comprehensive financial report for fiscal year 2023 as presented herein includes the provisions of the following GASB pronouncements:

GASB Statement No. 91 (GASB 91), *Conduit Debt Obligations,* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers; (2) arrangements associated with conduit debt obligations; and (3) related note disclosures. GASB 91 also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The adoption of GASB 91 had no effect on the University's financial statements.

GASB Statement No. 94 (GASB 94), *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. GASB 94 also provides guidance for accounting and financial reporting for availability payment arrangements (APA). As part of this adoption, the University restated beginning net position in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The effects of adopting GASB 94 are further described in Note 17.

GASB Statement No. 96 (GASB 96), *Subscription-Based Information Technology Arrangements,* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. GASB 96 (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87 (GASB 87), *Leases*, as amended. As part of this adoption, the University restated beginning net position in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The effects of adopting GASB 96 are further described in Note 17.

GASB Statement No. 100 (GASB 100), *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*, enhances accounting and financial reporting requirements for accounting changes and error corrections. GASB 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity. GASB 100 prescribes accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This statement also addresses required note disclosures and how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). The University elected to early adopt GASB 100 and has applied the accounting and financial reporting requirements prescribed under GASB 100.

Cash Equivalents

The University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested in the State of Connecticut Treasurer's Short-Term Investment Fund (STIF) are also considered cash equivalents, except for those classified as restricted balances included in deposits with bond trustee.

Accounts and Loans Receivable

Accounts receivable consists of tuition, fees, auxiliary enterprises service fees, amounts due from state and federal governments for grants and contracts, and the current portion of lease receivables. Accounts and loans receivable are recorded net of an estimated allowance for doubtful accounts.

Student and other loans receivable consist primarily of amounts due from students under the Federal Perkins Loan Program and the Nurse Faculty Loan Program, which are subject to significant restrictions. Student and other loans receivable are classified as current and noncurrent based on the amount estimated to be collected within one year and beyond one year, respectively.

Due from State and Due to State

Due from State includes an appropriation receivable from the State for reimbursement of payroll expenses. Additionally, the State administers employee benefits and retirement plans for University State employees. Fringe benefits accrued at year-end in relation to State employees are reported as a liability due to the State.

Due from Affiliate and Due to Affiliate

Due from affiliate includes amounts owed by UConn Health resulting from various memorandums of understanding (MOUs) and other operating activities.

Due to affiliate includes the unspent portion of general obligation bond proceeds that are managed by the University and allocated to UConn Health capital projects. The proceeds are reported net of accruals for capital expenditures and retainage.

State Debt Service Commitment

The State has made a commitment to pay the annual debt service amounts on securities issued as general obligations of the University. As general obligation debt and related interest are incurred, the commitment from the State is recorded as revenue for principal and interest in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. A corresponding receivable is recorded in the accompanying Statement of Net Position and is classified as current and noncurrent based on debt service payments owed in one year and beyond one year, respectively.

Deposits with Bond Trustee

Tax-exempt bond proceeds are deposited to various accounts held by the Trustee Bank as required by certain trust indentures. The funds are invested and disbursed as directed by the University. The University's bond proceeds investment policy is to balance an appropriate risk-return level heavily weighted towards the safety of assets, as defined and permitted under the relative indentures and the General Statutes of Connecticut (State General Statutes).

The University has directed the Trustee Bank to invest UCONN 2000 indenture-related construction fund proceeds in STIF. Similarly, the University has directed the Trustee Bank to invest other related funds in dedicated STIF accounts for debt service funds for the Special Obligation Student Fee Revenue Bonds (Student Fee Revenue Bonds). Additionally, the University transfers unrestricted funds periodically to a dedicated STIF account in accordance with the Renewal and Replacement Fund Requirement (see Note 2). The Renewal and Replacement Fund Requirement is defined by the Special Obligation Indenture as an amount deemed necessary to maintain assets financed with bond proceeds in sound operating condition.

Investment earnings from UCONN 2000 General Obligation Bond proceeds are retained by the State Treasurer's Office and do not flow to the University or the Trustee Bank. Investment earnings related to Student Fee Revenue Bonds are part of pledged revenues and are directly retained by the Trustee Bank to pay debt service on the bonds or for other indenture permitted purposes. Earnings on the UCONN 2000 General Obligation Debt Service Commitment Refunding Bonds and the Special Obligation Student Fee Revenue Refunding Redemption Fund escrows form part of the irrevocable escrows that are used by the Trustee Bank to meet debt service payments on defeased bonds until called.

Investments

The University accounts for its investments at fair value, categorized for disclosure purposes within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the investment. The three-level hierarchy of inputs is summarized as follows:

- Level 1 – Quoted prices for identical investments in an active market.

- Level 2 – Inputs other than Level 1 that are observable, such as quoted prices for similar investments in active markets; quoted prices for identical or similar investments in markets that are not active; or inputs other than quoted prices that are observable, such as interest rate and yield curves, volatilities, and credit spreads, among others.

- Level 3 – Inputs that are unobservable but supported by the University's or the Foundation's assumptions, taking into consideration the assumptions that market participants would use in pricing the investment. These inputs are developed based on the best information available under the circumstances.

The net asset value (NAV), or its equivalent, is used to determine the fair value of all investments that do not have a readily determinable fair value. Because they are not readily determinable, the fair values of these investments may differ from the values that would have been used had a ready market existed for these investments.

Changes in the unrealized gain or loss on the carrying value of the University's investments are recorded as nonoperating revenues or expenses in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Capital Assets

Capital assets are reported at cost at the date of acquisition or, in the case of gifts, at acquisition value. All land is capitalized regardless of cost. Capital projects greater than $100,000 that significantly increase the value or useful life of an asset are capitalized. Routine repairs and maintenance costs are charged to operating expenses in the year incurred. Equipment with a value of $5,000 or more and a useful life of more than one year is capitalized. Depreciation and amortization expenses are recorded on a straight-line basis over the estimated useful lives of the respective assets:

Non-structural improvements	10 – 50 years
Buildings and building components	6 – 60 years
Intangible assets	3 – 10 years
Library materials	15 years
Equipment	3 – 30 years

Right-to-use lease and subscription assets are capitalized if the underlying contract or agreement totals $100,000 or more and are amortized on a straight-line basis over the shorter of the term or the useful life of the underlying asset.

Art and historical collections are recognized at their acquisition values and are not depreciated. The Dodd Center for Human Rights at the University maintains historical collections of original source materials used for research and serves as the University's official archive.

New items are added to the collection if their acquisition value can be substantiated by an external appraisal.

Leases and SBITAs

The University leases building space and equipment from external parties and enters into subscription-based information technology arrangements. Building space includes student housing, classroom, retail, laboratory, library, and office space. At the commencement of a lease or SBITA, the University records a right-to-use lease or subscription asset and a lease or subscription liability.

The University leases building space and cell towers to external parties. At the commencement of the lease term, the University records a lease receivable and a corresponding deferred inflow of resources.

The discount rate used for leases and SBITAs is based on the rate implicit in the contract or agreement or, if the interest rate cannot be determined, on the University's incremental borrowing rate using a period comparable with the term.

Unearned Revenue

Unearned revenue includes amounts received for services to be rendered in a future accounting period. This amount is composed primarily of student charges (tuition, fees, room, and board) received in advance of the applicable academic period and amounts received from sponsors related to certain restricted research grants that will not be included in revenue until the funds are expended. It also includes advance ticket sales for sporting events and commitments received in advance of the athletic season.

Compensated Absences

Employee vacation, holiday, compensatory, and sick leave are accrued at year-end for financial statement purposes. The liability is included as compensated absences in the accompanying Statement of Net Position and is classified as current and noncurrent based on the amount estimated to be paid to eligible employees in one year and beyond one year, respectively. The related expense is included as an operating expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position.

Noncurrent Liabilities

Noncurrent liabilities include the long-term portion of compensated absences and principal payments due beyond one year on bonds (net of unamortized premiums and discounts), lease and subscription liabilities, and other debt. Federal refundable loans included as noncurrent consist of governmental advances for revolving student loan programs required to be returned beyond one year to the federal government upon cessation of the program. Net pension and net OPEB liabilities are also classified as noncurrent. Other liabilities reported as noncurrent on the Statement of Net Position consist of an asset retirement obligation (ARO) and the long-term unamortized portion of contractual liabilities associated with the University's bookstore facilities.

Net Pension and Net OPEB Liabilities

For purposes of measuring net pension and net OPEB liabilities, related deferred outflows of resources and deferred inflows of resources, and related expenses, information about the fiduciary net position as well as additions to and deductions from each plan's fiduciary net position has been determined on the same basis as they are reported by each plan. For this purpose, plan member contributions are recognized in the period the contributions are due. Employer contributions are recognized in the period the contributions are appropriated. Benefits and refunds to pension plan members are both recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

Deferred Outflows and Deferred Inflows of Resources

The University reports changes in the net pension and net OPEB liabilities not included in pension or OPEB expense, respectively, as deferred outflows of resources or deferred inflows of resources. The University's contributions to the pension and OPEB plans made subsequent to the measurement date of the net pension and net OPEB liabilities are reported as deferred outflows of resources.

Gains and losses on refunded debt are reported as deferred inflows of resources and deferred outflows of resources, respectively, and represent the difference between the reacquisition price and the net carrying amount of the refunded bonds. Such amounts are amortized as a component of interest expense on a straight-line basis over the life of either the old debt or the new debt, whichever is shorter.

For lessor arrangements, the deferred inflow of resources recorded at the initial measurement of the lease receivable is recognized as lease income on a straight-line basis over the lease term. A deferred outflow recorded upon the initial measurement of an ARO liability is amortized over the remaining useful life of the related asset.

Net Position

GASB requires that resources be classified for accounting and reporting purposes into the following categories of net position:

- **Net investment in capital assets:** Capital assets, net of accumulated depreciation and amortization, reduced by outstanding principal balances of bonds, notes, and liabilities that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component.

- **Restricted nonexpendable:** Endowment and similar type assets for which donors or outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity. These assets are invested for the purpose of producing present and future income, which may be expended or reinvested in principal.

- **Restricted expendable:** Assets reduced by liabilities and deferred inflows of resources related to those assets that are expendable but where the University is legally or contractually obligated to spend the resources in accordance with restrictions imposed by external third parties.

- **Unrestricted:** The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of "restricted" or "net investment in capital assets." These assets are not subject to externally imposed stipulations, but they may be subject to internal designations. For example, amounts classified as unrestricted may be assigned to specific purposes by action of management or the Board of Trustees or may otherwise be limited by contractual agreements with outside parties. In general, all unrestricted amounts in net position are assigned to support academic and research programs, capital projects, retirement of indebtedness, and auxiliary enterprise activities.

The University's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred is based on a variety of factors. These factors include consideration of prior or future revenue sources, the type of expense incurred, the University's budgetary policies surrounding the various revenue sources, and whether the expense is a recurring cost.

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained internally following the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives.

Revenues and Expenses

The University has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

- **Operating revenues and expenses:** Operating revenues consist of tuition and fees, grants and contracts, sales and services of educational activities, auxiliary enterprises revenue, and other sources of revenue that generally have the characteristics of exchange transactions. GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, requires recipients of government-mandated and voluntary nonexchange transactions to recognize revenue when all applicable eligibility requirements are met for these transactions. Restricted grant revenue that does not meet the nonexchange transaction definition is also recognized to the extent expended or, in the case of fixed price contracts, when the contract terms are met or completed. Operating expenses include all expense transactions incurred other than those related to investing or financing, irrespective of whether the revenues associated with those expenses are classified as operating or nonoperating. These expenses are reported using natural classification, comprehensive of expenses incurred under both educational and general programs and auxiliary enterprises. See also Note 15 for operating expenses presented by functional classification.

- **Nonoperating revenues and expenses:** All other revenues and expenses of the University are reported as nonoperating revenues and expenses including State appropriation, State debt service commitment for interest, federal and state financial aid, noncapital gifts, and investment income. Interest expense and disposal of capital assets, net, are also reported as nonoperating.

Scholarship Discounts and Allowances

GASB requires that revenues be reported net of scholarship discounts and allowances, representing the difference between the stated charge for goods and services provided by the University and the amount that is ultimately paid by students or on their behalf. Any aid applied directly to student accounts in payment of tuition and fees, housing charges, or dining services is reflected as a scholarship allowance deducted from the University's operating revenues. Scholarships and fellowships expense in the accompanying Statement of Revenues, Expenses, and Changes in Net Position includes financial aid payments made directly to students.

UConn Health MOUs

The University manages certain operations for UConn Health in exchange for payment. These payments cover operating expenses related to public safety, marketing, library services, technology commercialization, and other miscellaneous services. The terms of these arrangements are outlined in formal MOUs that are reviewed and agreed upon by both parties on an annual basis. The revenues from UConn Health MOUs are recorded as part of other sources under operating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position (see Note 14).

NOTE 2. CASH AND CASH EQUIVALENTS, DEPOSITS, AND INVESTMENTS

The University's total cash and cash equivalents, deposits, and investments included the following as of June 30, 2023 (amounts in thousands):

	2023
Cash and Cash Equivalents	
Cash maintained by State Treasurer	$ 213,381
Invested in STIF	25,825
Other deposits	3,465
Total Cash and Cash Equivalents	242,671
Deposits with Bond Trustee	
Invested in STIF	49,938
Total Deposits with Bond Trustee	49,938
Investments	
Foundation-managed endowments	18,749
UConn Innovations Fund, LLC	805
Total Investments	19,554
Total Cash and Cash Equivalents, Deposits, and Investments	$ 312,163

Cash and Cash Equivalents

Collateralized deposits are protected by State General Statute. This statute requires that any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to at least a certain percentage of its public deposits. The applicable percentage is determined mainly by the bank's financial condition, which is measured using ratios of leverage, net worth, and risk-based capital. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank. Portions of the bank balance of the State are insured by the Federal Deposit Insurance Corporation (FDIC) or collateralized. As a State agency, the University benefits from this protection, though the extent to which the deposits of an individual State agency such as the University are protected cannot be readily determined.

The University's cash management investment policy permits the University to invest in STIF, United States Treasury bills, United States Treasury notes and bonds, United States Government Agency obligations, bankers' acceptances, certificates of deposit (including Euro Dollars), commercial paper, money market funds, repurchase agreements, and savings accounts.

STIF is a money market investment pool in which the State, municipal entities, and other political subdivisions of the State are eligible to invest. The State Treasurer is authorized to invest monies of STIF in United States government and agency obligations, certificates of deposit, commercial paper, corporate bonds, savings accounts, bankers' acceptances, repurchase agreements, and asset-backed securities. STIF had a Standard and Poor's rating of AAAm and a weighted average maturity of 41 days as of June 30, 2023.

Deposits with Bond Trustee

Deposits of the University include UCONN 2000 bond indenture related funds held by the Trustee Bank at the direction of the University. As of June 30, 2023, deposits with bond trustee included $49.9 million invested in STIF. Of this amount, $16.0 million is related to the Renewal and Replacement Fund, an indenture defined account funded with non-bond proceeds.

Foundation-Managed Endowments

The University designated the Foundation as the manager of the University's endowment funds. The Foundation makes spending allocation distributions to the University for each participating endowment. The distribution is spent by the University in accordance with the respective purposes of the endowments, the policies and procedures of the University and State General Statutes, and in accordance with the Foundation's endowment spending policy described in the following section.

The endowment spending policy adopted by the Foundation's Board of Directors, in conjunction with a strategic asset allocation policy for the long-term pooled investment portfolio, is designed to provide reliable growth in annual spending allocation levels and to preserve or increase the real value of the endowment principal over time. To meet these objectives, the Foundation utilizes a total return investment approach, with total return consisting of interest and dividends as well as realized and unrealized gains and losses, net of management fees. As of June 30, 2023, net appreciation gains of $2.5 million were reported as restricted expendable in the accompanying Statement of Net Position.

The Foundation's endowment spending allocation policy adheres to the Connecticut Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA considers prudence in maintaining an endowment fund in perpetuity. Therefore, spending can occur from an endowment fund whose fair value is below its historic value as long as the governing body has determined that its policies will continue the perpetual nature of the endowment over time.

The amount of funds allocated for expenditure for the purposes for which an endowment was established equals 4 percent annually (1 percent per quarter) of the rolling 12-quarter average fair value on a unitized basis. The corresponding calculated spending allocations are distributed in equal quarterly installments on the first day of each quarter from the accumulated net total investment return for individual endowment funds where available, otherwise from principal.

An advancement fee is assessed to fund expenses incurred in meeting the Foundation's fiduciary and fundraising responsibilities to donors and the University. The endowment spending allocation and advancement fee taken together cannot exceed 6.5 percent or fall below 3 percent of the quarterly fair value of endowment funds. Should this occur, the calculated amounts will be decreased or increased, respectively, on a pro rata basis.

Over the long term, the Foundation expects the current spending allocation and advancement fee policies to allow endowments to grow on average at least at the annualized rate of inflation. This is consistent with the organization's objective of providing resources for the underlying purposes of its endowment assets over the life of the endowments, whether in perpetuity or for a specified term, as well as to provide additional growth through new gifts and investment returns.

University endowment investments are managed by the Foundation in a pooled portfolio that is actively managed by professional investment managers as determined by the Investment Committee of the Foundation's Board of Directors. The Foundation has established asset allocation guidelines for the pooled investment portfolio, providing that the maximum exposure with any one manager would be 10 percent of the portfolio at the time of investment. The Foundation's Board of Directors also established an asset allocation policy for the long-term pooled investment portfolio. The Foundation expects that portfolios will be invested in only the strategies described in the following table, and not above or below the individual strategy percentage and its total percentage by objective, unless otherwise specified by its Board of Directors.

Investment Objectives and Strategies	Allocation Range as Percentage of Fair Value
Growth	
Global equity	30% – 90%
Risk Minimizing	
Global fixed income	10% – 70%
Cash	0% – 10%
Inflation Hedging	
Real assets	0% – 10%

The endowments invested with the Foundation are subject to risk due to the uncollateralized nature of most of its investments. Certain investments of the Foundation include external investment pools. Publicly traded fixed income investments totaled $2.0 million as of June 30, 2023. These represent an investment in a single fixed income fund for which a credit rating is not available. The University endowment's foreign publicly traded equities totaled $4.3 million as of June 30, 2023. Private capital investments totaled approximately $299,000 as of June 30, 2023.

Other Investments

Certain investments are also held directly by the University. The University held an ownership interest in UConn Innovation Fund, LLC as of June 30, 2023 (see Note 14).

Fiduciary Investments

The investments of the University of Connecticut Department of Dining Services Money Purchase Pension Plan are reported in the accompanying Statement of Fiduciary Net Position. The University is responsible for ensuring these assets are used only for their intended purposes and cannot use them to finance its operations. Under the direction of the University of Connecticut Department of Dining Services, the investments are invested by a third-party administrator and are subject to risk due to the uncollateralized nature of the investments.

Funds Held in Trust by Others

Certain other funds are held in trust for investment by outside trustees. The University is designated as the income beneficiary and the funds are not under the direct control of the University. Accordingly, the assets of these funds are not included in the accompanying financial statements. The fair value of these funds was $17.0 million as of June 30, 2023. Investment income earned on these assets is transferred to the University in accordance with applicable trust agreements. Income received from those sources for the year ended June 30, 2023, was $761,000.

Fair Value Measurement

Certain investments managed by the Foundation are measured at fair value pricing using NAV, or its equivalent. NAVs provided by third parties have been utilized in determining fair value where there are significant unobservable inputs related to Level 3 assets, as all investments have been made through commingled fund structures with no direct ownership. The Foundation's investment managers utilize outside pricing services and administrators as well as their own internal valuation models in determining and verifying fair values.

The Foundation performs ongoing due diligence with its investment managers that includes evaluation of managers' operations and valuation procedures, site visits, investor calls, and review of manager filings and audited financial statements. The Investment Committee of the Foundation's Board of Directors monitors the performance of investment managers and meets formally with managers on a periodic basis in addition to the ongoing due diligence performed by the Foundation investment staff.

The fair value amounts presented in the following table are intended to permit reconciliation of the fair value hierarchy to the investment balance presented in the Statement of Net Position and the Statement of Fiduciary Net Position as of June 30, 2023 (amounts in thousands):

	2023				
	Level 1	Level 2	Level 3	NAV	Total
Foundation-Managed Investments					
Cash and cash equivalents	$ 1,156	$ -	$ -	$ -	$ 1,156
Fixed income securities					
Corporate investment grade	1,954	-	-	-	1,954
Equity securities					
Domestic	9,674	-	-	-	9,674
Offshore	4,280	-	-	-	4,280
Private capital					
Buyout and venture capital	-	-	-	150	150
Debt	-	-	-	148	148
Royalties	-	-	-	1	1
Long and short equities	-	-	-	1	1
Private real estate	-	-	-	7	7
Private natural resources	-	-	-	253	253
Relative value	-	-	-	1,125	1,125
Total Foundation-Managed Investments	17,064	-	-	1,685	18,749
University-Held Investments					
Other	-	-	-	805	805
Total University-Held Investments	-	-	-	805	805
Total Investments – University	$ 17,064	$ -	$ -	$ 2,490	$ 19,554
Fiduciary Investments					
Cash and cash equivalents	$ 729	$ -	$ -	$ -	$ 729
Debt securities	4,685	-	-	-	4,685
Equity securities	6,205	-	-	-	6,205
Total Investments – Fiduciary	$ 11,619	$ -	$ -	$ -	$ 11,619

The Foundation has agreements with external investment managers that include certain redemption terms and restrictions as noted in the following table as of the fiscal year ended June 30, 2023 (amounts in thousands):

	2023				
Investment Strategy	Fair Value	Unfunded Commitments	Remaining Life	Redemption Terms	Redemption Restrictions
Private capital partnerships including venture, buyout, and debt in the U.S. and international, and other	$ 299	$ 110	Less than 1 to 8 years	Not applicable	Not redeemable
Private real estate partnerships in commercial, residential, office, and industrial properties	7	35	1 to 3 years	Not applicable	Not redeemable
Natural resource partnerships in energy and timber	253	5	1 to 5 years	Not applicable	Not redeemable
Total	$ 559	$ 150			

NOTE 3. ACCOUNTS AND LOANS RECEIVABLE

Accounts Receivable, Net

Accounts receivable as of June 30, 2023, consisted of the following (amounts in thousands):

	2023
Grants and contracts	$ 95,822
Student and general	43,906
Investment and interest income	44
Lease receivables	151
Allowance for doubtful accounts	(12,533)
Total Accounts Receivable, Net	$ 127,390

The University participates in the U.S. Department of Education Federal Direct Lending Program. Under this program, the University distributed loans of $169.8 million in fiscal year 2023 to students, including those enrolled in UConn Health programs. These distributions and related funding are not reflected as expenses and revenues in the accompanying financial statements. However, related cash inflows and outflows are shown in the accompanying Statement of Cash Flows. The excess of direct loans distributed over funding received from the U.S. Department of Education as of June 30, 2023, was $0.8 million; this amount was included as a receivable under grants and contracts.

Student and Other Loans Receivable, Net

As of June 30, 2023, the University reported current and noncurrent student and other loans receivable of $1.4 million and $2.2 million, respectively. These balances are primarily composed of amounts owed from students under the U.S. Department of Education Federal Perkins Loan Program and the U.S. Department of Health and Human Services Nurse Faculty Loan Program, which are reported separately from accounts receivable in the accompanying Statement of Net Position. The total amount is reported net of an allowance for doubtful accounts of $0.3 million as of June 30, 2023. See Note 8 for information regarding the closeout of the Federal Perkins Loan Program.

NOTE 4. CAPITAL ASSETS

The following table reflects the changes in capital assets for the year ended June 30, 2023 (amounts in thousands):

	(Restated) Balance July 1, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Capital Assets Not Being Depreciated					
Land	$ 32,434	$ -	$ (1)	$ -	$ 32,433
Construction in progress	291,466	74,320	-	(201,815)	163,971
Art and historical collections	57,159	788	-	-	57,947
Total Capital Assets Not Being Depreciated	381,059	75,108	(1)	(201,815)	254,351
Depreciable Capital Assets					
Non-structural improvements	546,479	19,918	(810)	41,011	606,598
Buildings and improvements	2,986,675	92,244	(7,215)	161,952	3,233,656
Intangible assets	54,043	3,862	(3,174)	(1,148)	53,583
Right-to-use assets	155,060	3,291	(2,090)	-	156,261
Library materials	56,055	203	-	-	56,258
Equipment	300,574	16,507	(6,683)	-	310,398
Total Depreciable Capital Assets	4,098,886	136,025	(19,972)	201,815	4,416,754
Less Accumulated Depreciation					
Non-structural improvements	207,482	15,838	(111)	-	223,209
Buildings and improvements	1,369,930	91,141	(4,669)	-	1,456,402
Intangible assets	40,946	3,869	(3,107)	-	41,708
Right-to-use assets	7,088	11,104	(492)	-	17,700
Library materials	52,270	654	-	-	52,924
Equipment	215,048	17,022	(6,603)	-	225,467
Total Accumulated Depreciation	1,892,764	139,628	(14,982)	-	2,017,410
Depreciable Capital Assets, Net	2,206,122	(3,603)	(4,990)	201,815	2,399,344
Capital Assets, Net	$ 2,587,181	$ 71,505	$ (4,991)	$ -	$ 2,653,695

NOTE 5. CURRENT LIABILITIES

The following tables reflect the composition of certain current liabilities balances as of June 30, 2023 (amounts in thousands):

	2023
Accounts Payable	
Construction suppliers	$ 28,495
Other suppliers	26,240
Construction retainage	18,585
Total Accounts Payable	$ 73,320
Unearned Revenue	
Tuition, fees, and other student charges	$ 22,511
Amounts received from grant sponsors	20,938
Athletic tickets, commitments, and other	6,565
Total Unearned Revenue	$ 50,014
Other Current Liabilities	
Accrued interest	$ 24,279
Environmental remediation	10,992
Other accrued expenses	1,654
Barnes & Noble agreement	537
Total Other Current Liabilities	$ 37,462

NOTE 6. LONG-TERM DEBT AND BONDS PAYABLE

Long-term debt activity for the year ended June 30, 2023, was as follows (amounts in thousands):

	(Restated) Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Current Portion
General obligation bonds	$ 1,683,350	$ -	$ (134,975)	$ 1,548,375	$ 130,455
Student Fee Revenue Bonds	194,905	52,515	(63,815)	183,605	9,205
Financed purchase agreements					
Cogeneration Facility	18,627	-	(5,173)	13,454	5,291
Installment loans	220	-	(55)	165	49
American Athletic Conference exit fee	6,059	-	(1,159)	4,900	1,185
Total Long-Term Debt	1,903,161	52,515	(205,177)	1,750,499	146,185
Premiums and discounts	265,571	3,073	(29,314)	239,330	20,216
Total Long-Term Debt, Net	$ 2,168,732	$ 55,588	$ (234,491)	$ 1,989,829	$ 166,401

The UConn 2000 Infrastructure Improvement Program (UCONN 2000) established by The University of Connecticut 2000 Act (Act) is designed to modernize, rehabilitate, and expand the physical plant of the University. The Act provides for a 32-year capital budget program in three phases, estimated to cost $4,644.3 million. The Act was originally adopted in 1995 to authorize and finance the UCONN 2000 Phase I Projects and the UCONN 2000 Phase II Projects at University campuses not including UConn Health. The Act was amended in 2002 by the 21st Century UConn Act to add the authorization and financing of UCONN 2000 Phase III Projects that included projects at UConn Health.

In 2010, the General Assembly enacted and the Governor signed Public Act (PA) 10-104 that increased the cost of certain UConn Health projects, authorized additional projects for UConn Health, and extended UCONN 2000 for an additional two fiscal years to 2018. In 2011, the General Assembly enacted and the Governor signed PA 11-75, which increased the estimated cost of two UConn Health projects. In 2013, the General Assembly enacted and the Governor signed PA 13-233, Next Generation Connecticut, which authorized additional projects, increased the cost of certain projects, increased the authorized funding amount for bonds secured by the State debt service commitment, and extended UCONN 2000 for an additional six fiscal years to 2024.

In 2017, the General Assembly enacted and the Governor signed PA 17-2 that extended UCONN 2000 for an additional three fiscal years to 2027, but did not increase the total amount that may be authorized by the Board of Trustees for the UCONN 2000 projects.

In June 2021, the General Assembly enacted and the Governor signed PA 21-2 increasing the authorized funding amount for bonds secured by the State debt service commitment for fiscal year 2022 by $25.0 million to $215.5 million, which increased the fiscal year 1996 to 2027 total authorization amount to $4,307.9 million. The estimated costs in the Act were also changed including increasing the project known as "Deferred Maintenance/Code/ADA Compliance/Infrastructure & Improvements Renovation Lump Sum and Utility, Administrative and Support Facilities – Health Center".

In February 2023, the General Assembly enacted and the Governor signed PA 23-1 decreasing the authorized funding amount for bonds secured by the State debt service commitment for fiscal year 2025 by $12.0 million to $44.0 million, which decreased the total authorization for fiscal year 1996 to 2027 total State debt service commitment amounts to $4,295.9 million.

UCONN 2000 is to be funded in part by the issuance of $4,295.9 million of general obligation bonds of the University secured by the State debt service commitment. The balance of the estimated cost of UCONN 2000 projects that is not to be financed by the University's bonds secured by the State debt service commitment may be funded by the issuance of the University's Student Fee Revenue Bonds, other University debt obligations, State general obligation bonds, from gifts, and other revenue or borrowing resources of the University.

The University has also issued several series of general obligation refunding bonds, providing debt service savings for bonds refunded in advance of maturity. Sufficient proceeds are deposited into irrevocable escrow accounts held by the Trustee Bank to meet all obligations on the refunded debt. These bonds are general obligations of the University, for which its full faith and credit are pledged, and are payable from all assured revenues. The bonds are additionally secured by the pledge of and a lien upon the State debt service commitment. The University, consistent with the Act, is relying upon the receipt of the annual amount of the pledged State debt service commitment for the payment of the bonds and, accordingly, is not planning to budget any revenues for the payment of these bonds. Under the Master Indenture, the University expects to issue additional bonds to finance UCONN 2000 projects secured by the State debt service commitment. There were no general obligations issued or refunded in fiscal year 2023.

As general obligation bonds are issued, nonoperating revenue for State debt service commitment for principal is recognized at face value less any refunded debt and amounts set aside to finance UConn Health projects. For the year ended June 30, 2023, the University did not recognize revenue for the State debt service commitment for principal because no new general obligation bonds were issued or refunded during the fiscal year. The portion of general obligation bond proceeds set aside for UConn Health projects is recorded as due to affiliate in the accompanying Statement of Net Position. As of June 30, 2023, the unspent portion of this balance was $14.2 million. In addition, nonoperating revenue for State debt service commitment for interest on general obligation bonds of $78.6 million was recognized for the year ended June 30, 2023, of which approximately $20.2 million was associated with UConn Health projects. As of June 30, 2023, approximately $405.3 million of the total outstanding principal on general obligation bonds pertained to proceeds used to finance UConn Health projects.

In addition to general obligation bonds, the University may issue Student Fee Revenue Bonds, which are backed by certain pledged revenues of the University.

In November 2022, the University issued the Special Obligation Student Fee Revenue Bonds, 2022 Refunding Series A at a face value of $52.5 million to refund $54.8 million of previously issued Special Obligation Student Fee Revenue Bonds, 2012 Refunding Series A in advance of maturity. The total bonds were issued at a premium of $3.1 million. Total net proceeds realized from the 2022 bonds were $54.9 million after the payment of issuance costs and underwriter fees.

The November 2022 refunding reduced Special Obligation Student Fee Revenue Bonds debt service in future years by $2.7 million and resulted in an economic gain (present value of the savings) of $2.4 million. The difference between the reacquisition price and the net carrying amount of the old debt resulted in a gain of $7.0 million. The gain was recorded as a deferred inflow of resources in the accompanying Statement of Net Position, which is amortized to interest expense through fiscal year 2030 using the straight-line method.

Student Fee Revenue Bonds are secured by certain pledged revenues as defined in the indenture. In fiscal year 2023, this consisted of gross and net revenues of approximately $106.1 million. Gross pledged revenues include the Infrastructure Maintenance Fee, the General

University Fee, the Student Health & Wellness Fee, the Student Recreational Center Fee, and other revenues. Other revenues consist of the FIT (Facilities Investment Together) surcharge on athletic ticket sales plus investment income on certain bond accounts held by the Trustee Bank. Net pledged revenues include the residential life room fee, student apartment rentals, Greek housing fee, board (dining) fee, and parking and transportation fees, after providing for the cost of maintaining, repairing, insuring, and operating the facilities for which the fees are imposed and before depreciation expense is deducted. In addition to securing Student Fee Revenue Bonds, the gross and net pledged revenues available are pledged toward certain other debt. The University has covenanted to collect, in each fiscal year, fees representing pledged revenues so that the sum of gross and net revenue amounts is no less than 1.25 times the debt service requirements in each respective fiscal year for its Student Fee Revenue Bonds.

The total principal and interest remaining to be paid on all Student Fee Revenue Bonds as of June 30, 2023, was $290.9 million. The total amounts paid from pledged revenues in fiscal year 2023 were $9.0 million for the principal and $9.3 million for the interest.

Unamortized premiums and discounts are recorded as additions or reductions to the face value of bonds payable. These amounts are amortized using the straight-line basis over the life of the bonds, reducing interest expense for premiums, and increasing it for discounts.

Bonds outstanding as of June 30, 2023, consisted of the following (amounts in thousands):

Type of Bond and Issue Date	Original Amount	Maturity Dates Through Fiscal Year	Interest Rate	2023 Balance
GO 2013 Series A	$ 172,660	2034	2.0-5.0%	$ 94,950
GO 2013 Refunding Series A	51,250	2024	2.0-5.0%	8,890
GO 2014 Series A	109,050	2034	2.0-5.0%	59,960
GO 2014 Refunding Series A	92,940	2025	2.0-5.0%	3,980
GO 2015 Series A	220,165	2035	1.0-5.0%	132,095
GO 2015 Refunding Series A	34,625	2026	4.0-5.0%	10,275
GO 2016 Series A	261,510	2036	3.0-5.0%	169,975
GO 2016 Refunding Series A	80,425	2027	4.0-5.0%	14,900
GO 2017 Series A	311,200	2037	2.5-5.0%	217,840
GO 2018 Series A	276,075	2038	3.0-5.0%	207,055
GO 2019 Series A	174,785	2038	3.0-5.0%	139,825
GO 2019 Refunding Series A	64,680	2028	5.0%	38,950
GO 2020 Series A	160,230	2041	3.0-5.0%	144,200
GO 2020 Refunding Series A	119,085	2031	1.5-5.0%	89,655
GO 2022 Series A	227,185	2042	3.0-5.0%	215,825
Total General Obligation Bonds	2,355,865			1,548,375
SFR 2018 Series A	141,725	2048	3.0-5.25%	131,090
SFR 2022 Refunding Series A	52,515	2030	5.0%	52,515
Total Student Fee Revenue Bonds	194,240			183,605
Total Bonds	$ 2,550,105			$ 1,731,980

Bond obligations are scheduled to mature in the following fiscal years as of June 30 (amounts in thousands):

	General Obligation Bonds			Student Fee Revenue Bonds		
Year(s)	Principal	Interest	Total	Principal	Interest	Total
2024	$ 130,455	$ 74,113	$ 204,568	$ 9,205	$ 8,828	$ 18,033
2025	125,255	67,687	192,942	9,665	8,371	18,036
2026	121,395	61,579	182,974	10,140	7,890	18,030
2027	117,675	55,535	173,210	10,675	7,370	18,045
2028	113,795	49,724	163,519	11,215	6,823	18,038
2029-2033	514,510	168,670	683,180	36,485	27,022	63,507
2034-2038	347,100	60,045	407,145	24,745	20,993	45,738
2039-2043	78,190	8,091	86,281	31,245	14,492	45,737
2044-2048	-	-	-	40,230	5,492	45,722
Total	$ 1,548,375	$ 545,444	$ 2,093,819	$ 183,605	$ 107,281	$ 290,886

Other debt obligations of the University include financed purchase agreements and the American Athletic Conference (AAC) exit fee liability. Financed purchase agreements consist of the Cogeneration Facility and equipment installment loans. The University's Cogeneration Facility is financed by a 20-year purchase agreement that was entered into in December 2003. The Cogeneration Facility provides on-site generation of electricity, steam, and chilled water for heating and cooling at the University's Storrs campus. The project to establish the facility initially assumed a total cost of $75.0 million and included the construction of a building and the engineering, design, and installation of certain equipment. The purchase agreement was later amended in August 2005 when the anticipated cost increased to $81.9 million. The required monthly debt service payments also decreased due to subsequent amendments to $462,000 and are payable through December 2025.

The AAC exit fee liability represents the remaining balance owed to the conference after the University's withdrawal in fiscal year 2020. On June 30, 2020, the AAC exit fee balance was $7.8 million payable annually in six equal installments of $1.3 million, commencing on July 1, 2021. The University records the AAC exit fee liability at a discounted value using an imputed interest rate of 2.2 percent. The amount reported as of June 30, 2023, was shown net of imputed interest of $272,000. The University has the discretion to pay the remainder of the exit fee in full at any time.

Other debt obligations outstanding as of June 30, 2023, consisted of the following (amounts in thousands):

Type of Debt and Issue Date	Original Amount	Maturity Dates Through Fiscal Year	Interest Rate	2023 Balance
Financed purchase agreements				
Cogeneration Facility	$ 81,900	2026	2.22%	$ 13,454
Installment loans	267	2027	3.23%	165
American Athletic Conference exit fee	7,194	2027	2.20%	4,900
Total Other Debt	$ 89,361			$ 18,519

Other debt obligations are scheduled to mature in the following fiscal years as of June 30 (amounts in thousands):

	Long-Term Debt - Other		
Year(s)	Principal	Interest	Total
2024	$ 6,525	$ 361	$ 6,886
2025	6,678	213	6,891
2026	4,046	74	4,120
2027	1,270	28	1,298
Total	$ 18,519	$ 676	$ 19,195

NOTE 7. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Right-to-use assets, net, are recorded as a component of capital assets, net, on the Statement of Net Position (see Note 4). A summary of right-to-use asset activity by major classes of underlying assets as of June 30, 2023, is shown below (amounts in thousands):

	(Restated) Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023
Right-to-Use Assets				
Lease assets				
Buildings	$ 141,236	$ 12	$ (2,075)	$ 139,173
Equipment	4,726	28	(15)	4,739
Subscription assets	9,098	3,251	-	12,349
Total Right-to-Use Assets	155,060	3,291	(2,090)	156,261
Less Accumulated Amortization				
Lease assets				
Buildings	6,732	6,430	(477)	12,685
Equipment	356	365	(15)	706
Subscription assets	-	4,309	-	4,309
Total Accumulated Amortization	7,088	11,104	(492)	17,700
Total Right-to-Use Assets, Net	$ 147,972	$ (7,813)	$ (1,598)	$ 138,561

A summary of changes in the related liabilities during the year ended June 30, 2023, was as follows (amounts in thousands):

	(Restated) Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Current Portion
Lease liabilities	$ 141,388	$ 40	$ (5,695)	$ 135,733	$ 4,202
Subscription liabilities	9,098	3,191	(4,724)	7,565	4,369
Total Lease and Subscription Liabilities	$ 150,486	$ 3,231	$ (10,419)	$ 143,298	$ 8,571

The related lease and subscription liabilities are scheduled to mature in the following fiscal years as of June 30 (amounts in thousands):

	Lease Liabilities			Subscription Liabilities		
Year(s)	Principal	Interest	Total	Principal	Interest	Total
2024	$ 4,202	$ 3,763	$ 7,965	$ 4,369	$ 289	$ 4,658
2025	4,168	3,555	7,723	2,122	125	2,247
2026	4,334	3,418	7,752	788	43	831
2027	4,374	3,334	7,708	286	11	297
2028	3,629	3,250	6,879	-	-	-
2029-2033	12,808	15,266	28,074	-	-	-
2034-2038	11,383	13,686	25,069	-	-	-
2039-2043	11,222	12,145	23,367	-	-	-
2044-2048	14,834	10,301	25,135	-	-	-
2049-2053	18,301	7,983	26,284	-	-	-
2054-2058	23,362	5,024	28,386	-	-	-
2059-2063	23,116	1,407	24,523	-	-	-
Total	$ 135,733	$ 83,132	$ 218,865	$ 7,565	$ 468	$ 8,033

For lessor arrangements, the University recognized lease and interest income of $243,000 for the fiscal year ended June 30, 2023.

NOTE 8. OTHER LONG-TERM LIABILITIES

Long-term liability activity other than debt and lease and subscription liabilities for the year ended June 30, 2023, was as follows (amounts in thousands):

	(Restated) Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Current Portion
Compensated absences	$ 38,435	$ 9,465	$ (5,340)	$ 42,560	$ 24,192
Federal refundable loans	5,059	156	(1,114)	4,101	848
Net pension liabilities	1,406,296	171,546	(542,228)	1,035,614	-
Net OPEB liability	1,709,176	93,203	(419,094)	1,383,285	-
Other liabilities					
Barnes & Noble agreement	2,702	-	(537)	2,165	537
Asset retirement obligation	144	-	-	144	-
Total Other Long-Term Liabilities	$ 3,161,812	$ 274,370	$ (968,313)	$ 2,467,869	$ 25,577

The federal refundable loans include the liability for the Federal Perkins Loan Program that expired September 30, 2017. No new disbursements were permitted under the program after June 30, 2018. As part of the closeout of the Federal Perkins Loan Program, the University opted to continue to service outstanding loans, assign defaulted loans, and return the federal portion of the program's total cash on hand as required by the U.S. Department of Education.

In June 2016, the University contracted with Barnes & Noble Booksellers, Inc. (Barnes & Noble) to manage the University's bookstore facilities for 10 years. As part of the agreement, Barnes & Noble made an execution payment of $1.5 million and provided the University with a $3.9 million capital investment to improve and furnish the bookstore facilities (Facility Investment). The University recorded liabilities associated with these amounts, which are amortized and recognized as revenue using the straight-line method over a 10-year period as specified in the agreement. If the University terminates the agreement before the end of the contract term, Barnes & Noble will be reimbursed for the unamortized execution payment and the net book value of the Facility Investment.

An ARO in the amount of $144,000 is recorded in other long-term liabilities relating to the University's 90-day storage facility for hazardous waste. The closure of these facilities is subject to State regulations as defined by the Connecticut Department of Energy and Environmental Protection. In fiscal year 2015, the University paid $144,000 to close its former 90-day storage facility. The University considers this a reasonable estimate to close the new facility, which has a 40-year useful life beginning January 1, 2017.

The University has an ARO relating to the closure of its Wastewater Treatment Facility that is not yet recognized because it cannot be reasonably estimated.

NOTE 9. RETIREMENT PLANS

State Retirement Systems

The University sponsors two defined benefit plans administered through the State: the State Employees Retirement System (SERS) and the Connecticut Teachers' Retirement System (TRS). SERS and TRS do not issue stand-alone financial reports but are reported as fiduciary funds within the State's Annual Comprehensive Financial Report (ACFR). Financial reports are available on the website of the Office of the State Comptroller at www.osc.ct.gov.

Plan descriptions. SERS is a single-employer defined benefit plan that covers substantially all of the State's full-time employees who are not eligible for another State-sponsored retirement plan. Approximately 58 percent of the University's eligible employees participate in SERS, which is administered by the State Comptroller's Retirement Division under the direction of the State Employees Retirement Commission. SERS consists of Tier I, Tier II, Tier IIA, Tier III, Tier IV, and the Hybrid Plan.

TRS is a cost-sharing multiple-employer defined benefit plan covering any teacher, principal, superintendent, or supervisor engaged in service of public schools in the State. Employees previously qualified for TRS continue coverage during employment with the University and do not participate in any other offered retirement plans. TRS is governed by Chapter 167a of the State General Statutes, as amended through the current session of the State legislature and is administered by the Teachers' Retirement Board.

Benefits provided. SERS provides retirement, disability, and death benefits along with cost-of-living adjustments (COLAs) to plan members and their beneficiaries. Generally, the monthly pension benefit is calculated following a basic formula that takes into consideration average salary, credited service, and age at retirement. The details on plan benefits for the Tier IV Plan, revised COLAs for plan members retiring on or after July 1, 2022, and revised disability retirement requirements are described in the State Employees' Bargaining Agent Coalition (SEBAC) 2017 agreement. Further details on plan benefits, COLAs, and other plan provisions are described in Sections 5-152 to 5-192x of the State General Statutes.

TRS also provides retirement, disability, and death benefits along with annual COLAs to plan members and their beneficiaries. Generally, monthly plan benefits are based on a formula in combination with the member's age, service, and the average of the highest 3 years of paid salaries. Members are 100 percent vested after 10 or more years of credited service. Further information on TRS plan benefits, COLAs, and other plan provisions are described in Sections 10-183b to 10-183ss of the State General Statutes.

Contributions. SERS contribution requirements are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. The State is required to contribute at an actuarially determined rate. Employee contribution rates* for the fiscal year ended June 30, 2023, were as follows:

Tier I Hazardous – 6 percent of earnings up to Social Security Taxable Wage Base plus 7 percent of earnings above that level

Tier I Plan B – 4 percent of earnings up to Social Security Taxable Base plus 7 percent of earnings above that level

Tier I Plan C – 7 percent of earnings

Tier II Hazardous – 6 percent of earnings

Tier II (all others) – 2 percent of earnings

Tier IIA and III Hazardous – 7 percent of earnings

Tier IIA and III (all others) – 4 percent of earnings

Tier IV Hazardous – 8 percent of earnings

Tier IV (all others) – 5 percent of earnings

*Contributions may vary for anyone electing to maintain retirement eligibility.

In accordance with the SEBAC 2017 agreement, in years where asset losses require further increases in contributions, Tier IV employees' contributions may increase by half the necessary increase in rates (up to 2 percent). Finally, all Tier IV employees must contribute 1 percent to the defined contribution component of the Hybrid Plan and may elect additional contributions of up to 3 percent of salary. The State is required to contribute at an actuarially determined rate to the defined benefit component and 1 percent of eligible compensation to the defined contribution component.

Individuals hired on or after July 1, 2011, who were otherwise eligible for the State Alternate Retirement Plan, were eligible to become members of the Hybrid Plan in addition to their existing choices. The Hybrid Plan has defined benefits identical to Tiers II, IIA, and III, but requires employee contributions 3 percent higher than the contribution required from the applicable Tier II, IIA, or III Plan.

TRS contribution requirements are also established and may be amended by the State legislature. Plan members are required to contribute 7 percent of their annual salary. Employer contributions are funded by the State on behalf of the participating municipal employers, which is considered to be a special funding situation. However, this special funding situation does not apply to the University, an agency of the State, because there is not a separate non-employer contributing entity.

During fiscal year 2023, the University contributed to both plans on behalf of its employees by applying fringe benefit rates assessed by the State to eligible salaries and wages in each participant category. The rates of actual University contributions as a percentage of covered payroll during fiscal year 2023 were 46.6 percent and 38.0 percent for SERS and TRS, respectively. These amounts are expected to finance the costs of benefits earned by employees during the year and any unfunded accrued liability. The University's contributions for fiscal year 2023 were $121.5 million and $421,000 for SERS and TRS, respectively.

Proportionate share of the collective net pension liability (NPL) and pension expense. The total pension liability (TPL) used to calculate the NPL was determined based on the annual actuarial funding valuation reports as of June 30, 2022, for SERS and TRS.

The University's proportion of the collective NPL was based on the University's share of contributions relative to total contributions made to the respective pension plans. Based on this calculation, the University's proportion was 4.66 percent and 0.04 percent for SERS and TRS, respectively, at the measurement date of June 30, 2022. SERS decreased by 1.92 of a percentage point from its proportion measured as of June 30, 2021, and TRS decreased by less than 0.01 of a percentage point from the same measurement date.

The University's proportionate share of the collective NPL at June 30, 2023, and related pension expense for fiscal year 2023 consisted of the following (amounts in thousands):

	SERS	**TRS**	**Total**
Proportionate share of the collective NPL	$1,028,762	$ 6,852	$1,035,614
Pension expense	$ (7,764)	$ 571	$ (7,193)

Subsequent to the June 30, 2022 measurement date, new legislation was passed changing the University's State funding structure with regard to employer contributions (see Note 14). These changes are expected to affect the University's proportionate share of the collective net pension liabilities, deferred inflows and deferred outflows of resources, and related pension expenses in subsequent reporting periods. The effects of these changes are still being evaluated as of the reporting date.

Deferred Outflows and Deferred Inflows of Resources Related to Pensions. At June 30, 2023, the University reported deferred outflows and deferred inflows of resources related to pensions from the following sources (amounts in thousands):

	SERS	TRS	Total
Deferred Outflows of Resources			
Changes in assumptions	$ -	$ 749	$ 749
Changes in proportion and differences between University contributions and proportionate share of contributions	117,314	321	117,635
University contributions subsequent to the measurement date	121,464	421	121,885
Net differences between projected and actual earnings on pension plan investments	46,068	497	46,565
Difference between expected and actual experience	109,617	249	109,866
Total Deferred Outflows	$394,463	$ 2,237	$396,700
Deferred Inflows of Resources			
Changes in assumptions	$ 1,406	$ -	$ 1,406
Changes in proportion and differences between University contributions and proportionate share of contributions	329,970	466	330,436
Difference between expected and actual experience	-	92	92
Total Deferred Inflows	$331,376	$ 558	$331,934

The $121.9 million in deferred outflows relating to University contributions made subsequent to the measurement date will be recognized as a reduction of the NPL in the reporting year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expenses as follows (amounts in thousands):

Fiscal Year	SERS	TRS	Total
2024	$ 25,539	$ 401	$ 25,940
2025	(1,081)	400	(681)
2026	(38,876)	213	(38,663)
2027	(34,338)	287	(34,051)
2028	(9,621)	(33)	(9,654)
Thereafter	-	(10)	(10)
Total	$ (58,377)	$ 1,258	$ (57,119)

Actuarial assumptions. The TPL was determined based on the actuarial experience studies for the period July 1, 2015 – June 30, 2020, for SERS and the period July 1, 2014 – June 30, 2019, for TRS, using the following key actuarial assumptions:

	SERS	TRS
Inflation	2.50%	2.50%
Salary increases, including inflation	3.00% – 11.50%	3.00% – 6.50%
Investment rate of return, net of pension plan investment expense, including inflation	6.90%	6.90%

For SERS, the Pub-2010 Mortality Tables projected generationally with scale MP-2020:

Non-Hazardous

- Service Retirees: General, above-median, healthy retiree
- Disabled Retirees: General, disabled retiree
- Beneficiaries: General, above-median contingent annuitant
- Active Employees: General, above-median, employee

Hazardous

- Service Retirees: Public safety, above-median, healthy retiree
- Disabled Retirees: Public safety, disabled retiree
- Beneficiaries: Public safety, above-median contingent annuitant
- Active Employees: Public safety, above-median, employee

TRS mortality rates were based on the PubT-2010 Healthy Retiree Table (adjusted 105 percent for males and 103 percent for females ages 82 and above), projected generationally with MP-2019 for the period after service retirement. The PubT-2010 Disabled Retiree Table projected generationally with MP-2019 was used for the period after disability retirement. The PubT-2010 Contingent Survivor Table projected generationally with MP-2019 and set forward 1 year for both males and females was used for survivors and beneficiaries. The PubT-2010 Employee Table projected generationally with MP-2019 was used for active members.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of the June 30, 2022 measurement date are summarized in the following table for SERS and TRS:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.0%	5.4%
Developed market intl. stock fund	11.0%	6.4%
Emerging market intl. stock fund	9.0%	8.6%
Core fixed income fund	13.0%	0.8%
Emerging market debt fund	5.0%	3.8%
High yield bond fund	3.0%	3.4%
Real estate fund	19.0%	5.2%
Private equity	10.0%	9.4%
Private credit	5.0%	6.5%
Alternative investments	3.0%	3.1%
Liquidity fund	2.0%	-0.4%
Total	100.0%	

Discount rate. The discount rate used to measure the TPL was 6.9 percent for SERS and TRS. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made equal to the difference between the projected actuarially determined contribution and member contributions. Based on those assumptions, the SERS and TRS pension plans' fiduciary net position were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity analysis. The following table presents the University's proportionate share of the collective NPL calculated using the discount rate of 6.9 percent for SERS and TRS. The table also shows what the University's proportionate share of the collective NPL would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate (amounts in thousands).

	1% Decrease	Current Discount	1% Increase
SERS	$ 1,255,358	$ 1,028,762	$ 839,905
TRS	$ 8,746	$ 6,852	$ 5,279

Pension plan fiduciary net position. Detailed information about the fiduciary net position of the SERS and TRS pension plans is available in the State's ACFR for the fiscal year ended June 30, 2022.

Alternate Retirement Plan

The University also sponsors the State Alternate Retirement Plan (ARP), a defined contribution plan administered through a third-party administrator. The Connecticut State Employees Retirement Commission has the authority to supervise and control the operation of the plan including the authority to make and amend rules and regulations relating to the administration of the plan.

All unclassified employees not already in a pension plan of a constituent unit of the State system of higher education or the central office staff of the Department of Higher Education are eligible to participate in ARP. Effective in fiscal year 2022, the University's eligible postdoctoral research associates may also participate in ARP.

ARP contribution requirements are established and may be amended by the State legislature subject to the contractual rights established by collective bargaining. The SEBAC 2017 agreement amended certain provisions for ARP by revising employee and employer contribution rates. Participants hired before September 1, 2017, must contribute 5 percent of their eligible compensation, and their employer must contribute 7 percent of eligible compensation. Participants hired on or after September 1, 2017, have the option to contribute 6.5 percent or 5 percent of their eligible compensation and their employer must contribute 6.5 percent of eligible compensation. There is no minimum vesting period for ARP. Other ARP provisions are described in Chapter 66 of the State General Statutes, *State Employees Retirement Act*.

During fiscal year 2023, the University contributed to the plan on behalf of its employees by applying fringe benefit rates assessed by the State to eligible salaries and wages of each ARP participant. The University's ARP pension expense for fiscal year 2023 was $17.9 million. At June 30, 2023, the University recorded a payable due to State of $2.0 million in the accompanying Statement of Net Position for the outstanding amount of ARP contributions required for the fiscal year ended June 30, 2023.

Department of Dining Services

The University's Department of Dining Services (DDS) employs 437 full-time staff, of which 58 participate in either SERS or ARP. The remaining 379 are eligible to participate in two other defined contribution plans: the University of Connecticut Department of Dining Services Money Purchase Pension Plan (MPPP) or the University of Connecticut Department of Dining Services 403(b) Retirement Plan (403(b) Retirement Plan). Both plans are administered through a third-party administrator, Pension Consultants, Inc. The fiduciary of the plans has the authority to supervise and control the operation of the plans including the authority to make and amend rules and regulations relating to the administration of the plans.

Under the provisions of MPPP, all employees of DDS with at least 700 hours of service and 12 months of service are eligible to participate. DDS is required to contribute 10 percent or 7 percent of covered compensation for eligible employees, dependent upon hire date, and its employees do not make any contributions to MPPP. Employees are vested after three years of credited service. Any amounts forfeited are used to reduce DDS's contribution. Upon separation of service in accordance with plan provisions, a participant or designated beneficiary can withdraw a lump sum payment or receive annuity payments. Other plan provisions can be found in the MPPP document.

Under the provisions of the 403(b) Retirement Plan, all employees who perform services for DDS as common law employees are eligible to participate. For any participant employed who has at least 700 hours of service, DDS is required to match 50 percent of the first 4 percent of the employee's contributions. Participant and State matches are both 100 percent vested. Upon separation of service in accordance with plan provisions, a participant or designated beneficiary can withdraw a lump sum payment or receive annuity payments. Other plan provisions can be found in the 403(b) Retirement Plan document.

For the fiscal year ended June 30, 2023, pension expense was $852,000, net of forfeitures of $13,000, for MPPP, and $124,000 for the 403(b) Retirement Plan. At June 30, 2023, the University recorded payables for outstanding contributions of $406,000 and $52,000, for MPPP and the 403(b) Retirement Plan, respectively, as part of other current liabilities in the accompanying Statement of Net Position. Furthermore, the assets and activities of the MPPP are included in the accompanying Fiduciary Statements.

NOTE 10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The State provides OPEB benefits to University employees through the State Employee OPEB Plan (SEOPEBP). SEOPEBP does not issue stand-alone financial reports but is reported as a fiduciary fund within the State's ACFR. Financial reports are available on the website of the Office of the State Comptroller.

Plan description. SEOPEBP is a single-employer defined benefit OPEB plan that covers employees of the State who are receiving benefits from a qualifying State-sponsored retirement system. This plan is administered by the State Comptroller's Healthcare Policy and Benefits Division under the direction of the State Employees Retirement Commission.

Benefits provided. SEOPEBP provides healthcare benefits to eligible retirees and their spouses as well as life insurance benefits to employees when they retire. The

State may pay up to 100 percent of the healthcare insurance premium cost for eligible retirees. In addition, the State pays 100 percent of the premium cost for a portion of the employees' life insurance continued after retirement. The amount of life insurance continued at no cost to the retiree is determined by a formula based on the number of years of State service that the retiree had at the time of retirement. Employees hired prior to July 1, 2011, are vested for retiree health benefits upon completion of 10 years of actual state service. Employees hired on or after July 1, 2011, are vested for retiree health benefits upon completion of 15 years of actual state service. If employees should resign from service prior to reaching the age for early or normal retirement eligibility, the employee would be able to receive the retiree health benefits according to the Rule of 75 (age + service = 75). Plan benefits and other plan provisions are described in sections 5-257 and 5-259 of the State General Statutes. Further information regarding plan changes affecting employees retiring on or after October 2, 2017, is described in the SEBAC 2017 agreement.

Contributions. SEOPEBP is primarily funded on a pay-as-you-go basis. The contribution requirements of the plan members and the State are established and may be amended by the State legislature, or by agreement between the State and employee unions, upon approval by the State legislature. Current active employees contribute a percentage of their salary to the Retiree Health Care Trust Fund (RHCF) for pre-funding of OPEB benefits. Employees hired prior to July 1, 2017, contribute 3 percent of their salary for a period of 10 years or until retirement, whichever is sooner. In accordance with the SEBAC 2017 agreement, employees hired on or after July 1, 2017, contribute 3 percent of their salary for 15 years. Contributions are refundable to employees who leave State employment prior to completing the required years of service.

Similar to pension, during fiscal year 2023, the University contributed to SEOPEBP on behalf of its employees by applying fringe benefit rates assessed by the State to eligible salaries and wages for participants in each retirement plan. This amount is expected to finance retiree healthcare service costs and fund the matching employer portion that is equal to the amount contributed by employees to the RHCF each year beginning on July 1, 2017. The University's rate of actual contributions as a percentage of covered payroll was 15.0 percent and the total amount contributed to the plan was $72.8 million for the fiscal year ended June 30, 2023.

Proportionate share of the collective net OPEB liability (NOL) and OPEB expense. The total OPEB liability (TOL) used to calculate the NOL was determined based on an actuarial valuation report as of June 30, 2021, and rolled forward to the measurement date of June 30, 2022. The TOL measured since the prior measurement date of June 30, 2021, reflects changes in actuarial assumptions due to an increase in the discount rate.

The University's proportion of the collective NOL was based on the University's share of contributions relative to total contributions made to SEOPEBP. Based on this calculation, the University's proportion was 8.93 percent as of the measurement date of June 30, 2022, which was an increase of 0.18 of a percentage point from its proportion measured as of June 30, 2021.

The University's proportionate share of the collective NOL at June 30, 2023, and related OPEB expense for fiscal year 2023 are shown below (amounts in thousands):

	SEOPEBP
Proportionate share of the collective NOL	$ 1,383,285
OPEB expense	$ 71,152

Subsequent to the June 30, 2022 measurement date, new legislation was passed changing the University's State funding structure with regard to employer contributions (see Note 14). These changes are expected to affect the University's proportionate share of the collective net OPEB liabilities, deferred inflows and deferred outflows of resources, and related OPEB expenses in subsequent reporting periods. The effects of these changes are still being evaluated as of the reporting date.

At June 30, 2023, the University reported deferred outflows and deferred inflows of resources related to OPEB from the following sources (amounts in thousands):

	SEOPEBP
Deferred Outflows of Resources	
University contributions subsequent to the measurement date	$ 72,843
Changes in assumptions	155,780
Changes in proportion	96,841
Net differences between projected and actual earnings on OPEB plan investments	12,887
Difference between expected and actual experience	21,277
Total Deferred Outflows	$ 359,628
Deferred Inflows of Resources	
Changes in assumptions	$ 595,937
Changes in proportion	28,977
Difference between expected and actual experience	42,573
Total Deferred Inflows	$ 667,487

The $72.8 million in deferred outflows for contributions made subsequent to the measurement date will be included as a reduction of the NOL in the reporting year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in the University's OPEB expense as follows (amounts in thousands):

Fiscal Year	SEOPEBP
2024	$ (29,890)
2025	(105,399)
2026	(150,929)
2027	(82,410)
2028	(12,074)
Total	$ (380,702)

Actuarial assumptions. The TOL was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	SEOPEBP
Inflation	2.50%
Payroll growth rate	3.00%
Salary increases	3.00% – 11.50%
Discount rate	3.9% as of June 30, 2022
Healthcare cost trend rates	
Medical and prescription drug	6.00% graded to 4.50% over 6 years
Dental	3.00%
Part B	4.50%
Administrative expense	3.00%

Demographic assumptions used to determine TOL are the same as those used in the most recent actuarial pension valuations and experience studies included in Note 9 disclosures for defined benefit pension plans.

The same long-term expected rate of return of 6.9 percent used in the SERS pension valuation was also used in the SEOPEBP valuation. See Note 9, under SERS, for the target allocation and projected arithmetic real return for each major asset class used in the derivation of the long-term expected investment rate of return.

Discount rate. The discount rate changed from 2.31 percent as of June 30, 2021, to 3.90 percent as of June 30, 2022. The projection of cash flows used in calculating the discount rate included employer contributions actuarially determined in accordance with GASB 75 and employee contributions made in accordance with the current SEBAC agreements. The discount rate used is a blend of the long-term expected rate of return on OPEB trust assets and the municipal bond rate. The municipal bond rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rate of AA/Aa or higher (3.54 percent as of June 30, 2022). The blending is based on sufficiency of projected assets to make projected benefits.

Sensitivity analysis. The following presents the University's proportionate share of the collective NOL and what it would be using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate (amounts in thousands):

	Sensitivity of Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
SEOPEBP	$ 1,617,323	$ 1,383,285	$ 1,193,983

Also shown is the University's proportionate share of the collective NOL and what it would be using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates (amounts in thousands):

	Sensitivity of Healthcare Cost Trends		
	1% Decrease	Current Trend Rates	1% Increase
SEOPEBP	$ 1,167,699	$ 1,383,285	$ 1,656,953

OPEB plan fiduciary net position. Detailed information about SEOPEBP's fiduciary net position is available in the State's annual financial report for the fiscal year ended June 30, 2022.

NOTE 11. DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows and deferred inflows of resources consisted of the following as of June 30, 2023 (amounts in thousands):

	2023
Deferred Outflows of Resources	
Accumulated losses on debt refundings	$ 271
Amounts related to net pension liabilities	396,700
Amounts related to net OPEB liability	359,628
Amounts related to ARO	121
Total Deferred Outflows of Resources	$ 756,720
Deferred Inflows of Resources	
Amounts related to lease receivables	$ 1,587
Accumulated gains on debt refundings	19,381
Amounts related to net pension liabilities	331,934
Amounts related to net OPEB liability	667,487
Total Deferred Inflows of Resources	$ 1,020,389

NOTE 12. COMMITMENTS

The University had outstanding commitments, in excess of $500,000 each, of $192.2 million as of June 30, 2023. This amount included $180.4 million related to capital projects for the University and $11.8 million in outstanding commitments related to operating expenses. See Note 7 for amounts related to leases and SBITAs.

NOTE 13. TUITION WAIVERS AND GRADUATE ASSISTANTSHIPS

The University is required by law to waive tuition for certain veterans and children of veterans, certain students over the age of 62, graduate assistants, and certain other students. The University is also required by collective bargaining agreements to waive tuition for certain employees and their dependents. The University has included the portion of waived tuition related to employees and their dependents as a fringe benefit cost and the same amount as tuition revenue in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. This increased tuition and fee revenues and operating expenses by $6.5 million for the fiscal year ended June 30, 2023. The total amount of waivers not reflected in the accompanying financial statements was $69.7 million in fiscal year 2023. Approximately 95 percent of this amount was provided to graduate assistants.

NOTE 14. RELATED PARTY TRANSACTIONS

Transactions with related parties occur in the normal course of the University's operations. The following related party transactions were deemed significant and material in nature:

UConn Health

The University directly engages in transactions with UConn Health. For the fiscal year ended June 30, 2023, the University recorded $18.8 million in revenues from UConn Health related to services specified in the annual UConn Health MOUs (see Note 1). The University also received amounts from UConn Health related to grants and contracts, sales and services of educational departments and auxiliary enterprises, and other miscellaneous goods and services. For the year ended June 30, 2023, the University reported a receivable from UConn Health of $15.9 million.

Other sources of operating revenues related to the UConn Health MOUs as of June 30, 2023, contained the following (amounts in thousands):

	2023
University safety	$ 11,697
Library services	1,514
Technology commercialization services	1,039
Communications (marketing)	1,032
Audit, compliance, privacy	1,013
Information technology	597
Ombudsman and institutional equity	519
Document production	484
Government relations and other	340
Diversity and inclusion	280
Human resources	244
Revenue from Affiliate	$ 18,759

The University is also responsible for the management of UCONN 2000 bond funds for UConn Health's construction projects. The unspent portion of these funds was recorded under due to affiliate in the accompanying Statement of Net Position (see Note 6).

The Foundation

The Foundation is a tax-exempt organization supporting the University and UConn Health (see Note 1). The University entered into a written agreement with the Foundation whereby the University agreed to provide financial support to the Foundation through a guaranteed contractual amount and the Foundation agreed to reimburse the University for certain operating expenses incurred on the Foundation's behalf. The terms of the agreement also stipulate that goals, objectives, and financial arrangements are reviewed and agreed upon by both parties on an annual basis.

The following transactions occurred between the University and the Foundation as of and for the year ended June 30, 2023 (amounts in thousands):

	2023
Total expenses incurred for guaranteed contractual services provided by the Foundation	$ 9,055
Reimbursements from the Foundation for operating expenses	$ 273
Capital and noncapital gift and grant revenue from the Foundation	$ 38,362
Amount receivable from the Foundation*	$ 16,582

**Included in accounts receivable, net, in the accompanying Statement of Net Position.*

The Foundation also has the primary responsibility for alumni engagement activities for the University. The University has granted the Foundation rights to use the Alumni Center building, which is owned by the University, at an annual rental amount of $1.

In accordance with the terms of a ground lease between the University and the Foundation, approximately 1.58 acres on which the Foundation building was constructed is leased to the Foundation at an annual rental amount of $1. The initial term of the ground lease is 99 years and the Foundation has the right to extend the term of the ground lease for another 99 years. The ground lease provides that, at its expiration or earlier termination, the Foundation shall surrender the premises and title to the building will be transferred to the University.

The State

The University receives funding from the State for debt service on capital projects via UCONN 2000 (see Note 6). In addition, the State supports the University's mission through State appropriation and the provision of payments for fringe benefits. State appropriation represents amounts appropriated to the University from the General Fund. Payments for fringe benefits are made by the State for reimbursements related to salaries expensed from the General Fund.

State appropriation and the provision of payments for fringe benefits for the year ended June 30, 2023, consisted of the following (amounts in thousands):

	2023
General Fund appropriation received from the State	$ 254,604
Payments for fringe benefits received from the State	220,355
Decrease of General Fund payroll receivable	(54,454)
Total Appropriation and Payments for Fringe Benefits from the State	$ 420,505

In June 2023, the General Assembly enacted and the Governor signed PA 23-204, which includes the State budget for the fiscal years 2024 and 2025 biennium and amendments to the State's funding structure for constituent units of the state system of higher education. Under the new legislation, beginning in fiscal year 2024, the State will fund all the University's employee retirement costs related to the State's retirement systems and the Alternate Retirement Plan. The University will be responsible for funding all employee non-retirement fringe benefit costs. To achieve a budget-neutral effect, the State will (1) reduce the General Fund appropriation to the University, and (2) no longer associate employee salary and fringe benefit expenses with the General Fund appropriation.

In fiscal year 2023, the University received funding of $38.2 million through the State's American Rescue Plan Act (ARPA) allocation, which was designated as temporary operating support. The allocated amount was recognized as federal and state financial aid under nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2023, and recorded as a grant receivable in the accompanying Statement of Net Position as of June 30, 2023.

UConn Innovation Fund, LLC

On April 14, 2016, the University entered into an agreement with Connecticut Innovations, Inc. and Webster Bank, N.A. to create an investment fund for the purpose of making investments in early-stage technology companies affiliated with the University. The original agreement required each member to contribute $500,000 to the fund during the commitment period that extended to April 2018. In fiscal year 2019, all parties contributed an additional $250,000, per an amendment to the agreement. As of June 30, 2023, the University's contribution totaled $750,000.

Mansfield Downtown Partnership, Inc.

The Mansfield Downtown Partnership, Inc. (MDP) is a not-for-profit corporation that is exempt from taxation under section 501(c)(3) of the Internal Revenue Code and is composed of the Town of Mansfield, the University, and individual business members and residents. MDP is responsible for organizing the enhancement and revitalization of three of the Town of Mansfield's commercial areas: Downtown Storrs, King Hill Road, and Four Corners. In accordance with its governing by-laws, members are required to submit annual dues, as determined by the Board of Directors, in lieu of financial support. In fiscal year 2023, the University paid $160,000 in annual membership dues to MDP.

NOTE 15. OPERATING EXPENSES BY FUNCTIONAL CLASSIFICATION

The table below details the University's operating expenses by functional classification for the year ended June 30, 2023 (amounts in thousands):

	Salaries and Wages	Fringe Benefits	Supplies and Other Expenses	Utilities	Depreciation and Amortization	Scholarships and Fellowships	Total
Instruction	$ 300,164	$ 104,310	$ 37,290	$ 13	$ -	$ 148	$ 441,925
Research	66,541	16,039	38,457	2	-	886	121,925
Public service	28,280	10,319	12,087	-	-	296	50,982
Academic support	79,885	31,859	44,154	-	-	118	156,016
Student services	27,082	11,277	9,746	4	-	16	48,125
Institutional support	44,865	16,876	19,353	-	-	1	81,095
Operations and maintenance	33,228	6,172	55,070	19,758	-	-	114,228
Depreciation and amortization	-	-	-	-	139,628	-	139,628
Scholarships and fellowships	46	15	442	-	-	32,286	32,789
Auxiliary enterprises	105,163	50,832	77,585	7,775	-	194	241,549
Total	$ 685,254	$ 247,699	$ 294,184	$ 27,552	$ 139,628	$ 33,945	$ 1,428,262

NOTE 16. CONTINGENCIES

The University is a party to various legal actions arising in the ordinary course of its operations. Although it is not feasible to predict the ultimate outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material effect on the University's financial statements.

Hazardous environmental conditions in excess of the U.S. Environmental Protection Agency thresholds were identified in certain properties abutting the former Stamford parking garage. Additionally, certain regulated materials were identified in a building undergoing renovation on the Storrs campus. As of June 30, 2023, a liability in the amount of $11.0 million was recorded under current liabilities in the accompanying Statement of Net Position to complete these remediation efforts.

The University also participates in federal, state, and local government programs that are subject to final audit by the granting agencies. Management believes any adjustment of costs resulting from such audits would not have a material effect on the University's financial statements.

NOTE 17. ACCOUNTING CHANGES

Change in Accounting Principle

For fiscal year 2023, the University adopted accounting pronouncements GASB 94 and GASB 96, resulting in changes in accounting principles (see Note 1). The effects of these changes are as follows:

GASB 94

GASB 94, which addresses the accounting and financial reporting of PPPs, superseded GASB Statement No. 60 (GASB 60), *Accounting and Financial Reporting for Service Concession Arrangements*. As part of adopting GASB 94, the University adjusted beginning balances related to the agreement with Barnes & Noble, which was previously reported as a service concession arrangement under GASB 60. Under GASB 94, there are no amounts reportable for the Barnes & Noble agreement. However, the execution payment and the Facility Investment stated in the Barnes & Noble agreement remain liabilities of the University. Therefore, the University recorded beginning balance adjustments in fiscal year 2023 to reduce balances previously reported under GASB 60 and to record liabilities for the unamortized execution payment and the net book value of the Facility Investment (see Note 8).

GASB 96

For the adoption of GASB 96, the University recorded adjustments to beginning balances for right-to-use subscription assets and corresponding subscription liabilities of $9.1 million each. These amounts were reflected as of July 1, 2022, and calculated in accordance with GASB 96 using facts and circumstances that existed at that date.

Prior to adopting GASB 96, the University reported subscription assets and liabilities as intangible assets and long-term software commitments within capital assets and long-term debt and bonds payable on the Statement of Net Position. As part of adopting GASB 96, the University reduced beginning balances for intangible assets, the related accumulated amortization, the corresponding liabilities in long-term debt, and related accrued interest within other current liabilities.

Adjustments to and Restatements of Beginning Balances

Adjustments to and restatements of beginning balances that resulted from changes in accounting principles during fiscal year 2023 were as follows (amounts in thousands):

	(Previously Reported) June 30, 2022	GASB 94	GASB 96	Subtotal	(Restated) July 1, 2022
Capital Assets, Net					
Capital assets	$ 4,484,509	$ -	$ (4,564)	$ (4,564)	$ 4,479,945
Accumulated depreciation	(1,898,268)	-	5,504	5,504	(1,892,764)
Total Capital Assets, Net	$ 2,586,241	$ -	$ 940	$ 940	$ 2,587,181
Long-Term Debt and Bonds Payable					
Current portion	$ 175,581	$ -	$ (3,942)	$ (3,942)	$ 171,639
Noncurrent	2,000,893	-	(3,800)	(3,800)	1,997,093
Total Long-Term Debt, Net	$ 2,176,474	$ -	$ (7,742)	$ (7,742)	$ 2,168,732
Lease and Subscription Liabilities					
Current portion	$ 3,873	$ -	$ 3,762	$ 3,762	$ 7,635
Noncurrent	137,515	-	5,336	5,336	142,851
Total Lease and Subscription Liabilities	$ 141,388	$ -	$ 9,098	$ 9,098	$ 150,486
Other Liabilities – Current (1)	$ 35,770	$ (126)	$ (252)	$ (378)	$ 35,392
Other Liabilities – Noncurrent (2)	$ 1,960	$ 349	$ -	$ 349	$ 2,309
Deferred Inflows of Resources (3)	$ 583,985	$ (3,423)	$ -	$ (3,423)	$ 580,562
Net Position					
Net investment in capital assets	$ 877,499	$ (518)	$ (416)	$ (934)	$ 876,565
Restricted nonexpendable	16,187				16,187
Restricted expendable	1,209,100				1,209,100
Unrestricted	(2,603,004)	3,718	252	3,970	(2,599,034)
Total Net Position	$ (500,218)	$ 3,200	$ (164)	$ 3,036	$ (497,182)

(1) GASB 94 adjustment of $(126) related to the Barnes & Noble agreement. GASB 96 adjustment of $(252) related to accrued interest previously recorded under long-term software commitments.

(2) GASB 94 adjustment amount related to the Barnes & Noble agreement.

(3) GASB 94 adjustment amount related to service concession arrangements.

NOTE 18. SUBSEQUENT EVENTS

Bond Issuances

In November 2023, the University issued General Obligation 2023 Series A Bonds of $224.5 million for UCONN 2000 capital projects and General Obligation 2023 Refunding Series A Bonds of $133.5 million. The par amount together with the original issue premium of the General Obligation 2023 Refunding Series A Bonds currently refunded $86.3 million of the General Obligation 2013 Series A Bonds and $54.5 million of the General Obligation 2014 Series A Bonds, providing debt service savings. The General Obligation 2023 Series A Bonds and the General Obligation 2023 Refunding Series A Bonds mature in fiscal years 2044 and 2034, respectively, and bear an interest rate of 5.0%.

In addition, the University issued Special Obligation Student Fee Revenue 2023 Series A Bonds of $97.1 million to fund the construction of the new South Campus Residence Hall. These bonds mature in fiscal year 2054 and bear interest rates ranging from 5.0% to 5.5%. The bond sales closed on November 21, 2023.

Required Supplementary Information
State Employees Retirement System (SERS)

Schedule of University's Proportionate Share of the Collective Net Pension Liability (NPL)
($ in thousands)

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	4.66%	6.58%	6.39%	5.98%	5.05%	4.78%	4.91%	4.88%	4.51%
Proportionate share of the collective NPL	$ 1,028,762	$ 1,400,123	$ 1,514,874	$ 1,364,546	$ 1,095,530	$ 1,007,992	$ 1,126,394	$ 805,629	$ 722,009
University's covered payroll	$ 286,088	$ 271,584	$ 265,921	$ 227,836	$ 198,089	$ 195,810	$ 200,845	$ 189,903	$ 165,841
Proportionate share of the collective NPL as a percentage of covered payroll	359.60%	515.54%	569.67%	598.92%	553.05%	514.78%	560.83%	424.23%	435.36%
Plan fiduciary net position as a percentage of the total pension liability	45.76%	44.55%	35.84%	36.79%	36.62%	36.25%	31.69%	39.23%	39.54%

Schedule of University Pension Contributions
($ in thousands)

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 121,464	$ 132,911	$ 117,659	$ 103,218	$ 94,410	$ 72,898	$ 73,781	$ 73,668	$ 66,875
Actual University contributions	121,464	132,911	117,659	103,218	94,410	72,898	73,781	73,668	66,875
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 260,746	$ 286,088	$ 271,584	$ 265,921	$ 227,836	$ 198,089	$ 195,810	$ 200,845	$ 189,903
Actual University contributions as a percentage of covered payroll	46.58%	46.46%	43.32%	38.82%	41.44%	36.80%	37.68%	36.68%	35.22%

Notes to Required Schedules:

These schedules are presented as required by accounting principles generally accepted in the United States of America; however, until a full 10-year trend is compiled, information is presented for those years available.

Changes of Benefit Terms

2018 – The SEBAC 2017 agreement included changes to benefit terms for existing SERS plans by revising certain factors including employee contribution rates and annual cost-of-living adjustments for members retiring after July 1, 2022. The agreement also implemented a new Tier IV Hybrid Plan.

Changes in Assumptions

2022 – Wage inflation assumed rate changed from 3.50 percent to 3.00 percent; assumed salary scale changed to reflect experience in wage inflation rates of increase; assumed rates of mortality have been revised to the Pub-2010 above median mortality tables (amount-weighted) projected generationally with MP-2020 improvement scale; assumed rates of withdrawal, disability, and retirement have been adjusted to reflect experience more closely.

Required Supplementary Information
Teachers' Retirement System (TRS)

Schedule of University's Proportionate Share of the Collective Net Pension Liability (NPL)
($ in thousands)

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the collective NPL	0.04%	0.04%	0.04%	0.04%	0.04%	0.03%	0.03%	0.04%	0.04%
Proportionate share of the collective NPL	$ 6,852	$ 6,173	$ 7,789	$ 6,159	$ 4,748	$ 4,717	$ 4,976	$ 4,430	$ 4,090
University's covered payroll	$ 1,389	$ 1,326	$ 1,334	$ 1,148	$ 1,196	$ 1,364	$ 1,372	$ 1,214	$ 1,191
Proportionate share of the collective NPL as a percentage of covered payroll	493.30%	465.54%	583.88%	536.50%	397.07%	345.82%	362.68%	364.91%	343.41%
Plan fiduciary net position as a percentage of the total pension liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Schedule of University Pension Contributions
($ in thousands)

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required employer contribution	$ 421	$ 617	$ 455	$ 419	$ 452	$ 304	$ 135	$ 426	$ 425
Actual University contributions	421	617	455	419	452	304	135	426	425
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 1,107	$ 1,389	$ 1,326	$ 1,334	$ 1,148	$ 1,196	$ 1,364	$ 1,372	$ 1,214
Actual University contributions as a percentage of covered payroll	38.03%	44.42%	34.31%	31.41%	39.37%	25.42%	9.90%	31.05%	35.01%

Notes to Required Schedules:

These schedules are presented as required by accounting principles generally accepted in the United States of America; however, until a full 10-year trend is compiled, information is presented for those years available.

Changes of Benefit Terms

2023 – Legislation was passed restoring the 25 percent wear down of Plan N benefits to vested members as of June 30, 2019.
2020 – Beginning July 1, 2019, annual interest credited on mandatory contributions set at 4 percent; for members retiring on or after July 1, 2019 with a partial refund option election (Plan N), if 50 percent of the benefits paid prior to death do not exceed the Member's mandatory contributions plus interest frozen at the date of the benefit commencement, the difference is paid to the Member's beneficiary.
2019 – Beginning January 1, 2018, TRS member contributions increased from 6 percent to 7 percent of salary.

Changes in Assumptions

2021 – Decrease in the annual rate of real wage increase assumption from 0.75 percent to 0.50 percent; decrease in the payroll growth assumption from 3.25 percent to 3.00 percent.
2021, 2017 – Amounts reported reflect adjustments to rates of withdrawal, disability, retirement, mortality and assumed rates of salary to more closely reflect actual and anticipated experience.
2020 – Reduction in the inflation assumption from 2.75 percent to 2.50 percent; decrease in the investment rate of return assumption from 8.0 percent to 6.9 percent; increase in the annual rate of wage increase assumption from 0.50 percent to 0.75 percent; phase in to a level dollar amortization method for the June 30, 2024 valuation.

Required Supplementary Information
State Employee Other Post-Employment Benefits (OPEB) Plan

Schedule of University's Proportionate Share of the Collective Net OPEB Liability (NOL)
($ in thousands)

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018
Proportion of the collective NOL	8.93%	8.75%	8.87%	9.05%	7.49%	7.39%
Proportionate share of the collective NOL	$ 1,383,285	$ 1,709,176	$ 2,087,164	$ 1,871,032	$ 1,293,696	$ 1,283,941
University's covered payroll	$ 529,689	$ 492,277	$ 473,100	$ 446,237	$ 448,931	$ 435,196
Proportionate share of the collective NOL as a percentage of covered payroll	261.15%	347.20%	441.17%	419.29%	288.17%	295.03%
Plan fiduciary net position as a percentage of the total OPEB liability	12.63%	10.12%	6.13%	5.47%	4.69%	3.03%

Schedule of University OPEB Contributions
($ in thousands)

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018
Contractually required employer contribution	$ 72,843	$ 75,681	$ 75,979	$ 76,889	$ 68,115	$ 60,089
Actual University contributions	72,843	75,681	75,979	76,889	68,115	60,089
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
University's covered payroll	$ 486,426	$ 529,689	$ 492,277	$ 473,100	$ 446,237	$ 448,931
Actual University contributions as a percentage of covered payroll	14.98%	14.29%	15.43%	16.25%	15.26%	13.38%

Notes to Required Schedules:

These schedules are presented as required by accounting principles generally accepted in the United States of America; however, until a full 10-year trend is compiled, information is presented for those years available.

Changes in Assumptions

The discount rate was updated in accordance with GASB 75 to 3.90 percent, 2.31 percent, 2.38 percent, 3.58 percent, 3.95 percent, and 3.68 percent for the fiscal reporting years 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

2022 – The demographic assumptions (mortality, disability, retirement, withdrawal and salary scale), were updated to be consistent with the corresponding retirement system assumptions. In addition, per capita health costs, administrative costs, and retiree contributions were updated for recent experience. Healthcare cost trend rates and retiree contribution rates were also adjusted.

2021 – The trends for Medicare-eligible retiree costs were updated to reflect final negotiated changes in Medicare Advantage rates for calendar year 2022.

2020, 2018 – The salary scale and mortality rates for certain retirement plans and eligible groups were updated to be consistent with the corresponding retirement system assumptions. In addition, demographic assumptions, per capita health costs, administrative costs, and contributions were updated to better reflect actual experience. Healthcare cost trend rates and retiree contribution rates were also adjusted.

STATISTICAL SECTION

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SCHEDULE OF REVENUES BY SOURCE

Last Ten Fiscal Years

($ in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Student tuition and fees, net of scholarship allowances	$ 461,624	$ 427,959	$ 397,237	$ 422,519	$ 396,780	$ 386,921	$ 367,351	$ 341,809	$ 308,174	$ 279,577
Federal grants and contracts	168,035	148,970	147,547	125,936	121,593	106,561	100,397	104,725	93,807	95,187
State and local grants and contracts	24,646	17,871	16,364	19,944	17,959	19,441	16,931	21,200	20,823	20,170
Nongovernmental grants and contracts	20,052	23,871	20,012	21,042	23,577	18,386	28,005	19,490	20,535	14,619
Sales and services of educational departments	17,423	22,687	25,355	15,688	22,710	23,708	20,325	20,543	21,028	19,280
Sales and services of auxiliary enterprises, net of scholarship allowances	195,672	171,753	73,577	169,016	211,036	210,990	209,851	210,455	201,066	195,525
Other sources	32,351	30,745	26,943	31,960	29,750	14,009	11,909	10,758	12,263	10,168
Total Operating Revenues	919,803	843,856	707,035	806,105	823,405	780,016	754,769	728,980	677,696	634,526
State appropriation	420,505	459,788	397,910	376,866	356,898	342,987	374,113	384,747	350,699	308,069
State debt service commitment for interest	78,623	75,947	74,170	78,963	77,333	70,740	64,757	53,092	46,635	42,091
Federal and state financial aid	93,249	134,741	115,892	64,549	42,222	37,986	34,800	38,968	35,684	32,647
Gifts	44,393	33,502	24,715	21,790	28,185	19,732	23,628	25,380	23,828	21,703
Investment income	14,066	1,742	794	7,881	11,957	6,059	2,996	1,448	889	799
Other nonoperating revenues, net	1,950	-	2,594	207	745	-	-	-	-	-
Total Nonoperating Revenues	652,786	705,720	616,075	550,256	517,340	477,504	500,294	503,635	457,735	405,309
	$ 1,572,589	**$ 1,549,576**	**$ 1,323,110**	**$ 1,356,361**	**$ 1,340,745**	**$ 1,257,520**	**$ 1,255,063**	**$ 1,232,615**	**$ 1,135,431**	**$ 1,039,835**

(% of total revenues)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Student tuition and fees, net of scholarship allowances	29.4%	27.6%	30.0%	31.1%	29.6%	30.8%	29.3%	27.7%	27.1%	26.9%
Federal grants and contracts	10.7%	9.6%	11.2%	9.3%	9.1%	8.5%	8.0%	8.5%	8.3%	9.2%
State and local grants and contracts	1.6%	1.2%	1.2%	1.5%	1.3%	1.5%	1.3%	1.6%	1.8%	1.9%
Nongovernmental grants and contracts	1.3%	1.5%	1.5%	1.6%	1.8%	1.4%	2.2%	1.6%	1.8%	1.4%
Sales and services of educational departments	1.1%	1.5%	1.9%	1.2%	1.7%	1.9%	1.6%	1.7%	1.9%	1.9%
Sales and services of auxiliary enterprises, net of scholarship allowances	12.4%	11.1%	5.6%	12.4%	15.7%	16.8%	16.7%	17.1%	17.7%	18.8%
Other sources	2.1%	2.0%	2.0%	2.4%	2.2%	1.1%	0.9%	0.9%	1.1%	1.0%
Total Operating Revenues	58.6%	54.5%	53.4%	59.5%	61.4%	62.0%	60.0%	59.1%	59.7%	61.1%
State appropriation	26.7%	29.7%	30.1%	27.8%	26.6%	27.3%	29.9%	31.2%	30.9%	29.6%
State debt service commitment for interest	5.0%	4.9%	5.6%	5.8%	5.8%	5.6%	5.2%	4.3%	4.1%	4.0%
Federal and state financial aid	5.9%	8.6%	8.7%	4.7%	3.1%	3.0%	2.8%	3.2%	3.1%	3.1%
Gifts	2.8%	2.2%	1.9%	1.6%	2.1%	1.6%	1.9%	2.1%	2.1%	2.1%
Investment income	0.9%	0.1%	0.1%	0.6%	0.9%	0.5%	0.2%	0.1%	0.1%	0.1%
Other nonoperating revenues, net	0.1%	0.0%	0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Total Nonoperating Revenues	41.4%	45.5%	46.6%	40.5%	38.6%	38.0%	40.0%	40.9%	40.3%	38.9%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Federal and state financial aid prior to fiscal year 2018 were reclassified from operating to nonoperating categories in order to provide comparison among years.

SCHEDULE OF EXPENSES BY NATURAL CLASSIFICATION

Last Ten Fiscal Years

($ in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Salaries and wages	$ 685,254	$ 674,458	$ 617,225	$ 602,873	$ 569,872	$ 569,359	$ 556,411	$ 557,497	$ 542,082	$ 521,076
Fringe benefits	247,699	515,739	685,126	597,737	417,689	338,545	349,328	287,553	271,164	237,715
Supplies and other expenses	294,184	248,545	226,404	257,977	279,602	264,456	245,357	245,871	217,413	211,654
Utilities	27,552	22,475	17,295	20,167	21,063	19,655	19,039	19,737	23,212	20,963
Depreciation and amortization	139,628	135,566	122,695	117,870	119,346	108,185	104,807	98,767	95,990	95,377
Scholarships and fellowships	33,945	50,948	28,866	23,367	11,409	8,870	11,791	12,437	10,713	10,953
Total Operating Expenses	1,428,262	1,647,731	1,697,611	1,619,991	1,418,981	1,309,070	1,286,733	1,221,862	1,160,574	1,097,738
Interest expense	69,286	68,338	66,114	71,102	70,460	64,672	59,129	51,333	46,420	45,955
Disposal of capital assets, net	3,263	2,346	3	1,912	2,345	1,524	1,418	8,486	473	1,043
Other nonoperating expenses, net	-	5,230	-	-	-	2,475	1,776	3,893	1,540	1,873
Total Nonoperating Expenses	72,549	75,914	66,117	73,014	72,805	68,671	62,323	63,712	48,433	48,871
	$ 1,500,811	**$ 1,723,645**	**$ 1,763,728**	**$ 1,693,005**	**$ 1,491,786**	**$ 1,377,741**	**$ 1,349,056**	**$ 1,285,574**	**$ 1,209,007**	**$ 1,146,609**

(% of total expenses)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Salaries and wages	45.7%	39.1%	35.0%	35.6%	38.2%	41.3%	41.2%	43.3%	44.8%	45.4%
Fringe benefits	16.5%	29.9%	38.8%	35.3%	28.0%	24.6%	25.9%	22.4%	22.5%	20.7%
Supplies and other expenses	19.6%	14.4%	12.9%	15.2%	18.7%	19.2%	18.2%	19.1%	18.1%	18.5%
Utilities	1.8%	1.3%	1.0%	1.2%	1.4%	1.4%	1.4%	1.5%	1.9%	1.8%
Depreciation and amortization	9.3%	7.9%	7.0%	7.0%	8.0%	7.9%	7.8%	7.7%	7.9%	8.3%
Scholarships and fellowships	2.3%	3.0%	1.6%	1.4%	0.8%	0.6%	0.9%	1.0%	0.9%	1.0%
Total Operating Expenses	95.2%	95.6%	96.3%	95.7%	95.1%	95.0%	95.4%	95.0%	96.1%	95.7%
Interest expense	4.6%	4.0%	3.7%	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%	4.0%
Disposal of capital assets, net	0.2%	0.1%	0.0%	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%	0.1%
Other nonoperating expenses, net	0.0%	0.3%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%	0.2%
Total Nonoperating Expenses	4.8%	4.4%	3.7%	4.3%	4.9%	5.0%	4.6%	5.0%	3.9%	4.3%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SCHEDULE OF EXPENSES BY FUNCTION

Last Ten Fiscal Years

($ in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	$ 441,925	$ 532,976	$ 568,509	$ 518,689	$ 438,702	$ 419,691	$ 419,251	$ 390,364	$ 382,256	$ 353,251
Research	121,925	122,049	116,706	102,859	97,258	88,469	80,953	80,070	73,596	79,484
Public service	50,982	58,663	65,942	66,985	56,081	49,417	53,116	53,903	48,884	41,919
Academic support	156,016	185,523	213,169	204,759	170,050	147,264	138,912	139,643	131,914	125,557
Student services	48,125	60,091	63,114	62,243	49,730	44,856	40,087	38,916	36,955	36,787
Institutional support	81,095	100,243	108,742	106,092	90,086	75,357	74,226	66,580	57,330	54,484
Operations and maintenance of plant	114,228	147,428	186,963	178,009	151,589	138,184	137,259	122,034	114,889	105,148
Depreciation and amortization	139,628	135,566	122,695	117,870	119,346	108,185	104,807	98,767	95,990	95,377
Scholarships and fellowships	32,789	50,548	28,454	23,449	10,979	8,232	10,306	9,748	9,127	8,796
Auxiliary enterprises	241,549	254,644	223,317	239,036	235,160	229,415	227,816	221,837	209,633	196,935
Interest expense	69,286	68,338	66,114	71,102	70,460	64,672	59,129	51,333	46,420	45,955
Disposal of capital assets, net	3,263	2,346	3	1,912	2,345	1,524	1,418	8,486	473	1,043
Other nonoperating expenses, net	-	5,230	-	-	-	2,475	1,776	3,893	1,540	1,873
	$ 1,500,811	**$ 1,723,645**	**$ 1,763,728**	**$ 1,693,005**	**$ 1,491,786**	**$ 1,377,741**	**$ 1,349,056**	**$ 1,285,574**	**$ 1,209,007**	**$ 1,146,609**

(% of total expenses)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	29.5%	30.9%	32.2%	30.5%	29.4%	30.5%	31.1%	30.3%	31.7%	30.7%
Research	8.1%	7.1%	6.6%	6.1%	6.5%	6.4%	6.0%	6.2%	6.1%	6.9%
Public service	3.4%	3.4%	3.7%	4.0%	3.8%	3.6%	3.9%	4.2%	4.0%	3.7%
Academic support	10.4%	10.8%	12.1%	12.1%	11.4%	10.7%	10.2%	10.8%	10.9%	10.9%
Student services	3.2%	3.5%	3.6%	3.7%	3.3%	3.3%	3.0%	3.0%	3.1%	3.2%
Institutional support	5.4%	5.8%	6.2%	6.3%	6.0%	5.5%	5.5%	5.2%	4.7%	4.8%
Operations and maintenance of plant	7.6%	8.5%	10.6%	10.5%	10.2%	10.0%	10.2%	9.5%	9.5%	9.2%
Depreciation and amortization	9.3%	7.9%	7.0%	7.0%	8.0%	7.8%	7.8%	7.7%	7.9%	8.3%
Scholarships and fellowships	2.2%	2.9%	1.6%	1.4%	0.7%	0.6%	0.8%	0.8%	0.8%	0.8%
Auxiliary enterprises	16.1%	14.8%	12.7%	14.1%	15.8%	16.6%	16.9%	17.3%	17.4%	17.2%
Interest expense	4.6%	4.0%	3.7%	4.2%	4.7%	4.7%	4.4%	4.0%	3.8%	4.0%
Disposal of capital assets, net	0.2%	0.1%	0.0%	0.1%	0.2%	0.1%	0.1%	0.7%	0.0%	0.1%
Other nonoperating expenses, net	0.0%	0.3%	0.0%	0.0%	0.0%	0.2%	0.1%	0.3%	0.1%	0.2%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

SCHEDULE OF NET POSITION AND CHANGES IN NET POSITION

Last Ten Fiscal Years

($ in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total revenues	$ 1,572,589	$ 1,549,576	$ 1,323,110	$ 1,356,361	$ 1,340,745	$ 1,257,520	$ 1,255,063	$ 1,232,615	$ 1,135,431	$ 1,039,835
Total expenses	1,500,811	1,723,645	1,763,728	1,693,005	1,491,786	1,377,741	1,349,056	1,285,574	1,209,007	1,146,609
Income (Loss) Before Other Changes in Net Position	71,778	(174,069)	(440,618)	(336,644)	(151,041)	(120,221)	(93,993)	(52,959)	(73,576)	(106,774)
State debt service commitment for principal	-	214,185	140,295	-	154,405	187,269	281,576	103,400	56,430	80,346
Capital allocation	-	-	-	-	-	-	-	-	131,500	(20)
Capital grants and gifts	3,608	1,976	11,640	2,276	3,907	5,099	1,388	5,071	25,412	21,643
Additions to permanent endowments	9	1,996	164	171	171	338	1,149	14	66	743
Athletic conference fee	-	-	(3,500)	(16,436)	-	-	-	-	-	-
Transfer to affiliate	-	(228)	(2,000)	-	-	-	-	-	-	-
Total Changes in Net Position	75,395	43,860	(294,019)	(350,633)	7,442	72,485	190,120	55,526	139,832	(4,062)
Net position, beginning	(500,218)	(545,792)	(251,773)	98,860	80,228	1,243,245	1,053,125	997,599	1,435,360	1,439,422
Cumulative effect of accounting changes and error corrections	3,036 (1)	1,714 (2)	-	-	11,190 (3)	(1,235,502) (4)	-	-	(577,593) (5)	-
Net Position, Ending	**$ (421,787)**	**$ (500,218)**	**$ (545,792)**	**$ (251,773)**	**$ 98,860**	**$ 80,228**	**$ 1,243,245**	**$ 1,053,125**	**$ 997,599**	**$ 1,435,360**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net investment in capital assets	$ 925,881	$ 877,499	$ 842,048 (6)	$ 804,723 (6)	$ 752,961 (6)	$ 773,104 (6)	$ 682,891 (6)	$ 612,618 (6)	$ 591,992 (6)	$ 574,166 (6)
Restricted nonexpendable	16,219	16,187	14,164	15,132	15,005	15,044	14,483	12,593	13,091	13,546
Restricted expendable										
Research, instruction, scholarships and other	30,552	22,316	25,824	16,582	21,716	32,273	34,058	24,455	19,334	15,465
Loans	1,794	1,822	1,981	2,180	2,608	2,566	2,543	2,520	2,533	2,482
Capital projects	2,788	5,622	5,399 (6)	10,434 (6)	17,506 (6)	22,852 (6)	58,816 (6)	111,062 (6)	150,742 (6)	28,914 (6)
Debt service	1,087,353	1,179,340	1,051,763 (6)	997,489 (6)	1,087,975 (6)	1,020,814 (6)	915,179 (6)	705,947 (6)	672,772 (6)	688,142 (6)
Unrestricted	(2,486,374)	(2,603,004)	(2,486,971)	(2,098,313) (6)	(1,798,911)	(1,786,425)	(464,725) (6)	(416,070) (6)	(452,865) (6)	112,645 (6)
Total Net Position	**$ (421,787)**	**$ (500,218)**	**$ (545,792)**	**$ (251,773)**	**$ 98,860**	**$ 80,228**	**$ 1,243,245**	**$ 1,053,125**	**$ 997,599**	**$ 1,435,360**

(1) Implementation of GASB 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements and GASB 96, Subscription-Based Information Technology Arrangements

(2) Implementation of GASB 87, Leases

(3) Correction of an error related to compensated absences

(4) Implementation of GASB 75, Accounting and Financial Reporting for Postretirement Benefits Other Than Pensions

(5) Implementation of GASB 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27

(6) Balances have been restated due to the net position reclassifications of the State debt service commitment for principal receivable and debt related to UConn Health projects and unspent bond proceeds.

SCHEDULE OF LONG-TERM DEBT

Last Ten Fiscal Years

($ in thousands, except for outstanding debt per student)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General obligation bonds	$ 1,548,375	$ 1,683,350	$ 1,583,660	$ 1,568,905	$ 1,700,180	$ 1,661,785	$ 1,504,995	$ 1,303,870	$ 1,147,985	$ 1,023,985
Revenue bonds	183,605	194,905	200,915	206,655	233,445	240,980	105,955	112,410	118,625	124,615
Self-liquidating bonds	-	-	-	-	-	-	-	275	349	551
Lease and subscription liabilities (1)	143,298	141,388	66,634	72,749	78,515	84,199	42,818	47,229	51,398	55,437
Financed purchase agreements (2)	13,619	18,847	-	-	-	-	-	-	-	-
Long-term software commitments (3)	-	7,742	9,809	7,355	7,132	-	-	-	-	-
Installment loans and other	-	-	-	-	25	62	117	5,487	671	1,027
American Athletic Conference exit fee	4,900	6,059	7,194	7,194	-	-	-	-	-	-
	1,893,797	2,052,291	1,868,212	1,862,858	2,019,297	1,987,026	1,653,885	1,469,271	1,319,028	1,205,615
Premiums and discounts	239,330	265,571	251,536	223,648	244,077	229,155	201,858	172,757	134,213	107,074
Total Long-Term Debt, Net	$ 2,133,127	$ 2,317,862	$ 2,119,748	$ 2,086,506	$ 2,263,374	$ 2,216,181	$ 1,855,743	$ 1,642,028	$ 1,453,241	$ 1,312,689
Full-time equivalent students (4)	29,100	29,215	29,750	29,530	28,646	29,424	29,220	28,832	28,134	27,461
Outstanding debt per student (5)	$ 73,303	$ 79,338	$ 71,252	$ 70,657	$ 79,012	$ 75,319	$ 63,509	$ 56,952	$ 51,654	$ 47,802

(1) Starting in fiscal year 2022, the University began reporting leases under GASB 87. This amount also includes subscription liabilities reported under GASB 96 starting in fiscal year 2023.

(2) Upon the adoption of GASB 87 in fiscal year 2022, the Cogeneration Facility was reclassified to financed purchase agreements. This amount also includes installment loans starting in fiscal year 2022.

(3) Upon the adoption of GASB 96 in fiscal year 2023, long-term software commitments were reclassified to lease and subscription liabilities.

(4) Source: IPEDS (Integrated Postsecondary Education Data System) 12-month Instructional Activity surveys for fiscal years 2012 to 2022, including Storrs and Regional Campuses.

(5) Ratio excludes the State debt service commitment for the payment of the outstanding general obligation bonds on the University's behalf.

SCHEDULE OF DEBT COVERAGE - REVENUE BONDS

Last Ten Fiscal Years

($ in thousands)

	Gross Revenues (1)	Pledged Revenues (2)	Expenses (3)	Net Revenues Available	Total Gross and Net Revenues Available for Debt Service	Debt Service	Coverage Ratio
2023	$ 68,351	$ 181,377	$ (143,622)	$ 37,755	$ 106,106	$ (18,355)	5.78
2022	62,620	152,930	(96,422)	56,508	119,128	(15,760)	7.56
2021	48,831	65,041	(80,871)	(15,830)	33,001	(15,772)	2.09
2020	63,018	143,974	(113,267)	30,707	93,725	(37,542)	2.50
2019	53,672	178,576	(131,889)	46,687	100,359	(19,017)	5.28
2018	52,429	173,951	(131,743)	42,208	94,637	(12,432)	7.61
2017	51,486	172,444	(132,742)	39,702	91,188	(11,554)	7.89
2016	50,650	174,991	(134,492)	40,499	91,149	(11,557)	7.89
2015	50,506	168,047	(132,863)	35,184	85,690	(11,552)	7.42
2014	48,515	162,160	(125,014)	37,146	85,661	(11,548)	7.42

(1) Gross revenues include the Infrastructure Maintenance Fee, the General University Fee, the Student Health & Wellness Fee, the Student Recreational Center Fee, and investment income. Beginning in fiscal year 2019, gross revenues also includes the FIT (Facilities Investment Together) surcharge.

(2) Pledged revenues include the residential life room fee, student apartment rentals, the Greek housing fee, the board (dining) fee, and the parking and transportation fees.

(3) Expenses include the cost of maintaining, repairing, insuring, and operating the facilities for which the fees in (2) are imposed, before depreciation. Fiscal years 2020, 2021, and 2022 expenses have been reduced by federal Higher Education Emergency Relief Funds of $10.7 million, $21.3 million, and $28.4 million, respectively. These funds have been identified by the University to offset housing and dining revenue losses incurred during the pandemic.

ADMISSIONS AND ENROLLMENT
Last Ten Fiscal Years

FRESHMAN ADMISSIONS (STORRS ONLY)	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Applications	40,894	36,753	34,437	35,096	34,886	34,198	35,980	34,978	31,280	27,479
Offers of admission	22,293	20,433	19,316	17,346	17,015	16,360	17,560	18,598	15,629	14,745
Percent admitted	55%	56%	56%	49%	49%	48%	49%	53%	50%	54%
Enrolled	4,069	3,663	3,825	3,603	3,749	3,683	3,822	3,774	3,588	3,755
Yield (enrolled/offers)	18%	18%	20%	21%	22%	23%	22%	20%	23%	25%
Total average SAT	1,315	1,318	1,281	1,296	1,306	1,294	1,233	1,233	1,234	1,233

ENROLLMENT*	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
Non-Resident Alien										
Male	2,063	1,956	2,048	2,232	2,110	2,001	1,890	1,773	1,532	1,301
Female	1,564	1,525	1,711	1,990	1,917	1,847	1,665	1,462	1,277	1,077
Black or African American										
Male	974	1,002	1,023	984	944	885	874	813	756	722
Female	1,380	1,386	1,366	1,261	1,211	1,153	1,098	1,053	1,010	981
American Indian or Alaska Native										
Male	9	9	13	14	22	16	19	18	18	25
Female	21	14	18	16	25	27	25	28	27	29
Asian										
Male	1,698	1,627	1,581	1,512	1,500	1,497	1,475	1,372	1,315	1,213
Female	1,865	1,823	1,770	1,688	1,606	1,556	1,467	1,419	1,333	1,189
Hispanic/Latino										
Male	2,044	1,952	1,842	1,643	1,568	1,477	1,386	1,293	1,233	1,132
Female	2,772	2,705	2,588	2,202	2,014	1,800	1,616	1,468	1,393	1,315
Native Hawaiian or Other Pacific Islander										
Male	3	3	5	5	8	10	8	8	10	8
Female	7	7	8	11	11	13	12	13	13	16
Two or More Races										
Male	535	520	487	454	430	394	364	330	301	258
Female	656	595	596	508	476	464	442	412	408	381
White										
Male	7,507	7,826	8,224	8,520	8,821	9,089	9,518	9,809	9,916	10,183
Female	8,343	8,543	8,743	8,647	8,983	9,361	9,581	9,789	10,022	10,102
Total Head Count	31,441	31,493	32,023	31,687	31,646	31,590	31,440	31,060	30,564	29,932
Percent female	52.8%	52.7%	52.5%	51.5%	51.3%	51.3%	50.6%	50.4%	50.7%	50.4%
Percent minority	38.1%	37.0%	35.3%	32.5%	31.0%	29.4%	27.9%	26.5%	25.6%	24.3%
Percent non-resident alien	11.5%	11.1%	11.7%	13.3%	12.7%	12.2%	11.3%	10.4%	9.2%	7.9%

White includes other/unknown.

** Includes all undergraduate, graduate, and professional school enrollments at all campuses; excludes Schools of Dentistry and Medicine; includes full-time and part-time students, and degree and non-degree students.*
Source: University of Connecticut Office of Budget, Planning and Institutional Research

ACADEMIC YEAR TUITION AND MANDATORY FEES

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Undergraduate resident	$ 19,434	$ 18,524	$ 17,834	$ 17,226	$ 15,730	$ 14,880	$ 14,066	$ 13,366	$ 12,700	$ 12,022
Undergraduate non-resident	$ 42,102	$ 41,192	$ 40,502	$ 39,894	$ 38,098	$ 36,948	$ 35,858	$ 34,908	$ 32,880	$ 30,970
Graduate resident	$ 21,262	$ 20,325	$ 19,664	$ 19,056	$ 17,660	$ 16,810	$ 15,996	$ 15,296	$ 14,472	$ 13,662
Graduate non-resident	$ 43,174	$ 42,237	$ 41,576	$ 40,968	$ 39,272	$ 38,122	$ 37,032	$ 36,082	$ 33,944	$ 31,946

DEGREES CONFERRED

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Associate	24	24	33	26	16	21	30	24	20	21
Bachelor's	5,534	5,390	5,623	5,731	5,656	5,618	5,530	5,197	5,320	5,200
Post-baccalaureate	574	548	537	395	369	299	251	229	167	172
Master's	1,752	1,703	1,926	1,774	1,895	2,048	1,904	1,750	1,713	1,636
Sixth-year education	57	49	61	50	54	51	62	66	69	45
Ph.D.	407	352	368	382	418	384	411	379	372	342
J.D.	153	151	138	141	108	89	155	151	156	190
LL.M.	34	33	42	50	53	42	43	44	31	35
Pharm D.	76	82	77	74	92	98	101	99	95	97
Total	8,611	8,332	8,805	8,623	8,661	8,650	8,487	7,939	7,943	7,738

Includes May graduates of the current calendar year, and August and December graduates of the previous calendar year.
Source: University of Connecticut Office of Budget, Planning and Institutional Research

FACULTY AND STAFF
Fall Employment
Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FACULTY										
Full-time	1,584	1,616	1,597	1,537	1,540	1,545	1,518	1,489	1,517	1,485
Part-time	59	57	45	54	51	53	32	30	33	34
Total Faculty	1,643	1,673	1,642	1,591	1,591	1,598	1,550	1,519	1,550	1,519
Tenured	839	895	908	887	858	854	841	848	877	874
Percentage tenured	51%	53%	55%	56%	54%	53%	54%	56%	57%	58%
STAFF										
Full-time	3,290	3,323	3,310	3,297	3,228	3,109	3,198	3,115	3,080	3,063
Part-time	126	131	147	144	150	150	82	158	186	175
Total Staff	3,416	3,454	3,457	3,441	3,378	3,259	3,280	3,273	3,266	3,238
Total Faculty and Staff	5,059	5,127	5,099	5,032	4,969	4,857	4,830	4,792	4,816	4,757
Student to faculty ratio*	16 to 1	15 to 1	16 to 1	16 to 1	16 to 1	16 to 1	16 to 1	17 to 1	16 to 1	16 to 1
Full-time and part-time faculty										
Female	47%	45%	44%	43%	42%	41%	41%	41%	39%	39%
Minority	23%	24%	19%	20%	20%	21%	23%	23%	22%	22%
Full-time and part-time staff										
Female	57%	57%	58%	57%	57%	57%	57%	57%	58%	57%
Minority	17%	17%	13%	13%	14%	15%	17%	17%	17%	17%
Staff covered by collective bargaining agreements	92%	92%	92%	90%	90%	90%	90%	90%	91%	91%
Adjunct lecturers	768	757	705	749	732	709	690	679	708	696

**Full-time equivalent students to full-time instructional faculty, Storrs and regional campuses.*
Source: University of Connecticut Office of Budget, Planning and Institutional Research

SCHEDULE OF CAPITAL ASSET INFORMATION

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Academic Buildings											
Net assignable square feet (in thousands)	3,011	2,892	2,888	2,890	2,876	2,847	2,654	2,753	2,753	2,736	2,684
Number of buildings	146	145	157	158	160	170	168	171	171	171	171
Auxiliary and Independent Operations Buildings											
Net assignable square feet (in thousands)	4,504	4,060	4,069	3,937	3,638	3,859	3,753	3,277	3,336	3,279	3,279
Number of buildings	188	183	177	178	185	190	189	193	209	213	213
Administrative and Support Buildings											
Net assignable square feet (in thousands)	907	905	888	883	887	832	852	964	949	949	949
Number of buildings	81	80	80	81	83	83	88	97	96	96	96
Total Net Assignable Square Feet (in thousands)	8,422	7,857	7,845	7,710	7,401	7,538	7,259	6,994	7,038	6,964	6,912
Total Number of Buildings	415	408	414	417	428	443	445	461	476	480	480

Source: University of Connecticut Office of Cost Analysis and Office of University Planning, Design and Construction

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Residential halls*	102	100	100	102	101	100	101	115	115	116	117
Residential hall occupancy	11,655	11,184	4,911	12,580	12,712	12,597	12,699	12,723	12,711	12,668	12,469
Percentage of main campus undergraduates in campus housing	64%	57%	25%	65%	65%	66%	67%	70%	71%	72%	72%

**Residential halls include houses owned by the University and used for student housing. Beginning in 2018, residential halls and occupancy includes Stamford campus.*
Source: Office of Residential Life

DEMOGRAPHIC AND ECONOMIC STATISTICS

State of Connecticut

Last Ten Fiscal Years

	Personal Income as of June 30 (a)	Population at July 1 (a)	Per Capita Personal Income	Average Annual Unemployment Rate (b)
2023	314,865,500,000	3,632,752	86,674	3.9%
2022	307,116,000,000	3,614,683	84,963	5.1%
2021	290,146,700,000	3,544,930	81,848	8.5%
2020	290,641,600,000	3,561,513	81,606	5.1%
2019	284,136,600,000	3,570,160	79,587	3.8%
2018	265,636,709,000	3,588,236	74,030	4.5%
2017	251,389,254,000	3,568,714	70,443	4.8%
2016	252,249,206,000	3,586,640	70,330	5.5%
2015	240,602,679,000	3,591,282	66,996	6.1%
2014	232,600,172,000	3,596,922	64,666	7.1%

(a) Source: U.S. Department of Commerce
(b) Source: Connecticut Department of Labor

TOP TEN NONGOVERNMENTAL EMPLOYERS

State of Connecticut

Current Year and Ten Years Ago

NAME	2023 Employees in CT	2023 Percentage of Total CT Employment	2023 Rank	
Yale New Haven Health System	29,486	1.6%	1	
Hartford Healthcare	27,804	1.5%	2	
Raytheon Technologies	16,600	0.9%	3	(1)
Yale University	15,652	0.9%	4	
General Dynamics Electric Boat	13,049	0.7%	5	
CVS Health	9,724	0.5%	6	
Wal-Mart Stores Inc.	8,454	0.5%	7	
Sikorsky, a Lockheed Martin Co.	7,900	0.4%	8	
The Travelers Cos. Inc.	7,400	0.4%	9	
UnitedHealth Group, United Healthcare of New England	5,779	0.3%	10	
Total	141,848	7.7%		

	2014 Employees in CT	2014 Percentage of Total CT Employment	2014 Rank	
United Technologies Corp.	25,000	1.4%	1	
Yale New Haven Health System	18,869	1.1%	2	
Hartford Healthcare	18,597	1.1%	3	
Yale University	14,787	0.8%	4	
Wal-Mart Stores Inc.	9,289	0.5%	5	
General Dynamics Electric Boat	8,896	0.5%	6	
Foxwoods Resort Casino	7,600	0.4%	7	
The Travelers Cos. Inc.	7,400	0.4%	8	
Mohegan Sun	7,300	0.4%	9	(2)
The Hartford Financial Services Group Inc.	7,000	0.4%	10	
Total	124,738	7.0%		

Source: Hartford Business Journal

(1) Established in 2020 with the merger of Raytheon Co., based in Waltham, Mass., and Farmington's United Technologies Corp.

(2) Company did not provide full data in 2014 survey response. Data is from 2013.

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